



Foreword

Throughout this report, you will see how the role of the Audit and Assurance Committee has contributed to the achievement of all the Trust's key strategic objectives, in particular, to *ensure the Trust is financially viable and makes the best use of resources*. This has been a particular challenge for us, given the current economic context, but the Audit and Assurance Committee has been clear and focused in ensuring that not only the financial control total is met, but that it is delivered without compromise to the quality of care delivered in our organisation, whilst increasing efficiency.

The evidence in this report provides assurance to support the statements made by the Chief Executive in the Annual Governance Statement 2019/20.

Steve Williams

Audit & Assurance Committee
Chairman

Mark Yates

Member at 31 March 2020

Anita Day

Member at 31 March 2020

Audit and Assurance Committee Annual Report

For the year 1 April 2019 - 31 March 2020

1 Introduction

The Committee's chief function is to advise the Board on the adequacy and effectiveness of the Trust's systems of internal control and its arrangements for risk management, control and governance processes. The Committee also reviews the effective working of the other Board subcommittees.

In order to discharge this function, the Audit and Assurance Committee is recommended to prepare an annual report for the Board and Accountable Officer. This report includes information provided by Internal Audit and External Audit.

2 Audit and Assurance Committee's Opinion

Members of the Board should recognise that assurance given can never be absolute. The highest level of assurance that can be provided to the Board is a reasonable assurance that there are no major weaknesses in the Trust's risk management, control and governance processes are adequate and effective and may be relied upon by the Board.

3 Information Supporting Opinion

Summarised below is the key information/sources of assurance that the Committee has relied upon when formulating its opinion.

3.1 Internal Audit

At each of its meetings the Committee receives a report from Internal Audit, detailing its work since the last report.

At its meeting on 15 June 2020, the Committee received the Internal Audit Annual Report for the 2019/20 financial year, which incorporated a summary of all work undertaken throughout the financial year, and the Head of Internal Audit Opinion.

The Head of Internal Audit's overall opinion for 2019/20 is that only **limited** assurance can be given as weaknesses in the design, and/or inconsistent application of controls, put the achievement of the organisations objectives at risk.

The **basis** for forming the opinion is as follows:

1. An assessment of the design and operation of the underpinning Assurance Framework and supporting processes; and
2. An assessment of the range of individual opinions arising from risk based audit assignments, contained within internal audit risk based plans that have been reported throughout the year. This assessment has taken account of the relative materiality of these areas and managements progress in respect of addressing control weaknesses.
3. Any reliance that is being placed upon third party assurances.

The Head of Internal Audit reviewed the way in which the Board identified the principal risks to achieving its objectives, the identification of controls in operation to mitigate against these risks and the degree to which the organisation has received assurances that these risks are being effectively managed. This was undertaken by reviewing the Assurance Framework documents and by giving consideration to the wider reporting to the Board that informs its assessment of the effectiveness of the organisations the system of internal control.

In respect of the Assurance Framework, the Head of Internal Audit stated:

It is my view that an Assurance Framework has been established which is designed and operating to meet the requirements of the 2019/20 Annual Governance Statement, and enables the Accountable Officer to assess the effectiveness of the overall system of internal control. The Assurance Framework highlights a number of significant risks to the achievement of the Trusts strategic objectives, and these are monitored regularly by the Trust Board. This Framework has informed the Significant Internal Control Issues that have been reported by the Trust within its Annual Governance Statement.

The Opinion also takes into account the range of individual opinions arising from the risk-based audit assignments that have been reported throughout the year. An internal audit plan for 2019/20 was developed to provide the Trust with independent assurance on the adequacy and effectiveness of systems of control across a range of financial and organisational areas. To achieve this our internal audit plan was divided into two broad categories; work on the financial systems and then broader risk focused work driven essentially by principal risk areas.

The assurance levels provided for all reviews undertaken is summarised below:

Significant Assurance

- Financial Systems
- Data Quality
- Governance Arrangements*
- Budget Setting, Monitoring and Reporting Processes

Moderate Assurance

- Trust Access Policy
- Job Planning*
- Bank and Agency Staffing*
- Financial Sustainability and Outcomes*

Limited assurance:

- None

It was acknowledged by the Internal Auditor that improvements in the levels of assurances provided at an individual audit level by Internal Audit have been noted during the year.

3.2 External Audit

The Trust's external audit is provided by Grant Thornton, who have attended all Audit and Assurance Committee but one meeting during the year. In June 2020 they presented their Annual Audit Letter summarising the findings of their work carried out at the Trust for the year ended 31 March 2020. The audit was completed and the audit opinion issued before the deadline specified by the Department of Health.

Grant Thornton issued a modified audit opinion/qualification of the accounts. This is due to the limitation of scope in relation to stock. NHS E/I are not treating this as an oversight or performance issue. It is worth noting that around 36 other trusts are in the same position and this is a direct consequence of the lockdown imposed by the Government in March 2020 due to COVID-19 which meant that a visual check of inventory could not be undertaken. The auditor's opinion on the financial statements remains unmodified in all other respects.

Grant Thornton referred the Trust's financial position to the Secretary of State under section 30 (local Audit and Accountability Act 2014) taking into account the statutory duty to break even.

Due to COVID-19, there was no requirement for an opinion on the Trust's 2019/20 Quality Account.

Progress and update reports have been presented to each Audit and Assurance Committee meeting during the year providing committee members with an overview of progress with the 2019/20 audit and highlighting issues in the wider Health environment. This includes briefings on Grant Thornton's national report on Health sector issues.

Grant Thornton have also run a variety of workshops and seminars during the year which Trust representatives have attended.

3.3 Other Assurance Providers

3.3.1 Head of Counter Fraud

Regular reports were received from the Head of Counter Fraud and the Committee is satisfied that the Trust has complied with the NHS Counter Fraud Service guidance and Secretary of State Directives. There were no significant frauds detected during the year.

3.3.2 Management

The Committee has considered assurances provided by the Chief Executive, Chief Financial Officer and other Directors in the Communication with the External Auditors. It has also considered the Annual Governance Statement (AGS) provided by the Chief Executive. The Committee has noted that there were six significant control issues listed in the AGS.

4. The Role and Operation of the Audit and Assurance Committee

4.1 Membership of the Committee

The Members of the Committee during the period of the report were as set out in the Trust Board section of the Annual Report where a full disclosure of interests is also set out.

The Company Secretary ensures that the Committee functions in accordance with its Terms of Reference. The Committee was supported administratively during the year by the Company Secretary.

4.2 Operation of the Committee

4.2.1 Meetings and attendance

The Committee is required to meet at least 4 times a year. Seven meetings took place during the period April 2019 to March 2020. The attendance register is as set out in the Trust Board section of the Annual Report.

The quorum for meetings of the Committee is 2 members and all meetings held were quorate.

4.2.2 Work Programme

The Committee is satisfied that it has covered all work planned as outlined in the work programme.

4.2.3 Key Business Considered by the Committee during the year

The Committee:

- a) Received assurance from the internal audit on the design and operation of the Board Assurance Framework and associated process to support the Trust's AGS.
- b) Approved the 2019/20 Annual Accounts and Annual Report, recommending to the Board that these be received.
- c) Reviewed and approved instances where the Waiver to Tenders procedures has been applied ensuring satisfactory explanation as to why.
- d) Reviewed the Internal Audit work plan for 2019/20 and has emphasised to management, its requirement to be involved in the development of the areas to be included in the programme.
- e) Reviewed progress on implementation of actions agreed through audit recommendations.
- f) Reviewed the risk management system
- g) Received assurance on keys areas of risk including data security and data quality.

5. Conclusions

Based on the information presented and discussed at the Audit and Assurance Committee meetings during the year we have concluded that:

5.1 Board Assurance Framework

The Assurance Framework has been reviewed by the Audit and Assurance Committee and full Board during the year. The Committee are satisfied that the process to update and manage the BAF is robust.

5.2 Governance Arrangements

The Audit and Assurance Committee has monitored the work of other Board Committees. Chairs of the committees accountable to the Board have attended the Committee to present their work and to discuss their effectiveness. We are satisfied with the operation of the Committees.

The Annual Governance Statement (AGS) was reviewed by the Committee during April and May 2020.

6. Recommendation

Given the issues identified in Section 4 and our conclusions in Section 5 we recommend that the Board approves the Audit and Assurance Committee's Annual Report 2019/2020, recognising that it provides it with further assurance to support the Annual Governance Statement (AGS)

Steve Williams
Audit and Assurance Committee Chairman

Date	Name of Company	Name of member of staff/directorate	Gift/Hospitality received	Approximate value	Comments
01/04/2019	Chiesi	Education Centre, Alexandra Hospital	Sandwiches	£175.00	
01/04/2019	Mylan	Education Centre, Alexandra Hospital	Sandwiches	£66.00	
01/04/2019	AstraZeneca	Education Centre, Alexandra Hospital	Sandwiches	£80.00	
01/04/2019	Norgine	Education Centre, Alexandra Hospital	Sandwiches	£210.00	
02/04/2019	Britannia	Education Centre, Alexandra Hospital	Sandwiches	£36.00	
04/04/2019	Co-op Pershore	Riverbank	200 Easter eggs 80 bags of mini eggs 200 cream eggs	£300.00	
04/04/2019	Daiichi	Education Centre, Alexandra Hospital	Sandwiches	£60.00	
05/04/2019	Chiesi	Education Centre, Alexandra Hospital	Sandwiches	£210.00	
05/04/2019	Sanofi	Education Centre, Alexandra Hospital	Sandwiches	£365.00	
08/04/2019	Norgine	Education Centre, Alexandra Hospital	Sandwiches	£210.00	
10/04/2019	Scott Humphreys Anytime fitness	Riverbank	64 Easter eggs 2x Bunnies	£100.00	
10/04/2019	Lilly	Education Centre, Alexandra Hospital	Sandwiches	£175.00	
11/04/2019	NovoNordisk	Education Centre, Alexandra Hospital	Sandwiches	£60.00	
11/04/2019	Pfizer	Education Centre, Alexandra Hospital	Sandwiches	£108.00	
11/04/2019	BMS	Education Centre, Alexandra Hospital	Sandwiches	£100.00	
12/04/2019	Abbvie	Education Centre, Alexandra Hospital	Sandwiches	£210.00	
12/04/2019	MDU	Education Centre, Alexandra Hospital	Sandwiches	£265.00	
17/04/2019	Patient/relative	Riverbank	20 Easter eggs	£40.00	
18/04/2019	Thursfield Solicitors	Riverbank	30 Easter eggs	£60.00	
18/04/2019	Patient/relative	Riverbank	40 Easter eggs	£80.00	
18/04/2019	Cavendish Park care home	Riverbank	45 Easter eggs	£60.00	
18/04/2019	Daiichi	Education Centre, Alexandra Hospital	Sandwiches	£48.00	
21/04/2019	Patient/relative	Riverbank	Easter eggs	£30.00	
25/04/2019	Britannia	Education Centre, Alexandra Hospital	Sandwiches	£42.00	
28/04/2019	Patient/relative	Riverbank	10 Easter eggs	£20.00	
30/04/2019	Patient/relative	Riverbank	Large Easter egg / Medium Easter egg	£35.00	
02/05/2019	Boehringer	Education Centre, Alexandra Hospital	Sandwiches	£66.00	
08/05/2019	Sanofi	Education Centre, Alexandra Hospital	Sandwiches	£175.00	
09/05/2019	Mylan	Education Centre, Alexandra Hospital	Sandwiches	£48.00	
09/05/2019	Vifor	Education Centre, Alexandra Hospital	Sandwiches	£72.00	
13/05/2019	Bayet & JJ	Education Centre, Alexandra Hospital	Sandwiches	£420.00	
14/05/2019	Lollipop Youth Theatre	Riverbank	Felt tip pens and crayons	£50.00	
16/05/2019	UCB Pharma	Education Centre, Alexandra Hospital	Sandwiches	£48.00	
16/05/2019	Sanofi	Education Centre, Alexandra Hospital	Sandwiches	£48.00	
17/05/2019	Norgine	Education Centre, Alexandra Hospital	Sandwiches	£265.00	
20/05/2019	GSK & Sankyo	Education Centre, Alexandra Hospital	Sandwiches	£420.00	
22/05/2019	Novo	Education Centre, Alexandra Hospital	Sandwiches	£200.00	
22/05/2019	Sanofi	Education Centre, Alexandra Hospital	Sandwiches	£200.00	
22/05/2019	Daiichi	Education Centre, Alexandra Hospital	Sandwiches	£175.00	
23/05/2019	Merck	Education Centre, Alexandra Hospital	Sandwiches	£78.00	
24/05/2019	Recordrati rare diseases	Education Centre, Alexandra Hospital	Sandwiches	£210.00	
24/05/2019	Internis	Education Centre, Alexandra Hospital	Sandwiches	£265.00	
27/05/2019	Daiichi Sankyo, BMA, Norgine & Alexion	Education Centre, Alexandra Hospital	Sandwiches		
30/05/2019	Britannia	Education Centre, Alexandra Hospital	Sandwiches	£72.00	
31/05/2019	Patient/relative	Millbrook Suite	Donation	£3,560.00	
31/05/2019	Danone Chiesi, GSK Thermofisher Daiichi Sankyo DMA Sanofi Chiesi				
31/05/2019	Boehringer Ingelheim	Education Centre, Alexandra Hospital	Sandwiches	£2,700.00	
03/06/2019	Alexion	Education Centre, Alexandra Hospital	Sandwiches	£210.00	
06/06/2019	Internis	Education Centre, Alexandra Hospital	Sandwiches	£66.00	
06/06/2019	Boehringer	Education Centre, Alexandra Hospital	Sandwiches	£24.00	
07/06/2019	Mead Johnson Nutrition	Education Centre, Alexandra Hospital	Sandwiches	£210.00	
07/06/2019	A Menarini	Education Centre, Alexandra Hospital	Sandwiches	£265.00	
09/06/2019	Patient/relative	Riverbank	4 bags second hand clothes		unable to determine value
10/06/2019	Ely Lilly & Co, Daiichi Sankyo, Bayer Chiesi Novartis, JNJ BMS Pfizer & GSK	Education Centre, Alexandra Hospital	Sandwiches	£2,400.00	
10/06/2019	UCB Pharma	Education Centre, Alexandra Hospital	Sandwiches	£125.00	
12/06/2019	Nutricia	Education Centre, Alexandra Hospital	Sandwiches	£175.00	
13/06/2019	Norgine	Education Centre, Alexandra Hospital	Sandwiches	£55.00	
13/06/2019	Lilly	Education Centre, Alexandra Hospital	Sandwiches	£18.00	
14/06/2019	Patient/relative	Riverbank	Toys	£165.00	
14/06/2019	Boehringer-Ingelheim & Wesleyan	Education Centre, Alexandra Hospital	Sandwiches	£420.00	
17/06/2019	Chiesi	Education Centre, Alexandra Hospital	Sandwiches	£210.00	
20/06/2019	Mylan	Education Centre, Alexandra Hospital	Sandwiches	£66.00	
20/06/2019	Zambon	Education Centre, Alexandra Hospital	Sandwiches	£96.00	
21/06/2019	Daiichi Sankyo	Education Centre, Alexandra Hospital	Sandwiches	£210.00	
21/06/2019	Thermofisher	Education Centre, Alexandra Hospital	Sandwiches	£210.00	
21/06/2019	AstraZeneca	Education Centre, Alexandra Hospital	Sandwiches	£132.50	
21/06/2019	Alexion		£132.50 Sandwiches	£132.50	
28/06/2019	Norgine	Education Centre, Alexandra Hospital	Sandwiches	£210.00	
28/06/2019	GSK	Education Centre, Alexandra Hospital	Sandwiches	£210.00	
01/07/2019	Ashfield H'Care	Education Centre, Alexandra Hospital	Sandwiches	£56.00	
01/07/2019	Takeda	Education Centre, Alexandra Hospital	Sandwiches	£175.00	
01/07/2019	GSK	Education Centre, Alexandra Hospital	Sandwiches	£265.00	
04/07/2019	Sanofi	Education Centre, Alexandra Hospital	Sandwiches	£84.00	
04/07/2019	BMS	Education Centre, Alexandra Hospital	Sandwiches	£100.00	
05/07/2019	AstraZeneca	Education Centre, Alexandra Hospital	Sandwiches	£265.00	
05/07/2019	Alexion	Education Centre, Alexandra Hospital	Sandwiches	£210.00	
08/07/2019	Pfizer & Recordrati rare diseases	Education Centre, Alexandra Hospital	Sandwiches	£420.00	
09/07/2019	Patient/relative	Garden Suite	Donation	£2,394.55	League of Friends
10/07/2019	Angen	Education Centre, Alexandra Hospital	Sandwiches	£175.00	
11/07/2019	AstraZeneca	Education Centre, Alexandra Hospital	Sandwiches	£80.00	
11/07/2019	Alexion	Education Centre, Alexandra Hospital	Sandwiches	£72.00	
12/07/2019	Wesleyan	Education Centre, Alexandra Hospital	Sandwiches	£210.00	
18/07/2019	AstraZeneca	Education Centre, Alexandra Hospital	Sandwiches	£80.00	
19/07/2019	Mead Johnson Nutrition	Education Centre, Alexandra Hospital	Sandwiches	£210.00	
22/07/2019	Daiichi Sankyo	Education Centre, Alexandra Hospital	Sandwiches	£210.00	
25/07/2019	Bial	Education Centre, Alexandra Hospital	Sandwiches	£60.00	
25/07/2019	Novo Nordisk	Education Centre, Alexandra Hospital	Sandwiches	£54.00	
26/07/2019	MDU	Education Centre, Alexandra Hospital	Sandwiches	£210.00	
31/07/2019	Patient/relative	Millbrook Suite	Donation	£4,214.00	Charitable Funds
31/07/2019	BMA	Education Centre, Alexandra Hospital	Sandwiches	£210.00	
01/08/2019	Internis	Education Centre, Alexandra Hospital	Sandwiches	£60.00	
01/08/2019	Kyowa Kirin	Education Centre, Alexandra Hospital	Sandwiches	£72.00	
05/08/2019	Patient/relative	Riverbank	baby clothes	£200.00	
06/08/2019	MDU	Education Centre, Alexandra Hospital	Sandwiches	£210.00	
07/08/2019	Chase de Vere	Education Centre, Alexandra Hospital	Sandwiches	£210.00	
08/08/2019	Patient/relative	Riverbank	Mega drive with 85 games	£500.00	
08/08/2019	Pfizer	Education Centre, Alexandra Hospital	Sandwiches	£80.00	
09/08/2019	Proveca	Education Centre, Alexandra Hospital	Sandwiches	£210.00	
12/08/2019	Patient/relative	Riverbank	second hand toys	£100.00	
15/08/2019	A Menarini	Education Centre, Alexandra Hospital	Sandwiches	£80.00	
16/08/2019	Chiesi	Education Centre, Alexandra Hospital	Sandwiches	£210.00	
20/08/2019	Patient/relative	Millbrook Suite	Donations	£2,317.00	
22/08/2019	UCB Pharma	Education Centre, Alexandra Hospital	Sandwiches	£80.00	
23/08/2019	C Parry	Surgical pharmacist	payment for telephone interview	£150.00	

23/08/2019	Patient/relative	Medicine	Donation to nutrition and dietetic charitable fund		£100.00
23/08/2019	Nestle Health Acceence	Education Centre, Alexandra Hospital	Sandwiches		£210.00
28/08/2019	Patient/relative	Garden Suite	donations		£504.50
29/08/2019	Amgen	Education Centre, Alexandra Hospital	Sandwiches		£80.00
30/08/2019	Recordati Rare Disease	Education Centre, Alexandra Hospital	Sandwiches		£210.00
05/09/2019	NovoNordisk	Education Centre, Alexandra Hospital	Sandwiches		£80.00
05/09/2019	Merck	Education Centre, Alexandra Hospital	Sandwiches		£80.00
06/09/2019	Nutricia Early life Nutrition	Education Centre, Alexandra Hospital	Sandwiches		£210.00
09/09/2019	Pfizer	Education Centre, Alexandra Hospital	Sandwiches		£210.00
09/09/2019	A Menarini	Education Centre, Alexandra Hospital	Sandwiches		£210.00
12/09/2019	Mylan	Education Centre, Alexandra Hospital	Sandwiches		£80.00
12/09/2019	Vifor	Education Centre, Alexandra Hospital	Sandwiches		£80.00
12/09/2019	Chase de Vere & Novartis	Education Centre, Alexandra Hospital	Sandwiches		£600.00
13/09/2019	MDU	Education Centre, Alexandra Hospital	Sandwiches		£210.00
16/09/2019	Daiichi Sankyo	Education Centre, Alexandra Hospital	Sandwiches		£210.00
17/09/2019	Outico	Education Centre, Alexandra Hospital	Sandwiches		£30.00
17/09/2019	Pfizer	Education Centre, Alexandra Hospital	Sandwiches		£265.00
19/09/2019	BMS	Education Centre, Alexandra Hospital	Sandwiches		£265.00
19/09/2019	BMS	Education Centre, Alexandra Hospital	Sandwiches		£100.00
19/09/2019	Daiichi Sankyo	Education Centre, Alexandra Hospital	Sandwiches		£78.00
20/09/2019	MJN Daiichi Sankyo & Nutricia Advanced Medical Nutrician	Education Centre, Alexandra Hospital	Sandwiches		£900.00
23/09/2019	AMenarini	Education Centre, Alexandra Hospital	Sandwiches		£210.00
23/09/2019	MDU	Education Centre, Alexandra Hospital	Sandwiches		£210.00
27/09/2019	Kyowa Kirin		Play and learn Sensory Twin Tornado Glitter Lamp Colour Changing LED Mood Light		£100.00
30/09/2019	Patient/relative	Millbrook Suite	Donations		£6,971.00
30/09/2019	Patient/relative	Millbrook Suite	Donations		£6,971.00
03/10/2019	Thornton Ross	Education Centre, Alexandra Hospital	Sandwiches		£66.00
03/10/2019	Sanofi	Education Centre, Alexandra Hospital	Sandwiches		£80.00
07/10/2019	UCB Daiichi Sankyo	Education Centre, Alexandra Hospital	Sandwiches		£420.00
09/10/2019	Patient/relative	Garden Suite	donations		£100.00
10/10/2019	Patient/relative	SCSD	Chocolates		
10/10/2019	Pfizer	Education Centre, Alexandra Hospital	Sandwiches		£90.00
10/10/2019	Lilly	Education Centre, Alexandra Hospital	Sandwiches		£80.00
11/10/2019	A Menarini	W Davies	Hospitality for a review of workflows in Reading	unknown	
14/10/2019	Edwards & A Menarini	Education Centre, Alexandra Hospital	Sandwiches		£420.00
16/10/2019	Kyowa Kirin	Education Centre, Alexandra Hospital	Sandwiches		£175.00
17/10/2019	Patient/relative	SCSD	Large amount of Cadbury chocolate	unknown	
17/10/2019	Patient/relative	Millbrook Suite	Donations		£2,808.60
17/10/2019	Mylan	Education Centre, Alexandra Hospital	Sandwiches		£66.00
17/10/2019	Zambon	Education Centre, Alexandra Hospital	Sandwiches		£60.00
18/10/2019	Pfizer	Education Centre, Alexandra Hospital	Sandwiches		£265.00
21/10/2019	Pfizer & GSK	Education Centre, Alexandra Hospital	Sandwiches		£420.00
23/10/2019	Agamatrix	Education Centre, Alexandra Hospital	Sandwiches		£150.00
23/10/2019	Mylan	Education Centre, Alexandra Hospital	Sandwiches		£150.00
24/10/2019	Thornton Ross	Education Centre, Alexandra Hospital	Sandwiches		£42.00
24/10/2019	GSK	Education Centre, Alexandra Hospital	Sandwiches		£78.00
25/10/2019	Bayer and Astra Zenica	Education Centre, Alexandra Hospital	Sandwiches		£210.00
28/10/2019	Aspire Pharma	Education Centre, Alexandra Hospital	Sandwiches		£420.00
31/10/2019	Allscripts	Finance	Sandwiches		£360.00
31/10/2019	Novo Nordisk	Education Centre, Alexandra Hospital	Sandwiches		£120.00
01/11/2019	365 resourcing	Volunteer mince pie event	Gift cards		£100.00
01/11/2019	A Menarini	Education Centre, Alexandra Hospital	Sandwiches		£210.00
01/11/2019	Patient/relative	SCSD			£500.00
02/11/2019	365 resourcing	Volunteer mince pie event	Tinned biscuits/chocs/toiletries		£100.00
03/11/2019	Webbs of Wychbold	Volunteer mince pie event	Gift cards		£10.00
04/11/2019	RCP	Mike Hallissey, CMO	Dinner		£20.00
04/11/2019	RCP	Matthew Hopkins, CEO	Dinner		£20.00
04/11/2019	St Peters Garden Centre	Volunteer mince pie event	Gift cards		£10.00
04/11/2019	Patient/relative	SCSD	Funeral donations		£473.52
04/11/2019	Teva & Recordati Rare Diseases	Education Centre, Alexandra Hospital	Sandwiches		£420.00
05/11/2019	Waitrose	Volunteer mince pie event	6xmince pie packs		£12.00
06/11/2019	Morrisons Driotwich	Volunteer mince pie event	Gift voucher		£20.00
07/11/2019	Morrisons Bromsgrove	Volunteer mince pie event	Gift voucher		£20.00
08/11/2019	Patient/relative	Riverbank	Toys		£50.00
08/11/2019	Morrisons Bromsgrove	Volunteer mince pie event	Box chocolates, biscuits		£10.00
08/11/2019	Recordati Rare Disease	Education Centre, Alexandra Hospital	Sandwiches		£210.00
08/11/2019	Abbvie	Education Centre, Alexandra Hospital	Sandwiches		£220.00
08/11/2019	Wesleyan	Education Centre, Alexandra Hospital	Sandwiches		£220.00
08/11/2019	Nutricia	Education Centre, Alexandra Hospital	Sandwiches		£220.00
08/11/2019	Chiesi	Education Centre, Alexandra Hospital	Sandwiches		£220.00
08/11/2019	Recordati	Education Centre, Alexandra Hospital	Sandwiches		£220.00
09/11/2019	Patient/relative	Riverbank	Toys		£100.00
09/11/2019	Morrisons Redditch	Volunteer mince pie event	2 boxes chocolates		£10.00
10/11/2019	Studley Castle	Volunteer mince pie event	Afternoon tea for 2		£30.00
11/11/2019	Worcc ester Rugby Club	Volunteer mince pie event	2 bronze rugby match day tickets		£40.00
11/11/2019	Edwards Lifesciences	Education Centre, Alexandra Hospital	Sandwiches		£210.00
12/11/2019	Boots	Volunteer mince pie event	Various		£45.00
13/11/2019	Coop	Volunteer mince pie event	boxed chocolates, wine, toiletries		£100.00
14/11/2019	Sainsburys	Volunteer mince pie event	Chocolates, biscuits, mulled wine bucks fizz		£15.00
14/11/2019	Lilly	Education Centre, Alexandra Hospital	Sandwiches		£42.00
14/11/2019	Pfizer	Education Centre, Alexandra Hospital	Sandwiches		£90.00
15/11/2019	Daiichi Sankyo	Education Centre, Alexandra Hospital	Sandwiches		£265.00
18/11/2019	Astr Zenica & Recardi Rare Disease	Education Centre, Alexandra Hospital	Sandwiches		£210.00
22/11/2019	Patient/relative	Riverbank	Toys		£300.00
22/11/2019	Proveca	Education Centre, Alexandra Hospital	Sandwiches		£210.00
25/11/2019	Bayer & Napp	Education Centre, Alexandra Hospital	Sandwiches		£420.00
25/11/2019	Chiesi	Education Centre, Alexandra Hospital	Sandwiches		£210.00
25/11/2019	Astra Zeneca	Education Centre, Alexandra Hospital	Sandwiches		£210.00
29/11/2019	Kebomed, Hologic, Gedeon Richter Besins Healthcare & Boehringer- Ingelheim	Education Centre, Alexandra Hospital	Sandwiches		£1,500.00
29/11/2019	Mead Johnson Nutrition	Education Centre, Alexandra Hospital	Sandwiches		£210.00
30/11/2019	Patient/relative	Millbrook Suite	Donations		£1,045.00
01/12/2019	Patient/relative	Riverbank			£200.00
06/12/2019	Bayer & Edwards	Education Centre, Alexandra Hospital	Sandwiches		£420.00
07/12/2019	Patient/relative	Riverbank	Handbags		£50.00
07/12/2019	Patient/relative	Riverbank	Craft donation		£40.00
09/12/2019	Daiichi Sankkyo & UCB	Education Centre, Alexandra Hospital	Sandwiches		£420.00
10/12/2019	Patient/relative	Riverbank	Lego set + donation		£500.00
10/12/2019	Patient/relative	SCSD			£250.00
14/12/2019	Patient/relative	Riverbank	Xmas gifts		£500.00
16/12/2019	Nutricia Early life Nutrition	Education Centre, Alexandra Hospital	Sandwiches		£210.00
23/12/2019	Patient/relative	Riverbank	teddies		£100.00
23/12/2019	Patient/relative	Riverbank			£300.00

