

HULL UNIVERSITY TEACHING HOSPITALS NHS TRUST

STANDING ORDERS, RESERVATION AND DELEGATION OF POWERS AND STANDING FINANCIAL INSTRUCTIONS

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SECTION A

1. INTERPRETATION AND DEFINITIONS FOR STANDING ORDERS AND STANDING FINANCIAL INSTRUCTIONS

- 1.1 Save as otherwise permitted by law, at any meeting the Chairman of the Trust shall be the final authority on the interpretation of Standing Orders (on which they should be advised by the Chief Executive and/or Trust Secretary).
- 1.2 Any expression to which a meaning is given in the National Health Service Act 1977, National Health Service and Community Care Act 1990 and other Acts relating to the National Health Service or in the Financial Regulations made under the Acts shall have the same meaning in these Standing Orders and Standing Financial Instructions and in addition:
- 1.2.1 "**Accountable Officer**" means the NHS Officer responsible and accountable for funds entrusted to the Trust. The officer shall be responsible for ensuring the proper stewardship of public funds and assets. For this Trust it shall be the Chief Executive.
- 1.2.2 "**Trust**" means the Hull University Teaching Hospitals NHS Trust.
- 1.2.3 "**Board**" means the Chairman, officer and non-officer members of the Trust collectively as a body.
- 1.2.4 "**Budget**" means a resource, expressed in financial terms, proposed by the Board for the purpose of carrying out, for a specific period, any or all of the functions of the Trust.
- 1.2.5 "**Budget holder**" means the director or employee with delegated authority to manage finances (Income and Expenditure) for a specific area of the organisation.
- 1.2.6 "**Chairman of the Board (or Trust)**" is the person appointed by the Secretary of State for Health to lead the Board and to ensure that it successfully discharges its overall responsibility for the Trust as a whole. The expression "the Chairman of the Trust" shall be deemed to include the Vice-Chairman of the Trust if the Chairman is absent from the meeting or is otherwise unavailable.
- 1.2.7 "**Chief Executive**" means the chief officer of the Trust.
- 1.2.8 "**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.
- 1.2.9 "**Committee**" means a committee or sub-committee created and appointed by the Trust.
- 1.2.10 "**Committee members**" means persons formally appointed by the Board to sit on or to chair specific committees.
- 1.2.11 "**Contracting and procuring**" means the systems for obtaining the supply of goods, materials, manufactured items, services, building and engineering services, works of construction and maintenance and for disposal of surplus and obsolete assets.
- 1.2.12 "**Funds held on trust**" shall mean those funds which the Trust holds on date of incorporation, receives on distribution by statutory instrument or chooses subsequently to accept under powers derived under S.90 of the NHS Act 1977, as amended. Such funds may or may not be charitable.
- 1.2.13 "**Member**" means officer or non-officer member of the Board as the context permits. Member in relation to the Board does not include its Chairman.
- 1.2.14 "**Associate Member**" means a person appointed to perform specific statutory and non-statutory duties which have been delegated by the Trust Board for them to perform and these duties have been recorded in an appropriate Trust Board minute or other suitable record.
- 1.2.15 "**Membership, Procedure and Administration Arrangements Regulations**" means NHS Membership and Procedure Regulations (SI 1990/2024) and subsequent amendments.
- 1.2.16 "**Nominated officer**" means an officer charged with the responsibility for discharging specific tasks within Standing Orders and Standing Financial Instructions.
- 1.2.17 "**Non-officer member**" means a member of the Trust who is not an officer of the Trust and is not to be treated as an officer by virtue of regulation 1(3) of the Membership, Procedure and Administration Arrangements Regulations.
- 1.2.18 "**Officer**" means employee of the Trust or any other person holding a paid appointment or office with the Trust.
- 1.2.19 "**Officer member**" means a member of the Trust who is either an officer of the Trust or is to be treated as an officer by virtue of regulation 1(3) (i.e. the Chairman of the Trust or any person nominated by such a Committee for appointment as a Trust member).
- 1.2.20 "**Secretary (Trust Secretary)**" means a person appointed to act independently of the Board to provide advice on corporate governance issues to the Board and the Chairman and monitor the Trust's compliance with the law, Standing Orders, NHS Improvement and Department of Health guidance.

- 1.2.21 "**SFIs**" means Standing Financial Instructions.
- 1.2.22 "**SOs**" means Standing Orders.
- 1.2.23 "**Vice-Chairman**" means the non-officer member appointed by the Board to take on the Chairman's duties if the Chairman is absent for any reason.

SECTION B – STANDING ORDERS

1. INTRODUCTION

1.1 Statutory Framework

Hull and East Yorkshire Hospitals NHS Trust is a statutory body which came into existence on 1st October 1999 under Hull and East Yorkshire Hospitals NHS Trust Establishment Order 1999 No 2675.

On 1st March 2019, the organisation changed its name to Hull University Teaching Hospitals NHS Trust as a result of The Hull and East Yorkshire Hospitals National Health Service Trust (Establishment) (Amendment) Order 2019 No. 346.

- (1) The principal place of business of the Trust is Hull Royal Infirmary. Patient care is also provided at Castle Hill Hospital.
- (2) NHS Trusts are governed by Act of Parliament, mainly the National Health Service Act 1977 (NHS Act 1977), the National Health Service and Community Care Act 1990 (NHS & CC Act 1990) as amended by the Health Authorities Act 1995, Health Act 1999, the National Health Service Act 2006 and the Health and Social Care Act 2012.
- (3) The functions of the Trust are conferred by this legislation.
- (4) As a statutory body, the Trust has specified powers to contract in its own name and to act as a corporate trustee. In the latter role it is accountable to the Charity Commission for those funds deemed to be charitable as well as to the Secretary of State for Health.
- (5) The Trust also has statutory powers under Section 28A of the NHS Act 1977, as amended by the Health Act 1999 and 2006, to fund projects jointly planned with local authorities, voluntary organisations and other bodies.
- (6) The Code of Accountability requires the Trust to adopt Standing Orders (SOs) for the regulation of its proceedings and business. The Trust must also adopt Standing Financial Instructions (SFIs) as an integral part of Standing Orders setting out the responsibilities of individuals.
- (7) The Trust will also be bound by such other statutes and legal provisions which govern the conduct of its affairs.

1.2 NHS Framework

- (1) In addition to the statutory requirements the Secretary of State through the Department of Health issues further directions and guidance. These are normally issued under cover of a circular or letter.
- (2) The Code of Accountability requires that, inter alia, Boards draw up a schedule of decisions reserved to the Board, and ensure that management arrangements are in place to enable responsibility to be clearly delegated to senior executives (a scheme of delegation). The code also requires the establishment of audit and remuneration committees with formally agreed terms of reference. The Codes of Conduct makes various requirements concerning possible conflicts of interest of Board members.
- (3) The Code of Practice on Openness in the NHS sets out the requirements for public access to information on the NHS.

1.3 Delegation of Powers

The Trust has powers to delegate and make arrangements for delegation. The Standing Orders set out the detail of these arrangements. Under the Standing Order relating to the Arrangements for the Exercise of Functions (SO 5) the Trust is given powers to "make arrangements for the exercise, on behalf of the Trust of any of their functions by a committee, sub-committee or joint committee appointed by virtue of Standing Order 4 or by an officer of the Trust, in each case subject to such restrictions and conditions as the Trust

thinks fit or as the Secretary of State may direct". Delegated Powers are covered in a separate document (Reservation of Powers to the Board and Delegation of Powers). This document has effect as if incorporated into the Standing Orders.

2. THE TRUST BOARD: COMPOSITION OF MEMBERSHIP, TENURE AND ROLE OF MEMBERS

2.1 Composition of the Membership of the Trust Board

In accordance with the Membership, Procedure and Administration Arrangements regulations the composition of the Board shall be:

- (1) The Chairman of the Trust
- (2) Up to 6 non-officer members
- (3) Up to 5 officer members (but not exceeding the number of non-officer members):
 - the Chief Executive;
 - the Chief Financial Officer;
 - the Chief Medical Officer;
 - the Chief Nurse;
 - the Chief Operating Officer

The Trust shall have not more than 12 and not less than 8 members (unless otherwise determined by the Secretary of State for Health and set out in the Trust's Establishment Order or such other communication from the Secretary of State).

2.2 Appointment of Chairman and Members of the Trust

- (1) Appointment of the Chairman and Members of the Trust - Paragraph 4 of Schedule 5A to the 1977 Act, as inserted by the Health Act 1999, provides that the Chairman is appointed by the Secretary of State (through NHS Improvement), but otherwise the appointment and tenure of office of the Chairman and members are set out in the Membership, Procedure and Administration Arrangements Regulations.

2.3 Terms of Office of the Chairman and Members

- (1) The regulations setting out the period of tenure of office of the Chairman and members and for the termination or suspension of office of the Chairman and members are contained in Sections 2 to 4 of the Membership, Procedure and Administration Arrangements and Administration Regulations. The period of tenure is notified by NHS Improvement for Non-Executive Directors.

2.4 Appointment and Powers of Vice-Chairman

- (1) Subject to Standing Order 2.4 (2) below, the Chairman and members of the Trust may appoint one of their numbers, who is not also an officer member, to be Vice-Chairman, for such period, not exceeding the remainder of his term as a member of the Trust, as they may specify on appointing him.
- (2) Any member so appointed may at any time resign from the office of Vice-Chairman by giving notice in writing to the Chairman. The Chairman and members may thereupon appoint another member as Vice-Chairman in accordance with the provisions of Standing Order 2.4 (1).
- (3) Where the Chairman of the Trust has died or has ceased to hold office, or where they have been unable to perform their duties as Chairman owing to illness or any other cause, the Vice-Chairman shall act as Chairman until a new Chairman is appointed or the existing Chairman resumes their duties, as the case may be; and references to the Chairman in these Standing Orders shall, so long as there is no Chairman able to perform those duties, be taken to include references to the Vice-Chairman.

2.5 Joint Members

- (1) Where more than one person is appointed jointly to a post mentioned in regulation 2(4)(a) of the Membership, Procedure and Administration Arrangements Regulations those persons shall count for the purpose of Standing Order 2.1 as one person.
- (2) Where the office of a member of the Board is shared jointly by more than one person:

- (a) either or both of those persons may attend or take part in meetings of the Board;
- (b) if both are present at a meeting they should cast one vote if they agree;
- (c) in the case of disagreements no vote should be cast;
- (d) the presence of either or both of those persons should count as the presence of one person for the purposes of Standing Order 3.11 Quorum.

2.6 Role of Members

The Board will function as a corporate decision-making body, Officer and Non-Officer Members will be full and equal members. Their role as members of the Trust Board will be to consider the key strategic and managerial issues facing the Trust in carrying out its statutory and other functions.

(1) Executive Members

Executive Members shall exercise their authority within the terms of these Standing Orders and Standing Financial Instructions and the Scheme of Delegation.

(2) Chief Executive

The Chief Executive shall be responsible for the overall performance of the executive functions of the Trust. He/she is the **Accountable Officer** for the Trust and shall be responsible for ensuring the discharge of obligations under Financial Directions and in line with the requirements of the Accountable Officer Memorandum for Trust Chief Executives.

(3) Chief Financial Officer

The Chief Financial Officer shall be responsible for the provision of financial advice to the Trust and to its members and for the supervision of financial control and accounting systems. He/she shall be responsible along with the Chief Executive for ensuring the discharge of obligations under relevant Financial Directions.

(4) Non-Executive Members

The Non-Executive Members shall not be granted nor shall they seek to exercise any individual executive powers on behalf of the Trust. They may however, exercise collective authority when acting as members of or when chairing a committee of the Trust which has delegated powers.

(5) Chairman

The Chairman shall be responsible for the operation of the Board and chair all Board meetings when present. The Chairman has certain delegated executive powers. The Chairman must comply with the terms of appointment and with these Standing Orders.

The Chairman shall work with NHS Improvement over the appointment of Non-Executive Directors and once appointed shall take responsibility either directly or indirectly for their induction, their portfolios of interests and assignments, and their performance.

The Chairman shall work in close harmony with the Chief Executive and shall ensure that key and appropriate issues are discussed by the Board in a timely manner with all the necessary information and advice being made available to the Board to inform the debate and ultimate resolutions.

2.7 Corporate role of the Board

- (1) All business shall be conducted in the name of the Trust.
- (2) All funds received in trust shall be held in the name of the Trust as corporate trustee.
- (3) The powers of the Trust established under statute shall be exercised by the Board meeting in public session except as otherwise provided for in Standing Order No. 3.
- (4) The Board shall define and regularly review the functions it exercises on behalf of the Secretary of State.

2.8 Schedule of Matters reserved to the Board and Scheme of Delegation

- (1) The Board has resolved that certain powers and decisions may only be exercised by the Board in formal session. These powers and decisions are set out in the 'Schedule of Matters

Reserved to the Board' and shall have effect as if incorporated into the Standing Orders. Those powers which it has delegated to officers and other bodies are contained in the Scheme of Delegation.

2.9 Lead Roles for Board Members

The Chairman will ensure that the designation of Lead roles or appointments of Board members as required by the Department of Health or as set out in any statutory or other guidance will be made in accordance with that guidance or statutory requirement

3. MEETINGS OF THE TRUST

3.1 Calling meetings

- (1) Ordinary meetings of the Board shall be held at regular intervals at such times and places as the Board may determine.
- (2) The Chairman of the Trust may call a meeting of the Board at any time.
- (3) One third or more members of the Board may requisition a meeting in writing. If the Chairman refuses, or fails, to call a meeting within seven days of a requisition being presented, the members signing the requisition may forthwith call a meeting.

3.2 Notice of Meetings and the Business to be transacted

- (1) Before each meeting of the Board a written notice specifying the business proposed to be transacted shall be delivered to every member, or sent by email or by post to the usual place of residence of each member, so as to be available to members at least three clear working days before the meeting. The notice shall be signed by the Chairman or by an officer authorised by the Chairman to sign on their behalf. Want of service of such a notice on any member shall not affect the validity of a meeting.
- (2) In the case of a meeting called by members in default of the Chairman calling the meeting, the notice shall be signed by those members.
- (3) No business shall be transacted at the meeting other than that specified on the agenda, or emergency motions allowed under Standing Order 3.6.
- (4) A member desiring a matter to be included on an agenda shall make his/her request in writing to the Chairman at least ten working days before the meeting. The request should state whether the item of business is proposed to be transacted in the presence of the public and should include appropriate supporting information. Requests made less than ten working days before a meeting may be included on the agenda at the discretion of the Chairman.
- (5) Before each meeting of the Board a public notice of the time and place of the meeting, and the public part of the agenda, shall be displayed at the Trust's principal offices at least three clear days before the meeting, (required by the Public Bodies (Admission to Meetings) Act 1960 Section 1 (4) (a)).

Agendas and papers will be available on the Trust's website 3 working days before the public meeting of the Trust Board.

3.3 Agenda and Supporting Papers

The agenda will be sent to members at least three clear days before the meeting and supporting papers, whenever possible, shall accompany the agenda, but will certainly be despatched no later than three clear days before the meeting, save in emergency. Papers can be electronically transmitted, if requested, by the Board member.

3.4 Petitions

Where a petition has been received by the Trust Chairman, the Chairman shall include the petition as an item for the agenda of the next meeting.

