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**This Policy supersedes the following document which must now be destroyed:**

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| **Document Number** | **Title** |
| NTW(O)51 – V01 | Standing Financial Instructions |

**Standard Financial Instructions**

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**STATEMENT OF PURPOSE**

Standard Financial Instructions (SFIs) explain the financial responsibilities, Policies and Procedures to be adopted by the Trust. They are designed to ensure that its financial transactions are carried out in accordance with the Law, Government Policy, the Department of Health Guidelines and Policies laid down by the Independent Regulator (Monitor) of Foundation Trusts and Best Practice. This is in order to achieve probity, accuracy, economy, efficiency and effectiveness in the way in which the Trust manages public resources. They should be used in conjunction with the Decision Making Framework adopted by the Trust.

They identify the financial responsibilities which apply to everyone working for the Trust. They do not provide detailed procedural advice. These statements should therefore be read in conjunction with any detailed department or financial procedure notes, e.g. Practice Guidance Notes (PGN’s). All Financial Procedures must be approved by the Director of Finance.

**1** **Introduction**

1.1 These Standing Financial Instructions (SFIs) are issued for the regulation of the conduct of the Trust, its Directors, officers and agents in relation to all financial matters. They shall have effect as if incorporated into the Trust’s Standing Orders (SOs).

1.2 They explain the financial responsibilities, Policies and Procedures to be adopted by the Trust. They are designed to ensure that its financial transactions are carried out in accordance with the Law, Government Policy, the Department of Health Guidelines and Policies laid down by the Independent Regulator (Monitor) of Foundation Trusts and Best Practice. This is in order to achieve probity, accuracy, economy, efficiency and effectiveness in the way in which the Trust manages public resources. They should be used in conjunction with the Decision Making Framework adopted by the Trust.

1.1.3 They identify the financial responsibilities which apply to everyone working for the Trust. They do not provide detailed procedural advice. These statements should therefore be read in conjunction with any detailed Department or Financial Procedure Notes, e.g. Practice Guidance Notes. All Financial Procedures must be approved by the Director of Finance.

1.1.4 Should any difficulties arise regarding the interpretation or application of any of the Standing Financial Instructions then the advice of Director of Finance must be sought before acting.

**The failure to comply with Standing Financial Instructions (and Standing Orders) can in certain circumstances be regarded as a disciplinary matter that could result in dismissal.**

1.1.5 Overriding Standing Financial Instructions – If for any reason these Standing Financial Instructions are not complied with, full details of the non-compliance and any justification for non-compliance and the circumstances around the non-compliance shall be reported to the Director of Finance as soon as possible and a bi-annual summary of such non-compliance shall be reported to the Audit Committee.

**1.2** **Interpretation and Definition of Terms**

1.2.1 Interpretation and definitions are as follows:

* **“Accountable Officer"** means the NHS Officer responsible and accountable for funds entrusted to the Trust. The officer shall be responsible for ensuring the proper stewardship of public funds and assets. For this Trust it shall be the Chief Executive;
	+ - * **"Trust"** means the “Northumberland, Tyne and Wear NHS Foundation Trust”;
			* **"Board of Directors"** means the Chairman, executive and non-executive directors of the Trust collectively as a body;
			* **"Board Secretary"** means a person appointed to act independently of the Board of Directors to provide advice on corporate governance issues to the Board of Directors and the Chairman and monitor the Trust’s compliance with the Law, SOs, Department of Health Guidance and the Independent Regulator (Monitor);
			* **"Budget"** means a resource, expressed in financial terms, proposed by the Board of Directors for the purpose of carrying out, for a specific period, any or all of the functions of the Trust;
			* **“Budget Holder”** means the Director or employee with delegated authority to manage finances (Income and Expenditure) for a specific area of the organisation;
			* **"Chief Executive"** means the Chief Officer of the Trust;
			* **"Commissioning"** means the process for determining the need for and forobtaining the supply of healthcare and related services by the Trust within available resources;
			* **"Committee"** means a committee or sub-committee created and appointed by the Trust;
			* **"Committee Members"** means persons formally appointed by the Board of Directors to sit on or to chair specific Committees;
			* **"Contracting and Procuring"** means the systems for obtaining the supply of goods, materials, manufactured items, services, building and engineering services, works of construction and maintenance and for disposal of surplus and obsolete assets;
			* **"Director of Finance"** means the Chief Financial Officer of the Trust;
			* **"Executive Director**" means a member of the Trust who is an officer of the Trust;
			* **"Nominated Officer"** means an officer charged with the responsibility for discharging specific tasks within Standing Financial Instructions;
			* **"Non-Executive Director"** means a member of the Trust who is not an officer of the Trust;
		- **"Officer"** means employee of the Trust or any other person holding a paid appointment or office with the Trust;
			* **"SFIs"** means Standing Financial Instructions;
			* **"SOs"** means Standing Orders.

1.2.2 Wherever the title Chief Executive, Director or other nominated officer is used in these Instructions, this will include other officers who have been duly authorised to represent them.

**2 Duties, Accountabilities, Responsibilities and Delegation**

**2.1** **Principles**

2.1.1 The Board of Directors has resolved that certain powers and decisions may only be exercised by the Board of Directors in formal session. These are set out in the Decision Making Framework document. All other powers have been delegated to such Committees as the Trust has established. In addition, the Board of Directors will delegate responsibility for the performance of its functions in accordance with the Decision Making Framework.

2.1.2 Those aside, all powers are invested in the Chief Executive, who in turn will provide delegated powers to relevant officers. The Chief Executive and Director of Finance will, as far as possible, delegate their detailed responsibilities but they remain accountable for financial control.

2.1.3 The Decision Making Framework is a collection of schedules setting out various powers of authority including by post holders.

**2.2** **Chief Executive**

2.2.1 Within the Standing Financial Instructions it is acknowledged that the Chief Executive is ultimately accountable to the Board of Directors for ensuring that the Board of Directors meets its obligation to perform its functions within the available financial resources.

2.2.2 The Chief Executive has overall executive responsibility for the Trust’s activities and is responsible to the Board of Directors for ensuring that its financial obligations and targets are met. Further, the Chief Executive is recognised by Statute as the Accounting Officer of the Trust and as such is accountable to Parliament through the Regulator (Monitor), for all actions undertaken by the Trust.

**2.3** **Director of Finance**

2.3.1 The Director of Finance is responsible for all financial matters, and is required to:

(i) Implement the Trust’s Financial Policies and for coordinating any corrective action necessary to further these Policies;

(ii) Maintain 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;

(iii) Ensure that sufficient records are maintained to show and explain the Trust’s transactions, in order to disclose the financial position of the Trust at any one time,

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

(iv) The provision of financial advice to other members of the Board of Directors and employees;

(v) The design, implementation and supervision of systems of internal financial control;

(vi) 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.

**2.4 Board Secretary**

2.4.1 The Board Secretary is responsible for ensuring that documents within the Corporate Governance Manual, which includes Standing Financial Instructions, are kept up-to-date and any changes are made through the correct governance processes.

**2.5** **Corporate Responsibilities of all Trust Officers**

2.5.1 All Trust officers are severally and collectively responsible for:

(i) The security of the property of the Trust;

(ii) Avoiding loss;

(iii) Exercising economy and efficiency in the use of resources;

(iv) Conforming with the requirements of Standing Orders, Standing Financial Instructions, Financial Procedures and the Decision Making Framework as well as all Trust Policies and Procedures.

**2.6 Contractors and their Employees**

2.6.1 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 shall be covered by these instructions. It is the responsibility of the Chief Executive to ensure that such persons are made aware of this.

**3 Audit**

**3.1** **References**

3.1.1 The Board of Directors shall establish formal and transparent arrangements for considering how they should apply the financial reporting and internal control principles and for maintaining an appropriate relationship with the Trust’s Auditors. Monitor’s Audit Code for NHS Foundation Trustsand Monitor’s Code of Governance provide further guidance.

3.2 **Audit Committee**

3.2.1 In accordance with Standing Orders and the Regulator’s Code of Governance, the Board of Directors shall formally establish an Audit Committee with clearly defined Terms of Reference, which will provide an independent and objective view of the adequacy and effective operation of the organisation’s overall internal control system.

3.2.2 The Terms of Reference for the Audit Committee shall be considered as forming part of these Standing Financial Instructions.

3.3 **Internal Audit**

3.3.1 Internal Audit is an independent assurance function. The work of Internal Audit embraces the risk management, control and governance processes of the Trust including all its operations, resources, services, and responsibilities for other bodies. This includes considering compliance with behavioural and ethical expectations as well as compliance with established Policies, Procedures, Laws and Regulations. The overall objective of Internal Audit is to enable the Head of Internal Audit to deliver an audit opinion as specified by the Department of Health and the Accountable Officer, i.e. the annual Head of Internal Audit Opinion.

3.3.2 The Director of Finance is responsible for:

(i) Ensuring there are arrangements to review, evaluate and report on the effectiveness of internal financial control by the establishment of an internal audit function;

(ii) Ensuring that the internal audit is adequate and meets the mandatory audit standards;

(iii) Deciding at what stage to involve the police in cases of misappropriation and other irregularities;

(iv) Ensuring that an Annual Audit Report is prepared for the consideration of the Audit Committee covering:

(a) Progress against Plan over the previous year;

(b) Major internal financial control weaknesses discovered;

(c) Progress on the implementation of management actions from Internal Audit findings;

(d) Strategic Audit Plan covering the next three years;

(e) A detailed Plan for the coming year.