Large box of Cadbury's chocolates bought in discount shop. Value unclear

6 days@£60 per day

5x£20

Charitable Funds

31/12/2019	Patient/relative	Millbrook Suite	Donations	£5,563.00	
09/01/2020	Abbvie	Education Centre, Alexandra Hospital	Sandwiches	£96.00	
16/01/2020	GSK	Education Centre, Alexandra Hospital	Sandwiches	£265.00	
16/01/2020	TR	Education Centre, Alexandra Hospital	Sandwiches	£90.00	
20/01/2020	Patient/relative	SCSD		£450.00	Charitable Funds
23/01/2020	GSK	Education Centre, Alexandra Hospital	Sandwiches	£350.00	
24/01/2020	Daiichi Sankyo	Education Centre, Alexandra Hospital	Sandwiches	£54.00	
28/01/2020	Patient/relative	Riverbank	toys and sensory equipment	£2,000.00	
28/01/2020	Pfizer	Education Centre, Alexandra Hospital	Sandwiches	£265.00	
28/01/2020	Patient/relative	SCSD		£150.00	Charitable Funds
30/01/2020	Bayer	Education Centre, Alexandra Hospital	Sandwiches	£210.00	
31/01/2020	Astrazeneca	Education Centre, Alexandra Hospital	Sandwiches	£78.00	
06/02/2020	Mills and Reeve, Lawyers	Kimara Sharpe, Company Secretary	Dinner, Birmingham Beats Cancer	£40.00	
06/02/2020	Vifor	Education Centre, Alexandra Hospital	Sandwiches	£265.00	
13/02/2020	Kyowa Kinn	Education Centre, Alexandra Hospital	Sandwiches	£66.00	
20/02/2020	Patient/relative	Riverbank	32 inch TV, 2x scuttle bug scooters, mrio cart game, 3x paint boxes, coloured card, paint rack dryer, 2x dobble game	£450.00	
20/02/2020	Pfizer	Education Centre, Alexandra Hospital	Sandwiches	£78.00	
21/02/2020	Daiichi Sankyo	Education Centre, Alexandra Hospital	Sandwiches	£175.00	
21/02/2020	A Menarini	Education Centre, Alexandra Hospital	Sandwiches	£54.00	
22/02/2020	Rock Kitchen Harris	Riverbank	The Glow house Flashing and light up Tambourine uk brand	£90.00	
27/02/2020	Rock Kitchen Harris	Riverbank	The Glow house 2x Light up LED Flashing Maracas Multi Colour Sensory toy	£36.00	
27/02/2020	Rock Kitchen Harris	Riverbank	Swivel Fan Wand	£35.00	
27/02/2020	Rock Kitchen Harris	Riverbank	More dig Baby Light Projector, Remote Control and Timer Design Rotating Night Lights	£45.00	
27/02/2020	Rock Kitchen Harris	Riverbank	Anan bros baby night light sensory toys with remote	£60.00	
27/02/2020	Rock Kitchen Harris	Riverbank	Rock Skeleton Hand Gloves led finger light up flashing gloves	£90.00	
27/02/2020	Rock Kitchen Harris	Riverbank	Rock Skeleton Hand Gloves led finger light up flashing gloves	£100.00	
27/02/2020	Patient/relative	Millbrook Suite		£150.00	Charitable Funds
27/02/2020	Patient/relative	Millbrook Suite		£65.00	Charitable Funds
27/02/2020	Patient/relative	Millbrook Suite		£3,562.58	Charitable Funds
06/03/2020	Britannia	Education Centre, Alexandra Hospital	Sandwiches	£96.00	
09/03/2020	Daiichi Sankyo	Education Centre, Alexandra Hospital	Sandwiches	£265.00	
10/03/2020	Patient/relative	Millbrook Suite		£97.00	Charitable Funds
10/03/2020	Patient/relative	Millbrook Suite		£681.41	Charitable Funds
11/03/2020	Takeda	Education Centre, Alexandra Hospital	Sandwiches	£175.00	
12/03/2020	Sanofi	Education Centre, Alexandra Hospital	Sandwiches	£60.00	
13/03/2020	Star	Education Centre, Alexandra Hospital	Sandwiches	£265.00	
16/03/2020	Patient/relative	Millbrook Suite		£252.00	Charitable Funds
16/03/2020	Patient/relative	Millbrook Suite		£100.00	Charitable Funds

Meeting	Trust Board
Date of meeting	10 September 2020
Paper number	G4

NHS Blood and Transplant Service Contract for the Provision of Blood and Blood products
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For approval:	X	For discussion:		For assurance:		To note:	
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Accountable Director	Robert D Toole, Chief Finance Officer Paul Brennan, Chief Operating Officer		
Presented by	Robert D Toole, Chief Finance Officer	Author /s	Christian Stevens, Head of Income and Contracts

Alignment to the Trust's strategic objectives					
Best services for local people		Best experience of care and outcomes for our patients		Best use of resources	X
					Best people

Report previously reviewed by		
Committee/Group	Date	Outcome
TME	19 August 2020	Approved
Finance and Performance	26 August 2020	Endorsed

Recommendations	Trust Board are asked to: <ul style="list-style-type: none"> approve the NHS Blood and Transplant Service contract for the provision of blood and blood products.
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Executive summary	The NHS Blood and Transplant Service (NHSBT) supplies the Trust with blood and blood products in the region of £2.1m pa. NHSBT are the sole national supplier of these products. This contract approval is to continue the provision of this service with NHSBT for the 2020/21 financial year, with updated GDPR clauses and prices that are set annually by the National Commissioning Group for Blood.
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Risk								
Key Risks	<p>Clinical / quality: if we do not have a contract in place for the supply of blood and blood products then it is possible that there would be a risk to supply which would impact adversely on patient care.</p> <p>Financial: If we do not have a contract in place to secure the national pricing, there is a possible risk that a premium cost may be incurred.</p>							
Assurance	The contract has been through the contract assurance process with review from Income & Contracts, Finance and Procurement.							
Assurance level	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%;">Significant</td> <td style="width: 5%; text-align: center;">x</td> <td style="width: 25%;">Moderate</td> <td style="width: 5%;"></td> <td style="width: 25%;">Limited</td> <td style="width: 5%;"></td> <td style="width: 15%;">None</td> </tr> </table>	Significant	x	Moderate		Limited		None
Significant	x	Moderate		Limited		None		
Financial Risk	Budget exists for the provision of this service.							

Meeting	Trust Board
Date of meeting	10 September 2020
Paper number	G4

Introduction/Background

The NHS Blood and Transplant Service (NHSBT) is a non-departmental body of the United Kingdom Department of Health and Social Care created in 2005.

The core purpose of NHSBT is to provide a safe and reliable supply of blood components, solid organs, stem cells, tissues and related diagnostic services to the National Health Service (NHS) and to the other UK Health Departments where directed. The cost of blood components is recovered in the prices that are agreed annually through the National Commissioning Group for Blood.

NHSBT have issued a new standard contract to all NHS Trusts whom they supply with blood and blood products, in order to update for GDPR and other matters.

Issues and options

NHSBT is the Department of Health and Social Care sole supplier of these services to the NHS and has supplied the Trust for a number of years. Without access to these products, clinical services would not be able to operate.

Prior to our strengthening of financial governance, and focus on “no purchase order no pay” policy, contracts to purchase goods and services from other NHS bodies were not consistently presented to committee. Due to the value of this contract it is being presented to Board for approval.

The contract has been reviewed by the Corporate teams and the usual contract governance checklist process followed.

Key points are:

- standard national pricing applied determined by separate Department of Health Body
- sole provider to the NHS
- standard NHSBT contract offered to all NHS Trusts
- cost and volume contract based on actual usage

As there is a sole supplier for these products, the single tender waiver process will be used. The expected annual value for this contract is £2.1m.

Conclusion

The Trust needs to maintain supply of blood and blood products to safely operate its clinical services. By entering into this contract with NHSBT, we maintain supply of these products on national terms and conditions and prices. The expected spend on these products in 2020/21 is c.£2.1m which is included in the Annual Financial Plan.

Recommendations

Trust Board are asked to:

- approve the NHS Blood and Transplant Service contract for the provision of blood and blood products.

Appendices - Contract Governance Document – available on request (this document was endorsed by the Finance and Performance Committee)

Meeting	Trust Board
Date of meeting	10 September 2020
Paper number	G5

Standing Financial Instructions & Scheme of Delegation - Updated

For approval:	For discussion:	For assurance:	✓	To note:
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Accountable Director	Robert D Toole – Chief Finance Officer		
Presented by	Katie Osmond – Deputy Director of Finance	Author /s	Lynne Walden – Head of Financial Planning and Financial Services Heather Weaver – Financial Accountant Charlotte Ogden – Deputy Financial Accountant

Alignment to the Trust’s strategic objectives					
Best services for local people	Best experience of care and outcomes for our patients	Best use of resources	✓	Best people	

Report previously reviewed by		
Committee/Group	Date	Outcome
A&AC	14/07/20	Endorsed

Recommendations	The Board is requested to approve the standing financial instructions and scheme of delegation.
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Executive summary	The purpose of this paper is provide the Board with the updated Standing Financial Instructions (SFI’s) and the Scheme of Delegation (SoD)
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Risk						
Key Risks	Ensure the Trust is financially viable and makes the best use of resources for our patients.					
Assurance	The SFI’s and SoD are reviewed annually at the Audit and Assurance Committee and a recommendation for their adoption presented to the Trust Board via Trust Management Executive.					
Assurance level	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%;">Significant</td> <td style="width: 25%;">Moderate</td> <td style="width: 25%; text-align: center;">✓</td> <td style="width: 25%;">Limited</td> <td style="width: 25%;">None</td> </tr> </table>	Significant	Moderate	✓	Limited	None
Significant	Moderate	✓	Limited	None		
Financial Risk	BAF Risk 7 - If we fail to address the drivers of the underlying deficit then we will not achieve financial sustainability (as measured through achievement as a minimum of the structural level of deficit) resulting in the potential inability to transform the way in which services operate, and putting the Trust at risk of being placed into financial special measures.					

Introduction/Background	Page 1
Standing Financial Instructions & Scheme of Delegation - updated	

Meeting	Trust Board
Date of meeting	10 September 2020
Paper number	G5

The purpose of this paper is to provide the Board with the updated Standing Financial Instructions (SFI's) and Scheme of Delegation (SoD).

The SFI's and SoD were reviewed and updated in June 2020 and were presented and approved at the Audit and Assurance Committee (AAC) on 14 July 2020. The updated SFI's and SoD were published on the Trust intranet in August 2020, and all Budget Holders and Budget Managers have been emailed to review and acknowledge receipt.

Following AAC further updates have been made which are also listed below in issues and options.

Issues and Options

The SFI's and SoD have been further reviewed and updated in June 2020. Once approved, the intention is to publish them on the Trust intranet with appropriate communications to all staff, including all Budget Holders and Budget Managers.

A further review of PFI additional expenditure and in year capital expenditure is underway and any amendments will be reflected in the SFI's and SoD.

Attached is version 4 as at June 2020 with some tracked amendments for ease.

Areas of change presented at AAC are:

SFI's

- Section 7.2.2 – Bank and GBS Accounts – additional point added (f) for disclosure of Trust bank account details
- Section 12.2.5 – Non PO Expenditure – additional point for suppliers exempt from payment by a Purchase Order.
- Section 12.2.6 – Duties of Manager and Officers – additional point added (n) permitted payments by Cashiers.

SoD

- Replaced Assistant Director of Finance with Deputy Director of Finance
- Replaced Deputy Financial Controller with Deputy Head of Financial Services
- Appendix 1 Summary – added a paragraph to cover acting up arrangements
- Section 4a – Healthcare Income Contracts – added Deputy Director of Finance as delegated authority for credit notes.
- Added Section 4d – Crediting of Income
- Section 5 – Added Director of Estates and Facilities for approval up to £75k
- Section 6 – Added Director of Estates and Facilities for approval up to £50k
- Section 7 – Approval Limits for Crediting of income
- Section 8 – Added to notes that the Trust adheres to IR35 Regulations
- Section 18 - Added Director of Estates and Facilities for the disposal of mechanical and engineering plant up to £10k
- Section 19 – Removed the word Loss in notes
- Section 19 – Changed Requests for credit notes to write-offs
- Section 20 - Updated Clinical Claims and Personal Injury – relating to NHS Resolution and amended the delegated authority
- Section 20 – Added Admission of Liability for service and non-service delivery

Meeting	Trust Board
Date of meeting	10 September 2020
Paper number	G5

Section 20 – Added Settlement of claim not covered by NHS Resolution
 Section 27 – Replaced Director of Asset Management & ICT with Director of Estates & Facilities
 Section 28 – Reviewed the Pay arrears approval of over £3000 in and outside of appropriate policy
 Section 28 – Updated Removal Expenses, Excess Rent and House Purchases (including attraction packages)

Further updates following AAC are:

SFI's

Section 12.2.6 – Duties of Managers and Officers - removal of duplicated paragraph (d)

SoD

Section 7 – Other Payments – Added Assistant Director of Finance up to £150,000
 Section 16 – wording changed from up to, to over in second value within the table and the third value should read £100,001. Added additional delegated authority for General Funds and removed 8d for over £20,001 to £100,000

Conclusion

The SFI's and SoD are an integral part of the financial governance of the Organisation and as such it is important that they are regularly reviewed, and where necessary strengthened or clarified. The amendments proposed in this review have been identified through internal review, and the outputs of audit work.

Recommendations

The Board is requested to approve the standing financial instructions and scheme of delegation.

Appendices:

- Standing Financial Instructions – August 2020 v5 with tracked changes (*available in the document area*)
- Standing Financial Instructions – August 2020 v5
- Scheme of Delegation – August 2020 v5 with tracked changes (*available in the document area*)
- Scheme of Delegation – August 2020 v5
- Standing Financial Instructions – June 2020 v4 with tracked changes (available on request)
- Standing Financial Instructions – June 2020 v4 (available on request)
- Scheme of Delegation – June 2020 v4 with tracked changes (available on request)
- Scheme of Delegation – June 2020 v4 (available on request)

WORCESTERSHIRE ACUTE HOSPITALS NHS TRUST

Documentation control

STANDING FINANCIAL INSTRUCTIONS

Reference	Corporate Governance Framework
Approving Body	Trust Board
Date Approved	
Implementation Date	
Version	August 2020 v5
Summary of Changes from Previous version	Section 12.2.6 – removal of duplicated paragraph (d)
Supersedes	June 2020 v4
Consultations Undertaken	
Target Audience	All persons working within the Trust
Next Review Date	June 2021
Lead Executive	Name; Robert D Toole, Chief Finance Officer
Lead Manager	Name; Katie Osmond, Deputy Director of Finance
Author	Name; Lynne Walden, Head of Financial Planning and Financial Services
Guidance / Information	wah-tr.Financial-Systems@nhs.net Tel: 01905 760393 Ext: 38369

STANDING FINANCIAL INSTRUCTIONS CONTENTS

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1.0 Introduction

- 1.1 These Standing Financial Instructions (SFIs) are issued in accordance with the Trust (Functions) Directions 2000 issued by the Secretary of State which require that each Trust shall agree 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.
- 1.2 These Standing Financial Instructions together with the Standing Orders, Scheme of Delegation, Standards of Business Conduct Policy and Fraud Bribery and Corruption Policy provide a comprehensive regulatory and business framework for the Trust. They shall have effect as if incorporated in the Standing Orders (SOs).
- 1.3 All Directors and members of staff should be aware of the existence of these documents and be familiar with all relevant provisions. These rules fulfil the dual role of protecting the Trust's interests and protecting the staff from any possible accusations that they have acted improperly.
- 1.4 Should any difficulties arise regarding the interpretation or application of any of the Standing Financial Instructions then the advice of the Chief Finance Officer must be sought before acting. The user of these Standing Financial Instructions should also be familiar with and comply with the provisions of the Trust's Standing Orders and Scheme of Delegations

2 Executive Summary

2.1 These Standing Financial Instructions detail the financial responsibilities, policies and procedures adopted by the Trust for the Trust and its constituent organisations including Trading Units and wholly owned subsidiary organisations.

2.2 Standing Financial instructions govern the way in which the Trust undertakes its financial business and how all those working for the Trust shall operate. They demonstrate to the public that the Trust is well managed and that we conduct our business with probity, transparency and in accordance with our stewardship of public funds.

2.3 They do not provide detailed procedural advice and should be read in conjunction with the detailed Trust, departmental and financial policies and procedure notes.

All financial procedures must be approved by the Chief Finance Officer.

3 Policy Statement

- 3.1 Standing Financial Instructions are designed to ensure that the Trust's financial transactions are carried out in accordance with the law and with Government policy in order to achieve probity, accuracy, economy, efficiency and effectiveness. They identify the financial responsibilities that apply to everyone working for the Trust.
The user of these Standing Financial Instructions should also be familiar with the Trusts Standing Orders.

They should be used in conjunction with the Trusts Standing Orders and the Scheme of Delegation adopted by the Trust.

- 3.2 Failure to comply with any part of the Standing orders is a disciplinary matter, which could result in dismissal. Non-compliance may also constitute a criminal offence of fraud in which case the matter will be reported to the trust's local counter fraud specialist in accordance with the Fraud Bribery and Corruption Policy. Where evidence of fraud, corruption or bribery offences is identified, this may also result in referral for prosecution which could lead to the imposition of criminal sanctions.
- 3.3 All members of the Board and all staff, have a duty to disclose any non-compliance with these Standing Financial Instructions to the Chief Finance Officer as soon as possible.

Non Compliance may also constitute a criminal offence in which case the matter will be reported to the Trust's local Counter Fraud Specialist and/or the police for action to be taken which may result in referral for prosecution. Civil actions may also result to recover the Trust's losses and costs.

If any material non-compliance with these Standing Financial Instructions is identified, full details shall be reported to the next formal meeting of the Audit and Assurance Committee in its role to oversee governance, risk management and internal control.

- 3.4 The Chief Executive and delegated budget holders must not exceed the budgetary total or virement limits set by the Board. Responsibility not to overspend lies with each delegated officer.

4 Roles and Responsibilities

4.1 The Trust Board

The Trust Board is responsible for giving final approval to updated versions of the Standing Financial instructions.

The Board exercises financial supervision and control by:

- a) formulating the financial strategy and agreeing the long term financial model
- b) requiring the submission and approval of budgets within approved allocations/overall income;
- c) defining and approving essential features in respect of important procedures and financial systems (including the need to obtain value for money);and
- d) defining specific responsibilities placed on members of the Board and employees as indicated in the Scheme of Delegation and Reservation of Matters.

The Board has resolved that certain powers and decisions may only be exercised by the Board in formal session. These are set out in the Scheme of Delegation and Standing Orders.

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

4.2 Chief Executive and Chief Finance Officer

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

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 Members of the Board and, employees and all new appointees are notified of, and put in a position to understand their responsibilities within these Instructions.

4.3 Chief Finance Officer

The Chief Finance Officer is responsible for:

- a) ensuring that the Standing Financial Instructions are maintained and regularly reviewed.

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

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

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

4.5 Director of People and Culture

Responsibilities of the Director of People and Culture are:

4.5.1. Payment of staff:

- a) making arrangements for the provision of payroll services to the Trust through third party provider, to ensure the accurate determination of pay entitlement and to enable prompt and accurate payment to employees;
- b) ensuring that the Trust meets all its obligations to HMRC in respect of income tax, national insurance and other deductions when employing individuals directly or those who may be considered as employees. Chief Financial Officer will issue detailed procedures on compiling schedules and paying income tax, national insurance, pensions and taxes related to staff benefits, the authorisation limits covered on SoD's.
- c) ensuring all pay and conditions are determined by the NHS national terms and conditions. Managers are not permitted to deviate from these conditions, including but not limited to pay rates, enhancements or allowances otherwise than in accordance with national agreements unless the approval of the Chief Executive or Director of People and Culture has been given.
- d) establishing procedures covering advice to managers on the prompt and accurate submission of payroll data to support the determination

of pay including, where appropriate, timetables and specifications for submission of properly authorised notification of new employees, amendments to standing pay data and terminations. Managers are responsible for the accuracy, completeness and timeliness of e-roster and turnaround returns to the payroll department. As soon as a manager becomes aware of the effective date of an employee leaving or a change in circumstances affecting pay, they must notify finance and workforce immediately.

