

Board of Directors' Meeting 6 May 2021

Agenda item	111/21			
Report	Standing Financial Instructions Annual Review			
Executive Lead	Helen Troalen– Executive Director of Finance			
	Link to strategic pillar:		Link to CQC domain:	
	Our patients and community		Safe	
	Our people		Effective	
	Our service delivery		Caring	
	Our partners		Responsive	
	Our governance	√	Well Led	√
	Report recommendations:		Link to BAF / risk:	
	For assurance		BAF 3	
	For decision / approval	√	Link to risk register:	
	For review / discussion			
	For noting			
	For information			
For consent				
Presented to:	Finance and Performance Assurance Committee 30 th March 2021 and Audit and Risk Assurance Committee 12 th April 2021 – recommended for approval subject to one further change included in Appendix 1.			
Dependent upon (if applicable):				
Executive summary:	<p>The Board of Directors are required to review its Standing Financial Instructions (SFIs) on an annual basis. At their meeting on 30th March 2021, the Finance and Performance Assurance Committee undertook an initial assessment and recommended approval of these to the Board of Directors.</p> <p>Minor changes have been required in the 2021 review which include updating references of OJEU to FTS (find a tender) following PPN 08/20 as a result of the EU exit. Further changes may be required in the coming months once consultation on Green Paper 'Transforming public procurement' has ended on procedural changes.</p> <p>There will be a subsequent review post implementation that will address the authorisation limits – in particular Divisional Medical Directors.</p>			
Appendices	<p>Appendix 1 – Summary of Changes to SFIs</p> <p>Appendix 2 – Revised SFIs</p>			

Summary of changes to Standing Financial Instructions (SFIs)

- References to OJEU changed to FTS (find a tender) following PPN 08/20 as a result of the EU Exit – further changes may be required in the coming months once consultation has ended on procedural changes. Tendering limits still applicable.
- Removal of references to Sustainability Assurance Committee – replaced by Finance and Performance Assurance Committee
- Replacement of

21 Acceptance of Gifts by Staff

21.1 The Director of Governance and Communications shall ensure that all staff are made aware of the Trust policy on acceptance of gifts and other benefits in kind by staff. All Trust officers should comply with the Trust's *Standards of Business Conduct (HR Policy 52)*.

with

21.1 The Director of Governance and Communications shall ensure that all staff are made aware of the Trust policy on acceptance of gifts and other benefits in kind by staff. All Trust officers should comply with the Trust's *Managing Conflicts of Interest in the NHS*.

- Removal of the following note in Appendix 1 - not applicable, particularly in the current environment where we are moving to system oversight and assurance. There will be organisations that have full autonomy but delivering a deficit. This is acceptable so long as the system delivers the financial trajectories.

1. NHS Trusts reporting a year end deficit in its most recent audited accounts, forecasting an outturn deficit for the financial year or with an in-year deficit should note that at the discretion of the appropriate NHSEI Director of Delivery and Development or the NHSEI Director of Finance, a NHS Trusts delegated limits can be lowered. Where this is the case all schemes over £500k in value will need agreement to proceed from the relevant Director of Delivery and Development. Where this applies NHS Trusts will be notified in writing by the NHSEI.

- References to Care Group removed and replaced with Division.

Contents

1	Introduction.....	2
2	Audit.....	6
3	Allocations, Business Planning, Budgets, Budgetary Control and Monitoring	9
4	Annual Accounts and Reports	12
5	Bank Accounts	12
6	Income, Fees and Charges and Security of Cash, Cheques and Other Negotiable Instruments.....	14
7	NHS Service Agreements for the Provision of Services	15
8	Terms of Service, Allowances and Payment of Members of the Board and Executive Committee and Employees.....	15
9	Non-Pay Expenditure	20
10	Financial Framework	23
11	Capital Investment, Managed Service Contracts, Private Financing, Fixed Asset Registers and Security of Assets.....	23
12	Tendering and Contracting Procedure	26
13	Disposals.....	35
14.	In-House Services	35
15	Stores and Receipt of Goods.....	35
16	Disposals and Condemnations, Losses and Special Payments.....	36
17	Information Technology	38
18	Patients' Property	39
19	Funds Held on Trust.....	40
20	Investments.....	41
21	Acceptance of Gifts by Staff	41
22	Retention of Documents	41
23	Risk Management.....	41
24	Taxation & Excise Duties.....	44
	Appendix A.....	45
	Appendix B.....	47
	Appendix C.....	48

Written: November 2003
Last Reviewed: January 2021
Review: Annually

1 Introduction

1.1 General

- 1.1.1 The Code of Accountability requires that each NHS Trust shall give, and may vary or revoke, Standing Financial Instructions for the regulation of the conduct of its members and officers in relation to all financial matters with which they are concerned. These Standing Financial Instructions (SFIs) are issued in accordance with the Code. They shall have effect as if incorporated in the Standing Orders (SOs). There will be a training and communication programme administered by the Finance Director to affect these SFIs.
- 1.1.2 These Standing Financial Instructions detail the financial responsibilities, policies and procedures adopted by the Trust. They are designed to ensure that the Trust's financial transactions are carried out in accordance with the law and Government policy in order to achieve probity, accuracy, economy, efficiency and effectiveness. They should be used in conjunction with the Schedule of Powers Reserved to the Board and the Scheme of Delegation adopted by the Trust.
- 1.1.3 These Standing Financial Instructions identify the financial responsibilities that apply to everyone working for the Trust and its constituent organisations, including Divisions. They do not provide detailed procedural advice and should be read in conjunction with the detailed departmental and financial procedure notes, to provide sound internal control. **All financial procedures must be approved by the Finance Director.**
- 1.1.4 Should any difficulties arise regarding the interpretation or application of any of the Standing Financial Instructions then the advice of the Finance Director **MUST BE SOUGHT BEFORE ACTING**. The user of these Standing Financial Instructions should also be familiar with and comply with the provisions of the Trust's Standing Orders and Schedule of Powers Reserved to the Board.
- 1.1.5 The Standing Financial Instructions apply to all staff (substantive, bank and agency), including temporary contractors, volunteers and staff employed by other organisations to deliver services in the name of the Shrewsbury and Telford Hospital NHS Trust. **FAILURE TO COMPLY WITH STANDING FINANCIAL INSTRUCTIONS AND STANDING ORDERS IS A DISCIPLINARY MATTER THAT COULD RESULT IN DISMISSAL.**
- 1.1.6 **Overriding Standing Financial Instructions** – If for any reason these Standing Financial Instructions are not complied with, full details of the non-compliance and any justification for non-compliance and the circumstances around the non-compliance shall be reported to the next formal meeting of the Audit and Risk Assurance Committee (ARAC) for referring action or ratification. All members of the Board and staff have a duty to disclose any non-compliance with these Standing Financial Instructions to the Finance Director as soon as possible.

1.2 Terminology

- 1.2.1 Any expression to which a meaning is given in Health Service Acts, or in Directions made under the Acts, shall have the same meaning in these instructions;
- (a) **“Accountable Officer”** means the NHS Officer responsible and accountable for funds entrusted to the Trust. He/she shall be responsible for ensuring the proper stewardship of public funds and assets. For the Trust it shall be the Chief Executive;
- (b) **“Audit and Risk Assurance Committee”** means a committee whose functions are concerned with the arrangements for the establishment and maintenance of an effective system of governance, risk management and internal control;

- (c) "**Board**" means the Chairman, Executive and Non-Executive Directors of the Trust collectively as a body;
- (d) "**Budget**" means a resource, expressed in financial terms, proposed by the Board for the purpose of carrying out, for a specific period, any or all of the functions of the Trust;
- (e) "**Budget Holder**" means the director or employee with delegated authority to manage finances (Income and Expenditure) for a specific area of the organisation;
- (f) "**Chairman**" is the person appointed by the Secretary of State for Health and Social Care as advised by the Independent Appointments Commission to lead the Board and to ensure that it successfully discharges its overall responsibility for the Trust as a whole. The expression "the Chairman of the Trust" shall be deemed to include the Vice-Chairman of the Trust if the Chairman is absent from the meeting or is otherwise unavailable;
- (g) "**Chief Executive**" means the Accountable officer of the Trust;
- (h) "**Committee**" means a committee created and appointed by the Board to whom responsibilities are delegated;
- (i) "**Director**" means a person appointed as a Director in accordance with the constitution. The Directors of the Trust will be:
 - (i) "Executive Director" means an officer of the Trust. Up to five will be voting member of the Trust Board, appointed in accordance with the Membership and Procedure Regulations, 1990. The remainder will not be eligible to vote on the Trust Board.
 - (ii) "Non-Executive Director" means a member of the Trust who is not an officer of the Trust and is not to be treated as an officer by virtue of the Membership and Procedure Regulations.
- (j) "**Finance Director**" means the chief financial officer of the Trust;
- (k) "**Funds held on trust**" shall mean those funds which the Trust holds on date of incorporation, receives on distribution by statutory instrument or chooses subsequently to accept under powers derived under Section 90 of the NHS Act 1977, as amended. Such funds may or may not be charitable;
- (l) "**Legal Adviser**" means the properly qualified person appointed by the Trust to provide legal advice;
- (m) "**Officer**" means employee of the Trust or any other person holding a paid appointment or office with the Trust;
- (n) "**Finance and Performance Assurance Committee**" means the committee whose functions are concerned with the arrangements for the preparation and content of Strategic and Business Plans. Monitor financial performance and operational delivery against plans.
- (o) "**Trust**" means The Shrewsbury and Telford Hospital NHS Trust.

1.2.2

Wherever the title Chief Executive, Finance Director, or other nominated officer is used in these instructions, it shall be deemed to include such other director or employees who

have been duly authorised to represent them.

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

1.3 Responsibilities and Delegation

1.3.1 The Board exercises financial supervision and control by:

- (a) formulating and approving the financial strategy;
- (b) requiring the submission and approval of budgets that deliver the financial target set for the Trust within approved allocations and overall income;
- (c) defining and approving essential features in respect of important procedures and financial systems including the need to obtain value for money; and
- (d) defining specific responsibilities placed on members of the Board and employees as indicated in the Scheme of Delegation document.

1.3.2 The Board has resolved that certain powers and decisions may only be exercised by the Board in formal session. These are set out in the Reservation of Powers to the Board document.

1.3.3 The Board will delegate responsibility for the performance of its functions in accordance with the Scheme of Delegation document adopted by the Trust.

1.3.4 Within the Standing Financial Instructions, it is acknowledged that the Chief Executive is ultimately accountable to the Board, and as Accountable Officer, to the Secretary of State for Health and Social Care, for ensuring that the Board meets its obligation to perform its functions within the available financial resources. The Chief Executive has overall executive responsibility for the Trust's activities; is responsible to the Chairman and the Board for ensuring that its financial obligations and targets are met and has overall responsibility for the Trust's system of internal control.

