

STANDING FINANCIAL INSTRUCTIONS POLICY			
Lead executive	Director of Finance		
Author's details	Karen Spencer Head of Financial Services		
Type of document	Policy		
Target audience	All Executive Directors, budget holders and managers		
Document purpose	Standing Financial Instructions Policy		
Ratification meeting	Audit Committee		
Approval meeting	Trust Board		
Implementation date	Friday, 01 December 2023	Review date	30 November 2025
WHH documents to be read in conjunction with			
Document change history			
Version	4.1		
What is different?	Changed Chief Finance Officer & Deputy Chief Executive to Chief Finance Officer. Changed NHS England & Improvement to NHS England. Change NHSE/I to NHSE.		
Appendices/electronic forms	n/a		
What is the impact of change?	No impact, only a change to names.		
Training requirements	n/a		
Keywords	n/a		
Taxonomy	Type	Policy category non-clinical	Policy category clinical
	Non-Clinical	Finance & Procurement	Choose an item.

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1. Executive summary

NHS England (NHSE) sets the Terms of Authorisation for the Foundation Trust that require compliance with the principles of best practice applicable to corporate governance within the NHS / Health Sector with any relevant code of practice and guidance issued by NHSE /I.

The Code of Conduct and Accountability in the NHS issued by the Department of Health requires that each NHS organisation shall give, and may vary or revoke, Standing Financial Instructions for the regulation of the conduct of its members and officers in relation to all financial matters with which they are concerned. These Standing Financial Instructions (SFIs) are issued in accordance with the Code. They shall have effect as if incorporated in the Standing Orders (SOs) of the Foundation Trust.

Should any difficulties arise regarding the interpretation or application of any of the SFIs then the advice of the Chief Finance Officer or Deputy Chief Finance Officer & Trust Freedom to Speak Up Guardian **MUST BE SOUGHT BEFORE ACTING**. The user of these SFIs should also be familiar with and comply with the provisions of the Foundation Trust's SOs.

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

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

2. Purpose and scope

The SFIs detail the financial responsibilities, policies and procedures to be adopted by the Foundation Trust. They are designed to ensure that its financial transactions are carried out in accordance with the law and government policy in order to achieve probity, accuracy, economy, efficiency and effectiveness. They should be used in conjunction with the Scheme of Reservation and Delegation adopted by the Foundation Trust.

These SFIs identify the financial responsibilities, which apply to everyone working for the Foundation Trust and its constituent organisations. They do not provide detailed procedural advice. These statements should therefore be read in conjunction with the detailed departmental and financial procedure notes.

3. Duties and responsibilities

Role	Responsibilities
Board of Directors	It is the responsibility of the Board of Directors to ensure systems and processes are in place to monitor and implement this policy.
Chief Executive	In line with the requirements of Governance, the Chief Executive carries ultimate responsibility for assuring the quality of the services provided by the Trust that is included within this policy.
Executive Directors	All Executive Directors are the authorised Leads to sign off corporate policies within their areas of responsibility.
Delegated Executive Lead	The Chief Finance Officer has been delegated by the Chief Executive to take the Executive ownership for this policy.
Senior Clinicians and Managers	Senior Clinicians and Managers are responsible for the provision of managerial and professional advice to their teams in accordance with this policy.
All Staff	All staff are required to comply with this policy. If for any reason a deviation occurs this should be alerted to their manager/supervisor.

4. Policy details

TERMINOLOGY

Unless the contrary intention appears or the context otherwise requires, words or expressions contained in the Constitution bear the same meaning as in the NHS Act 2006. References in the Constitution to legislation include all amendments, replacements, or re-enactments made.

In the Standing Orders, Standing Financial Instructions and Scheme of Reservation and Delegation the following definitions apply:

Definition

the 2006 Act Means the National Health Service Act 2006.

Definition

Accounting Officer	This Is the person who from time to time discharges the functions specified in paragraph 25(5) of Schedule 7 to the 2006 Act. They shall be the Officer responsible and accountable for funds entrusted to the Foundation Trust in accordance with the NHS Foundation Trust Accounting Officer Memorandum. They are responsible for ensuring the proper stewardship of public funds and assets. The National Health Service Act 2006 designates the Chief Executive of the NHS Foundation Trust as the Accounting Officer.
Appointing organisations	Means those organisations named in the Constitution who are entitled to appoint Governors.
Authorisation	This is the authorisation for the Trust to become an NHS Foundation Trust given by NHS Improvement, under Section 35 of the 2006 Act.
Board of Directors	Means the Board of Directors as constituted in accordance with the constitution.
Budget	Means a resource, expressed in financial or manpower terms, proposed by the Board of Directors for the purpose of carrying out, for a specific period, any or all of the functions of the Foundation Trust;
Budget Holder	The director or employee with delegated authority to manage finances for a specific area of the organisation.
The Chair	Means the Chairperson of the Foundation Trust, or, in relation to the function of presiding at or chairing a meeting where another person is carrying out that role as required by the Constitution..
Chief Executive	Means the Chief Officer (and Accounting Officer) of the Foundation Trust
Committee	Means a committee appointed by the Board of Directors or Council of Governors.

Definition

Constitution	Constitution of Warrington & Halton Hospitals NHS Foundation Trust. Describes the type of organisation, its primary purpose, governance arrangements and membership.
Contracting & Procuring	Means the systems for procuring goods and services.
Director	Means a person appointed to the Board of Directors in accordance with the Trust's constitution and includes the Chair.
Chief Finance Officer	Shall mean the Chief Finance Officer of the Foundation Trust.
Executive Director	Means an Executive Director of the Trust.
External Auditor	the person appointed to audit the accounts of the Foundation Trust, who is called the auditor in the 2006 Act;
Financial Year	a) The period beginning with the date on which the Foundation Trust is authorised under the 2006 Act and ending with the next 31 March; and b) each successive period of twelve months beginning with 1 April.
the Foundation Trust (or Trust)	Means Warrington & Halton Hospitals NHS Foundation Trust.
Foundation Trust Contract	Agreement between the Foundation Trust and Commissioners for the provision and commissioning of health services.
Funds Held on Trust	those funds which the Foundation Trust holds at its date of incorporation, receives on distribution by statutory instrument, or chooses subsequently to accept under powers derived under 2003 Act. Such funds may or may not be charitable.
Member	Means a member of the Foundation Trust;

Definition

NHS England and Improvement	regulator of Foundation Trusts, NHS Trusts and Independent providers of NHS funder care.
Nominated Officer	Means an officer charged with the responsibility for discharging specific tasks within Standing Orders and Standing Financial Instructions.
Officer	Means an employee of the Foundation Trust.
Standing Financial Instructions	(SFIs) regulate the conduct of the Trust's financial matters.
Scheme of Reservation and Delegation	(SoRD) details how the powers are reserved to the Board of Directors and delegated within the Foundation Trust.
Standing Orders	(SOs) incorporate the Constitution and regulate the business conduct of the Foundation Trust.

Wherever the title Chief Executive, Chief Finance Officer, or other nominated officer is used in these instructions, it shall be deemed to include such other directors or employees who have been duly authorised to represent them.

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

RESPONSIBILITIES AND DELEGATION

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

- a) formulating the financial strategy;
- b) requiring the submission and approval of income and expenditure and capital budgets, approval of the Annual Plan and monitoring returns to NHS Improvement;
- c) defining and approving essential features in respect of important procedures and financial systems (including the need to obtain value for money) and by ensuring appropriate audit provision; and
- d) defining specific responsibilities placed on directors and employees as indicated in the Scheme of Reservation and Delegation.

The Constitution dictates that the Council of Governors may not delegate any of its powers to a committee or sub-committee. The Board of Directors has resolved that certain powers and decisions may only be exercised by the Board of Directors in formal session. These are set out in the Scheme of Reservation and Delegation adopted by the Foundation Trust.

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

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

It is a duty of the Chief Executive to ensure that Directors and employees and all new appointees are notified of and understand their responsibilities within these Instructions. All staff shall be responsible for ensuring conformity with the Standing Orders, Standing Financial Instructions and financial procedures of the Foundation Trust.

The Chief Finance Officer is responsible for:

- a) implementing the Foundation Trust's financial policies and procedures, and for co-ordinating any corrective action necessary to further these policies and procedures, (the SFIs themselves do not provide detailed procedural advice. These statements should therefore be read in conjunction with the detailed departmental and financial procedure notes);
- b) maintaining an effective system of internal financial control including ensuring that detailed financial procedures and systems incorporating the principles of segregation of

duties and internal checks are prepared, documented and maintained to supplement these instructions;

- c) ensuring that sufficient records are maintained to show and explain the Foundation Trust's transactions, in order to disclose, with reasonable accuracy, the financial position of the Foundation Trust at any time;

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

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

All directors and employees are responsible for:

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

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

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

AUDIT

Audit Committee

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

- a) overseeing Internal and External Audit services;
 - Internal Audit
 - Monitor and review the effectiveness of the internal audit service
 - External Audit
 - To assess the external auditor's work and fees on an annual basis to ensure that the work is of sufficiently high standard and that the fees are reasonable.
 - To undertake a market testing exercise for the appointment of the external auditor at least once every five years.
 - To make recommendations to the Council of Governors, in relation to the appointment, re-appointment and removal of the external auditor and to approve the remuneration and terms of engagement of the external auditor.
 - To review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process, taking into account relevant UK professional and regulatory requirements.
- b) reviewing financial and information systems and monitor the integrity of the financial statements and any formal announcements relating to the Trust's financial performance and reviewing of significant financial reporting judgements;
- c) the monitoring of compliance with Standing Orders and Standing Financial Instructions;
- d) reviewing schedules of losses and compensation and making recommendations to the Board of Directors as prescribed in the Scheme of Reservation and Delegation;
- e) reviewing the effective implementation of corporate governance measures to enable the Foundation Trust to implement best practice as set out in appropriate guidance. This will include the Assurance Framework and control related disclosure statements, for example

the Statement on Internal Control and supporting assurance processes; together with any accompanying audit statement, prior to endorsement by the Board of Directors.

- f) review the establishment and maintenance of an effective system of integrated governance, risk management and internal control, across the whole of the organisation's activities (clinical, operational, compliance controls and risk management systems), that supports the achievement of the organisation's objectives.

The Board of Directors shall satisfy itself that at least one member of the Audit Committee has recent and relevant financial experience.

