

STANDING FINANCIAL INSTRUCTIONS

2024

Final

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
5.0	June 24	<ul style="list-style-type: none"> • Amendments to replace reference to Senior Leadership Committee with Trust Management Board • Scheme of Delegation section 3 amended to require CEO written approval for unbudgeted non-pay expenditure • Amendments to Appendix 2 	Final	

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 Chief Financial Officer who can delegate as appropriate.

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 Chief Financial Officer.
- 1.1.4 Should any difficulties arise regarding the interpretation or application of any of the SFIs then the advice of the Chief Financial Officer **MUST BE SOUGHT BEFORE ACTING**. The user of these SFIs should also be familiar with and comply with the provisions of the 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) “**Chief Financial Officer**” 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 England (NHSE)”** 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 NHSE 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, Chief Financial Officer, 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 Chief Financial Officer 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. This empowerment must be explicitly documented and retained by the Chief Executive.
- 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 Chief Financial Officer.
- 1.3.9 The Chief Financial Officer will be responsible for implementing the Trust's financial policies and coordinating corrective action and ensuring detailed financial procedures and systems are prepared and documented.

2. AUDIT

The Trust shall comply with the directions of NHSE 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 NHSE) 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 Chief Financial Officer 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.

2.1.4 The Audit Committee shall appoint the Internal Auditors.

2.2 FRAUD, BRIBERY and CORRUPTION

2.2.1 In line with their responsibilities, the Chief Executive and Chief Financial Officer 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 Chief Financial Officer 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 will nominate a suitable person to carry out the duties of the Local Counter Fraud Specialist, as specified by the NHS Counter Fraud Authority. The Trust will also appoint a Local Counter Fraud Champion (an internal employee) to support the Chief Financial Officer and the Counter Fraud Specialist in their responsibilities.

2.2.4 The Chief Financial Officer 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 Chief Financial Officer 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 Chief Financial Officer and shall work with NHS Counter Fraud Authority as required.
- 2.2.7 The Local Counter Fraud Specialist and the Chief Financial Officer 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 Chief Financial Officer 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 Chief Financial Officer must, subject to any 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 Chief Financial Officer must also prepare a "fraud response plan" that sets out the action to be taken both by persons detecting a suspected fraud and 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 Chief Financial Officer or the Local Counter Fraud Specialist, who will then inform the Chief Financial Officer and/or Chief

Executive. Where a criminal offence is suspected, the Chief Financial Officer 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 Chief Financial Officer must immediately notify:

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

2.3 CHIEF FINANCIAL OFFICER

2.3.1 The Chief Financial Officer 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 Chief Financial Officer 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 Chief Financial Officer 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 Chief Financial Officer. The reporting system for internal audit shall be agreed between the Chief Financial Officer, the Audit Committee and the Head of Internal Audit. The agreement shall be in writing and shall comply with the guidance on reporting contained in the *NHS Internal Audit Manual*.

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 NHSE 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 NHSE 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 NHSE 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 NHSE 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 NHSE. 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 NHSE within 30 days (or such shorter period as NHSE 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 Chief Financial Officer 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 NHSE. This information will be prepared by the Directors, who must have regard to the views of the Council of Governors.
- 3.1.2a The Annual Plan should be underpinned by the 5 year strategic plan prepared by the Director of Strategy and presented to the Board of Directors for approval by the Chief Executive.
- 3.1.3 At the start of the financial year the Chief Financial Officer 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 Chief Financial Officer shall monitor financial performance against budget and business plan, periodically review them and report to the Board.
- 3.1.5 Staff shall provide the Chief Financial Officer with information as necessary for the compilation of such budgets, plans, estimates and forecasts.
- 3.1.6 The Chief Financial Officer 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 Chief Financial Officer 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 Chief Financial Officer 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 projects 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 Chief Financial Officer'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 Chief Financial Officer;
- (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 Chief Financial Officer 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 must first be recommended by the business Development Group that is chaired by the Chief of Strategy, shown in 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 Chief Financial Officer 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 Chief Financial Officer, on behalf of the Trust, will:

- (a) keep accounts, and in respect of each financial year must prepare annual accounts, in such form as NHSE may, with the approval of the Treasury, direct;
- (b) ensure that, in preparing annual accounts, the Trust complies with any directions given by NHSE 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 NHSE.

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 NHSE. 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 NHSE.

5. BANK ACCOUNTS

5.1 GENERAL

5.1.1 The Chief Financial Officer 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 Chief Financial Officer 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 Chief Financial Officer 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 Chief Financial Officer 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 Chief Financial Officer shall open any bank account in the name of the Trust.

5.4 TENDERING AND REVIEW

5.4.1 The Chief Financial Officer 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 Chief Financial Officer 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 Chief Financial Officer 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 NHSE's authorisation and as stated in the Constitution.

6.2 FEES AND CHARGES

- 6.2.1 The Chief Financial Officer 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 Chief Financial Officer promptly of money due arising from transactions which they initiate/deal with, including all contracts, leases, tenancy agreements, private patient undertakings and other transactions.

6.3 DEBT RECOVERY

- 6.3.1 The Chief Financial Officer 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 Chief Financial Officer 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 Chief Financial Officer.
- 6.4.4 The holders of safe keys shall not accept unofficial funds for depositing in their safes.
- 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 Chief Financial Officer.
- 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 Chief Financial Officer.
- 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), the Clearing House Automated Payment System (CHAPS), or by crossed cheque and drawn in accordance with these instructions, except with the agreement of the Chief Financial Officer, 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 Chief Financial Officer 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.
- 7.3 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.
- 7.4 The Chief Financial Officer shall produce regular reports detailing actual and forecast contract income with a detailed assessment of the impact of the variable elements of income.
- 7.5 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 for Executive Directors and senior staff above the Agenda for Change pay scales (ie VSM staff).

