



**Cumbria, Northumberland,
Tyne and Wear**
NHS Foundation Trust

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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 and Social Care Guidelines and Policies laid down by NHS England, the Independent Regulator 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 Scheme of Reservation and Delegation adopted by the Trust.

The SFIs 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 (PGNs). 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 These 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 & Social Care Guidelines and Policies laid down by the Independent Regulator 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 Scheme of Reservation and Delegation adopted by the Trust.
- 1.3 These SFIs 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.
- 1.4 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.

- 1.5 **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 Audit Committee for referring action or ratification. All members of the Board, and all staff, have a duty to disclose any non-compliance with these SFIs to the Director of Finance as soon as possible.

1.6 Interpretation and Definition of Terms

- 1.6.1 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 the Trust this is the Chief Executive;

- **"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.
- **"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 for obtaining the supply of healthcare and related services by the Trust within available resources;
- **"Commissioning Plan"** means the Trust's plan for the provision of healthcare to its patients, from time to time, as agreed with commissioners.
- **"Committee"** means a committee or sub-committee created and appointed by the Board of Directors;
- **"Committee Members"** means persons formally appointed by the Board of Directors to sit on or to chair specific Committees.
- **"Council of Governors"** – is as defined by NHS England and NHS Improvement and is set out in the Trust's Constitution;
- **"Director of Finance"** means the Chief Financial Officer of the Trust.
- **"Executive Director"** means a member of the Board of Directors who is an officer of the Trust.
- **"Independent Regulator"** means the independent regulator of NHS Trusts, which at the time of adoption of these SFIs is NHS England.

- **"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 Board of Directors 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.
- **"Procurement Team"** means the procurement team within NTW Solutions Limited (the wholly owned subsidiary of the Trust), which is contracted to provide a procurement service to the Trust;
- **"Scheme of Reservation and Delegation"** means the document which sets out the decision making powers and duties that the Board of Directors have reserved to the Board and those decision making powers and duties that the Board of Directors has delegated to specific Directors, Officers, Committees or other forum, in the form set out at Appendix 1 to these SFIs;
- **"SFIs"** means Standing Financial Instructions.
- **"SOs"** means Standing Orders.
- **"Trust"** means the "Cumbria, Northumberland, Tyne and Wear NHS Foundation Trust";

1.6.2 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 Scheme of Reservation and Delegation document. All other powers, decisions and responsibilities have been delegated to specific Directors, Officers, or Committees also in accordance with the Scheme of Reservation and Delegation.
- 2.1.2 The Board has delegated executive responsibility for the performance of its functions to the Chief Executive. All powers are invested in the Chief Executive, who in turn will provide delegated powers to relevant Officers.

2.2 Chief Executive

- 2.2.1 Within these 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 Accountable Officer of the Trust and as such is accountable to Parliament through the Independent Regulator, for all actions undertaken by the Trust.
- 2.2.3 The Chief Executive will delegate detailed responsibility for financial activities and controls to the Director of Finance but shall retain overall accountability. The extent of such delegation is set out in these SFIs. The extent of such delegation will be kept under review by the Board of Directors.
- 2.2.4 It is the responsibility of the Chief Executive, through the Director of Finance, to ensure that existing staff and all new staff are notified and made aware of their responsibilities within these SFIs.

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,
 - (iv) ensure the provision of financial advice to other members of the Board of Directors and employees.
 - (v) ensure the design, implementation and supervision of systems of internal financial control.
 - (vi) ensure 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; and

- (vii) consolidate the results of the Trust's subsidiary companies into the Trust's group accounts

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 members of the Board of Directors and all Officers of the Trust

- 2.5.1 All members of the Board of Directors and all Officers of the Trust 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; and
- (iv) Conforming with the requirements of Standing Orders, Standing Financial Instructions, Financial Procedures and the Scheme of Reservation and Delegation 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 SFIs. 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.

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 Trust's overall internal control system.

- 3.2.2 The Terms of Reference for the Audit Committee, as set out at Appendix 2 to these SFIs, 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 Social Care 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 Internal Audit 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) the Strategic Internal Audit Plan covering the next three years;
 - (e) A detailed Internal Audit 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:

- (i) 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; and/or
- (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 Internal Audit has 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 Internal Control Principles. 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 Independent Regulator on Standards, Procedures and Techniques to be adopted.

- 3.4.4 An External Audit representative will normally attend the Audit Committee Meetings and External Audit has a right of access to all Audit Committee Members, the Chairman and the Chief Executive of the Trust

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 relevant Laws, 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, as set out at section 3.3.3 of these SFIs.