- e) recruitment must be undertaken in accordance with the Trust's recruitment policy and no positions may be filled unless there is adequate budgetary provision. Provisions for the grading of posts are set out within the relevant HR policies and must be complied with.
- f) Where contractors, agency or other form of interim staff are engaged, the booking must be made using the staff bank recording system. No payment shall be made directly to an individual for services without first ensuring that their self-employment status has been verified and evidence of the check retained.
- g) For individuals providing direct services through their own limited companies, known as personal service companies, the engaging manager must liaise with the Workforce Directorate to ensure that relevant tax compliance (IR35) checks have been undertaken prior to engagement.

4.5.2. Staff Expenses:

- h) The Trust's E-Expenses (ePay) system should only be used for expenses associated with employees, i.e. those paid via payroll. Line managers are accountable for checking and authorising only appropriate expenses incurred in line with the Trust's Travel and Expenses policy.
- i) E-Expenses (ePay) is managed by financial services department and reimbursements to employees are processed via payroll, and should never occur via accounts payable.
- j) The E-Expenses (ePay) system is only for the reimbursement of expenses associated with travel and subsistence, relocation and removal allowances, and should never be used to reimburse items that should have been and could have been purchased via the Trust's purchasing systems.

4.6 Board Members and Employees

All members of the Board and employees, severally and collectively, are responsible for:

- a) conforming with the requirements of Standing Orders, Standing Financial Instructions, Financial Procedures and the Scheme of Delegation.

- b) the security of the property of the Trust;
- c) avoiding loss;
- d) exercising economy and efficiency in the use of resources;

4.7 **Contractors and their employees**

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

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

5 **Policy and/or Procedural Requirements**

5.1 **AUDIT**

5.1.1 **Audit and Assurance Committee**

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

- a) overseeing Internal and External Audit services;
- b) reviewing financial and information systems and monitoring the integrity of the financial statements and reviewing significant financial reporting judgments;
- c) 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 (both clinical and non-clinical), that supports the achievement of the organisation's objectives;
- d) monitoring compliance with Standing Orders and Standing Financial Instructions;
- e) reviewing schedules of losses and compensations and making recommendations to the Board;
- f) reviewing schedules of debtors/creditors balances over 6 months and £5,000 old and explanations/action plans;
- g) Reviewing the arrangements in place to support the Assurance Framework process prepared on behalf of the Board and advising the Board accordingly.

Where the Audit and Assurance Committee considers there is evidence of ultra

vires transactions, evidence of improper acts, or if there are other important matters that the Committee wishes to raise, the Chairman of the Audit and Assurance Committee should raise the matter at a full meeting of the Board. Exceptionally, the matter may need to be referred to the NHS Improvement and the Department of Health, but this should be via the Trust Chief Finance Officer in the first instance.

Matters pertaining to fraud, bribery and/or corruption must be reported to the Local Counter Fraud Specialist (LCFS) for investigation in accordance with the Trust's Counter Fraud, Bribery and Corruption Policy.

5.2 Chief Finance Officer

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

The Local Accountability and Audit Act 2014 and The Local Audit (Health Services Bodies Auditor Panel and Independence) Regulations 2015 require the Trust to appoint external auditors. Audit and Assurance Committee will ensure the Trust appoints external auditors.

The Chief Finance Officer is responsible for:

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

The Chief Finance Officer or designated auditors, LCFS are entitled, without

necessarily giving prior notice, to require and receive:

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

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

5.3 Role of Internal Audit and Counter Fraud

The purpose and objectives of the Internal Audit service provider are to 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 efficient and effective use of resources;
- e) the extent to which the Trust's assets and interests are accounted for and safeguarded from loss of any kind, arising from:
 - i. fraud and other offences;
 - ii. waste, extravagance, inefficient administration;
 - iii. poor value for money or other causes.
 - iv. Any form of risk, especially business and financial risk but not exclusively so.
- f) 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 pecuniary nature, the Chief Finance Officer must be notified immediately. In the case of alleged or suspected fraud, the Local Counter Fraud Service (LCFS) must be notified.

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

The Head of Internal Audit shall be accountable to the Chief Finance Officer in accordance with the service level agreement. The reporting system for internal audit shall be agreed between the Chief Finance Officer, the Audit and Assurance Committee and the Head of Internal Audit. The agreement shall be in writing and shall comply with the guidance on reporting contained in the Audit Code and the DH Group Accounting Manual. The reporting system shall be reviewed at least every three years.

Internal Audit terms of reference shall have effect as if incorporated within these Standing Financial Instructions. The Terms of reference cover the scope of the internal audit work, authority and independence, management responsibilities, coordination of assurance work, reporting and key outputs and the operational responsibilities.

5.4 External Audit

The External Auditor is appointed by Audit and Assurance Committee and paid for by the Trust. The Audit and Assurance Committee must ensure that the Trust receives a cost-effective, efficient service.

If there are any problems relating to the service provided by the External Auditor service, then this should be raised with the External Auditor and referred on to the Audit and Assurance Committee if it cannot be resolved.

5.5 Fraud, Bribery and Corruption

In line with their responsibilities, the Trust Chief Executive and Chief Finance Officer shall monitor and ensure compliance with Directions issued by the Secretary of State for Health on fraud and corruption as specified in the NHS Tackling Fraud, Bribery & Corruption Policy & Corporate Procedures.

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

The Local Counter Fraud Specialist (LCFS) shall report to the Trust Chief Finance Officer and shall work with staff in NHS Counter Fraud Authority in accordance with the guidance provided by NHS Counter Fraud Authority.

If it is considered that evidence of offences exists and that a prosecution is desirable, the LCFS will consult with the CFO to obtain the necessary authority and agree the appropriate route for pursuing any action e.g. referral to the police or NHS Counter Fraud Authority.

The Local Counter Fraud Specialist will provide a written report to the Audit and Assurance Committee, at least annually, on Counter Fraud work within the Trust.

In accordance with the Raising Concerns Policy, the Trust shall have a whistle-blowing mechanism to report any suspected or actual fraud, bribery or corruption matters and internally publicise this, together with the national fraud and corruption reporting line provided by NHS Counter Fraud Authority.

5.6 Security Management

In line with their responsibilities, the Chief Executive will monitor and ensure compliance with directions issued by the Secretary of State for Health on NHS security management.

The Trust shall nominate a suitable person to carry out the duties of the Local Security Management Specialist (LSMS) as specified by NHS Counter Fraud Authority on NHS security management.

The Chief Executive has overall responsibility for controlling and coordinating security. However, key tasks are delegated to the Director of People & Culture in relation to the duties of the Local Security Management Specialist requirements in relation to operational security.

6 Business Planning, Budgets, Budgetary Control, Capital Expenditure and Monitoring

6.1.1 Preparation and Approval of Business Plans and Budgets

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

- a) a statement of the significant assumptions on which the plan is based;
- 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 budgets for approval by the Board. Such budgets will:

- a) be in accordance with the aims and objectives set out in the Sustainability Transformation Plan (STP), the Trusts business plan and its long term financial model;
- b) accord with activity 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.

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

All budget holders must provide information as required by the Chief Finance Officer to enable budgets to be compiled and financial performance against budgets to be monitored.

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

6.1.2 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 virement;
- 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 or virement limits set by the Board.

Any budgeted funds not required for their designated purpose(s) revert to the immediate control of the Chief Executive, subject to any authorised use of virement.

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

6.1.3 Budgetary Control and Reporting

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

- a) monthly financial reports to the Board in a form approved by the Board containing:
 - i. income and expenditure to date showing trends and forecast year-end position;
 - ii. movements in working capital;
 - iii. movements in cash and capital;
 - iv. capital project spend and projected outturn against plan;
 - v. explanations of any material variances from plan;
 - vi. details of any corrective action where necessary and the Chief Executive's and/or Chief Finance Officer' view of whether such actions are sufficient to correct the situation;
- b) the issue of timely, accurate and comprehensible advice and financial reports to each budget holder, covering the areas for which they are responsible;

- c) investigation and reporting of variances from financial, workload and manpower budgets;
- d) monitoring of management action to correct variances; and
- e) arrangements for the authorisation of budget transfers.

Each Budget Holder is responsible for ensuring that:

- a) any likely overspending or reduction of income which cannot be met by virement is not incurred without the prior consent of the Board;
- b) the amount provided in the approved budget is not used in whole or in part for any purpose other than that specifically authorised subject to the rules of virement;
- c) no permanent employees are appointed without the approval of the Chief Executive other than those provided for within the available resources and manpower establishment as approved by the Board.

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

6.1.4 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 SFI 13). All capital procurement shall be carried out in accordance with the Tendering and Contract Procedures.

6.1.5 Monitoring Returns

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

7. ANNUAL ACCOUNTS AND REPORTS

7.1 The Chief Finance Officer, on behalf of the Trust, will:

- a) prepare financial accounts and returns in accordance with the accounting policies and guidance given by the Department of Health and the Treasury, the Trust's accounting policies, and International Financial Reporting Standards (IFRS);
- b) prepare and submit annual financial reports to the Department of Health and NHS Improvement certified in accordance with current guidelines;
- c) submit financial returns to the Department of Health for each financial year in accordance with the timetable prescribed by the Department of Health.

The Trust's Annual Report, Annual Accounts and financial returns to NHS Improvement must be audited by the external auditor appointed by the Trust in accordance with appropriate international auditing standard.

The Annual Report and Accounts (including the auditor's report) shall be approved by the Board of Directors or, by the Audit and Assurance Committee (when specifically delegated the power to do so, under the authority of the Board of Directors).

The Annual Report and Accounts (including the auditor's report) is submitted to NHS Improvement (in accordance with its timetable) by the Chief Finance Officer.

The Trust's annual accounts must be audited by an auditor appointed by the Trust. The Trust's audited annual report and accounts (including the auditor's report) must be published and presented to public meeting by the 30th September each year and made available to the public for public inspection at the Trust's headquarters and made available on the Trust's website.

The Chief Nursing Officer will prepare the Annual Quality Report in the format prescribed by NHS Improvement/Care Quality Commission and in accordance with the DH Group Accounting Manual. The Quality Report presents a balanced picture of the Trust's performance over the financial year and up to the agreed submission date.

The Chief Executive and Chairman shall sign off the "Statement of Directors' Responsibilities in Respect of the Quality Report" under the Health Act 2009 and the NHS (Quality Accounts) Regulations 2010.

7.2 BANKING ARRANGEMENT

7.2.1 General

The Chief Finance Officer is responsible for managing the Trust's banking arrangements and for advising the Trust on the provision of banking services and operation of accounts. This advice will take into account guidance/ Directions issued from time to time by the Department of Health.

In line with 'Cash Management in the NHS' Trusts should minimize the use of commercial bank accounts and consider using the Government Banking Service

(GBS) accounts for all banking services.
The Board will review and approve the banking arrangements as specified by the Department of Health.

7.2.2 Bank and GBS Accounts

The Chief Finance Officer is responsible for the operation of all the Trust's bank accounts and for:

- a) ensuring payments made from bank accounts do not exceed the amount credited to the account except where arrangements have been made;
- b) reporting to the Board all arrangements and instances where the bank accounts become or may have become overdraw and the arrangements made with the Trust's bankers
- c) establishing separate bank accounts for the Trust's non-exchequer/charitable funds
- d) monitoring compliance with DH guidance on the level of cleared funds. Chief Finance Officer will issue detailed procedures on transferring funds between Trust's bank accounts to maintain required level of cleared funds, the authorisation limits covered on SoD's.
- e) Ensuring covenants attached to bank borrowing are adhered to.
- f) All Trust bank accounts details to be disclosed as and when required by a member of the Financial Services Team only.

7.2.3 Banking Procedures

The Chief Finance Officer will prepare detailed instructions on the operation of all Trust bank accounts which must include:

- a) the conditions under which each bank and GBS account is to be operated, including the overdraft limit if applicable;
- b) those authorised to approve payments, bank transfers, sign cheques or other orders drawn on the Trust's accounts.

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

No-one but the Chief Finance Officer shall open a bank account in the name of the Trust.

7.2.4 Tendering and Review

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

7.2.5 External Borrowing

The Chief Finance Officer will advise the Board concerning the Trusts ability to pay dividend on, and repay Public Dividend Capital and any proposed new borrowing, within the limits set by the Department of Health. The Chief Finance Officer is also responsible for reporting periodically to the Board concerning the PDC debt and all loans and overdrafts.

Any application for a loan or overdraft will only be made by the Chief Finance Officer or by an employee so delegated by them.

The Chief Finance Officer must prepare detailed procedural instructions concerning applications for loans and overdrafts.

All short term borrowings should be kept to the minimum period of time possible, consistent with the overall cash flow position. Any short term borrowing required must be authorised by the Chief Finance Officer.

All long term borrowing must be consistent with the plans outlines in the current approved financial plan as reported to the Department of Health.

7.2.6 Investments

Temporary cash surpluses must only be held in such investments as authorised by the Department of Health and authorised by the Board.

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

The Chief Finance Officer will prepare detailed procedural instructions on the operation of investment accounts and on the records to be maintained.

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

8.1 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.

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

8.2 Fees and Charges

The Trust shall follow all relevant guidance issued by the Department of Health in setting prices for NHS service agreements.

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 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 in the NHS shall be followed.

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

All employees must inform the CFO promptly for any requests for raising of credit notes.

Under no circumstances will the Trust accept cash payments in any currency in excess of £15,000 in respect of any single transaction or series of transactions which appear to be linked. Any attempts by an individual to effect payment above this amount should be notified immediately to the Chief Finance Officer.

8.3 Debt Recovery

The Chief Finance Officer is responsible for the appropriate recovery action on all outstanding debts.

Income not received should be reported to the Audit and Assurance Committee and appropriate action taken and recorded.

The Chief Finance Officer is responsible for ensuring that systems are in place to prevent overpayments. Where overpayments occur systems should be in place for their detection and recovery initiated.

8.4 Security of Cash, Cheques, Payable Orders 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;
- (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;
- (d) prescribing systems and procedures for handling cash and negotiable securities on behalf of the Trust.

Official money shall not under any circumstances be used for the encashment of private cheques or for the granting of personal loans of any kind.

All cheques, postal orders, payable orders and cash etc., shall be banked intact. Disbursements shall not be made from cash received, except under arrangements approved by the Chief Finance Officer.

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

8.5 Free of Charge/Donated Goods/Services

Free of charge or donated goods or equipment from any supplier or would be supplier to the Trust must not be used to avoid the procurement regulations.

A budget manager or budget holder must approve in writing the acceptance of such goods or services prior to delivery. If the goods are to be donated or accepted on loan, whether for service provision or testing, before such approval may be given:

- a) an official order number must be allocated if the acquisition by this method is part of a procurement process by the Trust.
- b) the owner must provide a written indemnity to the Trust, in a form approved by the Trust Secretary, which will be signed, if necessary, on the Trusts behalf by the Chief Executive or an officer authorised by the Chief Executive.
- c) responsibility for maintenance and other revenue consequences must be agreed in writing and must be approved in accordance with these Standing Financial Instructions.

The acceptance of any such goods or services must be confirmed in writing to the donor/owner and, except in the case of charitable donations, such confirmation shall include a notice that the acceptance does not amount to an express or implied

obligation on the Trust to continue to use the goods/services or to purchase any goods/services.

The donation of clinical equipment shall undergo the same rigour as applied to an NHS funded purchase.

Where there are revenue consequences arising out of the donation of any asset then the donation shall not be accepted or put into use until a budget has been agreed with the Chief Finance Officer in respect of the revenue consequences.

8.6 Payment in Kind to the Trust

A budget manager or holder may authorise the provision by the Trust of services to third parties in return for payments in kind provided:

- a) the value received is reasonably commensurate with the value given.
- b) the arrangement is confirmed in writing to the third party under the signature of a budget manager or budget holder and a copy retained.
- c) the confirmation includes a notice that the Trust reserves the right to joint ownership on terms to be agreed or fixed by arbitration of any intellectual property arising from the collaboration between the Trust and the third party.
- d) The confirmation includes a notice that the arrangement does not bind the Trust to continue any collaboration on the terms agreed or to purchase / use the benefits of any collaboration.

9 TENDERING AND CONTRACTING PROCEDURE

9.1.1 Duty to comply with Standing Orders and Standing Financial Instructions

The procedure for making all contracts by or on behalf of the Trust shall comply with these Standing Orders and Standing Financial Instructions (except where Standing Order No. 40 Suspension of Standing Orders is applied).

9.1.2 EU Directives Governing Public Procurement

Directives by the Council of the European Union promulgated by the Department of Health (DH) prescribing procedures for awarding all forms of contracts shall have effect as if incorporated in these Standing Orders and Standing Financial Instructions.

9.1.3 Capital Investment Manual and other Department of Health Guidance

The Trust shall comply as far as is practicable with the requirements of the Department of Health "Capital Investment Manual" and "Estate code" in respect of capital investment and estate and property transactions. In the case of management consultancy contracts the Trust shall comply as far as is practicable with Department of Health guidance "The Procurement and Management of Consultants within the NHS" and guidance from NHS Improvement.

9.2.1 Formal Competitive Tendering

9.2.2 General Applicability

The Trust shall ensure that competitive tenders are invited for:

- a) the supply of goods, materials and manufactured articles, ensuring that where the value of such items exceeds the current OJEU financial limits, the OJEU advertisement and procurement process is followed;
- b) the retendering of services including all forms of management consultancy services (other than specialised services sought from or provided by the DH);
- c) for the design, construction and maintenance of building and engineering works (including construction and maintenance of grounds and gardens); for disposals.

9.2.3 Health Care Services

Where the Trust elects to invite tenders for the supply of healthcare services these Standing Orders and Standing Financial Instructions shall apply as far as they are applicable to the tendering procedure.

9.2.4 Exceptions and instances where formal tendering need not be applied

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

- a) the estimated expenditure or income does not, or is not reasonably expected over the length of the agreement to, exceed £10,000 **including** VAT. For expenditure of up to £10,000 evidence that two competitive prices

have been obtained will be required;

- b) where the supply is proposed under special arrangements negotiated by the DH in which event the said special arrangements must be complied with;
- c) regarding disposals as set out in Standing Financial Instructions Section 9.4.9;

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

- a) in very exceptional circumstances where the Board formally vote that formal tendering procedures would not be practicable or the estimated expenditure or income would not warrant formal tendering procedures, and the circumstances are detailed in an appropriate Trust record;
- b) where the requirement is covered by an existing contract;
- c) where framework agreements are in place and have been approved by the procurement department;
- d) where a consortium purchasing arrangement is in place and a lead organisation has been appointed to carry out tendering activity on behalf of the consortium members;
- e) 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;
- f) where specialist expertise is required and is available from only one source;
- g) 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;
- h) 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;

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 Trust record and reported to the Audit and Assurance Committee in line with the Audit and Assurance Committee Work plan.

9.2.6 Building and Engineering Construction Works

Competitive Tendering cannot be waived for building and engineering construction works and maintenance (without Departmental of Health approval).

9.2.7 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 Executive, and be recorded in an appropriate Trust record.

9.3 Contracting/Tendering Procedure

9.3.1 Admissibility

If for any reason the designated officers are of the opinion that the tenders received are not strictly competitive (for example, because their numbers are insufficient or any are amended, incomplete or qualified) no contract shall be awarded without the approval of the Chief Executive.

Where only one tender is sought and/or received, the Chief Executive and Chief 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 Trust.

9.3.2 Acceptance of formal tenders

Any discussions with a tenderer which are deemed necessary to clarify technical aspects of his tender before the award of a contract will not disqualify the tender.

The lowest tender, if payment is to be made by the Trust, or the highest, if payment is to be received by the Trust, shall be accepted unless there are good and sufficient reasons to the contrary. A report explaining any such reasons shall be produced by the officer evaluating the tender responses and shall be set out in either the contract file, or other appropriate record.

It is accepted that for professional services such as management consultancy, the 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;
- 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.

No tender shall be accepted which will commit expenditure in excess of that which has been allocated by the Trust and which is not in accordance with these Instructions except with the authorisation of the Chief Executive.

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.

All tenders should be treated as confidential and should be retained for inspection.

9.3.3 **Tender reports to the Trust Board**

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

9.4 **Quotations: Competitive and non-competitive**

9.4.1 **General Position on quotations**

Quotations are required where the intended expenditure or income exceeds, or is reasonably expected to exceed £10,000 but not exceed £50,000 (including VAT). Where the intended expenditure or income is not reasonably expected to exceed £10,000, competitive prices only are required. If however the competitive prices which are received do exceed £10,000, then three written quotations shall be required.

9.4.2 **Competitive Quotations**

Quotations should be obtained from at least 3 firms/individuals based on specifications or terms of reference prepared by, or on behalf of, the Trust.

Quotations should be in writing unless the Chief Executive or his nominated officer determines that it is impractical to do so in which case quotations may be obtained by telephone. Confirmation of telephone quotations should be obtained as soon as possible and the reasons why the telephone quotation was obtained should be set out in a permanent record.

All quotations should be treated as confidential and should be retained for inspection.

The Chief Executive or his nominated officer should evaluate the quotation and select the quote which gives the best value for money. If this is not the lowest quotation if payment is to be made by the Trust, or the highest if payment is to be received by the Trust, then a report explaining the choice made and the reasons why should be produced by the officer evaluating the tender responses and shall be set out in either the contract file, or other appropriate permanent record.

9.4.3 **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
- 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.

9.4.4 Quotations to be within Financial Limits

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

9.4.5 Authorisation of Tenders and Competitive Quotations

Providing all the conditions and circumstances set out in these Standing Financial Instructions have been fully complied with, formal authorisation and awarding of a contract may be decided by the following staff to the value inc VAT of the contract as confirmed in the Scheme of Delegation. The current limits are:

Budget Holders	up to	£20,000
Divisional Management Team	up to	£50,000
Deputy Chief Operating Officer and Director of People and Culture, Director of Strategy	up to	£75,000
Voting Executive Directors & Assistant Directors of Finance	up to	£100,000
Chief Finance Officer	up to	£250,000
Chief Executive	up to	£500,000
Trust Board	over	£500,000

Formal authorisation must be put in writing. In the case of authorisation by the Trust Board this shall be recorded in the Board minutes. Copies of all contracts shall be provided to the Finance department for inclusion on the Trust Contract Register,

Note the Financial recovery Approval limits would also apply to authorisation of tenders and competitive quotations, when they are in force.

9.4.6 Compliance requirements for all contracts

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

- (a) The Trust’s Standing Orders and Standing Financial Instructions;
- (b) EU Directives and other statutory provisions;
- (c) any relevant directions including the Capital Investment Manual, Estate code 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
- (g) in all contracts made by the Trust, the Board shall endeavor 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 Trust.

9.4.7 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 via framework approved suppliers.

9.4.8 Healthcare Services Agreements

Service agreements with NHS providers for the supply of healthcare services shall be drawn up in accordance with the NHS and Community Care Act 1990 and administered by the Trust. Service agreements are not contracts in law and therefore not enforceable by the courts. However, a contract with a Foundation Trust, being a PBC, is a legal document and is enforceable in law.

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

9.4.9 Disposals (SFI No. 15 also refers)

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

- (a) any matter in respect of which a fair price can be obtained only by negotiation or sale by auction as determined (or pre-determined in a reserve) by the Chief Executive or his nominated officer;
- (b) obsolete or condemned articles and stores, which may be disposed of in accordance with the supplies policy of the Trust;
- (c) items to be disposed of with an estimated sale value of less than £250, this figure to be reviewed on a periodic basis;
- (d) items arising from works of construction, demolition or site clearance, which should be dealt with in accordance with the relevant contract;
- (e) land or buildings concerning which DH guidance has been issued but subject to compliance with such guidance.

9.4.10 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 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 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, Procurement officer and a Chief Finance Officer Representative. Additionally, for services having a likely annual expenditure exceeding £250,000, a Voting non-Executive Director should be a member of the evaluation team.

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.

9.4.11 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 Trust's trust funds and private resources.

10 SERVICE AGREEMENTS FOR PROVISION OF SERVICES

10.1 Service Level Agreements (SLAs) and Contracts

The Chief Executive, as the Accountable Officer, is responsible for ensuring the Trust enters into suitable contracts and or Service Level Agreements (SLA) with service commissioners for the provision of NHS services.