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

1.3.6 It is a duty of the Chief Executive to ensure that existing members of the Board and employees and all new appointees are notified of, and **understand**, their responsibilities within these Standing Financial Instructions.

1.3.7 The Finance Director is responsible for:

- (a) implementing the Trust's financial policies and for co-ordinating any corrective action necessary to further these policies;
- (b) maintaining an effective system of internal financial control including ensuring that detailed financial procedures and systems incorporating the principles of separation of duties and internal checks are prepared, documented and maintained to supplement these instructions;
- (c) ensuring that sufficient records are maintained to show and explain the Trust's transactions, in order to disclose, with reasonable accuracy, the financial position of the Trust at any time.

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

- (d) the provision of financial advice to the Trust and its employees;
- (e) the design, implementation and supervision of systems of internal financial control; and
- (f) the preparation and maintenance of such accounts, certificates, estimates, records and reports as the Trust may require for the purpose of carrying out its statutory duties.

1.3.8 All staff, including members of the Board, severally and collectively, are responsible for:

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

1.3.9 Any contractor (including temporary contractors) or employee of a contractor who is empowered by the Trust to commit the Trust to expenditure or who is authorised to obtain income shall be covered by these instructions.

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

1.4 Escalation Procedures for Non-Compliance

1.4.1 Any instance of non-compliance with Standing Financial Instructions must be notified to the Finance Director as soon as it has been identified.

1.4.2 The Finance Director will investigate all significant instances and report the detailed circumstances of each to Audit and Risk Assurance Committee at its next meeting.

1.4.3 The Finance Director will determine what disciplinary or other action, if any, is necessary, having sought appropriate advice from the Workforce Director.

1.4.4 If the Finance Director is suspected of breaching Standing Financial Instructions, then this should be notified to the Chief Executive who will similarly take action identified above.

1.4.5 Any potential breaches of Standing Financial Instructions by executive directors will be escalated to the Chair of the Audit and Risk Assurance Committee, who will advise on further actions to be instigated in accordance with the approved Governance and Compliance Framework. Any such breaches not involving the Finance Director will also be reported to the Finance Director.

2 Audit

2.1 Audit and Risk Assurance Committee

2.1.1 In accordance with Standing Orders, the Board shall formally establish an Audit and Risk Assurance Committee, with clearly defined terms of reference. The Committee will seek assurance for the Board on the range of issues in accordance with guidance from the NHS Audit Committee Handbook, which will provide an independent and objective view of internal control by:

- (a) overseeing internal and external audit services;
- (b) reviewing financial and information systems and monitoring the integrity of the financial statements and reviewing significant financial reporting judgements;
- (c) reviewing the establishment and maintenance of an effective system of integrated governance, risk management and internal control, across the whole of the organisation's activities (both clinical and non-clinical), that supports the achievement of the organisation's objectives;
- (d) monitoring compliance with Standing Orders and Standing Financial Instructions;
- (e) reviewing the arrangements in place to support the Assurance Framework on behalf of the Board and advising the Board accordingly;
- (f) satisfying itself that the organisation has adequate arrangements in place for counter fraud and security that meet NHS Counter Fraud Authority standards and shall review the outcomes of work in these areas;
- (g) ensuring that the systems for financial reporting to the Trust Board including those of budgetary control are subject to review as to the completeness and accuracy of the information provided;
- (h) reviewing the annual report and financial statements before submission to the Trust Board;
- (i) reviewing the effectiveness of the arrangements in place for allowing staff to raise (in confidence) concerns about possible improprieties in financial, clinical or safety matters and ensure that any such concerns are investigated proportionately and independently; and
- (j) reviewing how cyber security arrangements are being managed including appropriate risk mitigation strategies.

2.1.2 Where the Audit and Risk Assurance Committee considers 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 Chairman of the Audit and Risk Assurance Committee should raise the matter at a full meeting of the Board. Exceptionally, the matter may need to be referred to the NHS England and Improvement and the Department of Health and Social Care, but this should be via the Trust's Finance Director in the first instance.

2.1.3 It is the responsibility of the Finance Director to ensure an adequate internal audit service is provided and the Audit and Risk Assurance Committee shall be involved in the selection process when/if an internal audit service provider is changed.

2.1.4 Further detail on the role, responsibility and powers of the Audit and Risk Assurance Committee are contained in its Terms of Reference.

2.2 Finance Director

2.2.1 The Finance Director is responsible for:

- (a) ensuring there are arrangements to review, evaluate and report on the effectiveness of internal financial control including the establishment of an effective internal audit function;
- (b) ensuring that the internal audit is adequate and meets the NHS mandatory audit standards;
- (c) deciding at what stage to involve the police in cases of misappropriation and other irregularities not involving fraud or corruption;
- (d) ensuring that an annual internal audit report is prepared for the consideration of the Audit and Risk Assurance Committee of the coverage and results of the work of the service. The report must cover:
 - (i) a clear opinion on the effectiveness of internal control in accordance with current assurance framework guidance issued by the Department of Health and Social Care including for example compliance with control criteria and standards;
 - (ii) major internal financial control weaknesses discovered;
 - (iii) progress on the implementation of internal audit recommendations;
 - (iv) progress against plan over the previous year;
 - (v) strategic audit plan covering the coming three years; and
 - (vi) a detailed plan for the coming year.

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

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

2.2.3 The Trust's Chief Executive and Finance Director are responsible for ensuring access rights are given to NHS Counter Fraud Authority where necessary for the prevention, detection and investigation of cases of fraud, bribery and corruption, in accordance with NHS Counter Fraud Authority standards for NHS Providers.

2.3 Role of Internal Audit

2.3.1 The Internal Audit service shall:

- (a) provide an independent and objective opinion on risk management, control and governance arrangements by measuring and evaluating their effectiveness; and
- (b) operate independently of the decisions made by the Trust and its employees; and of the activities which it audits. No member of the team providing the internal audit service will have executive responsibilities.

2.3.2 The Internal Audit will review, appraise and report upon:

- (a) establish and monitor the achievement of the Trust's strategic and operational objectives;
- (b) identify, assess and manage strategic and operational risks to achieving the organisation's objectives;
- (c) identify the extent of compliance with, and the financial effect of, the relevant established policies, plans and procedures;
- (d) identify the adequacy and application of financial and other related management Controls;
- (e) ensure the integrity and reliability of information, accounts and data, including internal and external reporting and accountability processes;
- (f) identify the extent to which the Trust's assets and interests are accounted for and safeguarded from loss of any kind, arising from:
 - (i) fraud and other offences;
 - (ii) waste, extravagance, inefficient administration;
 - (iii) poor value for money or other causes; and
 - (iv) any form of risk, especially business and financial risk but not exclusively so.
- (g) internal audit shall also independently verify the board assurance framework statements in accordance with guidance from the Department of Health and Social Care.

2.3.3 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 Finance Director must be notified immediately.

2.3.4 The Head of Internal Audit will provide an annual opinion on the effectiveness of the whole system of internal control.

2.3.5 The Head of Internal Audit will make suitable provision to form an opinion on key systems operated on behalf of other organisations, and key systems being operated by other organisations, either by deriving the opinions themselves or by relying on the opinions provided by other auditors/review bodies.

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

2.3.7 The Head of Internal Audit shall be accountable to the Finance Director. The reporting system for internal audit shall be agreed between the Finance Director, the Audit and Risk Assurance Committee and the Head of Internal Audit. The agreement shall be in writing

and shall comply with the guidance on reporting contained in the NHS Internal Audit Manual. The reporting system shall be reviewed at least every three years.

- 2.3.8 The designated officers must carry out agreed audit recommendations within the timescale for action agreed with the Head of Internal Audit. Failure to do so shall be reported to the Audit and Risk Assurance Committee and to the Chief Executive who shall take necessary action to ensure compliance with such recommendations.

2.4 Fraud and Corruption

- 2.4.1 In line with their responsibilities, the Trust Chief Executive and Finance Director shall monitor and ensure compliance with the requirements included in the NHS Standard Contract on fraud and corruption (section 24), and with the requirements of the Bribery Act 2010 and other relevant legislation that has been or may be enacted. .

- 2.4.2 The Trust shall nominate a suitable person to carry out the duties of the Local Counter Fraud Specialist as specified by the NHS Counter Fraud Authority (NHSCFA).

- 2.4.3 The Local Counter Fraud Specialist shall report to the Finance Director and shall work with staff in NHS Counter Fraud Authority in accordance with the NHS Standard Contract.

- 2.4.4 The Local Counter Fraud Specialist will provide a written report, at least annually, on counter fraud work within the Trust.

2.5 External Audit

- 2.5.1 The external auditor is appointed by an Appointment Panel constituted of members of the Audit and Risk Assurance Committee with delegated authority from the Board and paid for by the Trust. The Audit and Risk Assurance Committee must ensure a cost-efficient service. Should there appear to be a problem then this should be raised with the external auditor.

3 Allocations, Business Planning, Budgets, Budgetary Control and Monitoring

3.1 Preparation and Approval of Business Plans and Budgets

- 3.1.1 The Chief Executive, will compile and submit to the Board an annual business plan which takes into account financial targets and forecast limits of available resources. The annual business plan will contain:

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

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

- (a) be in accordance with the aims and objectives set out in the Trust's business plan and its long term financial model;
- (b) accord with financial and other targets, and with workforce plans;
- (c) be produced following discussion with appropriate budget holders;
- (d) be prepared within the limits of available funds; and
- (e) identify potential risks.

- 3.1.3 The Finance Director shall monitor financial performance against budget and business plan, periodically review them, and report to the Board.
- 3.1.4 All budget holders must provide information as required by the Finance Director to enable budgets to be compiled and financial performance against budgets to be monitored.
- 3.1.5 All budget holders will sign up to their allocated budgets at the commencement of each financial year.
- 3.1.6 The Finance Director has a responsibility to ensure that adequate training is delivered on an on-going basis to budget holders to help them manage their budgets successfully.

3.2 Budgetary Delegation

- 3.2.1 The Chief Executive may delegate the management of a budget to permit the performance of a defined range of activities. This delegation must be in writing and be accompanied by a clear definition of:
- (a) the amount of the budget;
 - (b) the purpose(s) of each budget heading;
 - (c) individual and group responsibilities;
 - (d) authority to exercise virement;
 - (e) achievement of planned levels of service; and
 - (f) the provision of regular reports.
- 3.2.2 The Chief Executive and delegated budget holders must not exceed the budgetary total or virement limits set by the Finance Director (see Appendix A).
- 3.2.3 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.
- 3.2.4 Non-recurring budgets should not be used to finance recurring expenditure without the authority in writing of the Chief Executive, as advised by the Finance Director.