3.3.3 The Director of Finance or designated Auditors are entitled without necessarily giving prior notice to require and receive:

1. Access to all records, documents and correspondence relating to any financial or other relevant transaction, including documents of a confidential nature, e.g. work diaries;

(ii) Access at all reasonable times to any land, premises or officer of the Trust;

(iii) The production of any cash, stores or other property of the Trust under an officer’s control;

(iv) Explanations concerning any matter under investigation.

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

3.3.5 An Internal Audit representative will normally attend Audit Committee Meetings and have a right of access to all Audit Committee Members, the Chairman and Chief Executive of the Trust.

3.3.6 The Head of Internal Audit is accountable for the delivery of an agreed programme of work to the Director of Finance. As such, the Head of Internal Audit and designated officers have a right of access to members of the Audit Committee, the Chair and Chief Executive of the Trust as part of the role to develop Internal Audit’s contribution to the Assurance Process. The Head of Internal Audit and designated officers have an absolute right of access to all records, assets, personnel and premises, and authority to obtain such explanation and information as the Head of Internal Audit considers necessary to fulfil the assurance responsibilities of internal audit.

**3.4 External Audit**

3.4.1 The Trust is to have an External Auditor appointed (or removed) by the Council of Governors.

3.4.2 The External Auditor shall be provided every facility and all information which they may reasonably require for the purposes of their functions under Schedule 10 of the NHS Act 2006, and to comply with the FT Audit Code.

3.4.3 The External Auditor is to carry out his duties in accordance with any directions given by the Regulator (Monitor) on Standards, Procedures and Techniques to be adopted.

**3.5 Fraud, Bribery and Corruption**

3.5.1 In line with their responsibilities, the Chief Executive and the Director of Finance shall monitor and ensure compliance with guidance and directions on Fraud, Bribery and Corruption.

3.5.2 The Trust shall nominate a suitable person to carry out the duties of the Local Counter Fraud Specialist, as specified by Section 6 of the Health and Social Care Act 2012, who shall report to the Director of Finance.

3.5.3 The Local Counter Fraud Specialist has a right of access to the Director of Finance, the Audit Committee, the Chair and Chief Executive of the Trust, and has the same entitlement as a designated Auditor with regard to accessing records, premises, officers of the Trust, explanations, etc.

**4 Annual Planning, Budgets, Budgetary Control and Monitoring**

**4.1** **Annual Business Planning**

4.1.1 The Chief Executive, with the assistance of the Director of Finance, shall compile and submit to the Board of Directors and the Regulator (Monitor), Strategic and Operational Plans in accordance with the guidance issued about timing and the Trust’s financial duties within the Regulator’s Risk Assessment Framework.

4.1.2 The Operational Plan shall be reconcilable to regular updates of the financial proformas, which the Director of Finance will prepare and submit to the Board of Directors and the Regulator.

4.1.3 The Director of Finance will report to the Board of Directors any significant in-year variance from the Annual Plan and to advise the Board of Directors on the action to be taken.

4.1.4 The Director of Finance will also be required to compile and submit to the Board of Directors such financial estimates and forecasts, both revenue and capital, as may be required from time to time.

4.1.5 Officers shall provide the Director of Finance with all financial, statistical and other relevant information as necessary for the compilation of such business planning, estimates and forecasts.

**4.2** **Budgets, Budgetary Control and Monitoring**

4.2.1 The Director of Finance shall, in advance of the financial year to which they refer, prepare and submit budgets within the forecast limits of available resources and Planning Policies to the Board of Directors for its approval.

4.2.2 Budgets will be in accordance with the aims and objectives set out in the Trust’s Annual Plan.

4.2.3 The Director of Finance will devise and maintain systems of budgetary control incorporating the reporting of, and investigation into, financial, activity or workforce variances from budget. All officers whom the Board of Directors may empower to engage staff, to otherwise incur expenditure, or to collect or generate income, shall comply with the requirements of those systems.

4.2.4 The Director of Finance shall be responsible for providing budgetary information and advice to enable the Chief Executive and other officers to carry out their budgetary responsibilities.

4.2.5 The Chief Executive may delegate management of a budget or part of a budget to officers to permit the performance of defined activities.

The Decision Making Framework shall include a clear definition of individual and group responsibilities for control of expenditure. In carrying out those duties, the Chief Executive shall not exceed the budgetary limits set by the Board of Directors, and officers shall not exceed the budgetary limits set them by the Chief Executive.

4.2.6 Any funds not required for their designated purpose shall revert to the immediate control of the Chief Executive.

4.2.7 Expenditure for which no provision has been made in an approved budget and which is not subject to funding under the delegated powers of virement, shall only be incurred after authorisation by the Chief Executive or the Board of Directors as appropriate.

4.2.8 The Director of Finance shall keep the Chief Executive and Board of Directors informed of the financial consequences of changes in Policy, pay awards and other events and trends affecting budgets and shall advise on the financial and economic aspects of future plans and projects.

**5 Annual Accounts and Reports**

5.1 The Director of Finance will prepare financial returns in accordance with the guidance given by the Regulator (Monitor), the Financial Reporting Manual (FReM) and the Treasury, the Trust’s Accounting Policies and International Financial Reporting Standards.

5.2 The Director of Finance will prepare Annual Accounts which must be certified in accordance with current guidelines. The Director of Finance will submit them along with, any reports issued by the Trust’s Auditor, to the Regulator and arrange for them to be laid before Parliament.

5.3 The Trust’s Annual Accounts must be audited by an Auditor appointed by the Council of Governors in accordance with the appointment process set out in the Audit Code for NHS Foundation Trusts and the Code of Governance issued by the Regulator.

5.4 The Trust will publish an Annual Report, in accordance with guidelines on local accountability and present it at a public meeting of the Council of Governors.

5.5 The Annual Report will be laid before Parliament, with the annual accounts.

**6** **Bank and Government Banking Services (GBS) Accounts**

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

 This advice will take into account guidance and directions issued from time to time by the Regulator (Monitor). The Board of Directors shall approve the banking arrangements.

6.2 The Director of Finance is responsible for all banking accounts and Government Banking Services (GBS) accounts and for establishing separate bank accounts for the Trust’s non-Government funds, where applicable.

6.3 The Director of Finance is responsible for ensuring payments from bank or GBS accounts do not exceed the amount credited to the account except where arrangements have been made. Further he / she must report to the Board of Directors all arrangements with the Trust’s bankers for accounts to be overdrawn.

6.4 The Director of Finance will prepare detailed instructions on the operation of bank and GBS accounts which must include the conditions under which each bank and GBS account is to be operated, the limit to be applied to any overdraft and those authorised to sign cheques or other orders drawn on the Trust’s accounts.

6.5 The Director of Finance must advise the Trust’s bankers in writing of the condition under which each account will be operated.

6.6 The Director of Finance will review the banking arrangements of the Trust at regular intervals to ensure they reflect best practice and represent best value for money by periodically seeking competitive tenders for the Trust’s banking business.

**7 Income, Fees, Security of Cash, Cheques, etc**

7.1.1 The Director of Finance is responsible for designing, maintaining and ensuring compliance with systems for the proper recording, invoicing, collection and coding of all monies due, including income from other NHS bodies. The Director of Finance is also responsible for the prompt banking of all monies received.

7.1.2 The Director of Finance is responsible for approving and regularly reviewing the level of all fees and charges other than those determined by the Department of Health or Statute. Independent professional advice on matters of valuation shall be taken as necessary.

7.1.3 All officers must inform the Director of Finance promptly (or the appropriate officer in the Finance Department) of money due arising from transactions and the Director of Finance must have access to all supporting documentation.

7.1.4 The Director of Finance is responsible for the appropriate recovery action on all outstanding debts. Income not received should be dealt with in accordance with Losses Procedures.

7.1.5 The Director of Finance is responsible for approving the form of all receipt books, agreement forms, or other means of officially acknowledging or recording monies received or receivable. This includes the ordering and securely controlling any such stationery.

7.1.6 The Director of Finance is responsible for the provision of adequate facilities and systems for officers, 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.

7.1.7 The Director of Finance is responsible for Prescribing Systems and Procedures for handling cash and negotiable securities on behalf of the Trust.

7.1.8 Official money shall not under any circumstances be used for the encashment of private cheques or I.O.U.s.

7.1.9 All cheques, postal orders, cash etc., shall be banked intact. Disbursements shall not be made from cash received, except under arrangements approved by the Director of Finance.

7.1.10 The holders of safe keys shall not accept unofficial funds for depositing in their safe unless such deposits are in sealed envelopes (signed and dated across the seal) or lockable 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.

**7.2** **Money Laundering**

7.2.1 The Trust has a responsibility to report any suspicions of money laundering to the appropriate authorities. Any significant payments made in the form of cash which appear unusual in their nature should be reported to the Director of Finance for further review.

**8 Contracts, Tenders and Healthcare Service Agreements**

**8.1** **Principles**

8.1.1 The instructions in this Section concern purchasing decisions for goods and services required where the Trust needs to enter formal Tendering and Contractual arrangements

8.1.2 The Director of Finance shall advise the Board of Directors regarding the setting of thresholds above which Quotations or formal Tenders must be obtained. This will take into account legal requirements to comply with EU rules on procurement.

8.1.3 The Director of Finance shall be responsible for establishing procedures to ensure that competitive Quotations and Tenders are invited for the supply of goods and services under contractual arrangements wherever possible.

