

# **STANDING FINANCIAL INSTRUCTIONS**

**May 2022**

**VERSION 4a**

## Version Control Sheet

Version	Date	Author	Status	Comment
0.1		Director of Operational Finance	Draft	Changes made to reflect change of names, posts and references to Acts of Parliament.
0.2		Director of Operational Finance	Draft	Changes to Scheme of Delegation for authorization of expenditure (Appendix 4)
0.3		Director of Operational Finance	Draft	Changes within the tendering & procurement section to aid clarity Changes to Charitable Funds authorization limits
1.0	Nov 2018	Director of Operational Finance	Final	Ratified at Board
2.0	Feb 2020	Director of Operational Finance	Final	Approved at SLC February 2020
2.1	Mar 2020	Director of Operational Finance	Interim	Amendment to tables in appendices 1 and 3 to bring the thresholds for OJEU up to date and amendment of the period.
3.0	Mar 2021	Director of Operational Finance	Final	Amendments made to reflect changes in personnel over the last 12 months. Full list of changes can be found on page 92 Ratified at Audit Committee and Board meetings Feb/March 2021
4.0	APR 2022	Director of Operational Finance	Draft	Recognise IMS controls, update values for hospitality, approval to recruit process, recognising social value in procurements

### Document Location

Document	Location
Electronic	Trust intranet (ourplace)
Electronic	Trust internet (fhft.nhs.uk)
Paper	On request from Finance Department

## FOREWORD

1. **These Standing Financial Instructions (SFIs), together with the Trust's Constitution which contains the Standing Orders, provide a business and financial framework within which all executive directors, non-executive directors and staff of the Trust will be expected to work.** All executive and non-executive directors and all members of staff should be aware of the existence of these documents and, where necessary, be familiar with the detailed provisions.
2. These documents fulfil the dual role of protecting the Trust's interests and protecting staff from any possible accusation that they have acted less than properly.
3. The SFIs have been formally adopted by the Board.
4. Any queries should be referred to the Director of Finance or their Deputy as appropriate.

1.	INTRODUCTION	5
2.	AUDIT	9
3.	BUSINESS PLANNING, BUDGETS, BUDGETARY CONTROL & MONITORING	16
4.	ANNUAL ACCOUNTS AND REPORTS	20
5.	BANK ACCOUNTS	21
6.	INCOME, FEES AND CHARGES AND SECURITY OF CASH, CHEQUES AND OTHER NEGOTIABLE INSTRUMENTS	22
7.	CONTRACTS WITH COMMISSIONERS	24
8.	TERMS OF SERVICE AND PAYMENT OF DIRECTORS AND STAFF	25
9.	NON-PAY EXPENDITURE	28
10.	EXTERNAL BORROWING AND INVESTMENTS	33
11.	CAPITAL INVESTMENT, ASSET REGISTERS AND SECURITY OF ASSETS	35
12.	STORES AND RECEIPT OF GOODS	38
13.	DISPOSALS AND CONDEMNATIONS, LOSSES AND SPECIAL PAYMENTS	39
14.	INFORMATION TECHNOLOGY	41
15.	PATIENTS' PROPERTY	42
16.	CHARITABLE FUNDS - FUNDS HELD ON TRUST	43
17.	INDUCEMENTS AND DECLARATION OF INTERESTS	49
18.	RETENTION OF DOCUMENTS	49
19.	RISK MANAGEMENT & INSURANCE	50
APPENDIX 1. PURCHASING AND TENDERING		51
APPENDIX 2. HIERARCHY OF DELEGATED BUDGETARY AUTHORITY		59
APPENDIX 3. SUMMARY OF DELEGATED LIMITS		60
APPENDIX 4. SCHEME OF DELEGATION		64
APPENDIX 5. DELEGATED AUTHORITY FOR APPROVAL OF CONTRACT VARIATIONS FOR CAPITAL PROJECTS		88
APPENDIX 6. INVESTMENT CASE GUIDANCE AND PROCESS FLOWCHART		89
APPENDIX 7. SUMMARY OF CHANGES V3.0		92

## 1. INTRODUCTION

### 1.1 GENERAL

- 1.1.1 These Standing Financial Instructions (SFIs) shall have effect as if incorporated in the Constitution - Standing Orders (SOs) of the Trust.
- 1.1.2 These SFIs detail the financial responsibilities, policies and procedures to be adopted by the Trust. They are designed to ensure that its financial transactions are carried out in accordance with the law and the requirements of the Independent Regulator in order to achieve probity, accuracy, economy, efficiency and effectiveness. They should be used in conjunction with the Schedule of Decisions Reserved to the Board and the Scheme of Delegation adopted by the Trust.
- 1.1.3 These SFIs identify the financial responsibilities which apply to everyone working for the Trust and its constituent organisations including Trading Units. They do not provide detailed procedural advice. These statements should therefore be read in conjunction with the detailed departmental and financial procedure notes. All financial procedures must be approved by the Director of Finance.
- 1.1.4 Should any difficulties arise regarding the interpretation or application of any of the SFIs then the advice of the Director of Finance **MUST BE SOUGHT BEFORE ACTING**. The user of these SFIs should also be familiar with and comply with the provisions of the Trust's Constitution - SOs.

**FAILURE TO COMPLY WITH SFIs and Trust's Constitution IS A DISCIPLINARY MATTER WHICH COULD RESULT IN DISMISSAL.**

## 1.2 TERMINOLOGY

1.2.1 Any expression to which a meaning is given in the Health Service Act 2006 , or in the Financial Directions made under the 2006 Act shall have the same meaning in these instructions and in addition:

- a) **“Act”** means the National Health Service Act 2006;
- b) **“Board of Directors”** and (unless the context otherwise requires) **“Board”**, means the executive and non-executive directors of the Trust, including the Chairman, collectively as a body;
- c) **“Budget”** means a resource, expressed in financial terms, proposed by the Trust (*Board*) for the purpose of carrying out, for a specific period, any or all of the functions of the Trust;
- d) **“Budget Holder”** means the director or staff with delegated authority to manage finances (Income and Expenditure) for a specific area of the organisation;
- e) **“Chairman”** is the person appointed by the Council of Governors to lead the Board of Directors and to ensure that it successfully discharges its overall responsibility for the Trust as a whole.
- f) **“Chief Executive”** means the Chief Executive Officer of the Trust;
- g) **“Committee”** means a committee of the Board of Directors;
- h) **“Constitution”** means the constitution of the Trust;
- i) **“Council of Governors”** means the Council of Governors of the Trust as constituted by the Constitution;
- j) **“Director of Finance”** means the Chief Financial Officer of the Trust;
- k) **“Funds held on trust”** means those funds which the Trust held at its date of incorporation or subsequently has chosen to accept;
- l) **“Legal Adviser”** means the properly qualified person appointed by the Trust to provide legal advice;
- m) **“Member of the Board”** means an executive or Non-Executive Director (Member of the Board in relation to the Board of Directors includes its Chairman.)

- n) **“NHS Improvement (NHSEI)”** is the name of the regulator governing NHS Foundation Trusts whose duties were formerly undertaken by Monitor. Any reference to documents, guidance or direction issues by NHSEI will refer to either this body or its predecessor body;
- o) **“Nominated Staff** means staff charged with the responsibility for discharging specific tasks within Standing Orders and Standing Financial Instructions;
- p) **“Non-Executive Director”** means a Member of the Board of Directors who does not hold an executive office of the Trust;
- q) **“Staff”** means a member of staff of the Trust;
- r) **“SFIs”** means the Standing Financial Instructions of the Trust;
- s) **“SOs”** means the Standing Orders of the Trust;
- t) **“Trust”** means Frimley Health NHS Foundation Trust.
- u) All reference in these instructions to staff shall be deemed to include Consultant Medical staff as appropriate;
- v) All references to the Instructions to the masculine gender shall be read as equally applicable to the female gender and vice-versa.

1.2.2 Wherever the title Chief Executive, Director of Finance, or other nominated staff is used in these instructions, it shall be deemed to include such other director or staff who have been duly authorised to represent them.

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

### 1.3 RESPONSIBILITIES AND DELEGATION

- 1.3.1 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 Trust's Constitution - Standing Orders for the Board of Directors.
- 1.3.2 The Board will delegate responsibility for the performance of its functions in accordance with the Scheme of Delegation which forms part of the SFIs.
- 1.3.3 The Chief Executive has overall executive responsibility for the Trust's activities, is responsible to the Board for ensuring that its financial obligations and targets are met and has overall responsibility for the Trust's system of internal control.
- 1.3.4 The Chief Executive and Director of Finance will, as far as possible, delegate their detailed responsibilities but they remain accountable for financial control.
- 1.3.5 It is a duty of the Chief Executive to ensure that existing directors and staff and all new appointees are notified of and understand their responsibilities within these Instructions.
- 1.3.6 All directors and staff, 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 with the requirements of the Trust's Constitution - Standing Orders and Standing Financial Instructions.
- 1.3.7 Any contractor or staff of a contractor who is empowered by the Trust to commit the Trust to expenditure or who is authorised to obtain income shall be covered by these instructions. It is the responsibility of the Chief Executive to ensure that such persons are made aware of this.
- 1.3.8 For any and all directors and staff who carry out a financial function, the form in which financial records are kept and the manner in which directors and staff discharge their duties must be to the satisfaction of the Director of Finance.



## 2. AUDIT

The Trust shall comply with the directions of NHSEI with respect to the standards, procedures and techniques to be adopted in maintaining the Trust's financial records.

### 2.1 AUDIT COMMITTEE

2.1.1 In accordance with Standing Orders (and as set out in the Audit Code for NHS Foundation Trusts, issued by Monitor now NHSEI) the Board shall establish a committee of non-executive directors as an Audit Committee, with formal terms of reference, which will provide an independent and objective view of internal control.

2.1.2 Where the Audit Committee feels 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 Committee should raise the matter at a full meeting of the Board. Exceptionally, the matter may need to be referred to NHS Resolution.

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

### 2.2 FRAUD, CORRUPTION and BRIBERY

2.2.1 In line with their responsibilities, the Chief Executive and Director of Finance shall monitor and ensure compliance with guidance issued by the Regulator or the NHS Counter Fraud Authority on fraud, bribery and corruption in the NHS.

2.2.2 The Director of Finance is responsible for the promotion of counter fraud measures within the Trust and, in that capacity, will ensure that the Trust cooperates with NHS Counter Fraud Authority to enable them to efficiently and effectively carry out their respective functions in relation to the prevention, detection and investigation of fraud in the NHS

2.2.3 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.

2.2.4 The Director of Finance will ensure that the Trust's Local Counter Fraud Specialist has received appropriate training in connection with counter fraud measures and are accredited by the Counter Fraud Professional Accreditation Board.

2.2.5 Where the Trust appoints a Local Counter Fraud Specialist whose services are provided to the Trust by an outside organisation, the Director of Finance must be satisfied that the terms on which those services are provided are such to enable the Local Counter Fraud Specialist to carry out their functions effectively and

efficiently and, in particular, that they will be able to devote sufficient time to the Trust.

- 2.2.6 The Local Counter Fraud Specialist shall report to the Trust's Director of Finance and shall work with NHS Counter Fraud Authority as required.
- 2.2.7 The Local Counter Fraud Specialist and the Director of Finance will, at the beginning of each financial year, prepare a written work plan outlining the Local Counter Fraud Specialist's projected work for that financial year.
- 2.2.8 The Local Counter Fraud Specialist shall be afforded the opportunity to attend Audit Committee meetings and other meetings of the Board of Directors, or its committees, as required.
- 2.2.9 The Director of Finance will ensure that the Local Counter Fraud Specialist:
  - (a) keeps full and accurate records of any instances of fraud and suspected fraud;
  - (b) reports to the Board any weaknesses in fraud-related systems and any other matters which may have fraud-related implications for the Trust;
  - (c) has all necessary support to enable him to efficiently, effectively and promptly carry out his functions and responsibilities, including working conditions of sufficient security and privacy to protect the confidentiality of his work;
  - (d) receives appropriate training and support, as recommended by NHS Counter Fraud Authority; and
  - (e) participates as appropriate in activities which NHS Counter Fraud Authority is engaged, including national anti-fraud measures.
- 2.2.10 The Director of Finance must, subject to any contractual or legal constraints, require all Staff to co-operate with the Local Counter Fraud Specialist and, in particular, that those responsible for human resources disclose information which arises in connection with any matters (including disciplinary matters) which may have implications in relation to the investigation, prevention or detection of fraud.
- 2.2.11 The Director of Finance must also prepare a "fraud response plan" that sets out the action to be taken both by persons detecting a suspected fraud and the local counter fraud specialist, who is responsible for investigating it.
- 2.2.12 Any Staff discovering or suspecting a loss of any kind must either immediately inform the Chief Executive and the Director of Finance or the Local Counter Fraud Specialist, who will then inform the Director of Finance and/or Chief Executive. Where a criminal offence is suspected, the Director of Finance must immediately inform the police if theft or arson is involved, but if the case involves suspicion of fraud, and corruption or of anomalies that may indicate fraud or corruption then the particular circumstances of the case will determine the stage at which the police

are notified; but such circumstances should be referred to the Local Counter Fraud Specialist.

2.2.13 For losses apparently caused by theft, fraud, arson, neglect of duty or gross carelessness, except if trivial and where fraud is not suspected, the Director of Finance must immediately notify:

- (a) the Board of Directors; and
- (b) the auditor

## 2.3 DIRECTOR OF FINANCE

### 2.3.1 The Director of Finance 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) deciding at what stage to involve the police in cases of misappropriation and other irregularities;
- (c) ensuring that an annual internal audit report is prepared for the consideration of the Audit Committee. The report must cover:
  - (i) a clear statement on the effectiveness of internal control;
  - (ii) major internal control weaknesses discovered;
  - (iii) progress on the implementation of internal audit recommendations;
  - (iv) progress against plan over the previous year;
  - (v) strategic audit plan covering the coming three years;
  - (vi) a detailed plan for the coming year.

### 2.3.2 The Director of Finance and appointed auditors (both internal and external) are entitled without necessarily giving prior notice to require and receive:

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

## 2.4 ROLE OF INTERNAL AUDIT

### 2.4.1 Internal Audit will review, appraise and report upon:

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

### 2.4.2 Whenever any matter arises which involves, or is thought to involve, irregularities concerning cash, stores, or other property or any suspected irregularity in the exercise of any function of a pecuniary nature, the Director of Finance must be notified immediately.

