



# Public Trust Board Meeting

Thursday 4<sup>th</sup> November 2021

Additional Papers







## REPORT TO TRUST BOARD

Date 04/11/2021

<b>Title</b>	Integrated Performance Report
<b>Sponsoring Director</b>	Name: Michael Woods Title: Interim Director of Operations and Strategy
<b>Author (s)</b>	Name: Mark Foy Title: Head of Information & Business Intelligence Name: Laura Abernethy Title Access & Performance Director
<b>Previously considered by:</b>	<ul style="list-style-type: none"> <li>Committee Quality Committee Business &amp; Performance Committee</li> </ul>
<b>Executive Summary</b>	
<p>This report provides assurance on all Integrated Performance Report measures aligned to the Business &amp; Performance and Quality Committee's. Performance is based on four aspects; performance in month, trend/variation, whether the target is within variation and external benchmarking.</p>	
<b>Related Trust Ambitions</b>	<ul style="list-style-type: none"> <li>Best Practice Care</li> <li>Be financially strong</li> <li>Be recognised as excellent in all we do</li> </ul>
<b>Risks associated with this paper</b>	Associated access and performance risks all contained in divisional and corporate risk registers.
<b>Related Assurance Framework entries</b>	Associated BAF entries: <ul style="list-style-type: none"> <li>001 Covid-19</li> <li>003 Performance Standards</li> <li>005 Quality</li> </ul>
<b>Equality Impact Assessment completed</b>	<ul style="list-style-type: none"> <li>No</li> </ul>
<b>Any associated legal implications / regulatory requirements?</b>	<ul style="list-style-type: none"> <li>No</li> </ul>
<b>Action required by the Board</b>	<ul style="list-style-type: none"> <li>To consider and note</li> </ul>





**The Walton Centre**  
NHS Foundation Trust



*Excellence in Neuroscience*

# Board KPI Report November 2021

Data for September 2021 unless indicated



# Explanation of SPC Charts and Assurance Icons

SPC charts are widely used in this report in order to provide increased assurance, insight and an indication of future performance. To maximise insight the charts will also include any targets and benchmarking where applicable.

All SPC charts will follow the below Key unless indicated



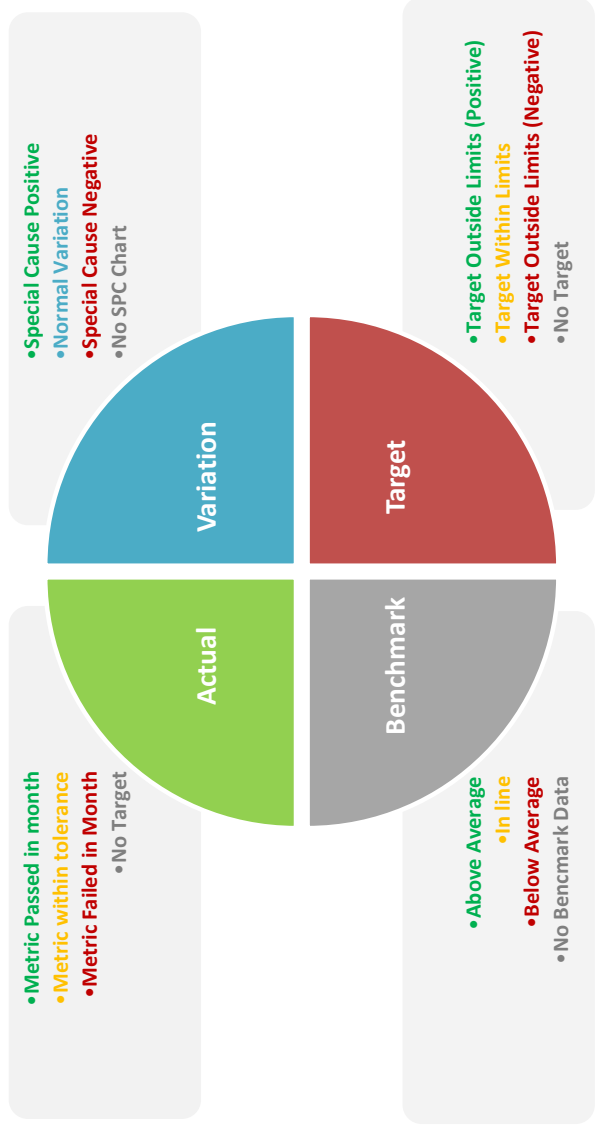
= Part of Single Oversight Framework



= Mandatory Key Performance Indicator

## Assurance Icons (Colour Key)

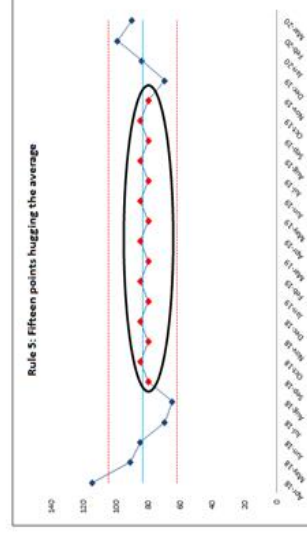
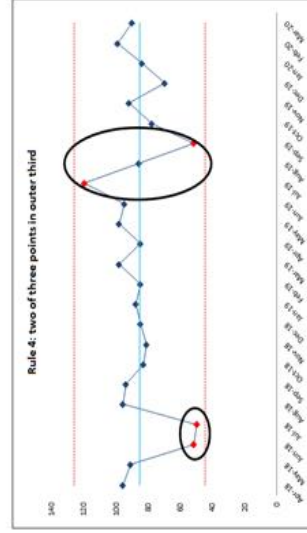
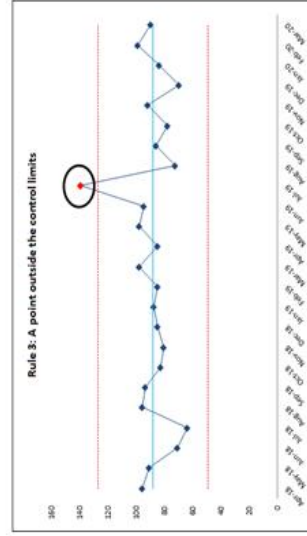
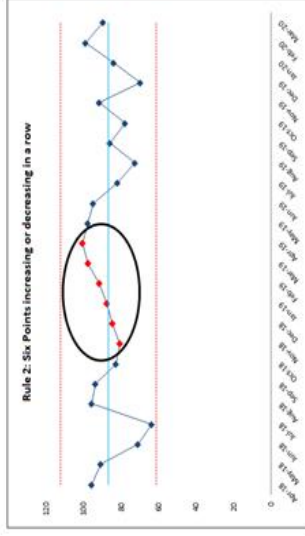
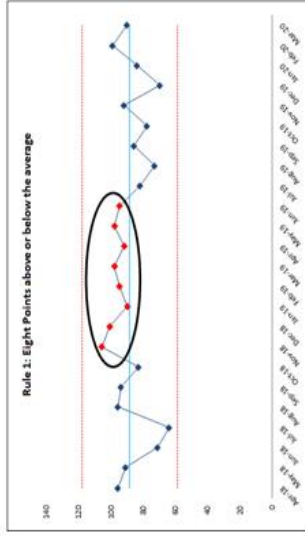
All metrics now have an Assurance Icon consisting of 4 components. These give assurance on; in month performance against target, whether any SPC variation rules have been triggered, whether the target is achievable, and how the organisation compares to benchmarked data.





## SPC Chart Rules

When using SPC Charts we are looking for unexpected variation. Variation occurs naturally in most systems, numbers fluctuate between typical points (control limits) the below rules are to assist in separating normal variation (expected performance) from special cause variation (unexpected performance).





**The Walton Centre**  
NHS Foundation Trust



*Excellence in Neuroscience*

# Operations & Performance Indicators



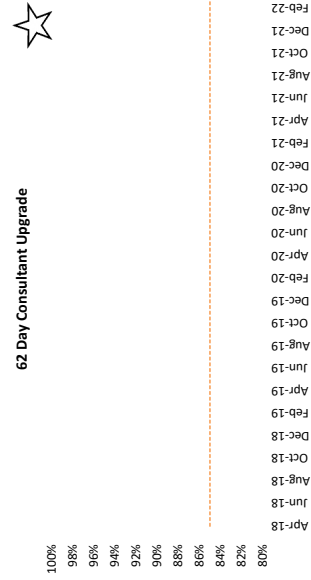
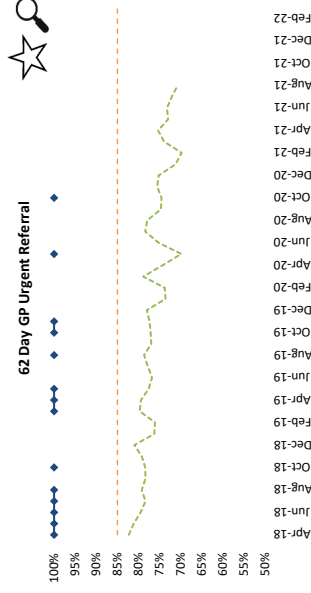
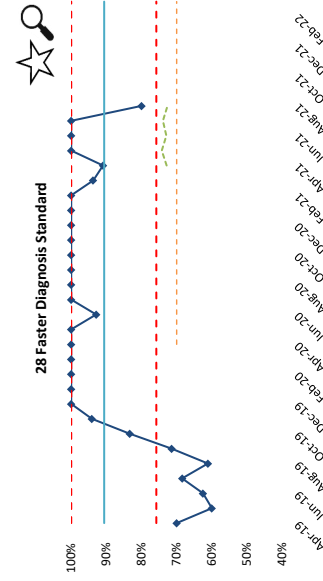
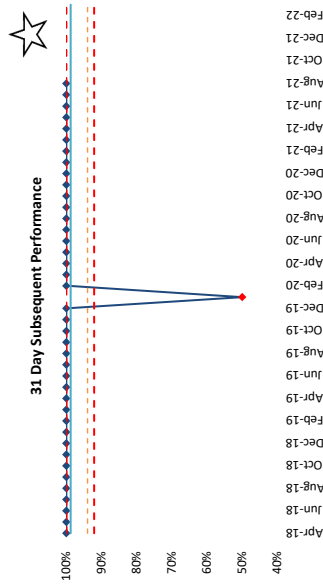
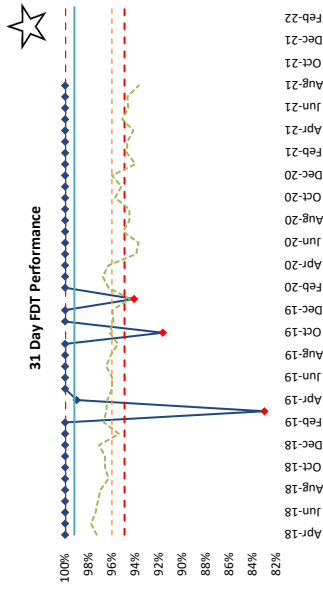
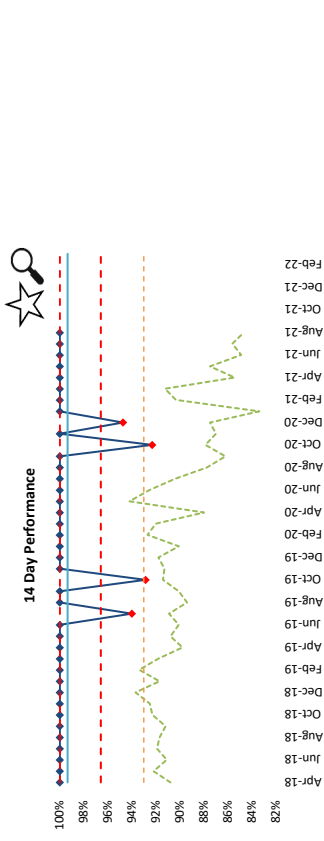
# Operational

## Responsive - Cancer Standards

Responsive - Access Standards	Target	Actual	Assurance
Cancer TWW	95%	100%	<span style="color: green;">A</span> <span style="color: green;">V</span> <span style="color: green;">B</span> <span style="color: green;">T</span>
Cancer 31 Day FDT	96%	100%	<span style="color: green;">A</span> <span style="color: green;">V</span> <span style="color: green;">B</span> <span style="color: green;">T</span>
Cancer 31 Day Sub	94%	100%	<span style="color: green;">A</span> <span style="color: green;">V</span> <span style="color: green;">B</span> <span style="color: green;">T</span>
Cancer 62 Day Standard	85%	-	<span style="color: green;">A</span> <span style="color: green;">V</span> <span style="color: green;">B</span> <span style="color: green;">T</span>
28 Day Faster Diagnosis Standard	70%	80%	<span style="color: green;">A</span> <span style="color: green;">V</span> <span style="color: green;">B</span> <span style="color: green;">T</span>

The Trust has continued to see and treat all cancer patients as these patients are designated as urgent, therefore COVID-19 has not impacted their care and treatment.

**Associated Risks**  
001 - Covid-19  
003 - Performance Standards



# Operational

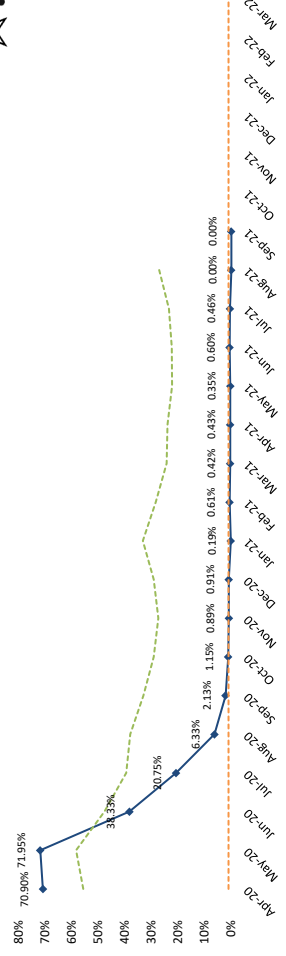
## Responsive - Diagnostics

Achievement against the Diagnostic 6 week standard has been met in month. There were zero 6 week breaches.

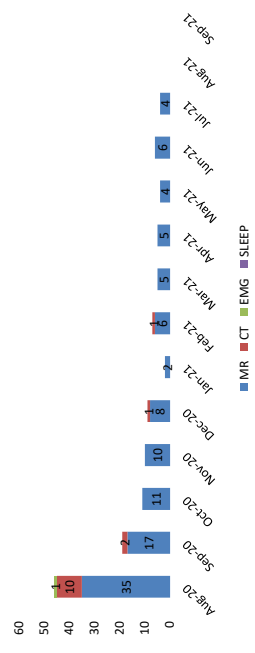
Responsive - Access Standards	Target	Actual	Assurance
Diagnostic 6 Week Performance	1%	0.00%	<span style="color: green;">A</span> <span style="color: green;">V</span> <span style="color: green;">B</span> <span style="color: green;">T</span>

**Associated Risks**  
 001 - Covid-19  
 003 - Performance Standards

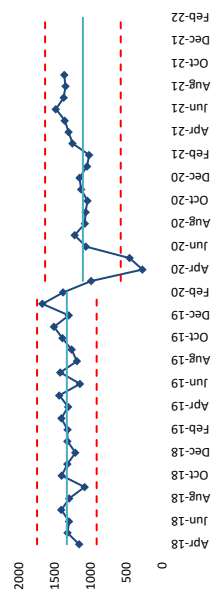
6 Week Diagnostic Performance



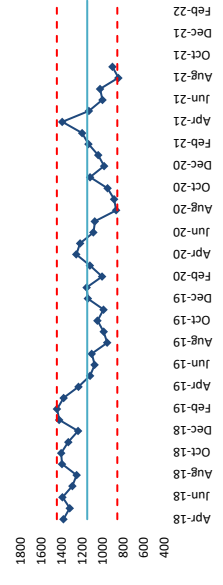
Diagnostic Breaches by Type



Total Diagnostic Activity in Month



Total Diagnostic Waits at Month End



# Operational Effective - Theatres

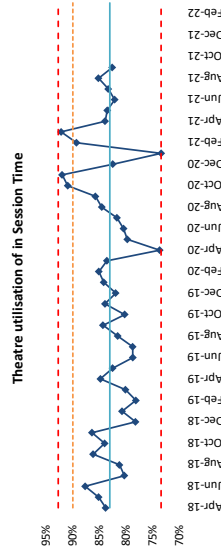
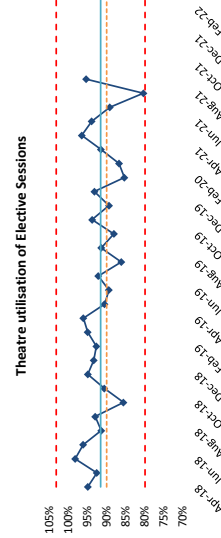
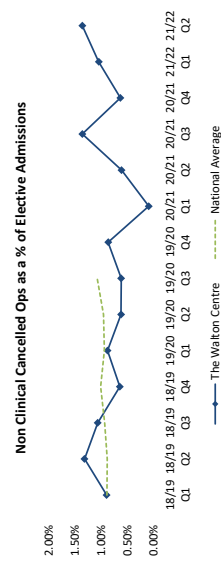
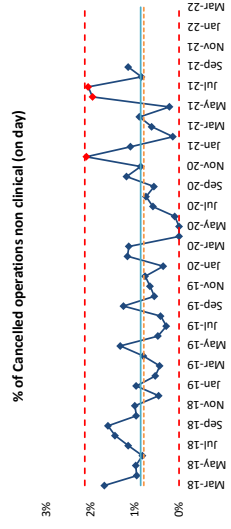
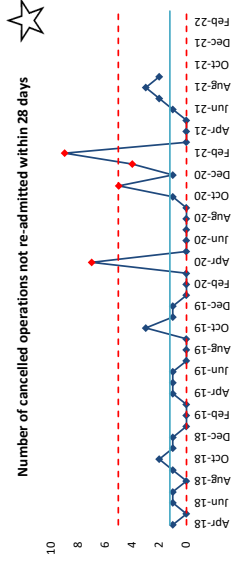
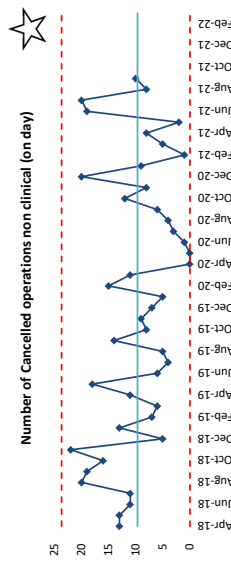
Effective - Theatres	Target	Actual	Assurance
No. Non Clinical Cancelled Operations	-	10	A V B T
% Cancelled operations non clinical on day	0.80%	1.15%	A V B T
28 Day Breaches in month	0	2	A V B T
Theatre utilisation of Elective Sessions	90%	95.33%	A V B T
Theatre utilisation of in Session Time	90%	82.58%	A V B T

### Non Clinical Cancellations

There were 10 patients cancelled at last minute for non-clinical reasons in September 2021, the predominant reason for the cancellations were ITU bed unavailable (5) . Two patients were not rebooked within the 28 day target in month.

### Theatres – Theatre Utilisation

Elective in-session utilisation was 95.33% during September 2021. The Trust is continuing to focus on urgent cases in addition to reducing the number of 52 week waiters , therefore it is more difficult than normal to effectively utilise in session theatre time.



# Operational

## Effective - Activity Recovery Plan

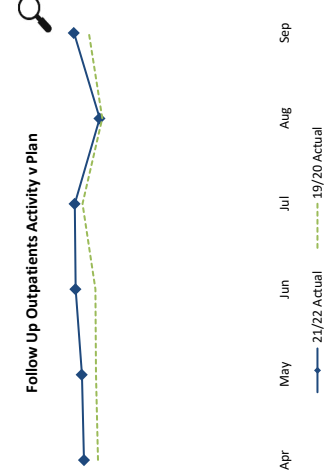
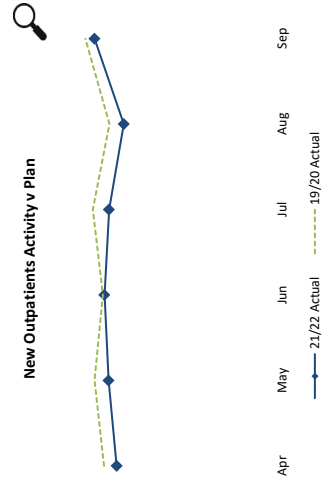
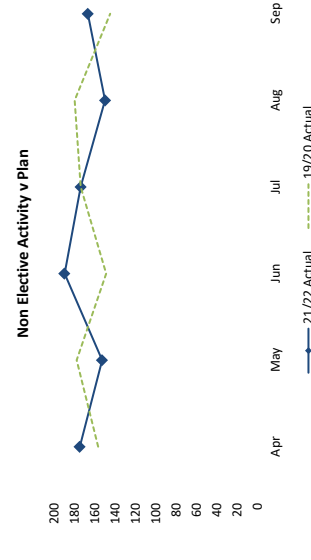
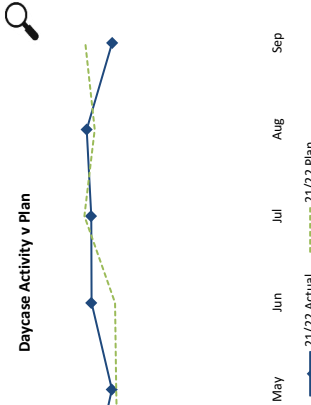
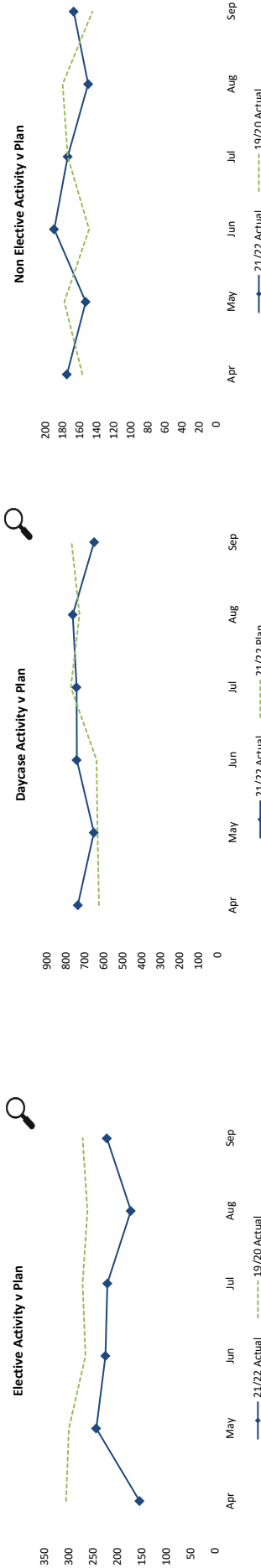
### September 21 Activity Performance

POD	Actual (% of 19/20)	Target (% of 19/20)
Daycase	84.55%	95%
Elective	81.62%	95%
<b>Elective &amp; Daycase Total</b>	<b>83.78%</b>	<b>95%</b>
Non Elective	115.17%	-
New Outpatients	94.91%	95%
Follow Up Outpatients	108.41%	95%
<b>Outpatient Total</b>	<b>103.57%</b>	<b>95%</b>

As part of plans to restore services to pre-COVID levels, each Trust was required to include trajectories and timescales for delivery of 100% of the pre-COVID activity levels (comparing with the baseline of actual 19/20 SUS activity levels). The Trust is forecasting delivery of 100% of all elective activity by March 2022, although noting that initial plans submitted are for H1 only (April 2021 – September 2021).

On 9th July the Trust received updated guidance stating that Elective Recovery Fund thresholds have been reviewed and have been adjusted to 95% of 2019/20 activity levels from 1 July 2021 for the remainder of H1. Daily operational huddles continue to review the activity performance against the revised thresholds set for the remainder of H1. Noting that the plan vs actual for 2019/20 will differ slightly due to working days calculation adjustment.

During September 2021 the Trust failed to meet the national threshold of 95% for daycase and elective activity, however overall outpatient activity was above the threshold at 103.57%. Under-performance in month for elective activity is in the main due to staff availability.