8.1.4 The Director of Finance shall ensure that a Register is established and maintained by the Board Secretary of all formal paper based Tenders.

8.1.5 EU directives governing procurement shall have effect as if incorporated into these Standing Financial Instructions.

8.1.6 The Trust will give first consideration to the utilisation of any National Frameworks or contracts which are in place as a first course of action before exploring open market Tendering and Quotations.

8.1.7 Quotation opportunities will be available for purchases in line with the financial limits detailed below and will be made available to local small or medium Enterprises whenever this is possible.

* Formal Tenders will normally be undertaken where the intended expenditure exceeds £50,000 (exclusive of VAT). Whenever possible sub-OJEU Tendering opportunities will be advertised on the Government’s Contracts Finder website;
* Tenders in excess of OJEU thresholds will be advertised in the European Journal and shall be ran in full compliance with the European and UK Procurement Regulations;
* Quotations will normally be undertaken where formal Tendering Procedures are not adopted and where the intended expenditure or income exceeds £10,000 (exclusive of VAT) but not exceeding £49,999 (exclusive of VAT).

8.1.8 The Trust will commit to ensuring that its procurement processes will:

1. Be fair and open;
2. Encourage providers from all sectors to participate in tendering opportunities;
3. Deliver safe, high quality services which offer value for money and are fit for purpose; and
4. Promote competition where appropriate.

**8.2** **Formal Competitive Tendering**

8.2.1 The Trust shall ensure that competitive Tenders are invited for:

(i) The supply of goods, materials and manufactured articles;

(ii) The rendering of services including all forms of Management Consultancy Services;

(iii) For the design, construction and maintenance of building and engineering works (including construction and maintenance of grounds and gardens);

(iv) Disposals.

**8.3** **Health Care Services**

8.3.1 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. Contracts with other Foundation Trusts’, being Public Benefit Corporations, are legally binding and are enforceable in law.

8.3.2 The Chief Executive shall nominate officers to commission Service Agreements with providers of healthcare in line with a Commissioning Plan approved by the Board of Directors.

8.3.3 Where the Trust elects to invite Tenders for the supply of Healthcare Services these Standing Financial Instructions shall apply as far as they are applicable to the Tendering Procedure.

8.3.4 Formal Tendering Procedures need not be applied where:

(i) The estimated expenditure or income does not, or is not reasonably expected to exceed £50,000 exclusive of VAT;

(ii) Nationally agreed NHS Contract exists;

1. Contracts negotiated by locally agreed collaborative arrangements;

(iv) The Department of Health’s centralised procurement method for publicly funded NHS Capital Schemes, is used;

(iv) Disposals as set out in Standing Financial Instruction Number 8.14 is concerned.

8.3.5 Formal Tendering Procedures **may be waived** in the following circumstances, although approval is not to be regarded as automatic and each case shall be treated on its own merit:

(i) In very exceptional circumstances where the Chief Executive or the Director of Finance decides that formal Tendering Procedures would not be practicable or the estimated expenditure or income would not warrant formal tendering procedures, and the circumstances are detailed in an appropriate Trust record;

1. Where the requirement is covered by an existing contract;
2. Where National agreed Contracts are in place;

(iv) Where a consortium arrangement is in place and a lead organisation has been appointed to carry out tendering activity on behalf of consortium members;

(v) Where the timescale genuinely precludes competitive tendering. Failure to plan the work properly would not be regarded as a justification for a single Tender;

(vi) Where specialist expertise is required and is available from only one source**;**

(vii) 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;

(viii) 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;

(ix) For the provision of legal advice and services providing that any legal firm or partnership commissioned by the Trust is regulated by the Law Society for England and Wales for the conduct of their business (or by the Bar Council for England and Wales in relation to the obtaining of Counsel’s opinion) and are generally recognised as having sufficient expertise in the area of work for which they are commissioned.

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

8.3.6 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.

8.3.7 Where the Chief Executive or the Director of Finance agree that Competitive Tendering is not applicable and should be waived, the fact of the waiver and the reasons should be documented in an appropriate Trust record held by the Supplies Manager. A bi-annual summary of such waivings shall be reported to the Audit Committee. However, an individual waiving shall be reported to the next Audit Committee where in the opinion of the Chief Executive or Director of Finance the circumstances of the waiver could be regarded as contentious or unique.

8.3.8 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. If these items exceed the EU thresholds and the value is materially in excess of these limits (i.e. 10%) then the items would need to be re-tendered through OJEU and such action formally recorded in the Tender Register.

**8.4** **Contracting / Tendering Procedure**

**8.4.1** **Invitation to Tender (Paper Based Tendering)**

(i) All Invitations to Tender shall state the date and time as being the latest time for the receipt of Tenders;

(ii) All Invitations to Tender shall state that no Tender will be accepted unless:

1. It is submitted in a plain sealed package or envelope bearing a pre-printed label supplied by the Trust (or the word “Tender” followed by the subject to which it relates) and the latest date and time for the receipt such Tender addressed to the Chief Executive or nominated officer;

(b) In circumstances where the Tendering Process is outsourced to another Trust or organisation, and Tenders are received and documentation processed on the Trust’s behalf, the Trust must ensure that robust and approved Procedures and Protocols are in place at the “hosting” organisation. All original Tender documents must be returned to the Trust once the Tender Process has been completed and an award has been made. All outsourced tendering organisations must also comply with and sign the Trust’s own Confidentiality Agreement prior to the commencement of any work undertaken on behalf of the Trust;

(c) The Tender envelopes / packages shall be free from any names or marks indicating the sender. The use of Courier / Postal Services must not identify the sender on the envelope or any receipt so required by the deliverer.

(iii) Every Tender for goods, materials, services or disposals shall embody such of the NHS Standard Contract Conditions as are applicable;

(iv) Every Tender for building or engineering works (except for maintenance work, when Estmancode Guidance shall be followed) shall embody or be in the terms of the current edition of one of the Joint Contracts Tribunal Standard Forms of Building Contract or Department of Environment (GC / Wks) standard forms of contract or, the General Conditions of Contract recommended by the Institution of Mechanical and Electrical Engineers and the Association of Consulting Engineers, or the NEC suite of contracts published by the Institute of Civil Engineers, the Association of Consulting Engineers and the Federation of Civil Engineering Contractors. These documents shall be modified and / or amplified to accord with Department of Health Guidance and, in minor respects, to cover special features of individual projects.

**8.4.2 Invitation to Tender (Electronic Tendering)**

(i) All Invitations to Tender shall state the date and time as being the latest time for the receipt of Tenders;

(ii) All Invitations to Tender shall be electronic;

1. All Tenders are returned to the Trust’s Integrated eBusiness System and held until the specified completion date and time of Tender Submission;

(iv) Every Tender for goods, materials, services or disposals shall embody such of the NHS Standard Contract Conditions as are applicable;

(v) Every Tender for building or engineering works (except for maintenance work, when Estmancode guidance shall be followed) shall embody or be in the terms of the current edition of one of the Joint Contracts Tribunal Standard Forms of Building Contract or Department of Environment (GC / Wks) standard forms of contract or, the General Conditions of Contract recommended by the Institution of Mechanical and Electrical Engineers and the Association of Consulting Engineers, or the NEC suite of contracts published by the Institute of Civil Engineers, the Association of Consulting Engineers and the Federation of Civil Engineering Contractors. These documents shall be modified and / or amplified to accord with Department of Health guidance and, in minor respects, to cover special features of individual projects.

**8.4.3** **Receipt and Safe Custody of Tenders (Paper Based Tendering)**

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

8.4.3.2 The date and time of the receipt of each Tender shall be entered in the Tender Record. In addition, the envelope relating to the late receipt shall be retained until after the final award.

**8.4.4** **Receipt and Safe Custody of Tenders (Electronic Tendering)**

8.4.4.1 The Contracts and Business Development Manager or his nominated representative will be responsible for the receipt, endorsement and safe custody of electronic Tenders received until the time appointed for their opening.

8.4.4.2 The date and time of the receipt of each Tender shall be endorsed electronically.

**8.4.5** **Opening Tenders and Register of Tenders (Paper Based Tendering)**

1. As soon as practicable after the date and time stated as being the latest time for the receipt of Tenders, they shall be opened by two senior managers designated by the Chief Executive;

(ii) A member of the Board of Directors will be required to be one of the two approved persons present for the opening of Tenders. The rules relating to the opening of Tenders will need to be read in conjunction with any delegated authority set out in the Trust’s Decision Making Framework;

(iii) The ‘originating’ Department will be taken to mean the Department sponsoring or commissioning the Tender;

(iv) The involvement of the Finance Department staff in the preparation of a Tender proposal will not preclude the Director of Finance or any approved Senior Manager from the Finance Department from serving as one of the two Senior Managers to open Tenders;

(v) All Executive Directors will be authorised to open Tenders regardless of whether they are from the originating Department provided that the other authorised person opening the Tenders with them is not from the originating Department.

The Board Secretary will count as a Director for the purposes of opening Tenders.

(vi) Every Tender received shall be marked with the date of opening and initialled by those present at the opening;

(viii) A Register shall be maintained by the Chief Executive or a person authorised by him / her, to show for each set of competitive Tender Invitations despatched:

(a) The name of all firms / individuals invited;

(b) The names of firms / individuals from which Tenders have been received;

(c) The date the Tenders were opened;

(d) The persons present at the opening;

(e) The price shown on each Tender; a note where price alterations have been made on the tender;

(f) Fitness for purpose (quality);

(g) Delivery and availability (against price);

(h) Whole life costs or the cost of ownership (maintenance / running costs);

(i) On cost (storage and transport);

(j) The cost of procurement itself (the time spent on the purchase, invoicing, etc.).