Where the Audit Committee feel there is evidence of ultra vires transactions, evidence of improper acts, or if there are other important matters that the committee wish to raise, The Chair of the Audit Committee should raise the matter at a full meeting of the Board of Directors (to the Chief Finance Officer in the first instance).

It is the responsibility of the Chief Finance Officer to ensure adequate internal and external audit services are provided and the Audit Committee shall be involved in the appointment

The appointment of the External Auditor is subject to the ratification by the Council of Governors.

Chief Finance Officer

The Chief Finance Officer is responsible for:

- a) ensuring there are arrangements to review, evaluate and report on the effectiveness of internal control including the establishment of an effective internal audit function and the coordination of other assurance arrangements;
- b) ensuring that the internal audit is adequate and meets the NHS Foundation Trust audit standards;
- c) deciding at what stage to involve the police in cases of fraud, misappropriation, and other irregularities not involving fraud or corruption;
- d) ensuring that an annual internal audit report is prepared for the consideration of the Audit Committee and the Board of Directors.

The report must cover:

- i) a clear opinion on the effectiveness of internal controls in accordance with current assurance framework guidance issued by the Department of Health including for example compliance with control criteria and standards,
- ii) major internal financial control weaknesses discovered,
- iii) progress on the implementation of internal audit recommendations,
- iv) progress against plan over the previous year,
- v) strategic audit plan,
- vi) a detailed plan for the coming year.

The Chief Finance Officer or designated auditors is entitled without necessarily giving prior notice to require and receive:

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

Internal Audit

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

Role of Internal Audit

The role of internal audit have two key areas:

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

Internal Audit will review, appraise and report upon:

- a) the extent of compliance with, and the financial effect of, relevant established policies, plans and procedures;
- b) the adequacy and application of financial and other related management controls;
- c) the suitability of financial and other related management data;
- d) the extent to which the Foundation Trust's assets and interests are accounted for and safeguarded from loss of any kind, arising from:
 - i) fraud and other offences,
 - ii) waste, extravagance, inefficient administration,
 - iii) poor value for money or other causes.
- e) Internal Audit shall also independently verify the Assurance Statements in accordance with guidance from the Department of Health.

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 financial nature, the Chief Finance Officer must be notified immediately.

The Senior Audit Manager will normally attend Audit Committee meetings and has a right of access to all Audit Committee members, the Chair and Chief Executive of the Foundation Trust.

The Head of Internal Audit shall be accountable to the Chief Finance Officer. The reporting system for internal audit shall be agreed between the Chief Finance Officer, the Audit Committee and the Senior Audit Manager. The agreement shall be in writing and shall comply with the guidance on reporting contained in the NHS Internal Audit Manual. The reporting system shall be reviewed at least every 3 years. Where, in exceptional circumstances, the use of normal reporting channels is thought to limit the objectivity of the audit, the Senior Audit Manager shall have access to report direct to the Chair or a non-executive member of the Foundation Trust's Audit Committee.

Managers in receipt of audit reports referred to them, have a duty to take appropriate remedial action within the agreed timescales specified within the report. The Chief Finance Officer shall identify a formal review process to monitor the extent of compliance with audit recommendations. Where appropriate, remedial action has failed to take place within a reasonable period, the matter shall be reported to the Chief Finance Officer. Changes implemented in response to audit recommendations must be maintained in the future and not viewed as merely satisfying immediate audit point.

External Audit

Duties

The Foundation Trust is to have an External Auditor and is to provide the External Auditor with every facility and all information which they may reasonably require for the purposes of their functions under the 2006 Act.

The External Auditor is to carry out their duties in accordance with the 2006 Act and in accordance with any directions given by NHSE on standards, procedures and techniques to be adopted.

In auditing the accounts, the External Auditor must, by examination of the accounts and otherwise, satisfy themselves that the Foundation Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

The Foundation Trust is required to include a statement on internal control within the financial statements. The External Auditors have a responsibility to:

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

Appointment of External Auditor

The External Auditor is appointed by the Council of Governors following recommendation from the Audit Committee.

Appointment of the External Auditor must comply with Paragraph 23 of Schedule 7 to the 2006 Act.

The Council of Governors shall appoint or remove the External Auditor. Council of Governors

The Board of Directors may resolve that external auditors be appointed to review and publish a report on any other aspect of the Foundation Trust's performance. Any such auditors are to be appointed by the Council of Governors.

Undertaking Work

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

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

Liaison with Internal Audit

It is expected that the External Auditor will liaise with the internal audit service in order to obtain a sufficient understanding of internal audit activities to assist in planning the audit and developing an effective audit approach. The External Auditor may also wish to place reliance upon certain aspects of the work of internal audit in satisfying their statutory responsibilities as set out in the 2006 Act and the Audit Code. In particular the External Auditor may wish to consider the work of internal audit when undertaking their procedures in relation to the statement on internal control.

Access to Documents

The Auditors of the Foundation Trust have a right of access at all reasonable times to every document relating to the Foundation Trust which appears to them necessary for the purpose of their functions.

Public Interest Report

In the event of the External Auditor issuing a Public Interest Report the Foundation Trust shall:

- Send the public interest report to the Council of Governors the Board of Directors and NHS Improvement:
 - At once if it is an immediate report; or
 - Not later than 14 days after conclusion of the audit.
- forward a report to NHSE within 30 days (or such shorter period as NHSE may specify) of the report being issued. The report shall include details of the Foundation Trust's response to the issues raised within the Public Interest Report.

Fraud and Corruption

The Foundation Trust shall take all necessary steps to counter fraud relating to its functions and having regard to any reasonable guidance or advice issued by the NHS Counter Fraud Authority (NHSCFA). The Foundation Trust shall act in accordance with:

- the NHS Fraud and Corruption Manual;
- the policy statement "Applying appropriate sanctions consistently" published by NHSCFA;

The Foundation Trust shall nominate a suitable person to carry out the duties of the Anti-Fraud Specialist as specified by the Department of Health Fraud and Corruption Manual and guidance.

The Anti-Fraud Specialist shall report to the Chief Finance Officer and shall work with the staff in the NHSCFA in accordance with the Department of Health Fraud and Corruption Manual.

The Anti-Fraud Specialist will provide a written plan and report, at least annually on counter fraud work within the Foundation Trust.

Security Management

The Foundation Trust shall promote and protect the security of people engaged in activities for the purposes of the health service functions of that body, its property and its information in accordance with the requirements of the 'Foundation Trust Contract', having regard to any other reasonable guidance or advice issued by the NHSCFA

The Foundation Trust shall nominate an Executive Director to be responsible to the Board of Directors for security management.

The Foundation Trust shall nominate and appoint a Anti-Fraud Specialist as per the Foundation Trust Contract.

The Chief Executive has overall responsibility for controlling and coordinating security. However, key tasks are delegated to the Chief Operating Officer (COO) and the appointed Anti-Fraud Specialist.

BUSINESS PLANNING, FINANCIAL PLANNING AND PERFORMANCE MONITORING

Preparation and approval of Strategic and Operational Plans

The Chief Executive will compile and submit to the Board of Directors strategic and operational plans. The annual operational plan incorporates financial targets and forecast limits of available resources. The annual operational plan will contain:

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

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

- a) be in accordance with the strategic aims and objectives of the foundation trust.
- b) accord with workload and manpower plans;
- c) be produced following discussion with appropriate budget holders;
- d) be prepared within the limits of available funds;
- e) identify potential risks;
- f) be based on reasonable and realistic assumptions; and
- g) enable the Trust to comply with the whole regulatory framework for Foundation Trusts.

The Chief Finance Officer shall monitor the financial performance against budgets on a monthly basis and report to the Board of Directors. Any significant variances should be reported by the Chief Finance Officer to the Board of Directors in an appropriate timeframe and the Board of Directors shall be advised of action to be taken in respect of such variances.

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

All budget holders will sign up to their allocated budgets at the commencement of each financial year.

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

Budgetary delegation

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

- a) the amount of the budget;
- b) the purpose(s) of each budget heading;
- c) individual and group responsibilities;
- d) authority to exercise budget re-designation;
- e) achievement of planned levels of service; and

- f) the provision of regular reports.

The Chief Executive and delegated budget holders must not exceed the budgetary total set by the Board of Directors.

Any budgeted funds not required for their designated purpose(s) revert to the immediate control of the Chief Executive.

Non-recurring budgets should not be used to finance recurring expenditure without the authority in writing of the Chief Executive, as advised by the Chief Finance Officer.

Budgetary control and reporting

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

- a) regular financial reports to the Board of Directors in a form approved by the Board of Directors containing:
 - i) income and expenditure to date showing trends and forecast year-end position;
 - ii) statement of financial position, including movements in working capital;
 - iii) statement of cash flow
 - iii) capital project spend and projected out-turn against plan;
 - iv) explanations of any material variances from plan/budget; and
 - v) details of any corrective action where necessary and the Chief Executive's and/or Chief Finance Officer's view of whether such actions are sufficient to correct the situation.
- 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, and workload budgets;
- d) the monitoring of management action to correct variances;
- e) arrangements for the authorisation of budget transfers;
- f) advising the Chief Executive and Board of Directors of the consequences of changes in policy, pay awards and other events and trends affecting budgets and shall advise on the economic and financial impact of future plans and projects; and
- g) review of the bases and assumptions used to prepare the budgets.

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

Each budget holder is responsible for ensuring that:

- a) any likely budget overspend or income under recovery which cannot be met by budget re-designation is not incurred without the prior consent of the Board of Directors;
- b) officers shall not exceed the budget limit set;
- c) 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 re-designation; and
- d) no permanent employees are appointed without the approval of the Chief Executive or Chief Finance Officer other than those provided for in the budgeted establishment as approved by the Board of Directors.

The Chief Executive is responsible for identifying and implementing cost improvements and income generation initiatives in accordance with the requirements of the Annual Business Plan and Service Development Strategy.

Capital expenditure

The general rules applying to delegation and reporting shall also apply to capital expenditure. (The particular applications relating to capital are contained in capital investment, private financing, fixed assets registers and security of assets section) A Project Sponsor will be identified who will assume responsibility for the budget relating to the scheme.

NHSE return

The Chief Executive is responsible for ensuring that the appropriate monitoring forms are submitted to NHSE within the specified timescales.