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

### 2.4.4 The Head of Internal Audit shall be accountable to the Director of Finance. The reporting system for internal audit shall be agreed between the Director of Finance, the Audit Committee and the Head of Internal Audit. The agreement shall be in writing and shall comply with the guidance on reporting contained in the *NHS Internal Audit Manual*.

## 2.5. EXTERNAL AUDIT

- 2.5.1 It is for the Council of Governors to appoint or remove the external auditors at a general meeting of the Council of Governors.
- 2.5.2 The Trust must ensure that the external auditor appointed by the Council of Governors meets the criteria included by NHSEI within the Audit Code for NHS Foundation Trusts, at the date of appointment and on an on-going basis throughout the term of their appointment.
- 2.5.3 External Audit responsibilities (in compliance with the requirements of NHSEI and Schedule 10 of the Act) are:
- (a) to be satisfied that the accounts comply with the directions provided, i.e., the NHS Foundation Trust Financial Reporting Manual;
  - (b) to be satisfied that the accounts comply with the requirements of all other provisions contained in, or having effect under, any enactment which is applicable to the accounts;
  - (c) to be satisfied that proper practices have been observed in compiling the accounts;
  - (d) to be satisfied that proper arrangements have been made for securing economy, efficiency and effectiveness in the use of resources;
  - (e) to comply with any directions given by NHSEI as to the standards, procedures and techniques to be adopted, i.e., to comply with the Audit Code for Foundation Trusts;
  - (f) to consider the issue of a public interest report;
  - (g) to certify the completion of the audit;
  - (h) to express an opinion on the accounts;
  - (i) to refer the matter to NHSEI if the Trust, or staff or director of the Trust, makes or are about to make decisions involving potentially unlawful action likely to cause a loss or deficiency.

- 2.5.4 External Auditors will ensure that there is a minimum of duplication of effort between themselves, Internal Audit and NHSEI. The auditors will discharge this responsibility by:
- (a) reviewing the statement made by the Chief Executive as part of the Statement on Internal Control and making a negative statement within the audit opinion if the Statement on Internal Control is not consistent with their knowledge of the Trust;
  - (b) reviewing the results of the work of relevant assurers, for example the Care Quality Commission, to determine if the results of the work have an impact on their responsibilities;
  - (c) undertaking any other work that they feel necessary to discharge their responsibilities.
- 2.5.5 The Trust will provide the external auditor with every facility and all information which it may reasonably require for the purposes of its functions under Schedule 10 of the Act.
- 2.5.6 The Trust shall forward a report to NHSEI within 30 days (or such shorter period as NHSEI may specify) of the External Auditor issuing a public interest report. The report shall include details of the Trust's response to the issues raised within the public interest report.

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

#### **3.1 PREPARATION AND APPROVAL OF BUSINESS PLANS AND BUDGETS**

3.1.1 The Chief Executive and Director of Finance will compile and submit to the Board an annual business plan. The annual business plan will contain:

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

3.1.2 The Trust will give information as to its forward planning in respect of each financial year to NHSEI. This information will be prepared by the Directors, who must have regard to the views of the Council of Governors.

3.1.3 At the start of the financial year the Director of Finance 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 5 year strategic plan;
- (b) accord with workload and workforce plans;
- (c) be produced following discussion with appropriate budget holders;
- (d) be prepared within the limits of available funds available to the Trust; and
- (e) identify potential risks.

3.1.4 The Director of Finance shall monitor financial performance against budget and business plan, periodically review them and report to the Board.

3.1.5 Staff shall provide the Director of Finance with all financial, statistical and other relevant information as necessary, for the compilation of such budgets, plans, estimates and forecasts.

3.1.6 The Director of Finance has a responsibility to ensure that adequate training is delivered on an on-going basis to budget holders to help them manage successfully.

3.1.7 Operating surpluses may be used to:



- (a) spend on revenue;
- (b) meet locally determined health needs;
- (c) build cash reserves for future investments;
- (d) finance an investment or purchase;
- (e) make payments on a loan.

## 3.2 BUDGETARY DELEGATION

3.2.1 The Chief Executive on the advice of the Director of Finance 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 Board (Appendix 2).

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 (Appendix 2).

### 3.3 BUDGETARY CONTROL AND REPORTING

3.3.1 The Director of Finance will devise and maintain systems of budgetary control and financial reporting. These will include:

- (a) 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) summary cash flow and forecast year-end position;
  - (iii) summary balance sheet;
  - (iv) movements in working capital;
  - (v) capital project spend and projected outturn against plan;
  - (vi) explanations of material variances that explain any movements from the planned retained surplus/deficit position at the end of the current month;
  - (vii) performance against any permissible borrowing or covenants;
  - (viii) details of any corrective action where necessary and the Chief Executive's and/or Director of Finance's view of whether such actions are sufficient to correct the situation;
- (b) the issue of timely, accurate and comprehensible advice and financial reports to each budget holder, covering the areas for which they are responsible;
- (c) investigation and reporting of variances from financial, workload and workforce budgets;
- (d) monitoring of management action to correct variances; and
- (e) arrangements for the authorisation of budget transfers.

3.3.2 Financial reports shall be received bi monthly by the Board of Directors.

### 3.3.3 Each Budget Holder is responsible for ensuring that:

- (a) any likely overspending or reduction of income which cannot be met by virement is not incurred without the prior consent of the Director of Finance;
- (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;
- (f) no permanent staff are appointed without the approval of the Chief Executive other than those provided for in the budgeted establishment as approved by the Board;
- (g) the systems of budgetary control established by the Director of Finance are complied with fully;
- (h) any business or investment cases for further funding of budgets both capital or revenue or that may have indirect impacts on budgets need to follow an approved process that is outlines at Appendix 6.

## 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 Chapter 11.) All items of capital expenditure must be referred to the Director of Finance for inclusion in the capital planning and approval processes.

## 3.5 MONITORING RETURNS

### 3.5.1 The Chief Executive is responsible for ensuring that:

- (a) Financial performance measures have been defined and are monitored;
- (b) Reasonable targets have been identified for these measures;
- (c) A robust system is in place for managing performance against the targets;
- (d) Reporting lines are in place to ensure overall performance is managed;
- (e) Arrangements are in place to manage/respond to adverse performance.

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

4.1 The Director of Finance, on behalf of the Trust, will:

- (a) keep accounts, and in respect of each financial year must prepare annual accounts, in such form as NHSEI may, with the approval of the Treasury, direct;
- (b) ensure that, in preparing annual accounts, the Trust complies with any directions given by NHSEI with the approval of the Treasury as to:
  - (i) the methods and principles according to which the accounts are to be prepared;
  - (ii) the information to be given in the accounts.
- (c) ensure that a copy of the annual accounts and any report of the External Auditor on them, are laid before Parliament and that copies of these documents are sent to NHSEI.

4.2 The Trust's Audited Annual Accounts must be presented to the Board for approval and received by the Council of Governors at a public meeting.

4.3 The Trust will prepare an annual report as required by NHSEI. This will be presented to the Board for approval and received by the Council of Governors at a public meeting. A copy will be laid before Parliament and copies forwarded to NHSEI.

## **5. BANK ACCOUNTS**

### **5.1 GENERAL**

5.1.1 The Director of Finance is responsible for managing the Trust's banking arrangements and for advising the Trust on the provision of banking services and operation of accounts.

5.1.2 The Board shall approve the banking arrangements.

### **5.2 BANK ACCOUNTS**

5.2.1 The Director of Finance is responsible for:

- (a) bank accounts;
- (b) establishing separate bank accounts for the Trust's unregulated funds;
- (c) reporting to the Board all arrangements made with the Trust's bankers for accounts to be overdrawn.

### **5.3 BANKING PROCEDURES**

5.3.1 The Director of Finance will prepare detailed instructions on the operation of bank accounts which must include:

- (a) the conditions under which each bank account is to be operated;
- (b) the limit to be applied to any overdraft;
- (c) those authorised to sign cheques or other orders and payments drawn on the Trust's accounts and the limitation on single signatory payments.

5.3.2 The Director of Finance must advise the Trust's bankers in writing of the conditions under which each account will be operated.

5.3.3 All funds shall be held in accounts in the name of the Trust. No staff other than the Director of Finance shall open any bank account in the name of the Trust.

### **5.4 TENDERING AND REVIEW**

5.4.1 The Director of Finance will review the banking arrangements of the Trust at regular intervals to ensure they reflect best practice and represent best value for money.

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

### **6.1 INCOME SYSTEMS**

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

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

6.1.3 The Trust will carry on activities for the purpose of making additional income available in order to better carry on the Trust's principal purpose, subject to any restrictions in NHSEI's authorisation and as stated in the Constitution.

### **6.2 FEES AND CHARGES**

6.2.1 The Director of Finance is responsible for approving and regularly reviewing the level of all fees and charges. Independent professional advice will be taken as necessary.

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

### **6.3 DEBT RECOVERY**

6.3.1 The Director of Finance 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.

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 Director of Finance 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 or electronic records;
- (c) the provision of adequate facilities and systems for staff whose duties include collecting and holding cash, including the provision of safes or

lockable cash boxes, the procedures for keys and for coin operated machines;

- (d) prescribing systems and procedures for handling cash and negotiable securities on behalf of the Trust.

- 6.4.2 Official money shall not under any circumstances be used for the encashment of private cheques.
- 6.4.3 All cheques, postal orders, cash etc., shall be banked intact. Disbursements shall not be made from cash received, except under arrangements approved by the Director of Finance.
- 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 Where cash collection is undertaken by an external organisation this shall be subject to such security and other conditions as required by the Director of Finance.
- 6.4.6 Any loss or shortfall of cash, cheques or other negotiable instruments, however occasioned, shall be reported immediately in accordance with the agreed procedure for reporting losses. Any loss or surplus of cash should be immediately reported to the Director of Finance.
- 6.4.7 All payments made on behalf of the Trust to third parties should normally be made using the Bankers Automated Clearing System (BACS), or by crossed cheque and drawn in accordance with these instructions, except with the agreement of the Director of Finance, as appropriate, who shall be satisfied about security arrangements. Uncrossed cheques shall be regarded as cash.

## **7. CONTRACTS WITH COMMISSIONERS**

- 7.1 The Chief Executive is responsible for negotiating contracts with commissioners for the provision of services to patients in accordance with the Business Plan.
- 7.2 In carrying out these functions, the Chief Executive should take into account the advice of the Director of Finance regarding:
- (a) costing and pricing of services;
  - (b) payment terms and conditions;
  - (c) billing systems and cash flow management;
  - (d) any other matters of a financial nature;
  - (e) the contract negotiation process and timetable;
  - (f) the provision of contract data;
  - (g) amendments to contracts.
- 7.2 Contracts with commissioners shall comply with best costing practice and shall be so devised as to minimise risk whilst maximising the Trust's opportunity to generate income. Contracts with commissioners are legally binding and appropriate legal advice, identifying the organisation's liabilities under the terms of the contract, should be considered.
- 7.3 The Director of Finance shall produce regular reports detailing actual and forecast contract income with a detailed assessment of the impact of the variable elements of income.
- 7.4 The Trust will maintain a public and up-to-date schedule of the authorised goods and services which are being currently provided, including non-mandatory health services.



## 8. TERMS OF SERVICE AND PAYMENT OF DIRECTORS AND STAFF

### 8.1 REMUNERATION AND TERMS OF SERVICE

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

### 8.2 FUNDED ESTABLISHMENT

- 8.2.1 The workforce plans incorporated within the annual budget will form the funded establishment.
- 8.2.2 The funded establishment of any department may not be varied without the approval of the Chief Executive.

### 8.3 STAFF APPOINTMENTS

- 8.3.1 No director or staff may engage, re-engage, or regrade staff, either on a permanent or temporary nature, or hire agency staff, or agree to changes in any aspect of remuneration:

- (a) unless authorised to do so by the Chief Executive; and
- (b) within the limit of his approved budget and funded establishment (there may be instances where recruitment above funded establishment may be agreed if staff turnover and vacancy levels will mean overall budgets are not breached); and
- (c) comply with any prevailing regulatory guidance

- 8.3.2 The Board will approve procedures presented by the Chief Executive for the determination of commencing pay rates, condition of service, etc, for those staff outside of Agenda for Change.

- 8.3.3 A signed copy of the contract/appointment form and other such documents as they may require shall be sent to the Director of People within one week of the staff commencing duty.

- 8.3.4 A termination of employment form and such other documents as the Director of People may require shall be submitted in the prescribed form immediately upon the effective date of a member of staff's resignation, retirement or termination being known. Where staff fails to report for duty in circumstances which suggest that he has left without notice the Director of People shall be informed immediately.

- 8.3.5 The Director of People shall be notified immediately upon the effective date of any change in state of employment or personal circumstances of any staff being known.

- 8.3.6 All time records, pay sheets, and other pay records and notifications shall be in a form approved by the Director of People and shall be certified and submitted in accordance with the relevant instructions.

## 8.4 **PROCESSING OF PAYROLL**

- 8.4.1 The Director of People is responsible for:

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

- 8.4.2 The Director of People will issue instructions regarding:

- (a) verification and documentation of data;
- (b) the timetable for receipt and preparation of payroll data and the payment of staff. All staff shall be paid by bank credit transfer, unless otherwise agreed by the Director of People;
- (c) maintenance of subsidiary records for superannuation, income tax, social security and other authorised deductions from pay;
- (d) security and confidentiality of payroll information;
- (e) checks to be applied to completed payroll before and after payment;
- (f) authority to release payroll data under the provisions of the Data Protection Act;
- (g) methods of payment available to various categories of staff;
- (h) procedures for payment by cheque, bank credit, or cash to staff;
- (i) procedures for the recall of cheques and bank credits;
- (j) pay advances and their recovery;

- (k) separation of duties of preparing records and handling cash;
- (l) a system to ensure the recovery from leavers of sums of money and property due by them to the Trust.

8.4.3 The Director of Finance will issue instructions regarding the maintenance of regular and independent reconciliation of pay control accounts.