Each entry to this Register shall be signed by those present.

A note shall be made in the Register if any one Tender price has had so many alterations that it cannot be readily read or understood.

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

**8.4.6** **Opening Tenders and Register of Tenders (Electronic Tendering)**

1. As soon as practicable after the date and time stated as being the latest time for the receipt of Tenders, they shall be opened by the nominated Procurement Staff Member;

(ii) All Procurement Staff Members will have separate individual passwords;

(iii) Tenders are unable to be accessed until after the closing date;

(iv) Tenders can only be opened by authorised Procurement Staff Members;

(v) All actions are recorded electronically to include date, time and individual;

1. Electronic Register shall be maintained by the Procurement Department to show for each set of Competitive Tender Invitations despatched:
2. The name of all firms / individuals invited;

(b) The names of firms / individuals from which Tenders have been received;

(c) The date the Tenders were received;

(d) The Procurement Staff Member who opened the Tender.

(e) Procurement Staff will process the Tenders once opened as governed by OJEU legislation and Trust Procedures.

(vi) A full audit trail shall be maintained electronically.

**8.4.7** **Admissibility**

8.4.71 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.

8.4.7.2 Where only one Tender is sought and / or received the Chief Executive and Director of Finance shall, as far as practicable, ensure that the price to be paid is fair and reasonable and will ensure value for money for the Trust.

**8.4.8** **Late Tenders**

(i) Tenders received after the due time and date, but prior to the opening of the other Tenders, may be considered only if the Chief Executive or his / her nominated officer decides that there are exceptional circumstances i.e. despatched in good time but delayed through no fault of the tenderer.

(ii) Only in the most exceptional circumstances will a Tender be considered which is received after the opening of the other tenders and only then if the Tenders that have been duly opened have not left the custody of the Chief Executive or his / her nominated officer or if the process of evaluation and adjudication has not started.

(While decisions as to the admissibility of late, incomplete or amended tenders are under consideration, the Tender documents shall be kept strictly confidential, recorded, and held in safe custody by the Chief Executive or their nominated officer).

**8.4.9** **Acceptance of Formal Tenders**

(i) Any discussion with a tenderer which are deemed necessary to clarify technical aspects of the Tender before the award of a contract will not disqualify the Tender;

1. 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. Such reasons shall be set out in the contract file, or other appropriate record.

It is accepted that for many requirements, the lowest prices 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;

(e) Quality and durability of proposed solution.

Where other factors are taken into account in selecting a tenderer, the Trust will select the Most Economically Advantageous Tender (MEAT) using the evaluation criteria and weightings documented in the tender document. The scoring and reasoning behind this will be recorded in the contract file.

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

(iv) The use of these procedures must demonstrate that the award of the Contract was:

(a) Not in excess of the going market rate / price current at the time the contract was awarded;

(b) That best value for money was achieved;

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

**8.5 Tender Reports to the Board of Directors**

8.5.1 Reports to the Board of Directors will be made on an exceptional circumstances basis only.

**8.6** **Building and Engineering Construction Works**

1. Invitations to Tender shall be made only to firms included on the Approved List of Tenderers compiled in accordance with this instruction or on the separate maintenance lists compiled in accordance with Trust Guidance;

(ii) Firms included on the Approved List of Tenderers shall ensure that when engaging, training, promoting or dismissing officers or in any conditions of employment, shall not discriminate against any person because of colour, race, ethnic or national origins, religion or sex, and will comply with the provisions of the Equal Pay Act 1970, the Sex Discrimination Act 1975, the Race Relations Act 1976, and the Disabled Persons (Employment) Act 1944 and any amending and / or related legislation;

(iii) Firms shall conform at least with the requirements of the Health and Safety at Work Act and any amending and / or other related legislation concerned with the health, safety and welfare of workers and other persons, and to any relevant British Standard Code of Practice issued by the British Standard Institution. Firms must provide the appropriate manager with a copy of its Safety Policy and evidence of the safety of plant and equipment, when requested;

**8.7** **Financial Standing and Technical Competence of Contractors**

8.7.1 The Director of Finance may make or institute any enquiries they deem appropriate concerning the financial standing and financial suitability of approved contractors. The Director with lead responsibility for clinical governance will similarly make such enquiries as is felt appropriate to be satisfied as to their technical / medical competence.

**8.8** **Quotations: Competitive and Non-Competitive**

**8.8.1** **General position on Quotations**

8.8.1.1 Quotations are required where formal Tendering Procedures are not adopted and where the intended expenditure or income exceeds, or is reasonably expected to exceed £10,000 exclusive of VAT but not exceeding £50,000 exclusive of VAT.

**8.8.2** **Competitive Quotations**

(i) Quotations should be obtained from at least three firms / individuals based on specifications or terms of reference prepared by, or on behalf of, the Trust;

(ii) Quotations should be in writing, unless the Chief Executive or his nominated officer determines that it is impractical to do so in which case Quotations may be obtained by telephone. Written confirmation of Telephone Quotations should be obtained as soon as possible and the reasons why the Telephone Quotation was obtained should be set out in a permanent record;

(iii) All Quotations should be treated as confidential and should be retained for inspection and attached to the order for the goods or services;

(iv) The Chief Executive or his nominated officer should evaluate the Quotation and select the quote which gives the best value for money. If this is not the lowest Quotation if payment is to be made by the Trust, or the highest if payment is be made to the Trust, then the choice made and the reasons why should be recorded in a permanent record;

1. The responsible officer should maintain a record of Quotations;

(vii) Quotations are required for salary sacrifice schemes, and as total expenditure cannot be known in advance without information on the future uptake, the Quotation should include seeking the cost of the management fee and a standard package of items, so that a meaningful comparison can take place using pre-determined criteria.

**8.8.3** **Non-Competitive Quotations**

8.8.3.1 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 in 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 as a matter of urgency and are not obtainable under existing contracts;

(iii) Where the goods or services are for building and engineering maintenance the responsible works manager must certify that the first two conditions of this Standing Financial Instruction ((i) and (ii) above) apply.

**8.9** **Authorisation of Tenders and Competitive Quotations**

8.9.1 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 to be decided by the following officers:

* Board of Directors;
* Chief Executive;
* Director of Finance;
* Designated Budget Holders.

8.9.2 The levels of authorisation are in the Decision Making Framework. Formal authorisation must be put in writing. In the case of authorisation by the Board of Directors this shall be recorded in the minutes.

8.9.3 Prior to a Contract being signed off, the authoriser should ensure that the Supplies Department are aware of the Contract and have had sight of the Contract to ensure its reasonableness.

**8.10** **Instances where Formal Competitive Tendering or Competitive Quotation are not required**

8.10.1 Where Competitive Tendering or a Competitive Quotation is not required the Trust should adopt one of the following alternatives:

(i) The Trust shall use the NHS Supply Chain or nationally agreed contracts for procurement of all goods and services unless the Chief Executive or nominated officers deem it inappropriate or better value for money can be obtained elsewhere. The decision to use alternative sources must be documented;

(ii) If the Trust does not use the NHS Supply Chain or nationally agreed contracts where Tenders or Quotations are not required, the Trust shall procure goods and services in accordance with Procurement Procedures approved by the Director of Finance;

**8.11** **Private Finance Initiative (PFI) Funding**

8.11.1 When the Board of Directors wish to use Private Funding Initiative the following should apply:

(i) The Chief Executive shall demonstrate that the use of Private Funding Initiative represents value for money and genuinely transfers risk to the private sector;

(ii) The proposal must be specifically agreed by the Board of Directors;

(iii) The selection of a contractor / finance company must be on the basis of Competitive Tendering or Quotations.

**8.12** **Compliance Requirements for all Contracts**

8.12.1 The Board of Directors may only enter into Contracts on behalf of the Trust within the statutory powers delegated to it and shall comply with:

(i) The Trust’s Standing Orders and Standing Financial Instructions;

1. EU directives and other Statutory provisions;

(iii) Contracts with NHS Foundation Trusts must be in a form compliant with appropriate NHS Guidance;

(iv) 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;

(v) In all Contracts made by the Trust, the Board of Directors shall endeavour to obtain best value for money by use of all systems in place. The Chief Executive shall nominate an officer who shall oversee and manage each Contract on behalf of the Trust.

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

8.13.1 The Chief Executive shall nominate officers with delegated authority to enter into Contracts of Employment, regarding Staff, Agency Staff or Temporary Staff Service Contracts.

**8.14** **Disposals (see overlap with Standing Financial Instruction 8.3.4)**

8.14.1 Competitive Tendering or Quotations Procedures shall not apply to the disposal of:

(i) 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 their nominated officer;

(ii) Obsolete or condemned articles, which may be disposed of in accordance with the Supplies Policy of the Trust;

(iii) Items to be disposed of with an estimated sale value of less than £10,000 exclusive of VAT for Quotations and £50,000 exclusive of VAT for Tenders, this figure to be reviewed on a periodic basis;

(iv) Items arising from works of construction, demolition or site clearance, which should be deal with in accordance with the relevant contract;

(v) Land or buildings concerning which DH Guidance has been issued but subject to compliance with such Guidance;

(vi) Land or buildings concerning which DH Guidance has been issued but subject to compliance with such Guidance.