**The Walton Centre**  
NHS Foundation Trust



*Excellence in Neuroscience*

# Workforce Indicators

# Workforce

## Well Led - Workforce KPIs

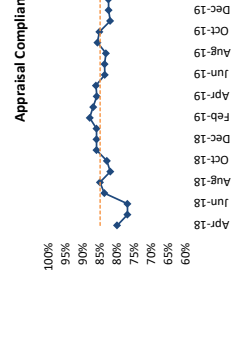
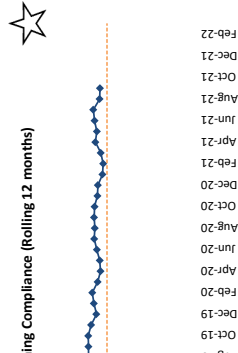
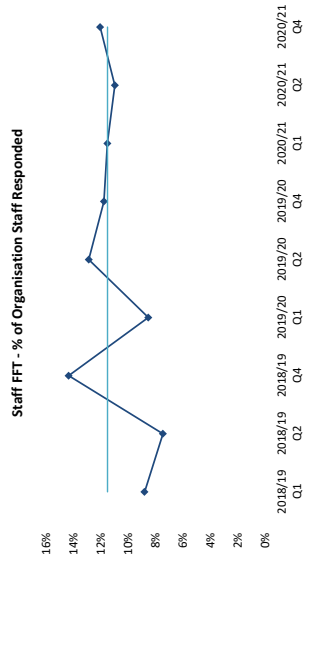
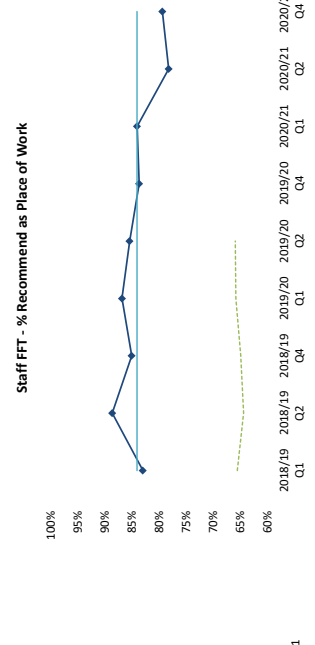
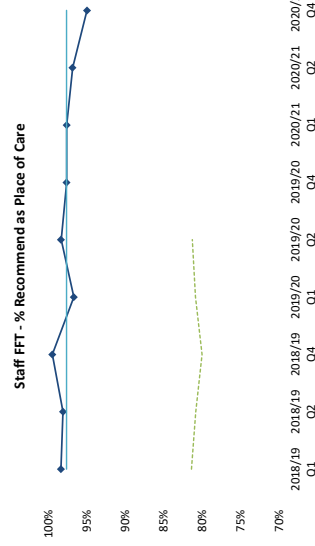
Well Led - Workforce	Target	Actual	Assurance
Staff FFT - Recommend Care (Q4 20/21)	-	95.00%	<span style="color: green;">A</span> <span style="color: green;">V</span> <span style="color: green;">B</span> <span style="color: green;">T</span>
Staff FFT - Recommend Work (Q4 20/21)	-	79.44%	<span style="color: green;">A</span> <span style="color: green;">V</span> <span style="color: green;">B</span> <span style="color: green;">T</span>
Appraisal Compliance	85%	75.81%	<span style="color: red;">A</span> <span style="color: red;">V</span> <span style="color: red;">B</span> <span style="color: red;">T</span>
Mandatory Training Compliance	85%	87.03%	<span style="color: green;">A</span> <span style="color: green;">V</span> <span style="color: green;">B</span> <span style="color: green;">T</span>

### Mandatory Training Compliance

Overall mandatory training compliance in September 2021 was still above the target of 85% with some individual topics dropping below target. Compliance remains high for E-Learning topics and hopefully now training has restarted we will see an increase in topics included on study days.

### Appraisal Compliance

Appraisal compliance in September 2021 is 75.81%. The training team are continuing to work with individual departments to improve compliance.



# Workforce

## Well Led - Workforce KPIs

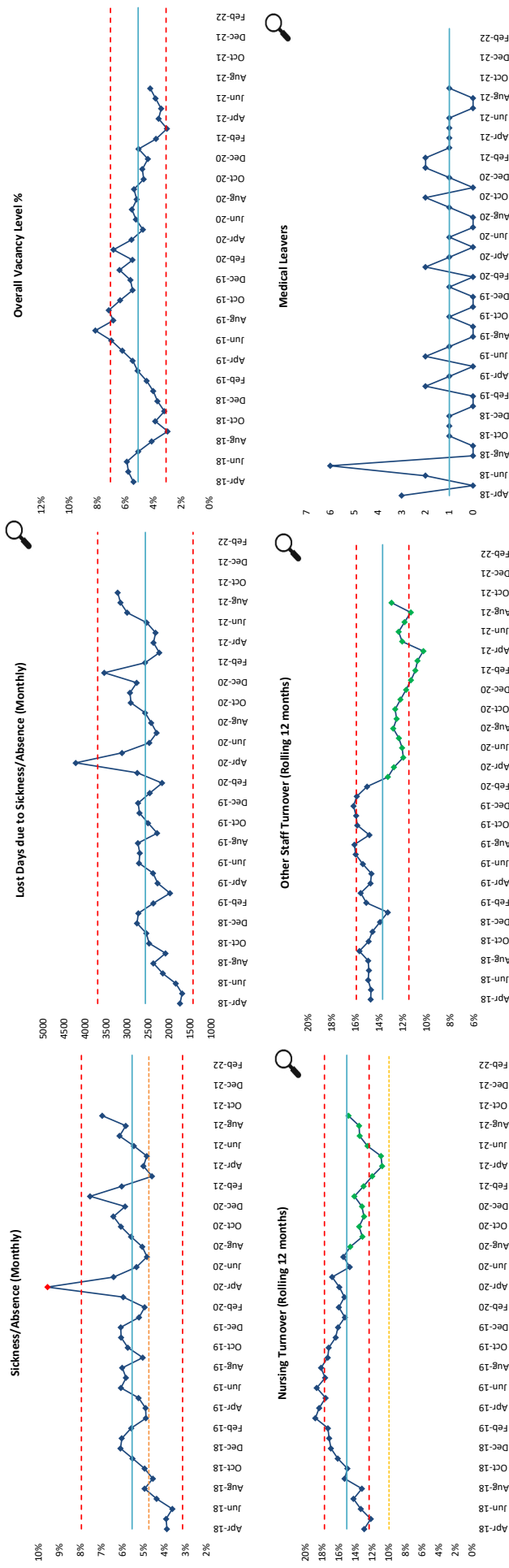
Well Led - Workforce	Target	Actual	Assurance
Sickness / Absence	4.75%	6.97%	<span style="color: red;">A</span> <span style="color: red;">V</span> <span style="color: red;">B</span> <span style="color: red;">T</span>
Vacancy Levels	-	4.23%	<span style="color: blue;">A</span> <span style="color: blue;">V</span> <span style="color: blue;">B</span> <span style="color: blue;">T</span>
Nursing Turnover	10%	14.85%	<span style="color: red;">A</span> <span style="color: red;">V</span> <span style="color: red;">B</span> <span style="color: red;">T</span>
Other Staff Turnover	-	12.96%	<span style="color: green;">A</span> <span style="color: green;">V</span> <span style="color: green;">B</span> <span style="color: green;">T</span>

### Sickness/Absence

Sickness/Absence levels in September 2021 were above the target of 4.75% at 6.97%.

### Nursing Turnover

Nursing turnover has worsened over recent months following a period of consistent improvement and now stands at 14.85% for September 2021.

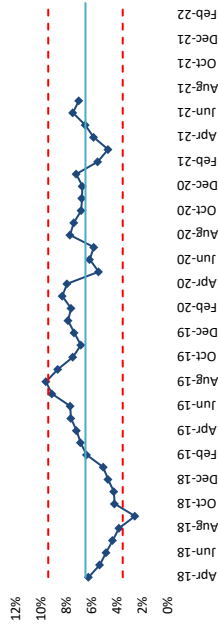




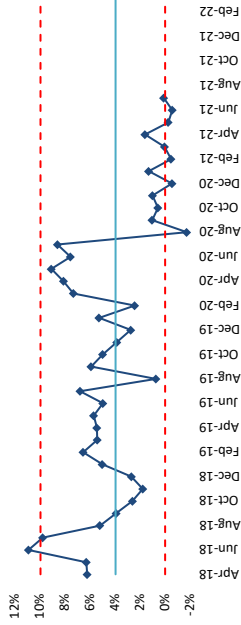
# Quality of Care

## Well Led - Workforce KPIs

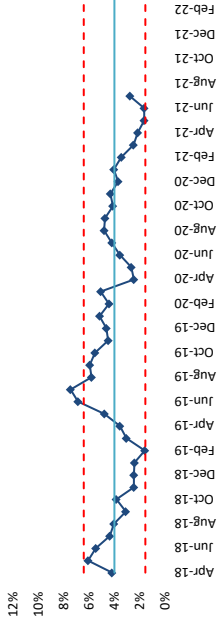
Nursing Vacancy Level %



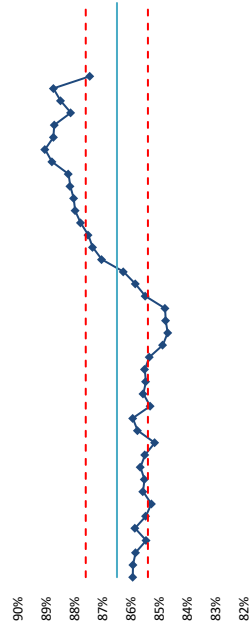
Medical Vacancy Level %



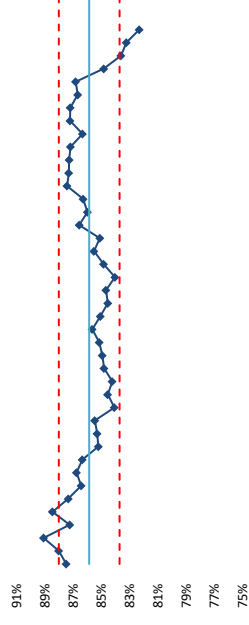
Other Staff Vacancy Level %



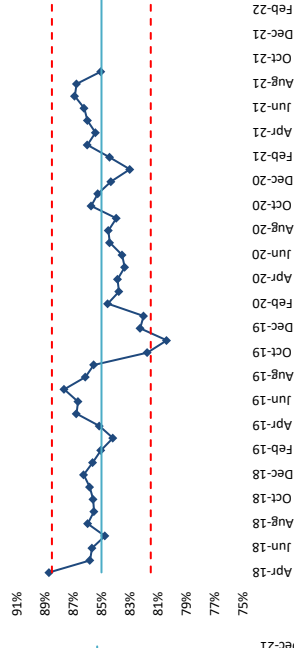
Staff Stability Index - All Staff



Staff Stability Index - Nursing



Staff Stability Index - Medical

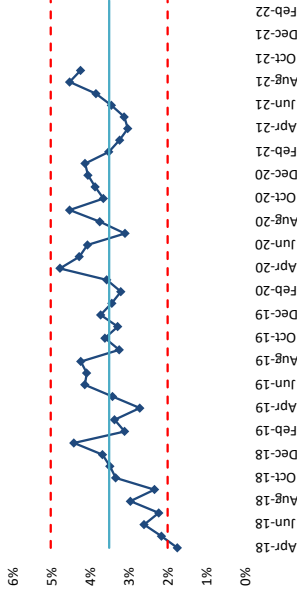




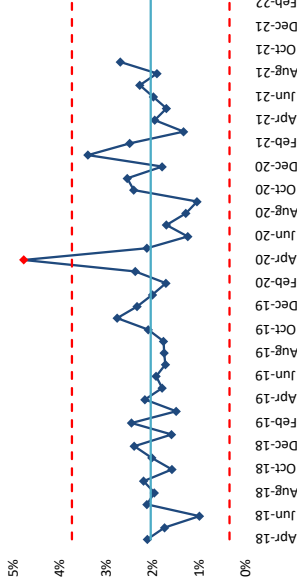
# Quality of Care

## Well Led - Workforce KPIs

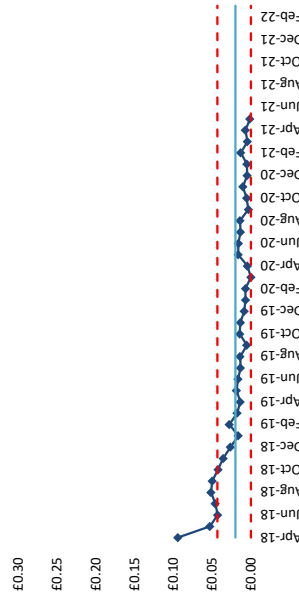
Long Term Sickness/Absence (Monthly)



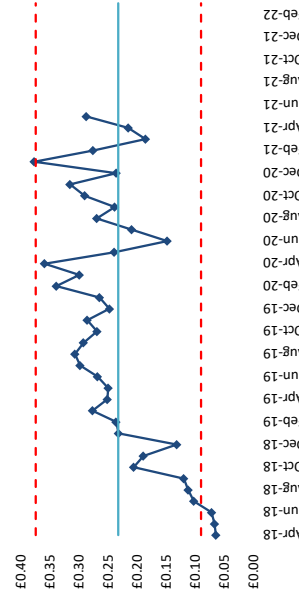
Short Term Sickness/Absence (Monthly)



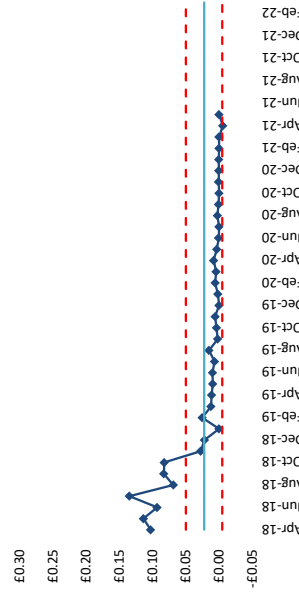
Nursing & HCA Overtime Spend (£m)



Nursing & HCA Bank Spend (£m)



Nursing & HCA Agency Spend (£m)





**The Walton Centre**  
NHS Foundation Trust

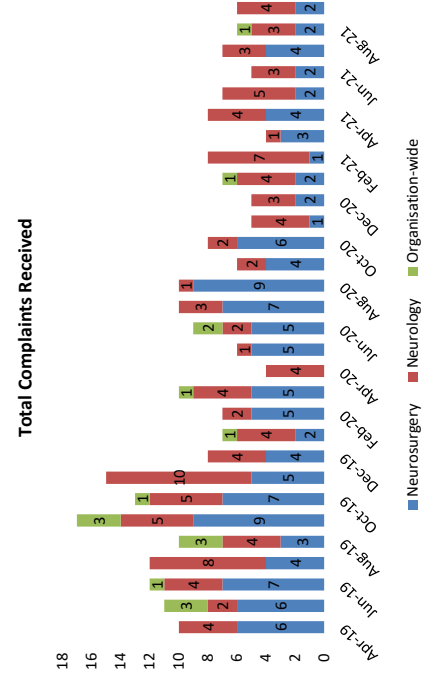
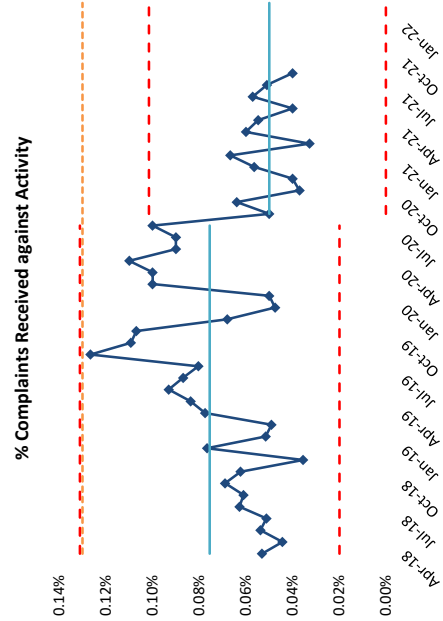
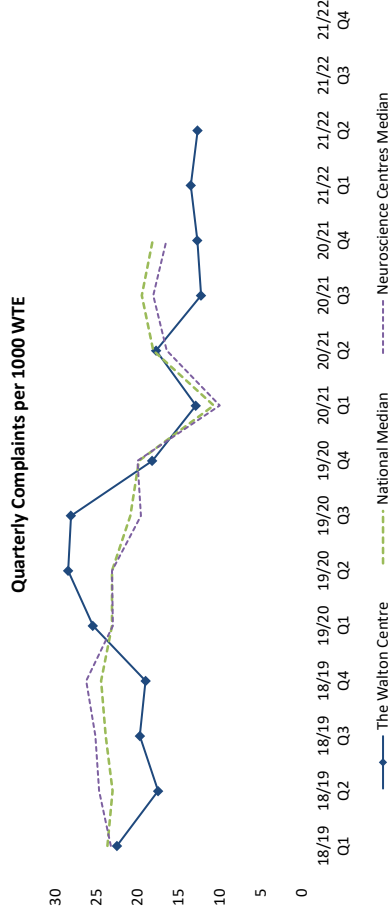
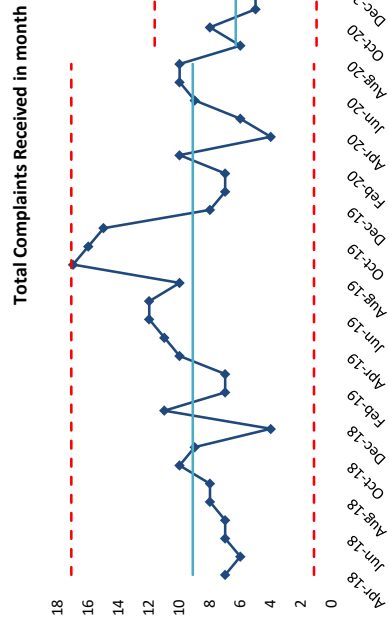


*Excellence in Neuroscience*

# Quality Indicators

# Quality of Care

## Caring - Complaints

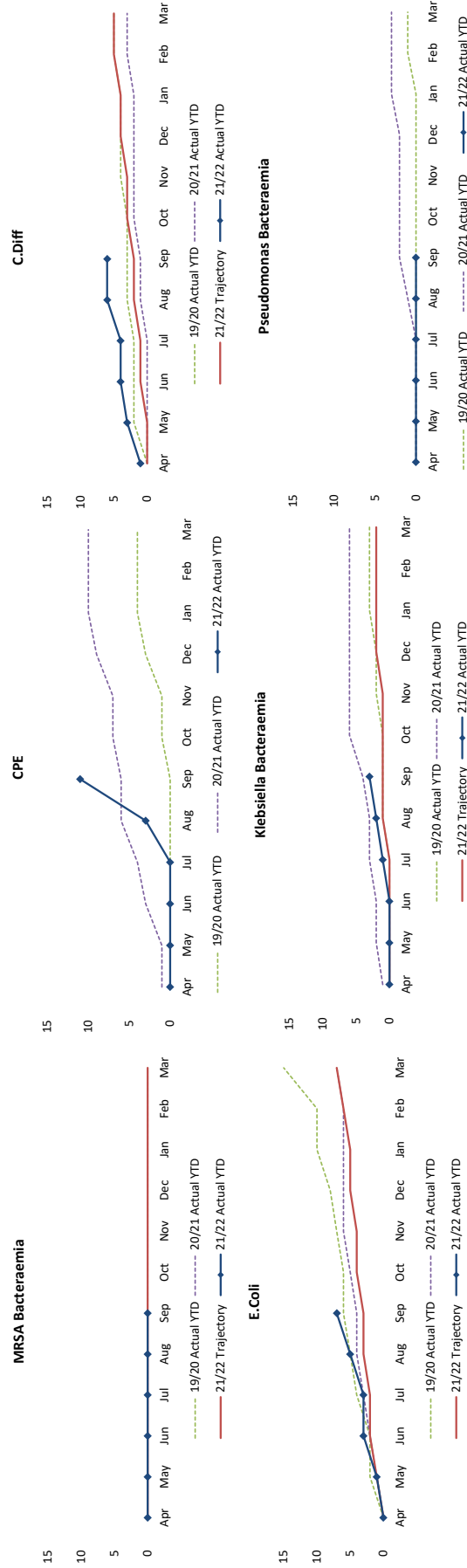


In September 2021 the Trust received 6 complaints; 4 Neurology and 2 Surgery.

The number of complaints the Trust receives has a wide variation range meaning the expected numbers range from 0 to 12 at an average of 6 per month. The number of complaints received has significantly dropped during recent months.

Due to the reduction seen the Trust is now below the national average and neuroscience centres average up the latest published period of Q4 2020/21.

**Quality of Care**  
Safe - Infection Control

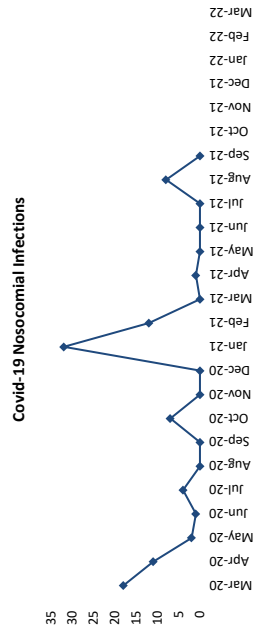
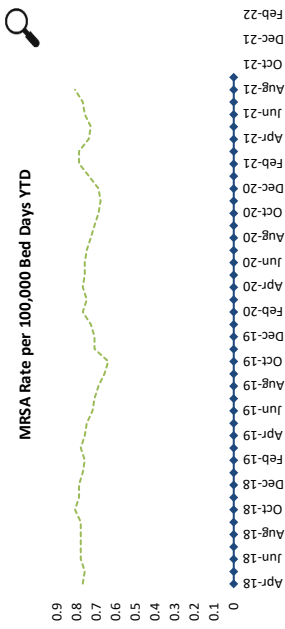
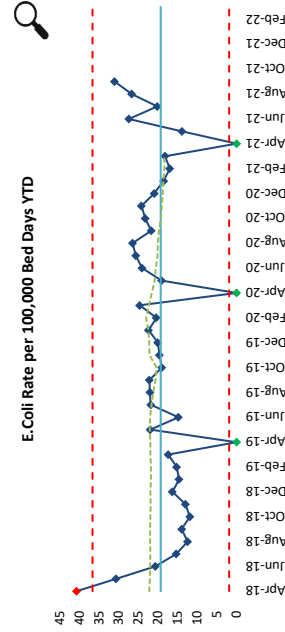
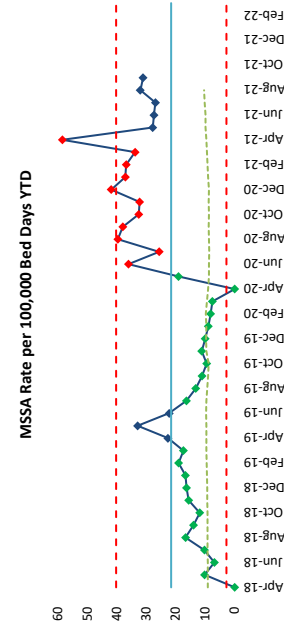
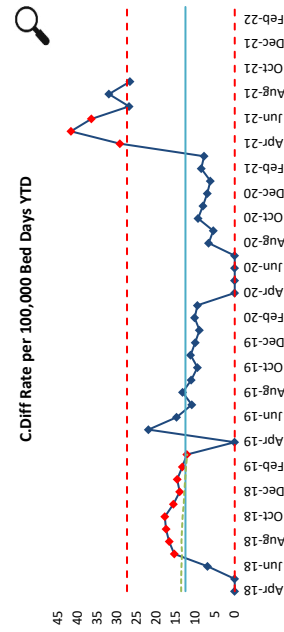


**Total Healthcare Acquired Infections 2021/22**

	MRSA B	CPE	C.Diff	E. Coli	KB	PB	MSSA	Total
Cairns	4			2				6
Caton								0
Chavasse				1			1	2
CRU								0
Dott				1			1	2
Horsley				3			5	16
Lipton								0
Sherrington				1				8
<b>Total</b>	<b>0</b>	<b>11</b>	<b>6</b>	<b>7</b>	<b>3</b>	<b>0</b>	<b>7</b>	<b>34</b>

**September Breakdown by Ward**  
 1x MSSA - Horsley  
 1x KB - Horsley  
 2x E.Coli - Cairns x2  
 8x CPE - Sherrington x5, Cairns x3

**Quality of Care**  
 Safe - Infection Control



There are currently seven MSSA instances reported year to date against a year end trajectory of eight. When measured against the benchmark standard of per 100,000 beds the current YTD rate is 31.12 which is significantly above the latest national average (10.40).