8.1.2 The remuneration and allowances to the Chair and Non-Executive Members of the Board will be determined by the Council of Governors in accordance with the Foundation Trust Constitution and guidance issued by NHS England.

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 written 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 their 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) complying 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 national NHS terms and conditions.

8.4 PROCESSING OF PAYROLL

8.4.1 The Chief People Officer shall maintain procedural instructions for delivery of the Trust's payroll function. These procedures shall be compliant with employment legislation, the Data Protection Act and HM Revenues and Customs regulations.

8.4.2 The Chief People Officer 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;
- e) maintaining and enforcing the Trust's under and overpayments policy and seeking to recover any overpayments in line with that policy.

8.4.3 The Chief People Officer will issue instructions regarding:

- (a) verification and documentation of data, including time records where appropriate;
- (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 Chief People Officer;
- (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.

8.4.4 The Chief Financial Officer will issue instructions regarding the maintenance of regular and independent reconciliation of pay control accounts.

8.4.5 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 Chief People Officer's instructions and in the form prescribed by the Chief People Officer;
- (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 Chief People Officer must be informed immediately.
- (d) ensuring all staff absences are appropriately authorised. In the event of unauthorised absence, the line manager is responsible for notifying payroll services to ensure payment for unauthorised absence is prevented or recovered.
- (e) submitting all employee-related updated promptly to avoid under or overpayment and to ensure that staff records are accurate and up to date for their area of responsibility. These requirements include, but are not limited to, new starters, changes to contract, and leavers.
- (f) ensuring all time and attendance records, expense claims and other such notifications are appropriately checked and agreed as accurate before authorisation is given.
- (g) ensuring that all rostering systems for their area of responsibility are accurately maintained, in accordance with Trust policy, to ensure correct and timely payments are made to appropriate staff.

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

8.4.7 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.

8.5 **CONTRACTS OF EMPLOYMENT**

8.5.1 The Chief People Officer 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 and NHS and local terms and conditions of service;

(b) dealing with variations to, or termination of, contracts of employment.

(c) The Chief People Officer 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)

8.6 **Use of Self-Employed Management Consultants and Contractors**

8.6.1 The Chief People Officer shall establish procedures to ensure that the Trust's interests are protected in the contractual arrangements entered into with self-employed consultants and contractors.

8.6.1a These procedures shall be compliant with NHSE caps and authorisation process for employing such staff.

8.6.1b These procedures shall ensure that the contractual arrangements do not contravene HM Revenues and Customs' requirements regarding the avoidance of tax and national insurance contributions through the use of intermediaries, such as service companies or partnerships, known as Intermediaries Legislation, or 'IR35'.

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

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 **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 Chief Financial Officer 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 Chief Financial Officer 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 Chief Financial Officer of accounts for payment; provision shall be made for the early submission of accounts subject to cash discounts or otherwise requiring early payment.
- (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 NHSE 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 Chief Financial Officer 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 Chief Financial Officer;
- (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 Chief Financial Officer 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 Chief Financial Officer in advance of any commitment being made;
- (b) contracts above specified thresholds are advertised and awarded in accordance with UK law on public procurement;
- (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 Chief Executive (or their delegated officer);
- (f) all goods, services, or works are ordered on an official order, either in hard copy or electronic media. The only exception to this are requests for works and services executed in accordance with a contract or purchases from petty cash or purchases via a purchasing card, all of which will be pre-approved by the Chief Financial Officer;
- (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". Verbal ordering must be recorded and reported to the audit committee. 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 Chief Financial Officer
- (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 Chief Financial Officer;
- (k) purchases from petty cash are restricted in value and by type of purchase in accordance with instructions issued by the Chief Financial Officer;
- (l) petty cash records are maintained in a form as determined by the Chief Financial Officer.

9.2.8 The Chief Financial Officer 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 Chief Financial Officer or their nominated deputy prior to agreement, to enable insurance issues and technical accounting treatment to be determined. The technical accounting review will determine whether the proposed agreement is within scope of IFRS16 and applicable revenue and/or capital accounting entries. All agreements must be within available revenue or capital budgets.

9.3.2 All lease agreements must be signed on behalf of the Trust by the Chief Financial Officer (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 Trust Management Board. 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 Chief Financial Officer 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 Chief Financial Officer 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 Chief Financial Officer 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 Chief Financial Officer or by staff so delegated by the Board.

10.1.5 The Chief Financial Officer 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 Chief Financial Officer.

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 Chief Financial Officer 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 Chief Financial Officer 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 Chief Financial Officer. All contracts must be signed on behalf of the Trust by the Chief Financial Officer (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 Chief Financial Officer 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 Chief Financial Officer 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 Chief Financial Officer 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 Chief Financial Officer concerning the form of any register and the method of updating, and arranging for a physical check of assets against the asset register to be conducted once a year.
- 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 Chief Financial Officer 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 Chief Financial Officer. 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 Chief Financial Officer.

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

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 Chief Financial Officer who will take the appropriate action.

13.2 LOSSES AND SPECIAL PAYMENTS

13.2.1 The Chief Financial Officer 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 Chief Financial Officer. Where a criminal offence is suspected, the Chief Financial Officer 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 Chief Financial Officer.