3.3 Budgetary Control and Reporting

- 3.3.1 The Finance Director will devise and maintain systems of budgetary control. These will include:
- (a) monthly financial reports to the Board in a form approved by the Board containing:
 - (i) income and expenditure to date showing trends and forecast year-end position;
 - (ii) movements in working capital;
 - (iii) movements in cash and capital;
 - (iv) capital project spend and projected outturn against plan;
 - (v) explanations of any material variances from plan; and

(vi) details of any corrective action where necessary and the Chief Executive's and/or Finance Director's view of whether such actions are sufficient to correct the situation.

- (b) investigation and reporting of variances from financial and workforce budgets;
- (c) the issue of timely, accurate and comprehensible advice and financial reports to each budget holder, covering the areas for which they are responsible;
- (d) monitoring of management action to correct variances; and
- (e) arrangements for the authorisation of budget transfers.

3.3.2 Each budget holder is responsible for ensuring that:

- (a) any likely overspending or reduction of income that cannot be met by virement is not incurred without the prior consent of the Board;
- (b) the amount provided in the approved budget is not used in whole or in part for any purpose other than that specifically authorised subject to the rules of virement;
- (c) no permanent employees are appointed without confirmation that funding to support the appointments has been established through the Finance Department and authorised as such by the Finance Director or delegated officer.
- (d) they comply with the Trust's Budgetary Control Policy as devised by the Finance Director;

3.3.3 The Chief Executive is responsible for identifying and implementing cost improvements and income generation initiatives in accordance with the requirements of the annual business plan and a balanced budget.

3.4 Capital Expenditure

3.4.1 The general rules applying to delegation and reporting shall also apply to capital expenditure (the particular applications relating to capital are contained in section 11).

3.4.2 The Capital Programme will be approved in advance by the Finance and Performance Assurance Committee and then approved by the Trust Board.

3.4.3 Any Capital expenditure approved as part of the agreed Capital Plan will not be subject to in year approval, officers can commence subject to the authorisation limits set out in Appendix A.

3.4.4 If there is a variation to the agreed Capital Plan, the Finance Director and Finance and Performance Assurance Committee must be notified, such instances would include reactive backlog works and replacement of redundant equipment.

3.4.5 Further detail on the role, responsibility and powers of the Finance and Performance Assurance Committee are contained in its Terms of Reference.

3.5 Monitoring Returns

3.5.1 The Chief Executive is responsible for ensuring that the appropriate monitoring forms are submitted to the requisite monitoring organisation in accordance with the prescribed deadlines.

4 Annual Accounts and Reports

- 4.1 The Finance Director, on behalf of the Trust, will:
- (a) prepare financial returns in accordance with the accounting policies and guidance given by the Department of Health and Social Care and the Treasury, the Trust's accounting policies, and generally accepted accounting practice;
 - (b) prepare and submit annual financial reports to the Department of Health and Social Care and NHS England and Improvement in accordance with current guidelines; and
 - (c) submit financial returns to the Department of Health and Social Care for each financial year in accordance with the timetable prescribed by the Department of Health and Social Care.
- 4.2 The Trust's annual accounts must be audited by an auditor appointed by the Audit and Risk Assurance Committee. The Trust's audited annual accounts must be presented to a public meeting and made available to the public.
- 4.3 The Trust will publish an annual report, in accordance with guidelines on local accountability, and present it at a public meeting, (see Code of Accountability – Section 1.3.2 of Corporate Governance Framework). The document will comply with the Department of Health and Social Care's Manual for Accounts.

5 Bank Accounts

5.1 General

- 5.1.1 The Finance Director is responsible for managing the Trust's banking arrangements and for advising the Trust on the provision of banking services and operation of accounts. This advice will take into account guidance and Directions issued by the Department of Health and Social Care.
- 5.1.2 The Board shall approve the banking arrangements.

5.2 Bank and Government Banking Service (GBS) Accounts

- 5.2.1 The Finance Director is responsible for:
- (a) bank accounts and GBS accounts;
 - (b) establishing separate bank accounts for the Trust's non-exchequer funds, including charitable funds;
 - (c) ensuring payments made from bank or GBS accounts do not exceed the amount credited to the account except where arrangements have been made;
 - (e) reporting to the Board all arrangements made with the Trust's bankers for accounts to be overdrawn;
 - (f) monitoring compliance with Department of Health and Social Care guidance on the level of cleared funds; and
 - (g) ensuring covenants attached to bank borrowing are adhered to.

5.3 Banking Procedures

- 5.3.1 The Finance Director will prepare detailed instructions, on the operation of all Trust bank accounts that must include:
- (a) the conditions under which each bank and GBS account is to be operated, including the overdraft limit if applicable;
 - (b) those authorised to approve payments, bank transfers, sign cheques or other orders drawn on the Trust's accounts.
- 5.3.2 The Finance Director must advise the Trust's bankers in writing of the conditions under which each account will be operated.
- 5.3.3 It is the responsibility of the Finance Director to monitor the banking arrangements to ensure best value for money is obtained.
- 5.3.4 The Finance Director should monitor authorisation levels and check signatories to ensure thresholds and individuals meet with the ongoing needs of the Trust.

5.4 Tendering and Review

- 5.4.1 The Finance Director will review the commercial banking arrangements of the Trust at regular intervals to ensure they continue to reflect best value for money.
- 5.4.2 This review is not necessary for GBS accounts.
- 5.4.3 Competitive tenders should be sought at least every five years. The Finance Director shall report to the Trust Board the reason(s) for continuing existing banking arrangements for longer than five years, without competitive review.
- 5.4.4 The Finance Director shall report the results of any tendering exercise to the Board.

5.5 External Borrowing

- 5.5.1 The Finance Director will advise the Board concerning the Trusts ability to pay dividend on, and repay Public Dividend Capital (PDC) and any proposed new borrowing, within the limits set by the Department of Health and Social Care. The Finance Director is also responsible for reporting periodically to the Board concerning the PDC debt and all loans and overdrafts.
- 5.5.2 The Trust Board shall agree the list of employees authorised to make short term borrowings on behalf of the Trust. This shall include the Chief Executive and the Finance Director.
- 5.5.3 The Finance Director must prepare detailed procedural instructions concerning applications for loans and overdrafts.
- 5.5.4 All short term borrowings should be kept to the minimum period of time possible, consistent with the overall cash flow position, represent good value for money and comply with the latest guidance from the Department of Health and Social Care. Any short term borrowing required must be authorised by the Finance Director.

6 Income, Fees and Charges and Security of Cash, Cheques and Other Negotiable Instruments

6.1 Income Systems

6.1.1 The Finance Director is responsible for designing, maintaining and ensuring compliance with systems for the proper recording, invoicing, and collection and coding of all monies due.

6.1.2 The Finance Director is also responsible for the prompt banking of all monies received.

6.2 Fees and Charges

6.2.1 The Trust shall follow the Department of Health and Social Care's advice in setting prices for service agreements.

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

6.2.3 All employees must inform the Finance Director promptly of money due arising from transactions which they initiate/deal with, including all contracts, leases, tenancy agreements, private patient undertakings and other transactions in order to facilitate the timely raising of invoices and collection of debt.

6.3 Debt Recovery

6.3.1 The Finance Director is responsible for the appropriate recovery action on all outstanding debts.

6.3.2 Income not received should be dealt with in accordance with losses procedures (see also section 13).

6.3.3 Overpayments should be detected (or preferably prevented) and recovery initiated.

6.4 Security of Cash, Cheques and Other Negotiable Instruments

6.4.1 The Finance Director is responsible for:

- (a) approving the form of all receipt books, agreement forms, or other means of officially acknowledging or recording monies received or receivable;
- (b) ordering and securely controlling any such stationery;
- (c) the provision of adequate facilities and systems for employees whose duties include collecting and holding cash, including the provision of safes or lockable cash boxes, the procedures for keys, and for coin operated machines; and
- (d) prescribing systems and procedures for handling cash and negotiable securities on behalf of the Trust.

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

6.4.3 All cheques, postal orders, payable orders, cash etc., shall be banked intact.

Disbursements shall not be made from cash received, except under arrangements approved by the Finance Director.

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

6.4.5 Under no circumstances will the Trust accept cash payments of €10,000 (or equivalent in any currency) in respect of any single transaction or series of transactions which appear to be linked (in line with HM Revenue and Customs guidance on “Money laundering supervision for high value dealers”). Any attempts by an individual to effect payment above this amount should be notified immediately to the Finance Director.

7 NHS Service Agreements for the Provision of Services

7.1 Service Level Agreements (SLAs) and Contracts

7.1.1 The Chief Executive, as the Accountable Officer, is responsible for ensuring the Trust enters into suitable Service Level Agreements (SLA) with service commissioners for the provision of NHS services, using the standard NHS contract terms and conditions where appropriate, detailing the basis on which the Trust will provide healthcare services.

All SLAs and Contracts should aim to implement the agreed priorities contained within the Trust’s annual business plan and be consistent with the STP Long Term Plan and NHS Long Term Plan. In discharging this responsibility, the Chief Executive should take into account:

- (a) the standards of service quality expected;
- (b) the relevant national service or quality framework (if any);
- (c) the provision of reliable information on cost and volume of services; and
- (d) the NHS Single Oversight Framework.

7.2 Reports to the Board and SLAs

7.2.1 The Chief Executive, as the Accountable Officer, will need to ensure that regular reports are provided to the Board detailing actual and forecast income from the contract and SLA’s. This will include information on costing arrangements, which increasingly should be based upon Healthcare Resource Groups (HRGs). Where HRGs are unavailable for specific services, all parties should agree a common currency for application across the range of SLAs.

8 Terms of Service, Allowances and Payment of Members of the Board and Executive Committee and Employees

8.1 Remuneration and Terms of Service

8.1.1 In accordance with Standing Orders the Board shall establish a Remuneration Committee, with clearly defined terms of reference, specifying which posts fall within its area of responsibility, its composition, and the arrangements for reporting (see also Standing Order 5.8).

8.1.2 The Committee will:

- (a) advise the Board about appropriate remuneration and terms of service for the Chief Executive, other Executive Directors employed by the Trust and other senior employees including:
 - (i) all aspects of salary (including any performance-related elements/bonuses);
 - (ii) provisions for other benefits, including pensions and cars; and
 - (iii) arrangements for termination of employment and other contractual terms;
- (b) make such recommendations to the Board on the remuneration and terms of service of officer members of the Board members (and other senior employees) to ensure they are fairly rewarded for their individual contribution to the Trust - having proper regard to the Trust's circumstances and performance and to the provisions of any national arrangements for such members and staff where appropriate;
- (c) monitor and evaluate the performance of executive directors (and other senior employees); and
- (d) 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.

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

8.1.4 The Board will after due consideration and amendment if appropriate approve proposals presented by the Chief Executive for setting of remuneration and conditions of service for those employees and officers not covered by the Committee.

8.1.5 The Trust will pay allowances to the Chairman, Non-Executive Directors of the Board in accordance with instructions issued by the Secretary of State for Health and Social Care.

8.2 Funded Establishment

8.2.1 The workforce plans incorporated within the annual budget will form the funded establishment. Changes to the funded establishment require the authorisation of the Finance Director or delegated officer.