All contracts and SLAs should aim to implement the agreed priorities contained within the Commissioning Agreement or the strategy of the Trust. In discharging this responsibility, the Chief Executive should take into account:

- a) the standards of service quality expected;
- b) the relevant national service specification
- c) the provision of reliable information on cost and volume of services;
- d) the NHS National Performance Assessment Framework;

10.2 Involving Partners and jointly managing risk

A good agreement 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 Trust works with all partner agencies involved in both the delivery and the commissioning of the service required. The agreement will apportion responsibility for handling a particular risk to the party or parties in the best position to influence the event and financial arrangements should reflect this. In this way the Trust can jointly manage risk with all interested parties.

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

11 TERMS OF SERVICE, ALLOWANCES AND PAYMENT OF MEMBERS OF THE TRUST BOARD AND EXECUTIVE COMMITTEE AND EMPLOYEES

11.1 Payment to Board Members, Staff and Other Workers

11.1.1 Board Members (Chairman and Non-Executive Directors)

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

11.1.2 Remuneration Committee (Voting and Non-Voting Executive Directors and Staff)

In accordance with Standing Orders the Board shall establish a Remuneration and Nominations 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) Be responsible for overseeing and ratifying the appointment of candidates to fill all the executive director positions on the board and for determining their remuneration and other conditions of service.
- b) Regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the board, making use of the output of the board evaluation process as appropriate, and make recommendations to the board, as applicable, with regard to any changes.
- c) Establish and keep under review a remuneration policy in respect of executive board directors and senior managers earning over £70,000 or accountable directly to an executive director and on locally-determined pay.
- d) In accordance with all relevant laws, regulations and trust policies, decide and keep under review the terms and conditions of office of the trust's executive directors and senior managers earning over £70,000 or accountable directly to an executive director and on locally-determined pay, including:
 - Salary, including any performance-related pay or bonus;
 - Annual salary increase
 - Provisions for other benefits, including pensions and cars;
 - Allowances;
 - Payable expenses;
 - Compensation payments.
- e) Ensure the annual performance of Board Directors is undertaken and evaluate on an exceptional basis the performance of Board Directors on the advice of the Chief Executive/Chairman. This will include consideration of this output when reviewing changes to remuneration levels.
- f) Advise upon and oversee contractual arrangements for executive directors, including but not limited to termination payments to avoid rewarding poor performance.

The committee will report to the board after each meeting.

The Board will consider and need to approve proposals presented by the Chief

Executive for the setting of remuneration and conditions of service for those employees and officers not covered by the Committee.

11.1.3 **Funded Establishment**

The manpower plans incorporated within the annual budget will form the funded establishment.

The funded establishment of any directorate or department may not be varied in any way which causes expenditure to exceed the authorised annual budget without the prior written approval of the Chief Executive or Chief Finance Officer or their delegated officer.

11.1.4 **Staff Appointments**

No Executive Director, Member of the Trust Board 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:

- a) unless authorised to do so by the Chief Executive;
- b) within the limit of their approved budget and funded establishment.
- c) he or she is exercising economy and efficiency in the use of human resources.
- d) he/she has followed the Vacancy Management Governance Process and included all requirements.

Any monies due to employees as a result of all employments with the Trust howsoever arising shall be paid through the Trust payroll.

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

11.1.5 **Contracts of Employment**

The Board shall delegate responsibility to an officer, normally Director of People & Culture for:

- a) ensuring that all employees are issued with a Contract of Employment in a form approved by the Board and which complies with employment legislation and;
- b) dealing with variations to, or termination of, contracts of employment in accordance with the requirements of Standing Orders, Standing Financial Instructions, Financial Procedures and the Scheme of Delegation; and
- c) advising employees' of the need to conform to the requirements of Standing Orders, Standing Financial Instructions, Financial Procedures and Scheme of Delegation.

11.1.6 Processing Payroll

The Chief Finance Officer is responsible for:

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

The Chief Finance 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, expenses and allowances;
- c) maintenance of subsidiary records for superannuation, income tax, national insurance and other authorised deductions from pay;
- d) security and confidentiality of payroll information;
- e) checks to be applied to completed payroll before and after payment;
- f) authority to release payroll data under the provisions of the Data Protection Act and General Data Protection Regulations (GDPR);
- g) methods of payment available to various categories of employee and officers;
- h) procedures for payment by cheque, bank credit including BACS, or cash to employees and officers;
- i) procedures for the recall of cheques and bank direct credits, including BACS;
- j) pay advances and their recovery;
- k) maintenance of regular and independent reconciliation of pay control accounts;
- l) separation of duties of preparing records and handling cash;
- m) a system to ensure the recovery from those leaving the employment of the Trust of sums of money and property due from them to the Trust.

Appropriately nominated managers have delegated responsibility for:

- a) submitting and authorising time records, travel, subsistence and removal expenses claims and other notifications in accordance with agreed

timetables;

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

Regardless of the arrangements for providing the payroll service, 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 arrangement are made for the collection of payroll deductions and payment of these to appropriate bodies.

11.1.7 Agency, Self-employed or Third Party Workers including Contract for Services

Where exceptional circumstances exist within a department and agency, self-employed workers or workers supplied via a third party are to be retained then:

- a) the contract may only be entered into by a budget holder having sufficient resources within the limit of their budget who is authorised for that purpose by the Chief Executive or his delegated officer; and
- b) the Chief Finance Officer shall be consulted if the contractor is not on the current list of authorised suppliers; and
- c) the Director of People & Culture shall be consulted with regard to the remuneration package; and
- d) contractual provisions shall be in place which allow the Trust to seek assurance regarding the income tax and national insurance contribution obligations of the engagee and the ability to terminate the contract if that assurance is not provided; and
- e) appropriate arrangements shall be in place to ensure that income tax deductions and national insurance contributions for both the Trust and worker are properly made and paid to HM Revenues & Customs in line with current legal and regulatory requirements.

12.0 Non Pay Expenditure

12.1 Delegation of Authority

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

The Scheme of Delegation will set out:

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

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

Before entering in to contracts for the supply of goods and services or works contracts and especially overseas contacts, taxation advice (including where appropriate customs advice) shall be obtained from the Chief Finance Officer. Agreement of the Chief Finance Officer shall be obtained before entering into any potentially novel or contentious arrangement with a supplier or contractor.

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

12.2.1 Requisitioning

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

12.2.2 System of Payment and Payment Verification

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

The Chief Finance Officer will:

- a) advise the Board regarding the setting of thresholds above which quotations (competitive or otherwise) or formal tenders must be obtained; and, once approved, the thresholds should be incorporated in Standing Orders, Scheme of Delegation and Standing Financial Instructions and regularly reviewed;
- b) prepare procedural instructions or guidance within the Scheme of Delegation on the obtaining of goods, works and services incorporating

the thresholds;

- c) be responsible for the prompt payment of all properly authorised accounts and claims;
- d) be responsible for designing and maintaining a system of verification, recording and payment of all amounts payable. The system shall provide for:
 - i. A list of Board employees authorised to electronically certify invoices.(including specimens of their signatures)
 - ii. Certification that:
 - goods have been duly received, examined and are in accordance with specification and the prices are correct;
 - work done or services rendered have been satisfactorily carried out in accordance with the order, and, where applicable, the materials used are of the requisite standard and the charges are correct;
 - in the case of contracts based on the measurement of time, materials or expenses, the time charged is in accordance with the time sheets, the rates of labour are in accordance with the appropriate rates, the materials have been checked as regards quantity, quality, and price and the charges for the use of vehicles, plant and machinery have been examined;
 - in the case of expenses claims, authorisation confirms that the claims reflect travel and journeys which were necessary in discharging the employee's work-related duties, and that the claim has been submitted within 3 months of the expense being necessarily incurred;
 - where appropriate, the expenditure is in accordance with regulations and all necessary authorisations have been obtained;
 - the account is arithmetically correct, with discounts having been taken where appropriate;
 - VAT has been correctly accounted for with the recovery being identified where appropriate, and;
 - the account is in order for payment.
 - iii. A timetable and system for submission to the Chief Finance Officer of accounts for payment; provision shall be made for the early submission of accounts subject to cash discounts or otherwise requiring early payment.
 - iv. Instructions to employees regarding the handling and payment of accounts within the Finance Department.
- e) be responsible for ensuring that payment for goods and services is only made once the goods and services are received. The only exceptions are set out below;

12.2.3 Prepayments

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

- a) Prepayments are only permitted where the financial advantages outweigh the disadvantages (i.e. cash flows must be discounted to NPV using the National Loans Fund (NLF) rate plus 2%).
- b) The appropriate officer must provide, in the form of a written report, a case setting out all relevant circumstances of the purchase. The report must set out the effects on the Trust if the supplier is at some time during the course of the prepayment agreement unable to meet his commitments;
- c) The 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)
- 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.

Exceptions to the requirements of section a and b above are:

- i. Service and maintenance contracts which require payment when the contract commences
- ii. Minor services such as training courses, conference bookings
- iii. Prepayments of up to £500 where a value for money and financial risk assessment demonstrates clear advantage in early payment.

12.2.4 Official orders

Official Orders must:

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

12.2.5 Non PO Expenditure

Suppliers exempt from payment by a Purchase Order can be found on the Non PO Agreed List July 2020. Any supplier not on this list requires an official order to allow payment.

For clarification, the Chief Finance Officer will determine the nature of

expenditure which does not require control through an official purchase order and review this on an annual basis.

12.2.6 Duties of Managers and Officers

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

- a) all contracts (other than the simple purchases permitted within the Scheme of Delegation), leases, tenancy agreements and other commitments which may result in a liability are notified to the Chief Finance Officer in advance of any commitment being made;
- b) contracts above specified thresholds are advertised and awarded in accordance with EU rules on public procurement;
- c) where consultancy advice is being obtained, the procurement of such advice must be in accordance with guidance issued by the Department of Health and NHS Improvement
- d) no order shall be issued for any item or items to any firm which has made an offer of gifts, reward or benefit to directors or employees, other than:
 - (ii) isolated gifts of a trivial character or inexpensive seasonal gifts, such as calendars;
 - (iii) conventional hospitality, such as lunches in the course of working visits;

This provision needs to be read in conjunction with Standing Order No. 23 (Standards of Business Conduct) and the principles outlined in the national guidance contained in HSG 93(5) "Managing Conflicts of Interest" Feb 2017);

- e) 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;
- f) all goods, services, or works are ordered on an official order except for works and services purchased from petty cash or items bought using purchasing cards executed in accordance with a contract. For clarification the Chief Finance Officer will determine the nature of expenditure which does not require control through an official purchase order and review this on an annual basis;
- g) verbal orders must only be issued very exceptionally - by an employee designated by the Chief Executive and only in cases of emergency or urgent necessity. These must be confirmed by an official order and clearly marked "Confirmation Order";
- h) orders are not split or otherwise placed in a manner devised so as to avoid the financial thresholds;
- i) goods are not taken on trial or loan in circumstances that could commit the Trust to a future uncompetitive purchase;

- j) changes to the list of employees and officers authorised to certify/approve orders and invoices are notified to the Chief Finance Officer;
- k) purchases from petty cash are restricted in value and by type of purchase in accordance with instructions issued by the Chief Finance;
- l) petty cash records are maintained in a form as determined by the Chief Finance Officer.
- m) Cashiers are permitted to make payments from takings for car parking, patients travel and items for use in the cashiers office, restricted to the same value as per petty cash payments

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

13.1 Capital Investment

The Chief Executive :

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

For every capital expenditure proposal the Chief Executive shall ensure:

- a) that a business case (in line with the guidance contained within the current Department of Health guidance) is produced setting out:
 - i. an option appraisal of potential benefits compared with known costs to determine the option with the highest ratio of benefits to costs;
 - ii. the involvement of appropriate Trust personnel and external agencies;
 - iii. appropriate project management and control arrangements are in place;
 - iv. the appropriate Trust Personnel and external agencies have been involved; and
 - v. that the Chief Finance Officer has certified professionally to the costs and revenue consequences detailed in the business case.
- b) Where the sum involved exceeds delegated limits, the business case must be referred to NHSI/NHSE and or the department of Health in line with the current guidelines.

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

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 capital expenditure and commitment against authorised capital expenditure, which as a minimum shall include reporting to the Board on:

- a) the individual scheme/projects
- b) The source and level of funding; and
- c) The expenditure incurred against the annual profile

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

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

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

The Chief Executive will issue a scheme of delegation for capital investment management and the 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. These procedures shall fully take into account the delegated limits for capital schemes as notified by the Department of Health.

13.2 Contract framework agreements

Contract framework agreements (including P22 schemes) should always be considered for all construction projects and used where in line with best practice as set out by HM treasury and the Cabinet Office as a set out in Health Building Notes – Strategic framework for the efficient management of health care estates and facilities. The management of contracts awarded under the P22 Framework Agreement shall follow the current guidelines issued by the Department of Health.

All Contractual Framework Agreements should be reviewed at regular intervals, usually annually, to ensure anticipated benefits are being realised and that cost improvements and value for money objectives are achieved.

The Contractual Framework Agreement shall be subject to formal tender procedures and shall comply with the EU directives governing public procurement.

The Chief Finance Officer shall issue procedure notes governing the control, management, reporting and audit arrangements of the Contract Framework Agreement.

The committee overseeing the capital programme shall receive regular reports on the performance of the Contract Framework Agreement and detailed project progress reports on all on going schemes.

Any capital monies spent should be in accordance with the requirements laid down in the Manual for Accounts as issues by the Department of Health.

13.3 External Borrowing

The Chief Finance Officer will advise the Board concerning the Trust's ability to pay dividend on, and repay Public Dividend Capital and any proposed new borrowing, within the limits set by the Department of Health. The Chief Finance Officer is also responsible for reporting periodically to the Board concerning the PDC debt and all loans and overdrafts.

The Board will agree the list of employees (including specimens of their signatures) who are authorised to make short term borrowings on behalf of the Trust. This must contain the Chief Executive and the Chief Finance Officer.

The Chief Finance Officer must prepare detailed procedural instructions concerning applications for loans and overdrafts.

All short-term borrowings should be kept to the minimum period of time possible, consistent with the overall cashflow position, represent good value for money, and comply with the latest guidance from the Department of Health.

Any short term borrowing or revenue support loans from Department of Health must be approved by the Trust Board or the Finance and Performance Committee if more appropriate. It is sufficient to approve borrowing on an annual basis in line with the plan.

All long-term borrowing must be consistent with the plans approved by the Trust Board.

13.4 Investments

Temporary cash surpluses must be held only in such public or private sector investments as notified by the Secretary of State and authorised by the Board.

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

The Chief Finance officer will prepare detailed procedural instructions on the operation of investment accounts and on the records to be maintained if the Trust Board authorises an investment strategy.

13.5 Leases (Finance and Operating)

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

- a) the selection of a contract/finance company shall be on the basis of competitive tendering and quotations sought via the procurement department.

- b) All proposals to enter into a leasing agreement shall be referred to the Chief Finance Officer before acceptance of any offer;
- c) The Chief Finance Officer shall ensure that the proposal demonstrates best value for money; and
- d) The proposal shall be agreed in writing by the Chief Finance Officer prior to acceptance of any offer to the lease.

In the case of property leases the guidance in the Health Building Note – Strategic framework for the efficient management of healthcare estates and facilities shall be followed.

13.6 Asset Registers

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

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;
- c) lease agreements in respect of assets held under a 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 will be regularly reviewed and updated. The nature of the review must be in line with the Department of Health Group Accounting Manual and in consultation with External Auditors.

The value of each asset shall be depreciated using methods and rates as specified in the Group Accounting Manual issued by the Department of Health.

The Chief Finance Officer of the Trust shall calculate and pay capital charges as specified in the Group Accounting Manual issued by the Department of Health.

13.7 Security of Assets

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

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

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

Each employee has a responsibility for the security of the property of the Trust and for ensuring that any borrowing or private use of Trust equipment, goods, services and facilities is authorised by their line manager or head of department. It is the responsibility of all Executive Directors (Voting and Non-Voting) and senior employees in all disciplines to apply such appropriate routine security checks and practices in relation to Trust and NHS property, as may be determined by the Board. Any breach of agreed security practices must be reported in accordance with the agreed Security policy and procedures

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

Where practical, assets should be marked as Trust property.

14 Stores and Receipt of Goods

14.1.1 General position

Stores, defined in terms of controlled stores and departmental stores (for immediate use) should be:

- a) kept to a minimum;
- b) subjected to annual stock take;
- c) valued at the lower of cost and net realisable value.

14.1.2 Control of Stores, Stocktaking, condemnations and disposal

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 by the Chief Executive. The day-to-day responsibility may be delegated by him 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 of a designated estates manager.

The responsibility for security arrangements and the custody of keys for any stores and locations shall be clearly defined in writing by the designated manager/Pharmaceutical Officer. Wherever practicable, stocks should be marked as NHS 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. External Audit and Internal Audit will be consulted on appropriate levels of stocktaking to ensure the trust has control but not onerous stock counting. High value items will be counted at least once per year.

There will 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 designated Manager/Pharmaceutical Officer 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 designated Officer shall report to the Chief Finance Officer any

evidence of significant overstocking and of any negligence or malpractice (SFI No. 15 Disposals and Condemnations, Losses and Special Payments also refers). Procedures for the disposal of obsolete stock shall follow the procedures set out for disposal of all surplus and obsolete goods.

For goods supplied via the NHS Supply Chain central warehouses, the Chief Executive shall identify those authorised to requisition and accept goods from the store. The authorised person shall check receipt against the delivery note before forwarding this to the Chief Finance Officer or delegated officer who shall satisfy himself that the goods have been received before accepting the recharge. If there are any discrepancies these should be reported to the Chief Finance Officer or delegated officer to avoid overpayments where such discrepancies cannot be resolved via the procurement team.

15 DISPOSALS AND CONDEMNATIONS, LOSSES AND SPECIAL PAYMENTS

15.1 Disposals and Condemnations

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

When it is decided to dispose of a 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.

All unserviceable articles shall be:

- a) condemned or otherwise disposed of by an employee authorised for that purpose by the Chief Finance Officer.
- 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 himself 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.

15.2 Losses and Special Payments

15.2.1 Procedures

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

Any employee or officer discovering or suspecting a loss of any kind must either immediately inform their supervisor, line manager or head of department, except where fraud, bribery or corruption is suspected in which case a referral must be made to the LCFS for investigation in accordance with the Trust's Counter Fraud, Bribery and Corruption Policy. The senior officer must immediately inform the Chief Executive and the Chief Finance Officer or inform an officer charged with responsibility for responding to concerns involving loss. This officer will then

appropriately inform the Chief Finance Officer and/or Chief Executive.

Where a criminal offence is suspected, the Chief Finance Officer must immediately inform the police if theft, criminal damage or arson is involved.

In cases of fraud and corruption or of anomalies which may indicate fraud or corruption, the Chief Finance Officer must inform Counter Fraud, NHS Counter Fraud Authority with Secretary of State for Health's Directions, the Counter Fraud and Security Management Services (AFSMS) and the External Auditor of all frauds.

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, and
- b) the External Auditor.

The Chief Finance Officer shall be authorised to take any necessary steps to safeguard the Trust's interests in bankruptcies and company liquidations.

Within limits delegated to it by the Department of Health, the Board shall approve the writing-off of losses.

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.

No special payments exceeding delegated limits shall be made without the prior approval of the Department of Health.

All losses and special payments must be reported to the Audit and Assurance Committee.

16 Information Technology

16.1 Responsibilities and Duties.

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

- a) devise and implement any necessary procedures to ensure adequate

(reasonable) protection of the Trust's data, programs and computer hardware for which the Director 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 and GDPR 2018;

- b) ensure that adequate (reasonable) controls exist over data entry, processing, storage, transmission and output to ensure security, privacy, accuracy, completeness, and timeliness of the data, as well as the efficient and effective operation of the system;
- c) ensure that adequate controls exist such that the computer operation is separated from development, maintenance and amendment;
- d) ensure that an adequate management (audit) trail exists through the computerised system and that such computer audit reviews as the Director or Data Protection Officer (DPO) may consider necessary are being carried out.

The Chief Finance Officer shall need to ensure that new financial systems and amendments to current financial systems are developed in a controlled manner and thoroughly tested prior to implementation. Where this is undertaken by another organisation, assurances of adequacy must be obtained from them prior to implementation.

The Company Secretary 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.

In the case of computer systems which are proposed General Applications (i.e. normally those applications which the majority of Trust's in the Region wish 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.

16.2 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 (in line with GDPR), 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.

Where computer systems have an impact on corporate financial systems the Chief Finance Officer shall need to be satisfied 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's staff has access to such data, and;
- d) such computer audit reviews as are considered necessary are being carried out.

16.3 Risk Assessment

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

16.4 Safekeeping of Patients' Property and Valuables

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

Staff have a duty of care to make every effort to take care of patients' possessions, which are not handed in for safe keeping, particularly if the patient does not have the capacity to look after their own possessions; this includes items of daily living such as glasses, false teeth, hearing aids etc.

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

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

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

Patients electing not to conform to this guidance must indemnify the Trust against any loss.

The Chief Nursing Officer must provide detailed written instructions on the collection, custody, investment, recording, safekeeping, and disposal of patients' property (including instructions on the disposal of the property of deceased patients

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

Where Department of Health instructions require the opening of separate accounts for patients' moneys, these shall be opened and operated under arrangements agreed by the Chief Finance Officer. Due care should be exercised in the management of a patient's money in order to maximise the benefits to the patient.

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.

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.

Patients' income, including pensions and allowances, shall be dealt with in accordance with current Department of Health and Department of Social Security instructions and guidelines.

17 Risk Management and Insurance

17.1 Programme of Risk Management

The Chief Executive shall ensure that the Trust has a programme of risk management, in accordance with current Department of Health assurance framework requirements, which must be approved and monitored by the Board.

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 decision of which risks shall be insured;
- g) arrangements to review the risk management programme;
- h) appropriate levels of external accreditation.

The existence, integration and evaluation of the above elements will assist in providing a basis for the effectiveness element under the Annual Governance Statement (within the Annual Report and Accounts) as required by current Department of Health guidance.

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

There is a general prohibition on entering into insurance arrangements with commercial insurers. There are, however, four exceptions when Trust's may enter into insurance arrangements with commercial insurers. The exceptions are:

1. insuring motor vehicles owned or leased by the Trust including insuring third party liability arising from their use;
2. where the Trust is involved with a consortium in a Private Finance Initiative contract and the other consortium members require that commercial insurance arrangements are entered into; and
3. where income generation activities take place. Income generation activities should normally be insured against all risks using commercial insurance. If the income generation activity is also an activity normally carried out by the Trust for a NHS purpose the activity may be covered in the risk pool. Confirmation of coverage in the risk pool must be obtained from the NHSR.
4. Where it is necessary to ensure that the Trust is able to continue providing a service where adequate levels of insurance are not available under any of the schemes administered by the NHSR, the Trust arranges a policy in the name of "the employees of the Trust" or "members, for the time being, of a specific team". In such cases, the premium must be:

- i. Paid by the use of charitable funds, providing the Trust establishes through the Charities Commission, or other relevant regulatory body, whether this is an appropriate use of funds, or
- ii. Paid by members of the team and then reimbursed by the Trust, or
- iii. Paid by the Trust, provided this is with the recognition, and approval, of the Chief Finance Officer and/or internal audit.

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

Where the Board decides to use the 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.

Where the Board decides not to use the risk pooling schemes administered by the NHS Resolution for one or other of the risks covered by the schemes, the Chief Finance Officer shall ensure that the Board is informed of the nature and extent of the risks that are self-insured as a result of this decision. The 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.

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

18 Other Miscellaneous

18.1 Charitable Donations

Standing Order No. 1 outlines the Trust's responsibilities as a corporate trustee for the management of funds it holds on trust, and it defines the need for compliance with Charities Commission latest guidance and best practice.

The discharge of the Trust's corporate trustee responsibilities are distinct from its responsibilities for exchequer funds and may not necessarily be discharged in the same manner, but there must still be adherence to the overriding general principles of financial regularity, prudence and propriety. Trustee responsibilities cover both charitable and non-charitable purposes.

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

The trustee responsibilities must be discharged separately and full recognition given to the Trust's dual accountabilities to the Charity Commission for charitable funds held on trust and to the Secretary of State for all funds held on trust.

The Schedule of Matters Reserved to the Board and the Scheme of Delegation make clear where decisions regarding the exercise of discretion regarding the disposal and use of the funds are to be taken and by whom. All Trust Board members and Trust officers must take account of that guidance before taking action.