There have been six C.Diff instances year to date against a year end trajectory of five. The rate per 100,000 bed days is currently at 26.67

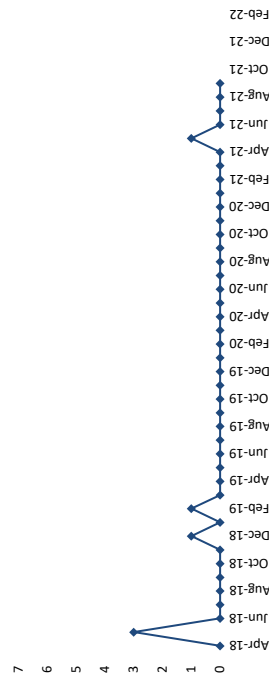
Year to date there have been seven instances of E.Coli against a year end trajectory of seven. The current rate per 100,000 bed days is 31.12. Due to a counting and coding change nationally there is a delay in publishing the national E.Coli rate.

The following improvement actions have been set;

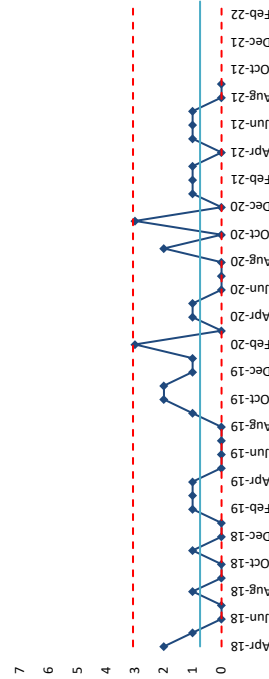
- Task and finish group has met and action plan underway
- Plan for a single digital VIP chart across the Trust to standardise practice
- Line education and training discussed with SMART
- Working with medical education to deliver ANTT training
- Blood culture policy reviewed to include HITU competency, and plan rollout across ward areas (HITU in process of delivering this)
- A C Diff action plan is in place led by Matron and lead nurse for Infection prevention and control, this will be monitored via the Trust Infection Prevention and Control Committee
- ITU Has received enhanced cleans by ISS team and nursing staff
- Infection control awareness session with all senior nursing team to take place 16/9/21

**Quality of Care**  
 Safe - Harm Free Care

**Total Moderate or Above Harm Inpatient Falls**



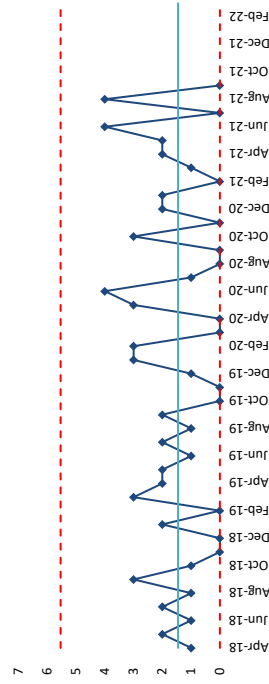
**Total Hospital Acquired Pressure Ulcers (Category 2, 3, 4 & Unstageable)**



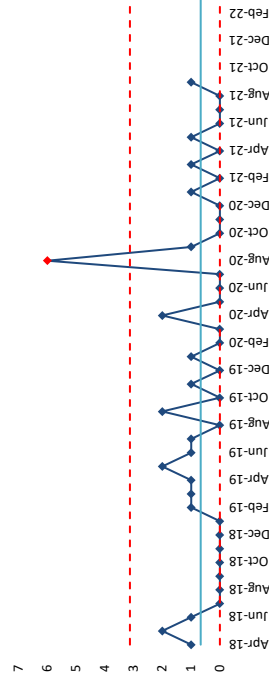
**Narrative**

There was no falls which resulted in moderate or above harm in month.  
 There was zero Hospital Acquired Pressure Ulcers in month  
 There were zero CAUTI incidences in month  
 There were one VTE incidence in month  
 All harm measures are within normal variation.

**CAUTI Incidences**



**VTE Incidences**





# Ward Scorecard

September 2021

	Safe Staffing (August 21)			Harms				Infection Control				
	Day Registered	Day Non Registered	Night Registered	Night Non Registered	Pressure Ulcers	Falls (Mod+)	UTI	VTE	MRSA	MSSA	E Coli	C Diff
Cairns	82.0%	159.0%	111.0%	190.0%	0	0	0	1	0	0	2	0
Caton					0	0	0	0	0	0	0	0
Chavasse	89.0%	211.0%	110.0%	212.0%	0	0	0	0	0	0	0	0
CRU	107.0%	147.0%	101.0%	216.0%	0	0	0	0	0	0	0	0
Dott	71.0%	98.0%	86.0%	96.0%	0	0	0	0	0	0	0	0
Horsley ITU	86.0%	108.0%	78.0%	99.0%	0	0	0	0	0	1	0	0
Lipton	102.0%	133.0%	100.0%	140.0%	0	0	0	0	0	0	0	0
Sherrington	84.0%	113.0%	106.0%	122.0%	0	0	0	0	0	0	0	0





Trust I&E	In month				Year to date				H1 plan		
	Plan £'000	Actual £'000	Variance £'000		Plan £'000	Actual £'000	Variance £'000		Plan £'000	Actual £'000	Variance £'000
Patient Care Income	9,368	10,761	1,393		56,209	57,963	1,754		56,209	57,963	1,754
Exclusions	2,063	1,864	(199)		12,379	12,682	303		12,379	12,682	303
Private Patients	9	3	(6)		52	12	(40)		52	12	(40)
Other Operating Income	458	366	(92)		2,748	3,051	303		2,748	3,051	303
<b>Total Operating Income</b>	<b>11,898</b>	<b>12,994</b>	<b>1,096</b>		<b>71,388</b>	<b>73,708</b>	<b>2,320</b>		<b>71,388</b>	<b>73,708</b>	<b>2,320</b>
Pay	(6,384)	(7,399)	(1,015)		(37,470)	(38,999)	(1,529)		(37,470)	(38,999)	(1,529)
Non-Pay	(2,898)	(2,967)	(69)		(16,691)	(17,095)	(404)		(16,691)	(17,095)	(404)
Exclusions	(2,063)	(2,140)	(77)		(12,379)	(13,194)	(815)		(12,379)	(13,194)	(815)
COVID	(161)	(77)	84		(966)	(530)	436		(966)	(530)	436
<b>Total Operating Expenditure</b>	<b>(11,506)</b>	<b>(12,583)</b>	<b>(1,077)</b>		<b>(67,506)</b>	<b>(69,818)</b>	<b>(2,312)</b>		<b>(67,506)</b>	<b>(69,818)</b>	<b>(2,312)</b>
<b>EBITDA</b>	<b>392</b>	<b>411</b>	<b>19</b>		<b>3,882</b>	<b>3,890</b>	<b>8</b>		<b>3,882</b>	<b>3,890</b>	<b>8</b>
Depreciation	(487)	(494)	(7)		(2,922)	(2,929)	(7)		(2,922)	(2,929)	(7)
Profit / Loss On Disp Of Asset	0	1	1		0	69	69		0	69	69
Interest Receivable	0	0	0		0	0	0		0	0	0
Financing Costs	(53)	(48)	5		(318)	(294)	24		(318)	(294)	24
Dividends on PDC	(127)	(127)	0		(762)	(762)	0		(762)	(762)	0
<b>I &amp; E Surplus / (Deficit)</b>	<b>(275)</b>	<b>(257)</b>	<b>18</b>		<b>(120)</b>	<b>(26)</b>	<b>94</b>		<b>(120)</b>	<b>(26)</b>	<b>94</b>
I&E impact capital donations and profit/(loss) on asset disposals	20	21	1		120	26	(94)		120	26	(94)
<b>I &amp; E Surplus / (Deficit)</b>	<b>(255)</b>	<b>(236)</b>	<b>19</b>		<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>	<b>0</b>	<b>0</b>

Due to COVID, the financial regime remains based on block funding for the 1<sup>st</sup> 6 months of the financial year (H1) and anticipated spend for the same period (based on average spend in Q3 of 2020/21). The H1 plan is at a break-even position (submitted to HCP and NHSE/I in May) in line with C&M requirements.

The current H1 plan includes:

- Elective Recovery Fund (ERF) income and costs for the delivery of activity above the national trajectory targets;
- 'Block' system funding received for Top-up, COVID related costs, growth and CNST;
- Efficiency requirement to ensure a break-even position.

It is also expected that the Healthcare Partnership (HCP) will deliver a balanced financial plan for H1 and the Trust is continuing to work with the partnership to achieve this position.

In month 6, the Trust reported a £236k deficit position. This is a £19k improvement on the planned in month position of £255k deficit. This improvement in month is due to an over-performance in NHS England funding, Isle of Man activity, Health Education England funding, as well as lower spend than planned on clinical supplies to deliver increased ERF activity offset by an under-performance in ERF income.

The position includes £1,061k pay award funding for H1 which is equally offset in expenditure as payroll processed the pay award (3%) for M1-6 in month.

The position includes £2,089k elective recovery fund against a planned position of £2,526k, £437k below plan (relating to over performance national trajectories in M1-3). In M4, 5 and 6 the Trust delivered below the 95% (activity by value 2019/20) trajectory (estimated 94.0% M4 and 85.0% M5) and as such no ERF income has been assumed. Please note NHSE/I have yet to confirm ERF income values for M4-6 to the Trust therefore this may be subject to change.

STATEMENT OF FINANCIAL POSITION - 2021/22		March-21	September-21	Movement
		£'000	£'000	£'000
Intangible Assets		869	800	(69)
Tangible Assets		86,164	84,251	(1,913)
<b>TOTAL NON CURRENT ASSETS</b>		<b>87,033</b>	<b>85,051</b>	<b>(1,982)</b>
Inventories		1,157	1,969	812
Receivables		7,523	6,290	(1,233)
Cash at bank and in hand		35,689	36,488	799
<b>TOTAL CURRENT ASSETS</b>		<b>44,369</b>	<b>44,747</b>	<b>378</b>
Payables		(25,914)	(25,066)	848
Provisions		(245)	(245)	0
Finance Lease		(52)	(52)	0
Loans		(1,569)	(1,569)	0
<b>TOTAL CURRENT LIABILITIES</b>		<b>(27,780)</b>	<b>(26,932)</b>	<b>848</b>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<b>16,589</b>	<b>17,815</b>	<b>1,226</b>
Provisions		(701)	(686)	15
Finance Lease		(63)	(45)	18
Loans		(23,635)	(22,938)	697
<b>TOTAL ASSETS EMPLOYED</b>		<b>79,223</b>	<b>79,197</b>	<b>(26)</b>
Public Dividend Capital		30,513	30,513	0
Revaluation Reserve		2,947	2,947	0
Income and Expenditure Reserve		45,763	45,737	(26)
<b>TOTAL TAXPAYERS EQUITY AND RESERVES</b>		<b>79,223</b>	<b>79,197</b>	<b>(26)</b>

STATEMENT OF CASH FLOW - 2021/22		September-21 plan	September-21 Actual	Variance
		£'000	£'000	£'000
<b>SURPLUS/(DEFICIT) AFTER TAX</b>		<b>(120)</b>	<b>(26)</b>	<b>94</b>
Non-Cash Flows In Operating Surplus/(Deficit)		3,865	4,004	139
<b>OPERATING CASH FLOWS BEFORE MOVEMENTS IN WORKING CAPITAL</b>		<b>3,745</b>	<b>3,978</b>	<b>233</b>
Increase/(Decrease) In Working Capital		(328)	1,452	1,781
Increase/(Decrease) In Non-Current Provisions		(14)	(14)	(0)
Net Cash Inflow/(Outflow) From Investing Activities		(4,550)	(2,809)	1,741
<b>NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES</b>		<b>(1,147)</b>	<b>2,607</b>	<b>3,754</b>
Net Cash Inflow/(Outflow) From Financing Activities		(27)	(1,808)	(1,781)
<b>NET INCREASE/(DECREASE) IN CASH</b>		<b>(1,174)</b>	<b>799</b>	<b>1,973</b>
<b>OPENING CASH</b>		<b>35,689</b>	<b>35,689</b>	<b>0</b>
<b>CLOSING CASH</b>		<b>34,515</b>	<b>36,488</b>	<b>1,973</b>

<p><b>COVID-19 expenditure:</b></p> <p>Expenditure incurred on COVID-19 is included within the reported financial position.</p> <p>In month Actual: £87k.</p> <p>Year to date Actual: £539k.</p> <p>COVID-19 costs are subject to independent audit if requested through NHSE/1.</p>	<p><b>COVID -19 Expenditure</b></p>						<p>Other spend includes providing free car parking for staff, heavy duty mobile Sani-station units to be used across the trust and quarantine costs for overseas nurse recruitment.</p>
	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Year to Date
	Actual	Actual	Actual	Actual	Actual	Actual	Actual
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Pay cost (incl. additional shifts, on-call, etc )	93	50	57	49	54	47	350
Decontamination	0	7	3	0	0	0	10
Agile working	0	12	1	0	0	0	13
Infection Control	0	0	0	0	22	4	26
Other	20	1	43	19	21	36	140
<b>TOTAL</b>	<b>113</b>	<b>70</b>	<b>104</b>	<b>68</b>	<b>97</b>	<b>87</b>	<b>539</b>

### Capital

In month variance - £266k below plan.

Year to date variance - £1,668k below plan.

The plan reflects the final submission to Cheshire and Merseyside Health Care Partnership as part of the 2021/22 planning process.

Annual capital funding is now set at a HCP level (rather than using a nationally determined formula). For 21/22 allocated capital funding is £6.2m, which is approx. 50% greater than if the nationally determined formula was used.

The Trust has received an allocation of external funding in relation to Digital Aspirant for IM&T innovation of £3.6m (which needs to be spent in year) to be received in year.

Capital spend in month is £169k.

- **Heating & Pipework:** £80k – Phase 4 works;
- **IM&T:** £50k – Staffing in relation to specific projects;
- **Digital Aspirant (PDC funded):** £55k – Whiteboard development and interoperability.

The year-end capital forecast is £10.0m (including external funding) which is in-line with the agreed funding allocations. This assumes that a further £0.8m slippage is managed to bring anticipated spend back in line with the annual capital allocation.

Work is ongoing with clinical and operational leads to prioritise capital spend for 21/22 to ensure that it is delivered in line with agreed funding levels. If capital is not spent in line with plan it could result in HCP allocations being reduced next year.

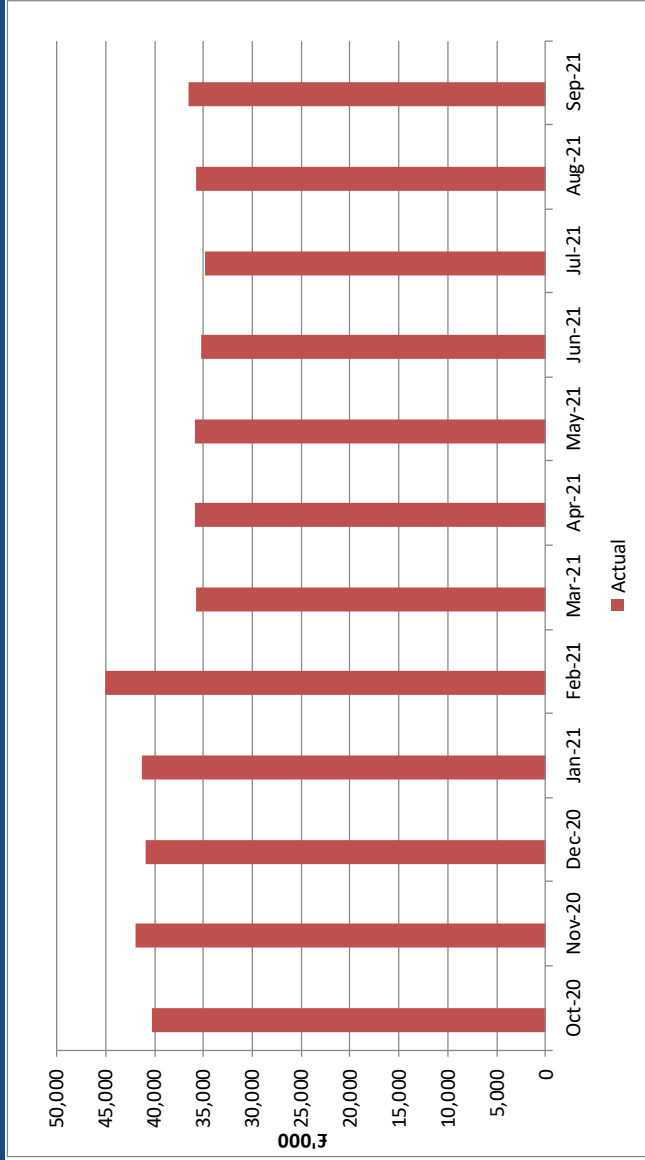
Division	CAPITAL									
	In month			Year to date			Forecast			
	Plan £'000	Actual £'000	Var £'000	Plan £'000	Actual £'000	Var £'000	Plan £'000	Actual £'000	Var £'000	Var £'000
Heating & Pipework	92	80	12	550	413	137	1,100	920	180	
Estates	0	(4)	4	0	(4)	4	850	738	112	
IM&T	81	50	31	485	224	261	969	1,052	(83)	
Neurology	0	0	0	0	9	(9)	2,349	1,703	646	
Neurosurgery	0	(12)	12	0	24	(24)	2,594	2,390	204	
Corporate	0	0	0	0	0	0	491	150	341	
Capital Slippage	(40)	0	(40)	(245)	0	(245)	(2,150)	(750)	(1,400)	
<b>TOTAL (excl. external funding)</b>	<b>133</b>	<b>114</b>	<b>19</b>	<b>790</b>	<b>666</b>	<b>124</b>	<b>6,203</b>	<b>6,203</b>	<b>0</b>	
Donated Assets	0	0	0	32	32	0	32	32	0	
Digital Aspirant	302	55	247	1,812	268	1,544	3,746	3,746	0	
<b>TOTAL (incl. external funding)</b>	<b>302</b>	<b>55</b>	<b>247</b>	<b>1,844</b>	<b>300</b>	<b>1,544</b>	<b>3,778</b>	<b>3,778</b>	<b>0</b>	
<b>TOTAL</b>	<b>435</b>	<b>169</b>	<b>266</b>	<b>2,634</b>	<b>966</b>	<b>1,668</b>	<b>9,981</b>	<b>9,981</b>	<b>0</b>	

**As of the end of September:**

Actual Cash Balance: £36.5m.

Number of days operating expenses = 94 days.

**Cashflow against plan (Rolling 12 months)**



The Trust cash balance at the end of September was £36.5m. This is an increase of £0.8m compared with the end of August due to

- An increase in non-cash flows within the operating position;
- A decrease in receivables and accrued income;
- Off-set by a payment in PDC dividends.

The reduction of cash in March 21 was due to the reversal of the advanced block payments that had been received from commissioners during 20/21 by the Trust each month for the financial arrangements to cover the COVID-19 pandemic.

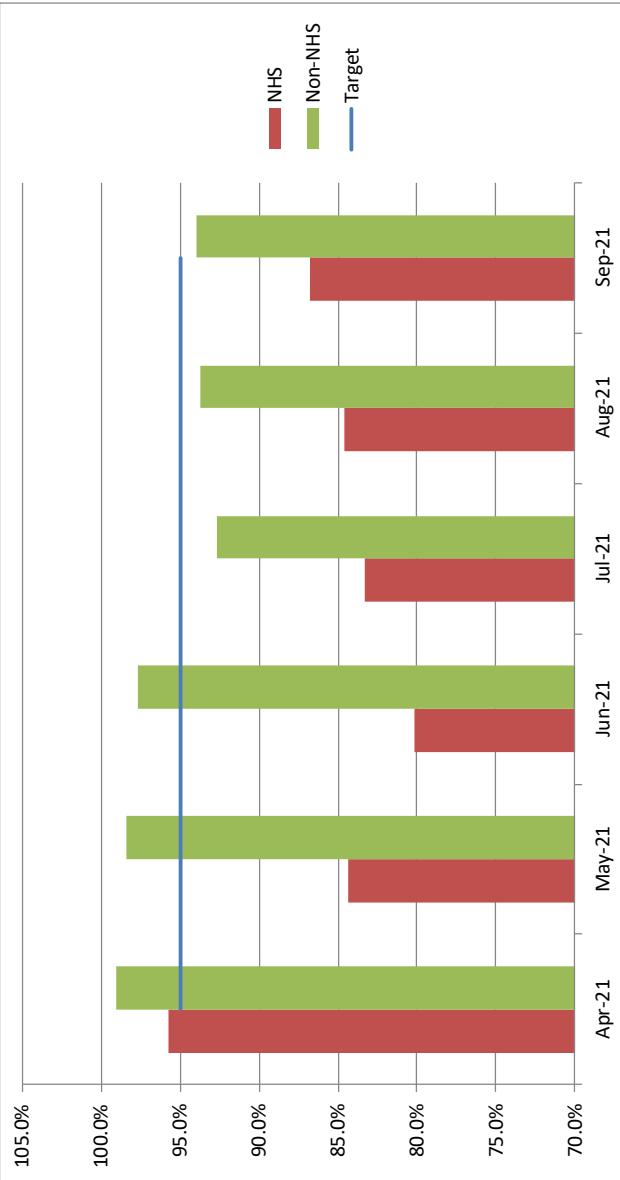
Block payments will be made in month and not in advance throughout 2021/22.

**Better Payments Practice Code (BPPC):**

There is a renewed focus by NHSE/I on those Trusts that underperform against the better payments practice code standard of settling at least 95% of invoices within 30 days.

Letters will be sent to provider chief executives, directors of finance and audit committee chairs to seek action plans where there is significant under-performance.

**Cumulative PSPP by value of invoices**



The Trust BPPC percentage (by value) at the end of September against the target of 95.0% was:

- Non NHS 94.0%;
- NHS 86.8%;
- Total 91.3%.

This has seen an improvement in non-NHS payments of 0.3% and an improvement in NHS payments of 2.2% since the end of August.

The Trust BPPC percentage (by number of invoices paid) at the end of September is 91.9%.

The finance team have put in place a weekly meeting to review and implement payment processes to bring payment to within 30 days.

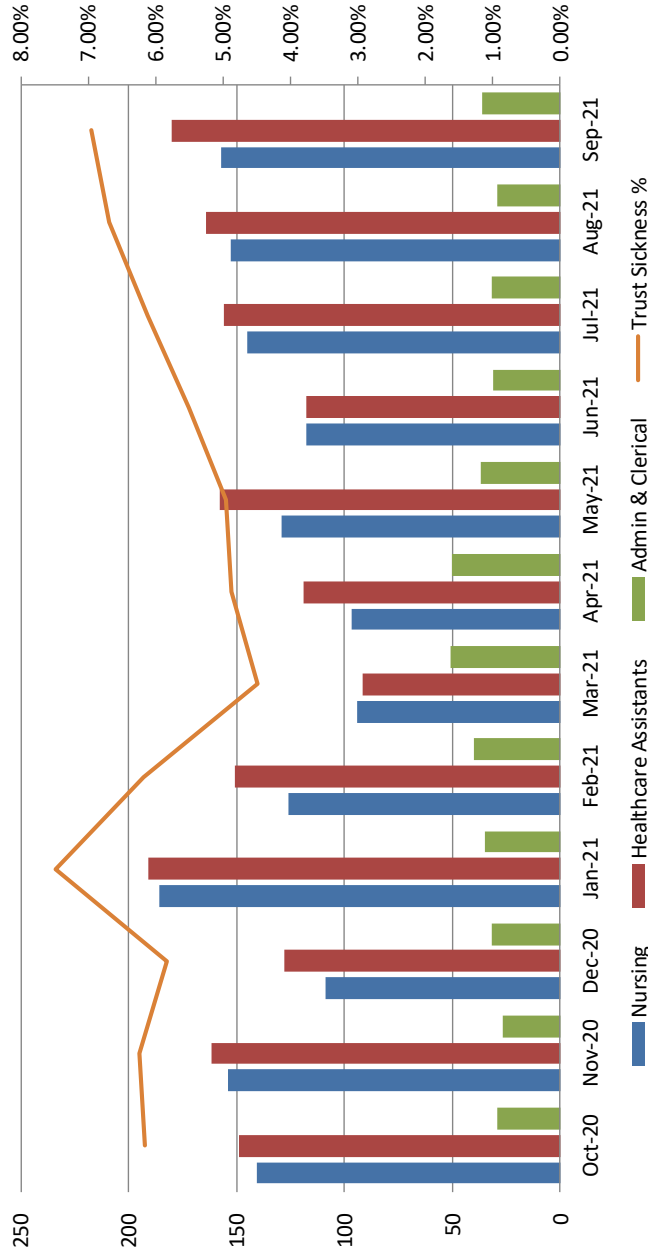
In terms of contacting NHS organisations NHSE/I are looking specifically at non-NHS payments based on value.

**Bank Expenditure:**

In month Actual:  
£381k.