8.2.2 The funded establishment of any department may not be varied in any way which causes expenditure to exceed the authorised annual budget without the approval of the Finance Director.

8.3 Staff Appointments

8.3.1 No officer or member of the Trust Board 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 respect of remuneration unless:

- (a) they have delegated authority in accordance with the Scheme of Delegation;
- (b) the change is in accordance with Trust policies;
- (c) the appointment is within the limit of their approved budget and funded

establishment; and

(d) he/she is exercising economy and efficiency in the use of human resources.

8.3.2 Where changes do not comply with the above, authorisation must be gained from the Chief Executive before committing to any change.

8.3.3 It is the budget holder's responsibility to ensure the Finance Department are made aware of any such changes to their approved budget to enable the transaction of a budget variation.

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

8.4 Processing Payroll

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

8.4.2 The Finance Director is responsible for:

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

8.4.3 The Finance Director will issue instructions regarding:

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

- (k) maintenance of regular and independent reconciliation of pay control accounts;
- (l) separation of duties of preparing records and handling cash; and
- (m) a system to ensure the recovery from those leaving the employment of the Trust of sums of money and property due by them to the Trust.

8.4.4 Appropriately nominated managers have delegated responsibility for:

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

8.5 Employee Expenses

8.5.1 Amount Paid

The Finance Director shall be responsible for determining the correct payment of claims for travelling and other expenses, including deduction of amounts liable to the Inland Revenue under the appropriate regulations. The Finance Director will not be liable to pay such claims where, in his opinion, it has not been possible for the certifying manager to verify the accuracy of the data.

8.5.2 Certification of Claims

Certification of claims by, or on behalf of, the budget holder shall be taken to mean that the certification officer is satisfied that the journeys made were authorised, that expenses claimed were properly and necessarily incurred, and that allowances are properly payable by the Trust. The employee will upload any receipts onto the electronic expenses system which the certifying manager will examine before certification. All original receipts will be kept by the employee or the certifying manager.

8.5.3 Date of Claim

Eligible employee's authorised claims for reimbursement of expenses shall be done electronically. Where appropriate, completed and authorised claims shall be submitted to the Finance Director on a regular basis, in accordance with an agreed timetable and as soon as practical after the expense has been incurred. Claims for reimbursement of expenses, which relate to a period or date more than three months (unless otherwise stated within an approved policy) previous to the date of receipt of the claim form by the Finance Director, shall be accompanied by a letter detailing the reasons for such delay. Expense claims that are more than nine months previous to the date of receipt of the claim form by the Finance Director, shall, subject to the discretion of the Finance Director, not be paid.

8.6 Contracts of Employment

8.6.1 The Board shall delegate responsibility to an officer for:

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

8.7 Agency, Self-Employed or Third Party Workers Including Contract for Services

8.7.1 Where exceptional circumstances exist within a department e.g. high levels of escalation and agency, self-employed workers or workers supplied via a third party are to be retained then:

- (a) the contract may only be entered into by a budget holder having sufficient resources within the limit of their budget who is authorised for that purpose by the Chief Executive or his delegated officer; and
- (b) the Finance Director shall be consulted and must give authorisation if the contractor is not on framework/the current list of authorised suppliers;

8.7.2 Where there is not sufficient resource within the approved budget permission must be sought prior to an increase in temporary staffing levels through the appropriate Director/Director on-call.

8.7.3 It is the responsibility of the budget holder at the earliest opportunity to review staffing levels to ensure value for money is obtained and funding is both identified and approved to cover the increased cost.

8.7.4 The Workforce Director shall establish procedures to ensure that the Trust's interests are protected in the in the contractual arrangements entered into with self-employed consultants and contractors. These procedures shall ensure that the contractual arrangements do not contravene HM Revenues and Customs' requirements regarding the avoidance of tax and national insurance contributions through the use of intermediaries, such as service companies or partnerships, known as Intermediaries Legislation, or "IR 35".

8.7.5 All Trust officers responsible for procuring services from self-employed individuals shall ensure that they comply with the procedures established.

8.7.6 Changes to Bank/Internal Locum Rates

- (a) the Finance Director will oversee the process of agreeing bank/locum rates of payment within the Trust for all staff;
- (b) this process will be documented and communicated throughout the Trust;
- (c) any proposals (short-term or long-term) to operate outside of this process will require Finance involvement with the approval limits in Appendix A setting out the level of authorisation required;
- (d) when there are other fees involved in addition to the hourly rate (e.g. engagement fees), these need to be approved by the respective budget holder prior to appointment. The budget holder must ensure that budget has been clearly identified to cover the cost of the fees prior to appointment;
- (e) the Trust's Temporary Staffing functions (Medical and non-Medical) will oversee the operationalisation and exception reporting of the process.

8.7.7 Approving External Agency Rates

- (a) the Finance Director will oversee the process of agreeing the financial parameters for the engagement of agency staff within the Trust ensuring compliance with latest NHS England and NHS Improvement's Agency rules (using the available Price Card as a reference);
- (b) this process will be documented and communicated throughout the Trust;
- (c) the process will include an escalation process should the potential rates being negotiated exceed the Trust's agreed parameters; and
- (d) the Trust's Temporary Staffing functions (Medical and non-Medical) will oversee the operationalisation and exception reporting of the process.

9 Non-Pay Expenditure

9.1 Delegation of Authority

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

9.1.2 The Finance Director will set out:

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

9.1.3 The Chief Executive shall set out procedures on the seeking of professional advice regarding the supply of goods and services and this shall be followed when entering into any agreement. Contract terms and conditions used in contract shall only be those approved by the Trust.

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

9.2.1 The requisitioner, in choosing the item to be supplied (or the service to be performed) shall always obtain the best value for money for the Trust. In so doing, the advice of the Trust's adviser on supply will be sought, prior to commitment. In order to commit expenditure the requisitioner must follow the Trust's standard procurement process. Where this advice is not acceptable to the requisitioner, the Finance Director and/or the Chief Executive shall be consulted.

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

9.2.3 The Finance Director will:

- (a) advise the Board regarding the setting of thresholds above which quotations (competitive or otherwise) or formal tenders must be obtained; and, once approved, the thresholds should be incorporated in Standing Orders and regularly reviewed;
- (b) prepare procedural instructions or guidance, where not already provided in the Scheme of Delegation or procedure notes for budget holders, on the obtaining of goods, works and services incorporating the thresholds;

- (c) be responsible for the prompt payment of all properly authorised accounts and claims;
- (d) be responsible for designing and maintaining a system of verification, recording and payment of all amounts payable. The system shall provide for:
 - (i) A list of Board members/employees (including specimens of their signatures) authorised to certify invoices.
 - (ii) Certification that:
 - goods have been duly received, examined and are in accordance with specification and the prices are correct;
 - work done or services rendered have been satisfactorily carried out in accordance with the order, and, where applicable, the materials used are of the requisite standard and the charges are correct;
 - in the case of contracts based on the measurement of time, materials or expenses, the time charged is in accordance with the time sheets, the rates of labour are in accordance with the appropriate rates, the materials have been checked as regards quantity, quality, and price and the charges for the use of vehicles, plant and machinery have been examined;
 - where appropriate, the expenditure is in accordance with regulations and all necessary authorisations have been obtained;
 - the account is arithmetically correct; and
 - the account is in order for payment.
 - (iii) A timetable and system for submission to the Finance Director of accounts for payment; provision shall be made for the early submission of accounts subject to cash discounts or otherwise requiring early payment.
 - (iv) Instructions to employees regarding the handling and payment of accounts within the Finance Department.
- (e) be responsible for ensuring that payment for goods and services is only made once the goods and services are received. The only exceptions are set out in paragraph 9.2.4.
- (f) The Finance Director is responsible for ensuring, as far as possible, payments are made in accordance with the Better Payment Practice Code.

9.2.4 **Prepayments**

- (a) Prepayments are only permitted where exceptional circumstances apply.
In such instances:
 - (i) Prepayments are only permitted where the financial advantages outweigh the disadvantages (i.e. cashflows must be discounted to NPV using the National Loans Fund (NLF) rate plus 2%);
- (b) the appropriate officer must provide, in the form of a written report, a case setting

out all relevant circumstances of the purchase. The report must set out the effects on the Trust if the supplier is at some time during the course of the prepayment agreement unable to meet his commitments;

- (c) the Finance Director 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
- (d) the budget holder is responsible for ensuring that all items due under a prepayment contract are received and he/she must immediately inform the appropriate Director or Chief Executive if problems are encountered.

9.2.5 Official Orders must:

- (a) be consecutively numbered;
- (b) be in a form approved by the Finance Director;
- (c) state the Trust's terms and conditions of trade including the need for suppliers to quote a valid order number when submitting invoices for payment; and
- (d) only be issued to, and used by, those duly authorised by the Chief Executive. Lists of authorised officers shall be maintained and a copy of each list supplied to the Finance Director; and
- (e) be authorised, prior to being issued, according to the Trust's Scheme of Delegation.

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

- (a) all contracts (except as otherwise provided for in the Scheme of Delegation or delegated budget), leases, tenancy agreements and other commitments which may result in a liability are notified to the Finance Director in advance of any commitment being made;
- (b) contracts above specified thresholds are advertised and awarded in accordance with EU rules on public procurement
- (c) where consultancy advice is being obtained, the procurement of such advice must be in accordance with guidance issued by the Department of Health and Social Care and NHS England and NHS Improvement;
- (d) no order shall be issued for any item or items to any firm which has made an offer of gifts, reward or benefit to directors or employees, other than:
 - (i) isolated gifts of a trivial character or inexpensive seasonal gifts, such as calendars;
 - (ii) conventional hospitality, such as lunches in the course of working visits;
- (e) no requisition/order is placed for any item or items for which there is no budget provision unless authorised by the Finance Director on behalf of the Chief Executive;
- (f) all goods, services, or works are ordered on an official order except works and services executed in accordance with a contract, purchases from petty cash or on purchase cards;

- (g) verbal orders must only be issued very exceptionally - by an employee designated by the Chief Executive and only in cases of emergency or urgent necessity. These must be confirmed by an official order and clearly marked "Confirmation Order";
- (h) orders are not split or otherwise placed in a manner devised so as to avoid the financial thresholds;
- (i) goods are not taken on trial or loan in circumstances that could commit the Trust to a future uncompetitive purchase;
- (j) changes to the list of directors/employees and officers authorised to certify invoices are notified to the Finance Director;
- (k) purchases from petty cash are restricted in value and by type of purchase in accordance with instructions issued by the Finance Director; and
- (l) petty cash records are maintained in a form as determined by the Finance Director.

9.2.7 The Chief Executive and Finance Director shall ensure that the arrangements for financial control and financial audit of building and engineering contracts and property transactions comply with the guidance contained within Concode and Estatecode. The technical audit of these contracts shall be the responsibility of the relevant Director.