8.4.4 Appropriately nominated managers have delegated responsibility for:

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

8.4.5 Regardless of the arrangements for providing the payroll service, the Director of Finance 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.

8.4.6 Advances of pay may only be given to staff to ensure timely remuneration of pay earned or reimbursement of legitimate expenses incurred in advance of normal pay processing. Loans may not be made to staff even if against potential future earnings.

## 8.5 **CONTRACTS OF EMPLOYMENT**

8.5.1 The Director of People is responsible to the Trust Board for:

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

- (c) The Director of People will be responsible for ensuring the Trust has processes and procedures in place that ensure compliance with HM Treasury Guidance on Public Sector Exit Payments (see Appendix 7)

## 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 managers.

- 9.1.2 The Chief Executive will set out in the Scheme of Delegation:

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

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

### 9.2 CHOICE, REQUISITIONING, ORDERING, RECEIPT AND PAYMENT FOR GOODS AND SERVICES

- 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 Associate Director of Procurement shall be sought. Wherever appropriate, the supply of goods and services shall be covered by a contract following a tender exercise.

- 9.2.2 Where the item to be supplied is medical equipment, the Medical Director is responsible for ensuring that adequate procedures are in place to enable managers and clinicians to establish specifications and select equipment that provides the best value for money.

- 9.2.3 The Trust's Associate Director of Procurement shall be responsible for ensuring that the Trust complies with all applicable laws in relation to choice, requisitioning, ordering and receipt for goods and services. The Director of Finance shall be responsible for the prompt payment of accounts and claims. Payment of contract invoices shall be in accordance with contract terms.

- 9.2.4 The Director of Finance 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 (whole life costs) should be incorporated in standing orders and regularly reviewed (see Appendix 1);

- (b) prepare procedural instructions where not already provided in the Scheme of Delegation or procedure notes for budget holders on the obtaining of goods, works and services incorporating the thresholds;
- (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 due. The system shall provide for:
  - (i) A list of directors/staff authorised to certify requisitions, orders, goods receipts or invoices.
  - (ii) Certification by either hard copy or electronic means that:
    - goods have been duly received, examined and are in accordance with specification and the prices are correct;
    - work done or services rendered have been satisfactorily carried out in accordance with the order, and, where applicable, the materials used are of the requisite standard and the charges are correct;
    - in the case of contracts based on the measurement of time, materials or expenses, the time charged is in accordance with the time sheets, the rates of labour are in accordance with the appropriate rates, the materials have been checked as regards quantity, quality, and price and the charges for the use of vehicles, plant and machinery have been examined;
    - where appropriate, the expenditure is in accordance with regulations and all necessary authorisations have been obtained;
    - the account is arithmetically correct;
    - the account is in order for payment.
  - (iii) A timetable and system for submission to the Director of Finance of accounts for payment; provision shall be made for the early submission of accounts subject to cash discounts or otherwise requiring early payment.

(iv) Instructions to staff 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, (except as below).

(f) ensure compliance with NHSEI guidance on use of non-clinical agency and consultancy spend

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

(a) Prepayments are only permitted where the financial advantages outweigh the disadvantages and the intention is not to circumvent cash limits;

(b) the appropriate Director 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 Director of Finance will need to be satisfied with the proposed arrangements before contractual arrangements proceed; 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.

9.2.6 Official Orders, either hard-copy or electronically generated, must:

(a) be consecutively numbered;

(b) be in a form approved by the Director of Finance;

(c) state the Trust's terms and conditions of trade;

(d) only be issued to, and used by, those duly authorised by the Chief Executive.

9.2.7 Managers and budget holders must ensure that they comply fully with the guidance and limits specified by the Director of Finance and that:

(a) all contracts other than for a simple purchase permitted within the Scheme of Delegation or delegated budget, leases, tenancy agreements and other

commitments which may result in a liability are notified to the Director of Finance in advance of any commitment being made;

- (b) contracts above specified thresholds are advertised and awarded in accordance with EU and GATT rules on public procurement and comply with the White Paper on Standards, Quality and International Competitiveness (CMND 8621);
- (c) no order shall be issued for any item or items to any supplier that has made an offer of gifts, reward or benefit to directors or staff, 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;
  - (iii) where the Chief Executive has approved the order, in writing, being satisfied that the supplier represents the most appropriate choice.
- (e) no requisition/order is placed for any item or items for which there is no budget provision unless authorised by the Director of Finance on behalf of the Chief Executive;
- (f) all goods, services, or works are ordered on an official order, either in hard copy or electronic media, except works and services executed in accordance with a contract or purchases from petty cash and purchases using a purchasing card;
- (g) verbal orders are only issued in specific instances, the first being by staff designated by the Chief Executive in cases of emergency or urgent necessity. These must be confirmed by an official order and clearly marked "Confirmation Order". The second being in the use of official purchasing cards, by those designated to do so by the Chief Executive, and in accordance with the detailed guidance and limitations for the use of such cards as issued by the Director of Finance
- (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/staff authorised to certify invoices are notified to the Director of Finance;

- (k) purchases from petty cash are restricted in value and by type of purchase in accordance with instructions issued by the Director of Finance;
- (l) petty cash records are maintained in a form as determined by the Director of Finance.

9.2.8 The Director of Finance shall ensure that the arrangements for financial control and financial audit of building and engineering contracts and property transactions comply with best practice. The technical audit of these contracts shall be the responsibility of the relevant Director.

### 9.3 **LEGALLY BINDING AGREEMENTS (e.g. leases)**

9.3.1 Any leases or rental agreements must be vetted by the Director of Finance or their nominated deputy prior to final agreement, to enable insurance issues and technical accounting treatment to be determined.

9.3.2 All lease agreements must be signed on behalf of the Trust by the Director of Finance (or their nominated deputy) in addition to being accompanied by the usual order and duly authorised in accordance with SFIs.

### 9.4 **EXPENDITURE ON DRUGS**

9.4.1 All drugs should be purchased by Pharmacy and not direct with suppliers.

9.4.2 The clinical criteria for the introduction of new drugs must be in accordance with the Trust's clinical policies and procedures.

9.4.3 The introduction of new drugs costing less than £25,000 per annum (full year effect) may be authorised by the Frimley Health Area Prescribing Committee, providing such costs can be met from within existing budget. Between £25,000 and £100,000 can be approved by the Medical Director, providing such costs can be met from within existing budget. Above these amounts, a business case needs to be made to the Senior Leadership Committee. Any expenditure on drugs outside of these limits without prior approval is not authorised and is a contravention of Standing Financial Instructions



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

The Director of Finance will be responsible for the management of the Trust's cash flow.

### **10.1 EXTERNAL BORROWING**

10.1.1 The maximum borrowing limit will be calculated using the Prudential Borrowing Code formula based on projected cash flows.

10.1.2 The Trust will secure the most preferential interest rates for borrowing.

10.1.3 The Director of Finance will advise the Board concerning the Trust's ability to pay interest on, and repay, both the originating capital debt and any proposed new borrowing. The Director of Finance is also responsible for reporting periodically to the Board concerning the originating debt and all loans and overdrafts and associated interest.

10.1.4 Any application for new borrowing will only be made by the Director of Finance or by staff so delegated by the Board.

10.1.5 The Director of Finance must prepare detailed procedural instructions concerning applications for new borrowing which comply with instructions issued by the Independent Regulator.

10.1.6 All short-term borrowings should be kept to the minimum period of time possible, consistent with the overall cash flow position. Any short term borrowing requirement in excess of one month must be authorised by the Director of Finance.

10.1.7 All long-term borrowing must be consistent with the plans outlined in the current 5 year strategic plan.

10.1.8 Assets protected under the authorisation agreement with the Independent Regulator shall not be used as collateral for borrowing. Non-protected assets will be eligible as security for a loan.

### **10.2 INVESTMENTS**

10.2.1 Temporary cash surpluses must be held only in such investments and with such financial institutions as approved by the Board and within the terms of guidance issued by the Independent Regulator.

10.2.2 The Director of Finance is responsible for advising the Board on investment strategy and shall report periodically to the Board concerning the performance of investments held.

- 10.2.3 The Director of Finance will prepare detailed procedural instructions on the operation of investment accounts and on the records to be maintained.

### 10.3 **FOREIGN EXCHANGE CONTRACTS**

- 10.3.1 Foreign exchange contracts can only be entered into for the purpose of obtaining best value for money when contracts are taken out in foreign currencies. Foreign exchange contracts will not be entered into for the purpose of trading for profit in foreign currencies.
- 10.3.2 Foreign exchange contracts can only be entered into with the direct knowledge and authorisation of the Director of Finance. All contracts must be signed on behalf of the Trust by the Director of Finance (or in his absence his deputy). The goods or services which are being purchased with the foreign exchange currency will have the appropriate order and duly authorised in accordance with SFIs.
- 10.3.3 The Board will be informed of any such foreign exchange contracts entered into.

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

### 11.1 CAPITAL INVESTMENT

#### 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;
- (c) shall ensure that the capital investment is not undertaken without the availability of resources to finance all revenue consequences, including capital charges.

#### 11.1.2 For every capital expenditure proposal to be funded from the Trust's own resources, exceeding £0.5m estimated cost, the Chief Executive shall ensure:

- (a) that a business case is produced setting out:
  - (i) an option appraisal of potential benefits compared with known costs to determine the option with the highest ratio of benefits to costs; and
  - (ii) appropriate project management and control arrangements;
- (b) that the Director of Finance has certified professionally to the costs and revenue consequences detailed in the business case;
- (c) that the Chief Executive has certified to indicate endorsement of the operational assumptions.
- (d) that the business case is submitted and approved in accordance with delegated powers set out in Appendix 4;
- (e) that all proposals to lease, hire or rent fixed assets have been subject to appraisal of their impact on the Trust's ability to achieve its financial targets and subject to legal advice, from the Trust's legal adviser, on the terms of the proposed contract.

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

- 11.1.4 The Director of Finance shall issue procedures for the regular reporting of expenditure and commitment against authorised capital expenditure.
- 11.1.5 The approval of a capital programme shall not constitute approval for expenditure on any scheme.
- 11.1.6 The Chief Executive shall issue to the manager responsible for any scheme:
- (a) specific authority to commit expenditure;
  - (b) authority to proceed to tender;
  - (c) approval to accept a successful tender.
- 11.1.7 The Chief Executive will issue a scheme of delegation for capital investment and the Trust's Standing Orders.
- 11.1.8 The Director of Finance shall issue procedures governing the financial management, including variations to contract, of capital investment projects and valuation for accounting purposes.

## 11.2 **ASSET REGISTERS**

- 11.2.1 The Chief Executive is responsible for the maintenance of registers of assets, taking account of the advice of the Director of Finance 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.
- 11.2.2 The Trust shall maintain a publicly available property register recording protected property, in accordance with the guidance issued by the Independent Regulator.
- 11.2.3 The Trust may not dispose of any protected property without the approval of the Independent Regulator. This includes the disposal of part of the property or granting an interest in it. Where protected property is lost or disposed of, the value must be removed from the accounting records and each disposal must be validated by reference to authorisation documents and invoices (where appropriate).
- 11.2.4 The Director of Finance shall approve procedures for reconciling balances on protected property accounts in ledgers against balances on protected property registers.

Non-protected assets may be used to raise funds for the development of services.

## 11.3 **SECURITY OF ASSETS**

- 11.3.1 The overall control of all assets is the responsibility of the Chief Executive.

- 11.3.2 Asset control procedures (including protected property, non-protected assets, cash, cheques, negotiable instruments and donated assets) must be approved by the Director of Finance. This procedure shall make provision for:
- (a) recording managerial responsibility for each asset;
  - (b) identification of additions and disposals;
  - (c) identification of all repairs and maintenance expenses;
  - (d) physical security of assets;
  - (e) periodic verification of the existence of, condition of, and title to, assets recorded;
  - (f) identification and reporting of all costs associated with the retention of an asset;
  - (g) reporting, recording and safekeeping of cash, cheques and negotiable instruments.
- 11.3.3 All discrepancies revealed by verification of physical assets to the asset register shall be notified to the Director of Finance.
- 11.3.4 Whilst staff has a responsibility for the security of property of the Trust, it is the responsibility of directors and senior staff in all disciplines to apply such appropriate routine security practices in relation to property of the Trust as may be determined by the Board. Any breach of agreed security practices must be reported in accordance with instructions.
- 11.3.5 Any damage to the Trust's premises, vehicles and equipment, or any loss of equipment, stores or supplies must be reported by staff in accordance with the procedure for reporting losses.
- 11.3.6 Where practical, assets should be marked as Trust property.
- 11.3.7 Private use of the Trust's assets

Use may only be made of the Trust's assets in the pursuance of the Trust's business unless use of the assets for private or other business is explicitly approved in writing. No such use is implied by previous practice. Approval to use the Trust's assets shall be granted as appropriate by the relevant line manager or

a member of senior management of the Trust, dependent upon the value of the asset and the use requested.

## **12. STORES AND RECEIPT OF GOODS**

- 12.1 Subject to the responsibility of the Director of Finance for the systems of control, overall responsibility for the control of stores shall be delegated to staff by the Chief Executive. The day-to-day responsibility may be delegated by him to departmental staff and stores managers/keepers, subject to such delegation being entered in a record available to the Director of Finance. The control of pharmaceutical stocks shall be the responsibility of a designated pharmaceutical staff; the control of fuel oil of a designated estates manager.
- 12.2 The responsibility for security arrangements and the custody of keys for all stores and locations shall be clearly defined in writing by the designated manager/pharmaceutical staff. Wherever practicable, stocks should be marked as property of the Trust.
- 12.3 The Director of Finance shall set out procedures and systems to regulate the stores including records for receipt of goods, issues, returns and losses.
- 12.4 Stocktaking arrangements shall be agreed with the Director of Finance and there shall be an appropriate physical check at least once a year.
- 12.5 The designated manager/pharmaceutical staff shall be responsible for a system approved by the Director of Finance for a review of slow moving and obsolete items and for condemnation, disposal and replacement of all unserviceable articles.