**8.15 In-House Services**

8.15.1 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.

8.15.2 In all cases where the Board of Directors determines that In-House Services should be subject to Competitive Tendering the following groups shall be set up:

(i) Specification Group, comprising the Chief Executive or nominated officer/s and specialist;

(ii) In-House Tender Group, comprising a nominee of the Chief Executive and technical support;

(iii) Evaluation Team, comprising normally a Specialist Officer, a Supplies Officer and a Director of Finance representative;

8.15.3 All groups should work independently of each other and individual officers may be members of more than one group but no member of the In-House Tender Group may participate in the evaluation of Tenders.

8.15.4 The Evaluation Team shall make recommendations to the Board of Directors.

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

**8.16** **Applicability of Standing Financial Instructions on Tendering and Contracting for Funds held on Trust including Charitable Funds**

8.16.1 These Instructions shall not only apply to expenditure of revenue funds but also to works, services and goods purchased from the Charitable Funds or any funds held on Trust.

**9 Terms of Service and Payment of Directors and Employees**

**9.1** **Remuneration Committee**

9.1.1 In accordance with Standing Orders and Monitor’s Code of Governance, the Board of Directors shall establish a Remuneration Committee, with clearly defined Terms of Reference, specifying which posts fall within its area of responsibility, its composition and the arrangements for reporting.

9.1.2 The Terms of Reference shall be considered as forming part of these Standing Financial Instructions.

**9.2** **Funded Establishment**

9.2.1 The Manpower Plans incorporated within the annual budget will form the funded establishment.

9.2.2 The funded establishment of any department may not be varied without the approval of the Chief Executive in consultation with the Director of Finance.

**9.3 Contracts of Employment**

9.3.1 The Board of Directors shall delegate responsibility to an officer for:

(i) Ensuring that all officers are issued with a Contract for Employment in a form approved by the Board of Directors and which complies with employment legislation;

(ii) Dealing with variations to, or termination of, Contracts of Employment.

**9.4 Payroll**

9.4.1 The Director of Finance in conjunction with the Director of Workforce and Organisational Development shall make arrangements for the provision of Payroll Services to the Trust to ensure the accurate determination of any entitlement and to enable prompt and accurate payment to officers.

9.4.2 The Director of Finance in conjunction with the Director of Workforce and Organisational Development shall be responsible for establishing procedures covering advice to managers on the prompt and accurate submissions of payroll data to support the determination of pay including where appropriate, timetables and specifications for submission of properly authorised notification of new officers, leavers and amendments to standing pay data and terminations.

9.4.3 The Director of Finance in conjunction with the Director of Workforce and Organisational Development is responsible for ensuring that instructions for the following exist, whether the payroll is provided in-house or externally:

(i) Specifying timetables for submission of properly authorised time records and other notifications;

(ii) The final determination of pay and allowances;

(iii) Making payment on agreed dates;

(iv) Agreeing method of payment.

9.4.4 The Director of Finance in conjunction with the Director of Workforce and Organisational Development will issue instructions regarding:

(i) Verification and documentation of data;

(ii) The timetable for payment of officers and allowances;

(iii) Maintenance of subsidiary records for superannuation, income tax, social security and other authorised deductions from pay;

(iv) Security and confidentiality of payroll information;

(v) Checks to be applied to the completed payroll before and after payment;

(vi) Authority to release payroll data under the provisions of the Data Protection Act;

(vii) Procedures for payment by bank credit or cheque to officers. It is expected that all staff will be paid by bank credit;

(viii) Procedures for the recall of cheques and bank credits;

(ix) Pay advances and their recovery;

(x) Maintenance of regular and independent reconciliation of payroll control accounts;

(xi) Separation of duties for preparing records and handling payments;

(xii) A system to ensure the recovery of sums of money and property from those leaving the employment of the Trust.

9.4.5 Appropriately nominated managers must have delegated responsibility for:

(i) Submitting correctly completed and authorised time records and other notifications in accordance with agreed timetables;

(ii) Completing time records and other notifications in accordance with the instructions of the Director of Finance and the Director of Workforce and Organisational Development and in the form prescribed by the Director of Finance in conjunction with the Director of Workforce and Organisational Development;

(iii) Submitting Termination Forms in the prescribed form immediately upon knowing the effective date of an officer’s resignation, termination or retirement. Where an officer fails to report for duty or to fulfil obligations in circumstances that suggest they have left without notice, the Director of Finance and Director of Workforce and Organisational Development or nominated officer must be informed immediately.

9.4.6 Regardless of the arrangements for providing the Payroll Service the Director of Finance in conjunction with the Director of Workforce and Organisational Development shall ensure that the chosen method is supported by appropriate (Contracted) Terms and Conditions, adequate internal controls and audit review procedures and that suitable arrangements are made for the collection of payroll deductions and payment of these to appropriate bodies.

**9.5** **Advances of Pay**

9.5.1 Advances of pay will only be made in exceptional circumstances. The Director of Finance in conjunction with the Director of Workforce and Organisational Development will prepare detailed procedural instructions.

**9.6** **Loans**

9.6.1 The Trust will only extend loans towards approved schemes agreed by the Trust, e.g. Salary Sacrifice Schemes.

9.6.2 The Director of Finance in conjunction with the Director of Workforce and Organisational Development will prepare detailed procedural instructions.

9.6.3 The Director of Finance in conjunction with the Director of Workforce and Organisational Development will issue detailed procedures covering payments to staff.

**9.7** **Staff Appointments**

9.7.1 No member of the Board of Directors or officer may engage, re-engage or re-grade officers, either on a permanent or temporary nature or hire agency staff, or agree to changes in any aspect of remuneration:

(i) Unless authorised to do so by the Chief Executive;

(ii) Within the limit of their approved budget and funded establishment.

9.7.2 The Board of Directors will approve procedures presented by the Chief Executive or nominated officer for the determination of commencing pay rates, conditions of service, etc., for officers.

**9.8** **Staff Expenses**

9.8.1 The Director of Finance in conjunction with the Director of Workforce and Organisational Development shall be responsible for establishing procedures for the management of expense claims submitted by Trust officers on forms approved by the Director of Finance in conjunction with the Director of Workforce and Organisational Development. The Director of Finance in conjunction with the Director of Workforce and Organisational Development shall arrange in most cases for duly approved expense claims to be processed locally or via the Trust Payroll provider. Expense claims shall be authorised in accordance with the Decision Making Framework.

9.8.2 Expenses should be claimed monthly. Any claims older than three months will not be paid unless approval is obtained from the appropriate director.

**10 Non-Pay Expenditure**

**10.1** **Delegation of Authority**

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

10.1.2 The Council of Governors is responsible for approving “significant transactions” as defined in the Trust Constitution.

10.1.3 The Chief Executive will set out:

(i) The list of managers who are authorised to place requisitions for the supply of goods and services;

1. The financial limits for requisitions and the system for authorisation above that level.

10.1.4 The Director of Finance shall set out procedures on the seeking of professional advice regarding the supply of goods and services.

**10.2** **Choice, Requisitioning, Ordering, Receipt and Payment for Goods and Services**

10.2.1 The requisitioner, in choosing the item to be supplied or the service to be performed, shall always obtain best value for money for the Trust. In so doing, the advice of the Trust’s responsible officer shall be sought.

10.2.2 Payment of contract invoices shall be in accordance with contract terms. The Director of Finance must be provided with a copy of all contracts involving payment.

10.2.3 The Director of Finance will:

(i) Advise the Board of Directors regarding the setting of thresholds above which Quotations (competitive or otherwise) or formal Tenders must be obtained. Once approved, the thresholds should be reviewed annually;

(ii) Prepare detailed procedures for requisitioning, ordering, receipt and payment of goods, works and services;

(iii) Be responsible for the prompt payment of all properly authorised accounts and claims;

(iv) Be responsible for designing and maintaining a system of verification, recording and payment of all amounts payable.

The system shall provide for:

(a) Certification that:

• Goods / services 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 expense, 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, price and the charges for the use of vehicles, plant and machinery have been examined;

• Where appropriate, the expenditure is in accordance with regulations and all necessary authorisations have been obtained;

• The account is arithmetically correct;

• The account is in order for payment.

(b) A system for submission to the Director of Finance of accounts for payment; provision shall be made for the early submission of accounts subject to cash discounts or otherwise requiring early payment;

(c) A list of officers, including specimens of their signatures, authorised to certify any type of payment. It is the responsibility of budget holders to inform the Director of Finance of changes to authorised officers;

(d) Instructions to officers regarding the handling and payment of accounts within the Finance Department;

(e) The delegation of responsibility for ensuring that payment for goods and services is only made once the goods / services are received, except where 10.2.4 below applies;

(f) All invoices must be addressed to the Accounts Payable Department and not to individual officers, wards or departments. Under no circumstances will invoices be paid on behalf of third parties.

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

(i) The financial advantages must outweigh the disadvantages i.e. cash flows must be discounted to Net Present Value (NPV);

(ii) The appropriate director must provide in the form of a written report, a case setting out all the 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 their commitments;

(iii) The Director of Finance will need to be satisfied with the proposed arrangements before contractual arrangements proceed;

(iv) The budget holder is responsible for ensuring that all items due under a prepayment contract are received and they must immediately inform the Director of Finance if problems are encountered.