9.2.8 Should a tender be required the process adopted shall be stipulated in the Standing Orders.

9.3 Joint Finance Arrangements with Local Authorities and Voluntary Bodies

9.3.1 Payments to local authorities and voluntary organisations made under the powers of section 256 of the NHS Act 2006 (previously known as section 28a payments) shall comply with procedures laid down by the Finance Director which shall be in accordance with this Act (see also Standing Order 11.5).

10 Financial Framework

10.1 The Finance Director shall ensure that members of the Board and the Executive Team are aware of the Financial Framework within the NHS England and NHS Improvement's Single Oversight Framework, within which the Trust is required to operate.

11 Capital Investment, Managed Service Contracts, Private Financing, Fixed Asset Registers and Security of Assets

11.1 Capital Investment Including Managed Service Contracts

11.1.1 The Chief Executive:

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

11.1.2 For every capital expenditure proposal, including the potential to purchase the asset

through a managed service contract the Chief Executive shall ensure:

- (a) that a business case (in line with the guidance contained within the current Department of Health and Social Care's guidance), is produced setting out:
 - (i) an option appraisal of potential benefits compared with known costs to determine the option with the highest ratio of benefits to costs;
 - (ii) appropriate project management and control arrangements; and
 - (iii) the involvement of appropriate Trust personnel and external agencies;
- (b) that the Finance Director has certified professionally to the costs and revenue consequences detailed in the business case. For a managed service contract this includes whether it is an operating or finance lease and impact on the Trust's CRL and VAT liability. The certification may be derived through external expert advice.
- (c) Where the sum involved exceeds delegated limits, the business case must be referred to NHS England and NHS Improvement and/or the Department of Health and Social Care in line with current guidelines.

- 11.1.3 For capital schemes where the contracts stipulate stage payments, the Chief Executive will issue procedures for their management, incorporating the recommendations of Estatecode.

The Finance Director shall assess on an annual basis the requirement for the operation of the construction industry tax deduction scheme in accordance with Inland Revenue guidance.

The Finance Director shall issue procedures for the regular reporting of expenditure and commitment against authorised expenditure.

- 11.1.4 The approval of a capital programme shall not constitute approval for the initiation of expenditure on any scheme, because it is also necessary to undertake the mandatory procurement processes of the Trust.

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

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

The Chief Executive will issue a scheme of delegation for capital investment management in accordance with Estatecode guidance and the Trust's Standing Orders. The appropriate signatories shall be governed by the authorisation levels set out in Appendix A.

- 11.1.5 The Finance Director shall issue procedures governing the financial management, including variations to contract, of capital investment projects and valuation for accounting purposes. These procedures shall fully take into account the delegated limits for capital schemes as notified by the Department of Health and Social Care.

11.2 Private Finance

- 11.2.1 The Trust should normally test for PFI when considering a capital procurement. When the Trust proposes to use finance that is to be provided other than through its Allocations, the following procedures shall apply:

- (a) the Finance Director shall demonstrate that the use of private finance represents value for money and genuinely transfers significant risk to the private sector;
- (b) the proposal must be specifically agreed by the Board; and
- (c) where the sum involved exceeds delegated limits, the business case must be referred to the appropriate Directorate of the Department of Health and Social Care and/or treated as per current guidelines.

11.3 Leases (Finance and Operating)

11.3.1 Where it is proposed that leasing (either operating or finance) shall be considered in preference to capital procurement then the following should apply:

- (a) The selection of a contract/finance company shall be on the basis of competitive tendering and quotations sought via the procurement department;
- (b) all proposals to enter into a leasing agreement shall be referred to the Finance Director before acceptance of any offer;
- (c) the Finance Director shall ensure that the proposal demonstrates best value for money; and
- (d) the proposal shall be agreed in writing by the Finance Director prior to acceptance of any offer to the lease.

11.4 Asset Registers

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

11.4.2 Each Trust shall maintain an asset register recording fixed assets. The minimum data set to be held within these registers shall be as specified in the Capital Accounting Manual as issued by the Department of Health and Social Care.

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

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

11.4.4 Where capital assets are sold, scrapped, lost or otherwise disposed of, their value must be removed from the accounting records and each disposal must be validated by reference to authorisation documents and invoices (where appropriate).

11.4.5 The Finance Director shall approve procedures for reconciling balances on fixed assets accounts in ledgers against balances on fixed asset registers.

11.4.6 The value of each asset shall be valued in according with a modern equivalent assets

valuation in accordance with methods specified by the Department of Health and Social Care.

11.4.7 The value of each asset shall be depreciated using methods and rates in line with guidance specified by the Department of Health and Social Care.

11.4.8 The Finance Director of the Trust shall calculate and pay capital charges as specified in the NHS Manual for Accounts issued by the Department of Health and Social Care.

11.5 Security of Assets

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

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

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

11.5.3 All discrepancies revealed by verification of physical assets to fixed asset register shall be notified to the Finance Director.

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

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

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

12 Tendering and Contracting Procedure

12.1 Duty to comply with Standing Financial Instructions

12.1.1 The procedure for making a contract by or on behalf of the Trust shall comply with these Standing Financial Instructions.

12.2 EU Directives Governing Public Procurement

12.2.1 European Union Directives on public sector purchasing promulgated by the Department of Health and Social Care (under Public Contract Regulation 2015) prescribing procedures for awarding all forms of contracts shall have effect as if incorporated in these Standing

Financial Instructions.

12.2.2 The Trust shall comply as far as is practicable with the requirements of the Department of Health and Social Care, NHS England and NHS Improvement and Estatecode in respect of capital investment and estate and property transactions. In the case of management consultancy contracts the Trust shall comply as far as is practicable with Department of Health and Social Care guidance "The Procurement and Management of Consultants within the NHS" and guidance from NHS England and NHS Improvement.

12.3 **Shropshire Healthcare Procurement Service (SHPS)**

12.3.1 The Trust hosts a procurement service for its purchasing needs. The service operates on behalf of the NHS throughout Shropshire in order to maximise the benefits of joint purchasing power. The roles and responsibilities of the service are defined by Service Level Agreement.

12.4 **Formal Competitive Tendering**

12.4.1 The Trust shall ensure that competitive tenders are invited for the supply of goods, materials and manufactured articles and 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); for the design, construction and maintenance of building and engineering works (including construction and maintenance of grounds and gardens); and for disposals.

12.5 **Commissioning of Healthcare Services**

12.5.1 The Trust shall follow the requirements of the Public Contracts Regulations (PCR) and ensure that competitive tenders are invited for all Schedule 3 services above the threshold detailed in Appendix B. The Trust may invite tenders for sub-threshold healthcare services where benefits are expected and will select a procurement process proportionate to the contract value to ensure the principles of fair and equal treatment are observed in line with the Light Touch Regime (LTR).

12.6 **Joint Purchasing**

12.6.1 A single approach to tender and quotation limits should apply to all contracts which are to be placed for goods and services that are required for more than one Trust. In such instances the limits are defined in Appendix B to these SFIs.

12.7 **Exceptions and instances where formal procurement procedures need not be applied**

12.7.1 Formal tendering procedures **need not be applied** where:

- (a) the estimated total expenditure or income does not, or is not reasonably expected to exceed the level set in the Scheme of Delegation; it is a breach of SFIs to split contracts to avoid thresholds; and
- (b) where the supply is proposed under special arrangements negotiated by the Department of Health and Social Care or its agencies, in which event the said special arrangements must be complied with.

12.7.2 Competitive procurement procedures **may be waived** in the following circumstances:

- (a) The waiving of competitive tendering procedures should not be used to avoid competition, PCR/FTS procurement legislation or for the

administrative convenience or award further work originally appointed through a competitive procedure.

- (c) in very exceptional circumstances where the Chief Executive or Finance Director decides that formal tendering procedures would not be practicable or the estimated expenditure or income would not warrant formal tendering procedures, and the circumstances are detailed in an appropriate Trust record;
- (d) where the requirement is covered by an existing contract;
- (e) where contracts have been awarded for the benefit of Public Sector Bodies, to which the Trust is entitled to access (e.g. Framework Contracts);
- (f) where a national or regional purchasing consortium arrangement is in place and a lead organisation has been appointed to carry out tendering activity on behalf of the consortium members;
- (g) where the timescale genuinely precludes competitive tendering but failure to plan the work properly would not be regarded as a justification for a single tender;
- (h) where specialist expertise is required and is available from only one source;
- (i) 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;
- (j) 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
- (k) for the provision of legal advice and services providing that any legal firm or partnership commissioned by the Trust is regulated by the Law Society for England and Wales for the conduct of their business (or by the Bar Council for England and Wales in relation to the obtaining of Counsel's opinion) and are generally recognised as having sufficient expertise in the area of work for which they are commissioned. The Finance Director 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 the administrative convenience or to award further work to a consultant originally appointed through a competitive procedure.

12.7.3 Where it is decided that competitive tendering is not applicable and should be waived,

- (i) a non competitive quotation in writing will be obtained using the appropriate terms and condition of contract; and
- (ii) the fact of the waiver should be documented with reasons on a **Competitive Waiver** form obtained via the Procurement Department.

In accordance with the Scheme of Delegation, all waivers, with the exception of those for pharmaceuticals, must be signed off by the Head of Procurement or his/her deputy, prior to authorisation.

Waivers must be reported to the Audit and Risk Assurance Committee.

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

12.9 Invitation to Tender

12.9.1 Paper based or electronic tenders

The tendering process may be paper based or using an electronic tendering system. For tenders managed by the Procurement department, they use a fully audited electronic sealed bid process, where quotations and tenders cannot be opened until the set date and time. There is a complete electronic audit trail built into this process.

The following paragraphs indicate where the tendering process is different between paper and electronic.

- (i) All invitations to tender shall state the date and time as being the latest time for the receipt of tenders.
- (ii) For paper tenders, all invitations to tender shall state that no tender will be accepted unless:
 - (a) submitted in a plain sealed package or envelope bearing a pre-printed label supplied by the Trust (or the word "tender" followed by the subject to which it relates) and the latest date and time for the receipt of such tender addressed to the Chief Executive or nominated Manager; and
 - (b) that tender envelopes/packages shall not bear any names or marks indicating the sender. The use of courier/postal services must not identify the sender on the envelope or on any receipt so required by the deliverer.
- (iii) For electronic tenders, the invitation shall state that only tenders submitted electronically will be considered.
- (iv) Every tender for goods, materials, services or disposals shall embody such of the NHS Standard Contract Conditions as are applicable.
- (v) Every tender for building or engineering works (except for maintenance work, when Estatecode guidance shall be followed) shall embody or be in the terms of the current edition of one of the Joint Contracts Tribunal Standard Forms of Building Contract or Department of the Environment (GC/Wks) standard forms of contract amended to comply with Concode; or, when the content of the work is primarily engineering, the General Conditions of Contract recommended by the Institution of Mechanical and Electrical Engineers and the Association of Consulting Engineers (Form A), or (in the case of civil engineering work) the General Conditions of Contract recommended by the Institute of Civil Engineers, the Association of Consulting Engineers and the Federation of Civil Engineering Contractors. These documents shall be modified and/or amplified to accord with Department of Health and Social Care guidance and, in minor respects, to cover special features of individual projects.