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

### 13.1 DISPOSALS AND CONDEMNATIONS

13.1.1 The Director of Finance shall prepare detailed procedures for the disposal of assets including condemnations, scrap materials and items surplus to requirements and ensure that these are notified to managers. The Trust may not dispose of any protected property without the approval of the Independent Regulator. These procedures shall comply with all appropriate Standing Orders and Standing Financial Instructions in addition to the requirements specified in the Trust's Policies and Procedures.

13.1.2 When it is decided to dispose of a Trust asset, the head of department or authorised deputy will determine and advise the Director of Finance of the estimated market value of the item, taking account of professional advice where appropriate.

13.1.3 All unserviceable articles shall be:

- (a) condemned or otherwise disposed of by staff (the Condemning Officer) authorised for that purpose by the Director of Finance;
- (b) recorded by the Condemning Officer in a form approved by the Director of Finance which will indicate whether the articles are to be converted, destroyed or otherwise disposed of. All entries shall be confirmed by the countersignature of a second staff member authorised for the purpose by the Director of Finance.

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

### 13.2 LOSSES AND SPECIAL PAYMENTS

13.2.1 The Director of Finance must prepare procedural instructions on the recording of and accounting for condemnations, losses and special payments.

13.2.2 Any staff discovering or suspecting a loss of any kind must either immediately inform their head of department, who must immediately, or without any undue delay depending on the seriousness of the loss, inform the Chief Executive (material amounts only) and the Director of Finance. Where a criminal offence is suspected, the Director of Finance must immediately inform the Local Security Management Specialist and the police if theft or arson is involved. For minor break-ins etc. the appropriate Duty Manager or Security Officer is responsible for informing the police and thereafter the Director of Finance.

13.2.3 For losses apparently caused by theft, arson, neglect of duty or gross carelessness, except if trivial, the Director of Finance must immediately notify:

- (a) the Board, and
- (b) the Local Counter Fraud Manager and
- (c) the Local Security Management Specialist.

- 13.2.4 Within limits established by the Trust the Board, or Audit Committee through its delegated authority, may consider and if thought fit, shall approve the writing-off of losses.
- 13.2.5 The Director of Finance shall take any necessary steps to safeguard the Trust's interests in bankruptcies and company liquidations.
- 13.2.6 For any loss, the Director of Finance should consider whether any insurance claim can be made against insurers.
- 13.2.7 The Director of Finance shall maintain a Losses and Special Payments Register in which write-off action is recorded.



## **14. INFORMATION TECHNOLOGY**

- 14.1 The Chief Executive, 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;
  - (b) ensure that adequate (reasonable) controls exist over data entry, processing, storage, transmission and output to ensure security, privacy, accuracy, completeness, and timeliness of the data, as well as the efficient and effective operation of the system;
  - (c) ensure that adequate controls exist such that the computer operation is separated from development, maintenance and amendment;
  - (d) ensure that an adequate management audit trail exists through the computerised systems (including those obtained by external agency arrangements) and that such computer audit reviews as he/she may consider necessary are being carried out.
  - (e) ensure the Trust has a Data Protection lead
- 14.2 The Director of Finance shall satisfy him/herself that new financial systems and amendments to current financial systems are developed in a controlled manner and thoroughly tested prior to implementation. Where this is undertaken by another organisation, assurances of adequacy will be obtained from them prior to implementation.
- 14.3 The Director of Finance 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.
- 14.4 Where another health organisation or any other agency provides a computer service for financial applications, the Director of Finance shall periodically seek assurances that adequate controls are in operation.
- 14.5 Where computer systems have an impact on corporate financial systems the Chief Executive shall satisfy him/herself that:
- (a) systems acquisition, development and maintenance are in line with corporate policies such as 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) Director of Finance staff have access to such data;
- (d) such computer audit reviews as are considered necessary are being carried out;
- (e) any changes to such systems shall be notified to and approved by the Director of Finance;
- (f) appropriate disaster recovery and contingency arrangements are in place to ensure continuity in execution of the Trust's business.

14.5 The Trust's Chief Information officer and Director of Finance are responsible to the Board for setting the Trust Digital Strategy and monitoring progress towards implementing that strategy.

14.6 All new systems must be approved by Digital Services Overview Group as to their suitability, value for money and compliance with any set strategy. For the avoidance of doubt, this approval is also required for new systems (or upgrades) acquired by any subsidiary or related party where they will be hosted on or be interoperable with the Trust's digital infrastructure

## **15. PATIENTS' PROPERTY**

15.1 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.

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

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

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.

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

## **16. CHARITABLE FUNDS - FUNDS HELD ON TRUST**

### **16.1 INTRODUCTION**

- 16.1.1 The discharge of the Charitable Fund's corporate trustee responsibilities are distinct from its responsibilities for corporate 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. In particular, the purchasing rules and delegated financial limits that apply to Trust purchasing also apply to charitable funds purchasing. These delegated limits, including the associated authorisation requirements, are summarised at Appendix 1-4 of these SFIs and variation to delegated limits are noted. Trustee responsibilities cover both charitable and non-charitable purposes. The Director of Finance shall ensure that each fund is managed appropriately with regard to its purpose and to its requirements.
- 16.1.2 This Section of the SFIs shall be interpreted and applied in conjunction with the rest of these Instructions, subject to modifications contained herein.
- 16.1.3 The Board hereby nominates the Director of Finance to have primary responsibility to the Board for ensuring that these SFIs are applied.
- 16.1.4 The Charitable Funds Committee (CFC) is a Committee of the Corporate Trustee of the Charitable Funds (the Trust's Board of Directors). Its purpose is to undertake the routine management of the Charitable Funds and to give additional assurance to the Trustee that the Trust's Charitable activities are within the law and regulations set by the Charity Commissioners for England and Wales. The CFC on behalf of the Charitable Trustee is responsible for fundraising in compliance with all statutes and regulations. The Directors with responsibility for Fundraising and Finance will advise the CFC.

### **16.2 EXISTING CHARITABLE FUNDS**

- 16.2.1 The Director of Finance shall arrange for the administration of all existing charitable funds and shall ensure that a governing instrument exists for every charitable fund and shall produce detailed codes of procedure covering every aspect of the financial management of funds held on trust, for the guidance of directors and staff. Such guidelines shall identify the restricted nature of certain funds where applicable.
- 16.2.2 The Charitable Funds Committee as part of its remit review the funds in existence and make recommendations to the Charitable Fund's corporate trustees regarding the potential for rationalisation of such funds within statutory guidelines.
- 16.2.3 The Charitable Funds Committee may recommend an increase in the number of funds where this is consistent with the Charitable Funds corporate trustee policy for ensuring the safe and appropriate management of restricted funds, eg, designation for specific wards or departments.

### 16.3 NEW CHARITABLE FUNDS

- 16.3.1 The Director of Finance shall arrange for the creation of a new charitable fund where funds and/or other assets, received in accordance with the Charitable Funds corporate trustee's policies, cannot adequately be managed as part of an existing fund.
- 16.3.2 Where no fund matches a donor's specific purpose the advice of the CFC should be sought to establish if a new fund is required or whether the donation should be rejected if the donor's wishes cannot be accommodated.

### 16.4 SOURCES OF NEW FUNDS

- 16.4.1 In respect of Donations, the Director of Finance shall:
- (a) provide guidelines to the Charitable Fund corporate trustees as to how to proceed when offered funds. These to include:
    - (i) the identification of the donors' intentions;
    - (ii) where possible, the avoidance of new trusts;
    - (iii) the avoidance of impossible, undesirable or administratively difficult objects;
    - (iv) sources of immediate further advice;
    - (v) treatment of offers for personal gifts.
  - (b) provide secure and appropriate receipting arrangements which will indicate that funds have been accepted directly into the Charitable Funds and that the donor's intentions have been noted and accepted.
- 16.4.2 In respect of Legacies and Bequests, the Director of Finance shall:
- (a) provide guidelines to staff of the Charitable Funds covering any approach regarding:
    - (i) the wording of wills;
    - (ii) the receipt of funds/other assets from executors;
  - (b) where necessary, obtain grant of probate, or make application for grant of letters of administration, where the Charitable Funds are the beneficiary;
  - (c) be empowered, on behalf of the Charitable Funds corporate trustees, to negotiate arrangements regarding the administration of a will with executors and to discharge them from their duty;

- (d) be directly responsible for the appropriate treatment of all legacies and bequests;
- (e) be kept informed of all enquiries regarding legacies and keep an appropriate record. After the death of a testator all correspondence concerning a legacy shall be dealt with on behalf of the Trust by the Director of Finance, who alone shall be empowered to give an executor a good discharge.

16.4.3 In respect of Fund-raising, the Director of Frimley Charity:

- (a) deal with all arrangements for fund-raising by and/or on behalf of the Charitable Funds and ensure compliance with all statutes and regulations;
- (b) be empowered to liaise with other organisations/persons raising funds for this Body and provide them with an adequate discharge. The Director of People shall be the only staff empowered to give approval for such fund-raising subject to the overriding direction of the Board;
- (c) be responsible for alerting the Board to any irregularities regarding the use of the Charitable Fund's name or its registration numbers; and
- (d) be responsible for the appropriate treatment of all funds received from this source.
- (e) be required to advise the Board on the financial implications of any proposal for fund raising activities which the Trust may initiate, sponsor or approve.

16.4.4 In respect of Charitable Fund's Trading Income, the Director of Finance shall:

- (a) be primarily responsible, along with other designated staff, for any trading undertaken by the Charitable Fund's as corporate trustee;
- (b) be primarily responsible for the appropriate treatment of all funds received from this source.

16.4.5 In respect of Investment Income, the Director of Finance shall be responsible for the appropriate treatment of all dividends, interest and other receipts from this source (see below).

## **16.5 INVESTMENT MANAGEMENT**

16.5.1 The Director of Finance shall be responsible for all aspects of the management of the investment of funds held on trust. The issues on which they shall be required to provide advice to the Charitable Fund's corporate trustees, or the Charitable Funds Working Group, shall include:

- (a) the formulation of investment policy within the powers of the Charitable Funds under statute and within governing instruments to meet its requirements with regard to income generation and the enhancement of capital value;
- (b) the reporting of investment performance

## **16.6 DISPOSITION MANAGEMENT**

16.6.1 The exercise of the Charitable Funds dispositive discretion shall be managed by the Director of Finance in conjunction with the Charitable Funds corporate trustees. In so doing he shall be aware of the following:

- (a) the objects of various funds and the designated objectives;
- (b) the availability of liquid funds within each trust;
- (c) the powers of delegation available to commit resources;
- (d) the avoidance of the use of Trust funds to discharge Charitable Fund liabilities (except where administratively unavoidable) and to ensure that any indebtedness to the Trust shall be discharged by Charitable Funds at the earliest possible time;
- (e) that funds are to be spent rather than preserved, subject to the wishes of the donor and the needs of the Charitable Funds;
- (f) the definitions of "charitable purposes" as agreed with the Charity Commission.

## **16.7 BANKING SERVICES**

16.7.1 The Director of Finance shall advise the Board and, with its approval, shall ensure that appropriate banking services are available to the Charitable Funds as corporate trustee. These bank accounts should permit the separate identification of liquid funds to each trust where this is deemed necessary by the Charity Commission.

## **16.8 ASSET MANAGEMENT**

- 16.8.1 Assets in the ownership of or used by the Charitable Funds as corporate trustee, shall be maintained along with the general estate and inventory of assets of the Charitable Fund. The Director of Finance shall ensure:
- (a) that appropriate records of all assets owned by the Charitable Fund as corporate trustee are maintained and that all assets, at agreed valuations, are brought to account;
  - (b) that appropriate measures are taken to protect and/or to replace assets. These to include decisions regarding insurance, inventory control and the reporting of losses;
  - (c) that donated assets received on trust shall be accounted for appropriately;
  - (d) that all assets acquired from funds held on trust which are intended to be retained within the trust funds are appropriately accounted for.

## **16.9 REPORTING**

- 16.9.1 The Director of Finance shall ensure that regular reports are made to the Charitable Funds corporate trustees with regard to, inter alia, the receipt of funds, investments and the disposition of resources.
- 16.9.2 The Director of Finance shall prepare annual accounts in the required manner which shall be submitted to the Charitable Funds corporate trustees within agreed timescales.
- 16.9.3 The Director of Finance shall prepare an annual trustees' report (separate reports for charitable and non-charitable trusts) and the required returns to the Independent Regulator and the Charity Commission for adoption by the Charitable Funds corporate trustees.

## **16.10 ACCOUNTING AND AUDIT**

- 16.10.1 The Director of Finance shall maintain all financial records to enable the production of reports as above and to the satisfaction of internal and external audit.
- 16.10.2 The Director of Finance shall ensure that the records, accounts and returns receive adequate scrutiny by internal audit during the year and will liaise with external audit and provide them with all necessary information.
- 16.10.3 The Charitable Funds corporate trustees shall be advised by the Director of Finance on the outcome of the Charitable Funds annual audit. The Chief Executive shall submit the Management Letter to the Charitable Funds corporate trustees.

## **16.11 ADMINISTRATION COSTS**

- 16.11.1 The Director of Finance shall identify all costs directly incurred in the administration of funds held on trust and, in agreement with the Finance, shall charge such costs to the appropriate trust accounts.

## **16.12 TAXATION AND EXCISE DUTY**

- 16.12.1 The Director of Finance shall ensure that the Charitable Funds liability to taxation and excise duty is managed appropriately, taking full advantage of available concessions, through the maintenance of appropriate records, the preparation and submission of the required returns and the recovery of deductions at source.



## **17. INDUCEMENTS and DECLARATION OF INTERESTS**

### **17.1 ACCEPTANCE OF GIFTS AND HOSPITALITY**

- 17.1.1 The acceptance of gifts, hospitality or consideration of any kind from contractors and other suppliers of goods or services as an inducement or reward is not permitted under the Bribery Act 2010. Staff must comply with national guidance 'Standards of Business Conduct for NHS Staff and any guidance and directions issued by the Independent Regulator.
- 17.1.2 All staff will be responsible for notifying the Company Secretary who will record in writing, any gift, hospitality or sponsorship accepted (or refused) by staff on behalf of the Trust.
- 17.1.3 Any offers for gifts, hospitality or sponsorship that do not comply with the Trust's Standard of Business Conduct Policy, should be courteously but firmly refused and the firm or individual notified of the Trust's procedures and standards

### **17.2 DECLARATION OF INTERESTS**

- 17.2.1 The Company Secretary shall be advised of declared pecuniary interests of members of the Board for recording in a register they will maintain for that purpose.
- 17.2.2 All other staff should declare any relevant interest in accordance with the standards of Business Conduct which should be updated annually.