Year to date Actual:  
£1,953k.

**Monthly Bank Expenditure by Category and Trust Sickness (Rolling 12 months)**



Bank expenditure incurred in September was £381k, an increase of £28k when compared to August.

At the end of September, £268k bank expenditure relates to COVID-19 (and is included within the COVID-19 expenditure analysis).

The trusts overall sickness rate increased from 6.69% to 6.97% in September.

### **Key Risks and Actions in 2021/22**

As a result of the COVID-19 pandemic financial regulations changed for 2020/21 and H1 2021/22, with the main changes being:

- Delay of 2021/22 business planning until 2<sup>nd</sup> half of 21/22, with finance regime of 2020/21 to continue for at least 6 months of 2021/22 (H1);
- Payment by Results (PbR) continued suspension for the first 6 months of the year and income being based on block values determined nationally (based on 2020/21 Q3 levels plus 0.5% inflation, incorporating a 0.28% efficiency requirement) and adjusted for the impact of CNST increases;
- System funding has been allocated to C&M HCP for M1-6 which has been distributed to all organisations and included within organisational H1 plans to cover costs in relation to Top-up, COVID-19 (in relation to reasonable COVID-19 expenditure), growth and CNST;
- The trust is currently being monitored against plans for April to September forecast to break-even submitted to NHSE/I and C&M HCP on 26<sup>th</sup> May;
- System level financial targets have also been submitted with a forecast for the system to breakeven at the end of H1;
- An Elective Recovery Fund (ERF) came into effect in April 21 in which the Trust is required to meet a set percentage of 2019/20 activity for outpatient, inpatient day-case and elective activity (M1-M6). If the Trust over-performs against this target then the Trust will be financially rewarded for doing so, but if it under-performs then may receive a retrospective financial penalty. The elective recovery scheme will be monitored at C&M HCP system level. The H1 plan incorporates forecast income and expenditure to deliver the trusts activity plan for H1 based on national trajectory requirements (operational and clinical teams will work to deliver these planned activity levels), further guidance has now been issued by NHSE/I increasing the trajectory threshold from 85% to 95% for M4-M6 which has now put the elective recovery fund income in the plan for that period at risk as the Trust would need to considerably over-perform the 95% threshold to recover the same levels of planned income;
- 2021/22 capital levels to be set at a Health & Care Partnership level and agreed across the C&M footprint. Note, this includes an allocation of additional PDC (Digital Aspirant Funding) allocated for IM&T innovation;
- H2 and multiple year settlements have been set out by the government and planning for H2 is underway with guidance being issued early October and 2022/23 by the end of the financial year;
- Financial governance and regulations remain in place and any financial management will be addressed in the same way it would regardless of the pandemic.

Further feedback will be provided to committee/ board members on the future financial framework once information is received from NHSE/I.

Even though the NHS and Trust have been responding to the pandemic, there are a number of potential risks in 2021/22 that may impact on the delivery of the financial plan in the future;

RISK	COMMENT/ ACTIONS
Access to Elective Recovery Fund	As noted above the H1 plan incorporated forecast income and expenditure to deliver the trusts activity plan for H1 plan based on the original national trajectory requirements. The updated trajectory



	<p>threshold of 95% required from M4-M6 meant the Trust was unable to deliver any further ERF in this period (the system also did not deliver the new trajectory). The forecast currently does not take account of the reduced income assumed within the H1 plan as a result of the increased national activity trajectories.</p> <p>The new ERF requirements of delivering 89% of admitted and non-admitted clock stops is still being assessed by the Trust but there is a risk that if the Trust is able to achieve this, whilst the wider C&amp;M system fails to deliver, then there will be an increased cost of delivery without a corresponding increase in income. Whilst it is recognised that the achievement of these targets is imperative to reducing waiting lists and ensuring patients are treated, it must be recognised that delivery at organisational level could result in increased costs to the organisation.</p>
<p>Future NHS Financial Framework</p>	<p>As a result of the current national position with COVID-19, notification was received that 2021/22 financial planning has been deferred. In addition to this, it has been confirmed that current financial arrangements will remain in place for all of 2021/22.</p> <p>Current national guidance states that H1 funding will be based on Q3 20/21 spend extrapolated for 6 months with system allocations for providers to achieve a breakeven position. The financial framework has recently been published for H2 and the trust is working up plans to be submitted in late November, however it is currently anticipated this will be similar to H1 (albeit an increased efficiency requirement) for H2.</p>
<p>Efficiency requirements going forwards</p>	<p>Due to the current uncertainty around the financial framework, it is not clear what the efficiency requirements of the Trust will be in H2 of this financial year and as such planning to deliver recurrent savings is difficult. Clearly the delay in 2021/22 business planning may impact on national and local system efficiency requirements and it is currently not clear what internal efficiencies may need to be delivered to meet overall system financial plans. However recurrent efficiencies will be required to be</p>

	<p>delivered in 2021/22 and work is being undertaken to identify these. Meanwhile the Trust is anticipating it will deliver CIP non-recurrently in H1.</p>
<p>Future delivery of clinical services whilst still managing COVID-19</p>	<p>Organisations have to plan on how to deliver safe services whilst still managing COVID-19. The delivery of services will have to fundamentally change to take account the changes to IPC guidance. The Trust will be carrying out risk assessments to determine the risk of reducing IPC requirements as it continues to review processes for the delivery of safe services. There is also a risk to delivery of activity as a result of staff sickness / burnout due to and following the COVID-19 pandemic and also the potential impact on services if the Trust is required to support other Trusts in the region during the anticipated winter pressures that the NHS will face in H2 e.g. critical care surge capacity.</p>



**REPORT TO TRUST BOARD**  
Date: 4<sup>th</sup> November 2021

<b>Title</b>	<b>Review of Scheme of Reservation and Delegation</b>
<b>Sponsoring Director</b>	Name: Mike Burns Title: Chief Financial Officer
<b>Author (s)</b>	Name: Zoe Stevenson Title: Financial Accountant
<b>Previously considered by:</b>	<ul style="list-style-type: none"> <li>Audit Committee - January 2021 &amp; October 2021</li> </ul>
<b>Executive Summary</b>	
<p>The Executive Team has been reviewed and as a result there have been changes to ensure departments sit within the most suitable areas within the organisation and the job titles have changed and any amendments proposed by the Audit Committee are highlighted in yellow in the attached document for approval by the committee.</p>	
<b>Related Trust Ambitions</b>	<p>Delete as appropriate:</p> <ul style="list-style-type: none"> <li>Be financially strong, meeting our targets and investing in our services, facilities and innovations for patients and staff.</li> </ul>
<b>Risks associated with this paper</b>	
<b>Related Assurance Framework entries</b>	
<b>Equality Impact Assessment completed</b>	
<b>Any associated legal implications / regulatory requirements?</b>	
<b>Action required by the Board</b>	<ul style="list-style-type: none"> <li>Approve the proposed changes to the Scheme of Reservation and Delegation</li> </ul>

Revised in July 2018

Filepath: S:drive/BoardSecretary/FrontSheets

S:drive/ExecOfficeCentreMins/FrontSheets



## SCHEME OF RESERVATION AND DELEGATION

Reviewed by:

Zoe Stevenson, Financial Accountant  
October 2022

Authorised by:

Mike Burns, Chief Financial Officer

## CONTENTS

RECORD OF AMENDMENTS	3
1.0 INTRODUCTION	5
1.1 Background	5
1.2 Role of the Chief Executive	5
2.3 Caution over the Use of Delegated Powers	5
2.4 Absence of Directors or Officer to Whom Powers have been Delegated	5
3.0 RESERVATION OF POWERS TO THE BOARD OF DIRECTORS	6
3.1. Accountability	6
3.2 General Enabling Provision	6
3.3 Regulations and Control	6
3.4 Appointments/Remuneration and Dismissals	7
3.5 Policy determination	7
3.6 Strategy and Business Plans and Budgets	7
3.8 Financial and Performance Reporting Arrangements	8
3.9 Audit Arrangements	9
4.0 DELEGATION OF POWERS	9
4.1 Delegation to Committees	9
TABLE A - DELEGATED AUTHORITY	12
TABLE A – DELEGATED MATTERS	13
Table B – Delegated Financial Limits	31

## RECORD OF AMENDMENTS

NO	SECTION	DATE
1	Updated document issues for implementation	
2	3.9 adjusted to reflect Walton Neurosciences responsibility for charity accounts	25/03/2010
3	4.1.2 Walton Neurosciences funds committee's role as Trustee of Walton Neurosciences Fund	25/03/2010
4	Table A section 20 relating to charitable funds removed and remainder renumbered	25/03/2010
5	Table B section 1 relating to charitable funds removed and remainder renumbered	25/03/2010
6	Table A section 39 add in tariff setting responsibility for Bistro	25/03/2010
7	General update throughout document	01/12/2011
8	General update throughout document	08/01/2013
9	Annual review and amendment following	23/05/2013
10	Amend to reflect change in executive team duties, amend expenditure limits for Chief Executive and Director of Finance and IT and give Other Executive Directors authority to spend up to £50K and update for changes in EU limits	Oct 2014
11	Amend to amend Chief Executive expenditure approval lower level from £70,000 to £75,000 and general review for consistency, changes to titles and Director responsibilities	Nov 2015
12	Amend references to Monitor to reflect NHS Improvement as the new regulator. Amend values given on p7 regarding proposals on individual contracts to reflect expenditure limits in table B. Update table A and B for minor typos and job title changes. Include in table B a threshold of £500 for Deputy Director of Finance and IT to approve ex gratia payments.	Oct 2016
13	Amend references to Director of Nursing and Modernisation to cover revised job title: Director of Nursing, Operations and Quality. Include paragraph on Chair's action as requested at November 2016 Board meeting.	Jan 2017
14	Update tables A and B for the authorisation of credit notes. Update the financial limits in table B to exclude VAT where appropriate. Update tables A and B – quotations and tenders to reflect Trust procurement and tendering policy.	Apr 2017
15	Minor corrections and job title changes; update table B to include £15k (excl VAT) threshold for Deputy Director of Nursing and Lead Nurse for Neurosurgery to approve other expenditure; updated table B to include Zero Cost Model (ZCM) expenditure.	Oct 2017
16	Minor corrections and job title changes (Director of Nursing and Governance); over EU threshold tender limits updated in table B; consignment stock added to table B; authorisation limits for NHS Supply Chain weekly sales invoices added; details regarding travel for Executives added.	Oct 2018
17	<p>Changes to job titles as follows:            Director of Finance amended to Director of Finance &amp; IT            Director of Strategy and Operations now included            Deputy Director of Governance duties now covered by Director of Nursing &amp; Governance            Inclusion of the Corporate Secretary title</p> <p>Removal of a section from the Code of Accountability</p> <p>Formatting amended to include numbered paragraphs throughout            Approval of polices reserved to the Board as per national guidance. Specifically</p> <ul style="list-style-type: none"> <li>• approval of the Trust's <i>Freedom to Speak Up Policy</i>;</li> <li>• approval of the Trust's <i>Risk Management Strategy</i>;</li> <li>• approval of the Trust's <i>Health, Safety and Welfare Policy</i>;</li> <li>• approval of the Trust's <i>Major Incident Plan</i>;</li> <li>• approval of the Trust's <i>Learning from Deaths Policy</i>;</li> </ul>	Oct 2019

	<ul style="list-style-type: none"> <li>approval of the Trust's <i>Fit and Proper Persons Policy</i>.</li> </ul>	
18	Over EU threshold tender limits updated in table B Amend reference to NHS Protect to NHS Counter Fraud Authority	Oct 2020
19	Table B – Delegated Financial Limits – Updated following benchmarking exercise. Amend reference to NHS Improvement to reflect name change to NHS England/Improvement	Jan 2021
20	<p><b>Changes to job titles as follows:</b></p> <p>Director of Finance and IT amended to Chief Financial Officer  Deputy Director of Finance amended to Deputy Chief Financial Officer  Director of Nursing and Governance amended to Chief Nurse  Deputy Director of Nursing and Governance amended to Deputy Chief Nurse  Director of Operations and Strategy amended to Chief Operating Officer  Director of Workforce and Innovation amended to Chief People Officer  Head of Procurement amended to Associate Director of Procurement  Deputy Head of Procurement amended to Head of Procurement  Deputy Director of Human Resources amended to Deputy Chief People Officer  Head of Finance, Income and Contracting amended to Head of Financial Services, Income and Planning  Deputy Director of Nursing and lead nurse for Neurosurgery amended to Divisional Nurse  Director for Neurosurgery  Table A section 36 Risk Management responsibility amended from Director of Nursing and Governance to Chief Operating Officer  Table B section 6 EU threshold updated  Table B section 9 updated for new consignment contracts to go to BPC and Board of Directors  NHSI to NHSE/I  Added Deputy CEO and CFO to requisition limit £25k - £35k</p>	Oct 2021



## **1.0 INTRODUCTION**

### **1.1 Background**

- 1.1.1 This Scheme of Reservation and Delegation of Powers details administrative practice and procedure and records the delegations and reservations of powers and functions adopted by the Walton Centre NHS Foundation Trust (referred to as the “Trust”). They should be used in conjunction with the *Constitution* and the *Standing Financial Instructions* which have been adopted by the Trust. The Trust’s *Constitution* and the *Foundation Trust Code of Governance* from Monitor/ NHS England/Improvement.
- 1.1.2 The purpose of this document is to detail how the powers are reserved to the Board of Directors, while at the same time delegating to the appropriate level the detailed application of Foundation Trust policies and procedures. However, the Board of Directors remains accountable for all of its functions; even those delegated to committees, sub committees, individual directors or officers and would therefore 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**

- 1.2.1 All powers of the Foundation Trust which have not been retained as reserved by the Council of Governors, Board of Directors, or delegated to an executive committee or sub-committee, shall be exercised on behalf of the Board of Directors by the Chief Executive. The Chief Executive shall prepare a Scheme of Delegation (SoRD) identifying which functions they shall perform personally and which functions have been delegated to other directors and officers for operational responsibility.
- 1.2.2 All powers delegated by the Chief Executive can be re-assumed by them should the need arise.

### **2.3 Caution over the Use of Delegated Powers**

- 2.31 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.

### **2.4 Absence of Directors or Officer to Whom Powers have been Delegated**

- 2.4.1 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 alternative arrangements have been approved by the Board of Directors. If the Chief Executive is absent, powers delegated to them may be exercised by the nominated officer(s) acting in their absence after taking appropriate financial advice, two directors will be required to ratify any decisions within the Chief Executive’s thresholds.
- 2.4.2 If it becomes clear to the Board of Directors that the Accounting Officer is incapacitated and will be unable to discharge their responsibilities over a period of four weeks or more, the Board of Directors should appoint an acting Accounting Officer, usually the Deputy Chief Executive, pending the Accounting Officers return. The same applies if, exceptionally, the Accounting Officer plans an absence of more than four weeks during which they cannot be contacted.

## 3.0 RESERVATION OF POWERS TO THE BOARD OF DIRECTORS

### 3.1. Accountability

3.1.1 The Code of Accountability which has been adopted by the Trust requires the Board of Directors to determine those matters on which decisions are reserved unto itself. These reserved matters are set out in paragraphs 3.2 to 3.9 below:

### 3.2 General Enabling Provision

3.2.1 The Board of Directors may determine any matter it wishes in full session within its statutory powers and taking account of the Trust's Constitution and any guidance issued by Monitor / NHS England/Improvement.

### 3.3 Regulations and Control

The Board of Directors remains accountable for all of its functions; even those delegated to individual committees, sub-committees, directors or officers and would therefore expect to receive information about the exercise of delegated functions to enable it to maintain a monitoring role.

The Board of Directors exercises this delegation of regulation and control by the:

- a) approval of *Standing Orders for the Board of Directors* which form Annex 8 of the Trust's Constitution;
- b) a schedule of matters reserved to the Board of Directors and *Standing Financial Instructions* (SFIs) for the regulation of its proceedings and business;
- c) approval of a *Scheme of Reservation and Delegation of Powers* (SoRD) of powers from the Board of Directors to managers;
- d) requirement to receive the declaration of directors' interests which may conflict with those of the Trust and determining the extent to which that director may remain involved with the matter under consideration;
- e) requirement to receive the declaration of interests from officers which may conflict with those of the Trust;
- f) disciplining of Directors who are in breach of Statutory Requirements or the Trust's Constitution and governance documents;
- g) adoption of the organisational structures, processes and procedures to facilitate the discharge of business by the Trust and to agree modifications there to;
- h) requirement to receive reports from committees including those which the Trust is required by the Secretary of State or other regulation to establish and to take appropriate action thereon;
- i) confirmation of the recommendations of the Foundation Trust's committees
- j) where the committees do not have executive powers;
  - a. requirement to establish terms of reference and reporting arrangements of all committees;
- k) ratification of any urgent decisions through use of emergency powers in accordance with paragraph 5.2 (Emergency Powers) of the *Standing Orders for the Board of Directors* as described in Annex 8 of the Trust's *Constitution*;
- l) approval of arrangements relating to the discharge of the Trust's responsibilities as a corporate Trustee for funds held on Trust by The Walton Centre Charity;
- m) approval of arrangements for dealing with complaints;

- n) approval of arrangements relating to the discharge of the Trust's responsibilities as a bailee for patients' property;
- o) authorisation of use of the seal;
- p) ratification or otherwise, instances of failure to comply with SOs brought to the Chief Executive's attention; and
- q) approval and monitoring of the Foundation Trust's policies and procedures for the management of risk;
- r) approval of the Trust's *Freedom to Speak Up Policy*;
- s) approval of the Trust's *Health, Safety and Welfare Policy*;
- t) approval of the Trust's *Major Incident Plan*;
- u) with the Council of Governors, and in accordance with the Trust's *Constitution*, approve changes to the Trust's *Constitution*;
- v) approval of the Trust's *Learning from Deaths Policy*;
- w) approval of the Trust's *Fit and Proper Persons Policy*.

### **3.4 Appointments/Remuneration and Dismissals**

3.4.1 The Board of Directors exercises this delegation of appointments by:

- a) the appointment and dismissal of committees;
- b) the appointment, appraisal, disciplining and dismissal of Executive Directors;
- c) approval of proposals received from the Remuneration Committee regarding the remuneration of the Chief Executive, Executive Directors and senior employees.

3.4.2 In accordance with the Trust's *Constitution*, the Council of Governors will appoint the Chairman, the Non-Executive Directors and approve the appointment of the Chief Executive.

### **3.5 Policy determination**

3.5.1 The Board of Directors exercises this delegation of policy determination by: (a) the approval of Trust management policies where not specifically delegated to Committee(s) to approve.

### **3.6 Strategy and Business Plans and Budgets**

3.6.1 The Board of Directors exercises this delegation of strategy, business plans and budgets by:

- a) defining the strategic aims and objectives of the Foundation Trust;
- b) approval annually of the Foundation Trust's proposed business plan / service development strategy;
- c) approval of the Trust's annual budget and long-term financial plans;
- d) approval of Outline and Final Business Cases for capital investment for values greater than £250,000;

- e) approval annually of the Foundation Trust's proposed business plan / service development strategy;
- f) ratification of proposals for acquisition, disposal or change of use of land and/or buildings;
- g) approval of PFI proposals;
- h) approval of the creation of corporate bodies by the Trust;
- i) approval of the participation in joint ventures and the creation of joint entities;
- j) approval of proposals on individual contracts, including purchase orders (other than NHS contracts) of a capital level above £250,000 or revenue amounting to, or likely to amount to over £250,000 over the life of the contract;
- k) approval of proposals in individual cases for the write-off of debt or making of special payments above the limits of delegation to the Chief Executive and **Chief Financial Officer**;
- l) approval of proposals for action on litigation against or on behalf of the Foundation Trust where the likely financial impact is expected to exceed £10,000 or contentious or novel or likely to lead to extreme adverse publicity, excluding claims covered by the NHS risk pooling schemes;
- m) review of the use of NHS risk pooling schemes;
- n) approval of the opening of bank accounts; and
- o) approval of individual compensation payments.

### **3.8 Financial and Performance Reporting Arrangements**

3.8.1 The Board of Directors exercises this delegation of financial and performance reporting arrangements by:

- a) continuous appraisal of the affairs of the Foundation Trust through receipt of management reports and policy statements;
- b) receiving reports from committees in respect of their exercise of powers delegated;
- c) receive reports from **Chief Financial Officer** on financial performance against budget and business plan / service development strategy;
- d) receive reports from the **Chief Financial Officer** on actual and forecast income from service level agreements and contracts.
- e) receive and approve of the Foundation Trust's Annual Report and Annual Accounts prior to:
  - o being laid before Parliament; and
  - o presentation to the Council of Governors at the Annual Members Meeting.
- f) the receipt and approval of a schedule of NHS contracts signed in accordance with arrangements approved by the Chief Executive;
- g) the receipt and approval of the Annual Report(s) for funds held on Trust.

### **3.9 Audit Arrangements**

3.9.1 The Board of Directors exercises this delegation of audit arrangements by:

- a) approving audit arrangements (including arrangements for the separate audit of funds held on Trust) and to receive reports of the Audit Committee meetings and take appropriate action;
- b) the receipt of the annual management letter received from the external auditor and agreement of action on the recommendation where appropriate of the Audit Committee;
- c) the receipt of the Annual Internal Audit Report from the internal auditor and the agreement of action on the recommendation where appropriate of the Audit Committee.
- d) The Board of Directors note, in accordance with the Trust's *Constitution*, that the Council of Governors is responsible for the appointment, re-appointment and removal of the External Auditor, advised by the Board of Directors' Audit Committee.

## **4.0 DELEGATION OF POWERS**

### **4.1 Delegation to Committees**

4.1.1 The Board of Directors may determine that certain of its powers shall be exercised by committees. The composition and terms of reference of such committees shall be that determined by the Board of Directors who shall also determine the committee's reporting requirements. Committees may not delegate executive powers to sub-committees.

### **4.2 Delegation to Officers**

**(From the Accounting Officer Memorandum for Foundation Trusts 2015)**

#### **4.2.1 The general responsibilities of an NHS foundation trust accounting officer**

The Accounting Officer has responsibility for the overall organisation, management and staffing of the NHS Foundation Trust and for its procedures in financial and other matters. The Accounting Officer must ensure that:

- there is a high standard of financial management in the NHS Foundation Trust as a whole;
- financial systems and procedures promote the efficient and economical conduct of business and safeguard financial propriety and regularity throughout the NHS Foundation Trust; and
- financial considerations are fully taken into account in decisions on NHS Foundation Trust policy proposals.

#### **4.2.2 The specific responsibilities of an NHS Foundation Trust Accounting Officer**

The essence of the Accounting Officer's role is personal responsibility for:

- the propriety and regularity of the public finances for which he or she is answerable;
- the keeping of proper accounts;
- prudent and economical administration; and
- the avoidance of waste and extravagance; and the efficient and effective use of all the resources in their charge.

#### 4.2.3. The Accounting Officer must:

- personally sign the accounts and, in doing so, accept personal responsibility for ensuring their proper form and content as prescribed by NHS England/Improvement in accordance with the Act;
- comply with the financial requirements of the terms of authorisation;
- ensure that proper financial procedures are followed and that accounting records are maintained in a form suited to the requirements of management, as well as in the form prescribed for published accounts (so that they disclose with reasonable accuracy, at any time, the financial position of the NHS Foundation Trust);
- ensure that the resources for which they are responsible as Accounting Officer are properly and well managed and safeguarded, with independent and effective checks of cash balances in the hands of any official;
- ensure that assets for which they are responsible such as land, buildings or other property, including stores and equipment, are controlled and safeguarded with similar care, and with checks as appropriate; and
- ensure that conflicts of interest are avoided, whether in the proceedings of the Board of Directors, Board of Governors or in the actions or advice of the NHS Foundation Trust's staff and ensure that, in the consideration of policy proposals relating to the expenditure for which the Accounting Officer is responsible, all relevant financial considerations, including any issues of propriety, regularity or value for money, are taken into account, and brought to the attention of the Board of Directors.

#### 4.2.4 The Accounting Officer should ensure that effective management systems are appropriate for the achievement of the NHS Foundation Trust's objectives, including financial monitoring and control systems have been put in place. An Accounting Officer should also ensure that managers at all levels:

- have a clear view of their objectives, and the means to assess and, wherever possible, measure outputs or performance in relation to those objectives;
- are assigned well-defined responsibilities for making the best use of resources (both those consumed by their own commands and any made available to organisations or individuals outside the NHS Foundation Trust), including a critical scrutiny of output and value for money; and
- have the information (particularly about costs), training and access to the expert advice which they need to exercise their responsibilities effectively.