13.2.3 For losses apparently caused by theft, arson, neglect of duty or gross carelessness, except if trivial, the Chief Financial Officer 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 Chief Financial Officer shall take any necessary steps to safeguard the Trust's interests in bankruptcies and company liquidations.

13.2.6 For any loss, the Chief Financial Officer should consider whether any insurance claim can be made against insurers.

13.2.7 The Chief Financial Officer 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 digital 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 digital operations are separated from development, maintenance and amendment;
 - (d) ensure that an adequate management audit trail exists through our digital systems (including those obtained by external agency arrangements) and that such digital audit reviews as he/she may consider necessary are being carried out.
 - (e) ensure the Trust has a Data Protection lead.
- 14.2 The Chief Financial Officer 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 Chief Financial Officer shall ensure that contracts for digital 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 digital service for financial applications, the Chief Financial Officer shall periodically seek assurances that adequate controls are in operation.
- 14.5 Where digital 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 the Digital Strategy;
 - (b) data produced for use with financial systems is adequate, accurate, complete and timely, and that a management (audit) trail exists;
 - (c) Chief Financial Officer staff have access to such data;

- (d) such digital audit reviews as are considered necessary are being carried out;
- (e) any changes to such systems shall be notified to and approved by the Chief Financial Officer;
- (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 Chief Operating Officer 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 Chief Financial Officer 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 Chief Financial Officer 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 Chief Financial Officer 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 Chief Financial Officer 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 Chief Financial Officer 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 Chief Financial Officer 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 Chief Financial Officer 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 Chief Financial Officer, 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 Communications and Engagement 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 Chief Financial Officer 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 Chief Financial Officer 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 Chief Financial Officer 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 Chief Financial Officer 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 Chief Financial Officer 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 Chief Financial Officer 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 Chief Financial Officer 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 Chief Financial Officer 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 Chief Financial Officer 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 Chief Financial Officer 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 Chief Financial Officer 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 Chief Financial Officer 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 Chief Financial Officer 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 Chief Financial Officer 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 , 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 are prohibited from 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 Chief Financial Officer.

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 authorisation 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 expected to be between £10,000 and £50,000 including applicable VAT.

The lowest compliant quotation should be accepted, unless in exceptional circumstances when the requestor can demonstrate sufficient value for money in the higher priced quotation. In these circumstances, the decision making must be documented on the requisition and agreed with the Associate Director of Procurement or nominated deputy.

In such a process the lowest price quote should be accepted unless explicitly agreed with the Chief Financial Officer, through presentation of a formal business case.

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 must 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. Where third parties are engaged to provide procurement support, this engagement must be under the direction of the Associate Director of Procurement or a nominated deputy.

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 are estimated to exceed £10,000, 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.

2.2.5 Where the lowest price offer is not being recommended a formal approval from the Chief Financial Officer is required, through a written case.

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 website.
- 2.3.2 In exceptional circumstances where the above is 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, subject to the exemptions detailed in 2.4.5. This requirement may, in exceptional circumstances, be waived.
- 2.4.2 A waiver represents exposure of financial risk to the organization and in all circumstances must first be agreed by the Board Member who has budget responsibility and then the Chief Financial Officer. The Waivers must be regularly reported to the Audit Committee for scrutiny.

The use of a competitive procurement exercise may be waived under the following circumstances, on application from the relevant Board Director based and approval of a waiver by the Chief Financial Officer:

- a. there is only one supplier and no reasonably satisfactory alternative product/service;
- b. competition would not be possible due to time constraints in unforeseen circumstances;
- c. the work for practical reasons must be of the same manufacturer, for instance repairs/spare parts for existing equipment;

In regard to the sole supplier justification (point a above). This is not to be used as a reason for the continued use of an existing supplier, but only where there is justified specialist expertise that is only available from one source.

In regard to time constraints a failure to plan is not a reason for unforeseen circumstances

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.

2.4.3 Contracts can be awarded through a direct award process via a national or local framework agreement, without the need to produce a waiver, but this is at the discretion of the Associate Director of Procurement or a nominated deputy. In reviewing the use of a direct award approach, the following tests will be applied:

- a) Does the framework agreement allow for direct awards?;
- b) Does the Trust's requirement meet the pre-requisites for direct award within the framework being used?;
- c) Can the Trust demonstrate value for money in taking the direct award approach, as opposed to running a competition within the framework agreement?

2.4.4 Waivers should be approved prior to placing a requisition on the Trust's e-procurement system. Waiver copies and associated documentation should be attached to the e-procurement requisition.

2.4.5 The competitive sourcing and associated waiver requirements, contained within these SFIs, do not apply in the following unique exemptions:

- Where the specific requirement has already been competitively procured via a national or regional Procurement body on behalf of the Trust
- NHS Provider to NHS Provider contracts, where the award has been compliant with relevant UK legislation.
- Where there is only one possible supplier to provide goods/services in relation to an existing Trust owned asset (e.g., configuration work on an IT system or spare parts for a medical device), subject to the Trust being compliant with UK public sector procurement legislation
- Council Rates and Tax
- Planning Permission Fees
- Property Rental and Leases
- Nationally mandated or statutory payments, such as those to NHS Resolution and HMRC
- Memberships/subscriptions to national accrediting / auditing bodies, such as those with National Joint Registry and Care Quality Commission.
- Services from other public sector partners as part of the Trust's membership of a partnership arrangement (e.g., BSPS)

- Where the spend is dictated by patient choice (e.g., Optician dispensing vouchers)
- Losses and compensation payments

These exemptions are subject to periodic review and amendment via the Trust's Chief Finance Officer.