12.9.2 Receipt and safe custody of tenders

- (a) For paper tenders, the Chief Executive or his nominated representative will be responsible for 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

endorsed on the tender envelope/package.

- (b) For electronic tenders, the tenders are locked automatically until the published date and time of opening. The date and time of receipt of each tender is stored electronically.

12.9.3 Opening tenders and Register of tenders (paper tenders)

- (i) As soon as practicable after the date and time stated as being the latest time for the receipt of tenders, they shall be opened by two senior officers/managers designated by the Chief Executive and not from the originating department.
- (ii) The 'originating' department will be taken to mean the department sponsoring or commissioning the tender.
- (iii) The involvement of Finance Directorate staff in the preparation of a tender proposal will not preclude the Finance Director or any approved Senior Manager from the Finance Directorate from serving as one of the two senior managers to open tenders.
- (iv) All Executive Directors/members will be authorised to open tenders regardless of whether they are from the originating department provided that the other authorised person opening the tenders with them is not from the originating department.

The Trust's Company Secretary will count as a Director for the purposes of opening tenders.

- (v) Every tender received shall be marked with the date of opening and initialled by those present at the opening.
- (vi) A register shall be maintained by the Chief Executive, or a person authorised by him/her, 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 the tenders were opened;
 - the persons present at the opening;
 - the price shown on each tender; and
 - a note where price alterations have been made on the tender.

Each entry to this register shall be signed by those present. A note shall be made in the register if any one tender price has had so many alterations that it cannot be readily read or understood.

- (vii) Incomplete tenders, i.e. those from which information necessary for the adjudication of the tender is missing, and amended tenders i.e., those amended by the tenderer upon his own initiative either orally or in writing after the due time for receipt, but prior to the opening of other tenders, should be dealt with in the same way as late tenders.

12.9.4 Opening tenders and Register of tenders (electronic tenders)

- (i) Because the Procurement department use a fully audited electronic sealed bid process, where quotations and tenders cannot be opened until the set date and time, there is a complete electronic audit trail of viewing, opening dates, times, responses and amendments, automatically built into the process.
- (ii) After the closing date the tender documents are available electronically to see. Only senior managers in the Procurement department have this access.

12.9.5 Admissibility

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

12.9.6 Late tenders

- (i) 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 his nominated officer decides that there are exceptional circumstances i.e. despatched in good time but delayed through no fault of the tenderer.
- (ii) 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 his nominated officer or if the process of evaluation and adjudication has not started.
- (iii) 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 his nominated officer.

12.9.7 Acceptance of formal tenders

- (i) Any discussions with a tenderer which are deemed necessary to clarify technical aspects of his tender before the award of a contract will not disqualify the tender.
- (ii) The most economically advantageous tender shall be accepted unless there are good and sufficient reasons to the contrary. Such reasons shall be set out in either the contract file, or other appropriate record.

It is accepted that for professional services such as management consultancy, the most economically advantageous price does not always represent the best value for money. Other factors affecting the success of a project include:

- (a) experience and qualifications of team members;
- (b) understanding of client's needs;
- (c) feasibility and credibility of proposed approach; and
- (d) ability to complete the project on time.

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

- (iii) No tender shall be accepted which will commit expenditure in excess of that which has been allocated by the Trust and which is not in accordance with these Instructions except with the authorisation of the Chief Executive.
- (iv) The use of these procedures must demonstrate that the award of the contract was:

- (a) not in excess of the going market rate/price current at the time the contract was awarded; and
 - (b) that best value for money was achieved.
- (v) All tenders should be treated as confidential and should be retained for inspection.

12.10 Quotations: Competitive and non-competitive

12.10.1 General Position on quotations

Quotations are required where formal tendering procedures are not adopted and where the intended expenditure or income exceeds the tendering limits set out in Appendix B.

12.11 Competitive Quotations

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

12.12 Non-Competitive Quotations

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

- (i) 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;
- (ii) the supply of goods or manufactured articles of any kind which are required quickly and are not obtainable under existing contracts;
- (iii) miscellaneous services, supplies and disposals;

where the goods or services are for building and engineering maintenance the responsible works manager must certify that the first two conditions of this paragraph apply.

12.13 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 Trust and which is not in accordance with Standing Financial Instructions except with the authorisation of either the Chief Executive or Finance Director.

12.14 Authorisation of Tenders and Competitive Quotations

Providing all the conditions and circumstances set out in these Standing Financial

Instructions have been fully complied with, formal authorisation and awarding of a contract may be decided by officers of the Trust provided this is within their delegated limits.

Formal authorisation must be put in writing. In the case of authorisation by the Trust Board this shall be recorded in their minutes.

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

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

- (a) the Trust shall use NHS Supply Chain for procurement of all goods and services unless the Chief Executive or nominated officers deem it inappropriate. The decision to use alternative sources must be documented.
- (b) if the Trust does not use the NHS Supply Chain - where tenders or quotations are not required, because expenditure is below £20,000, the Trust shall procure goods and services in accordance with procurement procedures approved by the Finance Director.

12.16 Private Finance

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

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

12.17 Contracts

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

- (a) the Trust's Standing Orders;
- (b) the Trust's Standing Financial Instructions;
- (c) EU Directives and other statutory provisions;
- (d) any relevant directions including the Capital Investment Manual, Estatecode and guidance on the Procurement of Management Consultants; and
- (e) such of the NHS Standard Contract Conditions as are applicable.

Where appropriate contracts shall be in or embody the same terms and conditions of contract as was the basis on which tenders or quotations were invited.

Every contract for building and engineering works which exceeds the limit set out in Appendix

B shall be executed under the Common Seal of the Trust and should be embodied in a formal contract document which shall conform to the Standing Orders and Concode. This formal contract document should reflect any change in the terms and conditions of contract agreed following receipt of tenders. An official order for every contract resulting from an invitation to tender shall be issued for all building and engineering works.

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

12.19 **Personnel and Agency or Temporary Staff Contracts**

- (i) The Chief Executive shall nominate officers with delegated authority to enter into contracts of employment, regarding staff, agency staff or temporary staff service contracts via framework/the current list of approved suppliers.
- (ii) The Finance Director shall be consulted and must give authorisation if the contractor is not on framework/the current list of authorised suppliers.

12.20 **Healthcare Services Agreements**

Service agreements with NHS providers for the supply of healthcare services shall be drawn up in accordance with the relevant NHS guidelines. Service agreements are not contracts in law and therefore not enforceable by the courts. However, a contract with a Foundation Trust, being a PBC, is a legal document and is enforceable in law.

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

12.21 **Cancellation of Contracts**

Except where specific provision is made in model Forms of Contracts or standard Schedules of Conditions approved for use within the NHS and in accordance with Standing Orders 9.2 and 9.3, there shall be inserted in every written contract a clause empowering the Trust to cancel the contract and to recover from the contractor the amount of any loss resulting from such cancellation, if the contractor shall have offered, or given or agreed to give, any person any gift or consideration of any kind as an inducement or reward for doing or forbearing to do or for having done or forborne to do any action in relation to the obtaining or execution of the contract or any other contract with the Trust, or for showing or forbearing to show favour or disfavour to any person in relation to the contracts or any other contract with the Trust, or if the like acts shall have been done by any person employed by him/her or acting on his behalf (whether with or without the knowledge of the contractor), or if in relation to any contract with the Trust the contractor or any person employed by him/her or acting on his/her behalf shall have committed any offence under the Prevention of Corruption Acts 1889 and 1916 and other appropriate legislation.

12.22 **Determination of Contracts for Failure to Deliver Goods or Material**

There shall be inserted in every written contract for the supply of goods or materials a clause to secure that, should the contractor fail to deliver the goods or materials or any portion thereof within the time or times specified in the contract, the Trust may without prejudice determine the contract either wholly or to the extent of such default and purchase other goods, or material of similar description to make good (a) such default, or (b) in the event of the contract being wholly determined the goods or materials remaining to be delivered. The clause shall further secure that the amount by which the cost of so purchasing other goods or materials exceeds the amount which would have been payable to the contractor in respect of the goods or materials shall be recoverable from the contractor.

12.23 **Contracts involving Funds Held on Trust**

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

13 **Disposals**

13.1 Competitive tendering or quotation procedures shall not apply to the disposal of:

- (a) any matter in respect of which a fair price can be obtained only by negotiation or sale by auction as determined (or pre-determined in a reserve) by the Chief Executive or his/her nominated officer;
- (b) obsolete or condemned articles and stores, which may be disposed of in accordance with the policy for the management and/or disposal of assets;
- (c) items to be disposed of with a collective estimated sale value of less than £10,000, this figure to be reviewed annually;
- (d) items arising from works of construction, demolition or site clearance, which should be dealt with in accordance with the relevant contract; and
- (e) land or buildings concerning which Department of Health and Social Care guidance has been issued but subject to compliance with such guidance.

14. **In-House Services**

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

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

- (a) Specification group, comprising the Chief Executive or nominated officer/s and specialist;
- (b) In-house tender group, comprising a nominee of the Chief Executive and technical support; and
- (c) Evaluation team, comprising normally a specialist officer, a supplies officer and a Finance Director representative. For services having a likely annual expenditure exceeding that competitive tendering value stated in Standing Financial Instructions, a Non-Executive Director should be a member of the evaluation team.

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

14.4 The evaluation team shall make recommendations to the Board.

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

15 **Stores and Receipt of Goods**

15.1 **General Position**

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

15.2 Control of Stores, Stocktaking, Condemnations and Disposal

- (a) Subject to the responsibility of the Finance Director for the systems of control, overall responsibility for the control of stores shall be delegated to an employee by the Chief Executive. The day-to-day responsibility may be delegated by him/her to departmental employees and stores managers/keepers, subject to such delegation being entered in a record available to the Finance Director. The control of any Pharmaceutical stocks shall be the responsibility of a designated Pharmaceutical Officer; the control of any fuel oil and coal of a designated Estates Manager.
- (b) The responsibility for security arrangements and the custody of keys for any stores and locations shall be clearly defined in writing by the designated manager/Pharmaceutical Officer. Wherever practicable, stocks should be marked as health service property.
- (c) The Finance Director shall set out procedures and systems to regulate the stores, including records for receipt of goods, issues, and returns to stores, and losses.
- (d) Stocktaking arrangements shall be agreed with the Finance Director and there shall be a physical check covering all items in store at least once a year.
- (e) Where a complete system of stores control is not justified, alternative arrangements shall require the approval of the Finance Director.
- (f) The designated manager/Pharmaceutical Officer shall be responsible for a system approved by the Finance Director 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 Finance Director any evidence of significant overstocking and of any negligence or malpractice (see also section 13). Procedures for the disposal of obsolete stock shall follow the procedures set out for disposal of all surplus and obsolete goods.