ANNUAL ACCOUNTS AND REPORTS

Annual Accounts

The Foundation Trust shall keep accounts in such form as the NHSE may, with the approval of HM Treasury direct. The accounts are to be audited by the Foundation Trust's External Auditor.

The following documents will be made available to the Comptroller and Auditor General for examination at their request:

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

The functions of the trust with respect to the preparation of the annual accounts shall be delegated to the Accounting Officer. The Accounting Officer shall cause the Foundation Trust to prepare in respect of each financial year annual accounts, in such form as NHSE may, with the approval of the Treasury direct. In preparing its annual accounts, the Accounting Officer shall cause the Foundation Trust to comply with any directions given by NHSE with the approval of the Treasury as to:

- the methods and principles according to which the accounts are to be prepared;
- the information to be given in the accounts;

and shall be responsible for the functions of the Foundation Trust as set out in the 2006 Act.

The annual accounts and statement of audit opinion are presented to the Audit Committee and Board of Directors.

The Accounting Officer shall cause the Foundation Trust to:

- lay a copy of the annual accounts, and any report of the External Auditor on them, before Parliament; and
- once it has done so, send copies of those documents to NHS Improvement.

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

Annual Reports

The Foundation Trust shall prepare an annual report and send to NHSE and lay before Parliament. The reports are to give:

- information on any steps taken by the Foundation Trust to secure that (taken as a whole) the actual membership of its public constituencies and of the classes of the staff constituency is representative of those eligible for such membership; and

- any other information NHSE requires.

The Foundation Trust is to comply with any decision NHSE makes as to:

- the form of the reports;
- when the reports are to be sent to them; and
- the periods to which the reports are to relate.

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

BANK ACCOUNTS

General

The Chief Finance Officer is responsible for managing the Foundation Trust banking arrangements and for advising the Foundation Trust on the provision of banking services and operation of accounts. This advice will take into account guidance issued from time to time by NHS Improvement.

The Board of Directors shall approve the banking arrangements.

Bank Accounts

The Chief Finance Officer is responsible for:

- a) all bank accounts operated under the Government Banking Services initiative and other forms of working capital financing that may be available from the Department of Health;
- b) establishing separate bank accounts for the Foundation Trust's charitable funds;
- c) ensuring payments made from all bank accounts do not exceed the amount credited to the account except where arrangements have been made;
- d) reporting to the Board of Directors all arrangements made with the Foundation Trust's bankers for accounts to be overdrawn (together with the remedial action taken);
- e) establishing an appropriate committed working capital facility which comply with DH/NHSI guidance on the level of cleared funds.
- f) ensuring that committed working capital facility proposals are reviewed and agreed in line with the Scheme of Reservation and Delegation and the Trust's Treasury Management Policy.

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

Banking procedures

The Chief Finance Officer will prepare detailed instructions (including bank mandates) on the operation of all 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; and
- c) those authorised to sign cheques or other orders drawn on the Foundation Trust's accounts.

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

The Chief Finance Officer shall approve security procedures, including those arrangements with third party organisations, for any cheques issued without a hand-written signature e.g. electronic signature lithographed. All cheques shall be treated as controlled stationery, in the charge of a duly designated officer controlling their issue.

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

Income systems

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

All such systems shall incorporate, where practicable, in full the principles of internal check and separation of duties.

The Chief Finance Officer is also responsible for the prompt banking of all monies received.

Fees and charges other than Foundation Trust Contract.

The Chief Finance Officer is responsible for approving and regularly reviewing the level of all fees and charges other than those determined by the Department of Health (such as Payment by Results

National Tariffs), HM Treasury or by Statute. Independent professional advice on matters of valuation shall be taken as necessary. Where sponsorship income (including items in kind such as subsidised goods or loans of equipment) is considered the guidance in the Department of Health's 'Commercial Sponsorship – Ethical Standards for the NHS' shall be followed. See Standing Orders for details.

All employees must ensure that procedures for the charging of income are adhered to.

Private Health Care

The Foundation Trust shall ensure that the proportion of total income of the Trust in any financial year derived from private charges shall not be greater than the percentage set out in Schedule 4 of the Terms of Authorisation.

If the percentage is exceeded, or is expected to be exceeded, NHSE will be notified and an appropriate action plan developed to correct the non-compliance.

Debt recovery

The Chief Finance Officer is responsible for the appropriate recovery action on all outstanding debts, including a formal follow up procedure for all debtor accounts.

Income not received should be dealt with in accordance with losses procedures.

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

Security of cash, cheques and other negotiable instruments

The Chief Finance 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. (No form of receipt which has not been specifically authorised by the Chief Finance Officer should be issued);
- b) ordering and securely controlling any such stationery;
- c) the provision of adequate facilities and systems for employees whose duties include collecting and holding cash, including the provision of safes or lockable cash boxes, the procedures for keys, and for coin operated machines; and
- d) prescribing systems and procedures for handling cash and negotiable securities on behalf of the Foundation Trust.

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

Staff shall be informed in writing on appointment of their responsibilities and duties for the collection, handling or disbursement of cash, cheques etc.

All cheques, postal orders and cash shall be banked promptly intact under arrangements approved by the Chief Finance Officer.

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

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

FOUNDATION TRUST CONTRACTS

Provision of Services

The Board of Directors of the Foundation Trust shall regularly review and shall at all times maintain and ensure the capacity and capability of the Foundation Trust to provide the mandatory goods and services referred to in the Terms of Authorisation and related Schedules.

Foundation Trust Contracts (see overlap with Foundation Trust Contracts/Healthcare Services arrangements)

The Chief Executive, as the accounting officer, is responsible for ensuring the Foundation Trust enters into suitable Foundation Trust Contracts (FTC) with commissioners for the provision of NHS services. The Foundation Trust will follow the priorities contained within the schedules of the contract, and

wherever possible, be based upon integrated care pathways to reflect expected patient experience. In discharging this responsibility, the Chief Executive should take into account:

- the standards of service quality expected;
- the relevant national service framework (if any);
- the provision of reliable information on cost and volume of services;
- the Performance Assessment Framework contained within the FTC; and
- that FTC builds where appropriate on existing partnership arrangements.

A good FTC will result from a dialogue of clinicians, users, carers, public health professionals and managers. It will reflect knowledge of local needs and inequalities. This will require the Chief Executive to ensure that the Foundation Trust works with all partner agencies involved in both the delivery and the commissioning of the service required.

The Chief Executive, as the Accounting Officer, will need to ensure that regular reports are provided to the Board of Directors detailing actual and forecast income from the FTC.

Non-Commercial Contract – Including SLAs with other NHS Bodies

Where the Trust enters into a relationship with another organisation for the supply or receipt of other services – clinical or non-clinical, the responsible officer should ensure that an appropriate non-commercial contract is present and signed by both parties. This legally binding contract shall as a minimum incorporate:

- a description of the service and indicative activity levels;
- the terms, commencement date and length of the agreement;
- the value of service provided and price;
- the payment terms and payment mechanism;
- contract variation procedures;
- the lead officers;
- compliance with Trust policies, procedures and protocols (including employment) as deemed appropriate;
- compliance with applicable standards, regulations and legislation;
- monitoring arrangements and performance review process;

- dispute resolution procedures and processes;
- remedies;
- information sharing and confidentiality;
- risk management and clinical governance agreements;
- liabilities and indemnities;
- legal ownership for any delivered product or material; and
- contract cancellation and termination arrangements.

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

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

The Nomination and Remuneration Committee

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

The Committee will:

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

- d) advise on and oversee appropriate contractual arrangements for such staff including the proper calculation and scrutiny of termination payments taking account of such national guidance as is appropriate.
- e) scrutiny and approval of all payments that fall outside normal salary remuneration when ceasing employment e.g. MARS schemes, severance payments, redundancy payments, and any related compromise agreements.

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

The Board of Directors will approve proposals presented by the Chief Executive for setting of remuneration and conditions of service for those employees not covered by the Committee.

The Council of Governors, at the General Meeting will decide the remuneration and allowances, and the other terms and conditions of office of the Non-Executive Directors.

Funded establishment

The manpower plans incorporated within the operational plan will form the funded establishment. The staffing establishment of the Foundation Trust will be identified and monitored by the Chief People Officer under delegation from the Chief Executive.

The funded establishment of any department may not be varied without the approval of the Chief Executive or individual nominated within the relevant section of the Scheme of Reservation and Delegation. The Chief Finance Officer is responsible for verifying that funding is available.

Staff appointments

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

- a) authorised to do so by the Chief Executive; and
- b) within the limit of their approved budget and funded establishment as defined in the Scheme of Reservation and Delegation.

The Board of Directors will approve procedures presented by the Chief Executive for the determination of salary and contractual terms and conditions of all employees.

Processing of the payroll

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 and allowances; including verification that the rates of pay and relevant conditions of service are in accordance with current agreements;
- c) making payment on agreed dates; and
- d) agreeing method of payment.

The Chief People Officer will issue instructions regarding:

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

- m) a system to ensure the recovery from leavers of sums of money and property due by them to the Foundation Trust.

Appropriately nominated managers have delegated responsibility for:

- a) processing a signed copy of the contract/appointment form and such other documentation as may be required immediately upon an employee commencing duty;
- b) submitting time records, and other notifications in accordance with the agreed timetables;
- c) completing time records and other notifications in accordance with the Chief People Officer instructions and in the form prescribed by the Chief People Officer; and
- d) submitting termination forms in the prescribed form immediately upon knowing the effective date of an employee's resignation, termination or retirement. Where an employee fails to report for duty in circumstances that suggest they have left without notice, the Chief People Officer must be informed immediately. In circumstances where fraud might be expected this must be reported to the Chief Finance Officer.

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

Contracts of employment

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

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

NON-PAY EXPENDITURE

Delegation of authority

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

The Chief Executive will set out:

- a) the list of managers who are authorised to place requisitions for the supply of goods and services should be updated and reviewed regularly by Procurement. An annual verification will be undertaken by the Procurement Department
- b) where the authorisation system is computerised, the list will be maintained within the computerised system and the 'signature' will be in the form of electronic authorisation in accordance with the access and authority controls maintained within the computerised system; and
- c) the maximum level of each requisition and the system for authorisation above that level.