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

2.6 BREACHES TO COMPETITIVE PROCUREMENT REQUIREMENTS

In circumstances where the Trust has committed itself to expenditure, through the written commissioning of works or the acceptance of goods, without following the competitive procurement instructions contained within this Policy then a Breach form will need to be completed. The purpose of this form is to document the failure to follow the correct process and to capture any relevant learning.

Breaches will be reported in the same manner as waivers.

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 direct 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**. For contracts of a strategic nature, or where the contract value is expected to exceed £3m, the procurement strategy will need approval from the Trust Management Board , regardless of whether existing budget is in place.

4.0 APPROVALS REQUIRED TO COMMIT THE TRUST TO EXPENDITURE

- 4.1 Approval for expenditure is summarised 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 contract award 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. All contract awards shall be approved in line with the full potential value of the contract, including extensions. Subsequent extensions to the contract shall be approved in accordance with the financial value of the extension. The Associate Director of Procurement, or nominated deputy, shall be consulted in all contract award papers.
- 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 Chief Financial Officer 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 Chief Financial Officer.

- 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.

- 5.6 The Trust operates a no-purchase order no pay policy. Within the exception of a narrow scope of expenditure, all non-pay spend should be against pre-approved purchase orders raised on the Trust's e-procurement system. The full details of this procedure and agreed exemptions, are contained within the Trust's Procurement Policy.

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 (same manufacturer), verified by Procurement. Waiver signed off by Chief Financial Officer	Signed off by Chief Financial Officer
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 and signed off by Chief Financial Officer	Signed off by Fund Holder, Director of Operational Finance, Director of Frimley Charity, Chief Financial Officer Chief People Officer.
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 Chief Financial Officer

APPENDIX 2. HIERARCHY OF DELEGATED BUDGETARY AUTHORITY

Budgets Authorised	(£) Limit	Minimum level of Staff
Virement between non-pay budget lines within same Directorate	Up to 100k	Budget holder with authorisation from Head of Management Accounts
	Above £100k but less than £250k	Budget holder with authorisation from the Director operational Finance
	Above £250k but below £1000k	Budget holder with authorisation from the Deputy Chief Financial Officer
	Above £1000k	The Chief Financial Officer
Virement between pay budget lines within same Directorate	Up to 100k	Budget holder with authorisation from Head of Management Accounts
	Above £100k but less than £250k	Budget holder with authorisation from the Director operational Finance
	Above £250k but below £1000k	Budget holder with authorisation from the Deputy Chief Financial Officer
	Above £1000k	The Chief Financial Officer

Virements between Directorates always require Chief Financial Officer approval

Pay Expenditure Delegated Limits

	In Authorised Budget	Not in Budget
Commitment to incur costs as a result of a contract of employment (including temporary contracts), existing budgeted post	AD or Head of Service per Appendix £, table 3 (with reference to authorised establishment)	CFO & CEO & CPO
Commitment to incur costs as a result of a contract of employment (including temporary contracts), new post	Chief Financial Officer and Chief Executive and Chief People Officer (by authorising change to establishment)	Chief Financial Officer and Chief Executive and Chief People Officer (by authorising change to establishment)
Commitment to incur costs via Consultancy	< £10k Budget Holder, > £10k CFO	CFO
Commitment to incur costs via Agency	Budget holder / AD per Appendix 3, table 3	CEO (or delegated officer)

[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 £50,000 by the Director of Communications & Engagement], above this level requires Chief financial officer approval.

Non-Pay Expenditure Delegated Limits

	In Authorised Budget	Not in Budget
Non-pay	As per Appendix 3, table 3	CEO (or delegated officer)

Note that any likely overspending or reduction in income which cannot be met by virement must have CFO consent, then CEO approval.

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 £139,688*	£139,688* and above
No formal activity	Yes			
Minimum Three Written Quotations or Compliant Use of Framework		Yes		
Full Tendering Process or compliant use of framework			Yes	
Full Tendering Process or Use of Framework Compliant with UK Law				Yes

* Tender thresholds as described in UK Law. Prevailing Threshold value currently £139,688 for Goods and Services and £5,372,609 for Works.

Table 2. Authority to Waiver (Appendix 1, Section 5)

Whole life costs (inc VAT)	£10,001 £500,000	£500,001 £1m	£1m £3m	£3m and above
Chief Financial Officer	Yes			
Chief Executive Officer		Yes ¹		
Trust Management Board			Yes	
Trust Board				Yes

¹ 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 commence¹ and commit Trust expenditure - Revenue or Capital (Appendix 1, Section 3 and 4)²

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*
Chief Financial Officer				Yes	Yes*	Yes*	Yes*	Yes*
Chief Executive					Yes	Yes*	Yes*	Yes*
Trust Management Board						Yes	Yes*	Yes*
FIC (Finance Investment Committee)							Yes	Yes*
Trust Board								Yes

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

^{2*} Denotes that 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.

For clarity for the additional approvals required for expenditure not in budget, see Appendix 2 above.