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 Independent Regulator, Strategic and Annual 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 Annual Operational Plan shall be reconcilable to regular updates of the financial pro-formas, 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 Operational 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 in accordance with Trust 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 Scheme of Reservation and Delegation 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 Independent Regulator, the Treasury Financial Reporting Manual (FReM) and the Government Accounting manual (GAM), 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 Independent Regulator. 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 they 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 and Cheques,

- 7.1. 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.

- 7.2 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 and Social Care or Statute. Independent professional advice on matters of valuation shall be taken as necessary.
- 7.3 All officers must inform the Director of Finance promptly (or their delegate as set out in the Scheme of Reservation and Delegation) of money due arising from transactions and the Director of Finance must have access to all supporting documentation.
- 7.4 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.
- 7.5 The Director of Finance is responsible for approving the form of all receipt records, agreement forms, or other means of officially acknowledging or recording monies received or receivable. This includes the ordering and securely controlling any such stationery.
- 7.6 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.
- 7.7 The Director of Finance is responsible for prescribing systems and procedures for handling cash and negotiable securities on behalf of the Trust.
- 7.8 Trust money shall not under any circumstances be used for the encashment of private cheques or I.O.U.s.
- 7.9 All cheques, postal orders and cash, shall be banked intact. Disbursements shall not be made from cash received, except under arrangements approved by the Director of Finance.
- 7.10 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.
- 7.11 Money Laundering**
 - 7.11.1 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.

7.12 Contracts for the Provision of Healthcare Services

- 7.12.1 The Director of Finance is responsible for ensuring that the Trust enters into suitable service contracts with commissioners for the provision of the Trust's healthcare services, in line with guidance from the Department of Health and Social Care and NHS England and, where applicable The Healthcare Services (Provider Selection Regime) 2023. Such contracts will be approved and executed in accordance with the Scheme of Reservation and Delegation.
- 7.12.2 The Director of Finance is responsible for reporting performance to the Board of Directors against the contracts entered into in accordance with clause 7.3.1 above. Contracts should be drafted so as to minimise risk whilst maximising the Trust's opportunity to generate income.
- 7.12.3 The Director of Finance shall produce regular reports for relevant stakeholders.
- 7.12.4 The Director of Finance is responsible for the commissioning of contracts and/or subcontracts with other healthcare providers that are either part of a Lead Provider arrangement or where these are required as a sub-contracted clinical service. In these circumstances, where appropriate, the Health Care Services (Provider Selection Regime) Regulations 2023 (PSR) must be followed and applied.

8 Buying Goods, Works, and Services

8.1 Principles

- 8.1.1 As a Public Sector Body, the Trust must ensure that all procurement and related contracting activity meets the requirements of relevant legislation, most notably the Procurement Act 2023 ("the Act"), Policy and DHSC guidance.
- 8.1.2 Officers of the Trust must follow the instructions in these SFIs in relation to procurement activity
- 8.1.3 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 applicable Laws and Government guidance on procurement.
- 8.1.4 The Director of Finance shall be responsible for establishing procedures to ensure that competitive quotations and tenders are invited for the supply of goods, works and services under contractual arrangements wherever possible. The procurement function is outsourced to the Procurement Team within the Trust's subsidiary company, NTW Solutions Limited under a contract and service level agreement.

- 8.1.5 The Trust will give first consideration to the utilisation of any National Frameworks, Dynamic Purchasing Systems (DPS) or contracts which are in place as a first course of action before exploring open market Tendering and Quotations options.
- 8.1.6 The Trust commits to ensuring that its procurement processes :
- (i) are fair, open and transparent.
 - (ii) Encourage providers from all sectors to participate in tendering opportunities.
 - (i) Deliver safe, high-quality services which offer value for money and are fit for purpose; and
 - (ii) Promote competition wherever possible.
- 8.1.7 A Trust contract opportunity shall not be divided into smaller contracts to avoid the provisions of these SFIs, the Act or any other relevant policy.
- 8.1.8 The Act states that the value of a contract must be estimated by reference to the contractually committed spend over the life of a contract. This is the annual value of the contract multiplied by the number of years in the contract, including all extensions, options and variations.

8.2 Quotations

- 8.2.1 In respect of contract opportunities for goods, works and services up to a value of £10,000 (excluding VAT), Officers may use their discretion to achieve value for money. It is best practice to obtain more than one (1) quote, whatever the value. These contract opportunities may be audited from time to time by the Director of Finance or their nominated representative.
- 8.2.2 In respect of contract opportunities for **goods and services** for a value between £10,000 and £50,000 (excluding VAT) and **works** opportunities between £10,000 and £75,000 (excluding VAT), Officers must seek a minimum of three written quotations from potential suppliers. Officers may consult with the Procurement Team for advice. These contract opportunities may be audited from time to time by the Director of Finance or their nominated representative.
- 8.2.3 Officers must maintain confidentiality of quotations pending their evaluation. Following evaluation of quotations, confidentiality shall be maintained subject to the Freedom of Information Act 2000 and the Environmental information Regulations.
- 8.2.4 Officers should evaluate the Quotation and select the quote which gives the best value for money. If this is not the lowest Quotation if payment is to be made by the Trust, or the highest if payment is to be made to the Trust, then the choice made, and the reasons why should be recorded in a permanent record