10.2.5 Official orders must:

(i) Be consecutively numbered;

(ii) Be in a form approved by the Director of Finance;

(iii) State the Trust’s Terms and Conditions of trade;

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

10.2.6 Officers must comply fully with the procedures and limits specified by the Director of Finance, ensuring that:

(i) All contracts, leases, tenancy agreements and any other commitments which may result in a liability are notified and a copy sent to the Director of Finance in advance of any commitment being made;

(ii) Contracts above specified thresholds are advertised and awarded in accordance with EU rules on public procurement;

(iii) Where consultancy advice is being obtained, the procurement of such advice must be in accordance with the Trust’s Protocol for contracting with management consultants;

(iv) No order shall be issued for any item or items to any firm that has made an offer of gifts, reward or benefit to Directors or officers, other than exceptions detailed in the Trust’s Standards for Business Conduct and Conflicts of Interest Policy;

(v) No requisition / order (including the use of purchasing cards) is placed for any item / service for which there is no budget provision unless authorised by the Director of Finance;

(vi) The Director of Finance shall determine that no goods, services or works, other than works and services executed in accordance with a contract and agreed exceptions, e.g. utility services, shall be ordered except on an official order, raised following receipt by the Purchasing and Supplies Office of a properly authorised requisition, and contractors / suppliers shall be notified that they should not accept orders unless on an official order form;

1. They adhere to the procedures regarding verbal orders developed by the Director of Finance. These shall be issued only in cases of emergency by the Purchasing and Supplies Office following receipt of a properly completed requisition. The Purchasing and Suppliers Office will place the verbal order and then issue an official order marked ‘confirmation order’ no later than the next working day;

(viii) Orders are not split or otherwise placed in a manner devised so as to circumvent the financial thresholds;

(ix) Purchases from Petty Cash are restricted in value and by type of purchase in accordance with instructions issued by the Director of Finance. Petty Cash Records are to be maintained in a form as determined by the Director of Finance.

10.2.7 Goods and services for which Trust or National Contracts are in place should be purchased within those Contracts. Any purchasing request made outside such Contracts must be referred, in the first instance, to the responsible officer for approval.

10.2.8 The Chief Executive and Director of Finance shall ensure that the arrangements for financial control and financial audit of Building and Engineering Contracts and property transactions comply with the Guidance contained within Concode and Estatecode. The technical audit of these Contracts shall be the responsibility of the Director responsible for the Estates function.

**10.3** **The Trust Seal**

10.3.1 The seal is a corporate signature and may be interchangeable with the words “for and on behalf of the Trust” and its use indicates that the document is important and / or valuable.

10.3.2 A seal must be used in the conveyancing of land and may be used in Legal Agreements and Licences or when a seal is requested by the other party.

10.3.3 The Trust shall apply the following arrangements:

1. The seal of the Trust shall be kept by the Board Secretary in a secure place;
2. Where it is necessary that a document shall be sealed, the seal shall be affixed in the presence of two Senior Managers duly authorised by the Chief Executive, and not also from the originating Department, and shall be attested by them;
3. The Board Secretary shall maintain a Register for keeping a record of the sealing of every document.

**11 Investments, External Borrowing and Public Dividend Capital**

11.1 **Investments**

11.1.1 The Director of Finance will produce an Investment Policy in accordance with any guidance received from the Regulator (Monitor), for approval by the Board of Directors. Investment may include investment made by forming or participating in forming, bodies corporate and / or otherwise acquiring membership of bodies corporate.

11.1.2 The Policy will set out the Director of Finance’s responsibilities for advising the Board of Directors concerning the performance of investments held.

11.1.3 In addition, the Director of Finance will prepare a Treasury Management Policy, i.e. procedural instructions for investing cash and the records to be maintained.

**11.2** **External Borrowing and Public Dividend Capital**

11.2.1 The Director of Finance will advise the Board of Directors concerning the Trust’s ability to pay interest on any proposed borrowings. The Director of Finance is also responsible for reporting periodically to the Board of Directors all borrowings and overdrafts.

11.2.2 Any application for a loan or overdraft will only be made by the Director of Finance or by an officer acting on their behalf and in accordance with the Decision Making Framework, as appropriate.

11.2.3 The Director of Finance must prepare detailed procedural instructions concerning applications for loans and overdrafts.

11.2.4 All short term borrowing should be kept to the minimum period of time possible, consistent with the overall cash flow position. Any short term borrowing requirement must be authorised by the Director of Finance.

11.2.5 All long term borrowing must be consistent with the plans outlined in the current Annual Plan.

**12 Capital Expenditure and Investment, Fixed Asset Registers and Security of Assets**

**12.1** **Capital Expenditure and Investment**

12.1.1 The Chief Executive is ultimately responsible for all capital expenditure of the Trust, including expenditure on assets under construction. To discharge this duty, the Chief Executive will include entries in the Decision Making Framework for approval of capital commitments and will arrange for the development of detailed Policies and Procedures covering all aspects of capital investment management, including scheme appraisals, contract awarding, contract management and financial control.

12.1.2 The Council of Governors is responsible for approving “significant transactions” as defined in the Trust Constitution and the Trust may only apply for a merger, acquisition, separation or dissolution with the approval of the Council of Governors as per the Trust Constitution.

12.1.3 The Chief Executive shall provide executive delegation to the Director of Estates and Facilities to manage programmes for capital works expenditure, including assets under construction, within the restrictions of the Decision Making Framework which will include:

1. Specific authority to commit expenditure;

(ii) Authority to proceed to Tender;

(iii) Authority to accept a successful Tender.

12.1.4 The Chief Executive therefore shall:

(i) 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;

(ii) Be responsible for the management of all stages of capital schemes and for ensuring that schemes are delivered on time and to planned cost;

(iii) Ensure that the investment is not undertaken without confirmation, where appropriate, of purchaser’s support and the availability of resources to finance all revenue consequences, including capital charges;

(iv) Ensure a business case is produced in line with the Trust’s Investment Policy setting out:

(a) An option appraisal of potential benefits compared with known costs to determine the option with the highest ratio of benefits to costs and

(b) Appropriate project management and control arrangements and

(c) That the Director of Finance has certified professionally to the costs and revenue consequences detailed in the business case.

12.1.5 The approval of a Capital Programme shall not constitute approval for expenditure on any scheme.

12.1.6 The Director of Finance shall be responsible for preparing detailed Procedural Guides for the financial management and control of expenditure on capital assets.

12.1.7 At all times, the Board of Directors and officers of the Trust will work in accordance with the Trust’s Standing Orders and be mindful of the recommendations within the NHS Estatecode.

**12.2** **The Regulator and Council of Governors**

12.2.1 The Board of Directors must notify the Regulator and the Council of Governors without delay, and should consider whether it is in the public interest to bring to the public attention, any major new developments in the Trust’s sphere of activity which are not public knowledge and which may lead, by virtue of their effect on its assets and liabilities or financial position or on the general course of its business, to a substantial change to the financial wellbeing, healthcare delivery performance or reputation and standing of the Trust.

**12.3** **Asset Registers**

12.3.1 The Trust shall maintain an Asset Register recording fixed assets.

12.3.1.1 The Director of Finance shall:

(i) Be responsible for the maintenance of the Asset Register, approving the form of the Register and the method of updating and arranging a physical check of assets against the Register once a year;

(ii) Implement Procedures to comply with guidance on valuation in accordance with current accounting standards as applicable to NHS Foundation Trusts;

(iii) Establish Procedures covering the identification and recording of capital additions. The financial cost of capital additions, including expenditure on assets under construction, must be clearly identified and validated by reference to appropriate supporting documentation;

(iv) Develop Policies and Procedures for the management and documentation of asset disposals, whether by sale, part exchange, scrap, theft or other loss. Such procedures shall include the rules on evidence of disposal and supporting documentation, the application of sales proceeds and the amendment of financial records including the Asset Register.

12.3.2 Additions to the Asset Register must be clearly identified to a Trust property asset or to an appropriate budget holder for a non-property asset and be validated by reference to:

1. Properly authorised and approved agreements, architect’s certificates, supplier’s invoices and other documentary evidence in respect of purchases from third parties;
2. Stores, requisitions and wage records for own materials and labour including appropriate;
3. Lease agreements in respect of assets held under lease commitments.

**12.4** **Security of Assets**

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

12.4.2 Asset Control Procedures (including fixed assets, cash, cheques and negotiable instruments, and also including donated assets) must be approved by the Director of Finance.

These procedures shall make provision for:

(i) Recording managerial responsibility for each asset;

(ii) Identification of additions and disposals;

(iii) Recording of all repairs and maintenance expenses;

(iv) Physical security of assets;

(v) Periodic verification of existence of, condition of, and title to, assets;

(vi) Reporting, recording and safekeeping of cash cheques and negotiable instruments.

12.4.3 All discrepancies from the fixed Assets Register revealed by verification of physical assets must be notified to the Director of Finance.

12.4.4 Any damage to the Trust’s premises, vehicles and equipment, or any loss of equipment, stores or supplies must be reported to the Director of Finance by all officers in accordance with the procedure for reporting losses.

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

**13 Stores**

13.1 Subject to the responsibility of the Director of Finance for the systems of control, overall responsibility for the control of stores shall be delegated to an officer by the Chief Executive. The day-to-day responsibility may be delegated by them to departmental officers, subject to such delegation being within the Decision Making Framework.