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

The Scheme of Reservation and Delegation contains the delegated financial limits for each manager within the Trust. These financial limits are approved by the Board

Choice, requisitioning, ordering, receipt and payment for goods and services

The requisitioner, in choosing the item to be supplied (or the service to be performed) shall always obtain the best value for money for the Foundation Trust. In so doing, the advice of the Trust's advisor shall be sought. Where this advice is not acceptable to the requisitioner, the Chief Finance Officer shall be consulted.

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

The Chief Finance Officer will:

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

- d) be responsible for designing and maintaining a system of verification, recording and payment of all amounts payable. The system shall provide for:
- i) Authorised signatures will be maintained within the computerised system and the 'signature' will be in the form of electronic authorisation in accordance with the access and authority controls maintained within the computerised system;
 - ii) verification that:
 - goods have been duly received, examined and are in accordance with specification and the prices are correct;
 - work done or services rendered have been satisfactorily carried out in accordance with the order, and, where applicable, the materials used are of the requisite standard and the charges are correct;
 - in the case of contracts based on the measurement of time, materials or expenses, the time charged is in accordance with the time sheets, the rates of labour are in accordance with the appropriate rates, the materials have been checked as regards quantity, quality, and price and the charges for the use of vehicles, plant and machinery have been examined;
 - where appropriate, the expenditure is in accordance with regulations and all necessary authorisations have been obtained;
 - the account is arithmetically correct; and
 - the account is in order for payment.
 - iii) a procedure and system for submission of accounts for payment; provision shall be made for the early submission of accounts subject to cash discounts or otherwise requiring early payment; and
 - iv) instructions to employees regarding the handling and payment of accounts within the Finance Department; and
- e) be responsible for ensuring that payment for goods and services is only made once the goods and services are received, (except per section below in relation to prepayments).

It is expected that prepayments are sometimes required for fully comprehensive maintenance contracts, rental and insurance. However, prepayment arrangements for other goods and services are only permitted where exceptional circumstances apply. In such instances:

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

Official Orders must:

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

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

- a) all contracts other than for a simple purchase permitted within the Scheme of Reservation and Delegation or delegated budget, and other commitments which may result in a liability are notified to the Chief Finance Officer in the form of a written report in advance of any commitment being made that will be approved by the Chief Finance Officer
- b) are advertised and awarded in accordance with EU rules on public procurement and subsequent tenders make reference to compliance with all relevant industry quality standards

- c) where consultancy advice is being obtained, the procurement of such advice must be in accordance with guidance issued by NHSI, the Chief Executive and Chief Finance Officer; where an officer certifying accounts relies upon other officers to do preliminary checking, they shall wherever possible, ensure that those who check delivery or execution of work act independently of those who have placed orders and negotiated prices and terms.
- d) no order shall be issued for any item or items to any firm which has made an offer of gifts, reward or benefit to directors or employees, other than:
 - i) isolated gifts of a trivial character or inexpensive seasonal gifts, such as calendars; and
 - ii) conventional hospitality, such as lunches in the course of working visits (see Gifts and Hospitality Policy); no requisition/order is placed for any item or items for which there is no budget provision unless authorised by the Chief Finance Officer on behalf of the Chief Executive;
- e) all goods, services, or works are ordered on an official order with the exception of purchases from petty cash or on purchasing cards;
- f) verbal orders must only be issued very exceptionally - by an employee designated by the Chief Executive and only in cases of emergency or urgent necessity. These must be confirmed by an official order, and clearly marked "Confirmation Order";
- g) orders are not split or otherwise placed in a manner devised so as to avoid the financial thresholds;
- h) goods are not taken on trial or loan in circumstances that could commit the Foundation Trust to a future un-competitive purchase;
- i) purchases from petty cash are restricted in value and by type of purchase in accordance with the Scheme of Reservation and Delegation; and
- j) petty cash records are maintained in a form as determined by the Chief Finance Officer.
- k) Under no circumstances should goods be ordered through the Foundation Trust for personal or private use.

Every contract entered into using Procure 21 (P21) tender for building or engineering works-will abide by the rules and regulations regarding this procurement route. If the Trust deems appropriate and or in

the best interests of the Trust these documents may be modified and/or amplified to accord with Department of Health Guidance and, in minor respects, to cover special features of individual projects.

Joint finance arrangements with local authorities and voluntary bodies

Payments to local authorities and voluntary organisations made under the powers of the 2006 Act shall comply with procedures laid down by the Chief Finance Officer which shall be in accordance with these Acts.

EXTERNAL BORROWING AND INVESTMENTS

External Borrowing

The Trust may borrow money for the purposes of, or in connection with, its strategic objectives and its operational functions.

The total amount of the Trust's borrowing must be affordable within the use of Resources Rating included within NHSE's Single Oversight Framework.

Any application for a loan or overdraft facility must be approved by the Board and will only be made by the Chief Finance Officer or a person with specific delegated powers from the Chief Finance Officer.

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

All long-term borrowing must be consistent with the plans outlined in the current Trust Business Plan approved by the Board.

Public Dividend Capital

On authorisation as a Foundation Trust the Public Dividend Capital held immediately prior to authorisation continues to be held on the same conditions.

Additional Public Dividend Capital may be made available on such terms the Secretary of State (with the consent of the Treasury) decides.

Draw down of Public Dividend Capital should be authorised in accordance with the mandate held by the Department of Health Cash Funding Team and is subject to approval by the Secretary of State.

The Foundation Trust shall be required to pay annually to the Department of Health a dividend on its Public Dividend Capital at a rate to be determined from time to time, by the Secretary of State.

Investment

The Foundation Trust may invest money (other than money held by it as charitable trustee) for the purposes of or in connection with its functions. Such investment may include forming, or participating in forming, or otherwise acquiring membership of bodies corporate.

The Foundation Trust may also give financial assistance (whether by way of loan, Guarantee or otherwise) to any person for the purposes of or in connection with its functions.

Investment of Temporary Cash Surpluses

Temporary cash surpluses must be held only in such public and private sector investments as authorised by the Board of Directors through the Foundation Trust's Treasury Management Policy.

The Audit Committee will review and approve the Treasury Management Policy on a regular basis and seek regular assurances that the policy is being adhered to and remains effective.

The Board of Directors is responsible for establishing and monitoring an appropriate investment strategy.

The Chief Finance Officer is responsible for advising the Board of Directors on investments and shall report periodically to the Board of Directors concerning the performance of investments held.

The Chief Finance Officer will prepare detailed procedural instructions on investment operations and on the records to be maintained. The Foundation Trust's Treasury Management Policy will incorporate guidance from NHSE as appropriate.

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

Capital investment

Chief Finance Officer

- a) shall ensure that there is an adequate appraisal and approval process in place for determining capital expenditure priorities and the effect of each proposal upon business plans;

- b) is responsible for the management of all stages of capital schemes and for ensuring that schemes are delivered on time and to cost; and
- c) shall ensure that the capital investment is not undertaken without the availability of resources to finance all revenue consequences, including capital charges.

For capital expenditure proposals the Chief Executive shall ensure (in accordance with the limits outlined in the Scheme of Reservation and Delegation):

- 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;
 - ii) appropriate project management and control arrangements; and
 - iii) the involvement of appropriate Foundation Trust personnel and external agencies; and
- b) that the Chief Finance Officer has certified professionally to the capital costs and revenue consequences detailed in the business case.

For capital schemes where the contracts stipulate stage payments, the Chief Executive will issue procedures for their management, incorporating the recommendations of “CONCODE” and any advice from NHS Improvement.

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

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

The approval of a capital programme shall not constitute approval for expenditure on any scheme.

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

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

The Chief Executive will issue a scheme of delegation for capital investment management in accordance with “CONCODE” and guidance in the Foundation Trust's Standing Orders.

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

Private Finance (see overlap with Private Finance for Capital procurement)

The Foundation Trust should normally test for Private Finance Initiative when considering capital procurement. When the Board of Directors propose, or is required, to use finance provided by the private sector the following should apply.

- (a) The Chief Executive shall demonstrate that the use of private finance represents value for money and genuinely transfers risk to the private sector.
- (b) A business case must be referred to the appropriate DOH for approval or treated as per current guidelines (refer to NHSE guidance 'Roles and Responsibilities in the Approval of NHS Foundation Trust PFI Schemes').
- (c) The proposal must be specifically agreed by the Foundation Trust in the light of such professional advice as should reasonably be sought in particular with regard to ultra vires.
- (d) The selection of a contractor/finance company must be on the basis of competitive tendering or quotations.

Asset registers

Director of Finance and Commercial Development is responsible for the maintenance of registers of assets, taking account of the advice of the Chief Finance Officer concerning the form of any register and the method of updating, and arranging for a physical check of assets against the Asset Register to be conducted once a year.

The Foundation Trust shall maintain a Fixed Asset Register recording fixed assets and containing all the details required to account correctly for its fixed assets.

Additions to the Fixed Asset Register must be clearly identified to an appropriate budget holder and be validated by reference to:

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

- c) lease agreements in respect of assets held under a finance lease and capitalised.

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

The Chief Finance Officer shall approve procedures for reconciling balances on fixed assets accounts in ledgers against balances on Fixed Asset Registers.

The value of each asset shall be adjusted to current values in accordance with the relevant standards and guidance.

The value of each asset shall be depreciated using methods in accordance with the relevant standards and guidance.

The Chief Finance Officer shall calculate and account for capital charges in accordance with the Foundation Trust Financial Reporting Manual, and other applicable guidance issued by NHSE and HM Treasury.

Protected Property

A register of Protected Property is required to be maintained in accordance with requirements issued by NHS Improvement. The property referred to in Condition 9(1) of the Terms of Authorisation, which is to be protected, is limited to land and buildings owned or leased by the Foundation Trust (assets such as equipment, financial assets, cash or intellectual property will not be regarded as protected assets).

No Protected Property may be disposed of (including disposing of part of it or granting an interest in it) without the approval of NHS Improvement.

This will be achieved through the annual planning process. The annual plan will include proposed changes in the treatment of assets that are protected and proposed disposals and acquisitions.

The Foundation Trust is required to notify relevant bodies of the publication date of their plans to allow them to lodge any objections. Twenty-one days is allowed before the plans are then approved.

During the year when the proposed changes are made the Fixed Asset Register must be updated accordingly. The relevant bodies should then be notified that an updated Asset Register is available.

As required by Condition 9 (4) of the Terms of Authorisation the Foundation Trust must make the Fixed Asset Register available for inspection by the public. The Foundation Trust may charge a reasonable fee for access to this information.