- 8.2.5 The relevant Officer should maintain a record of Quotations.
- 8.2.6 Contract opportunities for utilities, goods, works and/or services which relate to the Trust's estate/property, of any value, must be referred to the Director of Estates at NTW Solutions Limited (or their delegate), as NTW Solutions Limited manages these matters for the Trust under the contracts that are in place between the two organisations. Trust Officers are not permitted to conduct quotation processes or tenders, or award contracts in relation to estates, utilities and/or property requirements.

8.3 Formal Competitive Tendering

- 8.3.1 For contract opportunities for **goods and services** of a value between £50,000 and the relevant procurement threshold or **works** of a value between £75,000 and the relevant procurement threshold, Officers shall conduct a competitive procurement process via the Atamis tender portal. Officers shall publish evaluation and award criteria to such contract opportunities and apply these to tenders received. Officers should consult with the Procurement Team for guidance on conducting a tender process within this value range.
- 8.3.2 For contract opportunities for goods, works and/or services of a value above the relevant procurement threshold Officers must agree an appropriate tender/quotation process and effective evaluation criteria with the Head of Procurement, NTW Solutions Limited, or their nominated representative (usually a member of the Procurement Team). This process will be established and conducted in accordance with the Act and other applicable guidance.

8.4 Health Care Services – Contracts with other Providers

- 8.4.1 Contracts with other providers for the supply of healthcare services, shall be drafted, negotiated and entered into by the Director of Finance (or their delegate) in accordance with the current national NHS guidance that is applicable to the Trust. This includes circumstances where the Trust enters into a lead provider or provider collaborative contract to sub-contract the delivery of healthcare services to another party. Such contracts will be approved and executed in accordance with the Scheme of Reservation and Delegation.
- 8.4.2 The Chief Executive shall nominate officers to commission contracts and service agreements with other providers of healthcare services in line with the Commissioning Plan approved by the Board of Directors. This responsibility is delegated by the Chief Executive to the Director of Finance.

8.5 Contracting / Tendering Procedure

8.5.1 Invitation to Tender

This section applies to quotations and tenders as described in sections 8.2 and 8.3 of these SFIs: -

- (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.
- (iii) All Tenders are returned to the Trust's eTendering 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 or on such terms and conditions as may otherwise be advised by the Head of Procurement, NTW Solutions Limited or their nominated representative;
- (v) Every Tender for building, maintenance, construction or engineering works shall be in the form 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 and Social Care guidance and, in minor respects, to cover special features of individual projects.

8.5.2 Receipt and Safe Custody of Tenders

- (i) The Head of Procurement, NTW Solutions Limited or their nominated representative will be responsible for the receipt, endorsement and safe custody of electronic Tenders received until the time appointed for their opening.
- (ii) The date and time of the receipt of each Tender shall be endorsed electronically.

8.5.3 Opening Tenders and Register of Tenders

- (i) As soon as practicable after the date and time stated as being the latest time for the receipt of Tenders, they shall be

opened by the Head of Procurement, NTW Solutions Limited, or their nominated representative.

- (vi) Electronic Register shall be maintained by the Procurement Team, 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 received.
 - (d) The Procurement Team member of staff who opened the Tender.
 - (e) Procurement Team members of staff will process the Tenders once opened as governed by Act and these SFIs.
- (vi) A full audit trail shall be maintained electronically.

8.5.4 Admissibility

- (i) 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.
- (ii) 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.

8.5.5 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 Director of Finance 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.

- (iii) 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.

All decisions regarding late tenders, including the acceptance or rejection of late submissions, must be documented. The organisation will maintain a record of all communications, explanations, and decisions related to late tenders.

8.5.6 Acceptance of Formal Tenders

- (i) Any written clarifications 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, verbal discussions to clarify tenders are not permitted.
- (ii) Tender documentation will clearly set out the evaluation criteria and methodology to be applied, including price and quality factors, in accordance with the Act;
- (iii) No Tender or Quotation shall be accepted which will commit expenditure in excess of that which has been allocated by the Trust and which is not in accordance with these Instructions except with the authorisation of the Chief Executive.
- (iv) The use of the above 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.