3.5 Notice of Motion

- (1) Subject to the provision of Standing Orders 3.7 'Motions: Procedure at and during a meeting' and 3.8 'Motions to rescind a resolution', a member of the Board wishing to move a

motion shall send a written notice to the Chief Executive who will ensure that it is brought to the immediate attention of the Chairman.

- (2) The notice shall be delivered at least 10 clear days before the meeting. The Chief Executive shall include in the agenda for the meeting all notices so received that are in order and permissible under governing regulations. This Standing Order shall not prevent any motion being withdrawn or moved without notice on any business mentioned on the agenda for the meeting.

3.6 Emergency Motions

Subject to the agreement of the Chairman, and subject also to the provision of Standing Order 3.7 'Motions: Procedure at and during a meeting', a member of the Board may give written notice of an emergency motion after the issue of the notice of meeting and agenda, up to one hour before the time fixed for the meeting. The notice shall state the grounds of urgency. If in order, it shall be declared to the Trust Board at the commencement of the business of the meeting as an additional item included in the agenda. The Chairman's decision to include the item shall be final.

3.7 Motions: Procedure at and during a meeting

i) Who may propose

A motion may be proposed by the Chairman of the meeting or any member present. It must also be seconded by another member.

ii) Contents of motions

The Chairman may exclude from the debate at their discretion any such motion of which notice was not given on the notice summoning the meeting other than a motion relating to:

- the reception of a report;
- consideration of any item of business before the Trust Board;
- the accuracy of minutes;
- that the Board proceed to next business;
- that the Board adjourn;
- that the question be now put.

iii) Amendments to motions

A motion for amendment shall not be discussed unless it has been proposed and seconded.

Amendments to motions shall be moved relevant to the motion, and shall not have the effect of negating the motion before the Board.

If there are a number of amendments, they shall be considered one at a time. When a motion has been amended, the amended motion shall become the substantive motion before the meeting, upon which any further amendment may be moved.

iv) Rights of reply to motions

a) Amendments

The mover of an amendment may reply to the debate on their amendment immediately prior to the mover of the original motion, who shall have the right of reply at the close of debate on the amendment, but may not otherwise speak on it.

b) Substantive/original motion

The member who proposed the substantive motion shall have a right of reply at the close of any debate on the motion.

v) Withdrawing a motion

A motion, or an amendment to a motion, may be withdrawn.

vi) Motions once under debate

When a motion is under debate, no motion may be moved other than:

- an amendment to the motion;
- the adjournment of the discussion, or the meeting;
- that the meeting proceed to the next business;
- that the question should be now put;

- the appointment of an 'ad hoc' committee to deal with a specific item of business;
- that a member/director be not further heard;
- a motion under Section I (2) or Section I (8) of the Public Bodies (Admissions to Meetings) Act 1960 resolving to exclude the public, including the press (see Standing Order 3.17).

In those cases where the motion is either that the meeting proceeds to the 'next business' or 'that the question be now put' in the interests of objectivity these should only be put forward by a member of the Board who has not taken part in the debate and who is eligible to vote.

If a motion to proceed to the next business or that the question be now put, is carried, the Chairman should give the mover of the substantive motion under debate a right of reply, if not already exercised. The matter should then be put to the vote.

3.8 Motion to Rescind a Resolution

- (1) Notice of motion to rescind any resolution (or the general substance of any resolution) which has been passed within the preceding six calendar months shall bear the signature of the member who gives it and also the signature of three other members, and before considering any such motion of which notice shall have been given, the Trust Board may refer the matter to any appropriate Committee or the Chief Executive for recommendation.
- (2) When any such motion has been dealt with by the Trust Board it shall not be competent for any director/member other than the Chairman to propose a motion to the same effect within six months. This Standing Order shall not apply to motions moved in pursuance of a report or recommendations of a Committee or the Chief Executive.

3.9 Chairman of meeting

- (1) At any meeting of the Trust Board the Chairman, if present, shall preside. If the Chairman is absent from the meeting, the Vice-Chairman (if the Board has appointed one), if present, shall preside.
- (2) If the Chairman and Vice-Chairman are absent, such member (who is not also an Officer Member of the Trust) as the members present shall choose, shall preside.

3.10 Chairman's ruling

The decision of the Chairman of the meeting on questions of order, relevancy and regularity (including procedure on handling motions) and their interpretation of the Standing Orders and Standing Financial Instructions, at the meeting, shall be final.

3.11 Quorum

- (i) No business shall be transacted at a meeting unless at least half of the whole number of the Chairman and members (including at least 3 Executive Directors and 3 Non Executive Directors) are present.
- (ii) An Officer in attendance for an Executive Director (Officer) but without formal acting up status may not count towards the quorum.
- (iii) If the Chairman or member has been disqualified from participating in the discussion on any matter and/or from voting on any resolution by reason of a declaration of a conflict of interest (see SO No. 7) that person shall no longer count towards the quorum. If a quorum is then not available for the discussion and/or the passing of a resolution on any matter, that may not be discussed further or voted upon at that meeting. Such a position shall be recorded in the minutes of the meeting. The meeting must then proceed to the next business.

3.12 Voting

- (i) Save as provided in Standing Orders 3.13 - Suspension of Standing Orders and 3.14 - Variation and Amendment of Standing Orders, every question put to a vote at a meeting shall be determined by a majority of the votes of members present and voting on the question. In the case of an equal vote, the person presiding (ie: the Chairman of the meeting) shall have a second, and casting vote.

- (ii) At the discretion of the Chairman all questions put to the vote shall be determined by oral expression or by a show of hands, unless the Chairman directs otherwise, or it is proposed, seconded and carried that a vote be taken by paper ballot.
- (iii) If at least one third of the members present so request, the voting on any question may be recorded so as to show how each member present voted or did not vote (except when conducted by paper ballot).
- (iv) If a member so requests, their vote shall be recorded by name.
- (v) In no circumstances may an absent member vote by proxy. Absence is defined as being absent at the time of the vote.
- (vi) A manager who has been formally appointed to act up for an Officer Member during a period of incapacity or temporarily to fill an Executive Director vacancy shall be entitled to exercise the voting rights of the Officer Member.
- (vii) A manager attending the Trust Board meeting to represent an Officer Member during a period of incapacity or temporary absence without formal acting up status may not exercise the voting rights of the Officer Member. An Officer's status when attending a meeting shall be recorded in the minutes.
- (viii) For the voting rules relating to joint members see Standing Order 2.5.

3.13 Suspension of Standing Orders

- (i) Except where this would contravene any statutory provision or any direction made by the Secretary of State or the rules relating to the Quorum (SO 3.11), any one or more of the Standing Orders may be suspended at any meeting, provided that at least two-thirds of the whole number of the members of the Board are present (including at least one member who is an Officer Member of the Trust and one member who is not) and that at least two-thirds of those members present signify their agreement to such suspension. The reason for the suspension shall be recorded in the Trust Board's minutes.
- (ii) A separate record of matters discussed during the suspension of Standing Orders shall be made and shall be available to the Chairman and members of the Trust.
- (iii) No formal business may be transacted while Standing Orders are suspended.
- (iv) The Audit Committee shall review every decision to suspend Standing Orders.

3.14 Variation and amendment of Standing Orders

These Standing Orders shall not be varied except in the following circumstances:

- upon a notice of motion under Standing Order 3.5;
- upon a recommendation of the Chairman or Chief Executive included on the agenda for the meeting;
- that two thirds of the Board members are present at the meeting where the variation or amendment is being discussed, and that at least half of the Trust's Non-Officer members vote in favour of the amendment;
- providing that any variation or amendment does not contravene a statutory provision or direction made by the Secretary of State.

3.15 Record of Attendance

The names of the Chairman and Directors/members present at the meeting shall be recorded.

3.16 Minutes

The minutes of the proceedings of a meeting shall be drawn up and submitted for agreement at the next ensuing meeting where they shall be signed by the person presiding at it.

No discussion shall take place upon the minutes except upon their accuracy or where the Chairman considers discussion appropriate.

3.17 Admission of public and the press

- (i) **Admission and exclusion on grounds of confidentiality of business to be transacted**

The public and representatives of the press may attend all meetings of the Trust Board, but shall be required to withdraw upon the Trust Board as follows:

- 'that representatives of the press, and other members of the public, be excluded from the remainder of this meeting having regard to the confidential nature of the business to be transacted, publicity on which would be prejudicial to the public interest', Section 1 (2), Public Bodies (Admission to Meetings) Act 1960

(ii) **General disturbances**

The Chairman (or Vice-Chairman if one has been appointed) or the person presiding over the meeting shall give such directions as he thinks fit with regard to the arrangements for meetings and accommodation of the public and representatives of the press such as to ensure that the Trust's business shall be conducted without interruption and disruption and, without prejudice to the power to exclude on grounds of the confidential nature of the business to be transacted, the public will be required to withdraw upon the Trust Board resolving as follows:

- 'That in the interests of public order the meeting adjourn for (the period to be specified) to enable the Trust Board to complete its business without the presence of the public'. Section 1(8) Public Bodies (Admissions to Meetings) Act 1960.

(iii) **Business proposed to be transacted when the press and public have been excluded from a meeting**

Matters to be dealt with by the Trust Board following the exclusion of representatives of the press, and other members of the public, as provided in (i) and (ii) above, shall be confidential to the members of the Board.

Members and Officers or any employee of the Trust in attendance shall not reveal or disclose the contents of papers marked 'In Confidence' or minutes headed 'Items Taken in Private/Part 2' outside of the Trust, without the express permission of the Trust. This prohibition shall apply equally to the content of any discussion during the Board meeting which may take place on such reports or papers.

(iv) **Use of Mechanical or Electrical Equipment for Recording or Transmission of Meetings**

Nothing in these Standing Orders shall be construed as permitting the introduction by the public, or press representatives, of recording, tweeting, video or similar apparatus into meetings of the Trust or Committee thereof. Such permission shall be granted only upon resolution of the Trust.

3.18 Observers at Trust meetings

The Trust will decide what arrangements and terms and conditions it feels are appropriate to offer in extending an invitation to observers to attend and address any of the Trust Board's meetings and may change, alter or vary these terms and conditions as it deems fit.

The Trust Board will permit questions at the public Board meeting on agenda items discussed at that Board meeting.

4. APPOINTMENT OF COMMITTEES AND SUB-COMMITTEES

4.1 Appointment of Committees

Subject to such directions as may be given by the Secretary of State for Health, the Trust Board may appoint committees of the Trust Board.

The Trust shall determine the membership and terms of reference of committees and sub-committees and shall if it requires to, receive and consider reports of such committees.

4.2 Joint Committees

- (i) Joint committees may be appointed by the Trust by joining together with one or more other bodies, or other Trusts consisting of, wholly or partly of the Chairman and members of the Trust or other health service bodies, or wholly of persons who are not members of the Trust or other health bodies in question.
- (ii) Any committee or joint committee appointed under this Standing Order may, subject to such directions as may be given by the Secretary of State or the Trust or other health bodies in question, appoint sub-committees consisting wholly or partly of

members of the committees or joint committee (whether or not they are members of the Trust or health bodies in question) or wholly of persons who are not members of the Trust or health bodies in question or the committee of the Trust or health bodies in question.

- 4.3 Applicability of Standing Orders and Standing Financial Instructions to Committees**
The SOs and SFIs of the Trust, as far as they are applicable, shall as appropriate apply to meetings and any committees established by the Trust. In which case the term “Chairman” is to be read as a reference to the Chairman of other committee as the context permits, and the term “member” is to be read as a reference to a member of other committee also as the context permits. (There is no requirement to hold meetings of committees established by the Trust in public.)
- 4.4 Terms of Reference**
Each such committee shall have such terms of reference and powers and be subject to such conditions (as to reporting back to the Board), as the Board shall decide and shall be in accordance with any legislation and regulation or direction issued by the Secretary of State. Such terms of reference shall have effect as if incorporated into the SOs.
- 4.5 Delegation of powers by Committees to Sub-Committees**
Where committees are authorised to establish sub-committees they may not delegate executive powers to the sub-committee unless expressly authorised by the Trust Board.
- 4.6 Approval of Appointments to Committees**
The Board shall approve the appointments to each of the committees which it has formally constituted. Where the Board determines, and regulations permit, that persons, who are neither members nor officers, shall be appointed to a committee the terms of such appointment shall be within the powers of the Board as defined by the Secretary of State. The Board shall define the powers of such appointees and shall agree allowances, including reimbursement for loss of earnings, and/or expenses in accordance where appropriate with national guidance.
- 4.7 Appointments for Statutory functions**
Where the Board is required to appoint persons to a committee and/or to undertake statutory functions as required by the Secretary of State, and where such appointments are to operate independently of the Board such appointment shall be made in accordance with the regulations and directions made by the Secretary of State.
- 4.8 Committees established by the Trust Board – The Schedule of delegation (Section C)**
sets out the duties delegated:
- 4.8.1 Audit Committee
 - 4.8.2 Remuneration & Terms of Service Committee
 - 4.8.3 Charitable Funds Committee
 - 4.8.4 Performance & Finance Committee
 - 4.8.5 Quality Committee

5. ARRANGEMENTS FOR THE EXERCISE OF TRUST FUNCTIONS BY DELEGATION

- 5.1 Delegation of Functions to Committees, Officers or other bodies**
- 5.1.1 Subject to such directions as may be given by the Secretary of State, the Board may make arrangements for the exercise, on behalf of the Board, of any of its functions by a committee, sub-committee appointed by virtue of Standing Order 4, or by an officer of the Trust, or by another body as defined in Standing Order 5.1.2 below, in each case subject to such restrictions and conditions as the Trust thinks fit.
- 5.1.2 Section 16B of the NHS Act 1977 allows for regulations to provide for the functions of Trust’s to be carried out by third parties. In accordance with The Trusts (Membership, Procedure and Administration Arrangements) Regulations 2000 the functions of the Trust may also be carried out in the following ways:
- (i) by another Trust;
 - (ii) jointly with any one or more of the following: NHS trusts, NHS Improvement or CCGs;

- (iii) by arrangement with the appropriate Trust or CCG, by a joint committee or joint sub-committee of the Trust and one or more other health service bodies;
- (iv) in relation to arrangements made under S63(1) of the Health Services and Public Health Act 1968, jointly with one or more NHS Improvement, NHS Trusts or CCG.

5.1.3 Where a function is delegated by these Regulations to another Trust, then that Trust or health service body exercises the function in its own right; the receiving Trust has responsibility to ensure that the proper delegation of the function is in place. In other situations, i.e. delegation to committees, sub-committees or officers, the Trust delegating the function retains full responsibility.

5.2 Emergency Powers and urgent decisions

The powers which the Board has reserved to itself within these Standing Orders (see Standing Order 2.9) may in emergency or for an urgent decision be exercised by the Chief Executive and the Chairman after having consulted at least two non-officer members. The exercise of such powers by the Chief Executive and Chairman shall be reported to the next formal meeting of the Trust Board in public session for formal ratification.

5.3 Delegation to Committees

5.3.1 The Board shall agree from time to time to the delegation of executive powers to be exercised by other committees, or sub-committees, or joint-committees, which it has formally constituted in accordance with directions issued by the Secretary of State. The constitution and terms of reference of these committees, or sub-committees, or joint committees, and their specific executive powers shall be approved by the Board in respect of its sub-committees.