Security of assets

The overall control of fixed assets is the responsibility of the Chief Executive advised by the Chief Finance Officer.

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

- 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; and
- g) reporting, recording and safekeeping of cash, cheques, and negotiable instruments.

All significant discrepancies revealed by verification of physical assets to the Fixed Asset Register shall be notified to the Chief Finance Officer.

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

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

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

STOCK, STORES AND RECEIPT OF GOODS**Stocks**

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

- a) controlled stores - specific areas designated for the holding and control of goods;
- b) wards & departments - goods required for immediate usage to support operational services; and
- c) manufactured Items - where goods and consumables are being made or processes are being applied which add to the raw material cost of the goods.

Such stocks should be kept to a minimum and for;

- a) controlled stores and other significant stores (as determined by the Chief Finance Officer) should be subjected to an annual stocktake or perpetual inventory procedures; and
- b) valued at the lower of cost or net realisable value.

Subject to the responsibility of the Chief Finance Officer for the systems of control, overall responsibility for the control of stores shall be delegated to an employee in accordance with the SORD by the Chief Executive. The day-to-day responsibility may be delegated by them to departmental employees and stores managers/keepers, subject to such delegation being entered in a record available to the Chief Finance Officer. The control of any Pharmaceutical stocks shall be the responsibility of a designated Pharmaceutical Officer; the control of any fuel, oil and coal stocks shall be the responsibility of a designated Associate Director of Estates and Facilities.

The responsibility for security arrangements and the custody of keys for all stores and locations shall be clearly defined in writing by the Associate Director of Procurement.

Wherever practicable, stocks should be marked as NHS Foundation Trust property.

The Chief Finance Officer shall set out procedures and systems to regulate the stores including records for receipt of goods, issues, and returns to stores, and losses. Stocktaking arrangements shall be agreed with the Chief Finance Officer and there shall be a physical check covering all items in store at least once a year.

Where a complete system of stores control is not justified, alternative arrangements shall require the approval of the Chief Finance Officer.

The Head of Financial shall be responsible for a system approved by the Chief Finance Officer for a review of slow moving and obsolete items and for condemnation, disposal, and replacement of all unserviceable articles. The Head of Financial Services shall report to the Chief Finance Officer any evidence of significant overstocking and of any negligence or malpractice (see also Disposals and Condemnations, Losses and Special Payments). Procedures for the disposal of obsolete stock shall follow the procedures set out for disposal of all surplus and obsolete goods.

Receipt of Goods

A delivery note shall be obtained from the supplier at the time of delivery and shall be signed by the person receiving the goods. All goods received shall be checked, by the appropriate department, as regards quantity and/or weight and inspected as to quality and specification. Instructions shall be issued to staff covering the procedures to be adopted in those cases where a delivery note is not available.

All goods received shall be entered onto an appropriate goods received/stock record (whether a computer or manual system) on the day of receipt. If goods received are unsatisfactory, the records shall be marked accordingly. Further, where the goods received are found to be unsatisfactory or short on delivery, they shall only be accepted on the authority of the designated officer and the supplier shall be notified immediately.

For goods supplied via third party distributors, the Chief Executive shall identify those authorised to requisition and accept goods from the store. The authorised person shall check receipt against the delivery note to satisfy them that the goods have been received. The Finance Department will make payment on receipt of an invoice. This may also apply for low-value high volume items such as stationery.

Issue of Stocks

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

All transfers and returns shall be recorded on forms/systems provided for the purpose and approved by the Chief Finance Officer.

ESTATES EMERGENCY ORDERS

To maintain a fully operational site, Estates will, on occasion, be required to undertake emergency repairs which can be within normal operational hours (Monday to Thursday 08:30 – 17:00 and Friday 08:30 – 16:30) or out of hours.

On occasion these will be considered an extraordinary emergency request defined as a requirement to meet an **immediate** need to avoid a regulatory breach and ensure patient, staff and visitor safety. The SFIs determine that orders must be generated for all goods and services (*all goods, services or works are ordered on an official order with the exception of purchases from petty cash or on purchasing cards*). To meet this immediate and urgent need and ensure compliance with SFIs, a change to the SFIs is **proposed** to permit the generation of emergency order numbers that can be provided to the supplier with the requisition raised retrospectively. Use of this process will vary depending upon whether the need arises within normal working hours or out of hours as described below. The financial threshold for emergency requests will be below the capital threshold of £5,000 where the Emergency Capital process will be used.

In-Hours Emergency Requests

- The need is escalated to the Associate Director of Estates and Facilities (or delegated deputy in their absence) to confirm that requirement meets the definition of an extraordinary emergency request that would result in a regulatory breach or risk the health and safety of patients, staff and visitors.
- The Associate Director of Estates and Facilities contacts Procurement confirming that requirement who will then determine if any existing frameworks or current contracts can be utilised to meet the need. It must be noted however, that time would be of the essence and the very nature of the emergency may preclude this.
- In the absence of any contract or framework, Procurement would issue Estates with an emergency order number to provide to the supplier to undertake the work.
- Estates appoint the supplier obtaining an indicative quote for the work and provide the pre-assigned order number to the supplier.
- Supplier completes the work and provides a comprehensive quote within five days of completion of the works.
- Estates submit a retrospective requisition providing full details inclusive of costs of the work undertaken.
- Procurement updates the order and issues a hard copy order to the supplier as a follow-up and against which the supplier will invoice the Trust within five days of Estates providing updated details of works undertaken.

Out of Hours Emergency Requests

Procurement will allocate a maximum of five emergency order numbers to Estates to be used in an out of hour emergency that meets the definition previously described. The process for out of hours is as follows:

Warrington and Halton Teaching Hospitals

NHS Foundation Trust

- The need is escalated to the Associate Director of Estates and Facilities (or delegated deputy in their absence) to confirm that this meets the definition of an extraordinary emergency request that would result in a regulatory breach or risk the health and safety of patients, staff and visitors.
- The Associate Director of Estates and Facilities assigns a previously allocated emergency order number to the Estates Officer
- Estates liaise directly with known suppliers obtaining an indicative cost for the work to be undertaken.
- Estates appoint the supplier and provide the pre-assigned order number to the supplier.
- Supplier completes the work and provides a compressive quote.
- Estates request an amendment to the order providing full details inclusive of costs of the work undertaken within five days of completed of the works.
- Procurement updates the order and sends the amended order to the supplier within five days of estates providing updated details of works undertaken.

In all circumstances the emergency requests are only for expenditure that fall below the Public Contracts Regulations that the Trust is legally required to comply with. Where the cost exceeds the financial thresholds stated in the SFIs for formal tendering to be undertaken, a retrospective Waiver will be completed and reported to the Audit Committee.

The use of emergency orders will be monitored by the Procurement Team to ensure that they remain within the parameters specified and will be reported to the Finance and Sustainability Committee on a monthly basis.

DISPOSALS AND CONDEMNATIONS, INSURANCE, LOSSES AND SPECIAL PAYMENTS

Disposals and condemnations

The Chief Finance Officer must prepare detailed procedures and a Disposals Policy for the disposal of assets including condemnations and ensure that these are notified to managers.

When it is decided to dispose of a Foundation Trust asset, the Head of Department or authorised deputy will determine and advise the Chief Finance Officer of the estimated market value of the item, taking account of professional advice where appropriate. For protected assets see 'Protected Property' page 36 of these SFIs.

All other material items of unwanted equipment shall be dealt with in accordance with the Disposals and Condemnation of Assets Policy.

All unserviceable articles shall be:

- a) condemned or otherwise disposed of by an employee authorised for that purpose by the Chief Finance Officer; and
- b) recorded by the condemning officer in a form approved by the Chief Finance Officer which will indicate whether the articles are to be converted, destroyed or otherwise disposed of. All entries shall be confirmed by the countersignature of a second employee authorised for the purpose by the Chief Finance Officer.

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

Losses and special payments

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

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

Where a criminal offence is suspected, the Chief Finance Officer must immediately inform the police if theft or arson is involved. In cases of fraud or corruption or of anomalies which may indicate fraud or corruption, the Chief Finance Officer must inform their Local Counter Fraud Officer who will inform the relevant CFSMS regional team before any action is taken and reach agreement how the case is to be handled.

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

- a) the Board of Directors;
- b) the External Auditor; and
- c) Counter Fraud and Security Management Service (through the Anti-Fraud specialist).

The notifying and approval of losses and special payments is in accordance with the Scheme of Reservation and Delegation. The Chief Finance Officer shall be authorised to take any necessary steps to safeguard the Foundation Trust's interests in bankruptcies and company liquidations.

For any loss, the Chief Finance Officer should consider whether any insurance claim can be made.

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

Compensation Claims

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

The Foundation Trust will seek to reduce the incidence and adverse impact of clinical negligence, employee and other litigation by: -

- a) adopting prudent risk management strategies including continuous review;
- b) implementing in full the NHS Complaints Procedure, thus providing an alternative remedy for some potential litigants;
- c) adopting a systematic approach to claims handling in line with the best current and cost-effective practice;
- d) following guidance issued by the NHSR relating to clinical negligence;
- e) achieving the Standards for Better Health; and
- f) implementing an effective system of Clinical Governance.

The Medical Director and Director of Nursing are responsible for clinical negligence: for managing the claims process and informing the Board of Directors of any major developments on claims related issues.

INFORMATION TECHNOLOGY

Responsibilities and duties of the Chief Finance Officer

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

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

The Chief Finance Officer shall satisfy them self those 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.

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

Responsibilities and duties of other Directors and Officers in relation to computer systems of a general application

In the case of computer systems which are proposed General Applications (i.e. normally those applications which the majority of Trusts in the region wishes to sponsor jointly) all responsible directors and employees will send to the Chief Finance Officer:

- a) details of the outline design of the system;
- b) in the case of packages acquired either from a commercial organisation, from the NHS, or from another public sector organisation, the operational requirement.

Contracts for Computer Services with other health bodies or outside agencies

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

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

Requirement for Computer Systems which have an impact on corporate financial systems

Where computer systems have an impact on corporate financial systems the Chief Finance Officer shall satisfy himself that:

- a) systems acquisition, development and maintenance are in line with corporate policies such as an Information Technology Strategy;
- b) data produced for use with financial systems is adequate, accurate, complete and timely, and that a management (audit) trail exists;
- c) Chief Finance Officer staff have access to such data; and
- d) such computer audit reviews as are considered necessary are being carried out.