8.6 Tender Reports to the Board of Directors

- 8.6.1 Reports on contracts and procurement activity will be submitted to the Board of Directors or the relevant Committee and/or Officer, in accordance with the Scheme of Reservation and Delegation

8.7 Authorisation of Tenders and Competitive Quotations

- 8.7.1 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 will be decided according to the levels of authorisation set out in the Scheme of Reservation and Delegation

8.7.2 Formal authorisation must be put in writing. In the case of authorisation by the Board of Directors and Executive Management Group (EMG) this shall be recorded in the minutes.

8.7.3 All contracts that are awarded by the Trust must have an identified contract owner, who is responsible for the management of the supplier and the contract.

8.8 Instances where Formal Competitive Tendering or Competitive Quotation are not required

8.8.1 Formal Tendering and/or Quotation Procedures **may be waived by the Chief Executive or the Director of Finance** in the following circumstances, although approval is not to be regarded as automatic and each case shall be treated on its own merit:

(i) Prototypes and developments

where the contract concerns the production of a prototype, or supply of other novel goods or services, for the purpose of, (a) testing the suitability of the goods or services, (b) researching the viability of producing or supplying the goods or services at scale and developing them for that purpose, or (c) other research, experiment, study or development.

(ii) Single Supplier

- (a) The contract concerns the creation or acquisition of a unique work of art or artistic performance.
- (b) The following conditions are met in relation to the contract: (a) due to a particular supplier having intellectual property rights or other exclusive rights, only that supplier can supply the goods, services or works required, and (b) there are no reasonable alternatives to those goods, services or works.
- (c) The following conditions are met in relation to the public contract: (a) due to an absence of competition for technical reasons, only a particular supplier can supply the goods, services or works required, and (b) there are no reasonable alternatives to those goods, services or works.
- (d) The public contract concerns the supply of goods, services or works by the existing supplier which are intended as an extension to, or partial replacement of, existing goods, services or works in circumstances where: (a) a change in supplier would result in the contracting authority receiving goods, services or works that are different from, or incompatible with, the existing goods, services or

works, and (b) the difference or incompatibility would result in disproportionate technical difficulties in operation or maintenance;

(iii) Additional or repeat goods, services or works

- a. The contract concerns the supply of goods, services or works by the existing supplier that are similar to existing goods, services or works where: (a) the existing goods, services or works were supplied under a public contract that was awarded in accordance with a competitive tendering procedure within the last five years, and (b) the tender notice or any tender document in respect of that earlier contract set out: (i) the contracting authority's intention to carry out a subsequent procurement of similar goods, services or works in reliance on this direct award justification; or
- b. Where an existing contract is modified as permitted by section 74 of the Act.

(iv) Commodities

- a. The public contract concerns goods purchased on a commodity market.

(v) Advantageous terms on insolvency

- a. The award of the public contract to a particular supplier will ensure terms particularly advantageous to the contracting authority due to the fact that a supplier, whether or not the one to whom the contract is to be awarded, is undergoing insolvency proceedings.

(vi) Urgency

- a. Where: (a) the goods, services or works to be supplied under the public contract are strictly necessary for reasons of extreme and unavoidable urgency, and (b) as a result the public contract cannot be awarded on the basis of a competitive tendering procedure.

(vii) User choice contracts

- a. The public contract is a contract for the supply of user choice services and the conditions specified in the Procurement Act are met.

Where the waiver request is above the relevant Procurement Act threshold, the organisation must ensure that appropriate transparency notices are issued to ensure legal compliance. Officers should not enter into any contractual arrangements prior to consultation with the Procurement Team to ensure that any legal obligations in terms of notices and timescales have been observed.

8.8.2 The waiving of Competitive Tendering/Quotation Procedures should not be used to avoid competition or for administrative convenience or to award further work to a supplier who was originally appointed through a Competitive Procedure. Approval of the Chief Executive and/or the Director of Finance is required prior to the award of contracts under sub-clauses 8.8.1 (ii) d, (iii) a & b and (vi) a.

8.8.3 Where the Chief Executive or the Director of Finance agree that Competitive Tendering/Quotation 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 Head of Procurement, NTW Solutions Limited. A bi-annual summary of such waivers shall be reported to the Audit Committee. However, an individual waiver 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.

8.9 Compliance Requirements for all Contracts

8.9.1 The Board of Directors, and any Officers with delegated authorisation under the Scheme of Reservation and Delegation, may only approve the entering into of Contracts on behalf of the Trust within the statutory powers delegated to the Trust and shall comply with the following:

- (i) The Trust's Standing Orders and Standing Financial Instructions.
- (i) the Act and any statutory guidance.
- (iii) Contracts with NHS Foundation Trusts must be in a form compliant with appropriate NHS Guidance.
- (iv) Contracts shall be in the same form of Terms and Conditions of Contract as included in the documents under which Tenders or Quotations were invited.
- (v) In all Contracts entered into by the Trust, the Board of Directors shall endeavour to obtain best value for money by use of all systems in place.