5.3.2 When the Board is not meeting as the Trust in public session it shall operate as a committee and may only exercise such powers as may have been delegated to it by the Trust in public session.

5.4 Delegation to Officers

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

5.4.2 The Chief Executive shall prepare a Scheme of Delegation identifying his/her proposals which shall be considered and approved by the Board. The Chief Executive may periodically propose amendment to the Scheme of Delegation which shall be considered and approved by the Board.

5.4.3 Nothing in the Scheme of Delegation shall impair the discharge of the direct accountability to the Board of the Chief Financial Officer to provide information and advise the Board in accordance with statutory or Department of Health requirements. Outside these statutory requirements the roles of the Chief Financial Officer shall be accountable to the Chief Executive for operational matters.

5.5 Schedule of Matters Reserved to the Trust and Scheme of Delegation of powers

5.5.1 The arrangements made by the Board as set out in the "Schedule of Matters Reserved to the Board" and "Scheme of Delegation" of powers shall have effect as if incorporated in these Standing Orders.

5.6 Duty to report non-compliance with Standing Orders and Standing Financial Instructions

If for any reason these Standing Orders are not complied with, full details of the non-compliance and any justification for non-compliance and the circumstances around the non-compliance, shall be reported to the next formal meeting of the Board for action or ratification. All members of the Trust Board and staff have a duty to disclose any non-compliance with these Standing Orders to the Chief Executive as soon as possible.

6. OVERLAP WITH OTHER TRUST POLICY STATEMENTS/PROCEDURES, REGULATIONS AND THE STANDING FINANCIAL INSTRUCTIONS

6.1 Policy statements: general principles

The Trust Board will from time to time agree and approve Policy statements/ procedures which will apply to all or specific groups of staff employed by Hull University Teaching Hospitals NHS Trust. The decisions to approve such policies and procedures will be recorded in an appropriate Trust Board minute and will be deemed where appropriate to be an integral part of the Trust's Standing Orders and Standing Financial Instructions.

6.2 Specific Policy statements

Notwithstanding the application of SO 6.1 above, these Standing Orders and Standing Financial Instructions must be read in conjunction with the following Policy statements:

- Declaring gifts and external interests policy for Hull University Teaching Hospitals NHS Trust staff;
- the staff Disciplinary Policy adopted by the Trust shall have effect as if incorporated in these Standing Orders.

6.3 Standing Financial Instructions

Standing Financial Instructions adopted by the Trust Board in accordance with the Financial Regulations shall have effect as if incorporated in these Standing Orders.

6.4 Specific guidance

Notwithstanding the application of SO 6.1 above, these Standing Orders and Standing Financial Instructions must be read in conjunction with the following guidance and any other issued by the Secretary of State for Health:

- Caldicott Guardian 1997;
- Human Rights Act 1998;
- Freedom of Information Act 2000.

7. DUTIES AND OBLIGATIONS OF BOARD MEMBERS/DIRECTORS AND SENIOR MANAGERS UNDER THESE STANDING ORDERS

7.1 Declaration of Interests

7.1.1 Requirements for Declaring Interests and applicability to Board Members

- i) The NHS Code of Accountability requires Trust Board Members to declare interests which are relevant and material to the NHS Board of which they are a member. All existing Board members should declare such interests. Any Board members appointed subsequently should do so on appointment.

7.1.2 Interests which are relevant and material

- (i) The interests which are regarded as "relevant and material" are set out in the Trust's Declaring Gifts and External Interest Policy.
- (ii) Any member of the Trust Board who comes to know that the Trust has entered into or proposes to enter into a contract in which he/she or any person connected with him/her (as defined in Standing Order 7.3 below and elsewhere) has any pecuniary interest, direct or indirect, the Board member shall declare his/her interest by giving notice in writing of such fact to the Trust as soon as practicable.

7.1.3 Advice on Interests

If Board members have any doubt about the relevance of an interest, this should be discussed with the Chairman of the Trust or with the Director of Corporate Affairs.

Financial Reporting Standard No 8 (issued by the Accounting Standards Board) specifies that influence rather than the immediacy of the relationship is more important in assessing the relevance of an interest. The interests of partners in professional partnerships including general practitioners should also be considered.

7.1.4 Recording of Interests in Trust Board minutes

At the time Board members' interests are declared, they should be recorded in the Trust Board minutes.

Any changes in interests should be declared at the next Trust Board meeting following the change occurring and recorded in the minutes of that meeting.

7.1.5 Publication of declared interests in Annual Report

Board members' directorships of companies likely or possibly seeking to do business with the NHS should be published in the Trust's annual report. The information should be kept up to date for inclusion in succeeding annual reports.

7.1.6 Conflicts of interest which arise during the course of a meeting

During the course of a Trust Board meeting, if a conflict of interest is established, the Board member concerned should withdraw from the meeting and play no part in the relevant discussion or decision. (See overlap with SO 7.3)

7.2 Register of Interests

7.2.1 The Director of Corporate Affairs will ensure that a Register of Interests is established to record formally declarations of interests of Board or Committee members. In particular the Register will include details of all directorships and other relevant and material interests (as defined in SO 7.1.2) which have been declared by both executive and non-executive Trust Board members.

7.2.2. These details will be kept up to date by means of an annual review of the Register in which any changes to interests declared during the preceding twelve months will be incorporated.

7.2.3 The Register will be available to the public and the Chief Executive will take reasonable steps to bring the existence of the Register to the attention of local residents and to publicise arrangements for viewing it.

7.3 Exclusion of Chairman and Members in proceedings on account of pecuniary interest

7.3.1 Definition of terms used in interpreting 'Pecuniary' interest

For the sake of clarity, the following definition of terms is to be used in interpreting this Standing Order:

- (i) "spouse" shall include any person who lives with another person in the same household (and any pecuniary interest of one spouse shall, if known to the other spouse, be deemed to be an interest of that other spouse);
- (ii) "contract" shall include any proposed contract or other course of dealing.
- (iii) "Pecuniary interest"

Subject to the exceptions set out in this Standing Order, a person shall be treated as having an indirect pecuniary interest in a contract if:-

- a) he/she, or a nominee of his/her, is a member of a company or other body (not being a public body), with which the contract is made, or to be made or which has a direct pecuniary interest in the same, or
 - b) he/she is a partner, associate or employee of any person with whom the contract is made or to be made or who has a direct pecuniary interest in the same.
- iv) Exception to Pecuniary interests
- A person shall not be regarded as having a pecuniary interest in any contract if:-
- a) neither he/she or any person connected with him/her has any beneficial interest in the securities of a company of which he/she or such person appears as a member, or
 - b) any interest that he/she or any person connected with him/her may have in the contract is so remote or insignificant that it cannot reasonably be regarded as likely to influence him/her in relation to considering or voting on that contract, or
 - c) those securities of any company in which he/she (or any person connected with him/her) has a beneficial interest do not exceed £5,000 in nominal value or one per cent of the total issued share capital of the company or of the relevant class of such capital, whichever is the less.

Provided however, that where paragraph (c) above applies the person shall nevertheless be obliged to disclose/declare their interest in accordance with Standing Order 7.1.2 (ii).

7.3.2 **Exclusion in proceedings of the Trust Board**

- (i) Subject to the following provisions of this Standing Order, if the Chairman or a member of the Trust Board has any pecuniary interest, direct or indirect, in any contract, proposed contract or other matter and is present at a meeting of the Trust Board at which the contract or other matter is the subject of consideration, they shall at the meeting and as soon as practicable after its commencement disclose the fact and shall not take part in the consideration or discussion of the contract or other matter or vote on any question with respect to it.
- (ii) The Secretary of State may, subject to such conditions as he/she may think fit to impose, remove any disability imposed by this Standing Order in any case in which it appears to him/her in the interests of the National Health Service that the disability should be removed. (See SO 7.3.3 on the 'Waiver' which has been approved by the Secretary of State for Health).
- (iii) The Trust Board may exclude the Chairman or a member of the Board from a meeting of the Board while any contract, proposed contract or other matter in which he/she has a pecuniary interest is under consideration.
- (iv) Any remuneration, compensation or allowance payable to the Chairman or a Member by virtue of paragraph 11 of Schedule 5A to the National Health Service Act 1977 (pay and allowances) shall not be treated as a pecuniary interest for the purpose of this Standing Order.
- (v) This Standing Order applies to a committee or sub-committee and to a joint committee or sub-committee as it applies to the Trust and applies to a member of any such committee or sub-committee (whether or not he/she is also a member of the Trust) as it applies to a member of the Trust.

7.3.3 **Waiver of Standing Orders made by the Secretary of State for Health**

(1) Power of the Secretary of State to make waivers

Under regulation 11(2) of the NHS (Membership and Procedure Regulations SI 1999/2024 ("the Regulations"), there is a power for the Secretary of State to issue waivers if it appears to the Secretary of State in the interests of the health service that the disability in regulation 11 (which prevents a chairman or a member from taking part in the consideration or discussion of, or voting on any question with respect to, a matter in which he has a pecuniary interest) is removed. A waiver has been agreed in line with sub-sections (2) to (4) below.

(2) Definition of 'Chairman' for the purpose of interpreting this waiver

For the purposes of paragraph 7.3.3.(3) (below), the "relevant chairman" is –

- (a) at a meeting of the Trust, the Chairman of that Trust;
- (b) at a meeting of a Committee –
 - in a case where the member in question is the Chairman of that Committee, the Chairman of the Trust;
 - (ii) in the case of any other member, the Chairman of that Committee.

(3) Application of waiver

A waiver will apply in relation to the disability to participate in the proceedings of the Trust on account of a pecuniary interest.

It will apply to:

(i) A member of the Hull University Teaching Hospitals NHS Trust, who is a healthcare professional, within the meaning of regulation 5(5) of the Regulations, and who is providing or performing, or assisting in the provision or performance, of –

- (a) services under the National Health Service Act 1977; or
- (b) services in connection with a pilot scheme under the National Health Service Act 1997;

for the benefit of persons for whom the Trust is responsible.

- (ii) Where the 'pecuniary interest' of the member in the matter which is the subject of consideration at a meeting at which he is present:-
 - (a) arises by reason only of the member's role as such a professional providing or performing, or assisting in the provision or performance of, those services to those persons;
 - (b) has been declared by the relevant chairman as an interest which cannot reasonably be regarded as an interest more substantial than that of the majority of other persons who:-
 - (i) are members of the same profession as the member in question, are providing or performing, or assisting in the provision or performance of, such of those services as he provides or performs, or assists in the provision or performance of, for the benefit of persons for whom the Trust is responsible.
- (4) Conditions which apply to the waiver and the removal of having a pecuniary interest
The removal is subject to the following conditions:
- (a) the member must disclose his/her interest as soon as practicable after the commencement of the meeting and this must be recorded in the minutes;
 - (b) the relevant chairman must consult the Chief Executive before making a declaration in relation to the member in question pursuant to paragraph 7.3.3 (2) (b) above, except where that member is the Chief Executive;
 - (c) **in the case of a meeting of the Trust:**
 - (i) the member may take part in the consideration or discussion of the matter which must be subjected to a vote and the outcome recorded;
 - (ii) may not vote on any question with respect to it.
 - (d) **in the case of a meeting of the Committee:**
 - (i) the member may take part in the consideration or discussion of the matter which must be subjected to a vote and the outcome recorded;
 - (ii) may vote on any question with respect to it; but
 - (iii) the resolution which is subject to the vote must comprise a recommendation to, and be referred for approval by, the Trust Board.

7.4 Standards of Business Conduct

7.4.1 Trust Policy and National Guidance

All Trust staff and members must comply with the Trust's Declaring Gifts and External Interests Policy and the national guidance contained in HSG(93)5 on 'Standards of Business Conduct for NHS staff' (see SO 6.2).

7.4.2 Interest of Officers in Contracts

- i) Any officer or employee of the Trust who comes to know that the Trust has entered into or proposes to enter into a contract in which he/she or any person connected with him/her (as defined in SO 7.3) has any pecuniary interest, direct or indirect, the Officer shall declare their interest by giving notice in writing of such fact to the Chief Executive or Trust Secretary as soon as practicable.
- ii) An Officer should also declare to the Chief Executive any other employment or business or other relationship of his/her, or of a cohabiting spouse, that conflicts, or might reasonably be predicted could conflict with the interests of the Trust.
- iii) The Trust will require interests, employment or relationships so declared to be entered in a register of interests of staff.

7.4.3 Canvassing of and Recommendations by Members in Relation to Appointments

- i) Canvassing of members of the Trust or of any Committee of the Trust directly or indirectly for any appointment under the Trust shall disqualify the candidate for such appointment. The contents of this paragraph of the Standing Order shall be included in application forms or otherwise brought to the attention of candidates.

Members of the Trust shall not solicit for any person any appointment under the Trust or recommend any person for such appointment; but this paragraph of this Standing Order shall not preclude a member from giving written testimonial of a candidate's ability, experience or character for submission to the Trust.

7.4.4 Relatives of Members or Officers

- i) Candidates for any staff appointment under the Trust shall, when making an application, disclose in writing to the Trust whether they are related to any member or the holder of any office under the Trust. Failure to disclose such a relationship shall disqualify a candidate and, if appointed, render him liable to instant dismissal.
- ii) The Chairman and every member and officer of the Trust shall disclose to the Trust Board any relationship between himself and a candidate of whose candidature that member or officer is aware. It shall be the duty of the Chief Executive to report to the Trust Board any such disclosure made.
- iii) On appointment, members (and prior to acceptance of an appointment in the case of Executive Directors) should disclose to the Trust whether they are related to any other member or holder of any office under the Trust.
- iv) Where the relationship to a member of the Trust is disclosed, the Standing Order headed 'Disability of Chairman and members in proceedings on account of pecuniary interest' (SO 7) shall apply.

8. CUSTODY OF SEAL, SEALING OF DOCUMENTS AND SIGNATURE OF DOCUMENTS

8.1 Custody of Seal

The common seal of the Trust shall be kept by the Trust Secretary.

8.2 Sealing of Documents

Where it is necessary that a document shall be sealed, the seal shall be affixed by the Chief Executive and Chairman, or their nominated deputies (Chief Financial Officer, Chief Operating Officer and Trust Secretary), and shall be arrested by them.

8.3 Register of Sealing

The Trust Secretary shall keep a register in which he/she, or another manager of the Authority authorised by him/her, shall enter a record of the sealing of every document.

8.4 Signature of documents

Where any document will be a necessary step in legal proceedings on behalf of the Trust, it shall, unless any enactment otherwise requires or authorises, be signed by the Chief Executive, any Executive Director or Director of Corporate Affairs.

In land transactions, the signing of certain supporting documents will be delegated to Managers and set out clearly in the Scheme of Delegation but will not include the main or principal documents effecting the transfer (e.g. sale/purchase agreement, lease, contracts for construction works and main warranty agreements or any document which is required to be executed as a deed).

9. MISCELLANEOUS (see overlap with SFI No. 21.3)

9.1 Joint Finance Arrangements

The Board may confirm contracts to purchase from a voluntary organisation or a local authority using its powers under Section 28A of the NHS Act 1977. The Board may confirm contracts to transfer money from the NHS to the voluntary sector or the health related functions of local authorities where such a transfer is to fund services to improve the health of the local population more effectively than equivalent expenditure on NHS services, using its powers under Section 28A of the NHS Act 1977, as amended by section 29 of the Health Act 1999.