### **17.3 PRIVATE TRANSACTIONS**

- 17.3.1 Staff having official dealings with contractors or other suppliers of goods or services should avoid transacting any kind of private business with them by means other than normal commercial channels. No favour or preference as regards price or otherwise which is not generally available should be sought or accepted.

## **18. RETENTION OF DOCUMENTS**

- 18.1 The Chief Executive shall be responsible for defining retention periods and maintaining archives for all documents required to be retained.
- 18.2 The documents held in archives shall be capable of retrieval by authorised persons.
- 18.3 Documents so held shall only be destroyed at the express instigation of the Chief Executive; records shall be maintained of documents so destroyed.
- 18.4 The Trust's arrangements for disclosure under the Freedom of Information Act shall be maintained by the Director of Finance.

**19. RISK MANAGEMENT & INSURANCE**

19.1 The Chief Executive shall ensure that the Trust has a programme of risk management which will be approved and monitored by the Board.

19.2 The programme of risk management shall include:

- (a) a process for identifying and quantifying risks and potential liabilities;
- (b) engendering among all levels of staff a positive attitude towards the control of risk;
- (c) management processes to ensure all significant risks and potential liabilities are addressed including effective systems of internal control, cost effective insurance cover and decisions on the acceptable level of retained risk;
- (d) contingency plans to offset the impact of adverse events;
- (e) audit arrangements including internal audit; clinical audit; health and safety review;
- (f) decisions on which risks shall be insured through arrangements with either the NHS Resolution Pooling Schemes or commercial insurers;
- (g) arrangements to review the risk management programme.

The existence, integration and evaluation of the above elements will provide a basis to make a statement on the effectiveness of Internal Control within the Annual Report and Accounts.

19.3 The Chief Executive in consultation with his designated staff shall be responsible for ensuring adequate insurance cover is effected in accordance with risk management policy approved by the Board of Directors.

## APPENDIX 1. PURCHASING AND TENDERING

### 1.0 INTRODUCTION

- 1.1 The Trust's Standing Financial Instructions (SFI's) set out procedures to be adopted in obtaining goods and services.
- 1.2 This supplementary procedure note deals with the setting of thresholds above which quotations (competitive or otherwise) or formal tenders must be obtained and detailed procedures in relation to purchasing and tendering and considers the correct authorization procedures for the following stages of procurement:
1. Levels at which Procurement Activity must take place (Section 2)
  2. Approvals required to commence Procurement activity (Section 3)
  3. Approvals required to commit the Trust to expenditure (Section 4)
  4. Approvals required to raise a Purchase Order and/or sign a Contract (Section 5)

### 2.0 LEVELS AT WHICH PROCUREMENT ACTIVITY MUST TAKE PLACE

- 2.01 The Trust must ensure that goods and services are procured in an efficient manner and are purchased at the most competitive price.
- 2.02 Tendering activity will depend on the whole life costs (this may include but is not limited to, cost of the goods or services, associated ongoing consumables, licences, service and maintenance, disposal costs) and will follow the route summarised in **Table 1 of Appendix 3**
- 2.03 In addition to the Trust delegated tendering limits, attention must be paid to the regulations governing procurement laid down in UK Law. In all cases advice should be sought from the Associate Director of Procurement to ensure compliance with appropriate thresholds.
- 2.04 If the purchase has an IT component (this may include access to the Trust network, a provision of software or hardware) then authority for approval must also be given by the Digital Services Operational Group . If in doubt advice from the Digital Services department should be sought.
- 2.05 If the purchase involves the capturing or transmitting of patient identifiable data (PID) then authority for purchase must also be given by the Head of Information Governance.

## 2.1 **COMPETITIVE AND NON-COMPETITIVE QUOTATIONS** **(Whole Life Costs £50,000 inc VAT and under)**

Three competitive quotations must be obtained for all contracts and services where the value is not expected to exceed £50,000 including applicable VAT .

## 2.2 **COMPETITIVE TENDERING (Whole Life Costs over £50,000 inc VAT)**

- 2.2.1 The Trust must ensure that goods and services are procured in an efficient manner at the most economically advantageous price either through a tender process or compliant use of existing national or local contracts The standard method of procurement will be by competitive tender through the Trust's e-tendering solution for goods or services expected to cost in excess of £50,000 including VAT.
- 2.2.2 Staff should involve the Associate Director of Procurement or nominated Deputy in choice of supplier, price negotiation and in the procurement process for all goods and services.
- 2.2.3 Where the supplier being used is nationally or regionally approved, and/or they are providing a continuous supply in operational terms, it may be appropriate to use annual orders duly authorised as appropriate. Annual orders must include a clear schedule of the items being ordered, their agreed individual prices, an estimate of the volumes required of each item for the period of the order and hence an agreed total cost which must not be exceeded. The advice of the Associate Director of Procurement or nominated Deputy should be sought when establishing such annual orders to ensure that the correct format is applied and that value for money is obtained.
- 2.2.4 No single supplier or single annual order should be used for a period in excess of 12 months, where the costs incurred during that period exceed £25,000, without the requisitioner demonstrating value for money. The advice of the Associate Director of Procurement or nominated Deputy should be sought. Where this advice is not sought or not acted upon the requisitioner must advise the Chief Executive in writing seeking waiver of this rule.

## **2.3 TENDERING PROCEDURES**

- 2.3.1 Wherever possible tenders shall be advertised, issued and submitted on the Trust's e-tendering system and the Government Contracts Finder.
- 2.3.2 Where not practical or possible tenders may be received as hard copies. In this case all written tenders shall be addressed to the Chief Executive.
- 2.3.3 All invitations to tender on a competitive basis shall state that no written tender will be accepted unless submitted in either:-
- a) A plain, sealed package 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); or
  - b) in a special envelope supplied by the Trust to prospective tenders, and that tender envelopes/packages shall not bear the names or marks indicating the sender.
- 2.3.4 Every tender for building and engineering works, except any tender for maintenance work only, shall embody or be in the terms of the current Agreement for Minor Building Works issued by the Joint Contract Tribunal as appropriate.
- For major projects, especially those run under P21+ or P33, the NEC Contract shall be used.
- 2.3.5 The date and time of receipt of each tender shall be endorsed on the unopened tender envelope/package. Tenders submitted via e-tendering will be electronically date and time stamped.
- 2.3.6 The Trust shall designate staff, not from the originating department, to be responsible for the receipt, endorsement and safe custody of tenders received until the time appointed for their opening. Tenders submitted via e-tendering will remain electronically locked to all Trust staff until the end time for receipt of tenders has passed.
- 2.3.7 As soon as practicable after the date and time stated as being the latest time for the receipt of tenders, they shall be opened in the presence of two members of staff at least one of which must be an Executive member of the Board.

Tenders submitted via e-tendering shall be opened by senior Procurement staff. The system shall automatically record the date, time and member of staff opening the tender.

2.3.8 Every tender received shall be recorded to show for each set of competitive tender invitations despatched: -

- a) the names of all firms invited;
- b) the names of and the number of firms from which tenders have been received, and the amount for each tender;
- c) the date the tenders were opened; and
- d) the record shall be signed by the persons present at the opening.

For tenders received via e-tendering this information will be electronically recorded.

2.3.9 Except as in paragraph 2.3.11 below a record shall be maintained of all price alterations on tenders, i.e. where a price has apparently been altered, the final price shown shall be recorded. The record shall be initialled by two of those present at the opening.

Alterations to tenders submitted via e-tendering will be electronically marked.

2.3.10 A report shall be made in the record if on any one tender price alterations are so numerous as to render the procedure at paragraph 2.3.9 above unreasonable.

2.3.11 For procurements with whole life costs above £100,000 inc VAT, tenders received after the due time and date may be considered only if the Chief Executive decides that there are exceptional circumstances, e.g. where marked financial, technical or delivery advantages would accrue, and is satisfied that there is no reason to doubt the bona fides of the tenderers concerned. The Chief Executive shall decide whether such tenders are admissible and where re-tendering is desirable.

2.3.12 Technically late tenders (i.e. those despatched in good time but delayed through no fault of the tenderer) may be regarded as having arrived in due time.

2.3.13 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) should be dealt with in the same way as late tenders.

- 2.3.14 Necessary discussion with a tenderer of the contents of his tender, in order to elucidate technical, etc, points before the award of a contract, need not disqualify the tender.
- 2.3.15 While decisions as to the admissibility of late, incomplete, or amended tenders are under consideration and while re-tenders are being obtained, the tender documents shall be kept strictly confidential and held in safe custody by staff designated by the Chief Executive.

For tenders submitted via e-tendering, the tenders will remain electronically unopened.

- 2.3.16 In all competitive procurements, the most economically advantageous tender/quotation (MEAT) should be accepted taking into consideration any quantifiable and non quantifiable social value and environmental impacts
- 2.3.17 Where only one tender/quotation is sought and/or received, the Trust shall, as far as is practicable, ensure that the price to be paid is fair and reasonable.

## 2.4 CONDITIONS FOR WAIVER

- 2.4.1 The procurement of goods and services with whole life costs in excess of £10,000 inc VAT must be competed. This requirement may, in exceptional circumstances, be waived.
- 2.4.2 If the goods or services cannot be procured compliantly through a current, local or national framework or an award is not made to the bidder offering the most economically advantageous tender, then, the procurement may be waived under the following circumstances, where in the opinion of the relevant Director based on an application to waiver by the end user:
- there is only one supplier and no reasonably satisfactory alternative product/service;
  - competition would be impractical, impossible or not beneficial;
  - the work for practical reasons must be of the same manufacture, for instance repairs/spare parts for existing equipment;
  - where it is known that a marked financial advantage will accrue to the Trust from making a spot purchase of products subject to quickly changing market conditions.

In each case the detail shall be documented and the authorisation counter-signed (this may be electronic counter signature through the Trust's e-

procurement system) by the Associate Director of Procurement or nominated Deputy in confirmation of such circumstances.

## 2.5 AUTHORITY TO WAIVER

Authority to waiver procurement activity as required by SFIs (i.e. above £10,000 whole life costs inc VAT) must be given as in **Table 2 of Appendix 3**.

All waivers in excess of £500k and below £3m must be retrospectively reported to the Audit Committee.

In addition, a summary waiver report shall be prepared and submitted to the Audit Committee periodically

## 3.0 APPROVALS REQUIRED TO COMMENCE PROCUREMENT ACTIVITY

Goods and services with expected whole life costs in excess of £50,000 inc VAT, not available to compliantly directly order under a local or national contract or framework, must undergo a competitive procurement. Authority to begin such a procurement (pre-procurement approvals), if not within existing budget is shown in **Table 3 of Appendix 3**.

## 4.0 APPROVALS REQUIRED TO COMMIT THE TRUST TO EXPENDITURE

- 4.1 Approval for expenditure is summarized in **Table 3** (spend approval) and **Table 4** (charitable fund spend approval) **of Appendix 3**.
- 4.2 For all spend in excess of £100,000 inc VAT, a paper, summarising the process and rationale for award to a supplier, must be submitted by the stakeholder to the highest approver in the relevant format.
- 4.3 A Trust official Purchase Order must be raised using the Trust's e-procurement system following approval.
- 4.4 Goods that are managed by the Inventory Management System require ordering in a timely fashion in order to keep stocks to the lowest optimal quantity. Therefore, requisitions raised electronically via the Inventory Management System through the interface to the e-Procurement system shall be exempt from the approvals summarized in **Table 3**



## 5.0 APPROVALS REQUIRED TO RAISE A PURCHASE ORDER AND/OR SIGN A CONTRACT

- 5.1 A Trust official order or Contract document must be raised for all committed expenditure. A Purchase card may be used in accordance with the Purchasing Card Policy. A purchase order or purchase card payment for committed expenditure shall only be placed once the approvals process relevant to the spend requirement has been properly completed. The Director of Finance shall delegate this responsibility to appropriate Procurement staff.
- 5.2 Wherever possible, Purchase Orders and Contract documents should be raised under standard NHS Terms and Conditions.
- 5.3 Every contract for building and engineering works, should be embodied in a formal contract document which should conform to these Standing Financial Instructions. These formal contract documents should reflect any change in the terms and conditions of contract agreed following receipt of tenders.
- 5.4 No goods, services or works other than works and services, executed in accordance with a contract and purchases from petty cash shall be ordered except on an official order, which may be in hard copy or electronic media. Contractors shall be notified that they should not accept orders unless in an official format. Verbal orders shall be issued only in specific instances, the first being by staff designated by the Chief Executive in cases of emergency or urgent necessity. These must be confirmed by an official order and clearly marked "Confirmation Order". The second being by the use of official purchasing cards, by those designated to do so by the Chief Executive, and in accordance with the detailed guidance and limitations for the use of such cards as issued by the Director of Finance.
- 5.5 The physical signing and e-signing of contracts may only be made by personnel in accordance with **Table 5 of Appendix 3** and only on completion of all approvals detailed in section 4.