Risk Assessment

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

Disclosure

The Foundation Trust shall disclose to NHSE and directly to any third parties, as may be specified by the Secretary of State, the information, if any, specified in the Terms of Authorisation, Schedule 6. Other information, as requested, shall be provided to NHS Improvement.

PATIENTS' PROPERTY

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

The Chief 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 Foundation Trust will not accept responsibility or liability for patients' property brought into its premises, unless it is handed in for safe custody and a copy of an official patient's property record is obtained as a receipt.

The Director of Nursing 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. The said instructions shall cover the necessary arrangements for withdrawal of cash or disbursement of money held in accounts of patients who are incapable of handling their own financial affairs. Due care should be exercised in the management of a patient's money.

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

- a) property handed in for safe custody by any patient (or guardian as appropriate);

- b) property taken into safe custody having been found in the possessions of:
- mentally disordered patients;
 - confused and/or disorientated patients;
 - unconscious patients;
 - patients dying in hospital; and
 - patients found dead on arrival at hospital (property removed by police); and
- c) A record shall be completed in respect of all persons in category b, including a nil return if no property is taken into safe custody.

The record shall be completed by a member of the hospital staff in the presence of a second member of staff and the patient (or representative) where practicable. It shall then be signed by both members of staff and by the patient, except where the latter is restricted by physical or mental incapacity. Any alterations shall be validated by signature as required in the original entry on the record.

Patients' income, including pensions and allowances, shall be dealt with in accordance with current Department of Works and Pensions instructions. For long stay patients, the Chief Executive shall ensure that positive action is taken to use their funds effectively and so reduce balances accruing.

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

The disposal of property of deceased patients shall be effected by the officer who has been responsible for its security, such disposal shall be in accordance with written instructions issued by the Chief Nurse, in particular, where cash or valuables have been deposited for safe custody, they shall only be released after written authority has been given by the Director of Nursing or delegated finance officer. Such authority shall include details of the lawful kin or other person entitled to the cash and valuables in question.

In all cases where property of a deceased patient is of a total value in excess of £5,000 (or such other amount as may be prescribed by any amendment to the Administration of Estates, Small Payments, Act 1965), the production of Probate or Letters of Administration shall be required before any of the

property is released. Where the total value of property is £5,000 or less, forms of indemnity shall be obtained.

Property handed over for safe custody shall be placed into the care of the appropriate administrative staff. Where there are no administrative staff present, in which case the property shall be placed in the secure care of the most senior member of nursing staff on duty.

In respect of deceased patients, if there is no will and no lawful next of kin the property vests in the Crown and particulars shall, therefore, be notified to the Treasury Solicitor.

Any funeral expenses necessarily borne by the Foundation Trust are a first charge on a deceased person's estate. Where arrangements for burial or cremation are not made privately, any element of the estate held by the Foundation Trust may be appropriated towards funeral expenses, upon the authorisation of the Chief Finance Officer.

Staff should be informed, on appointment, by the appropriate departmental or senior manager of their responsibilities and duties for the administration of the property of patients.

Where patients' property or income is received for specific purposes and held for safekeeping the property or income shall be used only for that purpose, unless any variation is approved by the donor or patient in writing. (see Patient Property Policy)

FUNDS HELD ON TRUST

General

The Foundation Trust has a responsibility as a corporate trustee for the management of funds it holds on trust. The management processes may overlap with those of the organisation of the Foundation Trust, the trustee responsibilities must be discharged separately, and full recognition must be given to its dual accountabilities to the Charity Commission.

The reserved powers of the Board of Directors and the Scheme of Reservation and Delegation make clear where decisions for which discretion must be exercised are to be taken and by whom.

As management processes overlap most of the sections of these Standing Financial Instructions will apply to the management of funds held on trust.

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

Charitable Funds are those gifts, donations and endowments made under the relevant charities legislation and held on trust for purposes relating to the Trust and the objectives of which are for the benefit of the NHS in England. They are administered by the Board of Directors acting as Trustees.

The Chief Finance Officer shall maintain such accounts and records as may be necessary to record and protect all transactions and funds of the Foundation Trust as trustees of non-exchequer funds, including an Investment Register.

Existing Charitable Funds

The Chief Finance Officer shall arrange for the administration of all existing funds. A “Deed of Establishment” must exist for every fund and detailed codes of procedure shall be produced covering every aspect of the financial management of charitable funds, for the guidance of fund managers. The Deed of Establishment shall identify the restricted nature of certain funds, and it is the responsibility of fund managers, within their delegated authority, and the Charitable Funds Committee, to ensure that funds are utilised in accordance with the terms of the Deed.

The Chief Finance Officer shall periodically review the funds in existence and shall make recommendations to the Charitable Funds Committee regarding the potential for rationalisation of such funds within statutory guidelines.

The Chief Finance Officer shall ensure that all funds are currently registered with the Charity Commission in accordance with the Charities Acts and the Charity Commission’s latest guidance and best practice.

New Charitable Funds

The Chief Finance Officer shall, recommend the creation of a new fund where funds and/or other assets, received for charitable purposes, cannot adequately be managed as part of an existing fund. All new funds must be formally approved by the Charitable Funds Committee.

The Deed of Establishment for any new fund shall clearly identify, among other things, the objects of the new fund, the nominated fund manager, the estimated annual income and, where applicable, the Charitable Funds Committee’s power to assign the residue of the fund to another fund contingent upon certain conditions e.g. discharge of original objects.

Sources of New Funds

All gifts accepted shall be received and held in the name of the Charity and administered in accordance with the Charity's policy, subject to the terms of specific funds. As the Charity can accept gifts only for all or any purposes relating to the NHS, officers shall, in cases of doubt, consult the Chief Finance Officer before accepting any gift. Advice to the Board of Directors on the financial implications of fund-raising activities by outside bodies or organisations shall be given by the Chief Finance Officer.

All gifts, donations and proceeds of fund-raising activities, which are intended for the Charity's use, must be handed immediately to the Cash Office (Warrington) / General Office (Halton) to be banked directly to the Charitable Funds Bank Account.

In respect of Donations, the Chief Finance Officer shall: -

- a) provide guidelines to officers of the Foundation Trust as to how to proceed when offered funds. These will include: -
 - i) the identification of the donor's intentions;
 - ii) where possible, the avoidance of creating excessive numbers of funds;
 - iii) the avoidance of impossible, undesirable or administratively difficult objects;
 - iv) sources of immediate further advice; and
 - v) treatment of offers for personal gifts; and
- b) provide secure and appropriate receipting arrangements, which will indicate that donations have been accepted directly into the appropriate fund and that the donor's intentions have been noted and accepted.

In respect of Legacies, the Director of Community Engagement & Fundraising shall be kept informed of and record all enquiries regarding legacies. Where required, the Chief Finance Officer shall: -

- a) provide advice covering any approach regarding: -
 - i) the wording of wills; and
 - ii) the receipt of funds/other assets from executors;
- b) after the death of a benefactor all correspondence concerning a legacy shall be dealt with on behalf of the Charity by the Chief Finance Officer who alone shall be empowered to give an executor a good discharge;
- c) where necessary, obtain grant of probate, or make application for grant of letters of administration;

- d) be empowered to negotiate arrangements regarding the administration of a Will with executors and to discharge them from their duty; and
- e) be directly responsible, in conjunction with the Charitable Funds Committee, for the appropriate treatment of all legacies.

The Charitable Funds Committee approve all fund-raising appeals. The Chief Finance Officer shall: -

- a) advise on the financial implications of any proposal for fund-raising activities;
- b) deal with all arrangements for fund-raising by and/or on behalf of the Charity and ensure compliance with all statutes and regulations;
- c) be empowered to liaise with other organisations/persons raising funds for the Charity and provide them with an adequate discharge;
- d) be responsible for alerting the Charitable Funds Committee and the Board of Directors to any irregularities regarding the use of the Charity's name or its registration numbers; and
- e) be responsible for the appropriate treatment of all funds received from this source.

In respect of Trading Income the Chief Finance Officer shall: -

- a) be primarily responsible, along with designated fund managers, for any trading undertaken by the Charity; and
- b) be primarily responsible for the appropriate treatment of all funds received from this source.

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

Investment Management

The Charitable Funds Committee shall be responsible for all aspects of the management of the investment of charitable funds as delegated under the terms of the approved investment policy. The issues on which the Chief Finance Officer shall be required to provide advice to the Charitable Funds Committee shall include: -

- a) the formulation of investment policy which meets statutory requirements with regard to income generation and the enhancement of capital value;

- b) the appointment of advisers, brokers and, where appropriate, investment fund managers and: -
 - i) the Chief Finance Officer shall recommend the terms of such appointments; and for which
 - ii) written agreements shall be signed by the Chief Executive;
- c) pooling of investment resources and the preparation of a submission to the Charity Commission for them to make a scheme;
- d) the participation by the Charity in common investment funds and the agreement of terms of entry and withdrawal from such funds;
- e) that the use of assets shall be appropriately authorised in writing and charges raised within policy guidelines;
- f) the review of the performance of brokers and fund managers; and
- g) the reporting of investment performance.

The Chief Finance Officer shall prepare detailed procedural instructions concerning the receiving, recording, investment and accounting for Charitable Funds.

Expenditure from Charitable Funds

Expenditure from Charitable Funds shall be managed by the Charitable Funds Committee on behalf of the Board of Directors. In so doing the committee 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 endowment fund liabilities (except where administratively unavoidable), and to ensure that any indebtedness to the trust shall be discharged by trust 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 Foundation Trust; and

- f) the definitions of “charitable purposes” as agreed by the Department of Health with the Charity Commission.

Delegated authority to incur expenditure which meets the purpose of the funds is set out in the Scheme of Reservation and Delegation; exceptions are as follows: -

- a) any staff salaries/wages costs require Charitable Funds Committee approval; and
- b) no funds are to be “overdrawn” except in the exceptional circumstance that Charitable Funds Committee approval is granted.

Banking Services

The Chief Finance Officer shall advise the Charitable Funds Committee and, with its approval, shall ensure that appropriate banking services are available in respect of administering the Charitable Funds. These bank accounts should permit the separate identification of liquid funds to each Trust where this is deemed necessary by the Charity Commission.