See overlap with Standing Financial Instruction No. 21.3.

SECTION C - SCHEME OF RESERVATION AND DELEGATION

REF	THE BOARD	DECISIONS RESERVED TO THE BOARD
NA	THE BOARD	<p>General Enabling Provision The Board may determine any matter, for which it has delegated or statutory authority, it wishes in full session within its statutory powers.</p>
NA	THE BOARD	<p>Regulations and Control</p> <ol style="list-style-type: none"> 1 Approve Standing Orders (SOs), a schedule of matters reserved to the Board and Standing Financial Instructions for the regulation of its proceedings and business. 2 Suspend Standing Orders. 3 Vary or amend the Standing Orders. 4 Ratify any urgent decisions taken by the Chairman and Chief Executive in public session in accordance with SO 5.2 5 Ratify or otherwise instances of failure to comply with Standing Orders brought to the Chief Executive's attention in accordance with SO 5.6 6 Approve a scheme of delegation of powers from the Board to committees. 7 Require and receive the declaration of Board members' interests that may conflict with those of the Trust and determining the extent to which that member may remain involved with the matter under consideration. 8 Adopt the organisation structures, processes and procedures to facilitate the discharge of business by the Trust and to agree modifications thereto as recommended by the Chief Executive. 9 Receive reports from committees including those that the Trust is required by the Secretary of State or other regulation to establish and to take appropriate action on. 10 Receive the recommendations of the Trust's Board committees where the committees do not have executive powers and in line with the terms of reference 11 Receive annual management letter from the external auditor and agreement of proposed action, taking account of the advice, where appropriate, of the Audit Committee. 12 Approve arrangements relating to the discharge of the Trust's responsibilities as a corporate trustee for funds held on trust. 13 Approve the terms of reference and reporting arrangements of all committees and sub-committees that are established by the Board. 14 Authorise use of the seal. 15 Discipline members of the Board who are in breach of statutory requirements or SOs.
NA	THE BOARD	<p>Appointments/ Dismissal</p> <ol style="list-style-type: none"> 1. Appoint the Vice Chairman of the Board. 2. Appoint and dismiss committees that are directly accountable to the Board. 3. Appoint the Senior Independent Director

REF	THE BOARD	DECISIONS RESERVED TO THE BOARD
		<ol style="list-style-type: none"> 4. Appoint, discipline and dismiss Executive Directors (subject to SO 2.2). 5. Confirm appointment of members of any committee of the Trust as representatives on outside bodies.
NA	THE BOARD	<p>Strategy, Plans and Budgets</p> <ol style="list-style-type: none"> 1. Set the strategic aims and objectives of the Trust. 2. Approve proposals for ensuring quality and developing clinical governance in services provided by the Trust 3. Approve annually the Trust's organisational development proposals (People Strategy) 4. Approve the 5 year plan and annual operating plan 5. Approve financial strategies and plans, budgets (including capital) 6. Approve Outline and Final Business Cases for capital investment in line with the scheme of delegation. 7. Approve investments of new activity or any disinvestments (in line with NHS Improvement's significant transactions guidance) 8. Ratify proposals for acquisition or disposal of land and/or buildings. 9. Approve PFI proposals. 10. Approve the opening and closing of bank accounts. 11. Approve applications for loans 12. Approve proposals for new areas of business to the Trust amounting to £5,000,000 or more (further detail on timings relating to tender processes for new work are set out in Standing Financial instructions) 13. Approve the use of the NHS risk pooling schemes or arrangements to self-insure 14. Approve arrangements in relation to spin off companies 15. Approve the Trust's R & D Strategy
	THE BOARD	<p>Policy Determination</p> <ol style="list-style-type: none"> 16. Approval of Risk Management Policy 17. Approval of Performance Management Policy 18. Approval of Investment Policy
	THE BOARD	<ol style="list-style-type: none"> 1. Approve the appointment (and where necessary dismissal) of External Auditors. 2. Approve external auditors' arrangements for the separate audit of funds held on trust, and the submission of reports to the Audit Committee meetings. 2 Receive an annual report from the Internal Auditor and agree action on recommendations where appropriate of the Audit Committee.

REF	THE BOARD	DECISIONS RESERVED TO THE BOARD
NA	THE BOARD	<p>Annual Reports and Accounts</p> <ol style="list-style-type: none"> 1. Receive and approve the Trust's Annual Report and Annual Accounts. 2. Receive and approve the Annual Report and Accounts for funds held on trust.
NA	THE BOARD	<p>Monitoring</p> <ol style="list-style-type: none"> 1. Receive such reports as the Board sees fit from committees in respect of their exercise of powers delegated. 2. Continuous appraisal of the affairs of the Trust by means of the provision to the Board as the Board may require from directors, committees, and officers of the Trust. All monitoring returns required by the Department of Health and the Charity Commission shall be reported, at least in summary, to the Board. 3. Receive reports from the Chief Financial Officer on financial performance of the Trust

REF	COMMITTEE	DECISIONS/DUTIES DELEGATED BY THE BOARD TO COMMITTEES
	AUDIT COMMITTEE	<p>Duties and Responsibilities of the Committee</p> <ul style="list-style-type: none"> • Governance, Risk Management and Internal Control The Committee shall review the establishment and maintenance of an effective system of integrated governance, risk management and internal control, across the whole of the organisation's activities (both clinical and non clinical), that supports the achievement of the organisation's objectives. <p>In particular, the Committee will review the adequacy of:-</p> <ul style="list-style-type: none"> • All risk and control related disclosure statements (in particular the Annual Governance Statement), together with any accompanying Head of Internal Audit statement, external audit opinion or other appropriate independent assurances, prior to submission to the Board. • The structures, processes and responsibilities for identifying and managing key risks facing the organisation in particular the Board Assurance Framework—including the link with the corporate risk register • The underlying control and assurance processes that indicate the degree of the achievement of strategic objectives, the effectiveness of the management of principal risks and the appropriateness of the disclosure statements. • The policies and procedures for all work related to fraud and corruption as set out in Secretary of State Directions and as required by the Counter Fraud and Security Management Service. • Consider and review the Annual Information Governance Toolkit (and any replacement scheme) and the Data Quality Reports. • Trust arrangements to meet the requirements of the General Data Protection Regulations that apply from 25 May 2018 <p>Power to seek reports and assurances In carrying out this work the Committee will primarily utilise the work of Internal Audit, Anti-Fraud, External Audit and other assurance functions, but will not be limited to these audit functions. It may also seek reports and assurances from Directors and managers as appropriate,</p>

REF	COMMITTEE	DECISIONS/DUTIES DELEGATED BY THE BOARD TO COMMITTEES
		<p>concentrating on the over-arching systems of integrated governance, risk management and internal control, together with indicators of their effectiveness. The Committee will receive the minutes of the Board's Performance and Finance Committee, Quality Committee and Charitable Funds Committee to inform its assurance work. This will be evidenced through the Committee's use of an effective Assurance Framework to guide its work and that of the audit and assurance functions that report to it.</p> <p>Internal Audit The Committee shall ensure that there is an effective internal audit function established by management; that meets mandatory NHS Internal Audit Standards and provides appropriate independent assurance to the Audit Committee.</p> <p>It will:-</p> <ul style="list-style-type: none"> • Recommend the appointment of the Internal Auditors to the Board, approve the annual fee and consider any questions of resignation and dismissal • Review and approve the Internal Audit strategy, operational plan and more detailed programme of work, ensuring that this is consistent with the audit needs of the organisation as identified in the Assurance Framework and Strategic Plans. • Consider the major findings of internal audit work (and management's response), and ensure co-ordination between the Internal and External Auditors to optimise audit resources. • To review progress on implementing internal audit recommendations. • Ensure that the Internal Audit function is adequately resourced and has appropriate standing within the organisation. • Monitor the effectiveness of internal audit through their annual review <p>External Audit The Committee shall review the work and findings of the External Auditor and consider the implications and management's responses to their work. This will be achieved by:-</p> <ul style="list-style-type: none"> • Recommending to the Trust Board the appointment of the External Auditor . • Discussion and agreement with the External Auditor, before the audit commences, of the

REF	COMMITTEE	DECISIONS/DUTIES DELEGATED BY THE BOARD TO COMMITTEES
		<p>nature and scope of the audit as set out in the Annual Plan.</p> <ul style="list-style-type: none"> • Discussion with the External Auditors of their local evaluation of audit risks and assessment of the Trust and associated impact on the audit fee. • Review all external audit reports, including the report to those charged with governance, agreement of the annual audit letter before submission to the Board and any work undertaken alongside the annual audit plan together with the appropriateness of management responses. • Review and monitor the external auditor's independence and objectivity, taking into account relevant UK professional and regulatory requirements. • To develop and implement a policy on the engagement of the external auditor to supply non audit services. <p>Financial Reporting</p> <p>The Audit Committee shall review the Annual Report and Financial Statements before submission to the Board, focussing particularly on:-</p> <ul style="list-style-type: none"> • The wording in the Annual Governance Statement and other disclosures relevant to the terms of reference of the Committee. • Changes in, and compliance with, accounting policies, practices and estimation techniques. • Unadjusted mis-statements in the financial statements. • Letter of Representation. • Significant judgements in preparation of the financial statements. • Significant adjustments resulting from the audit. <p>Other Assurance Functions</p> <ul style="list-style-type: none"> • The Audit Committee shall review the findings of other significant assurance functions, both internal and external to the organisation and consider the implications to the governance of the organisation. These will include, but will not be limited to, any reviews by Department of Health Arms-Length Bodies or Regulators/Inspectors (e.g. Care Quality Commission, NHS Litigation Authority etc.), professional bodies with responsibility for the performance of staff or functions (e.g. Royal Colleges, accreditation bodies, etc.).

REF	COMMITTEE	DECISIONS/DUTIES DELEGATED BY THE BOARD TO COMMITTEES
		<ul style="list-style-type: none"> • In addition, the Committee will consider the work of other Committees within the organisation, whose work can provide relevant assurance to the Audit Committee’s own scope of work. This Committee also needs to be review the assurances gained from clinical audit activities in the organisation. • The Committee shall satisfy itself that the organisation has adequate arrangements in place for countering fraud and shall review the outcomes of anti-fraud work. • The Committee will seek annual assurance that a current, clear and effective Whistleblowing or Protected Disclosures Policy is in place and that all Trust staff have access to this policy. One Non-Executive Director under the current policy (reference CP169) will be one of a number of internal contacts available to consult and be the “Whistleblowing Champion” of the Trust. <p>Reporting</p> <ul style="list-style-type: none"> • The minutes of the Audit Committee meetings shall be approved by the Chairman of the Audit Committee and submitted to the Board. The Chairman of the Committee shall draw to the attention of the Board any issues that require disclosure to the full Board, or require executive action. • The Committee will report to the Board annually on its work in support of the Annual Governance Statement, specifically commenting on the fitness for purpose of the Board Assurance Framework, the completeness and effectiveness of risk management in the organisation, the integration of governance arrangements and produce an annual work plan. <p>Other Matters</p> <p>The Committee shall undertake reviews of:</p> <ul style="list-style-type: none"> • Risk register • Write offs and compensations • Outstanding debtors over £50,000 and 90 days or more outstanding. • Decision to waive tender procedures • Offers of hospitality/gifts and sponsorship • Review of Standing Orders and Standing Financial Instructions and approval of proposed changes

REF	COMMITTEE	DECISIONS/DUTIES DELEGATED BY THE BOARD TO COMMITTEES
		<ul style="list-style-type: none"> • Waiver of Standing Orders • Going Concern Reviews • Corporate credit card expenditure • Legal expenditure
	<p>REMUNERATION AND TERMS OF SERVICE COMMITTEE</p>	<p>Duties and Responsibilities of the Committee</p> <p>Remuneration</p> <ul style="list-style-type: none"> • To approve the terms and conditions of the Board Directors (detailed below) in accordance with Trust policies and following consultation with the Chief Executive, including; <ul style="list-style-type: none"> • Salary, including any performance related pay or bonus • Provision for other benefits, including pensions • Allowances <p style="text-align: center;">The Board Directors are the Chief Executive, Chief Financial Officer, Chief Nurse, Chief Medical Officer, Chief Operating Officer, Director of Workforce and Development, Director of Strategy and Planning and Director of Corporate Affairs.</p> <ul style="list-style-type: none"> • To receive benchmarking information on Board Directors salaries in order to determine the overall market positioning of the remuneration package • The Chief Executive is responsible for putting in place effective and fair appraisal arrangements for his/her direct reports and for reporting his/her decisions formally by a paper to the Committee at least annually. In making his/her decision on the level of overall performance, Committee Members will have had the opportunity to provide feedback on individuals to inform the Chief Executive's overall assessment • To adhere to all relevant laws, regulations and Trust policy in all respects, including (but not limited to) determining levels of remuneration that are sufficient to attract, retain and motivate Board Directors whilst remaining cost effective. • To approve any changes to the standard contract of employment for Board Directors • To agree and review the extent to which a full time Board Director takes on a Non-Executive Director or Chairman role of another organisation. • To approve any payments to staff which are outside of Trust policy. • To monitor the level and structure of remuneration for Very Senior Managers and note

REF	COMMITTEE	DECISIONS/DUTIES DELEGATED BY THE BOARD TO COMMITTEES
		<p>annually the remuneration trends across the Trust</p> <ul style="list-style-type: none"> • To approve severance payments in line with NHSI guidance • To approve MAR schemes and ensure that NHSI guidance is followed for individual staff applications. • To receive information on: <ul style="list-style-type: none"> • Any Trust post where there is a termination clause of more than 6 months • Highest paid employees in the Trust (20 individuals) annually • Any special pension arrangements for any employee • All bonus schemes (ie Trust earnings not paid in to salary) in operation in the Trust <p>Nomination</p> <ul style="list-style-type: none"> • To review the structure, size and composition of the Board and make recommendations for changes as appropriate • Before an appointment is made evaluate the balance of skills, knowledge and experience on the Board and its diversity and on the basis of the evaluation prepare a description of the role and capabilities required for appointment of Executive Directors. • To give full consideration to and make plans for succession planning for the Chief Executive and other Board Directors (Chiefs) taking into account the challenges and opportunities facing the Trust and the skills and expertise needed on the Board in the future. • Keep the leadership needs of the Trust under review at executive level to ensure the continued ability of the Trust to operate effectively in the health economy. • Ensure that a proposed executive directors, other significant commitments (if applicable) are disclosed before appointment. • Consider any matter relating to the continuation in office of any Executive Director (Chief Executive, Chief Financial Officer, Chief Nurse, Chief Medical Officer, and Chief Operating Officer) including the suspension and termination of service of an individual as an employee of the Trust, subject to the provisions of the law and their service contract. • To receive assurance on the succession plans for Very Senior Managers.
	CHARITABLE FUNDS COMMITTEE	<p>Duties and Responsibilities of the Committee</p> <ul style="list-style-type: none"> • To ensure that the Trust's charitable funds are established and operated in

REF	COMMITTEE	DECISIONS/DUTIES DELEGATED BY THE BOARD TO COMMITTEES
		<p>accordance with Charities Law.</p> <ul style="list-style-type: none"> • To ensure that any fund raising activity carried out by or on behalf of the charity is properly undertaken and that all funds are properly accounted for in line with the Trust policy. • To ensure that funds not needed for immediate expenditure are invested or deposited to earn interest to protect the real value of the asset whilst generating a reasonable level of income. • To ensure that audited accounts, as laid down in the 2011 Charities Act are submitted to the Trust Board and to the Charities Commission annually and made available for the public.. • To manage and monitor expenditure from charitable funds in accordance with Standing Financial Instructions and the Scheme of Delegation • To receive information on grants against general funds which are less than £10,000K. To approve bids of £10,000 or greater in line with the Scheme of Delegation. • To oversee the relationship and governance arrangements between the Trust's Charitable Funds and the Working Independently to Support Hull Hospitals (WISHH) Charity (registered charity no. 1162414 Hull University Teaching Hospitals Health Charity). • To oversee the Trust's hospital arts strategy, specifically the use of charitable funds in the delivery of this strategy. • To oversee the Trust's broader Corporate Social Responsibility role, in particular the Trust's role to support the well-being of the local community, which may be supported through charitable funds
	PERFORMANCE & FINANCE COMMITTEE	<p>Duties and Responsibilities of the Committee <u>NHS Constitution standards (access)</u></p> <ul style="list-style-type: none"> • To gain assurance that the organisation has, at all times, robust and effective operational planning systems in place (including demand and capacity) for delivering contract levels of activity • To gain assurance that the organisation has, at all times, robust and effective performance management systems in place relating to delivery of the access targets.