13.2 Stores should be:

(i) Kept to a minimum;

(ii) Subject to an annual stocktake;

(iii) Valued at the lower of cost and net realisable value.

13.3 The control of any pharmaceutical stocks shall be the responsibility of the Designated Pharmaceutical Officer.

13.4 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 or pharmaceutical officer. Wherever practical, stocks should be marked Trust property.

13.5 The Director of Finance shall set out procedures and systems to regulate the stores including records for receipt of goods, issues and returns to stores, and losses.

13.6 Stocktaking arrangements shall be agreed with the Director of Finance.

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

**14 Disposals and Condemnations, Losses and Special Payments**

**14.1** **Procedures**

14.1.1 The Director of Finance must prepare detailed procedures for the disposal of assets including condemnations, and ensure that these are notified to managers whilst taking into account the recommendations within the NHS Estatecode.

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

14.1.3 All unserviceable articles shall be:

(i) Condemned or otherwise disposed of by an officer authorised for that purpose by the Director of Finance;

(ii) Recorded by the condemning officer in a form approved by the Director of Finance which will indicate whether the articles are to be converted, destroyed or otherwise disposed of. All entries shall be confirmed by the countersignature of a second officer authorised for the purpose by the Director of Finance.

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

**14.2** **Losses and Special Payments**

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

14.2.2 Any officer discovering or suspecting a loss of any kind must immediately inform their manager, who must immediately inform the Chief Executive and Director of Finance.

14.2.3 Where a criminal offence is suspected, the Director of Finance must immediately inform the police if theft or arson is involved.

14.2.4 In cases of fraud or corruption, the Director of Finance must inform the Trust’s Local Counter Fraud Specialist (LCFS) and NHS Protect.

14.2.5 The Director of Finance must notify the Audit Committee, LCFS and the External Auditor of all frauds.

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

(i) The Board of Directors;

(ii) The External Auditor;

(iii) and the Audit Committee at the earliest opportunity.

14.2.7 The Director of Finance shall approve the writing off of losses according to the limits set in the Decision Making Framework.

14.2.8 The Director of Finance shall be authorised to take any necessary steps to safeguard the Trust’s interest in bankruptcies and company liquidations.

14.2.9 For any loss, the Director of Finance should consider whether any insurance claim can be made.

14.2.10 No special payments exceeding delegated limits shall be made without prior approval of the Director of Finance and Chief Executive.

14.2.11 The Director of Finance shall maintain a Losses and Special Payments Register in which write-off action is recorded. The Director of Finance shall report losses and special payments to the Audit Committee on a regular basis.

**15 Information Technology**

**15.1** **Director of Finance Responsibilities**

15.1.1 The Director of Finance, who is responsible for the accuracy and security of the computerised financial data of the Trust, shall:

1. Devise and implement any necessary procedures to ensure adequate and reasonable protection of the Trust’s data, programmes 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 and the Freedom of Information Act;

(ii) Ensure that adequate and 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;

(iii) Ensure that adequate controls exist such that computer operation is separated from development, maintenance and amendment;

(iv) Ensure that an adequate audit trail exists through the computerised system and that such computer audit reviews as the Director of Finance may consider necessary, are being carried out.

15.1.2 The Director of Finance shall 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.

15.1.3 The Director of Informatics shall publish and maintain a Freedom of Information (FOI) Publication Scheme, which is a complete guide to the information routinely published and describes the classes or types of information about the Trust which are publicly available.

**15.2** **Contracts for Computer Services with Other Health Bodies or Outside Agencies**

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

15.2.2 The Director of Finance shall periodically seek assurances that adequate controls are in operation.

**15.3** **Risk Assessments**

15.3.1 The Director of Finance shall ensure that risks to the Trust arising from the use of IT are effectively identified and considered and appropriate action taken to mitigate or control risk.

15.3.2 This shall include the preparation of and testing of, appropriate disaster recovery plans.

**15.4** **Requirements for Computer Systems which have an impact on Corporate Financial Systems**

15.4.1 Where Computer Systems have an impact on Corporate Financial Systems, the Director of Finance shall need to be satisfied that:

(i) Systems acquisition, development and maintenance are in line with Corporate Policies such as an Informatics Strategy;

(ii) Data produced for use with Financial Systems is adequate, accurate, complete and timely and that an audit trail exists;

(iii) Finance staff have access to such data; and

1. Such computer audit reviews as are necessary, are carried out.

**16 Patients’ Property**

16.1 The Trust has a responsibility to provide safe custody for money and other personal 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.

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

1. Notices and information booklets;
2. Hospital admission documentation and property records;
3. 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, unless it is handed in for safe custody and a copy of an official patients’ property record is obtained as a receipt.

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

16.4 In all cases where property of a deceased patient is of 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.

16.5 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.

16.6 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.

**17 Retention of Records**

17.1 The Chief Executive shall be responsible for maintaining archives for all documents required to be retained under the direction contained in The Records Management NHS Code of Practice 2006.

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

17.2 Documents held under the latest Department of Health Guidance shall only be destroyed at the express instigation of the Chief Executive. Records shall be maintained of documents so destroyed.

**18 Risk Management and Insurance**

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

18.2 The programme of risk management shall include:

1. A process for identifying and quantifying risks and potential liabilities;

(ii) Engendering amongst all levels of staff a positive attitude towards the control and management of risk;

(iii) 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;

(iv) Contingency plans to offset the impact of adverse events;

(v) Audit arrangements including: internal audit; clinical audit; health and safety review;

(vi) Arrangements to review the risk management programme.

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

18.4 The Director of Finance shall ensure that insurance arrangements exist in accordance with the risk management programme.

**19 Funds held on Trust**

19.1 Newcastle Healthcare Charity (registration number 502473) accepts, holds and administers Charitable Funds for the Northumberland, Tyne and Wear NHS Foundation Trust.

19.2 Newcastle Healthcare Charity work closely with the Northumberland, Tyne and Wear NHS Foundation Trust to ensure that Charitable Funds are managed and utilised in accordance with Charity Commission Guidelines and regulations. The Charity and the Trust agree procedures, including a list of officers, their specimen signatures and limits applicable. Limit is set for specific funds where the Charity are prepared to delegate authority to appropriate officers to spend up to and including the agreed limit. Such expenditure is reported to the Newcastle Healthcare Charity Trustees and ratified at their regular meetings. In addition, where the expenditure is over an agreed limit or is from a general fund, the expenditure will receive approval from the Chief Executive and / or the Charity. The over-riding principle is that the integrity of each fund must be maintained.

19.3 As management processes overlap, some of the sections of these Standing Financial Instructions will apply to transactions relating to funds held on Trust.

**20 Standards of Business Conduct and Conflicts of Interest Policy**

* 1. The Director of Finance in conjunction with the Board Secretary shall ensure that all staff are made aware of the contents of the Trust’s Standards of Business Conduct and Conflicts of Interest Policy, which provides guidance on:
1. The acceptance of gifts;
2. The acceptance of hospitality;
3. The acceptance of sponsorship;
4. Declarations of interest;
5. Outside employment;
6. Rewards for initiative.

**End of Standard Financial Instructions**

**The following Sections continue with standard / mandated paragraphs**

**as outlined in the Trust’s Policy -**

**NTW(O)01 – Development and Management of Procedural Documents**

**21 Identification of Stakeholders**

21.1 The Board Secretary and Director of Finance seek the views of key staff in determining the continuing suitability of the entries within Standing Financial Instructions, prior to sign off by the Director of Finance and scrutiny by the Audit Committee. The Audit Committee’s role is to consider the appropriateness of the contents and the process for developing proposed changes with a view to recommending approval by the Board of Directors.

**22 Training – See Appendix B**

22.1 A Training Needs Assessment is shown at Appendix B. Standing Financial Instructions will be circulated to all staff.

**23 Implementation**

23.1 All staff should be currently complying with Standing Financial Instructions. The majority of changes relate to the tidying up of entries to reflect updated Acts, job titles, Monitor requirements, etc. Any changes relating to specific functions, e.g. procurement, have already been agreed with the staff concerned, who have been involved in discussions on the changes. Taking this into account, it is considered that the date of implementation is the same as the date of approval, i.e. November, 2015.

**24 Fair Blame**

24.1 The Trust is committed to developing an open learning culture. It has endorsed the view that, wherever possible, disciplinary action will not be taken against members of staff who report near misses and adverse incidents, although there may be clearly defined occasions where disciplinary action will be taken.

**25 Fraud, Bribery and Corruption**

25.1 In accordance with the Trust’s Policy, NTW(O)23 Fraud, Bribery and Corruption Policy, all suspected cases of fraud and corruption should be reported immediately to the Trust's Local Counter Fraud Specialist or the Director of Finance or the NHS Fraud, and Corruption Reporting Line on 0800 028 40 60 or online at www.reportnhsfraud.nhs.uk.

**26** **Monitoring – See Appendix C**

26.1Reference to Internal Audit Reports is to those reports relevant to Standing Financial Instructions, i.e. finance, procurement, workforce, etc.

26.2 Each assignment audit states the relevant Guidance and this always includes Standing Financial Instructions.

26.3 The combination of the five factors listed within Appendix C, is to ensure that Standing Financial Instructions are kept up-to-date and that any non-compliance with Standing Financial Instructions will be highlighted to the Audit Committee.

**27 Associated Documents**

27.1 Standing Financial Instructions have effect as if incorporated into the Trust’s Standing Orders (SOs) and they should be used in conjunction with the Decision Making Framework.