- 4.2.5 Accounting Officers must make sure that their arrangements for delegation promotes good management and that they are supported by the necessary staff with an appropriate balance of skills. Arrangements for internal audit should accord with the objectives, standards and practices set out in NHS Internal Audit Standards.

### 4.3

#### **Chairs Actions**

There may be occasions when Chair's Action needs to be taken due to the nature or timing of business i.e. the Chair of the meeting can make a decision that would have normally been done within the relevant committee but due to timing, this has had to be done on an individual basis. All instances will be recorded at the subsequent associated meeting as a formal record.

## TABLE A - DELEGATED AUTHORITY

DELEGATED MATTER	DELEGATED TO	OPERATIONAL RESPONSIBILITY
<b>1. Standing Orders (SOs) / Standing Financial Instructions (SFIs)</b>		
a) Final authority in interpretation of SOs.	Chair	Chief Executive
b) Notifying Directors and employees of their responsibilities within the SOs and SFIs and ensuring that they understand the responsibilities.	Chief Executive	Deputy Chief Financial Officer and Budget Managers
c) Responsibility for security of the Foundation Trust's property, avoiding loss, exercising economy and efficiency in using resources and conforming with SOs, Standing Financial Instructions and financial procedures.	Chief Executive	All Directors and Employees
d) Suspension of SOs	Board of Directors	Board of Directors
e) Review suspension of SOs	Audit Committee	Audit Committee
f) Variation or amendment to SOs	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-Executive Directors	Chair and Chief Executive with two Non-Executive Directors
h) Disclosure of non-compliance with SOs to the Chief Executive (report to the Board of Directors).	All Staff	All Staff
i) Disclosure of non-compliance with SFIs to the Chief Financial Officer (report to the Audit Committee).	All Staff	All Staff
j) Advice on interpretation or application of SFIs and this Scheme of Delegation.	Chief Financial Officer	Deputy Chief Financial Officer



**TABLE A – DELEGATED MATTERS**

DELEGATED MATTER	DELEGATED TO	OPERATIONAL RESPONSIBILITY
<b>1. Audit Arrangements</b>		
a) To make recommendations to the Council of Governors in respect of the appointment, re-appointment and removal of the External Auditor and to approve the remuneration in respect of the External Auditor.	Audit Committee (for recommendation to the Council of Governors for approval).	Chief Financial Officer
b) Monitor and review the effectiveness of the internal audit function.	Audit Committee	Director of Internal Audit / Chief Financial Officer
c) Review, appraise and report in accordance with international Internal Audit Standards and best practice.	Audit Committee	Director of Internal Audit
d) Provide an independent and objective view on internal control and probity.	Audit Committee	Internal Audit / External Audit
e) Ensure cost-effective audit service.	Audit Committee	Chief Financial Officer
f) Implement recommendations.	Chief Executive	Relevant Officers
<b>2. Clinical Trials and Research Projects</b>		
a) Authorisation of Clinical Trials and Research Projects.	Chief Executive	Research, Development and Innovation (RDI) Operations Group
b) Financial Management of Clinical Trials and Research Projects in accordance with all Trust financial policies and procedures.	Chief Financial Officer	Deputy Chief Financial Officer with Chief Operating Officer
<b>3. Authorisation of New Drugs</b>		
<b>4. Bank / GBS Accounts / Cash</b>		
a) <b>Operation</b>	Chief Financial Officer	Financial Accountant
<ul style="list-style-type: none"> <li>• Managing banking arrangements and operation of bank accounts (Board of Directors approves arrangements).</li> </ul>	Chief Financial Officer	Deputy Chief Financial Officer
<ul style="list-style-type: none"> <li>• Opening bank accounts.</li> </ul>	Chief Financial Officer	Deputy Chief Financial Officer
<ul style="list-style-type: none"> <li>• Authorisation of transfers between the Foundation Trust's bank accounts.</li> </ul>	Chief Financial Officer	In accordance with the bank mandate

DELEGATED MATTER	DELEGATED TO	OPERATIONAL RESPONSIBILITY
<ul style="list-style-type: none"> <li>Approve and apply arrangements for the electronic transfer of funds.</li> </ul>	Chief Financial Officer	To be completed in accordance with bank mandate / internal procedures.
<ul style="list-style-type: none"> <li>Authorisation of: <ul style="list-style-type: none"> <li>GBS schedules;</li> <li>BACS schedules;</li> <li>Automated cheque schedules;</li> <li>Manual cheques.</li> </ul> </li> </ul>	Chief Financial Officer	To be completed in accordance with bank mandate / internal procedures.
<p>b) <b>Investments</b></p> <ul style="list-style-type: none"> <li>Investment of surplus funds in accordance with the Foundation Trusts Treasury Management policy (based on NHSE/ requirements / guidance).</li> <li>Preparation of investment procedures.</li> </ul>	Chief Financial Officer	Financial Accountant
<p>c) <b>Petty Cash</b></p>	Chief Financial Officer	Refer to Table B Delegated Limits
<b>5. Capital Investment</b>		
<p>a) Programme:</p> <ul style="list-style-type: none"> <li>Ensure that there is adequate appraisal and approval process for determining capital expenditure priorities and the impact on business plans / service development strategy.</li> </ul>	Chief Executive	Chief Financial Officer/
<ul style="list-style-type: none"> <li>Preparation of Capital Investment Programme.</li> </ul>	Chief Executive	Chief Financial Officer/ Chief Operating Officer
<ul style="list-style-type: none"> <li>Preparation of a business case.</li> </ul>	Chief Financial Officer/ Chief Operating Officer	Relevant operational manager – Refer to Table B
<ul style="list-style-type: none"> <li>Financial monitoring and reporting on all capital scheme expenditure including variations to contract.</li> </ul>	Chief Financial Officer	Deputy Chief Financial Officer
<ul style="list-style-type: none"> <li>Contracting: Selection of architects, quantity surveyors, consultant engineers and other professional advisors within the EU regulations and Trust tender procedures.</li> </ul>	Chief Executive	Chief Financial Officer/ Chief Operating Officer with external advice as required
<ul style="list-style-type: none"> <li>Authorisation of capital requisitions.</li> </ul>	Chief Executive	Refer to Table B Delegated Limits
<ul style="list-style-type: none"> <li>Responsible for the management of capital schemes and for ensuring that they are</li> </ul>	Chief Executive	Chief Financial Officer/Chief

DELEGATED MATTER	DELEGATED TO	OPERATIONAL RESPONSIBILITY
delivered on time and within cost.		Operating Officer.
<ul style="list-style-type: none"> <li>Ensure that capital investment is not undertaken without availability of resources to finance all revenue consequences.</li> </ul>	Chief Executive	Chief Financial Officer/ Chief Operating Officer
<ul style="list-style-type: none"> <li>Issue procedures to support:               <ul style="list-style-type: none"> <li>(i) capital investment;</li> <li>(ii) staged payments.</li> </ul> </li> </ul>	Chief Financial Officer/ Chief Operating Officer	Deputy Chief Financial Officer
<ul style="list-style-type: none"> <li>Issue procedures governing financial management, including variation to contract, of capital investment projects and valuation for accounting purposes.</li> </ul>	Chief Financial Officer	Deputy Chief Financial Officer
<ul style="list-style-type: none"> <li>Issuing the capital scheme project manager with specific authority to commit capital, proceed / accept tenders in accordance with the SO's and SFI's.</li> </ul>	Chief Executive	Chief Financial Officer
<b>b) Private Finance:</b>		
<ul style="list-style-type: none"> <li>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.</li> </ul>	Chief Executive	Chief Financial Officer
<b>c) Leases (property and equipment):</b>		
<ul style="list-style-type: none"> <li>Review of type of lease to determine whether an operating lease or finance lease implication on the Financial Sustainability Rating prior to being signed</li> </ul>	Chief Financial Officer	Financial Accountant
<ul style="list-style-type: none"> <li>Granting and termination of leases with Annual rent &lt; £50k.</li> </ul>	Chief Financial Officer	Financial Accountant
<ul style="list-style-type: none"> <li>Granting and termination of leases with Annual rent of £50k - £100k.</li> </ul>	Chief Executive	Chief Financial Officer
<ul style="list-style-type: none"> <li>Granting and termination of leases with Annual rent &gt; £100k.</li> </ul>	Board of Directors	Chief Executive
<b>6. Clinical Audit</b>	Chief Executive	Medical Director / Chief Nurse
<b>7. Commercial Sponsorship</b>		
Agreement to proposal.	Chief Executive	Chief Financial Officer with reference to the Standards of Business and

DELEGATED MATTER	DELEGATED TO	OPERATIONAL RESPONSIBILITY
		Personal Conduct Policy
<b>8. Complaints (Patients &amp; Relatives)</b>		
a) Overall responsibility for ensuring that all complaints are dealt with effectively.	Chief Executive	Chief Nurse
b) Responsibility for ensuring complaints relating to a division / department are investigated thoroughly.	Chief Executive	Chief Nurse
<b>9. Confidential Information</b>		
<ul style="list-style-type: none"> <li>Review of the Foundation Trust's compliance with the Caldicott report on protecting patients' confidentiality in the NHS;</li> <li>Freedom of Information Act compliance code;</li> <li>Data Security Arrangements.</li> </ul>	<p>Chief Executive</p> <p>Chief Executive</p> <p>Chief Executive</p>	<p>Medical Director</p> <p>Chief Financial Officer</p> <p>Chief Financial Officer</p>
<b>10. Data Protection Act</b>		
Assurance of the Foundation Trust's Compliance.	Chief Executive	Chief Financial Officer
<b>11. Declaration of Interest</b>		
Maintaining a register of interests of the Board of Directors.	Chair	Corporate Secretary
To ensure Senior Managers / Senior Clinicians / Department Heads / all Senior Staff have declared relevant and material interest.	Chief Executive	Chief Financial Officer
<b>12. Disposal and Condemnations</b>		
<ul style="list-style-type: none"> <li>Items obsolete, redundant, irreparable or cannot be repaired cost effectively.</li> <li>Develop arrangements for the sale of assets.</li> </ul>	<p>Chief Financial Officer</p> <p>Chief Financial Officer</p>	<p>Head of Department in accordance with agreed policy</p> <p>Deputy Chief Financial Officer</p>
<b>13. Environmental Regulations</b>		
Review of compliance with environmental regulations, for example those relating to clean air and waste disposal.	Chief Executive	Chief Operating Officer
<b>14. External Borrowing</b>		

DELEGATED MATTER	DELEGATED TO	OPERATIONAL RESPONSIBILITY
<p>a) Advise Trust Board of the requirements to repay / draw down Public Dividend Capital.</p> <p>b) Approve a list of employees authorised to make short term borrowings on behalf of the Foundation Trust.</p> <p>c) Application for draw down of Public Dividend Capital, overdrafts and other forms of external borrowing.</p> <p>d) Preparation of procedural instructions concerning applications for loans and overdrafts.</p>	<p>Chief Financial Officer</p> <p>Board of Directors</p> <p>Chief Executive</p> <p>Chief Financial Officer</p>	<p>Deputy Chief Financial Officer</p> <p>In accordance with relevant mandate</p> <p>Chief Financial Officer</p> <p>Financial Accountant</p>
<p><b>15. Financial Planning / Budgetary Responsibility</b></p>		
<p>a) <b>Setting:</b></p> <ul style="list-style-type: none"> <li>• Submit budgets to the Trust Board</li> <li>• Submit to Board financial estimates and forecasts</li> <li>• Compile and submit to the Board operational and strategic plans which take into account financial targets, forecast limits and available resources.</li> </ul> <p>b) <b>Monitoring:</b></p> <ul style="list-style-type: none"> <li>• Devise and maintain systems of budgetary control.</li> <li>• Monitor performance against budget.</li> <li>• Delegate budgets to budget holders</li> <li>• Ensuring adequate training is delivered to budget holders to facilitate their management of the allocated budget.</li> <li>• Submit in accordance with the Monitor's requirements for financial monitoring returns.</li> <li>• Identify and implement cost improvements and income generation activities in line with the Business Plan.</li> </ul>	<p>Chief Executive</p> <p>Chief Executive</p> <p>Chief Executive</p> <p>Chief Financial Officer</p> <p>Chief Financial Officer</p> <p>Chief Executive</p> <p>Chief Financial Officer</p> <p>Chief Executive</p> <p>Chief Executive</p>	<p>Chief Financial Officer</p> <p>Chief Financial Officer</p> <p>Chief Operating Officer</p> <p>Deputy Chief Financial Officer</p> <p>Divisional Accountant / Budget Holders</p> <p>Chief Financial Officer</p> <p>Deputy Chief Financial Officer</p> <p>Chief Financial Officer</p> <p>Executive</p>

DELEGATED MATTER	DELEGATED TO	OPERATIONAL RESPONSIBILITY
Preparation of: <ul style="list-style-type: none"> <li>• Annual Accounts</li> <li>• Annual Reports</li> </ul>	<b>Chief Financial Officer</b>  Chief Executive	Team/Divisional Management Teams  <b>Deputy Chief Financial Officer</b>  Corporate Secretary
<b>c) Budget Responsibilities:</b>  Ensure that: <ul style="list-style-type: none"> <li>• no overspend or reduction of income (that cannot be met from virement) should be incurred without authorisation from the Divisional Manager or lead Executive in the case of corporate budgets. All overspending budgets or unfavourable variances are reported to the Board on a monthly basis.</li> <li>• approved budget is not used for any other than specified purpose subject to rules of virement;</li> <li>• no permanent employees are appointed without the approval of the Chief Executive other than those provided for within available resources and manpower establishment.</li> </ul>	<b>Chief Financial Officer</b>	Budget Holders
<b>d) Authorisation of Virement:</b>  It is not possible for any officer to vire from non-recurring headings to recurring budgets or from capital to revenue / revenue to capital. Virement between different budget holders requires the agreement of both parties.	Chief Executive / <b>Chief Financial Officer</b>	Refer to Table B Delegated Limits
<b>16. Financial Procedures and Systems</b>		
a) Maintenance and update on Foundation Trust Financial Procedures	<b>Chief Financial Officer</b>	<b>Deputy Chief Financial Officer</b>
b) Responsibilities:- <ul style="list-style-type: none"> <li>• Implement Foundation Trust's financial policies and co-ordinate corrective action;</li> <li>• Ensure that adequate records are maintained to explain Foundation Trust's transactions and financial position;</li> <li>• Providing financial advice to members of the</li> </ul>	<b>Chief Financial Officer</b>	<b>Deputy Chief Financial Officer</b>

DELEGATED MATTER	DELEGATED TO	OPERATIONAL RESPONSIBILITY
Board of Directors and staff; <ul style="list-style-type: none"> <li>• Ensure that appropriate statutory records are maintained; and</li> <li>• Designing and maintaining compliance with all financial systems.</li> </ul>		
<b>17. Fire Precautions</b>		
Ensure that the Fire Precautions and prevention policies and procedures are adequate and that fire safety and integrity of the estate is intact.	Chief Executive	Chief Operating Officer
<b>18. Fixed Assets</b>		
a) Maintenance of asset register including asset identification and monitoring	Chief Executive	Chief Financial Officer
b) Ensuring arrangements for financial control and financial audit of building and engineering contracts and property transactions comply with current accounting requirements.	Chief Financial Officer	Deputy Chief Financial Officer
c) Responsibility for security of Foundation Trust's assets including notifying discrepancies to the Chief Financial Officer and reporting losses in accordance with Foundation Trust's procedures.	Chief Executive	All Staff
<b>19. Fraud (See also 25,35)</b>		
a) Monitor and ensure compliance with Secretary of State Directions on fraud and corruption including the appointment of the Local Counter Fraud Specialist.	Chief Executive	Local Counter Fraud Specialist
b) Notify NHS Counter Fraud Authority and External Audit of all suspected Frauds.	Chief Financial Officer	Local Counter Fraud Specialist
<b>20. Health and Safety</b>		
Review of all statutory compliance with legislation and Health and Safety requirements.	Chief Executive	Chief Operating Officer
<b>21. Hospitality / Gifts</b>		
Keeping of hospitality register.	Chief Executive	Corporate Secretary
<b>22. Infectious Diseases &amp; Notifiable Outbreaks</b>		
	Chief Executive	Chief Nurse
<b>23. Information Management &amp; Technology</b>		
Financial Systems <ul style="list-style-type: none"> <li>• Developing financial systems in accordance with the Foundation Trust's IM&amp;T strategy;</li> <li>• Implementing new systems and ensure they are</li> </ul>	Chief Financial Officer	Deputy Chief Financial Officer

DELEGATED MATTER	DELEGATED TO	OPERATIONAL RESPONSIBILITY
<p>developed in a controlled manner and thoroughly tested;</p> <ul style="list-style-type: none"> <li>Seeking third party assurances regarding financial systems operated externally; and</li> <li>Ensure that contracts for computer services for financial applications define responsibility for: security; privacy; accuracy; completeness and timeliness of data during processing and storage.</li> </ul>		
<p>IT Systems</p> <ul style="list-style-type: none"> <li>Developing IT systems in accordance with the Foundation Trust's IM&amp;T Strategy and Trust objectives;</li> <li>Implementing new systems and ensure they are developed in a controlled manner and thoroughly tested;</li> <li>Seeking third party assurances regarding IT systems operated externally;</li> <li>Ensure that contracts for computer services for IT applications define responsibility re security, privacy, accuracy, completeness and timeliness of data during processing and storage;</li> <li>Ensure that risks to the Trust from use of IT are identified and considered and that disaster recovery plans are in place.</li> </ul>	Chief People Officer	Head of IM&T
<b>24. Legal Proceedings</b>		
<ul style="list-style-type: none"> <li>Engagement of Foundation Trust's Solicitors / Legal Advisors</li> <li>Approve and sign all documents which will be necessary in legal proceedings i.e. executed as a deed;</li> <li>Sign on behalf of the Foundation Trust any agreement or document not requested to be executive as a deed.</li> </ul>	<p>Chief Executive</p> <p>Chief Executive</p> <p>Chief Executive</p>	<p>All Executive and Corporate Directors</p> <p>Chief Financial Officer</p> <p>Chief Financial Officer</p>
<b>25. Losses, Write-off &amp; Compensation</b>		
<p>a) Prepare procedures for recording and accounting for losses and special payments including preparation of a Fraud Response Plan and informing NHS Counter Fraud Authority of fraud / alleged fraud.</p> <p><b>Losses:</b></p> <ul style="list-style-type: none"> <li>Losses of cash due to theft, fraud, overpayment &amp; others;</li> </ul>	Chief Executive	<p>Chief Financial Officer</p> <p>Refer to Table B Delegated Limits</p>



<b>DELEGATED MATTER</b>	<b>DELEGATED TO</b>	<b>OPERATIONAL RESPONSIBILITY</b>
<ul style="list-style-type: none"> <li>- Fruitless payments (including abandoned Capital Schemes);</li> <li>- Bad debts and claims abandoned; and</li> <li>- Damage to buildings, fittings, furniture and equipment and loss of equipment and property in stores and in use due to culpable causes (e.g. fraud, theft, arson).</li> </ul>		
b) Reviewing appropriate requirement for insurance claims.	Chief Financial Officer	Deputy Chief Financial Officer
c) A register of all of the payments should be maintained by the Finance Department and made available for inspection / audit.	Chief Financial Officer	Deputy Chief Financial Officer / Financial Accountant
d) A report of all of the above payments should be presented to the Audit Committee on an annual basis.	Chief Financial Officer	Deputy Chief Financial Officer/ Financial Accountant
<p><b>Special Payments:</b> Compensation payments by Court order</p> <p><b>Exgratia Payments:</b></p> <ul style="list-style-type: none"> <li>• To patients/staff for loss of personal effects;</li> <li>• For clinical negligence after legal advice;</li> <li>• For personal injury after legal Advice;</li> <li>• Other clinical negligence and personal injury;</li> <li>• Other ex-gratia payments.</li> </ul>	<p>Chief Executive</p> <p>Chief Executive</p>	<p>Refer to Table B Delegated Limits</p> <p>Refer to Table B Delegated Limits</p>
<p><b>Write-offs:</b></p> <ul style="list-style-type: none"> <li>• Write-off of Debtors.</li> <li>• Report all bad debt write-offs to the Audit Committee at least annually</li> </ul>	Chief Executive	Deputy Chief Financial Officer (Refer to Table B Delegated Limits)
<b>26. Meetings</b>		
a) Calling meetings of the Foundation Trust Board.	Chair	Corporate Secretary
b) Chair all Foundation Trust Board meetings and associated responsibilities.	Chair	Chair
<b>27. Medical</b>		
<ul style="list-style-type: none"> <li>• Clinical Governance arrangements</li> </ul>	Medical Director / Chief Nurse	Chief Nurse
<ul style="list-style-type: none"> <li>• Medical Leadership</li> </ul>	Medical Director	Medical Director / Divisional Clinical Directors
<ul style="list-style-type: none"> <li>• Programmes of medical education</li> </ul>	Medical Director	Director of Medical Education

<b>DELEGATED MATTER</b>	<b>DELEGATED TO</b>	<b>OPERATIONAL RESPONSIBILITY</b>
<ul style="list-style-type: none"> <li>Medical staffing plans</li> </ul>	Medical Director	Divisional Clinical Directors / Divisional General Managers
<ul style="list-style-type: none"> <li>Medical Research</li> </ul>	Medical Director	Clinical Director of Research /
<b>28. Non-Pay Expenditure</b>		
a) Maintenance of a list of managers authorised to place requisitions / orders and accept goods in accordance with Table B	Chief Executive	Chief Financial Officer
b) Obtain the best value for money when requisitioning goods / services	Chief Executive	Associate Director of Procurement
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 specified above in (a)).	Chief Executive	Chief Financial Officer
d) Develop systems for the payment of accounts.	Chief Financial Officer	Deputy Chief Financial Officer
e) Prompt payment of accounts.	Chief Financial Officer	Financial Accountant
f) Financial Limits for ordering / requisitioning goods and services	Chief Financial Officer	Refer to Table B Delegated Limits
g) Approve prepayment arrangements	Chief Financial Officer	Financial Accountant
h) Financial limits for authorising internal credit notes	Chief Financial Officer	Refer to Table B Delegated Limits
i) Financial limits for authorising NHS Supply Chain weekly sales invoices	Chief Financial Officer	Refer to Table B Delegated Limits
<b>29. Nursing</b>		
<ul style="list-style-type: none"> <li>Compliance with statutory and regulatory arrangements relating to professional nursing practice.</li> </ul>	Chief Nurse	Deputy Chief Nurse
<ul style="list-style-type: none"> <li>Matters involving individual professional competence of nursing staff.</li> </ul>	Chief Nurse	Deputy Chief Nurse
<ul style="list-style-type: none"> <li>Compliance with professional training and development of nursing staff.</li> </ul>	Chief Nurse	Deputy Chief Nurse
<ul style="list-style-type: none"> <li>Quality assessment of nursing processes.</li> </ul>	Chief Nurse	Deputy Chief Nurse
<b>30. Patient Services Agreements</b>		

<b>DELEGATED MATTER</b>	<b>DELEGATED TO</b>	<b>OPERATIONAL RESPONSIBILITY</b>
a) Negotiation of Foundation Trust Contract and Non-Commercial Contracts.	Chief Executive	Chief Financial Officer/
b) Quantifying and monitoring non-contract activity.	Chief Financial Officer	Deputy Chief Financial Officer / Head of Financial Services, Income and Planning
c) Reporting actual and forecast income.	Chief Financial Officer	Chief Financial Officer / Head of Financial Services, Income and Planning
d) Costing Foundation Trust Contract and Non-Commercial Contracts.	Chief Financial Officer	Deputy Chief Financial Officer / Head of Financial Services, Income and Planning
e) Reference costing / Payment by Results. <ul style="list-style-type: none"> <li>Production of annual reference costs in accordance with national guidance and best practice.</li> </ul>	Chief Financial Officer	Deputy Chief Financial Officer/Head of Financial Management.
f) Ad hoc costing relating to changes in activity, developments, business cases and bids for funding.	Chief Financial Officer	Senior Finance Team Members
<b>31. Patients' Property</b>		
a) Ensuring patients and guardians are informed about patients' monies and property procedures on admission.	Chief Financial Officer	Ward Managers
b) Prepare detailed written instructions for the administration of patients' property.	Chief Financial Officer	Deputy Chief Financial Officer / Divisional Nurse Director for Neurosurgery
c) Informing staff of their duties in respect of patients' property.	Chief Financial Officer	Divisional General Manager / Department Manager / Clinical Managers / Ward Manager
d) Issuing property of deceased patients <ul style="list-style-type: none"> <li>&lt;£4,999 in accordance with agreed Foundation Trust policies;</li> <li>&gt;£5,000 only on production of a probate letter of administration.</li> </ul>	Chief Financial Officer  Chief Financial Officer	Financial Accountant  Financial Accountant
<b>32. Personnel &amp; Pay</b>		