Where staff are aware of patients or groups who wish to set up a charity, they are advised in the first instance to contact the Finance Department to find the appropriate designated WAHT Charity Funds.

No separate bank accounts should be opened or maintained other than those authorised by the Charity Trustees.

In so far as it is possible to do so, 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 Charitable Trust fund must be maintained and statutory and Trust obligations met. Materiality must be assessed separately from Exchequer activities and funds.

The Trust has developed a Charitable Funds Handbook to support Charitable funds donations and expenditure plans and guidance for all staff.

18.2 Acceptance of Gifts by Staff

The Chief Finance Officer will ensure that all staff comply with Law, with Managing Conflicts of Interest in the NHS and other Guidance, and with Good Practice, in relation to gifts, hospitality and other inducements and actual or potential conflicts of interest. All gifts and hospitality will be recorded by the company secretary.

18.3 Retention of Records

The Chief Executive shall be responsible for maintaining archives for all records required to be retained in accordance with NHS Improvements and Department of Health guidelines.

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

Records held in accordance with latest Department of Health guidance shall only be destroyed before the specified guidance limits at the express authority of the Chief Executive or Chief Finance Officer. Proper details shall be maintained of records and information so destroyed.

18.4 VAT Returns calculation and submission

The Trust is required to submit VAT returns to HMRC on a monthly basis. The Trust shall ensure, through the Chief Finance Officer, that there are processes in place for review and sign off VAT returns by Financial Services department senior management prior to submission.

18.5 Partnership Agreements

The Trust shall ensure, through the Chief Executive, that there are processes in place for establishing and reviewing the effectiveness of all partnership arrangements and that these are appropriate for the local circumstances.

18.6 International Financial Reporting Standards (IFRS)

The Trust is required to report all its financial transactions in compliance with IFRS subject to amendments issued by the Department of Health through the NHS Manual of Accounts. It is important that the reporting requirements of IFRS are anticipated and provided for when making decisions which have an impact on the Trust's financial position. This is particularly the case in respect of capital investment, leasing, use of external private finance and contractual relationships with other parties. The Chief Finance Officer and his team should be consulted for advice in such instances.

19 Training, Implementation and Resources

19.1 Training

There are no specific training needs arising from this policy. Managers and staff may seek advice from the finance team in case of a query. This policy will be available in the Trust Policy Documents Library for reference by staff as

appropriate. This policy will be re-enforced through regular Budget Holder and Budget Manager training.

The Trust will ensure the SFI's and SoD are available on the Trust Intranet page to support any training requirements.

19.2 Implementation

There is no specific new implementation required. Following approval by the Trust Board the revised document will be communicated to staff via a communication programme administered by the Chief Finance Officer.

19.3 Resources

There is no additional resources required arising from this version.

WORCESTERSHIRE ACUTE HOSPITALS NHS TRUST

Documentation control

Detailed Scheme of Delegation

Reference	
Approving Body	Trust Board
Date Approved	
Implementation Date	
Version	August 2020 v5
Summary of Changes from Previous version	<ul style="list-style-type: none"> Section 7 – Other Payments – Added Assistant Director of Finance up to £150,000 Section 16 – wording changed from up to to over in second value within the table and the third value should read £100,001. Added additional delegated authority for General Funds and removed 8d for over £20,001 to £100,000
Supersedes	Version June 2020 v5
Consultations Undertaken	Director of People and Culture, External and Internal Audit, Anti-Fraud Specialist, Deputy Director of Finance, Head of Procurement, Company Secretary, Finance & Performance Committee members
Target Audience	All persons working within the Trust
Next Review Date	June 2021
Lead Executive	Name; Robert D Toole, Chief Finance Officer
Lead Manager	Name; Katie Osmond, Deputy Director of Finance
Author	Name; Lynne Walden, Head of Financial Planning and Financial Services
Guidance / Information	wah-tr.Financial-Systems@nhs.net Tel: 01905 760393 Ext: 38369

Details Scheme of Delegation

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1.0 Introduction

- 1.1 The Standing orders including the Scheme of Delegation (SoD), Standing Financial Instructions (SFIs) and Fraud Bribery and Corruption Policy provide a comprehensive regulatory and business framework for the Trust. All directors, and all members of staff, should be aware of the existence of these documents and be familiar with all relevant provisions. These rules fulfil the dual role of protecting the Trust's interests and protecting the staff from any possible accusation that they have acted less properly.

2.0 Executive Summary

- 2.1 The Scheme of Delegation describes the powers which the Board reserves to itself and those which are delegated to officers.

3.0 Policy Statement

- 3.1 Failure to comply with any part of the Standing orders is a disciplinary matter, which could result in dismissal. Non-compliance may also constitute a criminal offence of fraud in which case the matter will be reported to the trust's local counter fraud specialist in accordance with the Fraud Bribery and Corruption Policy. Where evidence of fraud, corruption or bribery offences is identified, this may also result in referral for prosecution which could lead to the imposition of criminal sanctions.

4.0 Definitions

- 4.1 See scheme of Delegation in Appendix 1

5.0 Roles and Responsibilities

- 5.1 The Board is responsible for giving final approval to updated versions of the Scheme of Delegation.

The Audit and Assurance committee is responsible for considering draft revisions prior to submission to the Board.

- 5.2 The Chief Executive and the Company Secretary are responsible for ensuring that the Scheme of Delegation is maintained and regularly reviewed.

All directors and employees of the Trust are responsible for complying with the Scheme of Delegation.

6.0 Policy and/or Procedural Requirements

- 6.1 The Scheme of Delegation is provided, in full, at Appendix 1

7.0 Training and Implementation

- 7.1 There are no special training or implementation requirements arising from this version.

There are no additional resources requirements arising from this version.

Worcestershire Acute Hospitals NHS Trust - Detailed Scheme of Delegation – Appendix one

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

Absence of Officer to whom Powers have been Delegated

In the absence of a director or officer to whom powers have been delegated those powers shall be exercised by that officer's superior unless the Board has approved alternative arrangements. If the Chief Executive is absent, powers delegated to them may be exercised by the Chairman after taking appropriate advice from the Chief Finance Officer.

1. Management of Budgets - Accountability for maintaining expenditure within approved budgets throughout the financial year, including delivery of agreed Financial Recovery Plan targets

Delegated Matter	Value	Authority Delegated to	Notes and Comments
Accountability for maintaining expenditure within approved budgets throughout the financial year, including delivery of agreed Financial Recovery Plan targets. At aggregate budget at specified group or individual directorate / departmental level	NA	Voting and Non-Voting Executive Director	
Accountability for maintaining expenditure within approved budgets throughout the financial year, including delivery of agreed Financial Recovery Plan targets. At total of budgets at other specified level	NA	Nominated Voting and Non-Voting Executive Director	
Accountability for maintaining expenditure within approved budgets throughout the financial year, including delivery of agreed Financial Recovery Plan targets. At total of budgets at a Divisional level	NA	Divisional Director / Directorate Management Team	
Responsibility for maintaining expenditure within approved budgets throughout the financial year, including delivery of agreed Financial Recovery Plan targets at directorate/departmental level	NA	Budget Holder	
Responsibility for maintaining expenditure within approved budgets throughout the financial year, including delivery of agreed Financial Recovery Plan targets at individual budget level, cost centre		Budget Manager	

2. Maintenance/Operation of Trust Bank Accounts

Delegated Matter	Value	Authority Delegated to	Notes and Comments
Maintenance/Operation of Bank Accounts	NA	Chief Finance Officer	

3a Capital Programme and Business Cases

Delegated Matter	Value	Authority Delegated to	Notes and Comments
Consideration and Prioritisation of capital programme each financial year	NA	Capital Prioritisation Group	Reports into Strategy and Planning Group and FPC
Approval of the Trust's Annual Capital Programme	NA	Trust Board	
Financial monitoring and reporting on all capital scheme expenditure.	NA	Deputy Director of Finance	
Change to the Capital Programme	NA	Capital Prioritisation Group	Reports into Strategy and Planning Group and FPC
Selection of architects, quantity surveyors, consultant engineer and other professional advisors within EU regulations.	NA	Director of Estates & Facilities	
Approval of capital Business cases not requiring NHSI approval		Relevant committee or authorised signatory depending on levels	Within agreed capital programme
Any capital business case that requires NHSI approval		NHSI	Subject to NHSI guidance on the Trust delegated limits
Granting and termination of leases with annual rent <£100k.	NA	Deputy Director of Finance	All to be notified to the finance department
Granting and termination of leases with annual rent of >£100k.	NA	Chief Finance Officer	FPC

3b Revenue Business Cases

Delegated Matter	Value	Authority Delegated to	Notes and Comments
Approval of revenue Business cases not requiring NHSI approval		Relevant committee or authorised signatory depending on levels	Within agreed budgets
Any revenue business case that requires NHSI approval		NHSI	Subject to NHSI guidance on the Trust delegated limits
Granting and termination of leases with annual rent <£100k.	NA	Deputy Director of Finance	All to be notified to the finance department
Granting and termination of leases with annual rent of >£100k.	NA	Chief Finance Officer	FPC

4a. Income - The Trust receives income from many sources. It is not always the absolute value of the income which designates the risk and level of responsibility associated with it.

Healthcare Income Contracts

Delegated Matter	Value	Authority Delegated to	Notes and Comments
Healthcare income from an NHS Body (Not Procured) and on NHS Standard Contract	Up to £500 million	Chief Executive Officer or Chief Finance Officer Individually	The majority of these contracts will be business as usual contracts with CCG, NHS Specialised Services, other commissioners or local providers. It is assumed contracts will always have values agreed annually and reported through FPC.
Healthcare income from an NHS Body (Not Procured) and on NHS Standard Contract	Over £500 million	Trust Board	This is not a delegated matter as the Trust Board retains the right to all decisions but is included for completeness and reported through FPC
Other healthcare income (the total value of the contract needs to be considered) Not on a Standard NHS Contract, including Service Level Agreements (SLA's)	Over £1 million as a full contract but if a perpetual SLA not time limited contract such as shared IT an annual charge of over £500,001	Trust Board	Reported through FPC
Other healthcare income (the total value of the contract needs to be considered) Not on a Standard NHS Contract, including Service Level Agreements (SLA's)	Above £100,001 and Up to £1 million as a full contract but if a perpetual SLA not time limited contract such as shared IT an annual charge of £50,001 to £500,000	Chief Executive Officer or Chief Finance Officer Individually	Reported through FPC
Other healthcare income (the total value of the contract needs to be considered) Not on a Standard NHS	Under £100,000 as a full contract but if a perpetual SLA not time limited	Chief Finance Officer	

Contract, including Service Level Agreements (SLA's)	contract such as shared IT an annual charge of up to £50,000		
Authorisation of credit notes (Healthcare income)		Deputy Director of Finance	

4b. Income - The Trust receives income from many sources. It is not always the absolute value of the income which designates the risk and level of responsibility associated with it.

Healthcare Income Prices

Delegated Matter	Value	Authority Delegated to	Notes and Comments
Setting prices for non NHS healthcare bought on spot prices or contracts up to £100,000 (private patients, overseas visitors and other applicable work)	Contractually up to £100,000 per annum or setting spot prices with volumes unknown	Any finance officer graded 8D or above (Currently Chief Finance Officer, Deputy and Assistant Director of Finance)	Spot prices may need to be decided quickly and ensure the Trust is not financially disadvantaged by performing additional healthcare work. As both expenditure and income need to be considered there is a strong requirement for finance input.
Setting prices for non NHS healthcare bought on spot prices or contracts over £100,000 (private patients, overseas visitors and other applicable work)	Contractually over £100,000 per annum	Chief Finance Officer	

4c. Income - The Trust receives income from many sources. It is not always the absolute value of the income which designates the risk and level of responsibility associated with it.

Non Healthcare Income Contracts

Delegated Matter	Value	Authority Delegated to	Notes and Comments
Income received from other NHS or other public sector bodies or non NHS bodies on a contract basis	Up to £1million per annum	Chief Finance Officer or Chief Executive	Working across the STP, there may be times when Worcestershire Acute contracts on behalf of the STP and then receives income from other public bodies. In addition there is a long standing Service Level Agreement (SLA) with Worcestershire Health and Care Trust
Income received from other NHS or other public sector bodies or non NHS bodies on a contract basis	Over £1million per annum	Trust Board	For example, funding from the Deanery.

4d. Crediting of Income - The Trust is required to raise credit notes against income which has been incorrectly raised

Delegated Matter	Value	Authority Delegated to	Notes and Comments
Income for Healthcare and Non Healthcare – amounts incorrectly raised which subsequently is required to be credited		Appropriate financial level as per scheme of delegation	Credits against income raised are requested through the Trust Finance system, and are authorised through the system hierarchy, which has been set in line with the scheme of delegation.

5. Expenditure - Non Pay Expenditure

The Scheme of Delegation states the levels of expenditure individuals are allowed to commit. It must be noted though that it is not just the limit of delegated authority that should be considered before making expenditure it is also the overall budget position and whether proper procurement processes have been followed and best value gained before committing to the expenditure. This applies equally to revenue and capital expenditure. The correct procedure must be followed when making the decision to commit any expenditure regardless if it is an existing or new supplier or under a new or old contract or agreement.

Delegated Matter	Value	Authority Delegated to	Notes and Comments
Authorising Requisitions	Up to £3,000	Budget Manager	It is impossible to align grades to titles such as Budget Manager and this does vary. If uncertain please speak with your finance team. It must be noted that all individuals are responsible for checking there is sufficient budget before committing the expenditure and being certain that procurement rules have been followed. Capital schemes should be approved at committee level (CPG, S&P or TME) before any expenditure is committed. Capital investments above £15 million in value will also require NHSI approval. In the case of contracts covering more than one year, the above limits are applied to the cumulative value of all the years added together. Example; if a purchase of a service valued at £120,000 for 5 years is an £600,000 value contract and therefore requires approval from CFO or CE.
	Up to £20,000	Budget Holder	
	Up to £50,000	Divisional Management Team	
	Up to £75,000	Director of Estates & Facilities, Deputy COO, Director of People and Culture, Director of Strategy.	
	Up to £100,000	Voting Executive Directors and Deputy Director of Finance	
	Up to £250,000	Chief Finance Officer	
	Up to £500,000	Chief Executive	
	Over £500,000	Trust Board	

6. Expenditure - Non Pay Expenditure UNDER FINANCIAL RECOVERY

The Scheme of Delegations states the levels of expenditure individuals are allowed to incur. It must be noted though that it is not just the limit of delegated authority that should be considered before making expenditure it is also the overall budget position and whether proper procurement processes have been followed and best value gained before committing to the expenditure. This applies equally to revenue and capital expenditure.

Delegated Matter	Value	Authority Delegated to	Notes and Comments
Authorising Requisitions	Up to £1,000	Budget Manager	It is impossible to align grades to titles such as Budget Manager and this does vary. If uncertain please speak with your finance team. It must be noted that all individuals are responsible for checking there is sufficient budget before committing the expenditure and being certain that procurement rules have been followed. Theatres receive a higher limit level, as single items of expenditure are higher than £1,000. Capital schemes should be approved at committee level (CPG, S&P or TME) before any expenditure is committed. Capital investments above £15 million in value will also require NHSI approval. In the case of contracts covering more than one year, the above limits are applied to the cumulative value of all the years added together. Example; if a purchase of a service valued at £120,000 for 5 years is an £600,000 value contract and therefore requires approval from CFO or CE.
	Up to £3,000	Budget Manager – Theatres only	
	Up to £10,000	Budget Holder	
	Up to £25,000	Divisional Management Team	
	Up to £50,000	Director of Estates & Facilities, Deputy COO, Director of People and Culture, Director of Strategy.	
	Up to £100,000	Voting Executive Directors and Deputy Director of Finance	
	Up to £250,000	Chief Finance Officer	
	Up to £500,000	Chief Executive	
	Over £500,000	Trust Board	

7. Expenditure – Purchase Invoices and other Payments – Internal Finance Team Only

The Scheme of Delegation states the levels of expenditure individuals are allowed to incur, however the Trust operations require the finance team to authorise some purchase invoices and other payments where appropriate controls are in place. This allows prompt processing and ensures the Trust meets the conditions and deadlines required for these payments

Delegated Matter	Value	Authority Delegated to	Notes and Comments
Authorising NHS Supply Chain invoice	Up to £250,000	Deputy Head of Financial Services up to £50,000 Head of Financial Planning and Financial Services up to £125,000 or Deputy Director of Finance up to £250,000	NHS Supply Chain products are part of the Procurement catalogue, and orders follow the same governance and approvals process as any other purchases. However, NHS Supply Chain invoice the Trust in bulk, therefore invoices are authorised separately. In addition, the Trust receives a settlement discount for invoices paid within 30 days.
Authorising Business Services Authority invoices for early retirement pensions	Up to £50,000	Head of Financial Planning and Financial Services up to £50,000	
Authorising salary sacrifice provider invoices	Up to £250,000	Deputy Head of Financial Services up to £50,000 Head of Financial Planning and Services up to £125,000 Deputy Director of Finance up to £250,000	Salary Sacrifice schemes in the Trust (e.g. car lease, technology, childcare vouchers, bikes) are managed within Financial Services Department and all the invoices related to the scheme are authorised within the department.
NHSP	Up to £600,000	Head of Financial Planning and Services and Deputy Director of Finance up to £600,000	NHSP payments are processed once appropriate evidence of validity is in place
Other Payments	Up to £250,000	Deputy Head of Financial Services up to £50,000 Head of Financial Planning and Services up to £125,000	<i>Other payments are processed once appropriate evidence of validity is in place, and can include:</i> Attachment of Earnings Consultants private patient fees

		Assistant Director of Finance up to £150,000 Deputy Director of Finance up to £250,000	Contributions from salary e.g. Union subscriptions Mortuary fees Approval of ex gratia payments for losses and clinical negligence
Authorising bank transfers from Lloyds commercial account to Nat West GBS account	Cleared funds available in excess of £50,000	Financial Accountant, Deputy Head of Financial Services or Head of Financial Planning and Financial Services	DHSC guidance allows no more than £50,000 cleared funds on the commercial bank account. Any funds in excess of £50,000 are transferred to the Nat West account by Financial Accounts Assistant.
Authorising bank transfers between Lloyds Charitable Funds account to Lloyds Commercial account	Expenditure incurred by the Trust on behalf of the charity	Financial Accountant, Deputy Head of Financial Services or Head of Financial Planning and Financial Services	Worcestershire Acute Hospitals Charity uses the Trust's purchasing system to purchase goods. Charitable Funds Accountant transfers fund to cover expenditure on a monthly basis.
Authorising Faster payments/ CHAPS payments	Up to £250,000	Financial Accountant up to £5,000 or Deputy Head of Financial Services up to £50,000 Head of Financial Planning and Services up to £125,000 Deputy Director of Finance up to £250,000	
Authorising of Credit Notes	Up to £100 million	Deputy Financial Accountant and Financial Accountant up to £5,000 Deputy Head of Financial Services up to £10,000 Head of Financial Planning and Services up to £1 Million Deputy Director of Finance up to £100 Million	Healthcare and NON Healthcare income.

PFI Concession payment – authorisation of CHAPs payment	Up to agreed monthly contract value	Head of Financial Planning and Financial Services or Deputy Director of Finance	Subject to the appropriate evidence of the charge being in line with the agreed contract schedule.
Authorising payments of PAYE, NIC, Pensions, Class 1a NIC, PAYE Settlement Agreements, and NEST	Up to £7,000,000	Head of Financial Planning and Financial Services, Deputy Director of Finance or Chief Finance Officer	Reports on employment tax liabilities are generated from Electronic Staff Record system on a monthly/weekly basis. Staff in Financial Services department is responsible to compile a payment schedule, checked and approved to be paid by 19thnd each month.
Authorising submission of VAT returns	Value of Input Tax claimed	Head of Financial Planning and Financial Services, Deputy Director of Finance or Chief Finance Officer	VAT returns completed and checked by Financial Services staff before final sign off and submission by the 7 th of the Month.

8. Engagement of Individuals not Employed by the Trust - Consultancy Services
(see also section 13 / 14 for engagement of temporary staff)

Delegated Matter	Value	Authority Delegated to	Notes and Comments
Engagement of management consultancy or similar organisations or contract staff, providing budgetary provision exists and is available:	Up to £100k	Chief Executive or Chief Finance Officer	Subject to compliance with NHSI approvals process for consultancy engagements, and assessment of Tax / NI status under IR35 Regulations
	£100k to £250k	Chief Executive and Chief Finance Officer(2 sigs)	
	Over £250k	Trust Board	

9. Engagement of Staff through a sub contract arrangement (SLA's)

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Delegated Matter	Value	Authority Delegated to	Notes and Comments
Authorising of expenditure	As per section 5 & section 6		

10. Procurement, Quotation and Tendering Procedures
--

Delegated Matter	Value	Authority Delegated to	Notes and Comments
Procurement, Quotation and Tendering Procedures	Up to £10,000 a minimum of 2 competitive prices for goods/services must be obtained.	Budget Holder	It must be clearly understood that following proper procurement procedures and having the budgetary capacity to incur expenditure are different processes.
	From £10,001 to £50,000 a formal tender is required with support from procurement and a minimum of 3 written quotations for goods/services must be obtained.	Budget Holder	A procurement process is about ensuring the purchase is legally compliant and that best value has been obtained for Worcestershire Acute. The authorisation process for the expenditure rests within the budgetary control and those delegated to incur expenditure within the levels quoted in the relevant sections above.
	From £50,001 to OJEU* limit a formal tender is required with support from procurement and as a minimum 3 quotations or tenders for goods/services need to be obtained.	Budget Holder	
	Above OJEU** limit, you must contact the Head or Deputy Head of procurement to ask for assistance to ensure an OJEU compliant procurement is followed	Budget Holder	

*OJEU limit is currently £118,133 (including VAT)

**In most cases there will be no need to go through a formal OJEU process as the Trust has access to comprehensive frameworks but specialist procurement advice is required.

11. Waiving Procurement Procedures

Delegated Matter	Value	Authority Delegated to	Notes and Comments
Waiving Procurement Processes	Up to £100,000	Any finance officer graded 8D or above (Currently Chief Finance Officer, Deputy and Assistant Director of Finance)	A procurement waiver needs to be signed by the budget holder, the financial business advisor linked to the division or capital scheme and the Head or Deputy of Procurement. It is then completed by the authorised signatory. All waivers are reported to Audit and Assurance Committee
	£100,000 to £500,000	Chief Finance Officer or Chief Executive	
	Above £500,000*	Trust Board	Buildings and engineering construction works and maintenance require DoHSC approval.
Register of Expenditure not requiring a Purchase Order		Chief Finance Officer	The list of expenditure items not requiring a Purchase Order will be reviewed annually by the CFO. Examples include Utilities, other NHS bodies, Pharmacy Drugs and Agency invoices.

*The value waived must be the total value of the contract and NOT the annual value. So 3 years at £200k is a £600k contract. In the case of contracts covering more than one year, the above limits are applied to the cumulative value of all the years added together. Example; if a purchase of a service valued at £120,000 for 5 years is an £600,000 value contract and therefore requires approval from CFO or CE.

12. Staff - Appointment of Permanent Staff – Admin and Clerical

Delegated Matter	Value	Authority Delegated to	Notes and Comments
Approval to recruit (ATR process)	N/A	Chief Finance Officer and Director of People and Culture (or their nominated deputy) in attendance at the Pay Control Panel.	<p>Subject to Trust policy / process. There is a weekly meeting with representatives from Finance and HR where managers who wish to recruit present vacancies they wish to fill. The relevant templates are available from HR.</p> <p>All vacancies must follow the Vacancy Management Governance process and requirements.</p>

13. Staff - Appointment of Permanent Staff – Medical and Nursing

Delegated Matter	Value	Authority Delegated to	Notes and Comments
Approval to recruit (ATR process)	N/A	Divisional Management Team of the relevant Division (Divisional Operations Director, Divisional Medical Director, Divisional Nursing Director and Business Advisor).	<p>Corporate Medical and Nursing posts require sign off by appropriate Voting Executive Director.</p> <p>All vacancies must follow the Vacancy Management Governance process and requirements.</p>

14. Staff - Appointment of Temporary Staff – Admin and Clerical

Delegated Matter	Value	Authority Delegated to	Notes and Comments
Approval to recruit (ATR process)	N/A	Chief Finance Officer, Director of People and Culture, Chief Finance Officer, Chief Nursing Officer and Chief Medical Officer Director (or their nominated deputies) in attendance at the Pay Control Panel	Where the request is to cover the gap with third party agency / bank, the appropriate Agency Request process needs to be followed. All vacancies must follow the Vacancy Management Governance process and requirements.