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 ¹	Yes ¹			
Digital Services Operation Group	Yes ²	Yes ²			

¹ For appropriate procurement falling under the Product Selection Groups remit

² 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	
Chief Financial Officer / Director of Operational Finance <u>and</u> the Director of Communications and Engagement			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 Chief Financial Officer				Yes

APPENDIX 4

SCHEME OF DELEGATION IMPLIED BY STANDING FINANCIAL INSTRUCTIONS

SFI REF	DELEGATED TO	DUTIES DELEGATED
1.3.5	CHIEF EXECUTIVE (CE)	To ensure all employees and directors, present and future, are notified of and understand Standing Financial Instructions.
1.3.9	CHIEF FINANCIAL OFFICER (CFO)	Responsible for: Implementing the Trust's financial policies and coordinating corrective action and ensuring detailed financial procedures and systems are prepared and documented.
1.3.6	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.
1.3.8	CFO	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	CFO	Carry out all work to counter fraud and corruption in accordance with NHSE Directions.
2.3.1	CFO	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 NHSE 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 CFO CFO CFO	Overall responsibility for business plans and budgets. Delegate budget to budget holders and submit monitoring returns. Ensuring compliance with NHSE 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.
4	CFO	Annual accounts and reports.
5	CFO	Banking arrangements.
6	CFO	Income systems.
7	CE	Negotiating contracts for provision of patient services.

SCHEME OF DELEGATION IMPLIED BY STANDING FINANCIAL INSTRUCTIONS

SFI REF	DELEGATED TO	DUTIES DELEGATED
	CE CFO	Negotiating NHS contracts Regular reports of actual and forecast contract income.
8	BOARD CE / CHIEF FINANCIAL OFFICER 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	CFO	Prompt payment of accounts.
9.2.6	CE	Authorise who may use and be issued with official orders.
10	CFO	Advise Board on borrowing and investment needs and prepare procedural instructions.
11	CE / CHIEF FINANCIAL OFFICER	Managing Capital investment programmes
11.1.4	CFO	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.
11.3	CFO	Maintenance of asset registers.
11.3.7	LINE OR SENIOR MANAGERS	Use of Trust assets for private use.
11.3.1	CE	Overall responsibility for fixed assets.
11.3.4	ALL SENIOR STAFF	Responsibility for security of Trust assets including notifying discrepancies to CFO, and reporting losses in accordance with Trust procedure.
12	CFO	Responsible for systems of control over stores and receipt of goods.

SCHEME OF DELEGATION IMPLIED BY STANDING FINANCIAL INSTRUCTIONS

SFI REF	DELEGATED TO	DUTIES DELEGATED
12.3	CFO	Identify persons authorised to requisition and accept goods from Supplies stores.
13.2	CFO	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	CFO	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	CE	Insurance arrangements

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 Chief Financial Officer may deputise. In the absence of the Chief Financial Officer the Chief Financial Officer's deputy may deputise for the Chief Financial Officer.

DELEGATED MATTER	AUTHORITY DELEGATED TO	REFERENCE DOCUMENTS
<p>1. Management of Budgets</p> <p>Responsibility of keeping expenditure within budgets</p> <p>a) At individual budget level (Pay and Non Pay)</p> <p>b) At service level</p> <p>c) For the totality of services covered by Clinical / Executive Director</p> <p>d) For all other areas:</p>	<p>Budget Manager</p> <p>Associate Director/ Head of Service</p> <p>Clinical/Executive Director or Chief Executive</p> <p>Chief Financial Officer or Appropriate Delegated Manager</p>	<p>SFIs Section 3</p>
<p>2. Maintenance / Operation of Bank Accounts</p>	<p>Chief Financial Officer</p>	<p>SFIs Section 5</p>

DELEGATED MATTER	AUTHORITY DELEGATED TO	REFERENCE DOCUMENTS
<p>3. Non Pay Revenue and Capital Expenditure / Requisitioning / Ordering / Payment of Goods & Services</p> <p>a)</p> <ul style="list-style-type: none"> • up to £25,000 • up to £50,000 • up to £100,000 • from £100,001 to £500,000 • from £500,001 to £1,000,000 • £1m - £3m • £3m to £5m • Above £5m <p>b) Non-Pay Expenditure for which no specific budget has been set up and which is not subject to funding under delegated powers of virement. (Subject to the limits specified above in (a))</p> <p>c) Orders exceeding 12 month period</p> <p>d) All contracts for goods & services and subsequent variations to contracts</p>	<p>Budget Manager</p> <p>Associate Directors</p> <p>Directors (inc CIO, Dir of Estates, Dir of Pathology Services, Director of Operational Finance) and Executive Directors</p> <p>Chief Financial Officer / Nominated deputy CE</p> <p>Chief Executive</p> <p>Trust Management Board</p> <p>FIC</p> <p>Trust Board</p> <p>Only with written CEO approval (or delegated officer).</p> <p>As (a) above for whole life of contract</p>	<p>SFIs Section 9</p> <p>In the case of items above £1m this applies to new commitments and does not need to apply to any regular recurrent spend</p>

DELEGATED MATTER	AUTHORITY DELEGATED TO	REFERENCE DOCUMENTS
<p>4. Capital Schemes</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>Chief Financial Officer</p> <p>Chief Financial Officer or Nominated Deputy CE</p> <p>Chief Financial Officer</p> <p>See Appendix 5 for full list</p>	
<p>5. Quotation, Tendering & Contract Procedures</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 £3m</p>	<p>Chief Financial Officer</p> <p>Chief Executive</p> <p>Trust Management Board</p> <p>Trust Board</p>	<p>SFIs Appendix 1 & Standing Orders Section 9 & Annex</p> <p>SFI's Appendix 2</p>