**6.0 EXAMPLES – APPLYING APPENDIX 1**

Ser	Requirement	Procurement process Table 1	Pre-procurement approval Table 3	Waiver process Table 2	Spend approval Section 4
6.1	Replacement IT hardware with expected whole life costs of £1.2m	Over UK Threshold – full tender or direct award under local or national framework if compliant	If no existing budget, stakeholder obtains approval to commence procurement activity, signed off by CIO. Further approval from DSOG.	If tender or framework process followed, waiver not required. If the process is waived, Waiver must be raised and signed off by CEO. Waiver retrospectively reported to Audit Committee.	Signed off by the relevant Leadership Committee
6.2	£120k Maintenance contract for Surgical Robot. Waiver requested for sole (unique) supplier	Competitive tenders should be sought.	Existing budget, no pre-approval required	Waiver raised by stakeholder detailing valid reasons (sole supplier), verified by Procurement. Waiver signed off by Director of Finance	Signed off by Director of Finance
6.3	Requirement to appoint a Contractor for new build - £3.2m expected costs	Under the Works UK threshold. Competitive tender through Trust e-tendering solution	Approval to commence activity from FIC	Tender or framework process followed, waiver not required. If the process is waived, Waiver must be raised and signed off by CEO. Waiver retrospectively reported to Audit Committee.	Signed off by FIC
6.4	Requirement for Medical Equipment circa £80k to be funded from charitable funds	Competitive tender through Trust e-tendering solution or direct award under local or national framework if compliant.	Approval to commence activity from relevant Director	Tender or framework process followed, waiver not required. If the process is waived, waiver must be raised signed off by Director of Finance	Signed off by Fund Holder, Director of Operational Finance, Director of Frimley Charity, Director of Finance Director of People.
6.5	Requirement for new contract for Linen and Laundry services. £10m for 5 year contract.	Full tender process or competition under local or national framework	Existing budget – no pre-approval required	Tender or framework process followed, waiver not required. If the process is waived, Waiver must be raised and approved by the Board before PO and award.	Signed off by Trust Board
6.6	Requirement for purchase of £120k cardiac implantable devices for business as usual. Under contract	Tender previously completed – this is existing spend under a current contract	Existing budget, no pre-approval required	Tender or framework process followed, waiver not required	Signed off by Director of Finance

## APPENDIX 2. HIERARCHY OF DELEGATED BUDGETARY AUTHORITY

Budgets Authorised	(£) Limit	Minimum level of Staff
Virement between non-pay budget lines within same core	£all	Budget holder or appropriate delegated budget manager(s) together with authorisation from Head of Management Accounts or equivalent
Virement between non-pay lines across cores	£all	Mutual agreement of budget holders or budget manager(s) together with authorisation from Head of Management Accounts or equivalent
Any virement involving pay lines	£all	Budget holder or appropriate delegated budget manager(s) together with authorisation from Head of Management Accounts or equivalent; any establishment change to be authorised by the Director of Finance

### Pay Expenditure Delegated Limits

Budgets Authorised	(£) Limit	Minimum level of Staff
Commitment to incur costs as a result of a contract of employment (including temporary contracts), existing post	£all	AD or Head of Service(with reference to authorised establishment)
Commitment to incur costs as a result of a contract of employment (including temporary contracts), new post	£all	Director of Finance and Chief Executive and Director of People (by authorising change to establishment)
Commitment to incur costs via agency, consultancy or other means, for any continuous period fulfilling same duties, even if undertaken by different individuals.	up to £10,000	Budget holder or appropriate delegated budget manager
	£10,001 and over	Director of Finance upon receipt of request authorised by the Budget holder

[For Charitable Funds spend up to £25,000 may be authorised by the Director of Operational Finance and the Director of Frimley Charity and up to £100,000 by the Director of People and the Director of Operational Finance]

### APPENDIX 3. SUMMARY OF DELEGATED APPROVAL LIMITS

**Table 1. Levels at which Procurement Activity must take place (Appendix 1, Section 2)**

Whole life costs	£0 £10,000	£10,001 £50,000	£50,001 £189,330*	£189,330* and above
No formal activity	Yes			
Minimum Three Written Quotations		Yes		
Full Tendering Process			Yes	
EU Tendering Process or Framework				Yes

\* Tender thresholds as described in UK Law. Prevailing Threshold value currently £189,330 for Goods and Services and £4,733,252 for Works.

**Table 2. Authority to Waiver (Appendix 1, Section 2)**

Whole life costs (inc VAT)	£10,001 £500,000	£500,001 £1m	£1m £3m	£3m and above
Director of Finance	Yes			
Chief Executive Officer		Yes <sup>1</sup>		
Senior Leadership Committee			Yes	
Trust Board				Yes

<sup>1</sup> All waivers between £500k and £3m must also be retrospectively reported to the Audit Committee. Waivers over £3m will need Board approval before PO and Award.

**Table 3. Approvals required to commence<sup>1</sup> and commit Trust expenditure - Revenue or Capital (Appendix 1, Section 3 and 4)<sup>2</sup>**

Whole life costs (inc VAT)	£0 £25,000	£25,001 £50,000	£50,001 £100,000	£100,001 £500,000	£500,001 £1m	£1m £3m	£3m £5m	Above £5m
Budget Holder	Yes	Yes*	Yes*	Yes*	Yes*	Yes*	Yes*	Yes*
Associate Directors		Yes	Yes*	Yes*	Yes*	Yes*	Yes*	Yes*
Directors (inc CIO and Dir of Estates) and Exec Dirs			Yes	Yes*	Yes*	Yes*	Yes*	Yes*
Director of Finance				Yes	Yes*	Yes*	Yes*	Yes*
Chief Executive					Yes	Yes*	Yes*	Yes*
Relevant Snr Leadership Cttee						Yes	Yes*	Yes*
FIC (Finance Investment Committee)							Yes	Yes*
Trust Board								Yes

<sup>1</sup> Approvals required to commence purchase are only required where there is no existing budget or where the existing budget will not cover the expenditure.

<sup>2</sup> Approval at a higher level will provide approval for all levels below in the shown hierarchy. It is therefore not necessary for all members of the hierarchy within the spend bracket to approve the spend. However, the relevant highest ranking approver MUST be the final authoriser.

In addition, authorisation may also be required at the following Groups:

**Table 3a – Group Authorisation**

Whole life costs	£0 £10,000	£10,001 £25,000	£25,001 £100,000	£100,001 £500,000	£500,001 upwards
Product Selection Groups (including Theatre PSG)	Yes <sup>1</sup>	Yes <sup>1</sup>			
Digital Services Operation Group	Yes <sup>2</sup>	Yes <sup>2</sup>			

<sup>1</sup> For appropriate procurement falling under the Product Selection Groups remit

<sup>2</sup> For appropriate procurements falling under the Digital Services remit

**Table 4. Approvals required to commit Trust expenditure – Charitable Funds (Appendix 1, Section 4)**

Whole life costs (VAT exempt)	£0 £10,000	£10,001 £25,000	£25,001 £100,000	£100,001 £500,000	£500,001 upwards
Fund Holder	Yes	Yes	Yes	Yes	
Director of Operational Finance <u>and</u> the Director of Frimley Charity		Yes	Yes	Yes	
Director of Finance / Director of Operational Finance <u>and</u> the Director of People			Yes	Yes	
Charitable Funds Committee				Yes	Yes
Trustees					Yes

**Table 5. Physical Contract signature (Appendix 1, Section 5)**

Whole life costs	£0 £10,000	£10,001 £100,000	£100,001 £500,000	£500,001 upwards
Budget Holder	Yes			
Associate Director Procurement or Director Operational Finance		Yes		
Relevant Executive Director			Yes	
Chief Executive Officer or Director of Finance				Yes

#### APPENDIX 4

### SCHEME OF DELEGATION IMPLIED BY STANDING FINANCIAL INSTRUCTIONS

SFI REF	DELEGATED TO	DUTIES DELEGATED
1.3.6	CHIEF EXECUTIVE (CE)	To ensure all employees and directors, present and future, are notified of and understand Standing Financial Instructions.
1.3.7	DIRECTOR OF FINANCE (DoF)	Responsible for: Implementing the Trust's financial policies and coordinating corrective action and ensuring detailed financial procedures and systems are prepared and documented.
1.3.8	ALL DIRECTORS AND EMPLOYEES	Responsible for security of the Trust's property, avoiding loss, exercising economy and efficiency in using resources and conforming to Standing Orders, Financial Instructions and financial procedures.
1.3.9	DoF	Form and adequacy of financial records of all departments.
2.1.1	AUDIT COMMITTEE	Provide independent and objective view on internal control and probity.
2.2	DoF	Carry out all work to counter fraud and corruption in accordance with NHSEI Directions.
2.3.1	DoF	Investigate any suspected cases of irregularity not related to fraud or corruption and not covered by work to counter fraud and corruption in accordance with NHSEI Directions.
2.4	HEAD OF INTERNAL AUDIT	Review, appraise and report in accordance with NHS Internal Audit Manual and best practice.
2.5	AUDIT COMMITTEE	Ensure cost-effective external audit.
3	CE CE CE DoF DoF DoF	Overall responsibility for business plans and budgets. Delegate budget to budget holders and submit monitoring returns. Ensuring compliance with NHSEI requirements and ensuring adequate system of monitoring. Submit budgets. Monitor performance against budget, submit to Board financial estimates and forecasts. Devise and maintain systems of budgetary control.



## SCHEME OF DELEGATION IMPLIED BY STANDING FINANCIAL INSTRUCTIONS

SFI REF	DELEGATED TO	DUTIES DELEGATED
4	DoF	Annual accounts and reports.
5	DoF	Banking arrangements.
6	DoF	Income systems.
7	CE CE DoF	Negotiating contracts for provision of patient services. Negotiating NHS contracts Regular reports of actual and forecast contract income.
8	BOARD  CE / DIRECTOR OF FINANCE  REMUN. COMMITTEE	Agree terms of reference of Performance and Remuneration Committee  Variation to funded establishment of any department.  Report in writing to the Board its advice and its basis about remuneration and terms of service of directors and senior employees.
8.4	DIR OF PEOPLE	Payroll form and adequacy of payroll records and processes
9.1	CE	Determine, and set out, level of delegation of non-pay expenditure to budget managers.
9.2.3	DoF	Prompt payment of accounts.
9.2.6	CE	Authorise who may use and be issued with official orders.
10	DoF	Advise Board on borrowing and investment needs and prepare procedural instructions.
11	CE / DIRECTOR OF FINANCE	Managing Capital investment programmes
11.1	DoF	Monitoring the capital programme.
11.1.2	FIC	Approval of schemes in the Annual and Capital Plan between £3m and £5m and recommendation to the Board on those not included within the plans.

## SCHEME OF DELEGATION IMPLIED BY STANDING FINANCIAL INSTRUCTIONS

SFI REF	DELEGATED TO	DUTIES DELEGATED
11.3	DOF	Maintenance of asset registers.
11.3.7	LINE OR SENIOR MANAGERS	Use of Trust assets for private use.
11.4.1	CE	Overall responsibility for fixed assets.
11.4.4 / 5	ALL SENIOR STAFF	Responsibility for security of Trust assets including notifying discrepancies to DoF, and reporting losses in accordance with Trust procedure.
12	DOF	Responsible for systems of control over stores and receipt of goods.
12.3	CE	Identify persons authorised to requisition and accept goods from Supplies stores.
13.2	DOF	Prepare procedures for recording and accounting for losses and special payments
14	CE	Responsible for accuracy and security of computerised data.
15.2	CE	Responsible for ensuring patients and guardians are informed about patients' money and property procedures on admission.
16	DOF	Shall ensure each fund held on trust is managed appropriately (subject to the discretion and approval of the Charitable Funds Committee if any).
18	CE	Retention of document procedures
19	CE	Risk management programme
19.3	DoF	Insurance arrangements

## SECTION E

**FRIMLEY HEALTH NHS FOUNDATION TRUST - DETAILED SCHEME OF DELEGATION**

*Delegated matters in respect of decisions which may have a far-reaching effect must be reported to the Chief Executive. The delegation shown below is the lowest level to which authority is delegated. Delegation to lower levels is only permitted with written approval of the Chief Executive who will, before authorising such delegation, consult with other Senior Staff as appropriate. All items concerning Finance must be carried out in accordance with Standing Financial Instructions and Standing Orders.*

*In all cases in the absence of the Chief Executive the Director of Finance may deputise. In the absence of the Director of Finance the Director of Finance's deputy may deputise for the Director of Finance.*

DELEGATED MATTER	AUTHORITY DELEGATED TO	REFERENCE DOCUMENTS
<b>1. Management of Budgets</b>  Responsibility of keeping expenditure within budgets  a) At individual budget level (Pay and Non Pay)  b) At service level  c) For the totality of services covered by Clinical / Executive Director  d) For all other areas:	Budget Manager  Associate Director/ Head of Service  Clinical/Executive Director or Chief Executive  Director of Finance or Appropriate Delegated Manager	SFIs Section 3

DELEGATED MATTER	AUTHORITY DELEGATED TO	REFERENCE DOCUMENTS
<b>2. Maintenance / Operation of Bank Accounts</b>	Director of Finance	SFIs Section 5
<b>3. Non Pay Revenue and Capital Expenditure / Requisitioning / Ordering / Payment of Goods &amp; Services</b>  a) <ul style="list-style-type: none"> <li>up to £25,000</li> <li>up to £50,000</li> <li>up to £100,000</li> <li>from £100,001 to £500,000</li> <li>from £500,001 to <b>£1,000,000</b></li> <li><b>£1m - £3m</b></li> <li><b>£3m to £5m</b></li> <li>Above £5m</li> </ul> b) Non-Pay Expenditure for which no specific budget has been set up and which is not subject to funding under	Budget Manager Associate Directors Directors (inc CIO, Dir of Estates, Dir of Pathology Services, Director of Operational Finance) and Executive Directors  Director of Finance / Nominated deputy CE Chief Executive  Senior Leadership Committee FIC Trust Board  As (a) above for whole life of contract.	SFIs Section 9  In the case of items above £1m this applies to new commitments and does not need to apply to any regular recurrent spend

DELEGATED MATTER	AUTHORITY DELEGATED TO	REFERENCE DOCUMENTS
<p>delegated powers of virement. (Subject to the limits specified above in (a))</p> <p>c) Orders exceeding 12 month period</p> <p>d) All contracts for goods &amp; services and subsequent variations to contracts</p>	<p>As (a) above for whole life of contract</p>	
<p><b>4. Capital Schemes</b></p> <p>a) Selection of architects, quantity surveyors, consultant engineer and other professional advisors within EU regulations</p> <p>b) Financial monitoring and reporting on all capital scheme expenditure</p> <p>c) Granting and termination of leases</p> <p>d) Contract Variations to capital projects</p>	<p>Director of Finance</p> <p>Director of Finance or Nominated Deputy CE</p> <p>Director of Finance</p> <p>See Appendix 5 for full list</p>	