15. Staff - Appointment of Temporary Staff – Medical and Nursing

Delegated Matter	Value	Authority Delegated to	Notes and Comments
Approval to recruit (ATR process)	N/A	Chief Finance Officer, Director of People and Culture, Chief Finance Officer, Chief Nursing Officer and Chief Medical Officer Director (or their nominated deputies) in attendance at the Pay Control Panel	Corporate Medical and Nursing posts require sign off by appropriate Voting Executive Director Bank and agency requests should follow the respective booking processes. All vacancies must follow the Vacancy Management Governance process and requirements.

16. Expenditure – Charitable & Donated Funds

Delegated Matter	Value	Authority Delegated to	Notes and Comments
Expenditure on Charitable & Donated Funds per Request	Up to £20,000	Charitable Fund Manager and either the Divisional Director of Operations or Directorate Manager (2 signatures) General Charitable Funds – Head of Financial Planning and Financial Services and Deputy Director of Finance (2 signatures)	Expenditure is subject to meeting the Charitable Funds Guidance and Policy.
	Over £20,001 to £100,000	As for up to £20k plus Deputy Director of Finance (3 signatures).	
	Over £100,001	As for up to £20k plus Chief Finance Officer (3 signatures.)	

17. Agreements/Licenses

Delegated Matter	Value	Authority Delegated to	Notes and Comments
Agreements/Licenses	Preparation and signature of all tenancy agreements/licences for all staff subject to Trust Policy on accommodation for staff.	Chief Finance Officer	
	Extensions to existing leases	Chief Finance Officer	All leases to be notified to the finance department for inclusion on the leases register
	Letting of premises to outside organisations	Chief Finance Officer or Chief Executive	
	Approval of rent based on professional assessment.	Chief Finance Officer	

18. Condemning and Disposal

Delegated Matter	Value	Authority Delegated to	Notes and Comments
Items obsolete, obsolescent, redundant, irreparable or cannot be repaired cost effectively:-	With current/estimated revenue purchase price <£250;	Budget Manager	
	With current new revenue purchase price between £251 & £500;	Budget Holder	
	With current new revenue purchase price >£501;	Budget Holder and Divisional Business Advisor	
	Disposal of x-ray films	Lead Radiographer	
	Disposal of any (Capital) equipment on the Trust's Fixed Asset Register	Deputy Director of Finance if Net Book Value (NBV) <£10,000 Chief Finance Officer if NBV > £10,001	
	Disposal of mechanical and engineering plant (subject to estimated income of less than £10,000 per sale);	Director of Estates & Facilities, Deputy Director of Finance	
	Disposal of mechanical and engineering plant (subject to estimated income exceeding £10,001 per sale).	Chief Finance Officer	

19. Losses, Write-off & Compensation – Losses, Bad Debts, Damage, Compensation & Stock

Delegated Matter	Value	Authority Delegated to	Notes and Comments
Losses of Cash due to theft, fraud, overpayment and others.	Up to £1000	Head of Financial Planning and Services	All losses claims must follow the Trust Policy for Safekeeping of Patients Monies and Personal Belongings
	£1001 - £5,000	Deputy Director of Finance	
	£5001-£50,000	Chief Finance Officer	
Fruitless Payments (including abandoned Capital Schemes)	Up to £250,000	Chief Executive and Chief Finance Officer (2 signatures)	
Requests for Write Off's	Up to £250,000	Deputy Director of Finance	This relates to invoices raised to NHS and Non NHS bodies, where income is believed to be due to the Trust.
	£250,000-£500,000	Chief Finance Officer	
	Over £500,000	Chief Executive	
Bad Debts (NHS and non NHS) and Claims Abandoned including Private Patients, Overseas Visitors and Other	Up to £20,000	Deputy Director of Finance	All Bad debts will be reviewed and presented to Audit and Assurance Committee.
	£20,001 to £50,000	Chief Finance Officer	
	Over £50,001	Trust Board	
Damage to buildings, fittings, furniture and equipment and loss of equipment and property in stores and in use due to culpable causes (e.g. fraud, theft, arson) or other.	up to £50,000	Chief Finance Officer	
Compensation payments made under legal obligation.		Chief Finance Officer and Chief Executive	
Extra Contractual payments to contractors	up to £50,000	Chief Finance Officer	
Extra Contractual payments to contractors	above £50,001	Chief Finance Officer and Chief Executive	

Stock Obsolescence and Stock Losses	Up to £500	Budget Holder	
	Between £501 and £1,000	Directorate Manager	
	Between £1,001 and £5,000	Divisional Director of Operations	
	Between £5,001 and £10,000	Deputy Chief Operating Officer	
	Between £10,001 and £50,000	Deputy Director of Finance	
	Between £50,001 and £100,000	Chief Finance Officer	
	Above £100,000	Trust Board	

20. Losses, Write-off & Compensation – Ex-Gratia, Clinical Negligence

Delegated Matter	Value	Authority Delegated to	Notes and Comments
Ex-Gratia payments for patients and staff for loss of personal effects	Up to £500	Budget Holder	Subject to adherence to policy to ensure consistency of application, Trust Policy Safekeeping of Patients Monies and Personal Belongings
	£500 Up to £2,500	Budget Holder and Divisional Business Advisor (2 sigs)	
	£2,500 to £10,000	Budget Holder and Deputy // Deputy Director of Finance (2 sigs)	
	Above £10,000	Chief Finance Officer	
For clinical negligence (negotiated settlements with legal advice) - all claims covered by NHS Resolution		Legal Practitioner/Solicitor/Company Secretary (Health & Care Trust, under honorary contract arrangements)	All costs relating to these claims are paid by NHS Resolution (NHSR) under CNST
For personal injury claims involving negligence where legal advice has been obtained and guidance applied (including claimant's costs) – all claims covered by NHS Resolution		Legal Practitioner/Solicitor/Company Secretary (Health & Care Trust, under honorary contract arrangements)	All costs relating to these are paid by NHSR under LTPS. However there is an excess of £3,000 for public liability claims and £10,000 in respect of employer liability claims
Admission of Liability (service delivery)		Legal Practitioner/Solicitor/Company Secretary (Health & Care Trust, under honorary contract arrangements)	

Admission of Liability (non-service delivery)		Chief Nursing Officer or Chief Medical Officer	
Settlement of claim not covered by NHS Resolution	Up to £25k	Executive Team (Deputy Director of Finance plus one other)	
	From £25,001 to £500k	Chief Executive Officer/Chief Finance Officer (2 signatures)	
	From £500,001	Trust Board	

21. Reporting of Incidents to the Police

Delegated Matter	Value	Authority Delegated to	Notes and Comments
Reporting of incidents to the Police	Where a criminal offence is suspected:- Criminal offence of a violent nature;	Appropriate Manager followed by report to the appropriate Executive Director	
	Theft or Fraud is involved	Finance Staff,8D or above	

22. Petty Cash disbursements

Delegated Matter	Value	Authority Delegated to	Notes and Comments
Petty Cash disbursements	Expenditure up to £50	Budget Holder	All expenditure from petty cash will need to be approved via Procurement department by email before you can reclaim the cash. A copy of the email must be attached to the petty cash claim. Email address is Procurement wah-tr.Procurement@nhs.net
	Expenditure over £50	Head of Financial Planning and Services or Deputy Director of Finance	
	Refund of Patient Monies	Budget Manager	Any reimbursements will be made as per the DoHSC/DSS policy.

23. Petty Cash disbursements - UNDER FINANCIAL RECOVERY

Delegated Matter	Value	Authority Delegated to	Notes and Comments
Petty Cash disbursements	Expenditure up to £20	Budget Holder	All expenditure from petty cash will need to be approved via Procurement department by email before you can reclaim the cash. A copy of the email must be attached to the petty cash claim. Email address is Procurement wah-tr.Procurement@nhs.net
	Expenditure over £20	Head of Financial Planning and Services or Deputy Director of Finance	
	Refund of Patient Monies	Budget Manager	Any reimbursements will be made as per the DoHSC/DSS policy.

24. Receiving Hospitality

Delegated Matter	Value	Authority Delegated to	Notes and Comments
Receiving Hospitality	Applies to both individual and collective hospitality receipt items. In excess of £25 per item received or several gifts from the same person to a collective total in excess of £25. Any donations/gifts for events must also be declared to the Company Secretary	Declaration required in Trust Hospitality Register – held by Company Secretary	

25. Maintenance and Update on Trust Financial Procedures

Delegated Matter	Value	Authority Delegated to	Notes and Comments
Maintenance and Update of Trust Financial Procedures		Chief Finance Officer	

26. Investment of Funds (including Charitable and Endowment Funds)

Delegated Matter	Value	Authority Delegated to	Notes and Comments
Investment of Funds (including Charitable and Endowment Funds)		Chief Finance Officer	Monitored through Charitable Funds Committee

27. Non-Financial

Delegated Matter	Value	Authority Delegated to	Notes and Comments
Relationships with Press		Director of Communications and Engagement	
		Executive Director On-Call and/or Director of Communications and Engagement	
		Chief Executive or Executive Director or Director of Communications and Engagement	
		Executive Director on-call or Director of Communications and Engagement	
Authorisation of New Drug		Area Prescribing Committee	
Authorisation of Sponsorship Deals		Chief Executive or Chief Finance Officer	
Authorisation of Research Projects		Chief Executive or Chief Medical Director	
Authorisation of Clinical Trials		Ethics Committee, Chief Executive, and Chief Medical Director (3 sigs)	
Insurance Policies and Risk Management		Chief Executive or Chief Finance Officer	
Patients and Relatives Complaints		Chief Executive or Chief Nursing Officer	
		Divisional Director of Operations Or Divisional Director of Nursing	
		Complaints Manager	

27. Non-Financial

Delegated Matter	Value	Authority Delegated to	Notes and Comments
Infectious Diseases and Notifiable Outbreaks		Executive Director on call or Control of Infection Lead	
Extended Role Activities: Approval of Nurses to undertake duties/procedures which can properly be described as beyond the normal scope of Nursing Practice.		Chief Executive and Chief Nursing Officer	
Patient Services - Variation of operating and clinic sessions within existing numbers:- <ul style="list-style-type: none"> • Temporary variations: • Permanent variations 		Divisional Directors of Operations Divisional Directors of Operations, Chief Operating Officer and Chief Executive (3 sigs)	
All proposed changes in bed allocation and use:-temporary or permanent		Divisional Director of Operations, Chief Operating Officer or Executive Director on Call	
Facilities for staff not employed by the Trust to gain practical experience, professional Recognition, Honorary contracts and Insurance of Medical Staff		Director of People and Culture	

27. Non-Financial

Delegated Matter	Value	Authority Delegated to	Notes and Comments
Review of fire precautions		Director of Estates & Facilities	
Review of all statutory compliance legislation and Health and Safety requirements including control of Substances Hazardous to Health Regulations		Chief Operating Officer	
Review of Medicines Inspectorate Regulations		Chief Medical Officer	
Review of compliance with environmental regulations, for example those relating to clean air and waste disposal		Director of Estates & Facilities	
Review of Trust's compliance with the Data Protection Act & General Data Protection Regulation (GDPR)		Company Secretary	
Monitor proposals for contractual arrangements between the Trust and outside bodies		Chief Finance Officer	
Review the Trust's compliance with the Freedom of Information Act		Company Secretary	

27. Non-Financial

Delegated Matter	Value	Authority Delegated to	Notes and Comments
Review of the Trust's compliance code of Practice for handling confidential information in the contracting environment and the compliance with "safe haven" per EL 92/60		Chief Finance Officer	
The keeping of a Declaration of Interests Register		Company Secretary	
Attestation of sealings in accordance with Standing Orders		Company Secretary	
The keeping of a register of sealings		Company Secretary	
The keeping of the Hospitality Register		Company Secretary	
Retention of Records		Chief Executive or Chief Finance Officer	
Clinical Audit		Chief Medical Officer	

28. Delegated Matter – Personnel, Pay and expenses	Value	Authority Delegated to	Notes and Comments
<p><u>Upgrading & Regrading</u></p> <p>All requests for upgrading/regrading shall be dealt with in accordance with Trust Procedure</p>			
<p><u>Pay</u></p> <ul style="list-style-type: none"> I. Authority to complete standing data forms effecting pay, new starters, variations and leavers II. Authority to complete and authorise monthly turnaround submissions; III. Authority to authorise time sheets; IV. Authority to authorise overtime; V. Authority to authorise travel and subsistence expenses; VI. Approval of Performance Related Pay Assessment. 		<p>Budget Manager or Budget Holder</p> <p>Budget Manager or Budget Holder</p> <p>Budget Manager or Budget Holder</p> <p>Budget Holder</p> <p>Budget Manager or Budget Holder</p> <p>Remuneration Committee</p>	<p>All forms should be completed in a timely manner and with reference to the appropriate Trust Policy. Claims older than the relevant policy permits should not be authorised.</p>
<p><u>Pay Arrears</u></p> <p>All arrears due shall be dealt with in accordance with Trust Policies.</p>	<p>Over £3000 (within policy)</p>	<p>Director of People and Culture (or delegated officer) or Deputy Director of Finance (or delegated officer),</p>	<p>Any arrears approved must be as per the appropriate policy for the pay group</p>

	Out of policy requests	Director of People and Culture and Chief Finance Officer	
<u>Leave</u> For all matters related to Annual Leave, Compassionate Leave, Carers Leave, Unpaid Leave, Paternity and Maternity Leave, please refer to the relevant Trust Policy.		Departmental Manager/Line Manager	Annual Leave Policy Special Carer/Leave Policy Paternity Leave Policy Maternity Leave Policy
<u>Sick Leave</u> I. Return to work part-time on full pay to assist recovery; II. Extension of sick leave on full pay		I. Departmental Manager/Line Manager II. Director of People and Culture	Sickness Absence Policy
<u>Study Leave</u> I. Study leave outside the UK; II. Medical staff study leave (UK); III. All other study leave (UK);		Budget Holder and Divisional Director of Operations (2 sigs) Budget Holder, Divisional Director of Operations and Divisional Medical Director (3 sigs) Budget Holder	Study Leave Policy/Training and Development Policy
<u>Removal Expenses, Excess Rent and House Purchases (including attraction packages)</u> Removal Expenses: Authorisation of payment of removal expenses incurred by key staff taking up new appointments (providing approval is sought as	£8000	Director of People and Culture and Chief Finance Officer	All claims subject to provision of evidenced receipts. Trust Removal / Relocation Expenses Policy – Draft policy currently going

<p>part of the vacancy approval process and prior to the offer being made in writing to the candidate, up to a maximum value of £8,000. (£8000 is the maximum non-taxable allowable benefit per HMRC)</p> <p>Attraction package: Authorisation of the 2017 attraction package for overseas Medical and Dental workforce; Clinical Fellows through the Wolverhampton contract and any other appropriate request subject to HMRC rules</p>		<p>Director of People and Culture and Chief Finance Officer</p>	<p>through approvals process – maximum values to be confirmed.</p> <p>International nurses attraction package under review.</p>
<p><u>Authorised Car & Mobile Phone Users</u></p> <p>Requests for new posts to be authorised as car users on the Epay System Requests for new posts to be authorised as mobile telephone users</p>		<p>Budget Holder</p> <p>Budget Holder and Divisional Director of Operations (2 sigs)</p>	<p>Trust Travel Expenses Policy Trust Mobile Telephone Policy</p>
<p>Redundancy</p>		<p>Remuneration Committee</p>	
<p><u>Dismissal</u></p> <ul style="list-style-type: none"> • Of the Chief Executive • Of an Executive Director • Of Senior Medical Staff • Of All Other Staff 		<p>Trust Board Chief Executive Chief Medical Director and Chief Executive Departmental Manager</p>	<p>Trust Disciplinary Procedure</p>

Meeting	Trust Board
Date of meeting	10 September 2020
Paper number	G6

Standing Orders

For approval:	x	For discussion:		For assurance:		To note:	
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Accountable Director	Kimara Sharpe Company Secretary		
Presented by	Kimara Sharpe Company Secretary	Author /s	Kimara Sharpe Company Secretary

Alignment to the Trust's strategic objectives

Best services for local people	X	Best experience of care and outcomes for our patients	x	Best use of resources	x	Best people	x
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Report previously reviewed by

Committee/Group	Date	Outcome
Audit and Assurance Committee	Jul 2020	Approved
TME	Aug 2020	Approved

Recommendations	The Trust Board are requested to approve the attached standing orders.
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Executive summary	<p>The Standing Orders have been reviewed and revised as attached.</p> <p>There were only minor amendments made and the full track changes document can be viewed in the document section of VBR.</p>
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Trust Standing Orders

Approved by the Board of
Worcestershire Acute Hospitals NHS Trust
Enter date

WORCESTERSHIRE ACUTE HOSPITALS NHS TRUST

STANDING ORDERS

Approved by the
Audit and Assurance Committee – 14 July 2020
Trust Board – 10 September 2020

This document was completed
by, and queries should be
directed to:

Company Secretary

Version history			Notes
V1.0	Apr 2012	Review	
V2.0	Jan 2014	Update	
V3.0	Sept 2017	Update and rewritten to be user friendly and incorporate new legislation	Credit – North Bristol NHS Trust
V3.1	July 2020	Review	

July 2020

(Review Date – January 2022)

Purpose

NHS Trusts are required by law to make Standing Orders (SOs), which regulate the way in which the proceedings and business of the Trust will be conducted.

High standards of corporate and personal conduct are essential in the NHS. These Standing Orders, together with the Standing Financial Instructions (SFIs), Schedule of Reservations of Powers (SRP) and Scheme of Delegated Authorities (SoDA) identify who in the Trust is authorised to do what.

Key messages

- These documents provide the key rules under which the Trust is managed and governed.
- The regulations which determine the way that the Trust Board operates and the Trust is governed are spelt out in the Standing Orders.
- Financial responsibilities and authorities are described in the SFIs and SoDA

All employees of the Trust need to be aware of their responsibilities and authorities described in this document

Various legislation is relevant to the contents of the SOs and these are identified in the text. The SOs refer to the following Trust Policies:

- Policy Standards of Business Conduct, incorporating anti-bribery and corruption policy; and the recognition and treatment of conflicting interests, gifts and hospitality
- Counter Fraud and Corruption Policy

The NHS Trust Development Authority Accountability and Performance Management Framework may also be helpful.

Who should read this policy?

- All individuals employed or engaged by the Trust who have been given resource management and decision making authorities need to have a reasonable understanding of the extended SOs.
- All should be aware that the SOs exist and what they contain.

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Trust Standing Orders

Approved by the Board of
Worcestershire Acute Hospitals NHS Trust
Enter date

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Foreword to Standing Orders

NHS Trusts are required by law to make Standing Orders (SOs), which regulate the way in which the proceedings and business of the Trust will be conducted. Regulation 19 of the NHS Trusts (Membership and Procedure) Regulations, 1990 (as amended) requires the meetings and proceedings of an NHS trust to be conducted in accordance with the rules set out in the Schedule to those Regulations and with Standing Orders made under Regulation 19(2).

These Standing Orders and associated documents are extremely important. High standards of corporate and personal conduct are essential in the NHS. As the NHS is publicly funded, it is accountable to Parliament for the services it provides and for the effective and economical use of taxpayers' money. The Standing Orders, Standing Financial Instructions, procedures and the rules and instructions made under them provide a framework and support for the public service values which are essential to the work of the NHS of:

- Accountability – the ability to stand the test of Parliamentary scrutiny, public judgements on propriety and professional codes of conduct.
- Probity – an absolute standard of honesty in dealing with the assets of the Trust; integrity in decisions affecting patients, staff and suppliers, and in the use of information acquired in the course of NHS duties.
- Openness – transparency about NHS activities to promote confidence between the organisation and its staff, patients and the public.

Additional documents are:

- Standing Financial Instructions, which detail the financial responsibilities, policies and procedures to be maintained by the Trust.
- Schedule of Decisions Reserved to the Board of the Trust
- Scheme of Delegated Authorities, which sets out delegated levels of authority and responsibility

These Standing Orders set out the ground rules within which Board directors and staff must operate in conducting the business of the Trust. Observance of them is mandatory. Such observance will mean that the business of the Trust will be carried out in accordance with the law, Government policy, the Trust's statutory duties and public service values. As well as protecting the Trust's interests, they will also protect staff from any possible accusation of having acted less than properly.

All executive and Non-Executive Directors and senior staff are expected to be aware of the existence of these documents, understand when they should be referred to and, where necessary and appropriate to their role, make themselves familiar with the detailed provisions.

Introduction

- I. The Worcestershire Acute Hospitals NHS Trust (the Trust) is a statutory body which came into existence on 1 January 2000 under The Worcestershire Acute Hospitals NHS Trust (Establishment) Order 1999 No. 3473, (the Establishment Order).
- II. The principle places of business of the Trust are:-
 - Alexandra Hospital, Woodrow Drive, Redditch, B98 7UB
 - Kidderminster Hospital, Bewdley Road, Kidderminster, DY11 6RJ
 - Worcestershire Royal Hospital, Charles Hastings Way, Worcester, WR5 1DD
- III. NHS Trusts are governed by statute, mainly the National Health Service Act 2006 and the Health and Social Care Act, 2012.
- IV. The statutory functions conferred on the Trust are set out in the NHS Act 2006 (Chapter 3 and Schedule 4) and in the Establishment Order.
- V. As a body corporate the Trust has specific powers to contract in its own name and to act as a corporate trustee. In the latter role it is accountable to the Charity Commission for those funds deemed to be charitable as well as to the Secretary of State for Health. The Trust also has a common law duty as a bailee for property held by the Trust on behalf of patients.
- VI. The Code of Accountability (DH, revised April 2013) requires that boards draw up a schedule of decisions reserved to the Board and ensure that management arrangements are in place to enable responsibility to be clearly delegated to senior managers. The Code of Accountability makes various requirements concerning possible conflicts of interest of Board directors. The Membership and Procedure Regulations, 1990 requires the establishment of audit and remuneration committees with formally agreed terms of reference.
- VII. The Code of Practice on Openness in the NHS (NHS Executive, 1995), as revised by the Freedom of Information Act, 2000 and the Environmental Information Regulations, 2004 sets out the requirements for public access to information on the NHS.
- VIII. Through these Standing Orders, the Board exercises its powers to make arrangements for the exercise, on behalf of the Trust, of any of its functions by a committee or sub-committee appointed by virtue of the Standing Orders; or by an officer of the Trust, in each case subject to such restrictions and conditions as the Board thinks fit or as the Secretary of State for Health may direct.

1. Interpretation

- IX. The Chairman of the Trust is the final authority in the interpretation of Standing Orders on which the Chief Executive, guided by the Company Secretary, shall advise and in the case of Standing Financial Instructions be advised by the Director of Finance.
- X. The following definitions apply for this document.

Legislation definitions:

- the **2006 Act** is the National Health Service Act, 2006
- the **2012 Act** is the Health and Social Care Act, 2012
- **Membership and Procedure Regulations** are the National Health Service Trust (Membership and Procedure) Regulations 1990 (SI(1990)2024), as amended.

Other definitions:

- **Accountable Officer** is the officer responsible and accountable for funds entrusted to the Trust; and is responsible for ensuring the proper stewardship of public funds and assets. The Chief Executive, or their appointed replacement, is the Accountable Officer for this Trust.
- **Budget** is the plan, expressed in financial terms, proposed by the Board for the purpose of carrying out, for a specific period, any or all of the functions of the Trust.
- **Chairman of the Trust** is the person appointed by the Secretary of State for Health to lead the Board and to ensure that it successfully discharges its overall responsibility for the Trust as a whole. The expression “the Chairman of the Trust” shall, if the Chairman is absent from the meeting or otherwise unavailable, be deemed to include the Vice-Chairman of the Trust, or other Non-Executive Director as is appointed in accordance with Standing Order 12.
- **Chief Executive** is the chief officer of the Trust.
- **Committee** is committee appointed by the Trust Board.
- **Committee Members** are formally appointed by the Trust Board to sit on, or to chair specific committees.
- **Clinical Directors** are specialty leads reporting to and accountable to the Chief Executive, with professional oversight from the Divisional Medical Directors. They are **excluded** from the term “Director” for the purposes of this document, unless specifically stated otherwise.
- **Company Secretary** is the officer appointed to provide advice on corporate governance issues to the Board and the Chairman; and monitor the Trust’s compliance with the law, Standing Orders, and Department of Health guidance.
- **Directors** are the Non-Executive Directors and the Executive Directors
- **Director of Finance** is the Director of Finance; and is the chief finance officer of the Trust.
- **Establishment Order** is the The Worcestershire Acute Hospitals NHS Trust (Establishment) Order 1999 No. 3473.
- **Executive Director** is an officer of the Trust. Up to five will be voting members of the Trust Board, appointed in accordance with the Membership and Procedure Regulations, 1990. The remainder will not be eligible to vote on the Trust Board.
- **Funds Held on Trust** are those funds which the Trust holds at its date of incorporation, receives on distribution by statutory instrument, or chooses subsequently to accept under powers derived under Part 11 (eleven) of the NHS Act 2006. Such funds may or may not be charitable.
- **Motion** is a formal proposition to be discussed and voted on during the course of a Trust Board or Committee meeting.
- **NHS Improvement (NHSI)** is responsible for the oversight of NHS trusts and has delegated authority from the Secretary of State for Health for the appointment of the Non-Executive Directors, including the Chairman of the Trust
- **Nominated Officer** is the officer charged with the responsibility for discharging specific tasks within the Standing Orders and Standing Financial Instructions.
- **Non-Executive Director** is a person appointed by the Secretary of State for Health, to help the Trust Board to deliver its functions.