15.3 Goods Supplied by NHS Supply Chain

- (a) For goods supplied via the warehouses and Regional Distribution Centres of Supply Chain Coordination Limited (the management function of the NHS Supply Chain), the Chief Executive shall identify those authorised to requisition and accept goods from the store. The authorised person shall check receipt against the delivery note before forwarding this to the Finance Director who shall satisfy him/herself that the goods have been received before accepting the recharge.

16 Disposals and Condemnations, Losses and Special Payments

16.1 Disposals and Condemnations

- 16.1.1 The Finance Director must prepare detailed procedures for the disposal of assets including condemnations, and ensure that these are notified to managers.

- 16.1.2 When it is decided to dispose of a Trust asset, the policy for the management and/or disposal of assets must be adhered to. If required the head of department or authorised deputy will determine and advise the Finance Director of the estimated market value of the item, taking account of professional advice where appropriate.
- 16.1.3 The appropriate signatories shall be governed by the authorisation levels set out in Appendix A.
- 16.1.4 If the Trust wishes to sell land it shall follow agreed Government procedures for the disposal of surplus public land.
- 16.1.5 All unserviceable articles shall be:
- (a) condemned or otherwise disposed of by an employee authorised for that purpose by the Finance Director;
 - (b) recorded by the Condemning Officer in a form approved by the Finance Director that will indicate whether the articles are to be converted, destroyed or otherwise disposed of. All entries shall be confirmed by the countersignature of a second employee authorised for the purpose by the Finance Director.
- 16.1.6 The Condemning Officer shall satisfy him/herself as to whether or not there is evidence of negligence in use and shall report any such evidence to the Finance Director who will take the appropriate action.

16.2 Losses and Special Payments

- 16.2.1 The Finance Director must prepare procedural instructions on the recording of and accounting for condemnations, losses, and special payments.
- 16.2.2 Any employee or officer discovering or suspecting a loss of any kind must either immediately inform their head of department, who must immediately inform the Chief Executive and the Finance Director or inform an officer charged with responsibility for responding to concerns involving loss. This officer will then appropriately inform the Finance Director and/or Chief Executive. Where a criminal offence is suspected, the Finance Director must immediately inform the police if theft or arson is involved. In cases of fraud and corruption or of anomalies that may indicate fraud or corruption, the Finance Director must inform the relevant Local Counter Fraud Specialist.
- 16.2.3 The Finance Director must notify the NHS Counter Fraud Authority and the Head of Internal Audit of all frauds.
- 16.2.4 For losses apparently caused by theft, arson, neglect of duty or gross carelessness, except if trivial, the Finance Director must immediately notify:
- (a) the Board, and
 - (b) the External Auditor.
- 16.2.5 Within limits delegated to it by the Department of Health and Social Care, the Audit and Risk Assurance Committee shall approve the writing-off of losses.
- 16.2.6 The Finance Director shall be authorised to take any necessary steps to safeguard the Trust's interests in bankruptcies and company liquidations.
- 16.2.7 For any loss, the Finance Director should consider whether any insurance claim could be made.

- 16.2.8 The Finance Director shall maintain a Losses and Special Payments Register in which write-off action is recorded.
- 16.2.9 No special payments exceeding delegated limits shall be made without the prior approval of the Department of Health and Social Care.
- 16.2.10 All losses and special payments must be reported to the Audit and Risk Assurance Committee at regular intervals.

17 Information Technology

- 17.1 The Trust's nominated Senior Information Risk Owner (SIRO) who is responsible for the accuracy and security of the computerised data of the Trust will need to ensure that the organisation's approach to information risk is effective in terms of resources, commitment and execution and that the board is adequately briefed on information risk issues.
- 17.2 The Finance Director, who is responsible for the accuracy and security of the computerised financial data of the Trust shall:
- (a) devise and implement any necessary procedures to ensure adequate (reasonable) protection of the Trust's data, programs and computer hardware for which he/she is responsible from accidental or intentional disclosure to unauthorised persons, deletion or modification, theft or damage, having due regard for the Data Protection Act 2018 (UK's implementation of the General Data Protection Regulation (GDPR));
 - (b) ensure that adequate (reasonable) controls exist over data entry, processing, storage, transmission and output to ensure security, privacy, accuracy, completeness, and timeliness of the data, as well as the efficient and effective operation of the system;
 - (c) ensure that adequate controls exist such that the computer operation is separated from development, maintenance and amendment; and
 - (d) ensure that an adequate audit trail exists through the computerised system and that such computer audit reviews as he/she or Data Protection Officer (DPO) may consider necessary are being carried out.
- 17.3 The Finance Director shall need to ensure that new financial systems and amendments to current financial systems are developed in a controlled manner and thoroughly tested prior to implementation. Where this is undertaken by another organisation, assurances of adequacy must be obtained from them prior to implementation.
- 17.4 Responsibilities and Duties of Other Directors and Officers in Relation to Computer Systems of a General Application**
- 17.5 The Chief Executive shall publish and maintain a Freedom of Information (FOI) Publication Scheme, or adopt a model Publication Scheme approved by the information Commissioner. A Publication Scheme is a complete guide to the information routinely published by a public authority. It describes the classes or types of information about our Trust that we make publicly available.
- 17.6 In the case of computer systems which are proposed General Applications (i.e. including those applications, which the majority of NHS bodies in the locality/region wish to sponsor jointly) all responsible directors and employees will send to the Finance Director:
- (a) details of the outline design of the system; and
 - (b) in the case of packages acquired either from a commercial organisation, from the

NHS, or from another public sector organisation, the operational requirement.

17.7 Contracts for Computer

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

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

17.10 Requirements for Computer Systems that have an impact on Corporate Financial Systems

17.11 Where computer systems have an impact on corporate financial systems the Finance Director shall need to be satisfied that:

- (a) systems acquisition, development and maintenance are in line with corporate policies such as, but not limited to, a Digital Strategy;
- (b) data produced for use with financial systems is adequate, accurate, complete and timely, and that a management (audit) trail exists;
- (c) Finance Director staff have access to such data; and
- (d) such computer audit reviews are being carried out as are considered necessary.

17.12 Risk Assessment

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

18 Patients' Property

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

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

- (a) notices and information booklets;
- (b) hospital admission documentation and property records; and
- (c) the oral advice of administrative and nursing staff responsible for admissions,

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

18.3 The Finance Director must provide detailed written instructions on the collection, custody, investment, recording, safekeeping, and disposal of patients' property (including

instructions on the disposal of the property of deceased patients and of patients transferred to other premises) for all staff whose duty is to administer, in any way, the property of patients.

- 18.4 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 Finance Director. Due care should be exercised in the management of a patient's money in order to maximise the benefits to the patient.
- 18.5 In all cases where property of a deceased patient is of a total value in excess of £5,000 (or such other amount as may be prescribed by any amendment to the Administration of Estates (Small Payments) Act 1965), the production of Probate or Letters of Administration shall be required before any of the property is released. Where the total value of property is £5,000 or less, forms of indemnity shall be obtained.
- 18.6 Staff should be informed, on appointment, by the appropriate departmental or senior manager of their responsibilities and duties for the administration of the property of patients.
- 18.7 Where patients' property or income is received for specific purposes and held for safekeeping the property or income shall be used only for that purpose, unless any variation is approved by the donor or patient in writing.
- 18.8 Patients' income, including pensions and allowances, shall be dealt with in accordance with current Department of Health and Social Care and Department of Social Security instructions and guidelines.

19 Funds Held on Trust

19.1 Corporate Trustee

- (1) The Trust Board is responsible as a corporate trustee, for the management of funds it holds on trust. The Trust Board must comply with Charities Commission latest guidance and best practice.
- (2) The discharge of the Trust's corporate trustee responsibilities are distinct from its responsibilities for exchequer funds and may not necessarily be discharged in the same manner, but there must still be adherence to the overriding general principles of financial regularity, prudence and propriety. Trustee responsibilities cover both charitable and non-charitable purposes.

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

19.2 Accountability to Charity Commission and Secretary of State for Health and Social Care

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

19.3 Applicability of Standing Financial Instructions to funds held on Trust

- (1) In so far as it is possible to do so these Standing Financial Instructions will apply to the management of funds held on trust.
- (2) The over-riding principle is that the integrity of each Trust must be maintained and statutory and Trust obligations met. Materiality must be assessed separately from Exchequer activities and funds.

20 Investments

- 20.1.1 Temporary cash surpluses must only be held as authorised by the Department of Health and Social Care and authorised by the Board.
- 20.1.2 The Finance Director is responsible for advising the Board on investments and shall report periodically to the Board concerning the performance of investments held.
- 20.1.3 The Finance Director will prepare detailed procedural instructions on the operation of investment accounts and on the records to be maintained.

21 Acceptance of Gifts by Staff

- 21.1 The Director of Governance and Communications shall ensure that all staff are made aware of the Trust policy on acceptance of gifts and other benefits in kind by staff. All Trust officers should comply with the Trust's Managing Conflicts of Interest in NHS Policy v1.

22 Retention of Documents

- 22.1 The Chief Executive shall be responsible for maintaining archives for all documents required to be retained in accordance with Department of Health and Social Care guidelines.
 - 22.1.1 The documents held in archives shall be capable of retrieval by authorised persons.
 - 22.1.2 Documents held in accordance with latest Department of Health and Social Care guidelines shall only be destroyed at the express instigation of the Chief Executive. Details shall be maintained of records and information so destroyed.

23 Risk Management

23.1 Programme of Risk Management

- 23.2 The Chief Executive shall ensure that suitable internal controls exist for all aspects of the Trust's management. Such controls should ensure the accuracy, completeness and validity of data and that all of the Trust's assets are safeguarded from misuse, inefficient use, theft, fraud and any malpractice.
 - 23.2.1 The Chief Executive shall ensure that the Trust has a programme of risk management, in accordance with current Department of Health and Social Care assurance framework requirements, which must be approved by the Board and monitored by the Audit and Risk Assurance Committee.
 - 23.2.2 Risk responsibility and risk performance is delegated to the Executive Directors.
 - 23.2.3 The programme of risk management shall include:
 - (a) a process for identifying and quantifying risks and potential liabilities;
 - (b) engendering among all levels of staff a positive attitude towards the control of risk;

- (c) management processes to ensure all significant risks and potential liabilities are addressed including effective systems of internal control, cost effective insurance cover, and decisions on the acceptable level of retained risk;
- (d) contingency plans to offset the impact of adverse events;
- (e) audit arrangements including; internal audit, clinical audit, health and safety review;
- (f) decision on which risks shall be insured; and
- (g) arrangements to review the risk management programme.

The existence, integration and evaluation of the above elements will assist in providing a basis to complete the annual governance statement within the annual report and accounts as required by current Department of Health and Social Care guidance.