DELEGATED MATTER	DELEGATED TO	OPERATIONAL RESPONSIBILITY
a) Nomination of officers to enter into contracts of employment regarding staff, agency staff or consultancy service contracts.	Chief Executive	Chief People Officer
b) Develop Human Resource policies and strategies for approval by the Board including training, industrial relations.	Chief People Officer	Deputy Chief People Officer
c) Authority to fill funded post on the establishment with permanent staff.	Chief People Officer	Budget Managers and Divisional Accountants
d) The granting of additional increments to staff within budget.	Chief People Officer	Budget Managers and Deputy Chief Financial Officer
e) The granting of additional increments to staff outside of budget limits.	Chief Executive	Budget Managers and Divisional Accountants with Executive Team Approval
f) All requests for re-grading shall be dealt with in accordance with Foundation Trust Procedure	Chief People Officer	Deputy Chief People Officer
g) Establishments <ul style="list-style-type: none"> <li>• Additional staff to the agreed establishment with specifically allocated finance;</li> <li>• Additional staff to the agreed establishment without specifically allocated finance.</li> <li>• Self-financing changes to an establishment</li> </ul>	Chief Financial Officer  Chief Executive  Chief Financial Officer	Budget Managers and Divisional Accountants with Executive Team Approval  Budget Managers and Divisional Accountants with Executive Team Approval  Budget Managers / Divisional Accountant
h) Pay		
<ul style="list-style-type: none"> <li>• Presentation of proposals to the Foundation Trust Board for the setting of remuneration and conditions of service for those staff not covered by the Remuneration Committee.</li> </ul>	Chief Executive	Chief People Officer
<ul style="list-style-type: none"> <li>• Authority to complete standing data forms effecting pay, new starters, variations and leavers</li> </ul>	Chief People Officer	Budget Managers
<ul style="list-style-type: none"> <li>• Authority to complete and authorise Staff Variation Lists (SVLS)</li> <li>• Authority to authorise overtime</li> </ul>	Chief Financial Officer  Chief People Officer/ Chief Financial	Budget Managers or authorised deputy  Budget Managers

DELEGATED MATTER	DELEGATED TO	OPERATIONAL RESPONSIBILITY
<ul style="list-style-type: none"> <li>Authority to authorise travel and subsistence expenses</li> <li>Authority to authorise travel orders for Executives</li> </ul>	<p>Officer</p> <p>Chief Financial Officer</p> <p>Chief Executive/ Chief Financial Officer/ Deputy Chief Financial Officer</p>	<p>Budget Managers</p> <p>Personal Assistants</p>
<p>i) Leave (<i>note entitlement may be taken in hours</i>)</p>	<p>Chief People Officer</p>	<p>Refer to Annual Leave Policy / Divisional Manager / Head of Department</p>
<p><u>Annual Leave</u></p> <ul style="list-style-type: none"> <li>Approval of annual leave</li> </ul>	<p>Chief People Officer</p>	<p>Line / Departmental Manager (as per departmental procedure)</p>
<ul style="list-style-type: none"> <li>Annual leave – approval of carry forward (up to maximum of 5 days)</li> </ul>	<p>Chief People Officer</p>	<p>Line/Departmental Manager</p>
<ul style="list-style-type: none"> <li>Annual leave – approval of carry forward over 5 days (to occur in exceptional circumstances only).</li> </ul>	<p>Chief People Officer</p>	<p>Clinical Directors / Departmental Manager / Department Heads</p>
<p><u>Special Leave (paid and unpaid)</u></p> <p>For example</p> <ul style="list-style-type: none"> <li>Parental Leave</li> <li>Leave for Family Emergencies</li> <li>Bereavement Leave</li> <li>IVF and other fertility treatments</li> <li>Domestic Emergencies</li> <li>Participation in Elections</li> <li>Public Duties</li> <li>Jury Service</li> <li>Appearance as a Witness/Expert Witness</li> <li>Special Forces</li> <li>Additional Professional Duties</li> <li>Participation in Sporting Events</li> <li>Adverse Weather Conditions</li> <li>Travel Delays following Annual Leave</li> <li>Time off for Job Interviews</li> </ul> <p>To be applied in accordance with Foundation Trust Policy.</p>	<p>Chief People Officer</p>	<p>Departmental Manager / Head of Service / Clinical Managers</p>
<ul style="list-style-type: none"> <li>Leave without pay.</li> </ul>	<p>Chief People Officer</p>	<p>Clinical Director / Directorate</p>

DELEGATED MATTER	DELEGATED TO	OPERATIONAL RESPONSIBILITY
<ul style="list-style-type: none"> <li>Medical Staff Leave of Absence – paid and unpaid.</li> </ul>	Chief People Officer	Clinical Director with advice from the Medical Director
<ul style="list-style-type: none"> <li>Time off in lieu.</li> </ul>	Chief People Officer	Line / Departmental Manager
<ul style="list-style-type: none"> <li>Maternity Leave - paid and unpaid.</li> </ul>	Chief People Officer	Automatic approval with guidance
<u>Sick Leave</u> j) Extension of sick leave and pay.	Chief People Officer	Clinical Director / Directorate Manager / Department Heads in conjunction with the Chief People Officer
ii) Return to work part-time on full pay to assist recovery.	Chief People Officer	Clinical Director / Directorate Manager / Department Heads in conjunction with the Chief People Officer
<u>Study Leave</u>	Chief Executive	Relevant Executive Director
<ul style="list-style-type: none"> <li>Study leave outside the UK.</li> </ul>		
<ul style="list-style-type: none"> <li>Medical staff study leave (UK)               <ul style="list-style-type: none"> <li>– Consultant / Non-Career Guide</li> <li>– Career Guide</li> </ul> </li> </ul>	Medical Director  Medical Director	Medical Director / Clinical Directors  Post Graduate Tutor
<ul style="list-style-type: none"> <li>All other study leave (UK)</li> </ul>	Chief People Officer	Budget Manager (in budget) and Training and Development Manager
k) Grievance Procedure  All grievance cases must be dealt with strictly in accordance with the Grievance Procedure and the advice of the Chief People Officer must be sought when the grievance reaches the level of Divisional General Managers / Heads of Department.	Chief People Officer	Departmental Manager / Line Manager / Appeals Committee
l) Authorised – Car Users	Chief Financial	To be applied as

DELEGATED MATTER	DELEGATED TO	OPERATIONAL RESPONSIBILITY
<ul style="list-style-type: none"> <li>Regular users allowance.</li> </ul>	Officer	per Trust Policy
m) Mobile Phone Users / Blackberry's / iPad's/laptops	Chief Financial Officer	To be applied as per local Trust policy
n) Renewal of Fixed Term Contract.	Chief People Officer	Budget Holder / Finance Approval plus relevant Executive Director
o) Redundancy.	Chief Executive	Chief People Officer/ Chief Financial Officer
<p>p) Ill Health Retirement</p> <p>Decision to pursue retirement on the grounds of ill-health following advice from the Occupational Health Department.</p>	Chief People Officer	Deputy Chief People Officer
q) Early retirement.	Chief Executive	Chief People Officer/ Chief Financial Officer
r) Disciplinary Procedure (excluding Executive Directors).	Chief People Officer	To be applied in accordance with the Foundation Trust's Disciplinary Procedure
s) 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.	Chief People Officer	Deputy Chief People Officer
<p>t) Engagement of staff not on the establishment:</p> <ul style="list-style-type: none"> <li>Authorisation of bank staff and temporary nursing staff, including agency</li> <li>Management Consultants and Other</li> </ul>	<p>Chief Nurse</p> <p>Executive Team</p>	<p>Refer to Table B</p> <p>In Hours – Budget Manager</p> <p>Out of Hours – On Call Manager (silver)</p> <p>Budget Manager Refer to Table B Delegated Limits</p>
<b>33. Quotation, Tendering &amp; Contract Procedures</b>		
<p>a) Services:</p> <ul style="list-style-type: none"> <li>Best value for money is demonstrated for all services provided under contract or in-house;</li> </ul>	Chief Executive	<p>Chief Financial Officer/ Deputy Chief Financial Officer/ Associate</p>

DELEGATED MATTER	DELEGATED TO	OPERATIONAL RESPONSIBILITY
<ul style="list-style-type: none"> <li>Nominate officers to oversee and manage the contract on behalf of the Foundation Trust.</li> </ul>	Chief Executive	Director of Procurement Chief Financial Officer/ Deputy Chief Financial Officer/ Associate Director of Procurement / Divisional Director / Head of Department
<b>b) Competitive Tenders</b>		
<ul style="list-style-type: none"> <li>Authorisation Limits</li> <li>Maintain a register to show each set of competitive tender invitations despatched;</li> <li>Receipt and custody of tenders prior to opening</li> <li>Opening Tenders</li> <li>Decide if late tenders should be considered</li> <li>Ensure that appropriate checks are carried out as to the technical and financial capability of the firms invited to tender or quote.</li> </ul>	Chief Executive Chief Executive Chief Executive Chief Executive Chief Executive Chief Executive	Refer to Table B Delegated Limits Associate Director of Procurement Associate Director of Procurement Corporate Secretary Associate Director of Procurement Associate Director of Procurement
<b>c) Quotations / Authorisation Limits:</b>	Chief Executive	Refer to Table B Delegated Limits
<b>d) Waiving the requirement to request:</b> <ul style="list-style-type: none"> <li>Tenders;</li> <li>Quotes.</li> </ul>	Chief Executive	Chief Financial Officer Refer to Table B Delegated Limits
<b>34. Records</b>		
a) Review Foundation Trust's compliance with the Records Management Code of Practice.	Chief Executive	Chief Nurse
b) Ensuring the form and adequacy of the financial records of all departments.	Chief Financial Officer	Deputy Chief Financial Officer
<b>35. Reporting of Incidents to the Police</b>		
a) Where a criminal offence is suspected <ul style="list-style-type: none"> <li>Criminal offence of a violent nature;</li> </ul>	Chief Executive	Senior Manager On-Call



DELEGATED MATTER	DELEGATED TO	OPERATIONAL RESPONSIBILITY
<ul style="list-style-type: none"> <li>Arson or theft;</li> <li>Other.</li> </ul>		Directorate Manager / Department Heads / Security with reference to <b>Chief Operating Officer</b>
b) Where a fraud is suspected (reporting to NHS Counter Fraud Authority).	<b>Chief Financial Officer</b>	Local Counter Fraud Specialist
c) Deciding at what stage to involve the police in cases of misappropriation and other irregularities not involving fraud or corruption.	<b>Chief Financial Officer</b>	Executive Director / Senior Manager On Call (silver)
<b>36. Risk Management</b>		
<ul style="list-style-type: none"> <li>Ensuring the Foundation Trust has a Risk Management Strategy and a programme of risk management.</li> </ul>	Chief Executive	<b>Chief Operating Officer</b>
<ul style="list-style-type: none"> <li>Developing systems for the management of risk.</li> </ul>	<b>Chief Operating Officer</b>	<b>Deputy Chief Operating Officer</b>
<ul style="list-style-type: none"> <li>Developing incident and accident reporting systems</li> <li>Compliance with the reporting of incidents and accidents</li> </ul>	<b>Chief Nurse</b>	<b>Deputy Chief Nurse</b>  <b>All Staff</b>
<b>37. Seal</b>		
a) The keeping of a register of seal and safekeeping of the seal	Chief Executive	Corporate Secretary
b) Attestation of seal in accordance with SOs	Chair / Chief Executive	Trust Board
c) Property transactions and any other legal requirement for the use of the seal.	Chair / Chief Executive	Chair or Non-Executive Director and the Chief Executive or their nominated Director
<b>38. Security Management</b>		
a) Monitor and ensure compliance with Clause 43 and Schedule 13 of the standard NHS contract (which mirror Secretary of State Directions) on fraud and corruption including the appointment of the Local Counter Fraud Specialist.	Chief Executive	<b>Chief Financial Officer</b>
<b>39. Setting of Fees and Charges (Income)</b>		
a) Private Patient, Overseas Visitors, Income Generation and other patient related services.	<b>Chief Financial Officer</b>	<b>Head of Financial Services, Income and Planning</b>
b) Non-patient care income	<b>Chief Financial Officer</b>	<b>Head of Financial Services, Income</b>

DELEGATED MATTER	DELEGATED TO	OPERATIONAL RESPONSIBILITY
		and Planning
c) Information to the Board of Directors of monies due to the Foundation Trust	Chief Financial Officer	Head of Financial Services, Income and Planning
d) Recovery of debt	Chief Financial Officer	Financial Accountant
e) Security of cash and other negotiable instruments	Chief Financial Officer	Financial Accountant
f) Financial limits for authorising credit notes	Chief Financial Officer	Refer to Table B Delegated Limits
<b>40. Stores and Receipt of Goods</b>		
a) Responsibility for systems of control over stores and receipt of goods, issues and returns	Chief Financial Officer	Associate Director of Procurement
b) Stocktaking arrangements	Chief Financial Officer	Heads of Departments and Divisional Accountants
c) Responsibility for controls of pharmaceutical stock.	Designated Pharmaceutical officer	Under SLA – senior designated Pharmaceutical Officer
<b>41. Medicines Inspectorate Regulations</b>		
Review Regulations.	Chief Executive	Medical Director (with operational support from Divisional General Manager) and contractor under SLA
<b>42. Consignment Stock</b>		
Responsibility for approving consignment stock agreements.	Chief Executive/ Chief Financial Officer/ Deputy Chief Financial Officer	Associate Director of Procurement/ Head of Procurement

## TABLE B – DELEGATED FINANCIAL LIMITS

Unless otherwise stated, all thresholds are inclusive of VAT irrespective of recovery arrangements.

If the Chief Executive is absent powers delegated to them may be exercised by the nominated officer(s) acting in their absence after taking appropriate financial advice, two directors will be required to ratify any decisions within the Chief Executives thresholds.

<b>Financial Limits</b> (subject to funding available in budget)		
	<b>Value</b>	<b>Delegated to:-</b>
<b>1. GIFTS AND HOSPITALITY</b>		
Any gifts or hospitality or offers of gifts or hospitality which exceed the £50 threshold must be declared.	£50	<b>Chief Financial Officer</b> in line with hospitality policy.
<b>2. LITIGATION CLAIMS</b>		
Payments made on advice of NHS Resolution, insurance company.	<excess on policy	<b>Chief Financial Officer/ Chief Nurse</b> - Report to Audit Committee
Payments made on advice of legal advisor	>excess	<b>Chief Financial Officer/ Chief Nurse</b> - Report to Board of Directors
Decision to contest/initiate other litigation claims	>£10k or contentious case<£10k and not contentious	Board of Directors <b>Chief Financial Officer</b>
<b>3. LOSSES AND SPECIAL PAYMENTS – Reported to Audit Committee</b>		
<u>Losses</u> Fruitless payments (including abandoned capital schemes)	>£10,000	Chief Executive (reported to audit committee)
	<£10,000	Chief Executive
	<£5,000	<b>Chief Financial Officer</b>
<u>Other Losses</u> Losses of cash due to theft, fraud, overpayment and others	>£10,000	Chief Executive (reported to the Board of Directors)
	<£10,000	Chief Executive
	<£5,000	<b>Chief Financial Officer</b>
Damage to buildings, fittings, furniture and equipment and loss of equipment and property in stores and in use due to culpable causes (e.g. fraud, theft, arson etc.).	> £10,000	Chief Executive
	<£10,000	<b>Chief Financial Officer</b>
Ex gratia Payments	>£10,000	Chief Executive (reported to the Board of Directors)
	£5,000 to £10,000	Chief Executive

<b>Financial Limits</b> (subject to funding available in budget)		
	<£5,000	<b>Chief Financial Officer</b>
Write-offs, Bad debts and claims abandoned. Private patients, overseas visitors & other.	>£50,000	Board of Directors
	<£50,000	Chief Executive/ <b>Chief Financial Officer</b> (reported to the Board of Directors)
	<£1,000	<b>Deputy Chief Financial Officer</b>
Compensation Payments		<b>Deputy Chief Financial Officer</b> in accordance with NHS Resolution/ legal advice
<b>4. PETTY CASH DISBURSEMENTS (authority to pay)</b>		
Small incidental items of expenditure.	< £100	Budget Holder / Financial Accountant
<b>5. REQUISITIONING GOODS AND SERVICES AND APPROVING PAYMENTS</b>		
<b>5.1 Agency Staff:</b>  Any individual booking of agency staff, including medical locums, subject to NHSE/I guidelines	>£100,000	Board of Directors
	<£100,000	Chief Executive
	<£10,000	Executive Directors
	<£5,000	Divisional General Managers / Senior Manager On Call / <b>Deputy Chief People Officer</b> / Medical Staffing Manager <i>No other managers can authorise the use of agency staff</i>
<b>5.2 Removal Expenses</b>	<£8,000	<b>Chief People Officer/ Chief Financial Officer</b>
<b>5.3 All Other Expenditure</b> All pay and non-pay expenditure including software and IT equipment, maintenance contracts, goods and services contracts, management consultants and call off orders. The limit is the total value over the life of the contract. (Please see below for NHS Supply Chain weekly sales invoices).	All figures excl, VAT >£500k	Board of Directors
	£150k - £500k	Business Performance Committee
	£100k-£150k	Chief Executive (EMT)
	£60,000 to £100k £35k to £60k	Chief Financial Officer Other Executive Directors
	£25k to £35k	<b>Deputy Chief Financial</b>

<b>Financial Limits</b> (subject to funding available in budget)		
	<£25k	<b>Officer/Chief Financial Officer /Deputy Chief Executive</b>
	<£5k	Divisional Directors/ <b>Deputy Chief Nursing Officer</b>  Other Managers
<b>5.4 NHS Supply Chain Expenditure</b> Authorisation of weekly sales invoices	>£25,000 (excl VAT) <£25,000 (excl VAT)	<b>Associate Director of Procurement</b>  <b>Head of Procurement</b>
<b>5.5 Zero Cost Model Expenditure</b>	£0	<b>Chief Financial Officer/ Deputy Chief Financial Officer/Associate Director of Procurement</b>
<b>5.6 Capital Expenditure</b> <ul style="list-style-type: none"> <li>• General</li> <li>• Strategic Investment Plan</li> </ul>	>£500k  £150k-£500k  £50k-£150k  <£50k	Board of Directors  Business performance Committee  EMT  Capital Management Group
<b>6. QUOTATIONS AND TENDERS</b>		
Obtain competitive price for goods/services	<£9,999 (Inc. VAT)	Budget Managers in conjunction with Procurement Team
Quotations: Obtain a minimum of 3 written competitive quotations for goods/services.	£10,000 to £49,999 (Inc. VAT)	Budget Manager in conjunction with Procurement Team To note that regular reviews of cumulative expenditure for individual suppliers (on the same project) will be undertaken to ensure that SoRD limits are adhered to.
Under Threshold Tenders: Undertake a competitive tendering exercise for goods/services.  Over EU Threshold Tenders: Undertake a competitive tendering exercise for goods/services.	>£50,000 (Inc. VAT) (Local tendering procedures)  <b>£122,976</b> (excl VAT) Goods/Services Contracts  £4,733,252 (excl VAT) Works Contracts  £663,540 (excl VAT) Social & other specific services (Light Touch)	<b>Associate Director of Procurement</b> evaluated by a member of the procurement team and at least three stakeholders from the evaluation panel

<b>Financial Limits</b> (subject to funding available in budget)		
<b>7. VIREMENT</b>		<b>Conditions:-</b>
Chief Executive Chief Financial Officer Budget Holder and Deputy Chief Financial Officer	>£50,000 p.a.  < £50,000 p.a.  <£25,000 p.a.	Trust must still meet Financial Targets Total Trust budget remains underspent  Chief Executive  <b>Chief Financial Officer</b>  Budget Holder & <b>Deputy Chief Financial Officer</b>
<b>8. CREDIT NOTES</b>		
Authorisation of credit notes, including internal credit notes used to adjust expenditure	>£25,000 (excl VAT) <£25,000 (excl VAT)	<b>Chief Financial Officer</b>  <b>Deputy Chief Financial Officer</b>
<b>9. CONSIGNMENT STOCK</b>		
Responsibility for approving consignment stock agreements.  <b>Associate Director of Procurement/ Head of Procurement</b> to review terms and conditions prior to financial approval.  <b>Any existing contracts that increase in value to the next threshold need relevant approval</b>	>£500k ( <b>new consignment contracts</b> )  £150k-£500k( <b>new consignment contracts</b> )  £100k- £150k  £60k -£100k  £35k-£60k  £25k - £35k  <£25k	<b>Associate Director of Procurement/ Head of Procurement</b> to review T&C's prior to financial approval. All figures excl.VAT  Board of Directors  Business & Performance Committee  Chief Executive (EMT)  <b>Chief Financial Officer</b>  Other Executive Directors  <b>Deputy Chief Financial Officer</b>  Divisional Directors/ <b>Deputy Chief Nurse</b>



**REPORT TO TRUST BOARD**  
Date: 4<sup>th</sup> November 2021

<b>Title</b>	<b>Review of Standing Financial Instructions</b>
<b>Sponsoring Director</b>	Name: Mike Burns Title: Chief Financial Officer
<b>Author (s)</b>	Name: Zoe Stevenson Title: Financial Accountant
<b>Previously considered by:</b>	<ul style="list-style-type: none"> <li>Audit Committee - January 2021 &amp; October 2021</li> </ul>
<b>Executive Summary</b>	
<p>The Executive Team has been reviewed and as a result there have been changes to ensure departments sit within the most suitable areas within the organisation and the job titles have changed and any amendments proposed by the Audit Committee are highlighted in yellow in the attached document for approval by the committee.</p>	
<b>Related Trust Ambitions</b>	<p>Delete as appropriate:</p> <ul style="list-style-type: none"> <li>Be financially strong, meeting our targets and investing in our services, facilities and innovations for patients and staff.</li> </ul>
<b>Risks associated with this paper</b>	
<b>Related Assurance Framework entries</b>	
<b>Equality Impact Assessment completed</b>	
<b>Any associated legal implications / regulatory requirements?</b>	
<b>Action required by the Board</b>	<ul style="list-style-type: none"> <li>Approve the proposed changes to the Standing Financial Instructions</li> </ul>

Revised in July 2018

Filepath: S:drive/BoardSecretary/FrontSheets

S:drive/ExecOfficeCentreMins/FrontSheets





# STANDING FINANCIAL INSTRUCTIONS

Reviewed by:

Zoe Stevenson, Financial Accountant

October 2022

Authorised by:

Mike Burns, Chief Financial Officer

## CONTENTS

### SECTION

1	INTRODUCTION
2	AUDIT
3	ALLOCATIONS / PAYMENT BY RESULTS, BUSINESS PLANNING, BUDGETS, BUDGETARY CONTROL, AND MONITORING
4	ANNUAL ACCOUNTS AND REPORTS
5	BANK AND GBS ACCOUNTS
6	INCOME, FEES AND CHARGES AND SECURITY OF CASH, CHEQUES AND OTHER NEGOTIABLE INSTRUMENTS
7	FOUNDATION TRUST CONTRACTS
8	TERMS OF SERVICE, ALLOWANCES AND PAYMENT OF MEMBERS OF THE BOARD OF DIRECTORS AND EMPLOYEES
9	NON-PAY EXPENDITURE
10	EXTERNAL BORROWING AND INVESTMENTS
11	CAPITAL INVESTMENT, PRIVATE FINANCING, FIXED ASSET REGISTERS AND SECURITY OF ASSETS
12	STOCKS, STORES AND RECEIPT OF GOODS
13	DISPOSALS AND CONDEMNATIONS, INSURANCE, LOSSES AND SPECIAL PAYMENTS
14	INFORMATION TECHNOLOGY
15	PATIENTS' PROPERTY
16	TENDERING AND CONTRACTING PROCEDURES
17	ACCEPTANCE OF GIFTS AND HOSPITALITY BY STAFF
18	RETENTION OF DOCUMENTS
19	RISK MANAGEMENT

**RECORD OF AMENDMENTS**

<b>SECTION</b>	<b>AMENDMENT</b>	<b>DATE</b>
5	Replacement of OPG by GBS and electronic banking	25/03/2010
11	Replace references to Capital Accounting Manual with Reporting Manual	25/03/2010
16	Remove section on charitable funds and renumber	25/03/2010
16 (Formerly section 17)	Remove references to PASA which no longer exists	25/03/2010
12.8 and 16.7 (Formerly section 17.7)	Change name of NHS Logistics to NHS Supply Chain	25/03/2010
All sections	General review and updating re: legislative updates	01/12/2011
Section 16	Revised for introduction of electronic tendering	July 2012
All sections	General review and updating re: legislative updates (e.g. NHS Act 2012)	June 2013
11	Revised for Monitors amended Risk Assurance Framework	Oct 2014
16	Revised for electronic tendering	Oct 2014
All sections	General review for titles and legislative changes	Oct 2014
All sections	General review for typos and legislative changes	Nov 2015
All sections	General review for typos and legislative changes – including change from Monitor to NHS Improvement and the introduction of the Single Oversight Framework.	Oct 2016
1	Add in comments on Chair's actions, as requested by Nov 16 Board.	Jan 2017
All sections	Updated Director of Nursing, Operations and Quality job title	
All sections	General review for errors and legislative changes	Oct 2017
9	Details added regarding the Zero Cost Model ordering process (the ZCM process flow document is currently under review)	Oct 2017
All sections	General review for errors, names and legislative changes	Oct 2018
12	Details added regarding the authorisation of NHS Supply Chain Weekly Sales invoices	Oct 2018
9	Details added regarding travel for Executives	Oct 2018
All sections	General review for errors, names and legislative changes	Oct 2019
16	Exclude Liverpool Health Partners subscription from formal tendering procedures	Oct 2019
All sections	NHS Protect to NHS Counter fraud Authority	Oct 2020
All sections	NHS Improvement to NHS England/Improvement	Jan 2021
Section 13	Update responsibility from Medical Director to Board of Directors	Jan 2021
All sections	Changes to job titles as follows: Director of Finance and IT amended to Chief Financial Officer Deputy Director of Finance amended to Deputy Chief Financial Officer Director of Nursing and Governance amended to Chief Nurse Deputy Director of Nursing and Governance amended to Deputy Chief Nurse Director of Operations and Strategy amended to Chief Operating Officer Director of Workforce and Innovation amended to Chief People Officer	Oct 2021
Section 14	Responsibility OF the Trusts IT compatibility, compliance and risk changed from Director of Finance and IT to Chief People Officer	Oct 2021
All sections	NHSI to NHSE/I	Oct 2021

## General

NHS England/Improvement (NHSE/I) sets the Terms and Authorisation for the Foundation Trust that require compliance with the principles of best practice applicable to corporate governance within the NHS / Health Sector and with any relevant code of practice and guidance issued by **NHSE/I**. The Code of Conduct and Accountability in the NHS issued by the Department of Health and Social Care requires that each NHS organisation shall give, and may vary or revoke, Standing Financial Instructions (SFIs) for the regulation of the conduct of its employees in relation to all financial matters with which they are concerned. These SFIs are issued in accordance with the Code and detail the financial responsibilities, policies and procedures to be adopted by the Foundation Trust. They are designed to ensure that its financial transactions are carried out in accordance with law and government policy in order to achieve probity, accuracy, economy, efficiency and effectiveness. They should be used in conjunction with the Scheme of Reservation and Delegation (SoRD) adopted by the Foundation Trust and identify the financial responsibilities, which apply to everyone working for the Foundation Trust and its constituent organisations including hosted arrangements. They do not provide detailed procedural advice and should therefore be read in conjunction with the detailed departmental and financial procedure notes.