Asset Management

Assets in the ownership of or used by the Foundation Trust, shall be maintained along with the general estate and inventory of assets of the Foundation Trust. The Chief Finance Officer shall ensure: -

- a) that appropriate records of all donated assets owned by the Foundation Trust 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; and
- d) that all assets acquired from Charitable Funds which are intended to be retained within the funds are appropriately accounted for.

Reporting

The Chief Finance Officer shall ensure that regular reports are made to the Charitable Funds Committee and Board of Directors with regard to, among other things, the receipt of funds, investments and expenditure.

The Chief Finance Officer shall prepare annual accounts in the required manner, which shall be submitted, to the Charitable Funds Committee within agreed timescales.

The Chief Finance Officer shall prepare an annual trustees' report and the required returns to the Charity Commission for review by the Charitable Funds Committee and adoption by the Board of Directors.

Accounting and Audit of Funds held on Trust

The Chief Finance Officer shall maintain all financial records to enable the production of reports as above and to the satisfaction of the independent reviewer.

Distribution of investment income to the charitable funds and the recovery of administration costs shall be performed on a basis determined by the Chief Finance Officer.

The Chief Finance Officer shall ensure that the records, accounts and returns receive adequate scrutiny by the independent reviewer during the year.

The Charitable Funds Committee shall be advised by the Chief Finance Officer on the outcome of the annual independent review.

Taxation and Excise Duty

The Chief Finance Officer shall ensure that the Charity's 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.

TENDERING AND CONTRACT PROCEDURES

Duty to comply with Standing Orders and Standing Financial Instructions

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

EU Directives Governing Public Procurement

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

Formal Competitive Tendering

The foundation trust shall ensure that competitive tenders are invited for:

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

where the foundation trust elects to invite tenders for the supply of healthcare these Standing Financial Instructions shall apply as far as they are applicable to the tendering procedure.

Formal tendering procedures are not required where:

- a) the estimated expenditure or income does not, or is not reasonably expected to, exceed the limit set in the Scheme of Reservation and Delegation, (this figure to be reviewed annually); or
- b) the supply is proposed under special arrangements negotiated by the Department of Health in which event the said special arrangements must be complied with; or
- c) it relates to disposals as set out in Standing Financial Instruction 'Disposals and Condemnations'.
- d) where the requirement is covered by an existing contract (this includes contracts let by external agencies on behalf of the NHS).
- e) where a consortium arrangement is in place and a lead organisation has been appointed to carry out tendering activity on behalf of the consortium members;

Formal tendering procedures may be waived in the following circumstances:

- f) in very exceptional circumstances where the Chief Executive decides that formal tendering procedures would not be practicable or the estimated expenditure or income would not warrant formal tendering procedures, and the circumstances are detailed in an appropriate Foundation Trust record;
- g) where the timescale genuinely precludes competitive tendering but failure to plan the work properly would not be regarded as a justification for a single tender;
- h) where specialist expertise is required and is available from only one source;
- i) when the task is essential to complete the project, and arises as a consequence of a recently completed assignment and engaging different consultants for the new task would be inappropriate;

- j) there is a clear benefit to be gained from maintaining continuity with an earlier project. However, in such cases the benefits of such continuity must outweigh any potential financial advantage to be gained by competitive tendering;
- k) for the provision of legal advice and services providing that any legal firm or partnership commissioned by the Foundation Trust is regulated by the Law Society for England and Wales for the conduct of their business (or by the Bar Council for England and Wales in relation to the obtaining of Counsel's opinion) and are generally recognised as having sufficient expertise in the area of work for which they are commissioned.

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

The waiving of competitive tendering procedures should not be used to avoid competition or for administrative convenience or to award further work to a consultant originally appointed through a competitive procedure.

Where it is decided that competitive tendering is not applicable and should be waived, the fact of the waiver and the reasons should be documented and recorded in an appropriate Foundation Trust record and reported to the Audit Committee at each meeting.

Fair and Adequate Competition

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

Building and Engineering Construction Works

Competitive Tendering cannot be waived for building and engineering construction works and maintenance (other than in accordance with Contracts and Commissions for the NHS Estate Concode) without prior approval in accordance with the Scheme of Reservation and Delegation.

Items which subsequently breach thresholds after original approval

Items estimated to be below the limits set in this Standing Financial Instruction for which formal tendering procedures are not used which subsequently prove to have a value above such limits shall be reported to the Chief Finance Officer and be recorded in an appropriate Foundation Trust record.

Contracting and Tendering Procedure**Invitation to tender**

- (i) All invitations to tender shall state the date and time as being the latest time for the receipt of tenders.
- (ii) All invitations to tender shall state that no tender will be accepted unless:
 - (a) it is received electronically by the due date and time specified in the Invitation to Tender (ITT) printed label supplied by the Foundation Trust (or the word "tender" followed by the subject to which it relates) and the latest date and time for the receipt of such tender addressed to the Chief Executive or nominated Manager;
 - (b) All tenders will be issued electronically via the eTendering system. All tenders will be locked until the due date at which point, they will be unlocked by a designated officer.
- (iii) Every tender for goods, materials, services or disposals shall embody such of the NHS Standard Contract Conditions as are applicable.

Receipt and safe custody of tenders

The Chief Executive or their nominated representative will be responsible for the receipt, endorsement and safe custody of tenders received until the time appointed for their opening.

The date and time of receipt of each tender shall be recorded electronically on the eTendering system.

Opening tenders and Register of tenders

- (i) As soon as practicable after the date and time stated as being the latest time for the receipt of tenders, they shall be unlocked via the eTendering system by a designated officer. The date will be recorded electronically on the eTendering system.

- (iii) The 'originating' Department will be taken to mean the department sponsoring or commissioning the tender.
- (iv) The e contract management system will automatically record and store all the above information for competitive tender invitations despatched electronically.
- (v) Incomplete tenders, i.e. those from which information necessary for the adjudication of the tender is missing, and amended tenders i.e., those amended by the tenderer upon their own initiative either orally or in writing after the due time for receipt, but prior to the opening of other tenders, should be dealt with in the same way as late tenders. (Standing Order below).

Admissibility

- i) If for any reason the option is that tenders received are not strictly competitive (for example, because their numbers are insufficient or any are amended, incomplete or qualified) the Procurement department will investigate as part of the procurement process and in compliance with EU Regulations. In the event that this cannot be resolved the Procurement Department would make a recommendation to either cancel the process or remove a particular supplier from the process.
- (ii) Where only one tender is sought and/or received, the Chief Finance Officer shall, as far practicable, ensure that the price to be paid is fair and reasonable and will ensure value for money for the Foundation Trust.

Late tenders

- (i) Tenders received after the due time and date, but prior to the opening of the other tenders, may be considered only if the Chief Executive or their nominated officer decides that there are exceptional circumstances i.e. despatched in good time but delayed through no fault of the tenderer.
- (ii) Only in the most exceptional circumstances will a tender be considered which is received after the opening of the other tenders if the process of evaluation and adjudication has not started.
- (iii) While decisions as to the admissibility of late, incomplete or amended tenders are under consideration, the tender documents shall be kept strictly confidential.

Acceptance of formal tenders

- (i) Any discussions with a tenderer which are deemed necessary to clarify technical aspects of their tender before the award of a contract will not disqualify the tender.
- (ii) Contracts will be awarded based on the Most Economically Advantageous Tender (MEAT) that takes into account technical and service capability as well as cost, or the highest, if payment is to be received by the Foundation Trust unless there are good and sufficient reasons to the contrary. Such reasons shall be set out in either the contract file, or other appropriate record. The % applied to price will vary based upon the goods or services being procured.

A standard tender evaluation criterion based on 70% technical and service capability and 30% related to cost (70/30). A requirement that any request to deviate from this 70/30 standard is approved by the Trust Board following the relevant project team/stakeholder group formally outlining their rationale for change.

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

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

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

- (iii) No tender shall be accepted which will commit expenditure in excess of that which has been allocated by the Foundation Trust and which is not in accordance with these Instructions except with the authorisation of the Chief Executive.
- (iv) The use of these procedures must demonstrate that the award of the contract was:
 - (a) not in excess of the going market rate / price current at the time the contract was awarded; and

- (b) that best value for money was achieved.
- (v) All tenders should be treated as confidential and should be retained for inspection.

Quotations: Competitive and non-competitive

General Position on quotations

Quotations are required as per the values contained within the Scheme of Reservation and Delegation.

Competitive Quotations

- (i) Quotations should be obtained from at least 3 firms/individuals based on specifications or terms of reference prepared by, or on behalf of, the Foundation Trust.
- (ii) Quotations should be in writing.
- (iii) All quotations should be treated as confidential and should be retained for inspection.
- (iv) The Chief Executive or their nominated officer should evaluate the quotation and select the quote which gives the best value for money. If this is not the lowest quotation if payment is to be made by the Foundation Trust, or the highest if payment is to be received by the Foundation Trust, then the choice made and the reasons why should be recorded in a permanent record

Non-Competitive Quotations

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

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

Quotations to be within Financial Limits

No quotation shall be accepted which will commit expenditure in excess of that which has been allocated by the Foundation Trust and which is not in accordance with Standing Financial Instructions except with the authorisation of the Chief Finance Officer.

Authorisation of Tenders and Competitive Quotations

Providing all the conditions and circumstances set out in these Standing Financial Instructions have been fully complied with, any commitments which may result in a liability are notified to the Chief Finance Officer in the form of a written report in advance of any commitment being made that will be approved by the Chief Finance Officer. In the case of authorisation by the Board of Directors this shall be recorded in their minutes.

Instances where formal competitive tendering or competitive quotation is not required

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

- (a) The Foundation Trust shall use other external agencies for procurement of all goods and services unless the Chief Executive or nominated officers deem it inappropriate.
- (b) If the Foundation Trust does not use other external agencies where tenders or quotations are not required, because expenditure is below the levels defined in the Scheme of Reservation and Delegation, the Foundation Trust shall procure goods and services in accordance with procurement procedures approved by the Chief Finance Officer.

Private Finance for capital procurement (see overlap with Capital Investment, Private Finance, Fixed Assets Register, Security of Assets – Private Finance)

The Foundation Trust should normally market-test for PFI (Private Finance Initiative funding) when considering a capital procurement. When the Board of Directors proposes, or is required, to use finance provided by the private sector the following should apply.