27.2 Standing Financial Instructions are part of the Corporate Governance Manual and they are therefore linked to the following documents:

* Trust constitution (which includes Standing Orders);
* Decision Making Framework;
* Standards of Business Conduct and Conflicts of Interest Policy – NTW(O)61;
* Board of Directors’ Terms of Reference;
* Board Committees’ Terms of Reference;
* NHS Foundation Trust Accounting Officer Memorandum;
* Code of Conduct: Code of Accountability in the NHS;
* Code of Practice on Openness in the NHS;
* Code of Conduct for NHS Managers;
* Council of Governors’ Terms of Reference;
* Council of Governors’ Nominations Committee Terms of Reference

**28 References**

* + International Financial Reporting Standards;
	+ Monitor’s foundation Trust Annual Reporting Manual;
	+ NHS Act 2006 as amended by the Health and Social Care Act 2012;
	+ Monitor’s Code of Governance (July 2014);
	+ Monitor’s Your statutory duties: A Reference Guide for NHS foundation trust governors (October 2013);
	+ Monitor’s Audit Code for NHS Foundation Trusts(March 2011);
	+ HSG (93) 5 - Standards of Business Conduct for NHS employees issued in 1993;
	+ Commercial Sponsorship - Ethical Standards for the NHSissued in 2000;
	+ NHS Foundation Trust Accounting Officer Memorandum – Monitor (April 2008);
* Code of Conduct: Code of Accountability in the NHS – Department of Health (September 2013);
* Code of Practice on Openness in the NHS – Department of Health;
* Code of Conduct for NHS Managers – Department of Health (October 2002)

In general, any reference relevant to ensure that financial transactions are carried out in accordance with the Law, Government Policy, the Department of Health Guidelines and Policies laid down by the Independent Regulator (Monitor) of Foundation Trusts and Best Practice.



**Appendix 1**

**Appendix A**

|  |
| --- |
| **Equality Analysis Screening Toolkit** |
| **Names of Individuals involved in Review** | **Date of Initial Screening**  | **Review Date** | **Service Area / Directorate** |
| Eric Jarvis | V02 – October 2015 | November 2018 | Trust-wide |
| **Policy to be analysed** | **Is this policy new or existing?** |
| NTW(O)51 Standing Financial Instructions Policy – V02 | Existing – (previously within Corporate Governance Manual)  |
| **What are the intended outcomes of this work?** Include outline of objectives and function aims |
| The purpose of Standing Financial Instructions (SFIs) is to regulate the conduct of the Trust, its Directors, officers and agents in relation to all financial matters. They explain the financial responsibilities, policies and procedures to be adopted by the Trust. They are designed to ensure that its financial transactions are carried out in accordance with the law, Government policy, the Department of Health guidelines and policies laid down by the Independent Regulator (Monitor) of foundation trusts and best practice. This is in order to achieve probity, accuracy, economy, efficiency and effectiveness in the way in which the Trust manages public resources. They should be used in conjunction with the Decision Making Framework adopted by the Trust.They identify the financial responsibilities which apply to everyone working for the Trust. They do not provide detailed procedural advice. These statements should therefore be read in conjunction with any detailed department or financial procedure notes. |
| **Who will be affected?** e.g.staff, service users, carers, wider public etc. |
| The Trust, its directors, all staff and agents  |
| **Protected Characteristics under the Equality Act 2010.** The following characteristics have protection under the Act and therefore require further analysis of the potential impact that the policy may have upon them |
| **Disability**  | N/A |
| **Sex**  | N/A |
| **Race**  | N/A |
| **Age**  | N/A |
| **Gender reassignment** **(including transgender)** | N/A |
| **Sexual orientation***.* | N/A |
| **Religion or belief**  | N/A |
| **Marriage and Civil Partnership** | N/A |
| **Pregnancy and maternity** | N/A |
| **Carers**  | N/A |
| **Other identified groups**  | N/A |

|  |
| --- |
| **How have you engaged stakeholders in gathering evidence or testing the evidence available?**  |
| N/A |
| **How have you engaged stakeholders in testing the policy or programme proposals?**  |
| N/A |
| **For each engagement activity, please state who was involved, how and when they were engaged, and the key outputs:** |
| N/A |
| **Summary of Analysis** Considering the evidence and engagement activity you listed above please summarise the impact of your work. Consider whether the evidence shows potential for differential impact, if so state whether adverse or positive and for which groups. How you will mitigate any negative impacts. How you will include certain protected groups in services or expand their participation in public life. |
| N/A |
| **Now consider and detail below how the proposals impact on elimination of discrimination, harassment and victimisation, advance the equality of opportunity and promote good relations between groups. Where there is evidence, address each protected characteristic** |
| **Eliminate discrimination, harassment and victimisation** | N/A |
| **Advance equality of opportunity** | N/A |
| **Promote good relations between groups** | N/A |
| **What is the overall impact?** | N/A |
| **Addressing the impact on equalities** | N/A |
| **From the outcome of this Screening, have negative impacts been identified for any protected characteristics as defined by the Equality Act 2010? No****If yes, has a Full Impact Assessment been recommended? If not, why not?**This Policy has been reformatted to meet with the Trust Standard for Policy documents.**Manager’s signature: Eric Jarvis Date: November, 2015** |



**Appendix B**

**Communication and Training Check List for Policies**

**Key Questions for the accountable committees designing, reviewing or agreeing a new Trust Policy**

|  |  |
| --- | --- |
| Is this a new policy with new training requirements or a change to an existing policy? | Change to existing Policy with new reference in line with Trust Policy on Procedural Documents - NTW(O)01 |
| If it is a change to an existing policy are there changes to the existing model of training delivery? If yes specify below. | No – a model of training delivery is not required for the areas covered in this policy |
| Are the awareness/training needs required to deliver the changes by law, national or local standards or best practice?Please give specific evidence that identifies the training need, e.g. National Guidance, CQC, NHSLA etc. Please identify the risks if training does not occur.  | Not Applicable |
| Please specify which staff groups need to undertake this awareness/training. Please be specific. It may well be the case that certain groups will require different levels e.g. staff group A requires awareness and staff group B requires training.  | Not applicable  |
| Is there a staff group that should be prioritised for this training / awareness?  | Not Applicable |
| Please outline how the training will be delivered. Include who will deliver it and by what method. The following may be useful to consider:Team brief/e bulletin of summaryManagement cascadeNewsletter/leaflets/payslip attachmentFocus groups for those concernedLocal Induction TrainingAwareness sessions for those affected by the new policyLocal demonstrations of techniques/equipment with reference documentationStaff Handbook Summary for easy referenceTaught Session E Learning | Not Applicable |
| Please identify a link person who will liaise with the training department to arrange details for the Trust Training Prospectus, Administration needs etc.  | Eric Jarvis – but not applicable |

****

**Appendix B – continued**

**Training Needs Analysis**

|  |  |  |  |
| --- | --- | --- | --- |
| **Staff/Professional Group** | **Type of Training** | **Duration of Training** | **Frequency of Training** |
| Not Applicable | N/A | N/A | Not Applicable |

**Copy of completed form to be sent to**:

Training and Development Department,

St. Nicholas Hospital

**Should any advice be required, please contact:- 0191 223 2216 (internal 32216)**



**Appendix C**

**Monitoring Tool**

**Statement**

The Trust is working towards effective clinical governance and governance systems. To demonstrate effective care delivery and compliance, policy authors are required to include how monitoring of this policy is linked to auditable standards/key performance indicators will be undertaken using this framework.

|  |
| --- |
| **NTW(O)51 Standing Financial Instructions Policy - Monitoring Framework** |
| **Auditable Standard / Key Performance Indicators** | **Frequency / Method / Person Responsible** | **Where results and any associate Action Plan will be reported to Implemented and Monitored;** (this will usually be via the relevant Governance Group) |
| **1.** | Standing Financial Instructions (Policy) | Preferably on an annual basis but as a minimum every 3 yearly Review of Policy by Policy Author unless earlier review appropriate for emerging issues | Audit Committee and Trust Board |
| **2.** | Head of Internal Audit Opinion on the effectiveness of the system of Internal Control at 31st March | Annual Report from the Head of Internal Audit to the Audit Committee | Audit Committee  |
| **3.** | Individual Internal Audit and Counter Fraud Reports | Individual Reports with less than significant assurance – full report considered by Corporate Decisions Team and the Audit CommitteeIndividual Reports with significant assurance – summary included in the Internal Audit Progress Report considered by the Audit Committee | Audit Committee and Corporate Decisions TeamAudit Committee  |

|  |
| --- |
| **NTW(O)51 Standing Financial Instructions Policy - Monitoring Framework** |
| **Auditable Standard / Key Performance Indicators** | **Frequency / Method / Person Responsible** | **Where results and any associate Action Plan will be reported to Implemented and Monitored;** (this will usually be via the relevant Governance Group) |
| **4.** | Report on the progress of management actions from Internal Audit and Counter Fraud Reports | Individual Reports with less than significant assurance – report from Board SecretaryIssues from Reports with significant assurance – Report from Internal Audit | Audit Committee and Corporate Decisions TeamAudit Committee |
| **5.** | Re-audits and follow up Internal Audit Reports | Individual Reports to the Audit Committee | Audit Committee |

The Author(s) of each Policy is required to complete this monitoring template and ensure that these results are taken to the appropriate Quality and Performance Governance Group in line with the frequency set out.