23.3.1 Insurance: Risk Pooling Schemes Administered by NHS Resolution

23.3.2 The Board shall decide if the Trust will insure through the risk pooling schemes administered by NHS Resolution (NHSR) or self insure for some or all of the risks covered by the risk pooling schemes. If the Board decides not to use the NHSR 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.

23.3.3 Insurance Arrangements with Commercial Insurers

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

- (1) insuring motor vehicles owned by the Trust including insuring third party liability arising from their use;
- (2) where the Trust is involved with a consortium in a Private Finance Initiative contract and the other consortium members require that commercial insurance arrangements are entered into; and
- (3) where income generation activities take place. Income generation activities should normally be insured against all risks using commercial insurance. If the income generation activity is also an activity normally carried out by the Trust for a NHS purpose the activity may be covered in the risk pool. Confirmation of coverage in the risk pool must be obtained from NHSR.

In any case of doubt concerning a Trust's powers to enter into commercial insurance arrangements the Finance Director should first consult NHSR then the Department of Health and Social Care.

23.3.5 Board Arrangements to be Followed in Agreeing Insurance Cover

23.3.6 Where the Board decides to use the risk pooling schemes administered by NHSR the Finance Director shall ensure that the arrangements entered into are appropriate and complementary to the risk management programme. The Finance Director shall ensure that documented procedures cover these arrangements.

23.3.7 Where the Board decides not to use the risk pooling schemes administered by the NHSR for one or other of the risks covered by the schemes, the Finance Director shall ensure that the Board is informed of the nature and extent of the risks that are self insured as a result of this decision. The Finance Director will draw up formal documented procedures

for the management of any claims arising from third parties and payments in respect of losses that will not be reimbursed.

23.3.8 All the NHSR risk pooling schemes require Scheme members to make some contribution to the settlement of claims (the 'deductible' element). The Finance Director should ensure documented procedures also cover the management of claims and payments below the deductible in each case.

23.3.9 Security Management

The Chief Executive will monitor compliance with directions issued by the Secretary of State for Health and Social Care on NHS security management.

The Chief Executive shall nominate a suitable person to carry out the duties of the Security Management Specialist as specified in the Secretary of State for Health and Social Care guidance on NHS security management.

The Chief Executive has overall responsibility for controlling and coordinating security. However, key tasks are delegated to the relevant director and the appointed Security Management Specialist.

The Security Management Specialist shall work with the staff in NHS Counter Fraud Authority in accordance with the Department of Health and Social Care Security Management Manual.

The Security Management Specialist will provide a written report, at least annually, to the Audit and Risk Assurance Committee on security management work within the Trust.

23.3.10 Senior Information Risk Owner

The Board shall nominate an Executive Director to be responsible to the Board for information risk management (the Senior Information Risk Owner).

The role of the Senior Information Risk Owner is defined in the Data Security and Protection Toolkit and is a Board level post. The Senior Information Risk Owner is the leading advocate for information risk to the Board, advising how information security risks could impact the strategic goals of the Trust.

23.3.11 Information Governance

The Chief Executive shall be responsible for ensuring that the Trust has registered with the Information Commissioner's Office for compliance with the Data Protection Act 2018 (UK's implementation of the General Data Protection Regulation (GDPR)) and shall ensure that information is published and maintained in accordance with the requirements of the Freedom of Information Act 2000.

An Officer specifically appointed by the Chief Executive shall devise and implement any necessary procedures to ensure adequate protection of the Trust's manual and computer data, programs and hardware for which the Chief Executive is responsible, from accidental or intentional disclosure to unauthorised persons, deletion or modification, theft or damage, having due regard for the Data Protection Act and any defined NHS-wide security requirements.

An Officer specifically appointed by the Chief Executive shall ensure that adequate controls exist over data entry, processing, storage, transmission and output to ensure security, privacy, accuracy, completeness, and timeliness of all Trust financial systems and data as well as the efficient and effective operation of the system.

The Finance Director shall ensure that contracts for computing services for financial applications with another agency shall clearly define the responsibility of all parties for the security, privacy, accuracy, completeness, and timeliness of data during processing transmission and storage. The contract should also ensure rights of access for audit purposes.

Where another agency provides a computer service for financial applications, the Finance Director shall periodically seek assurances that adequate controls as outlined above are in operation.

The Finance Director and an Officer specifically appointed by the Chief Executive shall ensure that adequate controls exist to maintain the security, privacy, accuracy and completeness of financial data sent over transmission networks.

24 Taxation & Excise Duties

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

APPENDIX A
Authorisation Limits

PERSONNEL	CHEQUES/ BACS/ CHAPS	CAPITAL EXPENDITURE	REVENUE EXPENDITURE/BUDGET VIREMENT	ASSET DISPOSALS
		Note 3/5	Note 1/2	
		Inclusive of VAT	Inclusive of VAT	Inclusive of VAT
BOARD (AS GROUP)	See Bank Mandate	Up to £5,000,000 Note 3	More than £500,000 up to £5,000,000	Up to £1,000,000
CHIEF EXECUTIVE		Up to £500,000	Up to £500,000	Up to £100,000
FINANCE DIRECTOR		Up to £250,000	Up to £250,000	Up to £100,000
EXECUTIVE DIRECTORS AND OTHER DIRECTORS AS DESIGNATED BY CHIEF EXECUTIVE		Nil	Up to £50,000	Up to £5,000
ASSOCIATE DIRECTOR OF ESTATES		Up to £50,000 Note 6	Up to £25,000	Up to £5,000
ASSISTANT CHIEF OPERATING OFFICER/DIVISIONAL DIRECTOR		Nil	Up to £25,000	Up to £5,000
ESTATES HEADS OF SERVICE		Up to £10,000 Note 6	Up to £10,000	Up to £5,000
CENTRE MANAGERS / DIVISIONAL HEAD OF NURSING/HEADS OF SERVICE		Nil	Up to £10,000	Up to £5,000
ASSISTANT CENTRE MANAGERS/MATRONS/ASSISTANT HEADS OF SERVICE		Nil	Up to £5,000	Nil
WARD MANAGER AND OPERATIONAL MANAGER		Nil	Up to £1,000	Nil

CHARITABLE FUNDS

Personnel	Value
Fund Manager	Expenditure up to £2,000
Fund Manager and Divisional Manager	Expenditure between £2,000 and £5,000
Fund Manager and Divisional Manager and include 2 signatures from the CFC one of which must be a Director	Expenditure greater than £5,000
Requested by Fund Manager and Divisional Manager and authorised by the CFC to include Finance Director and one other Director	Expenditure greater than £10,000

Notes:

1. Any single transaction, where contracts have been placed for services such as utilities or existing and routine expenditure or call off orders that have followed a compliant procurement route, the authorisation process shall follow the principles detailed within the Trust's Budgetary Control Policy.

2. Limits apply to business cases, budget virements, purchase orders and requisitions, within resource of the annual plan.

3.

Financial value of the capital investment or property transaction	Approving person/committee/board	Key stage documentation	Indicative review timescale for each stage
Up to £5 million	Trust Board	In accordance with the Trust's internal governance process however, NHSEI will expect Trust's to adopt the best practice approach	Not applicable
Between £5 million and £30 million	NHSEI Executive Director of Resources/Deputy Chief Executive or NHSEI Director of Finance and DH	OBC and FBC required (SOC also required if DH finance required)	8 weeks
Between £30 million and £50 million	NHSEI Resources Committee and DH	SOC, OBC and FBC required (or SOC, ABC, CBC or LIFT stage 1 and 2 equivalent for PFI/PF2 or LIFT)	8-12 weeks
Over £50 million	NHSEI Resources Committee, NHSEI Board, NHSEI Capital and Cash Central Review, DH and HMT	SOC, OBC and FBC required (or SOC, ABC, CBC or LIFT stage 1 and 2 equivalent for PFI/PF2 or LIFT)	Minimum 8-12 weeks (for NHSEI approval stage only)

4. All values are **inclusive of the current rate of Value Added Tax**.

5. Authorisation limits applicable only where it is within the agreed capital plan. Any reactive/emergency work undertaken and approved from a contingency must be notified to the Finance Director.

6. Authorisation limits can apply under virtual signature during exceptional circumstances in order for the business to respond in a timely way.

APPENDIX B

Tendering Limits for Purchasing

The following tables outline the correct procurement process to be followed relative to value and the type of product or service being purchased.

All threshold values relate to the contracts lifetime value (lifecycle cost) (e.g. a 5 year contract of £25k per year requires £125k procurement process and contract authorisation).

Category	Procurement Process	VALUE (Excluding VAT)		Contract Signing Authority	Minimum Form of Contract
		From	To		
All	No formal competitive procurement requirement	Up to	£ 20,000		PO
Goods & Services	Advertised Competitive Quotations*	£ 20,000	£ 50,000	Directors	PO (with Contract if necessary)
		£ 50,000	£ 122,976	FD	Contract and PO
	Advertised Competitive Tender (under Public Contract Reg /FTS)	£ 122,976	and above	FD and CEO	Contract as specified in Tender and PO
Commissioning of Clinical / Healthcare Services	Advertised Competitive Tender	Up to	£ 663,540		
	Advertised Competitive Tender (under Public Contract Regs/FTS)	£ 663,540	and above		
Building & Engineering	Advertised Competitive Quotations*	£ 20,000	£ 49,999	Directors	PO
		£ 50,000	£ 135,000	FD	Contract and PO
	Advertised Competitive Tender	£ 135,001	£4,733,252	FD and CEO	Contract as specified in Tender and PO
	Advertised Competitive Tender (under Public Contract Regs/FTS)	£4,733,252	and above		
Waiving quotes and tenders subject to SFIs: Only following approval by Chief Executive or Director of Finance					

*processes should be undertaken using the Trust eProcurement platform, but where this is not possible; a minimum of 3 written quotations must be sought for contracts between £20k and £50k and a minimum of 6 written quotations must be sought for contracts between £50k and the applicable PCR/FTS value.

APPENDIX C

Documents Referred to in SFIs

Document	Holder of Document
The Code of Accountability	Director of Corporate Governance and Communications
Scheme of Decisions Reserved to the Board	Finance Director
Scheme of Delegation	Finance Director
Reservation of Powers to the Board	Finance Director
Standing Orders	Finance Director
Financial Procedures	Finance Director
NHS Standard Contract	Finance Director
Department of Health and Social Care' Manual for Accounts	Finance Director
Department of Health and Social Care's Commercial Sponsorship – Ethical Standards	Finance Director
NHS National Performance Assessment Framework	Chief Executive
Trusts Terms and Conditions of Trade	Finance Director
NHS Counter Fraud Authority	Director of Corporate Governance and Communications
Concode and Estatecode	Associate Director of Estates
NHS Finance Manual For Accounts	Finance Director
NHS Internal Audit Manual	Head of Internal Audit
Budgetary Control Policy	Finance Director