REF	COMMITTEE	DECISIONS/DUTIES DELEGATED BY THE BOARD TO COMMITTEES
		<ul style="list-style-type: none"> • To seek assurance that controls are in place, and operating effectively to mitigate the risks to the successful delivery of access targets • Review the plans for winter and make recommendations to the Board for adoption. Monitor delivery of the plans. • To ensure that the Board is informed of significant issues, underperformance, deviation from plans and to provide assurance on action being taken • To seek assurance that agreed recovery plans are being implemented in a timely fashion and delivering the required outcomes <p><u>Financial Performance</u></p> <ul style="list-style-type: none"> • To seek assurance that the organisation has a robust and effective financial planning and performance management systems in place. • To seek assurance on the production and implementation of long term financial plans (including capital) having regard to relevant national guidance, commissioning plans, and resource availability both internally and within the local health economy in order to support the Board in its decision making. • To consider loan applications prior to recommending approval by the Trust Board • To seek assurance that controls are in place and operating effectively to mitigate the risks to the successful delivery of financial performance, including cash releasing efficiency schemes (CRES) and agency caps. • To ensure that the Board is informed of significant issues, underperformance, deviation from plans and to provide assurance on action being taken • To seek assurance that agreed recovery plans are implemented in a timely fashion and resulting in improved outcomes • To receive assurance that Service Line Management is in place and Patient level costing is being developed and used to support delivery of the Trust's financial objectives • To receive assurance on the work being undertaken in relation to the Lord Carter review • To receive regular assurance on the People Strategy, the Trust's current workforce figures and the Trust's agency spend position, to flag up any financial or delivery issues impacted by workforce

REF	COMMITTEE	DECISIONS/DUTIES DELEGATED BY THE BOARD TO COMMITTEES
		<p><u>Overall Financial & Operational Planning</u></p> <ul style="list-style-type: none"> • To provide overview and scrutiny to the development of the Trust’s annual and longer term plans (as required by relevant National Guidance) for financial and operational performance and is line with the Trust Strategy, ensuring that the Trust’s financial plan is consistent with the Trust’s operational plan and reflective of the Trust’s goals • Ensure that the annual plans (operations, revenue and capital) are consistent with, and supportive of, relevant Trust wide strategies - Clinical Services, IM&T and Estates • To recommend to the Trust Board the approval of the Annual Operating Plan in relation to operational performance and financial plans. • Review the risks on the Board Assurance Framework relevant to the remit of the Committee (NHS Constitution Standards and Finance) to ensure that controls are in place and mitigating action is effective <p><u>Investment</u></p> <ul style="list-style-type: none"> • In line with the Trust’s approved scheme of delegation scrutinise all business cases for proposed capital investment that require either Performance and Finance Committee or Trust Board approval, ensuring that outcomes and benefits are clearly defined, are measurable and support delivery of the Trust’s goals • Evaluate, scrutinise and approve investment (and dis-investment) proposals within delegated limits, making recommendations to the Board in line with Standing Orders, Standing Financial Instructions • To receive assurance from the Capital Resource Allocation Committee that in year capital investment is being spent as planned and delivering planned benefits.
	QUALITY COMMITTEE	<p><u>Duties and Responsibilities of the Committee</u></p> <p>The Committee is responsible for providing the Board with assurance concerning all aspects of quality and safety relating to patient care and identifying quality improvement measures. The specific responsibilities are to:</p> <ul style="list-style-type: none"> • Monitor delivery of Trust strategies as delegated by the Board to this committee. • Advise the Board on appropriate quality and safety indicators and benchmarks for

REF	COMMITTEE	DECISIONS/DUTIES DELEGATED BY THE BOARD TO COMMITTEES
		<p>inclusion in the Trust's Corporate Performance Report and keep these under regular review.</p> <ul style="list-style-type: none"> • Propose Quality Accounts priorities for consideration by the Board and maintain oversight of delivery. • Scrutinise performance against quality targets, highlighting risks and exceptions to the Board. • Regularly review compliance with Care Quality Commission requirements and receive assurance that agreed actions are being progressed. • Regularly review progress with the Trust's Quality Improvement Plan, as the Trust's over-arching plan on driving improvement in quality of care, including any issues highlighted by the Care Quality Commission • To assure the Board that where there are risk and issues that might jeopardise the Trust's ability to deliver excellent quality care that these are being managed in a controlled and timely way. • Receive assurance that the Trust's Cost Improvement Programme is not adversely impacting on quality. • Monitor the information being received from patient feedback and adverse incidents to demonstrate that the Trust is learning and making improvements. • Learning and compliance from national and local reviews. • Regularly review outcomes, themes and trends from mortality reviews and to receive assurance on meeting national guidance on Learning from Deaths • To receive regular updates on the delivery of the People Strategy and its link with quality and safety

HULL UNIVERITY TEACHING HOSPITALS NHS TRUST

STANDING FINANCIAL INSTRUCTIONS

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HULL UNIVERSITY TEACHING HOSPITALS NHS TRUST

STANDING FINANCIAL INSTRUCTIONS

1. INTRODUCTION

The purpose of these Standing Financial Instructions is to regulate the conduct of the Trust and **all** of its employees, directors, officers and agents with regards to financial matters.

These Standing Financial Instructions explain the financial responsibilities, policies and procedures adopted by the Trust. They are designed to ensure that the Trust's financial transactions are carried out in accordance with the law and with Government policy in order to achieve probity, accuracy, economy, efficiency and effectiveness in the use of public resources. They should be used in conjunction with the Schedule of Decisions Reserved to the Board and the Scheme of Delegation adopted by the Trust and the financial policies and procedures on the Trust intranet site.

These do not provide detailed procedural advice and should be read in conjunction with the detailed departmental and financial procedure notes. All financial procedures must be approved by the Chief Financial Officer.

Where other guidance or policies appear to conflict with these instructions, these instructions will override those policies or procedures. Any conflicts should be brought to the attention of the Chief Financial Officer. If there are any doubts regarding the application or interpretation of these Standing Financial Instructions the advice of the Chief Financial Officer should be sought.

All members of staff, including the Trust Board, have an obligation to disclose any non-compliance with these Instructions to the Chief Financial Officer as soon as possible. All non compliance will be reported to the Audit Committee for review and action.

For the avoidance of doubt, where the Title of Chief Executive or Chief Financial Officer is used it is also deemed to refer to officers or employees that have been duly authorised to represent them. Officers and employees of the Trust include nursing and medical staff and consultants practising on Trust premises.

These standing financial instructions have been compiled under the authority of the Trust Board and have been fully approved by the Trust Board. The Audit Committee has also reviewed and approved the content. It is expected that all staff, including contractors and agency staff, will comply with these instructions at all times. **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.**

2. DELEGATION AND AUTHORITY

Certain Powers and obligations exist for the following in relation to financial matters.

2.1 The Trust Board

Specific powers and decisions that are reserved to the Board are set out in the document "Reservation of powers to the Board." Other specific powers, decisions and obligations have been delegated to Trust Board committees.

By virtue of their size or nature certain financial transactions will require Board approval, these are detailed in the financial scheme of delegation.

The Trust Board will exercise financial supervision and control by ensuring:

- Approval of annual financial strategies and plans
- Approval of annual capital strategies and plans
- Approval of annual accounts
- Approval of the high level scheme of delegation.
- Approving the opening and closing of bank accounts
- Approving use of seal
- Approving loans

2.2 The Chief Executive

All executive powers are vested in the Chief Executive. The Chief Executive will delegate some of those powers as appropriate to relevant Executives and Officers, and also delegate detailed responsibilities to them as appropriate. This includes the delegation of financial management powers to the Chief Financial Officer, however, the Chief Executive remains accountable for financial control.

The Chief Executive is specifically accountable as Accounting Officer to the following for ensuring that the Board meets its obligations within its available financial resources

- to the Board
- to the Chairman
- to the Secretary of State

The Chief Executive is also responsible for:

- maintaining a sound system of internal control.
- ensuring that all staff and Board members are aware of and in a position to understand their obligations in relation to these instructions.

2.3 The Chief Financial Officer

The Chief Executive delegates powers to the Chief Financial Officer to facilitate his/her role in relation to managing the financial affairs of the Trust.

Using these powers the Chief Financial Officer is required to:

- formulate and implement the Trust's financial policies and strategy
- ensure that all financial systems and records are sufficiently detailed to allow the determination and explanation of the Trust's financial position at any time.
- determine and maintain detailed financial procedures and systems that incorporate the principles of separation of duties and internal assurance and control
- determine and maintain an effective scheme of financial delegation that will set out the required level of authorisation for transactions based on their nature and value.
- determine the form of financial records and approve the method of discharge of duties for financial functions not under the direct control of the Finance department.
- provide financial advice to the Board / Board members

- Ensure that all financial and procurement processes are compliant with the law
- interpret the meaning of standing financial instructions where there is uncertainty.

2.4 All Trust Employees

The Trust is accountable to Parliament to ensure that the services it provides are efficient, economic and effective and therefore these principles must be incorporated into the daily business of all staff. All employees should have regard to the principles set out in HM Treasury guidance "Managing Public Money.

All staff are individually and collectively responsible for safeguarding the interests of the Trust at all times. In practice this will include ensuring the security of Trust property, actively avoiding loss, ensuring that all actions have a basis in law and are in line with internal policy and procedures.

All employees are expected to uphold the public service values of accountability, probity and openness in all they do.

Without exception all staff should comply with these Standing Financial instructions, Standing Orders and the Scheme of Delegation.

2.5 Contractors and their employees (including Agency staff)

Any contractor, employee of a contractor, or agency worker who is empowered by the Trust to commit resources or obtain income, shall be covered by these instructions. It is the responsibility of the Chief Executive and engaging officer to ensure that such persons are made aware of this.

The following provides specific guidance in relation to the specific functions and services

3. AUDIT and ANTI-FRAUD

The following have roles and responsibilities in relation to Audit and anti fraud

3.1 Audit Committee

In accordance with Standing Orders the Board shall formally establish an Audit Committee, with clearly defined terms of reference that are in line with guidance contained within the most current version of the NHS Audit Committee Handbook.

The committee will provide an independent and objective view of risk management and internal control across clinical and non clinical services. They will do this by oversight and review of the work of internal and external audit services and anti-fraud services, the work undertaken by other risk related committees and clinical audit, and by ensuring compliance with Standing Orders, Standing Financial Instructions and the Scheme of Delegation.

The Audit Committee will also review the annual accounts, significant financial judgements therein, and make recommendations to the Trust Board.

The internal auditors, external auditors and local anti-fraud specialist should ordinarily attend Audit Committee

Where the Audit Committee considers there is evidence of ultra vires transactions, evidence of improper acts, or if there are other important matters

that the Committee wishes to raise, the Chairman of the Audit Committee should raise the matter at a full meeting of the Board. Exceptionally, the matter may need to be referred to NHS Improvement (to the Chief Financial Officer in the first instance.)

It is the responsibility of the Chief Financial Officer to ensure adequate internal and external audit services are provided. The Audit Committee shall be involved in the selection process when internal and external Audit service providers are changed. When appointing external Auditors the Audit Committee will be the “audit panel”

The Audit Committee should ensure that measures are in place to ensure both internal and external audit and the provider of anti-fraud services, provide an effective and cost efficient service.

3.2 Chief Financial Officer

The Chief Financial Officer will:

- (a) ensure there are arrangements to review, evaluate and report on the effectiveness of internal financial control including the establishment of an effective internal audit function;
- (b) ensure that the internal audit function is adequate and as a minimum meets the NHS mandatory audit standards;
- (c) decide at what stage to involve the police in cases of misappropriation and other irregularities not involving fraud or corruption;
- (d) ensure that for each meeting an internal audit report is prepared for the consideration of the Audit Committee [and the Board]. The report must cover:
 - (i) a clear opinion on the effectiveness of internal control in accordance with current assurance framework guidance issued by the Department of Health including for example compliance with control criteria and standards;
 - (ii) major internal financial control weaknesses discovered;
 - (iii) progress on the implementation of internal audit recommendations;
 - (iv) progress against planned work
- (e) Ensure that strategic a 3 year internal audit plan and an annual audit plan are prepared for review by the Audit Committee before the start of each financial year
- (f) Appoint a competent and suitable Local Anti-Fraud Specialist in line with Secretary of State and NHS Protect guidance
- (g) Ensure effective counter fraud arrangements that are in line with the regulatory requirements set out by the Secretary of State and NHS Protect, are in place and monitored.
- (h) Ensure that a report is prepared for the Audit Committee at least twice annually and should cover:
 - Progress against the agreed annual plan
 - Progress in respect of fraud referrals noted on the fraud log

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

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

3.3 The Role of Internal Audit

Internal Audit will review, appraise and report upon:

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

Whenever Internal Audit discovers any matter 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, or fraud, the Chief Financial Officer must be notified immediately.

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

The Director of Internal Audit shall be accountable to the Chief Financial Officer. The reporting process for Internal Audit shall be agreed between the Chief Financial Officer, the Audit Committee and the Director of Internal Audit. The agreed process shall comply with the guidance on reporting contained in the NHS Internal Audit Standards and be reviewed at least every three years.

3.4 Role of the Local Counter Fraud Specialist (LCFS)

The Local Counter Fraud Specialist shall report to the Trust's Chief Financial Officer and shall work with staff in the NHS Protect and the Regional Counter Fraud and Security Management Services (RCFSMS) in accordance with the Department of Health and NHS Protect Guidance.

The Local Counter Fraud Specialist will provide written reports on counter fraud work within the Trust to the Audit Committee at intervals agreed with the Chief Financial Officer, but at least twice annually.

3.5 Appointment of the External Audit Function

The External Auditor is appointed by the Trust. In line with national guidance, the Audit Committee will act as the “panel” responsible for the selection process of the External Auditors. The Audit Committee will advise the Board of Directors of the recommended External Audit appointment. The Board will approve the appointment.

4. FINANCIAL PLANNING, BUDGETARY CONTROL AND MONITORING

4.1 Board

The Board will approve an annual financial plan setting out key financial targets and milestones.