The **Chief Financial Officer** must approve all financial procedures and should any difficulties arise regarding the interpretation or application of any SFIs 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 Foundation Trust's Governance Manual.

**FAILURE TO COMPLY WITH STANDING FINANCIAL INSTRUCTIONS IS A DISCIPLINARY MATTER, WHICH COULD RESULT IN DISMISSAL.**

### Overriding SFIs:

If for any reason these Standing Financial Instructions are not complied with, full details of the non-compliance and any justification for non-compliance and the circumstances around the non-compliance shall reported to the next Audit Committee for referring action or ratification. All members of the Board of Directors and staff have a duty to disclose any non-compliance with these SFIs to the **Chief Financial Officer** as soon as possible.

In the Standing Financial Instructions the following definitions apply:

<b>Term</b>	<b>Definition</b>
The 2006 NHS Act	Means the 2006 National Health Service (NHS) Act as amended.
The Health and Social Care Act 2012	Means the Health and Social Care Act 2012.
Accounting Officer	Shall be the Officer responsible and accountable for funds entrusted to the Foundation Trust in accordance with the NHS Foundation Trust Accounting Officer Memorandum. They shall be responsible for ensuring the proper stewardship of public funds and assets. The 2006 NHS Act designates the Chief Executive of the NHS Foundation Trust as the Accounting Officer.
Board of Directors	The Board of Directors of the Foundation Trust, as constituted in accordance with the Foundations Trust's constitution.
Budget	A plan, expressed in financial or workforce terms, proposed by the Board of Directors for the purpose of carrying out, for a specific period, any or all of the functions of the Foundation Trust.
Budget Holder	The Director or employee with delegated authority to manage finances (income and expenditure) for a specific area of the organisation.
The Chair	Means the Chair of the Foundation Trust, or such person, in relation to the function of presiding at or chairing a meeting where another person is carrying out that role as required by the Constitution.
Chief Executive	The Chief Officer (and Accounting Officer) of the Foundation Trust.
Committee	A Committee or Sub-Committee created and appointed by the Foundation Trust.
Constitution	The Constitution of The Walton Centre NHS Foundation Trust.
Contracting and Procuring	The systems for obtaining the supply of goods, materials, manufactured items, services, building and engineering services, works of construction and maintenance and for disposal of surplus and obsolete assets.
Director	Means a member of the Board of Directors.
Auditor	Any auditor other than the external auditor appointed under the Constitution to review and report upon other aspects of the Foundation Trust's performance.
External Auditor	The independent organisation appointed to audit the accounts of the Foundation Trust, who is called the auditor in the 2006 NHS Act.
Financial Year	The period beginning with the date on which the Foundation Trust is authorised and ending with the next 31 March and each successive period of twelve months beginning with 1 April.
The Foundation Trust	The Walton Centre NHS Foundation Trust
Foundation Trust Contract	Agreement between the Foundation Trust and Commissioners for the provision and commissioning of health services.
Funds held on trust	Those funds which the Foundation Trust holds as its date of incorporation, receives on distribution by statutory instrument, or chooses subsequently to accept under powers derived under 2006 NHS Act. Such funds may or may not be charitable.
Monitor	Means the Independent Regulator of NHS Foundation Trusts until 1 April 2016 when Monitor became part of NHS Improvement. Guidance provided by Monitor remains valid until superseded by new publications from NHS Improvement.
Fraud	Reference to 'fraud' shall be used as an umbrella term to include financial crime, including bribery and other corruption offences.
Member	A member of the Foundation Trust.
NHS Improvement	Means the Independent Regulator of NHS Foundation Trusts. From 1 April 2016 Monitor, the former regulator, became part of NHS Improvement.

NHS Provider License	The Health and Social Care Act (2012) requires everyone who provides an NHS health care service to hold a license unless they are exempt under regulations made by the Department of Health and Social Care. Foundation Trusts are licensed from 1 April 2013. All other providers will be required to apply for a licence from April 2014. The Walton Centre NHS Foundation Trust license number is 130132.
Nominated Officer	An officer charged with the responsibility for discharging specific tasks within Standing Orders and SFIs.
Officer	An employee of the Foundation Trust with specific nominated delegated powers.
Partner	In relation to another person, a member of the same household living together as a family unit.
Secretary	Means the Corporate Secretary of the Foundation Trust.
Scheme of Reservation and Delegation (SoRD)	The SoRD sets out the powers which the Board of Directors has reserved and those which have been delegated to committees, sub-committees, individual directors or officers.
Standing Financial Instructions (SFIs)	SFIs regulate the conduct of the Foundation Trust's financial matters.

Wherever the title Chief Executive, **Chief Financial 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.

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

### **Responsibilities and Delegation**

The Foundation Trust shall at all times remain as a going concern as defined by the relevant accounting standards in force. The Board of Directors exercises financial supervision and control by:

1. Formulating the financial strategy;
2. Requiring the submission and approval of budgets within overall income;
3. 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
4. Defining specific responsibilities placed on directors and employees as indicated in the Scheme of Delegation document.

The Constitution dictates that the Council of Governors may not delegate any of its powers to a committee or sub-committee. The Board of Directors has

resolved that certain powers and decisions may only be exercised by the Board of Directors in formal session. These are set out in the Trust's SoRD.

The Board of Directors will delegate responsibility for the performance of its functions in accordance with the Scheme of Delegation adopted by the Foundation Trust. Within the SFIs, it is acknowledged that the Chief Executive is ultimately accountable to the Board of Directors and as the Accounting Officer for ensuring that the Board of Directors meets its obligation to perform its functions within the available financial resources. The Chief Executive has overall executive responsibility for the Foundation Trust's activities, is responsible to the Board of Directors for ensuring that its financial obligations and targets are met and has overall responsibility for the Foundation Trust's system of internal control.

The Chief Executive and **Chief Financial Officer** will, as far as possible, delegate their detailed responsibilities but they remain accountable for financial control. It is a duty of the Chief Executive to ensure that existing directors and employees and all appointees are notified of and understand their responsibilities within these instructions. All staff shall be responsible for ensuring conformity with the Standing Orders, SFIs and financial procedures of the Foundation Trust.

There may be occasions when Chair's Action needs to be taken due to the nature or timing of business i.e. the Chair of the meeting can make a decision that would have normally been done within the relevant committee but due to timing, this has had to be done on an individual basis. All instances will be recorded at the subsequent associated meeting as a formal record.

The **Chief Financial Officer** is responsible for:

1. Implementing the Foundation 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;
2. Maintaining an effective system of internal financial control including ensuring that detailed financial procedures and systems incorporating the principles of separation of duties and internal checks are prepared, documented and maintained to supplement these instructions;
3. Ensuring that sufficient records are maintained to show and explain the Foundation Trust's transactions, in order to disclose, with reasonable accuracy, the financial position of the Foundation Trust at any time;

4. Without prejudice to any other functions of directors and employees of the Foundation Trust, the duties of the **Chief Financial Officer** include:
- the provision of financial advice to other members of the Board of Directors, Council of Governors and employees;
  - the design, implementation and supervision of systems of internal financial control;
  - the preparation and maintenance of such accounts, certificates, estimates, records and financial reports as the Foundation Trust may require for the purpose of carrying out its statutory duties.

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

1. The security of the property of the Foundation Trust;
2. Avoiding loss;
3. Exercising economy and efficiency in the use of resources;
4. Conforming with the requirements of the Governance Manual, SFIs, financial procedures, Monitor/NHSE/I procedures/directives and the SoRD.

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

For any and all directors and 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 Financial Officer**.



## 2. AUDIT

### Audit Committee

The Board of Directors shall formally establish an Audit Committee, with clearly defined terms of reference and following guidance from the NHS Audit Committee Handbook and Foundation Trust governance requirements, which will provide an independent and objective view of internal control by:

1. Overseeing Internal and External Audit Services:
  - (i) Internal Audit – to monitor and review the effectiveness of the internal audit function and to undertake a market testing exercise for the appointment of the auditor at least once every five years;
  - (ii) External Audit:
    - to assess the external auditor’s work and fees on an annual basis to ensure that the work is of sufficiently high standard and that the fees are reasonable;
    - to undertake a market testing exercise for the appointment of the auditor at least once every five years;
    - to make recommendations to the Council of Governors in relation to the appointment, re-appointment and removal of the external auditor and to approve the remuneration and terms of engagement of the external auditor;
    - to review and monitor the external auditor’s independence and objectivity and the effectiveness of the audit process, taking into account relevant UK professional and regulatory requirements;
    - to develop and implement a policy on the engagement of the external auditor to supply non-audit services, taking into account relevant ethical guidance
2. Reviewing financial and information systems and monitoring the integrity of the financial statements, any formal announcements relating to the Foundation Trust’s financial performance and reviewing significant financial reporting judgements;
3. The monitoring of compliance with the SoRD and SFIs;
4. Reviewing schedules of losses and compensation and ratifying on behalf of the Board of Directors;

5. Reviewing the effective implementation of corporate governance measures to enable the Foundation Trust to implement best practice as set out in appropriate guidance. This will include the Assurance Framework and control related disclosure statements, for example the Annual Governance Statement and supporting assurance processes; together with any accompanying audit statement, prior to endorsement by the Board of Directors;
6. 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 (clinical, operational, compliance controls and risk management systems) that supports achievement of the organisation's objectives.

The Audit Committee may also review arrangements by which staff of the Trust may raise concerns about possible improprieties in matters of financial reporting and control, clinical quality and patient safety. All such concerns are to be treated in confidence and the Committee should ensure that arrangements are in place for the proportionate and independent investigation of such matters and for appropriate follow up action.

The Board of Directors shall satisfy itself that at least one member of the Audit Committee has recent and relevant financial experience. Where the Audit Committee feel there is evidence of ultra vires transactions, evidence of improper acts, or if there are other important matters that the committee wish to raise, the Chair of the Audit Committee should raise the matter at a full meeting of the Board of Directors (to the **Chief Financial Officer** in the first instance).

#### **Chief Financial Officer**

The **Chief Financial Officer** is responsible for:

1. Ensuring adequate internal and external audit services are provided;
2. Ensuring there are arrangements to review, evaluate and report on the effectiveness of internal control including the establishment and maintenance of an effective internal audit function and the coordination of other assurance arrangements;
3. Ensuring that the internal audit is effective and meets all relevant professional standards;

4. Deciding at what stage to involve the police in cases of fraud, misappropriation, and other irregularities not involving fraud or corruption;
5. Ensuring that a quarterly and annual internal audit report is prepared for the consideration of the Audit Committee. 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 and Social Care 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;
  - the forward plan;
  - any updates / requirements as determined by **NHSE/I** or other regulators.

The **Chief Financial Officer** or designated auditors are entitled, without necessarily giving prior notice, to require and receive:

1. Access to all records, documents and correspondence relating to any financial or other relevant transactions, including documents of confidential nature;
2. Access at all reasonable times to any land, premises, members of the Board of Directors and Council of Governors or employees of the Foundation Trust;
3. The production of any cash, stores or other property of the Foundation Trust under a member of the Board of Directors or an employee's control;
4. Explanations concerning any matter under investigation.

### **Internal Audit**

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

The role of internal audit embraces two key areas:

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

Internal Audit will produce a strategic audit plan and a detailed plan for the coming year and will review, appraise and report upon:

- the extent of compliance with, and the financial effect of, relevant established policies, plans and procedures;
- the adequacy and application of financial and other related management controls;
- the suitability of financial and other related management data; and
- the extent to which the Foundation Trust's assets and interests are accounted for and safeguarded from loss of any kind, arising from:
  - i) fraud and other offences; and
  - ii) waste, extravagance, inefficient administration, poor value for money or other causes.

Internal Audit shall also independently verify the Assurance Statements in accordance with guidance from **NHSE/I**.

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. The Head of Internal Audit will normally attend Audit Committee meetings and has a right of access to all Audit Committee members, the Chair and Chief Executive of the Foundation Trust. The Head of Internal Audit shall be accountable to the **Chief Financial Officer**. 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 NHS Internal Audit Manual. The reporting systems shall be reviewed at least every 3 years. Where, in exceptional circumstances, the use of normal reporting channels is thought to limit the objectivity of the audit, the Head of Internal Audit shall have access to report direct to the Chair or a non-executive member of the Foundation Trust's Audit Committee. Managers in receipt of audit reports referred to them, have a duty to take appropriate remedial action within the agreed time-scales 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**.

### External Audit

The 2006 NHS Act states that the Foundation Trust is to have an External Auditor (defined in the Act as the Financial Auditor) and is to provide the External Auditor with every facility and all information which they may reasonably require for the purpose of their functions. The External Auditor is to carry out their duties in accordance with Schedule 10 to the 2006 Act and in accordance with any directions given by **NHSE/I** on standards, procedures and techniques to be adopted. In auditing the accounts, the External Auditor must, by examination of the accounts and otherwise, satisfy themselves that the Foundation Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The Foundation Trust is required to include an Annual Governance Statement within the financial statements. The financial auditors have a responsibility to:

- consider the completeness of the disclosures in meeting the relevant requirements; and
- identify any inconsistencies between the disclosures and the information that they are aware of from their work on the financial statements and other work.

### Appointment of the External Auditor

The External Auditor is appointed by the Council of Governors. The *Audit Code for NHS Foundation Trusts* has been produced by the regulator under its powers under paragraph 24(5) of Schedule 7 of the 2008 Act which states that in auditing the accounts the External Auditor is to comply with any directions given by **NHSE/I** (formerly Monitor) as to the 'standards, procedures and techniques' to be adopted.

The Council of Governors of the Trust is responsible for appointing an External Auditor. NHS foundation trusts must ensure that the appointed External Auditor meets the following criteria, at the date of appointment and on an on-going basis throughout the term of their appointment:

1. The External Auditor must satisfy the criteria for appointment as an auditor of an NHS foundation trust, as set out in paragraph 23(4) of Schedule 7 of the 2006 Act;

2. The External Auditor must have an established and demonstrable standing within the healthcare sector and be able to show a high level of experience and expertise. The work is of a specialised nature, and so general audit experience is not sufficient;
3. The External Auditor must comply with the *Audit Code for NHS Foundation Trusts*; and
4. The External Auditor must subject the audit to internal quality control procedures which are sufficiently robust to monitor the compliance of the audit work with the *Audit Code for NHS Foundation Trusts*.

The Council of Governors shall appoint or remove the External Auditor at a general meeting of the Council of Governors. **NHSE/I** may require External Auditors to undertake work on its behalf at the Foundation Trust. In this situation, a tripartite agreement between **NHSE/I**, the External Auditor and the Foundation Trust will be agreed. This agreement, which will include details of the subsequent work and reporting arrangements, will be in accordance with the principles established in the guidance issued by the Institute of Chartered Accountants in England and Wales in audit 05/03: Reporting to Regulators and Regulated Entities.

The External Auditor may, with the approval of the Council of Governors, provide the Foundation Trust with services which are outside of the scope as defined in the code (additional services). The Foundation Trust shall adopt and implement a policy for considering and approving any additional services to be provided by the External Auditor.

### **Liaison with Internal Auditors**

It is expected that the External Auditors will liaise with the internal audit function in order to obtain a sufficient understanding of internal audit activities to assist in planning the audit and developing an effective audit approach. The External Auditors may also wish to place reliance upon certain aspects of the work of internal audit in satisfying their statutory responsibilities as set out in the 2006 Act and the *Audit Code for NHS Foundation Trusts*. In particular the External Auditors may wish to consider the work of internal audit when undertaking their procedures in relation to the Annual Governance Statement.

### **Access to Documents**

External Auditors of NHS Foundation Trusts have a right of access at all reasonable times to every document relating to the NHS Foundation Trust

which appears to them necessary for the purposes of their functions under Chapter 5 of Part 2 of the 2006 Act.

### **Public Interest Report**

In the event of the External Auditor issuing a Public Interest report the Foundation Trust shall send the public interest report to the Council of Governors, the Board of Directors and **NHSE/I**, at once if it is an immediate report; or not later than 14 days after conclusion of the audit, forward a report to **NHSE/I** within 30 days (or such shorter period as **NHSE/I** may specify) of the report being issued. The report shall include details of the Foundation Trust's response to the issues raised within the Public Interest report.

### **Fraud, Bribery and Corruption**

The Foundation Trust shall take all necessary steps to counter fraud and corruption relating to its functions and in accordance with the 'Foundation Trust Contract' and have regard to any reasonable guidance or advice from NHS Counter Fraud Authority. The Foundation Trust shall act in accordance with:

- the NHS Anti-Fraud, Bribery and Corruption policy; and
- the policy statement '*Applying appropriate sanctions consistently*' published by NHS Counter Fraud Authority.

The Chief Executive and **Chief Financial Officer** shall monitor and ensure compliance with Fraud and Corruption elements of the Foundation Trust Contract.

The Foundation Trust shall nominate a suitable person to carry out the duties of the Local Counter Fraud Specialist.

### **Manual and Guidance**

The Local Counter Fraud Specialist shall report to the Foundation Trust's **Chief Financial Officer** and shall work with the staff in NHS Counter Fraud Authority in accordance with the requirements set out in the NHS Anti-Fraud, Bribery and Corruption policy. The Local Counter Fraud Specialist will provide a written plan and report, at least annually on counter fraud work within the Foundation Trust.

## Security Management

The Foundation Trust shall promote and protect the security of people engaged in activities for the purposes of the health service functions of that body, its property and its information in accordance with the requirements of the Foundation Trust Contract, having regard to any other reasonable guidance or advice issued by NHS Counter Fraud Authority, or previously by the CFSMS. The Foundation Trust shall nominate and appoint a Local Security Management Specialist as per the Foundation Trust Contract. The Chief Executive has overall responsibility for controlling and coordinating security, however, key tasks are delegated to the Security Management Director (SMD) (the Trust's **Chief Operating Officer**) and the appointed Local Security Management Specialist (LSMS).

### 3. BUSINESS PLANNING, BUDGETS, BUDGETARY CONTROL, AND MONITORING

#### Preparation and approval of operational plan and budgets

##### Operational planning

In accordance with the annual planning cycle, the Chief Executive will compile and submit to the Board of Directors and to the Council of Governors the annual Operational Plan which takes into account financial targets and forecast limits of available resources, The Trust Operational Plan will contain:

- A statement of the significant assumptions on which the plan is based;
- Details of major changes in workload, delivery of services or resources required to achieve the plan;
- The Financial Plan for the year;
- Such other contents as may be determined by the Integrated Care System (ICS) / NHSE/I.

The annual Operational Plan must be submitted to NHSE/I in accordance with NHSE/I requirements.

##### Budgets

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



- be in accordance with the aims and objectives set out in the Foundation Trust's operational plan;
- accord with workload and workforce 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 Foundation Trust to comply with the requirements of the Single Oversight Framework set by **NHSE/I**.

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

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

All budget holders will be provided with delegated budgets which they will assess, review with their Divisional Accountant, suggest changes and then agree at the commencement of each financial year.

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

### **Budget Delegation**

The Chief Executive may delegate the management of a budget to permit the performance of a defined range of activities, including pooled budget arrangements. 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 of Directors. 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 Financial Officer**.

### **Budgetary Control and Reporting**

The **Chief Financial Officer** will devise and maintain systems of budgetary control. These will include regular financial reports to the Board of Directors in a form approved by the Board of Directors containing:

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

12. Review of the bases and assumptions used to prepare the budgets.

In the performance of these duties the **Chief Financial 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:

1. Any planned or known overspending or reduction of income which cannot be met by virement is not incurred without the prior consent of the Board of Directors;
2. Officers shall not exceed the budget limit set;
3. The amount provided in the approval budget is not used in whole or in part for any purpose other than specifically authorised subject to the rules of virement;
4. Capital project spend and projected out-turn are managed against plan;
5. They can provide explanations of any material variances from plan / budget;
6. Details are provided of any corrective action where necessary and the Chief Executive's and / or **Chief Financial Officer's** view of whether such actions are sufficient to correct the situation;
7. The issue of timely, accurate and comprehensible advice and financial reports to each budget holder, covering the areas for which they are responsible;
8. Investigation and reporting of variances is undertaken for financial and workforce budgets;
9. They monitor management action to correct variances;
10. Arrangements for the authorisation of budget transfers are followed;
11. They advise the Chief Executive and Board of Directors of the consequences of changes in policy, pay awards and other events and trends affecting budgets and shall provide advice on the economic and financial impact of future plans and projects;

12. They review the bases and assumptions used to prepare the budgets;  
and

13. No permanent employees are appointed without the approval of the Chief Executive or **Chief Financial Officer** other than those provided for in the budgeted establishment as approved by the Board of Directors.

The **Chief Operating Officer** and the **Chief Financial Officer** are responsible for ensuring delivery of the Trust's long-term savings programme in line with agreed schemes and with appropriate quality impact assessment in accordance with the requirements of the operational and strategic plans.

### **Capital Expenditure**

The general rules applying to delegation and reporting shall also apply to capital expenditure. A project sponsor will be identified who will assume responsibility for the budget relating to each scheme.

### **Quarterly or Monthly Performance Returns**

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

## **4. ANNUAL ACCOUNTS AND REPORTS**

### **Accounts**

The Foundation Trust shall prepare accounts in respect of each financial year in such form as **NHSE/I** 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 **NHSE/I** 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 **NHSE/I**.

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

### **Annual Reports**

The Foundation Trust shall prepare an Annual Report and send it to **NHSE/I**. 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 **NHSE/I** requires.

