

SOMERSET PARTNERSHIP NHS FOUNDATION TRUST
STANDING FINANCIAL INSTRUCTIONS

1. INTRODUCTION

- 1.1 The **SOMERSET PARTNERSHIP NHS FOUNDATION TRUST** (the “Trust”) became a Public Benefit Corporation on 1 May 2008 following approval by the Independent Regulator of NHS Foundation Trusts (the office now known as NHS Improvement) pursuant to the National Health Service Act 2006 (the “2006 Act”).
- 1.2 The principal place of business of the Trust is at the Trust Headquarters at 2nd Floor, Mallard Court, Express Park, Bristol Road, Bridgwater, Somerset, TA6 4RN.
- 1.3 The Trust is governed by the 2006 Act, as amended by the Health and Social Care Act 2012, its Constitution and NHS provider licence granted by the NHS Improvement the sector regulator. The functions of the Trust are conferred by the Regulatory Framework. The Regulatory Framework and in particular paragraph 1.3 of Annex 8 of the Constitution requires the Board of Directors of the Trust to adopt a Scheme of Delegation and Standing Financial Instructions (SFIs) as a comprehensive business framework for the regulation of its proceedings and business. Their content and approval are the sole responsibility of the Board of Directors and are not required to be submitted for approval to any group or organisation including NHS Improvement or the Council of Governors. The Trust’s Standing Orders are part of the Constitution.
- 1.4 The Trust is also required to comply with guidance issued by Monitor/NHS Improvement including (but not limited to) the following:
- Code of Governance for NHS Foundation Trusts;
 - Managing Operating Cash in NHS Foundation Trusts;
 - Monitor & HM Treasury Approval for Special Payments;
 - Monitor CRS System Business Case Guidance;
 - NHS Foundation Trust Accounting Officer Memorandum;
 - NHS Foundation Trust Annual Reporting Manual;
 - Prudential Borrowing Code for NHS Foundation Trusts;

- Quality Governance Framework;
- Risk Assessment Framework;
- Risk Evaluation for Investment Decisions by NHS Foundation Trusts;
- Roles and Responsibilities in the Approval of NHS Foundation Trust PFI Schemes;
- Transaction Manual for Providers and Commissioners of NHS Services Covering: Acquisitions, Divestments, Demergers, Joint Ventures, Franchises and Statutory Mergers;

including all amendments, replacements or modifications made and including any other guidance issued by NHS Improvement.

The Health and Social Care Act 2012 introduced changes in relation to private healthcare provision, thereby removing the former “private patient cap”. Foundation Trusts have an obligation to ensure that the total income derived from their principal purpose (to deliver goods and services for the purposes of the health service in England) is greater than their total income from the provision of goods and services “for any other purposes” including the provision of private healthcare.

- 1.5 These SFIs, together with the Standing Orders and the Scheme of Delegation, provide a comprehensive business framework for the functions of the Trust and have effect as if they all are incorporated into the Standing Orders. All Executive and Non-Executive Directors, and Officers should be aware of the existence of these documents and, where necessary, be familiar with the detailed provisions.
- 1.6 These SFIs detail the financial responsibilities, policies and procedures to be adopted by the Trust. They are designed to ensure that the Trust’s financial transactions are carried out in accordance with the law, Regulatory Framework and Government policy in order to achieve probity, accuracy, economy, efficiency and effectiveness. They should be used in conjunction with the Scheme of Decisions Reserved to the Board and the Scheme of Delegation adopted by the Trust.
- 1.7 These SFIs identify the financial responsibilities which apply to everyone working for the Trust and its constituent organisations including Trading Units. They do not provide detailed procedural advice. These statements should therefore be read in conjunction with the detailed departmental and financial procedure notes. **All financial procedures must be approved by the Director of Finance** or his/her nominated authorised deputy.

- 1.8 Should any difficulties arise regarding the interpretation or application of any of the SFIs then the advice of the Director of Finance or nominated authorised deputy **must be sought before acting**. The user of these SFIs should also be familiar with and comply with the provisions of the Trust's Standing Orders (SOs), as contained in the Constitution.

2. INTERPRETATION

- 2.1 Save as otherwise permitted by law, at any meeting of the Board of Directors the Chairman shall be the final authority on the interpretation of Standing Financial Instructions (on which the Chairman should be advised by the Chief Executive or Director of Finance) and the Chairman's decision shall be final and binding except in the case of manifest error.
- 2.2 Wherever a financial limit is stipulated but no value given, reference should be made to the Trust's decision on Financial Limits, which shall be issued to accompany the Standing Orders and the Standing Financial Instructions. The Board of Directors should periodically review the Financial Limits.
- 2.3 Any expression to which a meaning is given in the National Health Service Act 2006 shall have the same meaning in these instructions and in addition:

"Accounting Officer"

means the Officer responsible for discharging the functions specified in paragraph 25(5) of Schedule 7 to the 2006 Act. For this Trust it shall be the Chief Executive.