8.10 Personnel and Agency or Temporary Staff Contracts

8.10.1 The Chief Executive shall nominate officers in accordance with the Scheme of Reservation and Delegation to enter into Contracts of Employment, regarding Staff, Agency Staff or Temporary Staff Service Contracts.

8.11 Disposals of Trust assets

8.11.1 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 this figure to be reviewed on a periodic basis.
- (iv) Items arising from works of construction, demolition or site clearance, which should be dealt with in accordance with the relevant contract; and
- (v) Land or buildings concerning which DHSC Guidance has been issued but subject to compliance with such Guidance.

In all other instances competitive written quotes shall be sought from potential buyers for Trust assets.

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

8.12.1 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 the Independent Regulator'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 Contracts of Employment

9.2.1 The Board of Directors shall delegate responsibility to the Director of Workforce and Organisational Development 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.

9.3 Payroll

- 9.3.1 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.
- 9.3.2 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.
- 9.3.3 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.
- 9.3.4 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 2018.
- (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.

9.3.5 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.

9.3.6 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.

9.4 Advances of Pay

- 9.4.1 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.

9.5 Loans

- 9.5.1 The Trust will only extend loans towards approved schemes agreed by the Trust, e.g., Salary Sacrifice Schemes.
- 9.5.2 The Director of Finance in conjunction with the Director of Workforce and Organisational Development will prepare detailed procedural instructions.
- 9.5.3 The Director of Finance in conjunction with the Director of Workforce and Organisational Development will issue detailed procedures covering payments to staff.

9.6 Staff Appointments

- 9.6.1 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.
- 9.6.2 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.

9.7 Staff Expenses

- 9.7.1 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.
- 9.7.2 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.
 - (ii) 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. The advice of the Procurement Team may be sought.
- 10.2.2 Payment of contract invoices shall be in accordance with contract terms. The Director of Finance (or their delegate) 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.
 - (ii) Be responsible for designing and maintaining a system of verification, recording and payment of all amounts payable.
 - (iii) 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 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, leases, tenancy agreements and any other commitments which may result in a liability are notified and a copy sent to the Director of Finance (or their delegate) in advance of any commitment being made.
- (ii) Contracts above specified thresholds are advertised and awarded in accordance with the Act.

- (iii) 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.
- (iv) 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.
- (v) The Director of Finance shall ensure that a process for reporting on compliance the Trust's "No PO no Pay" Policy is followed which provides that all goods, works and services require a purchase order to ensure payment of suppliers.
- (vi) Orders are not split or otherwise placed in a manner devised so as to circumvent the financial thresholds.
- (vii) 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, which is the Director of Finance.

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, Deeds, and Licences or when a seal is requested by the other party.

10.3.3 The Trust shall apply the following arrangements:

- (i) The seal of the Trust shall be kept by the Board Secretary in a secure place.

- (ii) Where it is necessary that a document shall be sealed, the seal shall be affixed in the presence of two Executive Directors duly authorised by the Chief Executive, and not also from the originating Department, and shall be attested by them;
- (iii) The Board Secretary shall maintain a Register to 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 Independent Regulator, 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 Scheme of Reservation and Delegation, 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 Operational 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 Scheme of Reservation and Delegation 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 Finance to manage the contracts and programmes for capital works expenditure with NTW Solutions, including assets under construction, within the restrictions of the Scheme of Reservation and Delegation which will include:
- (i) 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 HBN 00-08 Part A and B (for Estates).

12.2 The Regulator and Council of Governors

12.2.1 The Board of Directors must notify the Independent 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.

12.3.2 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.

12.3.3 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:

- (i) Properly authorised and approved agreements, architect's/quantity surveyor's certificates, supplier's invoices and other documentary evidence in respect of purchases from third parties.
- (ii) Stores, requisitions and wage records for own materials and labour including appropriate.
- (iii) 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 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 Scheme of Reservation and Delegation. The Director of Finance has responsibility for the systems of control.
- 13.2 Stores should be:
 - 13.2.1 Kept to a minimum.
 - 13.2.2 Subject to an annual stocktake; and
 - 13.2.3 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 is responsible for ensuring that the Trust has 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 inform the Chief Executive and Director of Finance. This should be done immediately if the loss is significant.
- 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, 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 Scheme of Reservation and Delegation.
- 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 Further Executive Director of Finance Responsibilities

- 15.1.1 The Director of Finance, who is responsible for the accuracy and security of the computerised data of the Trust, shall:
 - (i) 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 2018 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 Medical Director 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
 - (iv) 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:

- (i) Notices and information booklets.
- (ii) Hospital admission documentation and property records.
- (iii) 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 Code of Practice for Health and Social Care 2016.