DELEGATED MATTER	AUTHORITY DELEGATED TO	REFERENCE DOCUMENTS
<p>6. Setting of Fees and Charges</p> <p>a) Private Patient, Overseas Visitors, Income Generation and other patient related services.</p> <p>b) Price of NHS Contracts</p>	<p>Chief Financial Officer</p> <p>Chief Financial Officer</p>	<p>SFIs Section 7</p>
<p>7. Engagement of Staff Not On the Establishment Engagement of Staff Not On the Establishment at AD level and above</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"> • Medical Locums • Nursing • Clerical 	<p>AD's / Chief Financial Officer Chief Financial Officer / 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>	<p>SFIs Section 8</p>
<p>8. Expenditure on Charitable and Endowment Funds</p> <p>- Up to £10,000</p> <p>- £10,001 to £25,000</p>	<p>Fund Holder</p> <p>Director of Operational Finance and the Director of Frimley Charity</p>	<p>SFIs Section 16</p>

DELEGATED MATTER	AUTHORITY DELEGATED TO	REFERENCE DOCUMENTS
<ul style="list-style-type: none"> - £25,000 to £100,000 - £100,001 to £500,000 - £500,001 upwards 	<p>Chief Financial Officer / Director of Operational Finance & Director of Communications & Engagement</p> <p>Charitable Funds Committee</p> <p>Trustees</p>	
<p>9. Agreements/Licences</p> <ul style="list-style-type: none"> a) Preparation and signature of all tenancy agreements/licences with staff subject to Trust Policy on accommodation for staff b) Agreements with landlords on behalf of the Trust c) Extensions to existing leases d) Letting of premises to outside organisations e) Approval of rent based on professional assessment. 	<p>Accommodation Manager</p> <p>Director of Finance</p> <p>Chief Financial Officer</p> <p>Chief Financial Officer</p> <p>Chief Financial Officer</p>	

DELEGATED MATTER	AUTHORITY DELEGATED TO	REFERENCE DOCUMENTS
<p>10. Condemning & Disposal</p> <p>a) Items obsolete, obsolescent, redundant, irreparable or cannot be repaired cost effectively</p> <p>i) with current/estimated purchase price <£50</p> <p>ii) with current purchase new price >£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 >£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>
<p>11. Losses, Write-off & Compensation</p> <p>a) Losses and Cash due to theft, fraud, overpayment & others</p>	<p>Chief Financial Officer (report to Audit Committee)</p>	<p>SFIs Section 13</p>

DELEGATED MATTER	AUTHORITY DELEGATED TO	REFERENCE DOCUMENTS
<p>Up to £10,000</p> <p>b) Losses and Cash due to theft, fraud, overpayment & others £10,001 to £50,000</p> <p>c) Losses and Cash due to theft, fraud, overpayment & 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 & 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>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>Chief Executive and Chief Financial Officer (report to Audit Committee)</p> <p>Trust Board</p> <p>Trust Board</p> <p>As a) b) & c) above</p> <p>As a) b) & c) above</p> <p>Chief Financial Officer</p> <p>Chief Financial Officer</p> <p>As a) b) & c) above</p>	

DELEGATED MATTER	AUTHORITY DELEGATED TO	REFERENCE DOCUMENTS
<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 (ii) Special severance payment applications which are at or above £100,000 and/or where the employee earns more than £150,000</p>	<p>Chief Financial Officer</p> <p>As a) b) & c) above</p> <p>Chief Financial Officer</p> <p>Chief Financial Officer</p> <p>Chief People Officer</p> <p>Ministerial Approval</p>	
<p>12. Reporting of Incidents to the Police</p> <p>a) Where a criminal offence is suspected i) criminal offence of a violent nature ii) other</p> <p>b) Where a fraud is involved</p>	<p>AD or Duty Manager</p> <p>Chief Financial Officer or nominated Local Counter Fraud Specialist (LCFS)</p>	<p>SFIs Section 2 & 13</p>

DELEGATED MATTER	AUTHORITY DELEGATED TO	REFERENCE DOCUMENTS
<p>13. Petty Cash Disbursements</p> <p>a) Expenditure up to £50 per item</p> <p>b) Reimbursement of patients' monies</p>	<p>Petty Cash Holder</p> <p>Petty Cash Holder</p>	<p>SFIs Section 9</p> <p>SFIs Section 15</p>
<p>14. Receiving Hospitality</p> <p>Applies to both individual and collective hospitality receipt items. In excess of £50.00 per item received</p>	<p>Declaration required in Trust's Hospitality Register</p>	<p>SFIs Section 17</p>
<p>15. Implementation of Internal and External Audit Recommendations</p>	<p>Appropriate Executive Director</p>	<p>SFIs Section 2</p>
<p>16. Maintenance & Update on Trust Financial Procedures</p>	<p>Chief Financial Officer</p>	<p>SFIs Section 1</p>
<p>17. Investment of Funds (including Charitable & Endowment Funds)</p>	<p>Chief Financial Officer</p>	<p>SFIs Section 16</p>
<p>18. Human Resources & Pay</p> <p>a) Authority to fill funded post on the establishment with permanent staff.</p>	<p>Associate Director/Heads of Service</p>	<p>SFIs Section 8</p>