The Plan will be submitted to the Trust’s Regulatory body.

The financial plan will involve the formal devolution of financial budgets to health groups and directorates

4.2 Chief Executive

As Accountable Officer the Chief Executive delegates powers to Officers in their role as first line budget holders

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

- (a) the amount of the budget;
- (b) the purpose(s) of each budget heading;
- (c) individual and group responsibilities;
- (d) authority to exercise virement;
- (e) achievement of planned levels of service;
- (f) the provision of regular reports.

Delegated budget holders must not exceed the budgetary total or virement limits set by the Board.

The Chief Executive (in conjunction with the Chief Financial Officer) is responsible for identifying a programme of cash releasing efficiency savings and productivity gains for inclusion in the annual financial plan

The Chief Executive is responsible for ensuring that the appropriate monitoring forms are submitted to the appropriate monitoring organisation.

4.3 Chief Financial Officer

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

- (a) be in accordance with the aims and objectives of the local health and social care economy;
- (b) Be consistent with workforce and activity assumptions;
- (c) be produced following discussion with appropriate budget holders;
- (d) be prepared within the limits of available funds;
- (e) identify potential risks.

The Chief Financial Officer shall monitor financial performance against allocated budgets and the annual plan, regularly review them and report appropriately to the Board.

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

- (a) monthly financial reports to the Board in a form approved by the Board containing:
 - (i) income and expenditure to date showing, trends and year end forecasts;
 - (ii) movements in working capital;
 - (iii) movements in cash and capital;
 - (iv) capital programme spend and projected outturn against plan;
 - (v) explanations of any material variances from budget or plan;
 - (vi) details of any corrective action where necessary and the Chief Executive's and/or Chief Financial Officers view of whether such actions are sufficient to correct the situation;
- (b) the issue of timely, accurate and comprehensive financial reports to each budget holder, covering the areas for which they are responsible;
- (c) investigation and reporting of variances from financial, activity and workforce plans and targets;
- (d) monitoring of management action to correct variances
- (e) sound arrangements for the authorisation of budget virements.

The Chief Financial Officer has a responsibility to ensure that there is adequate provisions for financial training for budget holders in order to facilitate robust budget management.

4.4 Budget Holders

4.4.1 General Principles

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

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

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

Non-recurring budgets should not be used to finance recurring expenditure without the authority in writing of the Chief Financial Officer.

4.4.2 Budgetary Control and Reporting

Each Budget Holder is responsible for ensuring that:

- (a) any likely overspending or reduction of income which cannot be met by virement is not incurred without the prior consent of the Chief Financial Officer.
- (b) the amount provided in the approved budget is not used in whole or in part for any purpose other than that specifically authorised subject to the rules of virement;

- (c) no permanent employees are appointed without the approval of the Chief Financial Officer other than those provided for within the available resources and manpower establishment as approved by the Board.

4.4.3 General

The general principles applying to delegation and reporting shall also apply to capital.

4.4.4 Monitoring Financial Performance

The Chief Finance Officer will provide regular reporting of the overall Trust financial position for the current financial year and for future financial periods.

For the purposes of monitoring performance against budget as part of the overarching financial framework. The Board will look to the following Board members for assurance regarding financial performance:

- Individual corporate directors for their own individual portfolios (corporate directorates)
- Chief Operating Officer for the overall performance of the clinical Health Groups within the Trust.

5. ANNUAL ACCOUNTS AND ANNUAL REPORT

The following have responsibilities in relation to the Annual Accounts and Annual Report

5.1 Chief Executive

The Chief Executive will:

- (a) ensure that an Annual Report is published and presented to a public meeting by the prescribed deadline
- (b) ensure the Annual Report shall be compliant with The NHS Manual for accounts guidance on the content of Annual Reports

5.2 The Chief Financial Officer,

The Chief Financial officer will:

- (a) By the prescribed date, prepare and submit annual accounts and financial returns in accordance with the Trust's accounting policies, generally accepted accounting principles, and guidance given by the Department of Health and HM Treasury,
- (b) Ensure that annual accounts are audited by the external auditors and the accounts are approved by the Board before submission to the NHS Improvement and the Department of Health.
- (c) Ensure that audited returns and accounts are submitted to the NHS Improvement together with any relevant audit reports, in line with nationally agreed deadlines.
- (d) A copy of the Annual Accounts will be made available to the public and presented at a public meeting

6. BANK ACCOUNTS

6.1 Trust Board

The Trust Board is responsible for approving banking arrangements, including authorising the opening and closing of new accounts.

6.2 Chief Financial Officer

The Chief Financial Officer will:

- (a) Manage the Trust's banking arrangements
- (b) Advise the Trust on the provision of banking services and operation of accounts. This advice will take into account guidance/ Directions issued from time to time by the Department of Health, NHS Improvement or other regulatory body
- (c) Be responsible for the operation of all bank accounts held by the Trust (commercial and Government Banking Service accounts), including those used for charitable funds.
- (d) Ensure accounts do not fall into overdraft other than where proper arrangements have been agreed and approved.
- (e) Report to the Board arrangements made for overdraft facilities
- (f) Monitor compliance with Department of Health and NHS Improvement guidance on the level of cleared funds permitted within commercial bank accounts.
- (g) Set out the conditions under which each bank account is to be operated;
- (h) Detail those authorised to sign cheques or other orders drawn on the Trust's accounts or make changes to the banking mandates
- (i) Report changes to banking arrangements to the Trust Board for approval

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

The Chief Financial Officer will review the commercial banking arrangements of the Trust at regular intervals to ensure they reflect best practice and represent best value for money by market testing at least every 8 years. The results of the tendering exercise should be reported to the Board.

7. INCOME, FEES & CHARGES AND DEBT RECOVERY

7.1 All Employees

All staff shall follow the Department of Health's advice in the "Costing for contracting" Manual and "Payment by Results" guidance in setting prices for NHS service agreements.

All employees must inform the Chief Financial Officer promptly, and in accordance with procedure, of money due arising from transactions which they initiate/deal with, including all contracts, leases, tenancy agreements, private patient undertakings and other transactions.

Only officially prescribed stationery and receipts should be used to record monies receivable/received

7.2 Chief Financial Officer

The Chief Financial Officer is responsible for designing, maintaining and ensuring compliance with systems for the proper recording, invoicing, collection and coding of all monies due. This includes prompt banking of all monies received.

The Chief Financial Officer is responsible for approving and regularly reviewing the level of all fees and charges other than those determined by the Department of Health or by Statute. Independent professional advice on matters of valuation shall be taken as necessary. Where sponsorship income (including items in kind such as subsidised goods or loans of equipment) is considered the guidance in

the Department of Health's Commercial Sponsorship – Ethical standards in the NHS - shall be followed. Actions should also be in accordance with the Trust's policies on business and professional conduct.

The Chief Financial Officer is responsible for ensuring appropriate recovery action on all outstanding debts, such actions should be cost effective. Income considered uncollectable should be dealt with in accordance with debt collection, write off, and losses procedures.

Systems and processes should be designed to minimise overpayments however where they do occur appropriate recovery action should be initiated by the Chief Financial Officer. Such actions should be cost effective

8. CASH, CHEQUES AND OTHER NEGOTIABLE INSTRUMENTS

8.1 All Employees

All receipts of cash, cheques and other negotiable instruments, including those in respect of charitable funds should be banked as soon after receipt as is practicable.

All cash received should be banked intact. i.e. as received. Disbursements should always be made from separate cash floats unless expressly authorised by the Chief Financial Officer

Those responsible for cash floats should never use Trust money for the encashment of private cheques

The holders of safe keys shall not accept unofficial funds for depositing in their safes other than those in the scope of the patient's property and money procedures.

8.2 Chief Financial Officer

The Chief Financial Officer is responsible for:

- (a) approving the form of all receipt books, agreement forms, or other means of officially acknowledging or recording monies received or receivable;
- (b) ordering and securely controlling any such stationery;
- (c) the provision of adequate facilities and systems for employees whose duties include collecting and holding cash, including the provision of safes or lockable cash boxes, the procedures for keys, and for coin operated machines;
- (d) prescribing systems and procedures for handling cash and negotiable securities on behalf of the Trust.

9. TENDERING AND CONTRACTING PROCEDURE

9.1 General

The procedure for making all contracts by or on behalf of the Trust will encompass the requirements of these Standing Orders and Standing Financial Instructions

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

The Trust shall comply as far as is practicable with the requirements of the Department of Health, other regulatory bodies, the requirements of “Estate code” in respect of capital investment and estate and property transactions. In the case of management consultancy contracts the Trust shall comply as far as is practicable with Department of Health guidance "The Procurement and Management of Consultants within the NHS".

The table below summarises the requirement in relation to tenders and quotations and should be viewed in conjunction with the detailed guidance below.

Value of Goods/Services	Tender/quotation requirement
Less than £10k (including VAT)	Use NHS supply chain and established contracts where possible otherwise obtain a quotation (see guidance below)
Between £10k and up to £50k (including VAT)	Obtain a quotation (see guidance below)
£50k to £118,133 (including VAT)	Undertake a local tender exercise (see guidance below)
More than £118,133 (Including VAT)	Tender exercise using EU procurement procedures

Programmes of “works” have an EU tender threshold of £4,551,413

*The table below shows the 6 OJEU limits

Goods and Services – central procurement including NHS Trusts	£118,133
Goods and service sub central government (including NHS foundation Trusts)	£164,176
Goods and services – utilities and defence	£328,352
Light touch regime services – public sector rules	£589,148
Light touch regime services – utilities	£785,530
Works	£4,551,413

9.2 Formal Competitive Tendering

The Trust shall ensure that competitive tenders are invited for:

- the supply of goods, materials and manufactured articles;
- the tendering of services including all forms of management consultancy services (other than specialised services sought from or provided by the DH);
- for the design, construction and maintenance of building and engineering works (including construction and maintenance of grounds and gardens); for disposals.
- Where the Trust elects to invite tenders for the supply of healthcare services these Standing Orders and Standing Financial Instructions shall apply as far as they are applicable to the tendering procedure.

9.3 Exceptions and instances where formal tendering need not be applied

Tenders exceeding the OJEU limit can never be waived or not applied, however formal tendering procedures (for contracts expecting to be under the OJEU limit) need not be applied where:

- (a) the estimated expenditure or income does not, or is not reasonably expected to, exceed £50,000 over the life of the contract. In these circumstances formal quotes should be requested
- (b) where the supply is proposed under special arrangements negotiated by the DH in which event the said special arrangements must be complied with;
- (d) regarding disposals as set out in Standing Financial Instruction number 9.17.

Items estimated to be below the £50,000 limit set out above which subsequently prove to have a value in excess of £50,000, shall be reported to the Chief Financial Officer and recorded by the Head of Procurement. That record should be reported to the Audit Committee at least annually.

9.4 Formal tendering procedures may be waived in the following circumstances:

- (a) in very exceptional circumstances where the Chief Executive or Chief Financial Officer decides that formal tendering procedures would not be practicable or the estimated expenditure or income would not warrant formal tendering procedures, and the circumstances are detailed in an appropriate Trust record (with the exception of tenders over the OJEU limit).
- (b) where the requirement is covered by an existing contract;
- (c) where a consortium arrangement is in place and a lead organisation has been appointed to carry out tendering activity on behalf of the consortium members;
- (d) where the timescale genuinely precludes competitive tendering but failure to plan the work properly would not be regarded as a justification for a single tender; *(This only applies if the value of the contract does not exceed the OJEU limit)*
- (e) where specialist expertise is required and is available from only one source; *(This only applies if the value of the contract does not exceed the OJEU limit)*
- (f) when the task is essential to complete the project, and arises as a consequence of a recently completed assignment and engaging different consultants for the new task would be inappropriate; *(This only applies if the value of the contract does not exceed the OJEU limit)*
- (g) there is a clear benefit to be gained from maintaining continuity with an earlier project. However in such cases it should be clearly demonstrated that the benefits of such continuity must outweigh any potential financial advantage to be gained by competitive tendering; *(This only applies if the value of the contract does not exceed the OJEU limit)*
- (h) for the provision of legal advice and services providing that any legal firm or partnership commissioned by the Trust is regulated by the Law Society for England and Wales for the conduct of their business (or by the Bar Council for England and Wales in relation to the obtaining of Counsel's opinion) and are generally recognised as having sufficient expertise in the area of work for which they are commissioned.

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

Competitive Tendering cannot be waived for building and engineering construction works and maintenance (other than in accordance with Concode) without Departmental of Health approval.

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

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

The Trust shall always ensure that invitations to tender or quote are sent to a sufficient number of companies/individuals to provide fair and adequate competition. In no circumstances should this be less than two firms/individuals, and accounts should be taken of their capacity to supply the goods or materials or to undertake the services or works required.

9.5 Detailed Tendering Procedure

9.5.1 Invitation to tender

- (i) All invitations to tender shall state the date and time as being the latest time for the receipt of tenders.
- (ii) Every tender for goods, materials, services or disposals shall embody such of the NHS Standard Contract Conditions as are applicable at the time
- (iii) Every tender for building or engineering works (except for maintenance work, when Estmancode guidance shall be followed) shall embody or be in the terms of the current edition of one of the Joint Contracts Tribunal Standard Forms of Building Contract or Department of the Environment (GC/Wks) Standard forms of contract amended to comply with concode; or, when the content of the work is primarily engineering, the General Conditions of Contract recommended by the Institution of Mechanical and Electrical Engineers and the Association of Consulting Engineers (Form A), or (in the case of civil engineering work) the General Conditions of Contract recommended by the Institute of Civil Engineers, the Association of Consulting Engineers and the Federation of Civil Engineering Contractors. These documents shall be modified and/or amplified to accord with Department of Health guidance and, in minor respects, to cover special features of individual projects.

9.5.2 Acceptance/Evaluation of formal tenders

- (i) Any discussions with a tenderer which are deemed necessary to clarify technical aspects of his tender before the award of a contract will not disqualify the tender.
- (ii) The lowest tender, if payment is to be made by the Trust, or the highest, if payment is to be received by the Trust, shall be accepted unless there are good and sufficient reasons to the contrary. Such reasons shall be explicitly recorded in the contract file.

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

- (a) experience and qualifications of team members;
- (b) understanding of client's needs;

- (c) feasibility and credibility of proposed approach;
- (d) ability to complete the project on time.

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

- (iii) No tender shall be accepted which will commit expenditure in excess of that which has been allocated by the Trust and which is not in accordance with these Instructions except with the authorisation of the Chief Executive or the Chief Financial Officer.
- (iv) The Trust 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.
- (v) All tenders should be treated as confidential and should be retained for inspection by the procurement department or the Infrastructure and Development directorate.

Reports on tender activity to the Audit Committee will be made on an exceptional circumstance basis only

9.6 List of approved firms for building engineering and construction work

- (i) Invitations to tender shall be made only to companies included on the approved list of tenderers compiled in accordance with this Instruction or on the separate maintenance lists compiled in accordance with Estmancode guidance (Health Notice HN(78)147).
- (ii) Companies included on the approved list of tenderers shall ensure that when engaging, training, promoting or dismissing employees or in any conditions of employment, shall not discriminate against any person because of Age, Race, Religion and Belief, Disability, Gender, Gender Reassignment, Sexual Orientation, Pregnancy and Maternity, Marriage and Civil Partnerships and will comply with the provisions of the Equality Act 2010, Equal Pay Act 1970, the Sex Discrimination Act 1975, the Race Relations Act 1976, and the Disabled Persons (Employment) Act 1944 and any amending and/or related legislation.
- (iii) Companies shall conform at least with the requirements of the Health and Safety at Work Act and any amending and/or other related legislation concerned with the health, safety and welfare of workers and other persons, and to any relevant British Standard Code of Practice issued by the British Standard Institution. Firms must provide to the appropriate manager a copy of its safety policy and evidence of the safety of plant and equipment, when requested.