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 & Social Care 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:
- (i) 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 Corporate trustee

- 19.1.1 The Standing Orders for the Board of Directors outline the Trust's responsibilities as a corporate trustee for the management of funds received in trust and Funds held on Trust.
- 19.1.2 The discharge of the Trust's corporate trustee responsibilities is exercised separately and distinctly from its powers exercised as the Trust, and therefore these powers may not necessarily be discharged in the same manner. The Board of Directors has devolved responsibility for the on-going management of the Funds to the Charitable Funds Committee, which is a sub-committee of the Board of Directors. Nevertheless, there

must still be adherence to the overriding general principles of financial regularity, prudence and propriety. Trustee responsibilities cover both charitable and non-charitable purposes.

- 19.1.3 The Director of Finance shall ensure that each trust fund which the Trust is responsible for managing is managed appropriately with regard to its purpose and to its requirements. The Director of Finance shall, in exercising his responsibilities set out in this SFI 19, have regard to appropriate and independent legal advice, as and when required.

19.2 **Accountability to Charity Commission and the Independent Regulator**

- 19.2.1 Accountability for charitable Funds held on Trust is to the Charity Commission.
- 19.2.2 Accountability for non-charitable Funds held on Trust is to the Independent Regulator.
- 19.2.3 The Scheme of Reservation and Delegation makes clear where decisions regarding the exercise of dispositive discretion are to be taken and by whom. Directors and Officers must take account of the provisions of the Scheme of Reservation and Delegation before taking action.

19.3 **Applicability of SFIs to Funds Held on Trust**

- 19.3.1 So far as it is possible to do so, and subject to SFIs 19.5 to 19.11 below, these SFIs will also apply to the management of Funds held on Trust.
- 19.3.2 The overriding principle in managing Funds held on Trust is that the integrity of each trust must be maintained, and statutory and trust obligations met. Materiality must be assessed separately from Exchequer activities and funds.

19.4 **Existing donated funds**

- 19.4.1 The Director of Finance shall arrange for the administration of all existing donated funds. The Director of Finance shall also ensure that governing instrument exists for all funds and shall produce detailed codes of procedure covering every aspect of the financial management of donated funds, for the guidance of all Officers. Such guidelines shall identify the restricted nature of certain funds.
- 19.4.2 The Director of Finance shall periodically review the funds in existence and shall make recommendations to the Board of Directors regarding the potential for rationalisation of such funds within guidelines issued by the Charity Commission, the Independent Regulator and under statute.
- 19.4.3 The Director of Finance may recommend an increase in the number of funds where this is consistent with the Trust's policy for ensuring the safe and appropriate management of restricted funds, (e.g., designation for specific purposes).

19.5 **New donated funds**

- 19.5.1 The Director of Finance shall arrange for the creation of a new donated fund where funds and/or other assets, received in accordance with the Trust's policies, cannot adequately be managed as part of an existing fund.
- 19.5.2 The Director of Finance shall present the governing document to the Board of Directors for each new donated fund. Such a document shall clearly identify the objects of the new donated fund, the capacity of the Trust to delegate powers to manage the fund and the power to assign the residue of the donated fund to another fund contingent upon certain conditions, (e.g., discharge of original objects).

19.6 **Sources of new funds**

19.6.1 **In respect of donations, the Director of Finance shall provide:**

- (i) guidelines to Officers as to how to proceed when offered funds. These are to include:
 - a. the identification of the donors intentions.
 - b. where possible, the avoidance of new trusts.
 - c. the avoidance of impossible, undesirable or administratively difficult objects.
 - d. sources of immediate further advice; and
 - e. treatment of offers for personal gifts.
- (ii) secure and appropriate receipting arrangements which will indicate that funds have been accepted directly into the Trust's donated funds and that the donor's intentions have been noted and accepted.

19.6.2 **In respect of legacies and bequests, the Director of Finance shall:**

- (i) provide guidelines to Officers covering any approach regarding:
 - a) the wording of wills; and
 - b) the receipt of funds and/or other assets from executors.
 - c) where necessary, obtain grant of probate, or make application for grant of letters of administration, where the Trust is the beneficiary.

- (ii) be empowered, on behalf of the Trust, to negotiate arrangements regarding the administration of a will with executors and to discharge them from their duty.
- (iii) be directly responsible for the appropriate treatment of all legacies and bequests; and
- (iv) keep a register of all enquiries regarding legacies.

19.6.3 In respect of fund-raising, the Director of Finance shall:

- (i) deal with all arrangements for fund-raising by and/or on behalf of the Trust and ensure compliance with all relevant statutes and regulations.
- (ii) be empowered to liaise with other organisations and/or persons raising funds for the Trust. The Director of Finance shall be the only Officer empowered to give approval for such fund-raising subject to the overriding direction of the Board of Directors.
- (iii) be responsible for alerting the Board of Directors to any irregularities regarding the use of this Trust's name or its registration numbers; and
- (iv) be responsible for the appropriate treatment of all funds received from such sources.