DELEGATED MATTER	AUTHORITY DELEGATED TO	REFERENCE DOCUMENTS
<p>b) Authority to appoint staff to post not on the formal establishment.</p> <p>c) <u>Additional Increments</u></p> <p>The granting of additional increments to staff within budget</p> <p>d) <u>Upgrading & 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>Chief Executive / Chief Financial Officer / Chief People Officer</p> <p>Chief People Officer or deputy</p> <p>Chief People Officer or deputy</p> <p>Chief Executive / Chief People Officer / Chief Financial Officer</p> <p>Chief Executive / Chief Financial Officer</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
<p>iv) Authority to authorise travel & subsistence expenses</p> <p>v) Approval of Performance Related Pay Assessment (not Executive Directors)</p>	<p>Associate Director/Head of Service/Budget Manager</p> <p>Executive Directors / Chief Executive</p>	
<p>g) <u>Leave</u></p> <p>i) Approval of annual leave</p> <p>ii) Annual leave - approval of carry forward (up to maximum of 5 days or in the case of Ancillary & Maintenance staff as defined in their initial conditions of service).</p> <p>iii) Annual leave - approval of carry over in excess of 5 days but less than 10 days.</p> <p>iv) Annual leave - approval to carry forward 10 days or more.</p> <p>v) Special leave arrangements</p>	<p>Line/Departmental Manager</p> <p>Executive Director</p> <p>Chief Executive</p> <p>Chief Executive and Chairman</p> <p>Associate Director/Head of Service and Chief People Officer in certain circumstances</p>	<p>Special Leave Policy</p>

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 Chief People Officer</p> <p>Executive Director in conjunction with Chief People Officer</p> <p>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>	
<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>Deputy HR Director / Head of Employee Services</p>	

DELEGATED MATTER	AUTHORITY DELEGATED TO	REFERENCE DOCUMENTS
ii) over £5,000	Chief People Officer	
k) <u>Grievance Procedure</u> All grievance 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	Chief People Officer	Trust Grievance Procedure
l) <u>Authorised Car & Mobile Phone Users</u> Requests for new posts to be authorised as car users Requests for new posts to be authorised as mobile telephone users	Associate Director Associate Director	
m) <u>Entering into Fixed Term Contract</u>	Chief People Officer or their deputy	

DELEGATED MATTER	AUTHORITY DELEGATED TO	REFERENCE DOCUMENTS
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>	Chief People Officer	Redundancy Policy
q) <u>Dismissal</u>	Dismissing Staff	Disciplinary Procedures
19. Authorisation of New Drugs 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
20. Authorisation of Sponsorship deals	Chief Executive, Medical Director, or Chief Financial Officer	
21. Authorisation of Research Projects	Chief Executive, Medical Director or Chief Financial Officer, the research having already been approved by the Health Research Authority (HRA) and NHS Research Ethics Committee as appropriate	

DELEGATED MATTER	AUTHORITY DELEGATED TO	REFERENCE DOCUMENTS
	(national/regional bodies). Delegation Possible.	
22. Authorisation of Clinical Trials	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)	
23. Insurance Policies and Risk Management	Chief Executive & Chief Financial Officer	SFIs Section 19
24. Patients & Relatives Complaints a) Overall responsibility for ensuring that all complaints are dealt with effectively b) Responsibility for ensuring complaints relating to a directorate are investigated thoroughly. c) Medico - Legal Complaints Coordination of their management.	Chief of Nursing & Midwifery Associate Director/Head of Service/Executive Director Associate Director/Head of Service/Executive Director	
25. Relationships with Press a) Non-Emergency General Enquiries		

DELEGATED MATTER	AUTHORITY DELEGATED TO	REFERENCE DOCUMENTS
<ul style="list-style-type: none"> • Within Hours • Outside Hours b) Emergency • Within Hours • Outside Hours 	<p>Media and Communications Staff</p> <p>Admin on Call or Executive Director</p> <p>Chief Executive or Executive Director</p> <p>Admin on Call or Executive Director</p>	
<p>26. Infectious Diseases & Notifiable Outbreaks</p>	<p>Admin on Call or Control of Infection Lead</p>	
<p>27. Extended Role Activities</p> <p>Approval of Nurses to undertake duties / procedures which can properly be described as beyond the normal scope of Nursing Practice.</p>	<p>Chief Executive or Chief of Nursing & Midwifery</p>	<p>Nurse/Midwives/ Health Visitors Act Midwives Rules / Code of Practice UKCC Code of Professional Conduct</p>

DELEGATED MATTER	AUTHORITY DELEGATED TO	REFERENCE DOCUMENTS
<p>28. Patient Services</p> <p>a) Variation of operating and clinic sessions within existing numbers</p> <ul style="list-style-type: none">• Outpatients• Theatres• Other <p>b) All proposed changes in bed allocation and use</p> <ul style="list-style-type: none">• Temporary Change• Permanent Change• Contract monitoring & reporting	<p>Chief Executive or Medical Director</p> <p>Bed Manager</p> <p>Chief Executive</p> <p>Chief Financial Officer</p>	
<p>29. Facilities for staff not employed by the Trust to gain practical experience</p> <p>Professional Recognition, Honorary Contracts & Insurance of Medical Staff.</p> <p>Work experience students</p>	<p>Chief People Officer</p> <p>Chief People Officer</p>	
<p>30. Review of fire precautions</p>	<p>Chief of Strategy</p>	
	<p>Chief of Strategy</p>	

DELEGATED MATTER	AUTHORITY DELEGATED TO	REFERENCE DOCUMENTS
31. Review of all statutory compliance legislation and Health and Safety requirements including control of Substances Hazardous to Health Regulations		
32. Review of Medicines Inspectorate Regulations	Chief of Nursing & Midwifery	
33. Review of compliance with environmental regulations, for example those relating to clean air and waste disposal	Clinical Director / Chief Financial Officer	
34. Review of Trust's compliance with the Data Protection Act	Chief Executive	
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