9.7 Financial Standing and Technical Competence of Contractors

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

If in the opinion of the Chief Executive and the Chief Financial Officer or the Board member with lead responsibility for clinical governance it is impractical to use a potential contractor from the list of approved firms/individuals (for example where specialist services or skills are required and there are insufficient suitable potential contractors on the list), or where a list for whatever reason has not been prepared, the Chief Financial Officer should ensure that appropriate checks are carried out as to the technical and financial capability of those firms that are invited to tender or quote.

An appropriate record in the contract file should be made of the reasons for inviting a tender or quote other than from an approved list. –

9.8 Quotations: Competitive and non-competitive

General Position on quotations

Quotations are required where formal tendering procedures are not adopted and where the intended expenditure or income exceeds, or is reasonably expected to exceed £10,000 but not exceed £50,000. The purpose of a quotation is to provide comparison and achieve best value for money.

9.9 Competitive Quotations

- (i) Quotations should be obtained from at least 3 companies/individuals based on specifications or terms of reference prepared by, or on behalf of, the Trust.
- (ii) Quotations should only be in writing
- (iii) All quotations should be treated as confidential and should be retained for inspection.
- (iv) The Chief Financial Officer or his nominated officer(s) (see table 9.12) should evaluate the quotation and select the quote which gives the best value for money. If this is not the lowest quotation if payment is to be made by the Trust, or the highest if payment is to be received by the Trust, then the choice made and the reasons why should be recorded in a permanent record.

9.10 Non-Competitive Quotations (ie single quotes)

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

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

9.11 Quotations to be within Financial Limits

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

9.12 Authorisation of Tenders and Competitive Quotations

Providing all the conditions and circumstances set out in these Standing Financial Instructions have been fully complied with, formal authorisation and awarding of a contract may be decided by the following staff to the total value of the contract as follows:

Budget Holder	Up to £50,000
Chief Executive or Chief Financial Officer	Up to £500,000
Chief Executive or Chief Financial Officer and Chairman/vice Chairman	£500,000 up to £1M
Performance and Finance Committee	£1M up to £3M
Trust Board	£3M and over
All lease tenders must be authorised by the Chief Executive or Chief Financial Officer	All

These levels of authorisation may be varied or changed from time to time and therefore need to be read in conjunction with the Trust Board's Scheme of Delegation.

Formal authorisation must be put in writing. In the case of authorisation by the Trust Board and the Performance and Finance Committee this shall be recorded in the minutes.

Where competitive tendering or a competitive quotation is not required (i.e. where expenditure is less than £10,000) the Trust should adopt one of the following alternatives:

- (a) the Trust shall use the NHS Supply Chain for procurement of all goods and services, where applicable, unless the Chief Executive or nominated officers deem it inappropriate or impractical. The decision to use alternative sources must be documented and retained by the requisitioner.
- (b) If the Trust does not use the NHS Supply Chain, or any other agreed contracts the Trust shall procure goods and services in accordance with procurement procedures approved by the Chief Financial Officer.

9.13 Private Finance funded procurements (see overlap with SFI No. 24)

On consideration of a PFI funded procurement the following should apply

- (a) The Chief Financial Officer shall demonstrate that the use of private finance represents value for money and genuinely transfers risk to the private sector.
- (b) The proposal must be specifically agreed by the Board of the Trust.

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

9.14 Compliance requirements for all contracts

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

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

9.15 Personnel and Agency or Temporary Staff Contracts

The Chief Executive shall nominate officers with delegated authority to enter into temporary contracts for services with agencies or personal service companies. Such contracts are not covered by these procurement rules, however, officers and employees should use agencies with whom national and local contracts have been negotiated wherever possible. Officers and employees should have regard to pay regulations governing the payment to and rates paid to temporary and agency workers.

9.16 Healthcare Services Agreements

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

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

9.17 Disposal of Equipment

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

- (a) any matter in respect of which a fair price can be obtained only by negotiation or sale by auction as determined (or pre-determined in a reserve) by the Chief Executive or his nominated officer;
- (b) obsolete or condemned articles and stores, which may be disposed of in accordance with the disposal policy / guidance,
- (c) items with an estimated sale value of less than £100, this figure to be reviewed on a periodic basis;

- (d) items arising from works of construction, demolition or site clearance, which should be dealt with in accordance with the relevant contract;
- (e) land or buildings concerning which DH guidance has been issued but subject to compliance with such guidance.

9.18 Tendering of In-house Services

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

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

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

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

The evaluation team shall make recommendations to the Board.

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

9.19 Charitable Funds

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

9.20 Trust submission of bids for new areas of work

It is part of the Chief Executive's executive powers to approve tender submissions. The Chief Executive discharges this responsibility through the Chief Operating Officer who will sign off the final tender response and the Chief Financial Officer who will sign off the final financial model.

Within the procurement timeline sufficient time will be allowed for a final review of the Invitation to Tender (ITT) response or bid submission by the appropriate Trust Committee and, where required, for any necessary alterations to be made to the final submission. The Chief Operating Officer and Chief Financial Officer are required to sign off this final version prior to submission.

The Committees providing relevant sign-off based on the total value of the contract bid for are:

- Health Group Triumvirate/Directorate sign off – value up to £100K
- Executive Management Committee for £100k - £2m
- Performance and Finance Committee (value £2m - £5m)
- Trust Board (value over £5m)

In the event that there is insufficient time within the tendering process to enable sign off at the appropriate committee, authority will be given to the Chief

Operating Officer and Chief Financial Officer (or in their absence another member of the Executive Team) to sign off the final ITT for submission. If it is a bid of a value of more than £2m, this will also require the signature of the Chairman (or in their absence another Non-Executive Director).

10. NHS SERVICE AGREEMENTS FOR PROVISION OF SERVICES

10.1 Service Level Agreements (SLAs)

10.1.1 Chief Executive

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

All SLAs should aim to implement the agreed priorities contained within local strategies and plans and wherever possible, be based upon integrated care pathways to reflect expected patient experience. In discharging this responsibility, the Chief Executive should take into account:

- the standards of service quality expected;
- the relevant national service framework (if any);
- the provision of reliable information on cost and volume of services;
- the NHS National Performance Assessment Framework;
- that SLAs build where appropriate on existing Joint Investment Plans;
- that SLAs are based on integrated care pathways
- That SLA's are clear on costs, volumes and outcomes.

The Chief Executive will ensure that the Trust works with all partner agencies involved in both the delivery and the commissioning of the services required to ensure all parties are appropriately involved in planning and management of risks.

The Chief Executive will ensure that the SLA will apportion responsibility for handling a particular risk to the party or parties in the best position to influence the event and financial arrangements should reflect this. In this way the Trust can jointly manage risk with all interested parties.

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

The Trust's main activity is to provide healthcare services. Guidance should be sought from the Chief Financial Officer where commissioning activities are necessary.

10.2 Remuneration of Staff and Payment of expenses

10.2.1 General

In accordance with Standing Orders the Board shall establish a Remuneration and Terms of Service Committee, with clearly defined

terms of reference, specifying which posts fall within its area of responsibility, its composition, and the arrangements for reporting.

The Committee shall report in writing to the Board the basis for its decisions.

The Trust will pay allowances to the Chairman and non-officer members of the Board in accordance with instructions issued by the Secretary of State for Health and other regulatory bodies as appropriate.

10.2.2 Chief Financial Officer

The Chief Financial Officer is responsible for:

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

The Chief Financial Officer will issue instructions regarding:

- (a) verification and documentation of data;
- (b) the timetable for receipt and preparation of payroll and expense data and the payment of employees and allowances;
- (c) maintenance of subsidiary records for superannuation, income tax, social security and other authorised deductions from pay;
- (d) security and confidentiality of payroll and related information;
- (e) checks to be applied to completed payroll and expenses before and after payment;
- (f) authority to release payroll and expenses data under the provisions of the Data Protection Act;
- (g) methods of payment available to various categories of employee and officers;
- (h) procedures for payment to employees and officers;
- (i) procedures for the recall of cheques and bank credits;
- (j) pay advances and their recovery;
- (k) maintenance of regular and independent reconciliation of pay and expense control accounts;
- (l) separation of duties of preparing records and handling cash;
- (m) a system to ensure the recovery from those leaving the employment of the Trust of sums of money and property due by them to the Trust.
- (n) specifying the arrangements for accepting deductions from employees gross/net pay
- (o) specifying the arrangements to be put in place to recover overpayment of salary and expenses.

The Chief Financial Officer will:

- (a) Reject or refer payments in whole or in part where they contravene Trust policies, contracts or employment/terms of service and liaise with the Chief Executive where appropriate
- (b) Reject in whole or in part expense claims where they contravene agreed policies procedures, contracts of employment/terms of service

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

10.2.3 Appropriately nominated managers (budget holders)

Appropriately nominated managers (budget holders) have delegated responsibility for:

- (a) submitting time and expense records, and other notifications in accordance with agreed timetables;
- (b) completing time records and other notifications in accordance with the Chief Financial Officer's instructions and in the form prescribed by the Chief Financial Officer;
- (c) submitting termination forms in the prescribed form immediately upon knowing the effective date of an employee's or officer's resignation, termination or retirement. Where an employee fails to report for duty or to fulfill obligations in circumstances that suggest they have left without notice, the Chief Financial Officer must be informed immediately.
- (d) In so far as they are able, ensuring that all claims for remuneration and expenses are genuine and reasonable.

11. NON-PAY EXPENDITURE

11.1 General Principles

Those placing requisitions for goods and services should always ensure that they obtain the best value for money. The Trust's Head of Procurement is able to offer advice in relation to obtaining best value for money.

Payments for goods or services will only be made where it can be proven that those goods or services have been received, and that the price charged is correct and as agreed.

Payment for goods and services should not be made in advance of receipt those goods or services other than with the express agreement of the Chief Financial Officer. See conditions for making prepayments below

On an annual basis, the Board will approve the level of non-pay expenditure as part of the agreement of the financial plan and budgets. The annual plan will delegate the level of non- pay expenditure to budget holders.

The financial scheme of delegation will set out the delegated level of approval for non-pay transactions depending on the nature and value of the transaction and will be determined by the Chief Financial officer. The scheme of delegation will also set out the levels at which competitive quotes and tenders should be sought

Prepayments for goods and services are only permitted where exceptional circumstances apply. In such instances:

- (a) Prepayments are only permitted where the financial advantages outweigh the disadvantages

- a) (i.e. cash flows must be discounted to NPV using the National Loans Fund (NLF) rate plus 2%).-The opportunity cost / availability of cash is considered
- b) The budget holder must provide to the Chief Financial Officer a written report setting out all relevant circumstances of the purchase. The report must set out the effects on the Trust if the supplier is at some time during the course of the prepayment agreement unable to meet his commitments;
- c) The Chief Financial Officer will need to be satisfied with the proposed arrangements before contractual arrangements proceed (taking into account the EU public procurement rules where the contract is above a stipulated financial threshold);
- d) The budget holder is responsible for ensuring that all items due under a prepayment contract are received and they must immediately inform the appropriate Chief and Chief Financial Officer.

11.2 Chief Financial Officer

The Chief Financial Officer will:

- (a) Advise the Board on the threshold above which quotations or formal tenders will be required for goods and services.
- (b) devise procedural instructions or guidance within the Scheme of Delegation on the obtaining of goods, works and services incorporating the thresholds
- (c) set out procedures on the seeking of professional advice regarding the supply of goods and services, ensuring they are in accordance with relevant guidance.

The Chief Financial Officer will set out and maintain:

- (a) a list of those who are authorised to place requisitions for the supply of goods and services;
- (b) the maximum level of authority for those authorised to requisition goods and services.
- (c) detailed procedures for the ordering of goods and services which will include verification procedures, legal compliance, authorisation, official stationery requirements and will incorporate adequate internal controls
- (d) detailed procedures covering the approval and verification of accounts for payment. These shall include controls on the verification of invoices including confirmation of prior receipt of goods and services, prices charged, discounts applicable, and, arithmetic accuracy.

The Chief Financial Officer will authorise all prepayments.

11.3 Budget Holders, Managers and Officers

Budget holders, Managers and Officers must ensure that they comply fully with the guidance and limits specified by the Chief Financial Officer and that:

- (a) all contracts (except as otherwise provided for in the Scheme of Delegation), leases, tenancy agreements and other commitments which may result in a liability are notified to the Chief Financial Officer in advance of any commitment being made;
- (b) contracts above specified thresholds are advertised and awarded in accordance with EU rules on public procurement;

- (c) where consultancy advice is being obtained, the procurement of such advice must be in accordance with guidance issued by the Department of Health or Regulator;
- (d) no order shall be issued for any item or items to any firm or company which has made an offer of gifts, reward or benefit to directors or employees, other than as set out in the Declarations Policy.

(This provision needs to be read in conjunction with the principles outlined in the national guidance contained in HSG 93(5) “Standards of Business Conduct for NHS Staff”);

- (e) no requisition/order is placed for any item or items for which there is no budget provision unless authorised by the Chief Financial Officer on behalf of the Chief Executive;
- (f) all goods, services, or works are ordered on an official order except works and services executed in accordance with a contract and purchases from petty cash;
- (g) verbal orders will only be issued exceptionally and will be confirmed by an official order and clearly marked "Confirmation Order";
- (h) orders are not split or otherwise placed in a manner devised so as to avoid the financial thresholds;
- (i) goods are not taken on trial or loan in circumstances that could commit the Trust to a future uncompetitive purchase;
- (j) changes to the list of employees and officers authorised to certify invoices are notified to the Chief Financial Officer within a reasonable timescale following the change;

The Chief Executive and Chief Financial Officer 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, OGC, and ESTATECODE. The technical audit of these contracts shall be the responsibility of the relevant Director.

Payments to local authorities and voluntary organisations made under the powers of section 28A of the NHS Act **shall** comply with procedures laid down by the Director of Finance which shall be in accordance with these Acts. (See overlap with Standing Order No. 9.1)

12. EXTERNAL BORROWING AND INVESTMENT

12.1 Borrowing

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

Any short-term borrowing must be with the authority of two members of an authorised panel, one of which must be the Chief Executive or the Chief Financial Officer. The Board must be made aware of all short term borrowings at the next Board meeting.

Applications for capital investments or loans will be subject to approval by the Department of Health and the Trusts regulatory body.

Capital Investment loans and receipt of Public Dividend Capital (PDC) must be consistent with the Trust's financial strategy and should always be approved by the Board

12.1.1 Board

The Board must approve all capital investment loans and receipts of PDC

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

12.1.2 Chief Financial Officer

The Chief Financial Officer will advise the Board concerning the Trust's ability to pay dividend on, and repay any proposed new borrowing

The Chief Financial Officer is also responsible for reporting to the Board at least annually the position of all borrowings. (loans, PDC, and overdraft facilities).