DELEGATED MATTER	AUTHORITY DELEGATED TO	REFERENCE DOCUMENTS
<p><b>5. Quotation, Tendering &amp; Contract Procedures</b></p> <p>a) Waiving of Tenders on competitive quotations subject to SFIs</p> <p>below £500,000</p> <p>£500,000 to £1m</p> <p>£1m to 3m</p> <p>Over £5m</p>	<p>Director of Finance</p> <p>Chief Executive</p> <p>Senior Leadership Committee</p> <p>Trust Board</p>	<p>SFIs Appendix 1 &amp; Standing Orders Section 9 &amp; Annex</p> <p>SFI's Appendix 1</p>
<p><b>6. Setting of Fees and Charges</b></p> <p>a) Private Patient, Overseas Visitors, Income Generation and other patient related services.</p> <p>b) Price of NHS Contracts</p>	<p>Director of Finance</p> <p>Director of Finance</p>	<p>SFIs Section 7</p>

DELEGATED MATTER	AUTHORITY DELEGATED TO	REFERENCE DOCUMENTS
<p><b>7. Engagement of Staff Not On the Establishment</b> <b>Engagement of Staff Not On the Establishment at AD level and above</b></p> <p>a) Engagement of Trust's Solicitors</p> <p>b) Authorising engagement of Bank or Agency Staff</p> <ul style="list-style-type: none"> <li>Medical Locums</li> <li>Nursing</li> <li>Clerical</li> </ul>	<p>AD's / Director of Finance Director of Finance / Chief Exec and Deputy Chief Exec</p> <p>Nominated Executive Director</p> <p>Associate Director and above / Head of Service / Budget Manager Associate Director and above / Head of Service / Budget Manager Associate Director and above / Head of Service</p>	SFIs Section 8
<p><b>8. Expenditure on Charitable and Endowment Funds</b></p> <ul style="list-style-type: none"> <li>Up to £10,000</li> <li>£10,001 to £25,000</li> <li>£25,000 to £100,000</li> </ul>	<p>Fund Holder</p> <p>Director of Operational Finance and the Director of Frimley Charity</p> <p>Director of Finance / Director of Operational Finance and Director of People</p>	SFIs Section 16

DELEGATED MATTER	AUTHORITY DELEGATED TO	REFERENCE DOCUMENTS
<ul style="list-style-type: none"> <li>- £100,001 to £500,000</li> <li>- £500,001 upwards</li> </ul>	<p>Charitable Funds Committee</p> <p>Trustees</p>	
<p><b>9. Agreements/Licences</b></p> <ul style="list-style-type: none"> <li>a) Preparation and signature of all tenancy agreements/licences with staff subject to Trust Policy on accommodation for staff</li> <li>b) Agreements with landlords on behalf of the Trust</li> <li>c) Extensions to existing leases</li> <li>d) Letting of premises to outside organisations</li> <li>e) Approval of rent based on professional assessment</li> </ul>	<p>Accommodation Manager</p> <p>Director of Finance</p> <p>Director of Finance</p> <p>Director of Finance</p> <p>Director of Finance</p>	



DELEGATED MATTER	AUTHORITY DELEGATED TO	REFERENCE DOCUMENTS
<p><b>10. Condemning &amp; Disposal</b></p> <p>a) Items obsolete, obsolescent, redundant, irreparable or cannot be repaired cost effectively</p> <p>i) with current/estimated purchase price &lt;£50</p> <p>ii) with current purchase new price &gt;£50</p> <p>iii) disposal of x-ray films (subject to estimated income of £1,000 per sale)</p> <p>iv) disposal of x-ray films (subject to estimated income exceeding £1,000 per sale)</p> <p>v) disposal of mechanical and engineering plant (subject to estimated income of less than £1,000 per sale)</p> <p>vi) disposal of mechanical and engineering plant (subject to estimated income exceeding £1,000 per sale)</p> <p>vii) any disposals &gt;£5k</p>	<p>Head of Service</p> <p>Associate Director</p> <p>Head of Radiology</p> <p>Head of Radiology and AD</p> <p>Director of Estates</p> <p>Director of Estates</p> <p>Executive Directors inc Director of Estates</p>	<p>SFIs Section 13</p>

DELEGATED MATTER	AUTHORITY DELEGATED TO	REFERENCE DOCUMENTS
<p><b>11. Losses, Write-off &amp; Compensation</b></p> <p>a) Losses and Cash due to theft, fraud, overpayment &amp; others Up to £10,000</p> <p>b) Losses and Cash due to theft, fraud, overpayment &amp; others £10,001 to £50,000</p> <p>c) Losses and Cash due to theft, fraud, overpayment &amp; others over £50,000</p> <p>d) Fruitless Payments (including abandoned Capital Schemes over £50,000)</p> <p>e) Bad Debts and Claims Abandoned. Private Patients, Overseas Visitors &amp; Other</p> <p>f) Damage to buildings, fittings, furniture and equipment and loss of equipment and property in stores and in use due to: Culpable causes (eg fraud, theft, arson) or other</p>	<p>Director of Finance (report to Audit Committee)</p> <p>Chief Executive and Director of Finance (report to Audit Committee)</p> <p>Trust Board</p> <p>Trust Board</p> <p>As a) b) &amp; c) above</p> <p>As a) b) &amp; c) above</p>	<p>SFIs Section 13</p>

DELEGATED MATTER	AUTHORITY DELEGATED TO	REFERENCE DOCUMENTS
<p>g) Compensation payments made under legal obligation, or ex gratia payments for clinical negligence in line with legal advice</p> <p>h) Extra Contractual payments to contractors Up to £50,000</p> <p>i) Ex-Gratia Payments (except clinical negligence in line with legal advice)</p> <p>j) Patients and staff for loss of personal effects</p> <p>k) For clinical negligence up to NHS RESOLUTION Excess Limit (negotiated settlement) in line with legal advice.</p> <p>l) For personal injury claims involving negligence where legal advice has been obtained and guidance applied Up to NHS RESOLUTION Excess Limit</p> <p>m) Other, except cases of maladministration where there was no financial loss by claimant Up to £50,000</p> <p>n) (i) Special severance payment applications which are below £100,000 and/or where the employee earns more than £150,000</p>	<p>Director of Finance</p> <p>Director of Finance</p> <p>As a) b) &amp; c) above</p> <p>Director of Finance</p> <p>As a) b) &amp; c) above</p> <p>Director of Finance</p> <p>Director of Finance</p> <p>Director of People</p>	

DELEGATED MATTER	AUTHORITY DELEGATED TO	REFERENCE DOCUMENTS
(ii) Special severance payment applications which are at or above £100,000 and/or where the employee earns more than £150,000	Ministerial Approval	
<b>12. Reporting of Incidents to the Police</b>  a) Where a criminal offence is suspected i) criminal offence of a violent nature ii) other  b) Where a fraud is involved	AD or Duty Manager   Director of Finance or nominated Local Counter Fraud Specialist (LCFS)	SFIs Section 2 & 13
<b>13. Petty Cash Disbursements</b>  a) Expenditure up to £50 per item  b) Reimbursement of patients' monies	Petty Cash Holder  Petty Cash Holder	SFIs Section 9  SFIs Section 15
<b>14. Receiving Hospitality</b>  Applies to both individual and collective hospitality receipt items. In excess of £50.00 per item received	Declaration required in Trust's Hospitality Register	SFIs Section 17

DELEGATED MATTER	AUTHORITY DELEGATED TO	REFERENCE DOCUMENTS
<b>15. Implementation of Internal and External Audit Recommendations</b>	Appropriate Executive Director	SFIs Section 2
<b>16. Maintenance &amp; Update on Trust Financial Procedures</b>	Director of Finance	SFIs Section 1
<b>17. Investment of Funds (including Charitable &amp; Endowment Funds)</b>	Director of Finance	SFIs Section 16
<b>18. Human Resources &amp; Pay</b>  a) Authority to fill funded post on the establishment with permanent staff.  b) Authority to appoint staff to post not on the formal establishment.  c) <u>Additional Increments</u>	Associate Director/Heads of Service   Chief Executive / Director of Finance / Director of People	SFIs Section 8

DELEGATED MATTER	AUTHORITY DELEGATED TO	REFERENCE DOCUMENTS
<p>The granting of additional increments to staff within budget</p> <p>d) <u>Upgrading &amp; Regrading</u></p> <p>All requests for upgrading/regrading shall be dealt with in accordance with Trust Procedure</p> <p>e) <u>Establishments</u></p> <p>i) Additional staff to the agreed establishment with specifically allocated finance.</p> <p>ii) Additional staff to the agreed establishment without specifically allocated finance.</p>	<p>Director of People or deputy</p> <p>Director of People or deputy</p> <p>Chief Executive / Director of People / Director of Finance</p> <p>Chief Executive / Director of People / Director of Finance</p>	
<p>f) <u>Pay</u></p> <p>i) Authority to complete standing data forms effecting pay, new starters, variations and leavers</p> <p>ii) Authority to complete and authorise positive reporting forms</p> <p>iii) Authority to authorise overtime</p>	<p>HR Advisor</p> <p>Associate Director/Head of Service</p> <p>Associate Director/Head of Service</p>	

DELEGATED MATTER		AUTHORITY DELEGATED TO	REFERENCE DOCUMENTS
iv)	Authority to authorise travel & subsistence expenses	Associate Director/Head of Service/Budget Manager	
v)	Approval of Performance Related Pay Assessment (not Executive Directors)	Executive Directors / Chief Executive	
g)	<u>Leave</u>		Special Leave Policy
i)	Approval of annual leave	Line/Departmental Manager	
ii)	Annual leave - approval of carry forward (up to maximum of 3 days or in the case of Ancillary & Maintenance staff as defined in their initial conditions of service).	Line/Departmental Manager	
iii)	Annual leave - approval of carry over in excess of 3 days but less than 10 days.	Executive Director	
iv)	Annual leave - approval to carry forward 10 days or more.	HR Director	
v)	Special leave arrangements	Associate Director/Head of Service and Director of People in certain circumstances	

DELEGATED MATTER	AUTHORITY DELEGATED TO	REFERENCE DOCUMENTS
<p>h) <u>Sick Leave</u></p> <p>i) Extension of sick leave on half pay up to three months</p> <p>ii) Return to work part-time on full pay to assist recovery</p> <p>iii) Extension of sick leave on full pay</p>	<p>Executive Director in conjunction with Director of People</p> <p>Executive Director in conjunction with Director of People</p> <p>Director of People or Chief Executive</p>	
<p>i) <u>Study Leave</u></p> <p>i) Study leave outside the UK</p> <p>ii) All other study leave (UK)</p>	<p>Chief Executive</p> <p>General Manager/Head of Service/Executive Director</p>	



DELEGATED MATTER	AUTHORITY DELEGATED TO	REFERENCE DOCUMENTS
<p>j) <u>Removal Expenses, Excess Rent and House Purchases</u></p> <p>Authorisation of payment of removal expenses incurred by staff taking up new appointments (providing consideration was promised at interview) per the policy</p> <p>i) up to £5,000</p> <p>ii) over £5,000</p>	<p>Deputy HR Director / Head of Employee Services</p> <p>Director of People</p>	
<p>k) <u>Grievance Procedure</u></p> <p>All grievances cases must be dealt with strictly in accordance with the Grievance Procedure and the advice of a Human Resources staff must be sought when the grievance reaches the level of General Manager</p>	<p>Director of People</p>	<p>Trust Grievance Procedure</p>
<p>l) <u>Authorised Car &amp; Mobile Phone Users</u></p> <p>Requests for new posts to be authorised as car users</p> <p>Requests for new posts to be authorised as mobile telephone users</p>	<p>Associate Director</p> <p>Associate Director</p>	

DELEGATED MATTER	AUTHORITY DELEGATED TO	REFERENCE DOCUMENTS
m) <u>Entering into Fixed Term Contract</u>	Director of People or their deputy	
n) <u>Staff Retirement Policy</u>  Authorisation of extensions of contract beyond normal retirement age in exceptional circumstances	Associate Director	Retirement Policy
o) <u>Redundancy</u>	Director of People	Redundancy Policy
q) <u>Dismissal</u>	Dismissing Staff	Disciplinary Procedures
<b>19. Authorisation of New Drugs</b>  a) Estimated total yearly cost up to £25,000  b) Estimated total yearly cost between £25,001 and £100,000	Frimley Health Area Prescribing Committee  Medical Director	SFI's Section 9
<b>20. Authorisation of Sponsorship deals</b>		

DELEGATED MATTER	AUTHORITY DELEGATED TO	REFERENCE DOCUMENTS
	Chief Executive, Medical Director, or Director of Finance	
<b>21. Authorisation of Research Projects</b>	Chief Executive, Medical Director or Director of Finance, the research having already been approved by the Health Research Authority (HRA) and NHS Research Ethics Committee as appropriate (national/regional bodies)	
<b>22. Authorisation of Clinical Trials</b>	Chief Executive or Medical Director, the trial having already been approved by the Health Research Authority (HRA) and NHS Research Ethics Committee as appropriate (national/regional bodies)	
<b>23. Insurance Policies and Risk Management</b>	Chief Executive & Director of Finance	SFIs Section 19
<b>24. Patients &amp; Relatives Complaints</b> a) Overall responsibility for ensuring that all complaints are dealt with effectively  b) Responsibility for ensuring complaints relating to a directorate are investigated thoroughly.	Chief of Nursing & Midwifery   Associate Director/Head of Service/Executive Director	

DELEGATED MATTER	AUTHORITY DELEGATED TO	REFERENCE DOCUMENTS
c) Medico - Legal Complaints Coordination of their management.	Associate Director/Head of Service/Executive Director	
<b>25. Relationships with Press</b>  a) Non-Emergency General Enquiries <ul style="list-style-type: none"> <li>Within Hours</li> <li>Outside Hours</li> </ul> b) Emergency <ul style="list-style-type: none"> <li>Within Hours</li> <li>Outside Hours</li> </ul>	Media and Communications Staff  Admin on Call or Executive Director   Chief Executive or Executive Director  Admin on Call or Executive Director	
<b>26. Infectious Diseases &amp; Notifiable Outbreaks</b>	Admin on Call or Control of Infection Lead	