- (a) The Chief Executive shall demonstrate that the use of private finance represents value for money and genuinely transfers risk to the private sector.
- (b) Where the sum exceeds delegated limits, a business case must be referred to the appropriate body for approval or treated as per current guidelines.
- (c) The proposal must be specifically agreed by the Board of Directors.

- (d) The selection of a contractor/finance company must be on the basis of competitive tendering or quotations.

Compliance requirements for all contracts

The Board of Directors may only enter into contracts on behalf of the Foundation Trust within the statutory powers and shall comply with:

- (a) The Foundation Trust's Standing Orders and Standing Financial Instructions;
- (b) EU Directives and other statutory provisions;
- (c) any available guidance on capital investment and guidance on the Procurement and Management of Consultants;
- (d) such of the NHS Standard Contract Conditions as are applicable;
- (e) contracts with Foundation Trusts must be in a form compliant with appropriate NHS guidance;
- (f) Where appropriate contracts shall be in or embody the same terms and conditions of contract as was the basis on which tenders or quotations were invited; and
- (g) In all contracts made by the Foundation Trust, the Board of Directors shall endeavour to obtain best value for money by use of all systems in place. The Chief Executive shall nominate an officer who shall oversee and manage each contract on behalf of the Foundation Trust.

Personnel and Agency or Temporary Staff Contracts

The Chief Executive shall nominate officers with delegated authority to enter into contracts of employment, regarding staff, agency staff or temporary staff service contracts.

Foundation Trust Contracts / Healthcare Services Agreements (see overlap Foundation Trust contracts)

Service Agreement Contracts with NHS or Foundation Trust Providers for the supply of healthcare services shall be drawn up in accordance with legal advice.

All agreements entered into by the Trust for the receipt of services from, or the provision of services to, NHS and Foundation Trusts shall be reflected in a Contract Agreement. The Contract is a legal document and is enforceable in law.

The Chief Executive shall nominate officers to commission Service Contracts with Providers of Healthcare.

Disposals (See overlap with Disposal and Condemnations, Insurance, Losses and Special Payments)

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

- (a) obsolete or condemned articles and stores must be disposed of in accordance with the Disposal Policy
- (b) items to be disposed of with an estimated sale value of less than that defined on the Scheme of Reservation and Delegation, this figure to be reviewed on a periodic basis;
- (c) items arising from works of construction, demolition or site clearance, which should be dealt with in accordance with the relevant contract;
- (d) land or buildings concerning which DH guidance has been issued but subject to compliance with such guidance.

In-house Services

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

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

- (a) Specification group, comprising the Chief Executive or nominated officer/s and specialist.
- (b) In-house tender group, comprising a nominee of the Chief Executive and technical support.
- (c) Evaluation team, comprising normally a specialist officer, a supplies officer and a Chief Finance Officer representative.

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

The evaluation team shall make recommendations to the Board of Directors.

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

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

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

Business Case Approval

The Chief Finance Officer is responsible for defining the process for how business cases (revenue and capital) are generated, prioritised and approved)

All Officers are required to comply with the policies, procedures and processes established.

ACCEPTANCE OF GIFTS AND HOSPITALITY BY STAFF

The Chief Finance Officer shall ensure that all staff are made aware of the Foundation Trust policy on acceptance of gifts and other benefits in kind by staff. This policy should follow the guidance contained in the Department of Health Standards of Business Conduct for NHS Staff and is also deemed to be an integral part of the Standing Orders and Standing Financial Instructions.

Refer also to Standing Orders, Standards of Business Conduct and Gifts and Hospitality Policy.

RETENTION OF DOCUMENTS

context

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

Accountability

Warrington and Halton Teaching Hospitals

NHS Foundation Trust

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

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

Types of Record Covered by The Code of Practice

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

- Patient health records (electronic or paper based)
- Records of private patients seen on NHS premises
- Accident and emergency, birth and all other registers
- Theatre registers and minor operations (and other related) registers
- Administrative records (including e.g. personnel, estates, financial and accounting records, notes associated with complaint-handling)
- X-ray and imaging reports, output and other images
- Photographs, slides and other images
- Microform (i.e. fiche / film)
- Audio and video tapes, cassettes, CD-ROM etc.
- Emails
- Computerised records
- Scanned records
- Text messages (both out-going from the NHS and in-coming responses from the patient)

The documents held in archives shall be capable of retrieval by authorised persons.

Documents held in accordance with the Records Management Code of Practice shall only be destroyed at the express instigation of the Chief Executive; records shall be maintained of documents so destroyed.

RISK MANAGEMENT

Programme of Risk Management

The Chief Executive shall ensure that the Foundation Trust has a programme of risk management, which must be approved and monitored by the Board of Directors.

The programme of risk management shall include:

- a) 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) a clear indication of which risks shall be insured; and
- g) arrangements to review the Risk Management programme.

The existence, integration and evaluation of the above elements will assist in providing a basis to make a Statement on the effectiveness of Internal Control (SIC) within the Annual Report and Accounts as required by current Department of Health guidance.

Insurance arrangements

The Board of Directors shall decide if the Foundation Trust will insure through the risk pooling schemes administered by the NHSR or self-insure for some or all of the risks covered by the risk pooling schemes. If the Board of Directors decide not to use the risk pooling schemes for any of the risk areas (clinical, property and employers/third party liability) covered by the scheme this decision shall be reviewed annually.

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

- (1) Where the Board of Directors decide to use the risk pooling schemes administered by the NHSR the Chief Finance Officer shall ensure that the arrangements entered into are appropriate and complementary to the risk management programme. The Chief Finance Officer shall ensure that documented procedures cover these arrangements.

- (2) Where the Board of Directors decide not to use the risk pooling schemes administered by the NHSR for one or other of the risks covered by the schemes, the Chief Finance Officer shall ensure that the Board of Directors is informed of the nature and extent of the risks that are self-insured as a result of this decision. The Chief Finance Officer will draw up formal documented procedures for the management of any claims arising from third parties and payments in respect of losses which will not be reimbursed.
- (3) All the risk pooling schemes require Scheme members to make some contribution to the settlement of claims (the 'deductible'). The Chief Finance Officer should ensure documented procedures also cover the management of claims and payments below the deductible in each case.

Standard Areas for Commercial Insurance Cover

- (1) Foundation Trusts may enter commercial arrangements for insuring motor vehicles owned by the Foundation Trust including insuring third party liability arising from their use.
- (2) Where the Foundation Trust is involved with a consortium in a Private Finance Initiative contract and the other consortium members require that commercial insurance arrangements are entered into.
- (3) Where income generation activities take place. Income generation activities should normally be insured against all risks using commercial insurance. If the income generation activity is also an activity normally carried out by the Foundation Trust for a NHS purpose the activity may be covered in the risk pool. Confirmation of coverage in the risk pool must be obtained from the NHSR. In any case of doubt concerning a Foundation Trust's powers to enter into commercial insurance arrangements the Chief Finance Officer should consult the Department of Health.

Consideration for Other Areas of Insurance Cover

As a Foundation Trust the Board of Directors need to consider the adequacy of insurance cover recognising the Public Benefit Corporation status. Key areas to consider include:

- (1) Directors' and Officers' Liability – although recognising the cover available through the NHSR, due regard is required to the adequacy of the cover in respect of selling assets, entering into contracts and insolvency indemnity cover;
- (2) property damage – due regard for the provision for underwriting claims;
- (3) business interruption resulting from property damage – due regard for the provision to cover for loss of income;

(4) personal accident and travel cover – for those individuals who travel in healthcare vehicles in the course of their business; and

(5) engineering cover – due regard for the provision for the continued use of the assets.

(Use of Standard Operating Procedures recommended giving clear and unambiguous guidance to staff)

Equality impact assessment

- 1. This section asks you to consider a few questions relating to your policy, process, procedure or decision.**

Initial screening	Yes	No
1.1. Does your policy affect people (Patients/Workforce/Public)?	☒	☐
1.2. Does the policy affect one or more group of people in a different way to another?	☐	☒
1.3. Does the policy offer opportunity to promote equality?	☒	☐

- 1.4. Does your policy impact positively, negatively or neutrally on any of the below characteristics/groups?**

If yes, please indicate how and which type (positive or negative) in the 'Barriers/Impact' section:
Neutral impact is where there will be no change in actual/potential impact on this protected group.

Initial assessment	Scale	Barriers/impact
Age	neutral	
Disability - learning disabilities/difficulties, physical/hidden disability, sensory impairment and mental health problems	neutral	
Gender reassignment	neutral	
Race	neutral	
Religion or belief	neutral	
Sex	neutral	
Sexual orientation including lesbian, gay and bisexual people	neutral	
Marriage and civil partnership – including same sex relationships	neutral	
Pregnancy and maternity/paternity	neutral	
Carers	neutral	
Social factors - deprivation, homelessness, education etc.	neutral	
Armed forces and military veterans	neutral	

1.5. Is the impact of the policy likely to be negative?	☐ Yes	☒ No
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1.6. If yes, please summarise if the impact can be avoided or are there any alternatives?	
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1.7. Does your policy support positive action for underrepresented groups.	☐ Yes ☐ No ☒ N/A
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If you have answered no and neutral to all of the questions in section 1 then a full Equality Impact Assessment is not required. Where you have answered yes, please move to section 3.

2. Does your policy support the general aims of the Public Sector Equality Duty (Equality Act 2010)?

Yes ☒ No ☐	1. Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by or under the Equality Act 2010 2. Advance equality of opportunity and remove disadvantages between those who share a protected characteristic and those who do not 3. Foster good relations between people who share a protected characteristic and those who do not
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3. Please assess your proposals analysis equality reference scale:

☐	High – This policy shows a high degree of negative or positive impact to one or more protected characteristics or one or more general aims of the Equality Act 2010 or Armed Forces Act 2021 (where rationale cannot be justified)
☐	Medium – This policy shows a medium degree of impact (positive or negative) to one or more protected characteristic.
☐	Low – This policy does not have any impact to any protected characteristic or general aim of the Equality Act 2010 or Armed Forces Act 2021.

If your analysis has scored **high**, then a full Equality Impact Assessment should be completed (Stage 2). [This can be found here](#). If your analysis has scored **low or medium** when considering the evidence detailed above, then a full Equality Impact Assessment may not be required.

If you require any support, please contact the Equality, Diversity and Inclusion Team at whh.equalityimpactassessments@nhs.net