DELEGATED MATTER	AUTHORITY DELEGATED TO	REFERENCE DOCUMENTS
40. The keeping of a register of documents sealed.	Company Secretary	SOs Section 12
41. The keeping of the Hospitality Register	Chief Executive	
42. Retention of Records	Chief Executive	SFIs Section 18
43. Clinical Audit	Chief Executive	SFIs Section 19

Appendix 5

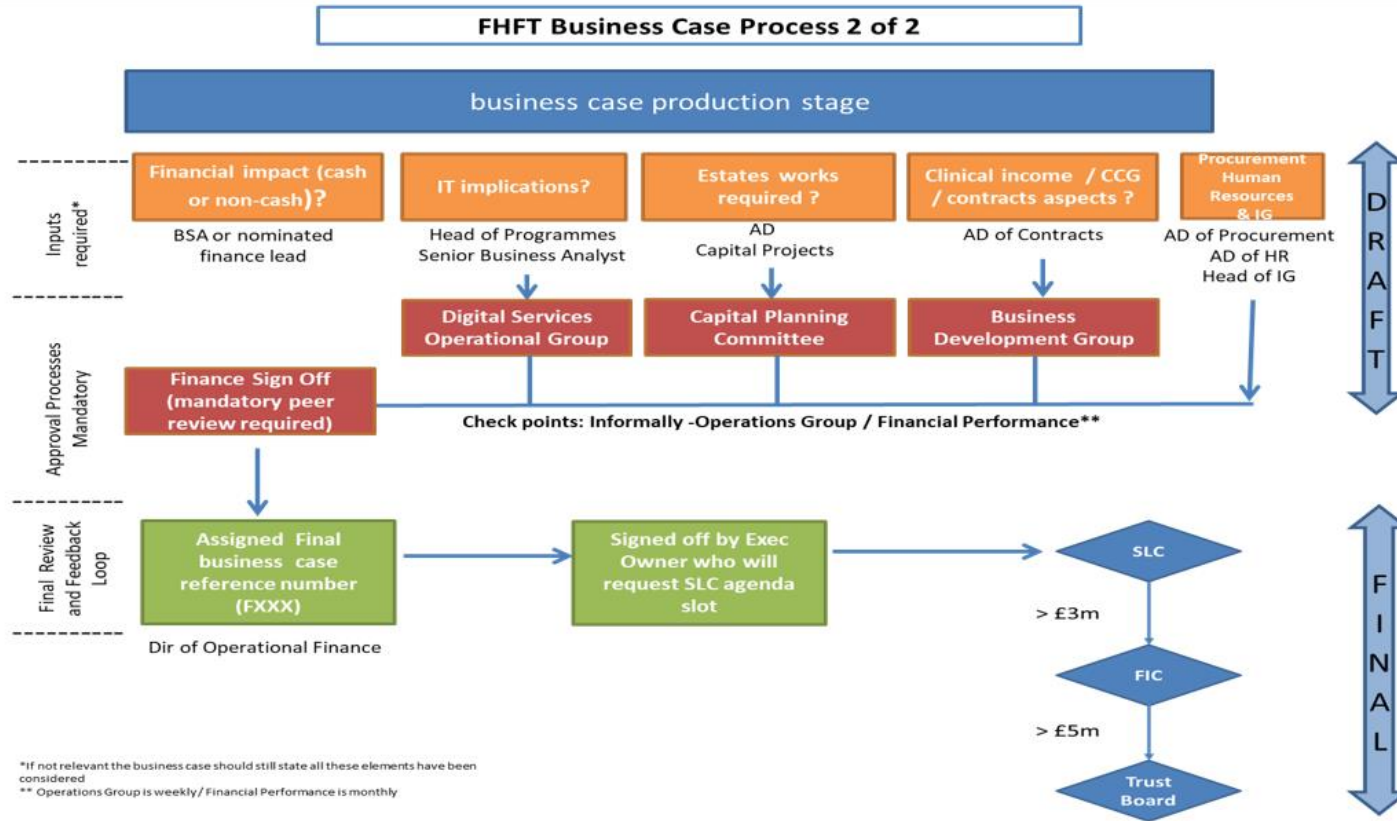
Delegated Authority for approval of contract variations for capital projects

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 - £25k	Associate Director Capital and Project Director to approve – then report back to next Capital Management Group. Where cumulative value of variations exceeds £25k, approval to be sought from Chief Strategy Officer for estates projects, Chief of IT for IM&T projects and Chief of Nursing for EBME projects.
£25k - £100k	Where cumulative value of variations is up to £100k, approval to be sought from the SRO
£100k - £500k	Chief Financial Officer to approve.
£500k – £1,000k	Chief Executive and Chief Financial Officer to approve
£1,000 - £3,000k	Trust Management Board (TMB) to approve – upon agreement of the Chief executive and Chief Financial Officer
£3,000k - £5,000k	Finance and Investment Committee (FIC) to approve – upon recommendation from TMB
£5,000k +	Trust Board to approve – upon recommendation of FIC

Appendix 6

Investment Case Guidance and Process Flowchart



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 Chief People Officer 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 Chief People Officer or Deputy (the sponsor) will be responsible for ensuring the Annex A proforma in the HM Treasury guidance is completed.
- The Chief People Officer or Deputy (the sponsor) will submit the completed proforma to the Chief Financial Officer or Deputy for approval.
- Upon approval, the Chief People Officer 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 Chief People Officer 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 Guidance on Special Payments

On 19th April 2021, NHSE 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 prior to payment being made. The Chief People Officer or Deputy should send details of the payment to NHSE/I when the Annex A proforma is issued to HM Treasury spending team.