- **Officer** (or **staff**) means an employee of the Trust or any other person holding a paid appointment or office with the Trust. (This includes all employees or agents of the Trust, including medical and nursing staff and consultants practising upon the Trust's premises and shall be deemed to include employees of third parties contracted to the Trust when acting on behalf of the Trust)..
 - **SFIs** are the Standing Financial Instructions.
 - **SOs** are the Standing Orders.
 - **Standards of Business Conduct** is the Trust's "Policy Standards of Business Conduct, incorporating anti-bribery and corruption policy; and the recognition and treatment of conflicting interests, gifts and hospitality" or as amended
 - **Trust** is the Worcestershire Acute Hospitals NHS Trust.
 - **Trust Board** (or the **Board**) is the Chairman and Non-Executive Directors and Executive Directors
 - **Vice Chairman** means the Non-Executive Director appointed by the Trust to take on the Chairman's duties if the Chairman is absent for any reason.
 - **Working day** means any day, other than a Saturday, Sunday or legal holiday
- XI. Any reference to an Act of Parliament, Statutory Instrument, Direction or Code of Practice shall be construed as a reference to any modification, replacement or re-enactment for the time being in force.

Standing Orders for the regulation of the proceedings of Worcestershire Acute Hospitals NHS Trust

Part I – Membership

1. Name and business of the Trust

- 1.1. All business shall be conducted in the name of Worcestershire Acute Hospitals NHS trust (“the Trust”).
- 1.2. All funds received in trust shall be in the name of the Trust as corporate trustee. The powers exercised by the Trust as corporate trustee, in relation to funds held on trust, shall be exercised separately and distinctly from those powers exercised as a Trust.
- 1.3. The Trust has the functions conferred on it by Schedule 4 of the 2006 Act.
- 1.4. Directors acting on behalf of the Trust as a corporate trustee are acting as quasi-trustees. Accountability for charitable funds held on trust is to the Charity Commission and to the Secretary of State for Health. Accountability for non-charitable funds held on trust is only to the Secretary of State for Health.
- 1.5. The Trust has resolved that certain powers and decisions may only be exercised or made by the Trust Board in formal session, which may include members participating by video or telephone. These powers and decisions are set out in the Schedule of Decisions Reserved for the Trust Board in Appendix 1 to these Standing Orders and have effect as if incorporated into the Standing Orders.

2. Composition of the Trust Board

- 2.1. The voting membership of the Trust Board shall comprise the Chairman and five Non-Executive Directors, together with up to five Executive Directors. At least half of the membership of the Trust Board, excluding the Chairman, shall be independent Non-Executive Directors.
- 2.2. In addition to the Chairman, the Non-Executive Directors shall normally include:
 - 2.2.1. one appointee nominated to be the Vice-Chairman
 - 2.2.2. consider one appointee nominated to be the Senior Independent Director.
 - 2.2.3. one or more appointees who have recent relevant financial experience
 Appointees can fulfil more than one of the roles identified.
- 2.3. The Executive Directors shall include:
 - 2.3.1. Chief Executive
 - 2.3.2. Chief Financial Officer, or equivalent
 - 2.3.3. Chief Medical Officer
 - 2.3.4. Chief Nursing Officer
 - 2.3.5. Chief Operating Officer
- 2.4. The Board may appoint additional Executive Directors, in crucial roles in the Trust, to be non-voting members of the Trust Board.

3. Appointment of the Chairman and directors

- 3.1. The Chairman and Non-Executive Directors of the Trust are appointed by the NHSI, on behalf of the Secretary of State for Health.
- 3.2. The Chief Executive shall be appointed by the Chairman and the Non-Executive Directors.
- 3.3. Where more than one person is appointed jointly to an Executive Director post in the Trust, those persons shall become appointed as an Executive Director, jointly. Where the post has voting rights attached, the joint appointees will have the power of one vote; and shall count for the purpose of Standing Order 2 as one person.

4. Vice-Chairman

- 4.1. To enable the proceedings of the Trust to be conducted in the absence of the Chairman, the Trust Board may elect one of the Non-Executive Directors to be Vice-Chairman, for a period that does not exceed the remainder of their appointed term as a Non-Executive Director of the Trust.
- 4.2. Any Non-Executive Director so elected may at any time resign from the office of Vice-Chairman by giving notice in writing to the Chairman. The appointment as Vice-Chairman will end with the termination for any reason of that Non-Executive Director's period of office as a director. On such resignation or termination the Trust Board may then appoint another Non-Executive Director as Vice-Chairman, in accordance with the provision of this Standing Order.
- 4.3. When the Chairman is unable to perform the duties required due to illness or absence for any reason, those duties will be undertaken by the Vice-Chairman.

5. Tenure of office

- 5.1. The regulations governing the period of tenure of office of the Chairman and Non-Executive Directors and the termination or suspension of office of the Chairman and Non-Executive Directors are contained in the Membership and Procedure Regulations and as directed by NHSI, under its delegated authority from Secretary of State for Health.

6. Code of Conduct and Accountability and the Trust's commitment to openness

- 6.1. All directors shall subscribe and adhere at all times to the principles contained in the Trust's Policy "Standards of Business Conduct, incorporating conflicting interests, gifts and hospitality" (the Policy Standards of Business Conduct).

7. Functions and roles of Chairman and directors

- 7.1. The function and role of the Chairman and members of the Trust Board is described within these Standing Orders and within those documents that are incorporated into these Standing Orders.

Part II – Meetings

8. Ordinary meetings of the Trust Board

- 8.1. All ordinary meetings of the Trust Board shall be held in public and shall be conducted in accordance with relevant legislation, including the Public Bodies (Admission to Meetings) Act 1960, as amended and guidance issued by the Secretary for State for Health. Members of the public and representatives of the press shall be afforded facilities to attend.
- 8.2. Ordinary meetings of the Trust Board shall be held at regular intervals at such times and places as the Trust Board may from time to time determine. A minimum of six meetings shall be held each year.
- 8.3. The Chairman shall give such directions as they think fit in regard to the arrangements for meetings and accommodation of the public and representatives of the press; to ensure that the Trust Board's business may be conducted without interruption and disruption.
- 8.4. Without prejudice to the power to exclude on grounds of the confidential nature of the business to be transacted, the public and representatives of the press will be required to withdraw upon the Trust Board resolving as follows: "That in the interests of public order the meeting adjourn for (the period to be specified) to enable the Board to complete business without the presence of the public"
- 8.5. Nothing in these Standing Orders shall require the Trust Board to allow members of the public or representatives of the press to record proceedings in any manner whatsoever, other than writing, or to make any oral report of proceedings as they take place without the prior agreement of the Trust Board.
- 8.6. The Chairman may invite any member of staff of Worcestershire Acute Hospitals NHS Trust, any other NHS organisation, an officer of the local council(s), or any other individual acting in an advisory capacity to attend meetings. These invitees shall not count as part of the quorum or have any right to vote at the meeting.
- 8.7. An annual public meeting shall be held on or before 30th September in each year for the purpose of presenting audited accounts, annual reports and any report on the accounts.
- 8.8. The Trust Board may, by resolution, exclude the public from a part or the whole of a meeting whenever publicity would be prejudicial to public interest by reason of the confidential nature of the business to be transacted
- 8.9. The provisions of these Standing Orders relating to meetings of the Trust Board shall refer only to formal Trust Board meetings, whether ordinary or extraordinary meetings. The provisions shall not apply to seminars or workshops or other meetings attended by members of the Trust Board.

9. Extraordinary meetings of the Trust Board

- 9.1. The Chairman may call a meeting of the Trust Board at any time. Directors may ask the Chairman to call a meeting of the Trust Board at any time.
- 9.2. A meeting may be called forthwith, by the directors who are eligible to vote, if the Chairman refuses to call a meeting after such a request has been presented to them, signed by at least one third of the whole number of directors who are eligible to vote (including at least one executive and one Non-Executive Director); and has been presented to them at the Trust's principal place of business. The directors who are

eligible to vote may also call a meeting forthwith, if, without refusing, the Chairman does not call a meeting within seven days after receipt of such request.

10. Notice of meetings

- 10.1. The Trust shall set dates and times of regular Trust Board meetings for the forthcoming calendar year by the end of November of each year.
- 10.2. A notice of the meeting, specifying the business proposed to be transacted, shall be posted before each meeting of the Trust Board. This notice shall be signed by the Chairman, or by a director or officer of the Trust authorised by the Chairman to sign on their behalf. The notice shall be delivered to every director, by the most effective route, including being sent by post to the usual place of residence of the director, or sent electronically to the usual e-mail address of the director. The notice shall be delivered to each director at least three working days before the meeting. Notice shall be presumed to have been served two days after posting and one day after being sent out via email.
- 10.3. Lack of service of such notice on any individual director shall not affect the validity of a meeting. However, failure to serve such a notice on at least three directors who are eligible to vote will invalidate the meeting.
- 10.4. In the case of a meeting called by directors in default of the Chairman, see Standing Order 9, the notice shall be signed by those directors and no business shall be transacted at the meeting other than that specified in the notice.
- 10.5. Where a part or the whole of a meeting is to be open to the public, official notice of the time, place and agenda of the meeting shall be announced in public. Notice will be given by one or more of: an announcement in the local press, on the Trust's internet website, displaying the notice in a conspicuous place in the Trust's hospitals or other facilities, or displaying the notice in other public places. The Trust Board may decide to limit publication to details of the items on the meeting agenda that will be considered in the part of the meeting to be held in public. A copy of the notice including the agenda may also be sent to local organisations that will have an interest in the decisions of the Trust Board. These organisations include bodies responsible for commissioning acute NHS services locally, patient and public representative groups and local councils.
- 10.6. Notice will be given at least three working days before the meeting. Failure to do so will render the meeting invalid.

11. The agenda

- 11.1. The Chairman may determine that certain matters will appear on every agenda for an ordinary meeting of the Trust Board; and that these will be addressed prior to any other business being conducted at the discretion of the Chairman.
- 11.2. A director may request that a matter is included on an agenda.
- 11.3. Notwithstanding Standing Order 17 a director may with the consent of the Chairman of the meeting, add to the agenda of any meetings any item of business relevant to the responsibilities of the Trust, under "Any Other Business".

12. Chairman of meetings

- 12.1. The Chairman shall preside at any meeting of the Trust Board, if present. In the Chairman's absence, the Vice Chairman shall preside.

- 12.2. If the Chairman and Vice-Chairman are absent, the directors present, who are eligible to vote shall choose a Non-Executive Director who shall preside. An Executive Director may not take the chair.
- 12.3. The decision of the Chairman of the meeting on questions of order, relevancy and regularity (including procedure on handling motions) and his interpretation of the Standing Orders shall be final. In this interpretation he shall be advised by the Chief Executive and the Company Secretary and in the case of Standing Financial Instructions he shall be advised by the Director of Finance.

13. Voting

- 13.1. It is not a requirement for decisions to be subject to a vote. The necessity of a vote shall be indicated by the agreement of at least one third of those attending and eligible to vote. The Chairman shall be responsible for deciding whether a vote is required and what form this will take.
- 13.2. Where it is necessary to take a vote to determine an issue, the decision shall be determined by a majority of the votes of the directors present and eligible to vote. If the result of the vote is equal, the Chairman of the meeting shall have a second or casting vote.
- 13.3. All questions put to the vote shall, at the discretion of the Chairman of the meeting, be determined by oral expression or by a show of hands. A paper ballot may be held, if a majority of the directors present and eligible to vote so request. Unless specifically agreed beforehand, the voting record of each individual director will not be made public, or recorded.
- 13.4. The voting record, other than by paper ballot, of any question will be recorded to show how each director present voted or did not vote, if at least one-third of the directors present and eligible to vote so request.
- 13.5. If a director so requests, his vote will be recorded by name. Such a request will not be accepted if doing so would reveal the votes of other directors that do not wish to have their vote recorded.
- 13.6. In no circumstances may an absent director vote by proxy.
- 13.7. An officer who has been appointed formally by the Trust to act up for an Executive Director during a period of incapacity, or temporarily to fill an Executive Director vacancy, shall be entitled to exercise the voting rights of that Executive Director. An officer attending the Trust Board to represent an Executive Director during a period of incapacity or temporary absence, but without formal acting up status, may not exercise the voting rights of that Executive Director. An officer's status when attending a meeting shall be recorded in the minutes.
- 13.8. Where the office of a director who is eligible to vote is shared jointly by more than one person:
- 13.8.1. either or both of those persons may attend and take part in the meetings of the Trust Board.
 - 13.8.2. if both are present at a meeting they will cast one vote if they agree.
 - 13.8.3. in the case of disagreement no vote will be cast.
 - 13.8.4. the presence of either or both of those persons will count as the presence of one person for the purpose of establishing a quorum.

- 13.9. Where necessary, a director may be counted as present when available constantly for discussions through an audio or video link and may take part in voting on an open basis.

14. Quorum

- 14.1. No business shall be transacted at a meeting unless at least six of the directors who are eligible to vote (including at least three Executive Directors with voting powers and three Non-Executive Director) are present.
- 14.2. An officer in attendance for an Executive Director but without formal acting up status may not count towards the quorum.
- 14.3. A director will not count towards the quorum on a matter where he is ruled to be ineligible to participate in the discussion, or vote, due to the declaration of a conflict of interest, see Standing Order 21 and 22. If a quorum is not available for the passing of a resolution on any matter, that matter may be discussed further at the meeting, but no resolution can be made. That position shall be recorded in the minutes of the meeting. The meeting shall then proceed to the next business.

15. Record of attendance

- 15.1. The names of the directors and others invited by the Chairman, in accordance with Standing Order 8, present at the meeting, shall be recorded in the minutes.
- 15.2. If a director is not present for the entirety of the meeting, the minutes shall record the items that were considered whilst they were present.

16. Minutes

- 16.1. The minutes of the proceedings of a meeting shall be drawn up, entered in a record kept for that purpose and submitted for agreement at the next meeting.
- 16.2. There should be no discussion on the minutes, other than as regards their accuracy, unless the Chairman considers discussion appropriate.
- 16.3. Any amendment to the minutes as to their accuracy shall be agreed and recorded at the next meeting and the amended minutes shall be regarded as the formal record of the meeting.

17. Notice of motion

- 17.1. Subject to the provision of Standing Order 20, a director of the Trust desiring to move a motion shall give notice of this, to the Chairman, at least seven working days before the meeting. The Chairman shall insert all such notices that are properly made in the agenda for the meeting. This Standing Order shall not prevent any motion being withdrawn or moved without notice on any business mentioned on the agenda for the meeting.

18. Motions

- 18.1. When a motion is under discussion or immediately prior to the discussion it shall be open to a director to move:
- 18.1.1. an amendment to the motion.
 - 18.1.2. the adjournment of the discussion or the meeting.

- 18.1.3. that the meeting proceed to the next business.
 - 18.1.4. the appointment of an ad hoc committee to deal with a specific item of business.
 - 18.1.5. that the motion be now put
 - 18.1.6. a motion resolving to exclude the public (including the press).
- 18.2. The proposer may withdraw a motion or amendment once moved and seconded with the concurrence of the seconder and the consent of the Trust Board.

19. Right of reply

- 19.1. The mover of a motion shall have a right of reply at the close of any discussion on the motion or any amendment to it.

20. Motion to rescind a decision of the Trust Board

- 20.1. Notice of a motion to rescind any decision of the Trust Board (or general substance of any decision) which has been passed within the preceding six calendar months, shall bear the signature of the director who gives it and also the signature of four other directors who are eligible to vote.
- 20.2. When the Trust Board has debated any such motion, it shall not be permissible for any director, other than the Chairman to propose a motion to the same effect within a further period of six calendar months.

21. Declaration of Interests and Register of Interests

Declaration of Interests

- 21.1. In addition to the statutory requirements relating to pecuniary interests dealt with in Standing Order 22, the Trust's Policy on Standards of Business Conduct requires directors to declare interests which are relevant and material to the Trust Board. All existing directors and any senior officers who may act up into an Executive Director post should declare such interests on an annual basis, or as otherwise recommended in the Policy. Any directors and senior officers appointed subsequently should declare these interests on appointment.
- 21.2. Interests, which would be regarded as "relevant and material", are:
- 21.2.1. directorships, including Non-Executive Directorships held in private companies or PLCs (with the exception of those of dormant companies).
 - 21.2.2. ownership or part-ownership of private companies, businesses or consultancies likely or possibly seeking to do business with the NHS.
 - 21.2.3. majority or controlling shareholdings in organisations likely or possibly seeking to do business with the NHS.
 - 21.2.4. a position of authority in a charity or voluntary organisation in the field of health and social care.
 - 21.2.5. any connection with a voluntary or other organisation contracting for NHS services.

- 21.3. Subject to the requirements stated in Standing Order 22, the interests of directors' spouses, partners, or other family members must be disclosed where these maybe in conflict with the Trust .
- 21.4. If directors have any doubts about the relevance of an interest, this should be discussed with the Chairman. Financial Reporting Standard No 8 (issued by the Accounting Standards Board) specifies that the potential level of influence, rather than the immediacy of the relationship is more important in assessing the relevance of an interest.
- 21.5. Annual declarations of interests should be considered by the Trust Board and retained as part of the record of the Trust Board meeting. Any changes in interests should be declared at the next Trust board meeting following the change occurring.
- 21.6. If a conflict of interest is established during the course of a Trust Board meeting, whether arising from a declared interest or otherwise, the director concerned should withdraw from the meeting and play no part in the relevant discussion or decision. The declared conflict of interest should be recorded in the minutes of the meeting. When a Director has declared an interest arising solely from a position with a charity or voluntary body under this Standing Order, the Trust Board may resolve that the director may remain in the meeting and take part in the discussion, but not vote on the relevant item. A record of this decision shall be made in the minutes.
- 21.7. Directors' directorships of companies likely or possibly seeking to do business with the NHS should be published in the Trust's annual report or a link provided within the report to the website. The information should be kept up to date for inclusion in succeeding annual reports.

Register of Interests

- 21.8. The Company Secretary will ensure that a Register of Interests is established and maintained to record formally declarations of interests of directors. The Register of Interests will include details of all directorships and other relevant and material interests which have been declared by both executive and Non-Executive Directors.
- 21.9. These details will be kept up to date by means of an annual review of the Register of Interests in which any changes to interests declared during the preceding twelve months will be incorporated.
- 21.10. The Register of Interests will be available to the public on the website and open to inspection at the Trust's usual place of business at any time during normal business hours (between 09:00 and 17:00 on any working day).
- 21.11. With the exception of the requirement to report interests in the Annual Report (Standing Order 21.7), this Standing Order also applies in full to any committee or sub-committee or group of the Trust Board; and to any member of such committee or sub-committee or group (whether or not they are a director).

22. Disability of directors in proceedings on account of pecuniary interest

- 22.1. Subject to Standing Order 21 and the provisions of this Standing Order, if a director has any pecuniary interest, direct or indirect, in any contract, proposed contract or other matter and is present at a meeting of the Trust at which the contract or other matter is the subject of consideration, he shall at the meeting and as soon as practicable after its commencement disclose the fact and shall not take part in the consideration or discussion of the contract or other matter or vote on any question with respect to it.

- 22.2. The Secretary of State may, subject to such conditions as he may think fit to impose, remove any disability imposed by this Standing Order, in any case where it appears to them to be in the interests of the NHS that the disability should be removed.
- 22.3. The Trust Board, or any committee or sub-committee may, if it thinks fit, provide for the exclusion of a director from a meeting while any contract, proposed contract or other matter in which that person has a pecuniary interest, direct or indirect, is under consideration.
- 22.4. Any remuneration, compensation or allowances payable to a director by virtue of paragraph 233, Part 11 of the NHS Act 2006 shall not be treated as a pecuniary interest for the purpose of this Standing Order.
- 22.5. For the purpose of this Standing Order a director shall be treated, subject to Standing Order 2 as having an indirect pecuniary interest in a contract, proposed contract or other matter, if:
- 22.5.1. he, or a nominee of his, is a director of a company or other body, not being a public body, with which the contract was made or is proposed to be made or which has a direct pecuniary interest in the other matter under consideration; or,
 - 22.5.2. he is a partner of, or is in the employment of a person with whom the contract was made or is proposed to be made or who has a direct pecuniary interest in the other matter under consideration;
 - 22.5.3. and in the case of persons living together as a couple, whether married or not, the interest of one person shall, if known to the other, be deemed for the purposes of this Standing Order to be also an interest of the other.
- 22.6. A director shall not be treated as having a pecuniary interest in any contract, proposed contract or other matter by reason only:
- 22.6.1. of his membership of a company or other body, if he has no beneficial interest in any securities of that company or other body;
 - 22.6.2. of an interest in any company, body or person with which he is connected as mentioned in Standing Order 22.5 above which is so remote or insignificant that it cannot reasonably be regarded as likely to influence a director in the consideration or discussion of or in voting on, any question with respect to that contract or matter.
- 22.7. This Standing Order shall not prohibit a director from taking part in the consideration or discussion of the contract or other matter, or from voting on any question with respect to it, if:
- 22.7.1. he has an indirect pecuniary interest in a contract, proposed contract or other matter by reason only of a beneficial interest in securities of a company or other body, **and**
 - 22.7.2. the total nominal value of those securities does not exceed £5,000 or one-hundredth of the total nominal value of the issued share capital of the company or body, whichever is the less, **and**
 - 22.7.3. the share capital is of more than one class, the total nominal value of shares of any one class in which he has a beneficial interest does not exceed one-hundredth of the total issued share capital of the class.

This does not affect his duty to disclose the interest

- 22.8. This Standing Order also applies in full to any committee or sub-committee or group of the Trust Board; and to any member of such committee or sub-committee or group (whether or not they are a director).

23. Standards of Business Conduct

- 23.1. All staff must comply with the Trust's current adopted Policy on Standards of Business Conduct, which reflects national guidance, including HSG(93)5 'Standards of Business Conduct for NHS staff', 'Code of Conduct for NHS Managers' 2002, 'Managing Conflicts of Interests in the NHS' 2017 and the seven principles set out by the Committee on Standards in Public Life, published by the Professional Standards Authority, November 2012. The following provisions should be read in conjunction with the Trust Policy.
- 23.2. All staff shall declare any relevant and material interest, such as those described in Standing Order 21. The declaration should be made on appointment or, if the interest is acquired, or recognised subsequently, at that time to the Executive Director, clinical director, or senior manager to whom they are accountable. Such director or senior manager shall ensure that such interests are entered in a Register of Interests, kept for that purpose.
- 23.3. Officers who are involved in, have responsibility for, or are able by virtue of their role or functions to influence the placing of contracts by the Trust, may be required by the Trust to give statements from time to time, or in connection with particular contracts, confirming that they have no relevant or material interest to declare.
- 23.4. If an officer becomes aware of a potential or actual contract in which he has an interest of the nature described in Standing Orders 21 and 22 and this Standing Order, he shall immediately advise the Chief Financial Officer formally in writing. This requirement applies whether or not the officer is likely to be involved in administering the proposed, or awarded contract to which he has an interest.
- 23.5. Gifts and hospitality shall only be accepted in accordance with the Trust's Policy Standards of Business Conduct. Officers of the Trust shall not ask for any rewards or gifts; nor shall they accept any rewards or gifts of significant value.
- 23.6. All gifts and hospitality, other than those that are of clearly minimal value (as determined in the Trust Policy on Standards of Business Conduct), should be declared in a Register of Gifts and Hospitality kept by the Company Secretary, and departmental managers for that purpose. Acceptance of gifts by way of inducements or rewards is a criminal offence under the Fraud Act, 2006 and the Bribery Act 2010.
- 23.7. In addition to Standing Orders 21 and 22 and this Standing Order, an officer must also declare to the Chief Executive any other employment, business or other relationship of his, or of a cohabiting spouse, that conflicts, or might reasonably be predicted could conflict with interests of the Trust, unless specifically allowed under that officer's contract of employment.