19.6.4 In respect of trading income, the Director of Finance shall:

- (i) be responsible for any trading undertaken by the Trust as corporate trustee; and
- (ii) be responsible for the appropriate treatment of all trading income received by the Trust as corporate trustee.

19.7 Investment management

19.7.1 The Director of Finance shall be responsible for all aspects of the management of the investment of Funds held on Trust. The issues on which shall be required to provide advice to the Board of Directors shall include:

- (i) the formulation of investment policy within the powers of the Trust under statute and within governing instruments to meet its requirements with regard to income generation and the enhancement of capital value.
- (ii) the appointment and agreement of the terms of appointment of advisers, brokers, and, where appropriate, fund managers, written agreements to be signed by the Chief Executive.

- (iii) the pooling of investment resources in accordance with a scheme approved by the Charity Commission, where the Funds held on Trust are charitable.
- (iv) the participation by the trust in common investment funds and the agreement of terms of entry and withdrawal from such funds.
- (v) the use of trust assets.
- (vi) the review of the performance of brokers and fund managers; and
- (vii) the reporting of investment performance.

19.7.2 The Director of Finance shall be responsible for the appropriate treatment of all investment income including all dividends, interest and other receipts.

19.8 **Expenditure management**

19.8.1 The exercise of expenditure discretion (including dispositions) shall be managed by the Director of Finance in conjunction with the Charitable Funds Committee. In so doing the Director of Finance shall be aware of the following:

- (i) the objects of various funds and the designated objectives.
- (ii) the availability of liquid funds within each trust.
- (iii) the powers of delegation available to commit resources.
- (iv) the avoidance of the use of Exchequer funds to discharge trust fund liabilities (except where administratively unavoidable), and to ensure that any indebtedness to the Exchequer shall be discharged by trust funds at the earliest possible time;
- (v) that funds are to be spent rather than preserved, subject to the wishes of the donor and the needs of the Trust; and
- (vi) the definitions of 'charitable purposes' as agreed by the Charity Commission.
- (vii) Expenditure of any donated Funds held on Trust shall be conditional upon the item being within the terms of the appropriate fund and the procedures approved by the Trust.

19.9 **Banking services**

19.9.1 The Director of Finance shall advise the Board of Directors and, with its approval, shall ensure that appropriate banking services are available to the Trust as corporate trustee. These bank accounts should permit the

separate identification of liquid funds to each trust where this is deemed necessary by either the Independent Regulator or the Charity Commission.

19.10 **Asset management**

19.10.1 Assets in the ownership of or used by the Trust as corporate trustee, shall be maintained along with the general estate and inventory of assets of the Trust. The Director of Finance shall ensure that:

- (i) appropriate records of all assets owned by the Trust as corporate trustee are maintained, and that all assets, at agreed valuations, are brought to account.
- (ii) appropriate measures are taken to protect and/or to replace such assets.

These to include decisions regarding insurance, inventory control, and the reporting of losses.

- (iii) donated assets received on trust shall be accounted for appropriately; and
- (iv) all assets acquired from Funds held on Trust which are intended to be retained within the trust funds are appropriately accounted for.

19.11 **Reporting and accounting, and Audit**

19.11.1 The Director of Finance shall ensure that regular reports are made to the Board of Directors (or to a committee of the Board of Directors) with regard to the receipt of funds to be held on trust, investments of these funds, and the disposition of resources.

19.11.2 The Director of Finance shall prepare annual accounts in the required manner which shall be submitted to the Board of Directors within agreed timescales.

19.11.3 The Director of Finance shall prepare an annual trustees' report (separate reports for charitable and non-charitable trusts) and the required returns to the Independent Regulator and to the Charity Commission for adoption by the Board of Directors as required.

19.11.4 The Director of Finance shall maintain all financial records to enable the production of reports as above and to the satisfaction of internal and external audit.

19.11.5 The Director of Finance shall ensure that the records, accounts and returns receive adequate scrutiny by Internal Audit during the year. The Director of Finance will liaise with external Auditors and provide them with all necessary information.

- 19.11.6 The Board of Directors shall be advised by the Director of Finance on the outcome of the annual audit.

19.12 **Administration Costs**

- 19.12.1 The Director of Finance shall identify all costs directly incurred in the administration of all Funds held on Trust, and subject to any legal restrictions, and with the agreement of the Board of Directors, shall charge such costs to the appropriate trust accounts.