DELEGATED MATTER	AUTHORITY DELEGATED TO	REFERENCE DOCUMENTS
<p><b>29. Facilities for staff not employed by the Trust to gain practical experience</b></p> <p>Professional Recognition, Honorary Contracts &amp; Insurance of Medical Staff.</p> <p>Work experience students</p>	<p>Director of People</p> <p>Director of People</p>	
<p><b>30. Review of fire precautions</b></p>	<p>Director of Estates &amp; Facilities</p>	
<p><b>31. Review of all statutory compliance legislation and Health and Safety requirements including control of Substances Hazardous to Health Regulations</b></p>	<p>Head of Facilities/Director of Finance</p>	
<p><b>32. Review of Medicines Inspectorate Regulations</b></p>	<p>Chief of Nursing &amp; Midwifery</p>	
<p><b>33. Review of compliance with environmental regulations, for example those relating to clean air and waste disposal</b></p>	<p>Clinical Director / Director of Finance</p>	
<p><b>34. Review of Trust's compliance with the Data Protection Act</b></p>	<p>Chief Executive</p>	

DELEGATED MATTER	AUTHORITY DELEGATED TO	REFERENCE DOCUMENTS
35. Monitor proposals for contractual arrangements between the Trust and outside bodies	Chief Executive	
36. Review the Trust's compliance with the Access to Records and Freedom of Information Acts	Chief Executive	
37. Review of the Trust's compliance code of Practice for handling confidential information in the contracting environment and the compliance with "safe haven" per EL 92/60	Chief Executive	
38. The keeping of the Register of Directors' Interests.	Company Secretary	SOs Section 6
39. Attestation of sealings in accordance with Standing Orders	Chief Executive	SOs Section 12
40. The keeping of a register of documents sealed.	Company Secretary	SOs Section 12
41. The keeping of the Hospitality Register	Chief Executive	

DELEGATED MATTER	AUTHORITY DELEGATED TO	REFERENCE DOCUMENTS
<b>42. Retention of Records</b>	Chief Executive	SFIs Section 18
<b>43. Clinical Audit</b>	Chief Executive	SFIs Section 19



## Appendix 5

### Delegated Authority for approval of contract variations for capital projects

Any contract variation with clinical or operational implications is to be recommended by the Clinical & Operational workstream or the workstream lead

Value of Variation	Approval process
£0 - £10k	Associate Director Capital and P21+ Project Director to approve – then report back to next Steering Group meeting. Where cumulative value of variations within month exceeds £10k, approval to be sought from Director of Estates and Facilities.
£10 - £50k	Director of Estates and Facilities to approve – then report back to next Steering Group meeting. Where cumulative value of variations within month exceeds £50k, approval to be sought from SRO and Director of Finance
£50 - £100k	SRO and Director of Director of Finance to approve at Steering Group meeting.
£100 – £500k	Finance Director and/or CE to approve – upon recommendation of Steering Group
£500k - £1,500k	Finance and Investment Committee (FIC) to approve – upon recommendation of Steering Group
£1,500k +	Trust Board to approve – upon recommendation of FIC

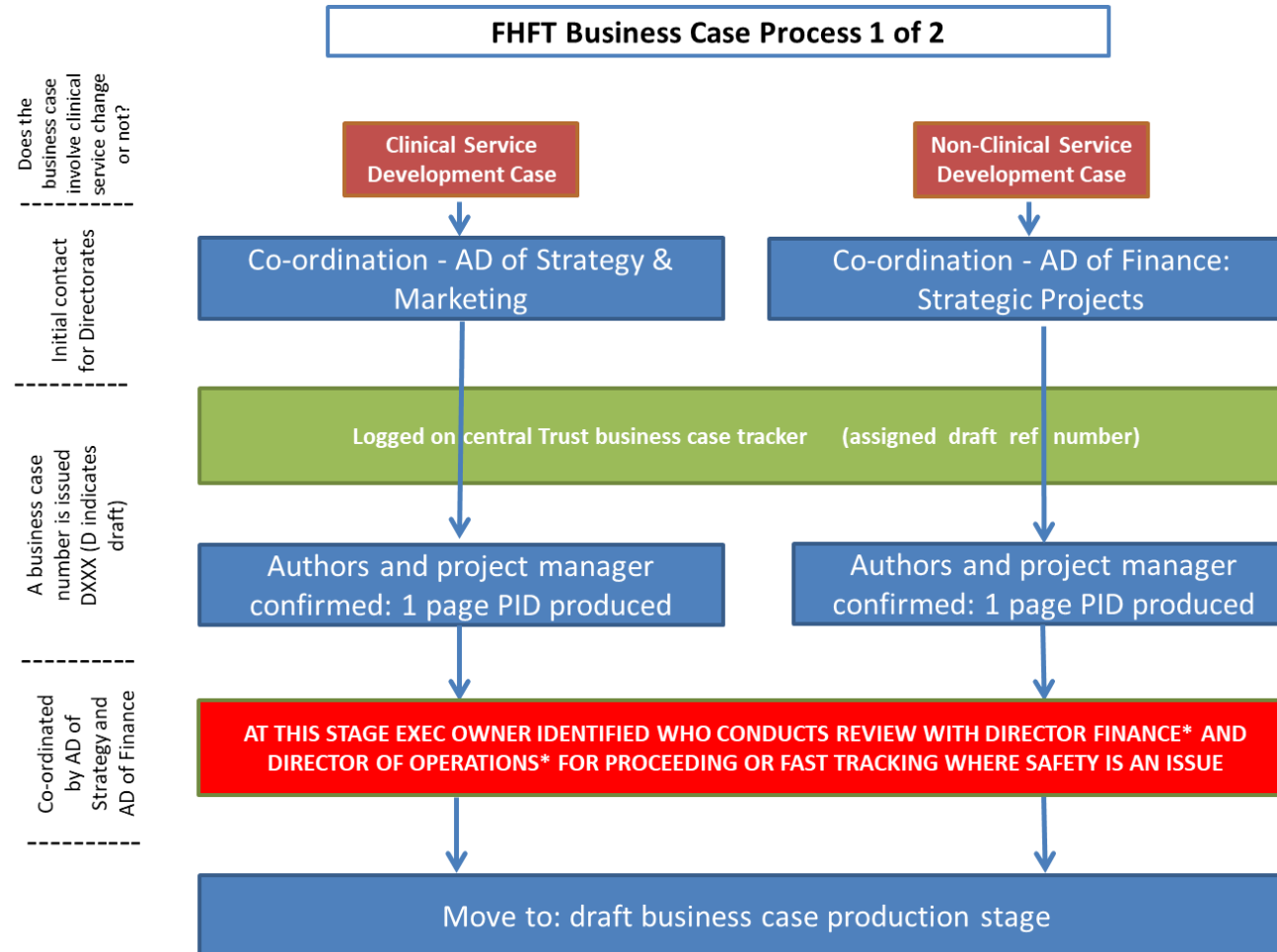
## Appendix 6

### Investment Case Guidance and Process Flowchart (1 of 3)

#### Guiding principles for all Business Cases

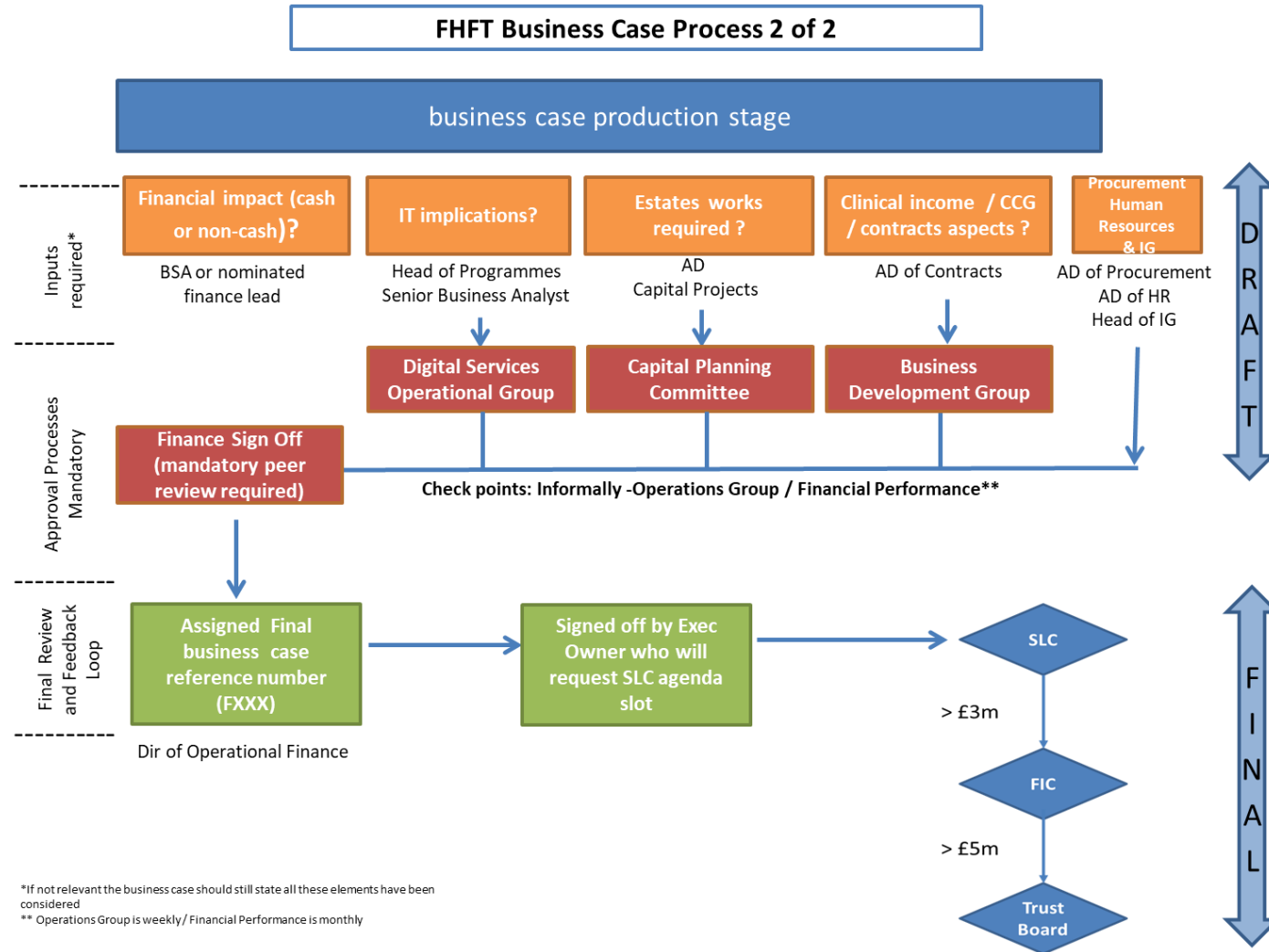
- Writers/proposers of business cases will need an Executive Sponsor who will present your case to SLC.
- It is helpful to talk to identify and talk to your Executive sponsor early in the process to help you understand if your business case fits the priorities of the Trust and has a realistic chance of being supported by the SLC.
- Once your Executive sponsor has been identified and they have shown support for the case, you will need to submit any cases or queries you have to the Business Development Team through Danny Bailey or Nick Reynolds, who will be able to help and advise you through the process
- The case will need to a sustainable prospect for the Trust. It is therefore critical that proposers can identify where any cost savings identified in the case will be physically released from the Trust cost base i.e. The type of resource and budget codes within which it sits, or the income stream identified to fund the proposed case.
- Cases that are aimed at addressing a key safety or a quality issue (even if not cash releasing) will be considered by the SLC and prioritised and approved accordingly.
- Although the business case process for capital investment is different, any revenue costs associated with the capital bid needs to be captured on the business case template and follow the attached process.
- All cases need to have a QIA and EIA completed prior to being submitted to BDG. Any risks need to be highlighted in the Improving Quality section of the 'linking with our strategic ambitions' section of the business case template.

## Investment Case Guidance and Process Flowchart (2 of 3)



\* Or deputies

## Investment Case Guidance and Process Flowchart (3 of 3)



## Appendix 7

# HM Treasury Guidance on Public Sector Exit Payments: Use of Special Severance Payments

### HM Treasury Guidance on Public Sector Exit Payments: Use of Special Severance Payments

The May 2021 guidance sets out the criteria the Trust must consider before making special severance payments, the control process and the transparency requirements.

Special Severance Payments are any payments on termination of employment which do not correspond to an established contractual, statutory or other right (for example, statutory and contractual redundancy pay or untaken annual leave). Some examples of the types of payment which are likely to constitute special severance payments include any payment reached under a settlement agreement, write-offs of outstanding loans and special leave such as gardening leave.

Special severance payments should be exceptional rather than routine. The Director of People or Deputy will be responsible for ensuring that all relevant internal policies and procedures have been followed and all alternative actions have been fully explored and documented before an application is made for a special severance payment. They must also ensure that arrangements for special severance payments are fair, proportionate and lawful.

The process for applying for a special severance payment to HM Treasury is as follows:

- The Director of People or Deputy (the sponsor) will be responsible for ensuring the Annex A proforma in the HM Treasury guidance is completed.
- The Director of People or Deputy (the sponsor) will submit the completed proforma to the Director of Finance or Deputy for approval.
- Upon approval, the Director of People or Deputy will send proforma to the HM Treasury spending team for assessment.
- HM Treasury spending team will notify the sponsor of the outcome in writing.

Ministerial approval is required for special severance payment applications which are at or above £100,000 and/or where the employee earns more than £150,000. In these cases, the Chief Executive or Chair will be the sponsor, with support of Director of People or Deputy as required.

No offers of special severance payments should be made before HM Treasury approval is received in writing.

In the case of settlement agreements, applications will only be approved by HM Treasury where the Trust demonstrates attempts have been made to resolve the dispute without recourse to a special severance payment and either legal advice recommends settling the claim or there is a clearly evidenced value for money case not to adopt the Government's default approach and settling is clearly the best course of action.

#### NHSE/I Guidance on Special Payments

On 19<sup>th</sup> April 2021, NHSE/I instructed Trusts to provide detail of any special payments which are above £95,000 and/or which could be classified as novel, contentious or could cause repercussions elsewhere in the public sector ('NCR'). The letter is attached. The detail of the special payments should be submitted to [ENGLAND.assurance@nhs.net](mailto:ENGLAND.assurance@nhs.net) prior to payment being made. The Director of People or Deputy should send details of the payment to NHSE/I when the Annex A proforma is issued to HM Treasury spending team.