Part III – Arrangements for the exercise of functions by delegation and committees

24. Exercise of functions

- 24.1. Subject to Standing Order 3 and any such directions as may be given by the Secretary of State for Health, the Trust Board may delegate any of its functions to a committee or sub-committee appointed by virtue of Standing Order 25, or to a director or an officer of the Trust. In each case, these arrangements shall be subject to such restrictions and conditions as the board thinks fit.

Emergency powers

- 24.2. The powers which the Trust Board has retained to itself within these Standing Orders may in emergency be exercised by the Chief Executive and the Chairman acting jointly and, if possible, after having consulted with at least two Non-Executive Directors. The exercise of such powers by the Chief Executive and the Chairman shall be reported to the next formal meeting of the Trust Board for ratification.

Delegation to committees

- 24.3. The Trust Board shall agree from time to time to the delegation of specific powers to be exercised by committees or sub-committees, which it has formally constituted. The Trust Board shall approve the constitution and terms of reference of these committees and their specific powers.

Delegation to officers

- 24.4. Those functions of the Trust, which have not been retained as reserved by the Trust Board or delegated to a committee of the Trust Board, shall be exercised on behalf of the Trust Board by the Chief Executive. The Chief Executive shall determine which functions he will perform personally and shall nominate officers to undertake the remaining functions for which he will still retain accountability to the Trust Board.

Schedule of Decisions Reserved for the Trust Board

- 24.5. The Trust Board shall adopt a Schedule of Decisions Reserved for the Trust Board setting out the matters for which approval is required by the Trust Board. The Schedule that is current at the date of adoption of these Standing Orders is contained in Appendix 1 and shall be regarded as forming part of these Standing Orders.
- 24.6. Subject to Standing Order 44, the Trust Board shall review such Schedule at such times as it considers appropriate; and shall update such Schedule in Appendix 1 after each review.
- 24.7. The Schedule of Decisions Reserved for the Trust Board shall take precedence over any terms of reference or description of functions of any committee or sub-committee established by the Trust Board. The powers and functions of any committee or sub-committee shall be subject to and qualified by the reserved matters contained in that Schedule.

Scheme of Delegated Authorities

- 24.8. The Trust Board shall adopt a Scheme of Delegated Authorities setting out details of the directors and officers of the Trust to whom responsibility has been delegated for deciding particular matters; and in a director's or officer's absence, the director or officer who may act for them. The Schedule that is current at the date of adoption of these Standing Orders is contained in the standing financial instructions.
- 24.9. Subject to Standing Order 44, the Trust Board shall review such Schedule at such times as it considers appropriate; and shall update such Schedule after each review.
- 24.10. The direct accountability, to the Trust Board, of the Director of Finance and other Executive Directors to provide information and advise the Trust Board in accordance with any statutory requirements shall not be impaired, in any way, by the delegations set out in the Scheme of Delegated Authorities.

25. Appointment of committees

- 25.1. Subject to Standing Order 3 and such directions as may be given by, or on behalf of, the Secretary of State for Health, the Trust may, and if directed by them, shall appoint committees of the Trust, consisting wholly or partly of directors of the Trust or wholly of persons who are not directors of the Trust. Committees will be subject to review by the Trust Board from time to time.

- 25.2. A committee appointed under Standing Order 25 may, subject to such directions as may be given by, or on behalf of, the Secretary of State for Health or the Trust Board, appoint sub-committees consisting wholly or partly of members of the committee (whether or not they include directors of the Trust) or wholly of persons who are not members of the committee (whether or not they include directors of the Trust).
- 25.3. The Standing Orders of the Trust, as far as they are applicable, shall apply with appropriate alteration, to meetings of any committee or sub-committee.
- 25.4. The Trust Board shall approve the terms of reference of each such committee. Each committee shall approve the terms of reference of each sub-committee reporting to it. The terms of reference shall include details of the powers vested and conditions, including reporting back to the committee, or Trust Board. Such terms of reference shall have effect as if incorporated into the Standing Orders and be subject to review every two years, at least, by that committee; and adoption by the Trust Board.
- 25.5. Committees may not delegate their powers to a sub-committee unless expressly authorised by the Trust Board.
- 25.6. The Board shall approve the appointments to each of the committees and sub-committees that it has formally constituted. Where the Board determines that a committee shall include members who are neither directors nor officers, the Board shall determine the terms of such appointment. The payment of travelling and other allowances shall be in accordance with the rates as may be determined by the Secretary of State for Health, with the approval of the Treasury (see Part 11, paragraph 233 of the 2006 Act).
- 25.7. Minutes, or a representative summary of the issues considered and decisions taken, of any committee appointed under this Standing Order are to be formally recorded and submitted for inclusion onto the agenda of the next possible Trust Board meeting. Minutes, or a representative summary of the issues considered and decisions taken of any sub-committee shall be submitted for inclusion onto the agenda of the next committee meeting to which it reports.
- 25.8. The committees to be established by the Trust will consist of statutory and mandatory; and non-mandatory committees.

Statutory and Mandatory Committees

Audit and Assurance Committee

- 25.9. The Trust Board shall appoint a committee to undertake the role of an audit committee. This role shall include providing the Trust Board with a means of independent and objective review of the financial systems and of general control systems that ensure that the Trust achieves its objectives, the reliability of the financial information used by the Trust and of compliance with law, regulations, guidance and codes of conduct. This Committee will pay due regard to good practice guidance, including, in particular, the NHS Audit Committee Handbook.
- 25.10. The terms of reference of the Audit and Assurance Committee shall have effect as if incorporated into these Standing Orders and their approval shall be recorded in the appropriate minutes of the Trust Board and may be varied from time to time by resolution of the Trust Board.

Remuneration Committee

- 25.11. The Trust Board shall appoint a committee to undertake the role of a remuneration committee. This role shall include providing advice to the Trust Board about appropriate remuneration and terms of service for the Chief Executive and other

Executive Directors (Regulations 17-18, Membership and Procedure Regulations), as well as advising the Trust Board on the terms of service of other senior officers, and ensuring that the policy of the Trust Board on remuneration and terms of service is applied consistently.

- 25.12. The Committee shall advise the Trust Board on the size, structure and membership and succession plans for the Trust Board and maintain oversight of the performance of the Chief Executive and Executive Directors.
- 25.13. The terms of reference of the Remuneration Committee shall have effect as if incorporated into these Standing Orders and their approval shall be recorded in the appropriate minutes of the Trust Board and may be varied from time to time by resolution of the Trust Board.

Charitable Funds Committee

- 25.14. The Trust Board, acting as Corporate Trustee, shall appoint a Committee to be known as the Charitable Funds Committee, whose role shall be to advise the Trust on the appropriate receipt, use and security of charitable monies.
- 25.15. The terms of reference of the Charitable Funds Committee shall have effect as if incorporated into these Standing Orders and shall be recorded in the appropriate minutes of the Trust Board, acting as Corporate Trustee, and may be varied from time to time by resolution of the Trust Board, acting in this capacity.

Non mandatory committees

- 25.16. The Trust Board shall appoint such additional non-mandatory committees as it considers necessary to support the business and inform the decisions of the Trust Board (Regulations 15-16, Membership and Procedure Regulations).
- 25.17. The terms of reference of these committees shall have effect as if incorporated into these Standing Orders. The approval of the terms of reference shall be recorded in the appropriate minutes of the Trust Board and may be varied from time to time by resolution of the Trust Board.
- 25.18. The membership of these committees may comprise Non-Executive Directors or Executive Directors, or a combination of these. The membership and voting rights shall be set out in the terms of reference of the committee and shall be subject to approval by the Board.
- 25.19. The current non-mandatory committees in place are (July 2020):
- Quality Governance Committee
 - Finance and Performance Committee
 - People and Culture Committee

These are subject to change at the discretion of the Trust Board. All new, or amended non-mandatory committees will have the same standing and will be subject to the same standing orders.

26. Proceedings in committee to be confidential

- 26.1. There is no requirement for meetings of Trust Board committees and sub-committees to be held in public, or for agendas or records of these meetings to be made public. However, the records of any meetings may be required to be disclosed, should a valid request be made under the rights conferred by the Freedom of Information Act, 2000 and there is no legal justification for non-disclosure.

- 26.2. Committee members should normally regard matters dealt with, or brought before the committee as being subject to disclosure, unless stated otherwise by the chairman of the committee. The chairman shall determine whether specific matters should remain confidential until they are reported to the Trust Board.
- 26.3. A director of the Trust or a member of a committee shall not disclose any matter reported to the Trust Board, or otherwise dealt with by the committee if the Trust Board resolves that it is confidential.
- 26.4. Regardless of this Standing Order 26, individual directors and officers of the Trust have a right and a duty to raise with the Trust any matter of concern they may have about health service issues concerned with the delivery of care or services.

27. Election of chairman of committee

- 27.1. Each committee shall appoint a chairman; and may appoint a vice-chairman from its membership. The terms of reference of the committee shall describe any specific rules regarding who the chairman should be. Meetings of the committee will not be recognised as quorate, if the chairman, or vice chairman, or other suitably qualified, nominated member of the committee is not present to undertake the role.
- 27.2. Each committee shall review the appointment of its Chairman, as part of the annual review of the committee's role and effectiveness.

28. Special meetings of committee

- 28.1. The Chief Executive shall require any committee to hold a special meeting, on the request of the Chairman, or on the request, in writing of any two members of that committee.

Part IV – Custody of seal, sealing of documents and signature of documents

29. Custody of seal

- 29.1. The common seal of the Trust shall be kept by the Chief Executive in a secure place.

30. Sealing of documents

- 30.1. The Seal of the Trust shall only be attached to documents where the sealing has first been approved by the Trust Board, or the Chairman, or the Chief Executive, or their designated acting replacement, in accordance with the Scheme of Delegated Authorities.
- 30.2. The seal shall be affixed in the presence of two Board directors including the Company Secretary. The Director should not be from the originating department.

31. Bearing witness to the affixing of the Seal

- 31.1. A recommended wording for the witnessing of the use of the Seal is “The Common Seal of the Worcestershire Acute Hospitals NHS Trust was hereunto affixed in the presence of....”

32. Register of sealing

- 32.1. An entry of every sealing shall be made and numbered consecutively in a book provided for that purpose. The entry shall be signed by the persons who approved and authorised the sealing of the document; and who attested the seal.
- 32.2. A report of all sealing shall be made to the Trust Board, or a committee delegated to oversee the register at periods of its discretion. The report shall contain details of the seal number, the description of the document and date of sealing.

33. Signature of documents

- 33.1. Where any document will be a necessary step in legal proceedings on behalf of the Trust, it shall be signed by the Chief Executive, or by any Executive Director of the Trust duly authorised for that purpose by the Board in accordance with the Scheme of Delegated Authorities, unless any enactment otherwise requires or authorises differently
- 33.2. In land transactions, the signing of certain supporting documents will be delegated to Managers and set out clearly in the Scheme of Delegation but will not include the main or principal documents effecting the transfer (e.g. sale/purchase agreement, lease, contracts for construction works and main warranty agreements or any document which is required to be executed as a deed).

Part V – Appointment of directors and officers of the Trust

34. Canvassing of, and recommendations by, directors

- 34.1. Canvassing of any director of the Trust or member of a committee of the Trust directly or indirectly for any appointment under the Trust, shall disqualify the candidate from such appointment. Where the Chairman or any such director or committee member is so canvassed they shall notify the Chief Executive in writing. The purpose of this Standing Order shall be included in any form of application or otherwise brought to the attention of candidates.
- 34.2. No director of the Trust shall solicit for any person any appointment under the Trust or recommend any person for such appointment; but this shall not preclude a director from sharing knowledge about the availability of potential candidates prior to the commencement of recruitment, nor from giving a written testimonial of a candidate's ability, experience or character for submission to the appropriate panel or committee of the Trust Board.

35. Relatives of directors or officers of the Trust

- 35.1. Candidates for any appointment under the Trust shall, when making application, disclose in writing to the Trust whether they are related to any director or senior officer of the Trust. Failure to disclose such a relationship is likely to disqualify a candidate and, if appointed, render them liable to instant dismissal.
- 35.2. Every director and senior officer of the Trust shall disclose to the Chief Executive any relationship between themselves and a candidate of whose candidature that director or senior officer is aware. It shall be the duty of the Chief Executive to report to the committee with responsibility for oversight of remuneration and terms of service any such disclosure made.
- 35.3. Where the relationship to the director or senior officer of the Trust is disclosed, Standing Order 21 (Interest of directors in contracts and other matters) shall apply.

- 35.4. This Standing Order applies to circumstances where a candidate or candidate's partner or spouse is an immediate family relation or dependent of the director or senior officer of the Trust, or their partner or spouse.

Part VI – Tendering and contracting procedures

36. General

- 36.1. The Trust will adopt and maintain a procurement strategy. This may be developed by the Trust's procurement service supplier.
- 36.2. Every contract made by or on behalf of the Trust shall comply with the procedures and requirements of:
- 36.2.1. these Standing Orders
 - 36.2.2. the Trust's Standing Financial Instructions
 - 36.2.3. any direction by the Trust Board
- 36.3. Wherever possible and provided it protects the Trust's position adequately, contracts made will reflect the most up to date and relevant model Standard Conditions that are provided by the Department of Health. These models may be amended to develop bespoke contracts.
- 36.4. Directives of the Council of the European Union (EU) for awarding all forms of contracts shall take precedence over all other procedural requirements and guidance and shall have effect as if incorporated in these Standing Orders. The EU Procurement Rules apply to public authorities under the, Public Contracts Regulations 2015 for England, Wales and Northern Ireland. The regulations cover fully regulated procurements and 'light touch regime'. The rules set out detailed procedures for contracts where the value equals or exceeds specific thresholds. These thresholds are exclusive of VAT and relate to the full life of the contract. The Chief Executive shall be responsible for ensuring the best value for money can be demonstrated for all services provided under contract or in-house. The Trust Board may also determine from time to time those in-house services should be market tested by competitive tendering.
- 36.5. Contract procedures shall take account of the Trust's Policy Standards of Business Conduct and the necessity to avoid any possibility of collusion or allegations of collusion between contractors and suppliers; or between contractors and suppliers and staff of the Trust.
- 36.6. The application of the provisions of this part of the Standing Orders to contracts and purchases may be varied by resolution of the Trust Board from time to time.

37. Delegated authority to enter into contracts

- 37.1. The Trust Board shall have power to accept tenders and to authorise the conclusion of contracts. It may delegate such authority subject to financial limits set in accordance with Standing Order 36.2 to:
- 37.1.1. a committee appointed under sections 24 and 25 of these Standing Orders
 - 37.1.2. the Chief Executive
 - 37.1.3. to the Chief Executive jointly with the Chairman

- 37.1.4. the directors or nominated officers
 - 37.1.5. officers of the Trust's procurement service supplier, in accordance with that organisation's standard operating procedures.
- 37.2. The financial limits determining whether quotations (competitive or otherwise) or sealed bid tenders must be obtained shall be set in accordance with the procedure in the Standing Financial Instructions the current thresholds being set out in the Trust Scheme of Delegated Authorities (Appendix 3).

38. Competition in purchasing or disposals – procedures

- 38.1. The Trust Board shall from time to time adopt procedures which shall be regarded as being incorporated into these Standing Orders and which shall take account of Standing Financial Instructions, the Trust's Procurement Policy and Rules and Regulations implementing EC Directives on Public Procurement and which shall deal with:
- 38.1.1. Tender process selection
 - 38.1.2. methods for inviting tenders
 - 38.1.3. the manner in which tenders are to be submitted
 - 38.1.4. the receipt and safe custody of tenders
 - 38.1.5. the opening of tenders
 - 38.1.6. evaluation
 - 38.1.7. re-tendering
 - 38.1.8. such other matters in connection with tendering as the Board considers appropriate

39. Disposals of land and buildings

- 39.1. Land and buildings that are owned by the Trust, or are otherwise recorded as being part of the estate of the Trust, shall be disposed of in accordance with the most recent rules and guidance issued by the Department of Health. Disposal will require the approval of the Trust Board.

Part VII – Miscellaneous

40. Suspension of Standing Orders

- 40.1. Except where this would contravene any statutory provision or any direction made by the Secretary of State for Health, any one or more of the Standing Orders, except for Standing Order 40 which may not be suspended, may be suspended at any meeting, provided that at least two-thirds of the directors of the Trust are present and the majority of those present vote in favour of suspension.
- 40.2. A decision to suspend Standing Orders shall be recorded in the minutes of the meeting.
- 40.3. A separate record of matters discussed during the suspension of Standing Orders shall be made and shall be available to the directors.

- 40.4. No formal business may be transacted while Standing Orders are suspended.
- 40.5. The Audit Committee shall review every decision to suspend Standing Orders.

41. Variation of Standing Orders

- 41.1. These Standing Orders shall be varied only if:
- 41.1.1. A notice of motion under Standing Order 17 has been given **and**
 - 41.1.2. no fewer than half of the appointed Non-Executive Directors vote in favour of such variation **and**
 - 41.1.3. at least two-thirds of the directors who are eligible to vote are present **and**
 - 41.1.4. the variation proposed does not contravene a statutory provision or direction made by the Secretary of State for Health.
- 41.2. Standing Order 41 (this Standing Order) may not be varied.
- 41.3. Any financial limits in these Standing Orders and the Schedule of Decisions Reserved for the Trust Board and the Scheme of Delegated Authorities may be varied by resolution of the Trust Board at any time.
- 41.4. Where financial limits are varied the Director of Finance will advise the Audit Committee, and internal and external audit.

42. Availability of Standing Orders

- 42.1. The Company Secretary shall make available a copy of the Standing Orders to each director of the Trust and to such other employees as the Chief Executive considers appropriate.
- 42.2. A copy of these Standing Orders will be held, with unrestricted access to all staff, on the Trust's intranet site.

43. Standing Financial Instructions

- 43.1. Standing Financial Instructions adopted by the Trust shall have effect as if incorporated in these Standing Orders.

44. Review of Standing Orders

- 44.1. Standing Orders shall be reviewed annually, or earlier, if developments within or external to the Trust indicate the need for a significant revision to the Standing Orders. The requirement to review extends to all documents having the effect as if incorporated in Standing Orders.
- 44.2. Any change will be reviewed by the Audit Committee before a recommendation is made to the Trust Board for adoption.

ENDS

Trust Standing Orders

Approved by the Board of
Worcestershire Acute Hospitals NHS Trust
Enter date

WORCESTERSHIRE ACUTE HOSPITALS NHS TRUST

STANDING ORDERS: SUMMARY VERSION

Approved by the Audit and Assurance Committee – 14 July 2020 Trust Board – September 2020	
This document was completed by, and queries should be directed to:	Company Secretary

Version history			Notes
V1.0	Apr 2012	Review	
V2.0	Jan 2014	Update	
V3.0	Sept 2017	Update and rewritten to be user friendly and incorporate new legislation	Credit – North Bristol NHS Trust
V3.1	July 2020	Review	

July 2020
(Review Date – January 2022)

Trust Standing Orders

Approved by the Board of
Worcestershire Acute Hospitals NHS Trust
Enter date

Purpose

NHS Trusts are required by law to make Standing Orders (SOs), which regulate the way in which the proceedings and business of the Trust will be conducted.

High standards of corporate and personal conduct are essential in the NHS. These Standing Orders, together with the Standing Financial Instructions (SFIs), Schedule of Reservations of Powers (SRP) and Scheme of Delegated Authorities (SoDA) identify who in the Trust is authorised to do what.

Key messages

- These documents provide the key rules under which the Trust is managed and governed.
- The regulations which determine the way that the Trust Board operates and the Trust is governed are spelt out in the Standing Orders.
- Financial responsibilities and authorities are described in the SFIs and SoDA

All employees of the Trust need to be aware of their responsibilities and authorities described in this document

Various legislation is relevant to the contents of the SOs and these are identified in the text. The SOs refer to the following Trust Policies:

- Policy Standards of Business Conduct, incorporating anti-bribery and corruption policy; and the recognition and treatment of conflicting interests, gifts and hospitality
- Counter Fraud and Corruption Policy

Who should read this policy?

- All individuals employed or engaged by the Trust who have been given resource management and decision making authorities need to have a reasonable understanding of the extended SOs.
- All should be aware that the SOs exist and what they contain
- You should always refer to the full version for clarity

Standing Orders and associated documents are extremely important. High standards of corporate and personal conduct are essential in the NHS. As the NHS is publicly funded, it is accountable to Parliament for the services it provides and for the effective and economical use of taxpayers' money. The Standing Orders, Standing Financial Instructions, procedures and the rules and instructions made under them provide a framework and support for the public service values which are essential to the work of the NHS of:

- Accountability – the ability to stand the test of Parliamentary scrutiny, public judgements on propriety and professional codes of conduct.
- Probity – an absolute standard of honesty in dealing with the assets of the Trust; integrity in decisions affecting patients, staff and suppliers, and in the use of information acquired in the course of NHS duties.
- Openness – transparency about NHS activities to promote confidence between the organisation and its staff, patients and the public.

Additional documents are:

- Standing Financial Instructions, which detail the financial responsibilities, policies and procedures to be maintained by the Trust.
- Schedule of Decisions Reserved to the Board of the Trust
- Scheme of Delegated Authorities, which sets out delegated levels of authority and responsibility

Standing Orders set out the ground rules within which Board directors and staff must operate in conducting the business of the Trust. Observance of them is mandatory. Such observance will mean that the business of the Trust will be carried out in accordance with the law, Government policy, the Trust's statutory duties and public service values. As well as protecting the Trust's interests, they will also protect staff from any possible accusation of having acted less than properly.

Trust Board membership

The Executive Directors of the Trust include:

- Chief Executive
- Chief Financial Officer, or equivalent
- Chief Medical Officer
- Chief Nursing Officer
- Chief Operating Officer

The Board may appoint additional Executive Directors, in crucial roles in the Trust, to be non-voting members of the Trust Board.

The Chairman and Non-Executive Directors of the Trust are appointed by the NHSI, on behalf of the Secretary of State for Health.

The regulations governing the period of tenure of office of the Chairman and Non-Executive Directors and the termination or suspension of office of the Chairman and Non-Executive Directors are contained in the Membership and Procedure Regulations and as directed by NHSI, under its delegated authority from Secretary of State for Health.

All directors shall subscribe and adhere at all times to the principles contained in the Trust's Policy "Standards of Business Conduct, incorporating conflicting interests, gifts and hospitality" (the Policy Standards of Business Conduct).

Trust Board meetings

Ordinary meetings of the Trust Board shall be held at regular intervals at such times and places as the Trust Board may from time to time determine. A minimum of six meetings shall be held each year.

An annual public meeting shall be held on or before 30th September in each year for the purpose of presenting audited accounts, annual reports and any report on the accounts.

The Trust Board may, by resolution, exclude the public from a part or the whole of a meeting whenever publicity would be prejudicial to public interest by reason of the confidential nature of the business to be transacted

Register of interests

The Company Secretary will ensure that a Register of Interests is established and maintained to record formally declarations of interests of directors. The Register of Interests will include details of all directorships and other relevant and material interests which have been declared by both executive and Non-Executive Directors.

Delegation of functions

The Trust Board shall agree from time to time to the delegation of specific powers to be exercised by committees or sub-committees, which it has formally constituted. The Trust Board shall approve the constitution and terms of reference of these committees and their specific powers.

Those functions of the Trust, which have not been retained as reserved by the Trust Board or delegated to a committee of the Trust Board, shall be exercised on behalf of the Trust Board by the Chief Executive. The Chief Executive shall determine which functions he will perform personally and shall nominate officers to undertake the remaining functions for which he will still retain accountability to the Trust Board.

Schedule of decisions reserved for the board – within full document

The Trust Board shall adopt a Schedule of Decisions Reserved for the Trust Board setting out the matters for which approval is required by the Trust Board.

Committees

1. **Audit and Assurance Committee**
2. **Remuneration and Nominations Committee**
3. **Charitable Funds Committee**
4. Quality Governance Committee
5. Finance and Performance Committee
6. People and Culture Committee