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

12.2 Investments

Temporary cash surpluses must be held only in such public or private sector investments as notified by the Secretary of State and regulatory bodies. The Trusts Investment policy sets out the nature of organisation the Trust will invest in.

12.2.1 Board

The Board should authorise the investment policy

12.2.2 Chief Financial Officer

The Chief Financial Officer is responsible for advising the Board on investments within the boundaries of the investment policy and shall report periodically to the Board concerning the performance of investments held.

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

13. FINANCIAL FRAMEWORK

The Chief Financial Officer should ensure that members of the Board are aware of the Financial Framework. This document contains the financial directions which the Trust must follow. The Chief Financial Officer should also ensure that the direction and guidance in the framework is followed by the Trust.

14. CAPITAL INVESTMENT

14.1 Capital Investment in Property plant and Equipment

14.1.1 Board

The Board should approve the quantum and content of the capital investment programme before the start of each financial year. The approval of a capital investment programme does not constitute approval to incur costs.

The Board should oversee capital investment by receiving progress reports at least quarterly

All projects considered under a PFI initiative should be approved by the Board.

14.1.2 Chief Financial Officer

The Chief Financial Officer:

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

For every capital expenditure proposal the Chief Financial Officer should see it.

- (a) that a business case (in line with the Trusts business case guidance) is produced setting out:
 - (i) an option appraisal of potential benefits compared with known costs to determine the option with the highest ratio of benefits to costs;
 - (ii) the involvement of appropriate Trust personnel and external agencies;
 - (ii) appropriate project management and control arrangements;
- (b) that the business case has certified professionally to the costs and revenue consequences of the proposal.

For capital schemes where the contracts stipulate stage payments, the Chief Financial Officer will issue procedures for their management, incorporating the recommendations of "Estate code".

The Chief Financial Officer is responsible for the maintenance of an asset register recording all items of capital investment (as defined within the Trusts accounting policies). The register should be in a format that identifies where the asset is located, and includes a data set that facilitates recording the value of the asset in line with accounting policies

The Chief Financial Officer will ensure that there are adequate arrangements in place to confirm the existence of assets. Discrepancies should be reported to the Chief Financial Officer

The approval of a capital programme shall not constitute approval for expenditure on any scheme. The Chief Financial Officer is responsible for devising processes to regulate capital expenditure within approved limits of the approved capital programme, including a scheme of delegation that is in line with the instructions and limits issued by the Trusts regulatory

body. The current scheme of delegation for capital investment is set out below.

Total Value	Approver
£3M and above	Trust Board & NHS Improvement
£1M up to £3M	Performance and Finance committee
£100K up to £1M	Executive Management Committee
Up to £100K	Capital Resource Allocation Committee

The Chief Financial Officer shall ensure adequate arrangements for the regular reporting of expenditure and commitments against authorised capital budgets.

Where PFI funding is being considered the Trust Chief Financial Officer will ensure compliance with the requirements of its regulatory body. All PFI initiatives need Board approval prior to proceeding.

The Chief Financial Officer should offer advice in respect of capital investment to the Board.

14.1.3 All Staff

All staff have a duty to ensure that property, plant and equipment assets are used, safe guarded, and maintained responsibly. Wherever possible all should be marked clearly as Trust property.

15. INVENTORY AND CONSUMABLES RECEIPT OF GOODS

15.1 General Principles

Inventory should always be kept to the minimum level possible and should always be the subject of an annual stock take as set out in the Chief Financial Officers stock take instructions. Material holdings of inventory should be checked at least twice annually.

Inventory should be valued in accordance with the prevalent accounting policies, the appropriate methodology is set out in the Chief Financial Officers stock take instructions.

15.2 Chief Executive

The Chief Executive, through the scheme of delegation, shall delegate responsibility to individuals for the management and safe keeping of inventory and consumables.

15.3 Chief Financial Officer

The Chief Financial Officer has delegated responsibility for ensuring adequate systems of financial control. The Chief Financial Officer shall therefore set out procedures and systems to regulate the stores including records for receipt of goods, issues, and returns to stores, losses, stock counting and valuation.

The Chief Financial Officer will authorise systems of stores and control, where the value held is greater than £750k

The Chief Financial Officer will ensure that systems are in place to ensure he can satisfy himself that the goods have been received

The Chief Financial Officer will authorise all bulk purchases of inventory.

15.4 Designated staff

The control of any Pharmaceutical stocks shall be the responsibility of a designated Pharmaceutical Officer; the control of any fuel oil and coal of a designated Estates Manager.

The responsibility for security arrangements and the custody of keys for any stores and locations shall be clearly defined in writing by the designated Manager/Pharmaceutical Officer. Wherever practicable, inventory should be marked as health service property.

The designated Manager/Pharmaceutical Officer shall be responsible for a system approved by the Chief Financial Officer for a review of slow moving and obsolete items and for condemnation, disposal, and replacement of all unserviceable articles.

The designated Officer shall report to the Chief Financial Officer any evidence of significant overstocking and of any negligence or malpractice (see also Losses and Special Payments guidance). Procedures for the disposal of obsolete stock shall follow the procedures set out for disposal of all surplus and obsolete goods.

Any proposed bulk purchases of inventory should be notified to the Chief Financial Officer and be authorised by him before a purchase is made.

15.5 All Staff and Budget Holders

For goods supplied via the NHS Logistics central warehouses, the Chief Financial Officer shall identify those authorised to requisition and accept goods from the store and this will be set out within the financial scheme of delegation. The authorised person shall check receipt against the delivery note and satisfy themselves that the goods have been received before accepting the charge.

Any proposed bulk purchases of inventory should be notified to the Chief Financial Officer and be authorised by him before a purchase is made.

16. DISPOSALS AND CONDEMNATIONS, LOSSES AND SPECIAL PAYMENTS

16.1 Disposal and Condemnation of assets

16.1.1 Chief Financial Officer

The Chief Financial Officer must prepare detailed procedures for the disposal or condemnation of property, plant equipment and other assets such as inventory. These procedures should be notified to managers

16.1.2 All Staff

All staff have a responsibility to safeguard the interests and assets of the Trust at all times

Assets should only be condemned or disposed of if deemed unserviceable and the decision to condemn must be taken by an

employee authorised by the Chief Financial Officer to make such decisions

The procedure for disposals sets out the decision making and authorisation process.

Staff should report negligent use of Trust assets to the Chief Financial Officer

16.2 Losses and Special Payments

16.2.1 The Chief Financial Officer

The Chief Financial Officer must prepare procedural instructions on recording losses, and special payments. Such instruction should include the maintenance of a register, the content of the register should be reported to the Audit Committee twice annually.

The Chief Financial Officer must notify NHS Protect and the External Auditor of all frauds.

For losses apparently caused by theft, arson, neglect of duty or gross carelessness, except if trivial, the Chief Financial Officer must immediately notify the Board and External Auditors.

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

The Chief Financial Officer should ensure that the Trust follows the losses and special payments guidance issued by the Department of Health and other regulatory bodies, and acts within the delegated limits from those authorities. The Chief Financial Officer should seek authorisation and advice from the regulatory body and/ or the Department of Health where payments are expected to fall outside the Trust's delegated limits

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

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

16.2.2 All Staff

Any employee or officer discovering or suspecting a loss of any kind must either immediately inform their head of department, who must immediately inform the Chief Executive or the Chief Financial Officer or inform an officer charged with responsibility for responding to concerns involving loss – for example the Local Counter Fraud Specialist or the Local Security Management Specialist

This notified officer will then appropriately inform the Chief Financial Officer and/or Chief Executive.

Where fraud or corruption is suspected the employee must inform the Local Counter Fraud Specialist (LCFS) or Chief Financial Officer, the matter will then be dealt with under the Local Anti-Fraud Bribery and Corruption Policy.

17. INFORMATION TECHNOLOGY

17.1 Chief Financial Officer

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

- (a) devise and implement any necessary procedures to ensure adequate (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 1998;
- (b) ensure that adequate (reasonable) controls exist over data entry, processing, storage, transmission and output to ensure security, privacy, accuracy, completeness, and timeliness of the data, as well as the efficient and effective operation of the system;
- (c) ensure that adequate controls exist such that the computer operation is separated from development, maintenance and amendment;
- (d) ensure that an adequate management (audit) trail exists through the computerised system and that such computer audit reviews as the Director may consider necessary are being carried out.
- (e) ensure that the Trust complies with the obligations and principles set out in:
 - Data Protection Act 1998
 - NHS Information Governance Standards
 - NHS Code of Practice: Confidentiality
 - NHS Code of Practice: Information Security Management
 - The Caldicott Review

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

The Chief Financial Officer (in conjunction with the Trust Secretary) shall publish and maintain a Freedom of Information (FOI) Publication Scheme, or adopt a model Publication Scheme approved by the information Commissioner. A Publication Scheme is a complete guide to the information routinely published by a public authority. It describes the classes or types of information about our Trust that we make publicly available.

17.2 Other Directors and Officers

Each proposed new computer systems must have a Project Sponsor. Whether the intention is to procure a solution as part of a consortium or to procure a system by the Trust for its sole use, Directors and Officers involved in the planning of such systems must:

- (a) take due regard of, and ensure compliance with, national IM&T Strategy, particularly regarding the procurement of clinical systems and the development of unified, electronic patient records;
- (b) notify the Director of IT & Innovation of the outline requirements of the system and design requirements prior to any procurement commencing
- (c) ensure that Trust IM&T staff are involved in all stages of the planning, procurement and installation of new systems and upgrades;

- (d) ensure compliance with Trust IM&T Policies and Technical Standards. Systems and hardware must not be procured, or applications developed, which do not comply with relevant Trust technical standards;
- (e) ensure that new clinical systems are technically able to connect to the Trust's infrastructure and, where applicable, are able to connect to and share data with, existing clinical systems
- (f) in the case of packages acquired either from a commercial organisation, from the NHS or from another public sector organization, ensure that Trust technical standards are complied with

Financial support for, and approval of, IM&T procurements will be regulated in accordance with the committee structure and scheme of delegation pertaining to investment.

It is the responsibility of the Project Sponsor to ensure that, before any commitment to procure or develop a system is made a Proof of Concept is submitted to the appropriate authorising body for approval in principle. All procurements will be supported by Business Cases.

17.3 Contracts for Computer Services with other health bodies or outside agencies

17.3.1 Chief Financial Officer

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

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

The Chief Financial Officer 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. This shall include the preparation and testing of appropriate Business Continuity and Disaster Recovery plans.

17.3.2 General

For non-financial applications it is the responsibility of the appropriate Trust Director to ensure that the contracts with the suppliers 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.

For any services and systems hosted and managed by third parties, evidence of appropriate controls should be periodically obtained for audit purposes.

17.4 Computer Systems which have an impact on corporate financial systems

17.4.1 Chief Financial Officer

Where computer systems have an impact on corporate financial systems the Chief Financial Officer shall need to be satisfied that:

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

18. PATIENTS' PROPERTY - check this fits with new procedures

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

18.1 Chief Executive

The Chief Executive is responsible for ensuring that patients or their guardians, as appropriate, are informed before or at admission, that the Trust will not accept responsibility or liability for patients' property brought into Health Service premises, unless it is handed in for safe custody and a copy of an official patients' property record is obtained as a receipt.

18.2 Chief Financial Officer

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

18.3 All staff

All 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.

All staff shall abide by the policies and procedures for managing patients money at all times.

19. FUNDS HELD ON TRUST (CHARITABLE FUNDS)

19.1 General

Section C of Standing Orders outlines the Trust's responsibilities as a corporate trustee for the management of funds it holds on trust. Trust funds should always be managed in accordance with the law and Charities Commission requirements and the Charities own internal policies

The discharge of the Trust's Corporate Trustee responsibilities are distinct from its responsibilities for exchequer funds and may not necessarily be discharged in the same manner, but there must still be adherence to the overriding general principles of financial regularity, prudence and propriety as set out in these Standing Financial Instructions.

19.2 The Board

The Trust discharges its operational duties through the Charitable Funds Committee however the Board remains fully responsible and accountable for funds held on trust as the physical embodiment of the Trust.

19.3 Charitable Funds Committee

The committee shall, on behalf of the Board, manage the strategic and policy decisions relating to funds held on trust.

The charitable funds committee shall oversee the operational management of funds held on trust as provided by the Chief Financial Officer.

19.4 Chief Financial Officer

The Chief Financial Officer 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 Chief Financial Officer will discharge the duties of the Charitable Funds Committee in terms of the daily operational management of charitable funds, and legal and financial reporting requirements

The Chief Financial Officer is responsible for devising policies and control mechanisms (both financial and non financial) for ratification by the charitable funds committee

19.5 All staff

The funds held on Trust's Financial Scheme of Delegation makes clear where decisions regarding the exercise of discretion regarding the use of the funds are to be taken and by whom. Decisions should not be taken outside of that scheme of delegation.

All staff authorised by way of the scheme of delegation should always have regard to its limitations and the policies and procedures governing the use of funds held on trust.

20. ACCEPTANCE OF GIFTS AND HOSPITALITY

The Chief Executive shall ensure that all staff are made aware of the Trust policy on acceptance of gifts and other benefits in kind by staff (see the Trust's Declarations Policy). **All staff, Officers and contractors** should comply with the provisions of these policies.

21. RETENTION OF RECORDS

21.1 Chief Executive

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

21.2 Chief Financial Officer

The Chief Financial Officer shall provide advice on the retention of financial records.

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

Records should only be destroyed in accordance with best practice guidance, and at all times have regard to information governance principles.

22. RISK MANAGEMENT

22.1 General

The Trust should maintain a programme of risk management which must be approved and monitored by the Board.

The programme of risk management shall include:

- a) a process for identifying and quantifying risks and potential liabilities;
- b) engendering among all levels of staff a positive attitude towards the control of risk;
- c) management processes to ensure all significant risks and potential liabilities are addressed including effective systems of internal control, cost effective insurance cover, and decisions on the acceptable level of retained risk;
- d) contingency plans to offset the impact of adverse events;
- e) audit arrangements including; Internal Audit, clinical audit, health and safety review;
- f) a clear indication of which risks shall be insured;
- g) arrangements to review the Risk Management programme.

The existence, integration and evaluation of the above elements will assist in providing a basis to make Statements on the effectiveness of Internal Controls within the Annual Report and accounts as required.

22.2 Board

The programme of risk management should be approved by the Board

23. INSURANCE

23.1 General

The Trust will use the NHS Risk Pooling Scheme, including the Clinical Negligence Scheme, unless otherwise agreed by the Board.

Insurance arrangements with commercial insurers should not be entered into other than those below

- (1) **Insuring motor vehicles** owned (or lead) by the Trust including insuring third party liability arising from their use;
- (2) **Private Finance Initiative contract** or similar arrangements where the agreements stipulates commercial insurance arrangements should be used.
- (3) **Income generation activities** not covered by the risk pooling scheme
- (4) **Fidelity guarantee** – insuring the Trust against financial losses incurred through theft or fraud of senior officers of the Trust

23.2 Chief Financial Officer

Where there is any doubt about the Trust's powers to enter into commercial contracts of insurance, the Chief Financial Officer will consult the Trust's regulatory authority.

The risk pooling scheme requires Scheme members to make some contribution to the settlement of claims (the 'deductible'). The Chief Financial Officer should ensure documented procedures also cover the management of claims and payments below the deductible in each case.

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