The Foundation Trust is to comply with any decision **NHSE/I** 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.

## Annual Plans

The Foundation Trust shall provide information as to its forward planning in respect of each financial year to **NHSE/I**. The Foundation Trust must make clear which elements of the Annual Plan do not constitute forward planning information. The document containing the information with respect to forward planning (referred to above) shall be prepared by the directors. The forward plan must be prepared with reference to documents published by **NHSE/I** which aid planning. In preparing the document, the directors shall have regard to the views of the Council of Governors.

The Annual Plan must be approved by the Board of Directors. The Foundation Trust is required to provide three types of in-year reports:

1. Regular reports on a quarterly basis;
2. Exception reports, which may relate to any in-year issue affecting compliance with the Authorisation, such as performance against core national healthcare targets and standards;
3. Ad-hoc reports, following up specific issues identified either in the Annual Plan or in-year Eg. Monthly update of forecast annual outturn.

## 5. BANK AND GOVERNMENT BANKING SERVICE (GBS) ACCOUNTS

### General

The **Chief Financial 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.

### Bank and GBS Accounts

The **Chief Financial Officer** is responsible for:

1. Bank accounts and GBS accounts; and other forms of working capital financing that may be available from the Department of Health and Social Care or commercial entity;
2. Establishing separate bank accounts for the Foundation Trust's non-exchequer funds;

3. Ensuring payments made from bank or GBS accounts do not exceed the amount credited to the accounts except where arrangements have been made;
4. Reporting to the Board of Directors all arrangements made with the Foundation Trust's bankers for accounts to be overdrawn.

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

### **Banking Procedures**

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

1. The conditions under which each bank and GBS accounts are to be operated;
2. The limit to be applied to any overdraft;
3. Those authorised to make payments drawn on the Foundation Trust's accounts.

The **Chief Financial Officer** must ensure the accounts are operated in accordance with the conditions agreed with the Trust's bankers and shall approve security procedures for payments made 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.

### **Trust Credit Cards**

The **Chief Financial Officer** is responsible for the authorising of Trust Corporate Credit Cards to named individuals. Expenditure will only be made on these credit cards as a payment of last resort or where a financial saving can be obtained by usage.

## **Tendering and Review**

The **Chief Financial 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 and 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**

### **Income Systems**

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

### **Fees and Charges other than Foundation Trust Contract**

The **Chief Financial Officer** is responsible for approving and regularly reviewing the level of all fees and charges other than those determined by the Department of Health and Social Care, **NHSE/I** or by Statute. Independent professional advice on matters of valuation shall be taken as necessary. Where sponsorship income (including items in kind such as subsidised goods or loans of equipment) is considered the guidance in the Department of Health and Social Care's "Commercial Sponsorship – Ethical standards in the NHS" shall be followed. All employees must inform the **Chief Financial 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.

### **Debt Recovery**

The **Chief Financial 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 losses procedures.



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

The **Chief Financial Officer** is responsible for:

1. 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 Financial Officer** should be issued;
2. Ordering and securely controlling any such stationery;
3. The provision of adequate facilities and systems for employees whose duties include collecting and holding cash, including the provision of safes or lockable cash boxes, the procedures for keys, and for coin operated machines;
4. Prescribing systems and procedures for handling cash and negotiable securities on behalf of the Foundation Trust.

Officially 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 Financial Officer**. The holders of safe keys shall not accept unofficial funds for depositing in their safes unless such deposits are in special sealed envelopes or locked containers. It shall be made clear to the depositors that the 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 Financial Officer** and Internal Audit via the incident reporting system. Where there is prima facie evidence of fraud, bribery or corruption this should follow the form of the Foundation Trust's Anti-Fraud, Bribery and Corruption Policy/Response Plan and guidance provided by NHS Counter Fraud Authority. Where there is no evidence of fraud, bribery or corruption the loss should be dealt with in line with the Foundation Trust's Losses and Compensations Procedures.

## 7. FOUNDATION TRUST CONTRACTS

### Provision of Services

The Board of Directors of the Foundation Trust shall regularly review and shall at all times maintain and ensure the capacity and capability of the Foundation Trust to provide the services referred to in the Trust's contracts.

### Foundation Trust Contracts

The Chief Executive, as the Accounting Officer, is responsible for ensuring the Foundation Trust enters into suitable Foundation Trust Contracts (FTC) 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 performance metrics;
- the provision of reliable information on cost and volume of activity;
- ability to provide timely and accurate information / reports relating to agreed CQUIN targets;
- the provision of agreed information regarding outcome measures.

A good FTC 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 both the delivery and the commissioning of the service required.

The Chief Executive, as the Accounting Officer, will need to ensure that regular reports are provided to the Board of Directors detailing actual and forecast income from the FTC. This will include appropriate payment by results performance information.

### 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 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**

**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 and Corporate 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 and Corporate 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;

- 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.

### **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 **Chief People Officer** 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.

### **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;

1. Unless authorised to do so by the Chief Executive; and
2. 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.

### **Processing of the payroll**

The processing of the Foundation Trust's payroll is a contracted-out service. The **Chief Financial Officer** 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 **Chief Financial Officer** will issue instructions regarding:

1. verification and documentation of data;
2. the timetable for receipt and preparation of payroll data and the payment of employees and allowances;
3. maintenance of subsidiary records for superannuation, income tax, social security and other authorised deductions from pay;
4. security and confidentiality of payroll information;
5. checks to be applied to completed payroll before and after payment;
6. authority to release payroll data under the provisions of the Data Protection Act;
7. methods of payment available to various categories of employee;
8. procedures for payment by cheque, bank credit, or cash to employees; procedures for the recall of cheques and bank credits;
9. pay advances and their recovery;
10. maintenance of regular and independent reconciliation of pay control accounts;
11. separation of duties of preparing records and handling cash; and
12. 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:

1. processing a signed copy of the contract / appointment form and such other documentation as may be required immediately upon an employee commencing duty;
2. submitting time records, and other notifications in accordance with agreed timetables;
3. completing time records and other notifications in accordance with the **Chief Financial Officer's** Instructions and in the form prescribed by the **Chief Financial Officer**; and
4. 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 **Chief Financial Officer** must be informed immediately. In circumstances where fraud might be expected this must be reported to the **Chief Financial Officer**.

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

### **Contracts of Employment**

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 and Safety legislation; and
- dealing with variations to, or termination of, contracts of employment.

## **9. NON-PAY EXPENDITURE**

### **Delegation of Authority**

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

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 and 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.

### **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 Financial Officer** (and/or the Chief Executive) shall be consulted. The **Chief Financial 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 Financial 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 SoRD and regularly reviewed;
- prepare procedural instructions where not already provided in the SoRD 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:

1. 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;
2. 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 standards 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 and examined;
  - the account is arithmetically correct; and
  - the account is in order for payment.
3. A timetable and system for submission to the **Chief Financial Officer** of accounts for payment; provision shall be made for the early submission of accounts subject to cash discounts or otherwise requiring early payment;
4. Instructions to employees regarding the handling and payment of accounts within the Finance Department;
5. 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 Financial 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 Financial Officer**;
- State the Foundation 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 with the guidance and limits specified by the **Chief Financial Officer** and that:

1. All contracts other than for a simple purchase permitted within the SoRD or delegated budget, leases, tenancy agreements and other commitments which may result in a liability are notified to the **Chief Financial Officer** in advance of any commitment being made;
2. Contracts above specified thresholds are advertised and awarded in accordance with EU rules on public procurement;
3. Where consultancy advice is being obtained, the procurement of such advice must be in accordance with guidance issued by the Department of Health and Social Care;
4. 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;

5. No order shall knowingly be issued for any item or items to any firm which has provided/offered/promised gifts, rewards, benefits or inducements to either 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.
6. No requisition / order is placed for any item or items for which there is no budget provision unless authorised by the Chief Financial Officer on behalf of the Chief Executive;
7. 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;
8. 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*';
9. Orders are not split or otherwise placed in a manner devised so as to avoid the financial thresholds;
10. Goods are not taken on trial or loan in circumstances that could commit the Foundation Trust to a future un-competitive purchase;
11. Changes to the list of directors / employees authorised to certify invoices are notified to the **Chief Financial Officer**;
12. Purchases from petty cash are restricted in value and by type of purchase in accordance with instructions issued by the **Chief Financial Officer**;
13. Petty cash records are maintained in a form as determined by the **Chief Financial Officer**; and
14. 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.

15. Online orders for Executives' travel ordered by Personal Assistants due to system time constraints are later checked and approved by the Chief Executive or **Chief Financial Officer/Deputy Chief Financial Officer**\*.

The Chief Executive and **Chief Financial Officer** shall ensure that the arrangements for financial control and financial audit of building and engineering contracts and property transactions comply with 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 initiative.

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

Payments to local authorities and voluntary organisations made under statutory powers shall comply with procedures laid down by the **Chief Financial Officer**.

\*The Chief Executive to authorise travel for the **Chief Financial Officer**; the **Chief Financial Officer** to authorise travel for the Chief Executive; the Chief Executive/ **Chief Financial Officer**/Deputy **Chief Financial Officer** to authorise travel for all other Executives.

## **10. EXTERNAL BORROWING AND INVESTMENTS**

Temporary cash surpluses must be held only in such public and private sector investments as authorised by the Board of Directors (delegated to the Trust's Business Performance Committee).

The Business Performance Committee is responsible for establishing and monitoring an appropriate investment strategy. The **Chief Financial Officer** is responsible for advising the Board of Directors on investments and shall report periodically to the Board of Directors concerning the performance of investments held and will prepare detailed procedural instructions on investment operations and on the records to be maintained. The Foundation Trust's Treasury Management Policy will incorporate guidance from **NHSE/I** as appropriate.

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

### Capital Investment

The Chief Executive:

1. Shall ensure that there is an adequate appraisal and approval process in place for determining capital expenditure priorities and the effect of each proposal upon business plans;
2. Shall ensure that the capital investment is not undertaken without the availability of resources to finance all revenue consequences, including capital charges and other recurrent costs;
3. Is responsible for the management of all stages of capital schemes and for ensuring that schemes are delivered on time and to cost;
4. That **NHSE/I** is notified if the Foundation Trust has plans for material transactions in accordance with the thresholds defined in **NHSE/I's** Single Oversight Framework. **NHSE/I** will determine whether they class the transaction as material or significant. Material investments can, under specific conditions set out in **NHSE/I's** Compliance Framework, be approved by the Foundation Trust's Board of Directors. Significant investments must be assessed by **NHSE/I** before the Foundation Trust can proceed. In addition, all transactions which potentially impact the Financial Sustainability Risk Rating must also be notified to **NHSE/I**. All PFI transactions require **NHSE/I** 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 SoRD):

1. 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

36

- the involvement of appropriate Foundation Trust personnel and external agencies.
2. That the **Chief Financial 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 Financial 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; and
- approval to accept a successful tender.

The Chief Executive will issue a scheme of delegation for capital investment management which will be detailed in the Foundation Trust's Governance Manual.

The **Chief Financial Officer** shall issue procedures governing the financial management, including variations to contract of capital investment projects and valuation for accounting purposes.

### **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 an appropriate proportion of risk to the private sector;
- A business case must be referred to the appropriate DH and **NHSE/** 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.

### **Asset Registers**

The Chief Executive is responsible for the maintenance of registers of assets, taking account of the advice of the **Chief Financial Officer** concerning the form of any register and the method of updating, and arranging for a physical check of assets against the Asset Register to be conducted once a year. The 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 Financial Officer** shall approve procedures for reconciling balances on fixed assets accounts in ledgers against balances on fixed Asset Registers. The value of each asset shall be adjusted to current values in accordance with the principles outlined in the Group Accounting Manual issued by the Department of Health and Social Care and the value of each asset shall be depreciated also using with the principles outlined in the Annual Reporting Manual.

Any disposal of fixed assets must be in a compliance with the Terms of the Trust Licence specifically section 5 condition COS2 – restriction on the disposal of assets.

### **Security of Assets**

The overall control of fixed assets is the responsibility of the Chief Executive advised by the **Chief Financial Officer**. Asset control procedures (including fixed assets, cash, cheques and negotiable instruments, and also including

donated assets) must be approved by the **Chief Financial 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 Financial 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 departments to apply appropriate routine security practices in relation to NHS property as 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 and where practical, assets should be marked as Foundation Trust property.

## 12. STOCK, STORES AND RECEIPT OF GOODS

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

1. controlled stores – specific areas designated for the holding and control of goods;
2. wards and departments – goods required for immediate usage to support operational services; and
3. 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 Financial 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 Financial Officer** for the systems of control, overall responsibility for the control of stores shall be delegated to an employee by the Chief Executive. The day-to-day responsibility may be delegated by them to departmental employees and stores managers / keepers, subject to such delegation being entered in a record available to the **Chief Financial 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 Financial 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 Financial Officer** and there shall be a physical check covering all items in store at least once a year. Where a complete system of stores control is not justified, alternative arrangements shall require the approval of the **Chief Financial Officer**. The designated manager shall be responsible for a system approved by the **Chief Financial Officer** for a review of slow moving and obsolete items and for condemnation, disposal, and replacement of all unserviceable articles. The designated Officer shall report to the **Chief Financial Officer** any evidence of significant overstocking and of any negligence or malpractice (see also section 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.

### **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

40



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 Head/Deputy Head of Procurement shall check receipt against delivery to satisfy themselves that the goods have been received and will then authorise payment of NHS Supply Chain weekly sales invoices. The Finance Department will make payment on receipt of an invoice. This may also apply for high volume low value items such as stationery.

### 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 Financial 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 Financial Officer**.

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

### Disposals and Condemnations

The **Chief Financial Officer** must prepare detailed procedures for the disposal of assets including condemnations and ensure that these are notified to managers. When it is decided to dispose of a Foundation Trust asset, the head of department or authorised deputy will determine and advise the **Chief Financial Officer** of the estimated market value of the item, taking account of professional advice where appropriate. For protected assets see Section 11 of these SFIs. All unserviceable articles shall be:

- condemned or otherwise disposed of by an employee authorised for that purpose by the **Chief Financial Officer**; and
- recorded by the condemning officer in a form approved by the **Chief Financial Officer** which will indicate whether 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 Financial 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 Financial Officer** who will take the appropriate action.

## **Losses and Special Payments**

### **Losses**

The **Chief Financial Officer** must prepare procedural instructions on the recording of and accounting for condemnations, and losses. The **Chief Financial 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 Financial 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 Financial Officer** who will liaise with the Chief Executive. Where a criminal offence is suspected, the **Chief Financial 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 Financial Officer** must inform their Local Counter Fraud Specialist who will inform the relevant NHS Counter

Fraud Authority regional team **before** any action is taken and reach agreement as to 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 Financial Officer** must immediately notify:

- The Board of Directors;
- The External Auditor; and
- NHS Counter Fraud Authority (through the Local Counter Fraud Specialist).

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

### **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 Social Care, 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;
- Achieving Standards for Care Quality Commission essential standards of quality and safety; and
- Implementing an effective system of Clinical Governance.

The Board of Directors are collectively responsible for ensuring the proper reporting, recording, and management of all claims. The Board of Directors delegates responsibility for receiving, assessing and acting upon claims in two key Board sub-committees, namely the Quality Committee and the Business and Performance Committee.

## 14. INFORMATION TECHNOLOGY

### Responsibilities and Duties of the Chief Financial Officer

The Chief Financial 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 Financial Officer shall satisfy them self 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.

### Freedom of Information

The Chief Financial 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 described that classes or types of information about our Foundation Trust that we make publicly available.

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

### **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 People Officer** and Head of IM&T.

### **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.

### **Risk Assessment**

The **Chief People 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 **NHSE/I** 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 **NHSE/I**.

## **15. PATIENT'S PROPERTY**

The Foundation Trust has a responsibility to provide safe custody for money and other personal property (hereafter referred to as "property") handed in by patients, in the possession of unconscious or confused patients, or found in the possession of patients dying in hospital or dead on arrival. The **Chief Nurse** is responsible for ensuring that patients or their guardians, as appropriate, are informed of appropriate procedures for storing such items before or at admission by:

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

The Foundation Trust will not accept responsibility or liability for patients' property brought into its premises unless it is handed in for safe custody and a copy of an official patient's property record is obtained as a receipt. The **Chief Financial Officer** must provide detailed written instructions on the collection, custody, investment, recording, safekeeping, and disposal of patient's property (including instructions on the disposal of the property of deceased patients and of patients transferred to other premises) for all staff whose duty is to administer, in any way, the property of patients. These instructions shall cover the necessary arrangements for withdrawal of cash or disbursements of money held in accounts of patients who are incapable of handling their own financial affairs. Due care should be exercised in the management of a patient's money in order to maximise the benefits to the patient.

A patient's property record, in a form determined by the **Chief Financial Officer** shall be completed in respect of the following:

1. Property handed in for safe custody by any patient (or guardian as appropriate); and
2. Property taken into safe custody having been found in the possession of:
  - mentally disordered patients;
  - confused and/or disorientated patients;
  - unconscious patients;
  - patients dying in hospital; and
  - patients found dead on arrival at hospital (property removed by police).

A record shall be completed in respect of all persons in category (2) including a nil return if no property is taken into safe custody.

The record shall be completed by a member of the hospital staff in the presence of a second member of staff and the patient (or representative) where practicable. It shall then be signed by both members of staff and by the patient, except where the latter is restricted by physical or mental incapacity. Any alterations shall be validated by signature as required in the original entry on the record. Where Department of Health and Social Care instructions require the opening of separate accounts for patients' monies; these shall be opened and operated under arrangements agreed by the **Chief Financial Officer**. Patients' income, including pensions and allowances, shall be dealt with in accordance with current Department for Work and Pension instructions. For long stay patients, the Chief Executive shall ensure that positive action is taken to use their funds effectively and so reduce balances accruing. Refunds of cash handed in for safe custody will be dealt with in

accordance with current Department for Work and Pensions instructions. Property other than cash, which has been handed in for safe custody, shall be returned to the patient as required, by the officer who has been responsible for its security. The return shall be receipted by the patient or guardian as appropriate and witnessed.

Disposal of property of deceased patients shall be effected by the officer who has been responsible for its security, such disposal shall be in accordance with written instructions issued by the **Chief Financial Officer**, in particular, where cash or valuables have been deposited for safe custody, they shall only be released after written authority has been given by the **Chief Financial Officer**. Such authority shall include details of the lawful kin or other person entitled to the cash and valuables in question. In all cases where property of a deceased patient is a total of value in excess of £5,000 (or such other amount as may be prescribed by any amendment to the Administration of Estates, Small Payments, Act 1965), the production of Grant of Representation shall be required before any of the property is released. Where the total value of property is £5,000 or less, forms of indemnity shall be obtained. Property handed over for safe custody shall be placed into the care of appropriate administration staff. Where there are no administrative staff present, in which case the property shall be placed in the secure care of the most senior member of nursing staff on duty. In respect of deceased patients, if there is no will and no lawful next of kin the property vests in the Crown and particulars shall, therefore, be notified to the Treasury Solicitor. Any funeral expenses necessarily borne by the Foundation Trust are a first charge on a deceased person's estate. Where arrangements for burial or cremation are not made privately, any element of the estate held by the Foundation Trust may be appropriated towards funeral expenses, upon authorisation of the **Chief Financial Officer**. Staff should be informed, on appointment, by the appropriate departmental or senior manager of their responsibilities and duties for the administration of the property of patients. Where patients' property or income is received for specific purposes and held for safekeeping the property or income shall be used only for that purpose, unless any variation is approved by the donor or patient in writing.

## 16. TENDERING AND CONTRACT PROCEDURE

### 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).

## EU Directives Governing Public Procurement

Directives by the Council of the European Union promulgated by the Department of Health and Social Care (DHSC) prescribing procedures for awarding all forms of contracts shall have effect as if incorporated in the Standing Orders and SFIs. Procedure notes detailing EU thresholds and the differing procedures to be adopted must be maintained within the Foundation Trust.

### 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 Social Care); 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 and Social Care in which event the said special arrangements must be complied with; or
- the expenditure relates to the annual member subscription of Liverpool Health Partners, which the Foundation Trust must incur as a founding partner of this limited company; or
- regarding disposals as set out in SFIs 'Disposals and Condemnations.'

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

1. In very exceptional circumstances where the Chief Executive decides that formal tendering procedures would not be practicable, or the estimated expenditure or income would not warrant formal tendering



- procedures, and the circumstances are detailed in an appropriate Foundation Trust record;
2. Where the requirement is covered by an existing contract;
  3. Where public sector agreements are in place and have been approved by the Board of Directors;
  4. Where a consortium arrangement is in place and a lead organisation has been appointed to carry out tendering activity on behalf of the consortium members;
  5. 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;
  6. Where specialist expertise is required and is available from only one source;
  7. When the task is essential to complete the project, and arises as a consequence of a recently completed assignment and engaging different consultants for the new task would be inappropriate;
  8. There is a clear benefit to be gained from maintaining continuity with an earlier project; however, in such cases the benefits of such continuity must outweigh any potential financial advantage to be gained by competitive tendering; and
  9. 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 Financial 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 and reported to the Audit Committee at each meeting.

### **Fair and Adequate Competition**

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

### **Building and Engineering Construction Works**

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

#### **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.

### **Contracting / Tendering Procedure**

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

#### **Invitation to tender**

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

## **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 date 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.

## **Opening Tenders and Register of Tenders**

1. 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;
2. 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 Financial Officer** or any approved Senior Manager from the Finance Department from serving as one of the managers to open tenders;
3. The date and person opening every tender should be recorded;
4. 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 firms/individuals invited;
  - the names of firms/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;
5. 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).

### **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 Financial 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.

### **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.

### **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.

**Tender reports to the Board of Directors**

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

**Quotations: Competitive and non-competitive**

**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.

**Competitive Quotations**

Quotations should be obtained from at least three firms / individuals based on specifications or terms of reference prepared by, or on behalf of, the Foundation Trust. Quotations should be in writing unless the Chief Executive or their nominated officer determines that it is impractical to do so in which case quotations may be obtained by telephone. For the avoidance of doubt, writing includes electronic means which can be permanently recorded. Confirmation of telephone quotations should be obtained as soon as possible and the reasons why the telephone quotation was obtained should be set out in a permanent record. 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.

**Non-Competitive Quotations**

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

- the supply of proprietary or other goods of a special character and the rendering of services of a special character, for which it is not, in the opinion of the responsible officer, possible or desirable to obtain competitive quotations;
- the supply of goods or manufactured articles of any kind which are required quickly and are not obtainable under existing contracts; and
- where the goods or services are for building and engineering maintenance the responsible works manager must certify that the first two conditions of this SFI (i.e.: (1) and (2) of this SFI) apply.

## **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 accordance with SFIs except with the authorisation of either the Chief Executive or **Chief Financial Officer**.

## **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.

## **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 Financial Officer**.

## **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 **NHSE/I** 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.

### **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 clauses 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
- **NHSE/I** 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.

### **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 DHSC / HMRC tax rules and mitigate the Trust's liability for individual non-compliance accordingly.

### **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).

### **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 connected with DHSC guidance that has been issued but subject to compliance with such guidance.

All contractors should be compliant with DHSC / 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.**

### **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 a Specialist Officer;



- 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 Financial 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.

### **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 Financial Officer** shall ensure that all staff and any other interested and applicable parties are made aware of the Foundation Trust policy – Standards of Business and Personal Conduct. This policy makes due provision to the Bribery Act 2010. The policy is deemed to be an integral part of the Trust's Governance Manual and SFIs.

## **18. RETENTION OF DOCUMENTS**

### **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.

## **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 record 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 and Social Care guidance, Records Management Code of Practice.

## **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 compliant-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).

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.

## **19. RISK MANAGEMENT**

### **Programme of Risk Management**

The Chief Executive shall ensure that the Foundation Trust has a programme of risk management, 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; and
- arrangements to review the Risk Management Programme.

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

### **Insurance Arrangements**

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

## **Arrangements to be followed by the Board of Directors in agreeing Insurance Cover**

The **Chief Financial Officer** shall examine the options in regard 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 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 normal procurement rules set out in Section 16. The **Chief Financial Officer** should ensure documented procedures also cover the management of claims and payments behind the deductions in each case and will maintain records of the policies and insurance certificates in line with the retention of records policy.

### **Areas not covered by the NHS Resolution schemes**

The following areas are not covered by the 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 the NHS Resolution schemes. If the income generation activity is also an activity normally carried out by the Foundation Trust for an NHS purpose the activity may be covered in the risk pool. Confirmation of coverage in the risk pool must be obtained from NHS Resolution.