19.13 **Taxation and Excise Duty**

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

20 **Declarations of Interest Policy**

- 20.1 The Chief Executive in conjunction with the Board Secretary shall ensure that all staff are made aware of the contents of the Trust's Declarations of Interest Policy, which provides guidance on:

- (i) The acceptance of gifts.
- (ii) The acceptance of hospitality.
- (iii) The acceptance of sponsorship.
- (iv) Declarations of interest.
- (v) Outside employment.
- (iii) Rewards for initiative.

End of Standard Financial Instructions

**The following Sections continue with standard / mandated paragraphs
as outlined in the Trust's Policy -
CNTW(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.

- Clinical Care Groups
- Executive Management Group
- Business Delivery Group
- Safer Care Group
- Communications and Corporate Affairs
- Finance and Digital Services
- Workforce and Organisational Development
- NTW Solutions
- Local Negotiating Committee
- Medical Directorate
- Staff Side
- Internal Audit
- Safety Security and Resilience

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 changes in this version of the SFIs constitute an extensive review and update. Relevant staff have been consulted with and involved in the review. This version was considered and approved by the Trust Board of Directors in February 2025 and will be adopted from February 2025.

24 Fraud, Bribery and Corruption

24.1 In accordance with the Trust's Policy, CNTW(O)23 Counter Fraud, Bribery and Corruption Policy and Strategy, all suspected cases of fraud, bribery and corruption should be reported immediately to the Trust's 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.

25 Monitoring – See Appendix C

- 25.1 Reference to Internal Audit Reports is to those reports relevant to Standing Financial Instructions, i.e., finance, procurement, workforce, etc.
- 25.2 Each assignment audit states the relevant Guidance, and this always includes Standing Financial Instructions.
- 25.3 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.

26 Associated Documents

- 26.1 Standing Financial Instructions have effect as if incorporated into the Trust's Standing Orders (SOs) and they should be used in conjunction with the Scheme of Reservation and Delegation.
- 26.2 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).
 - Scheme of Reservation and Delegation.
 - Declarations of Interest Policy – CNTW(F)07-01.
 - 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

27 References

- International Financial Reporting Standards.
- NHS England and NHS Improvement's foundation Trust Annual Reporting Manual.
- NHS Act 2006 as amended by the Health and Social Care Act 2012.
- Code of Governance (July 2014).
- Your statutory duties: A Reference Guide for NHS foundation trust governors (October 2013).
- 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 NHS issued 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 of Foundation Trusts and Best Practice.

Equality Analysis Screening Toolkit			
Names of Individuals involved in Review	Date of Initial Screening	Review Date	Service Area / Locality
Debbie Henderson	Feb 2025	Feb 2028	Trust-wide
Policy to be analysed		Is this policy new or existing?	
CNTW(O)51 Standing Financial Instructions Policy		Existing – (previously within Corporate Governance Manual)	
What are the intended outcomes of this work? Include outline of objectives and function aims			
<p>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 & Social Care guidelines and policies laid down by the Independent Regulator 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 Scheme of Reservation and Delegation 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.</p>			
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:	Debbie Henderson Date: Feb 2025

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?	Yes, Change to existing Policy to reflect new governance groups and portfolios with new reference in line with Trust Policy on Procedural Documents - CNTW(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.	Yes – there isn't any training currently available – the plan is to develop an online training module
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, NHS Solutions etc. Please identify the risks if training does not occur.	It is necessary that all staff, and particularly budget holders, are aware of the SFIs because of the nature of this document and the instructions contained in it. The risk if training does not occur is that there is a breach of SFIs
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.	Policy is applicable to all staff
Is there a staff group that should be prioritised for this training / awareness?	Any decision-making members of staff
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 summary Management cascade Newsletter/leaflets/payslip attachment Focus groups for those concerned Local Induction Training Awareness sessions for those affected by the new policy Local demonstrations of techniques/equipment with reference documentation Staff Handbook Summary for easy reference Taught Session E Learning	To be determined
Please identify a link person who will liaise with the training department to arrange details for the Trust Training Prospectus, Administration needs etc.	Debbie Henderson



**Cumbria, Northumberland,
Tyne and Wear**
NHS Foundation Trust

Appendix B – continued

Training Needs Analysis

Staff/Professional Group	Type of Training	Duration of Training	Frequency of Training
Budget Holders	Online module (to be developed)	15 mins	once every 3 years

Should any advice be required, please contact: - 0191 2456777 (option 1)

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.

CNTW(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 on 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 the Executive Management Group (EMG) and the Audit Committee Individual Reports with significant assurance – summary included in the Internal Audit Progress Report considered by the Audit Committee	Audit Committee and EMG Audit Committee

CNTW(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 Secretary Issues from Reports with significant assurance – Report from Internal Audit	Audit Committee and EMG Audit 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.