"Audit Committee"

means the Audit Committee established in accordance with the Constitution and SFI 4.1.

"Auditor"

means the auditor as appointed by the Council of Governors in accordance with the Constitution.

"Board of Directors"

means the board of directors as constituted in accordance with the Constitution.

"Budget"

means a resource, expressed in financial terms, proposed by the Board of Directors for the purpose of carrying out, for a specific period, any or all of the functions of the Trust.

"Budget Holder"

means the Director or Officer with delegated authority to manage finances (Income and Expenditure) for a specific area of the organisation.

"Chairman"

means the person appointed in accordance with the Constitution to ensure that the Board of Directors and Council of Governors successfully discharge their overall responsibilities for the Trust as a whole. The expression "Chairman" shall be deemed to include the Deputy Chairman and any other Non-Executive Director appointed if the Chairman is absent from the meeting and is otherwise unavailable.

"Chief Executive"

means the Chief Executive Officer of the Trust appointed in accordance with the Constitution.

"Constitution"

means the Constitution of the Trust as approved by the Council of Governors and the Board.

"Council of Governors"

means the Council of Governors as constituted in accordance with the Constitution, which has the same meaning as the Board of Governors in Paragraph 7 to Schedule 7 of the 2006 Act.

"Executive Director"

means a Member of the Board appointed as an Executive Director in accordance with the Constitution.

"Director of Finance"

means the Chief Financial Officer of the Trust appointed in accordance with the Constitution.

"Finance and Investment Committee"

means the Finance and Investment Committee established by the Board.

"Financial Limits"

means the financial limits set out in the Appendix to the Scheme of Delegation.

"Funds held on Trust"

means those funds which the Trust holds on its date of incorporation, receives on distribution by statutory instrument or chooses subsequently to accept under powers derived under S.40 of the NHS Act 2006, as amended. Such funds may or may not be charitable.

“Internal Audit”

means the function described in SFI 4.3.

“Licence”

means the NHS Provider Licence issued by Monitor in accordance with section 96(2) of the Health and Social Care Act 2012.

“Member of the Board”

means an Executive Director or Non-Executive Director (including for the avoidance of doubt the Chairman) or both, as the context requires.

“Monitor”

means the Independent Regulator of NHS Foundation Trusts established under section 31 and Schedule 8 of the 2006 Act, as amended by the Health and Social Care Act 2012, until 31 March 2016.

“NHS Improvement”

means the Independent Regulator of NHS Foundation Trusts established under section 31 and Schedule 8 of the 2006 Act, as amended by the Health and Social Care Act 2012, from 1 April 2016.

"Nominated Officer"

means an Officer charged with the responsibility for discharging specific tasks within SOs and SFIs.

“Non-Executive Director”

means a Member of the Board appointed as a Non-Executive Director in accordance with the Constitution.

“Officer”

means an employee of the Trust or any other staff member or person holding a paid appointment or office with the Trust or an agent/third party working on behalf of the Trust.

“Regulatory Framework”

means the 2006 Act, as amended by the Health and Social Care Act 2012, the Constitution and the NHS Provider Licence as issued by Monitor.

“Scheme of Delegation”

means both the document containing the Reservation of Powers to the Board of Directors and the Scheme of Delegation for the Trust.

"SFIs"

means these Standing Financial Instructions.

"SOs"

means the Standing Orders of the Board of Directors.

“the 2006 Act”

means the National Health Service Act 2006.

"Tendering Procedure"

means the procedure set out at Section 10 in the Standing Orders for the Board of Directors.

"Trust"

means the Somerset Partnership NHS Foundation Trust.

2.4 Compliance – Failure to comply with Standing Financial Instructions and Standing Orders is a disciplinary matter that could result in dismissal

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

3. RESPONSIBILITIES AND DELEGATION

3.1 The Board of Directors

3.1.1 The Board of Directors exercises financial supervision and control by:

- formulating the financial strategy;
- requiring the submission and approval of budgets within approved allocations/overall income;
- defining and approving essential features in respect of important procedures and financial systems (including the need to obtain value for money); and
- defining specific responsibilities placed on the Board of Directors and Officers as indicated in the Scheme of Delegation containing the powers of delegation and reservation as the Trust has established.

3.1.2 The Board of Directors has resolved that certain powers and decisions may only be exercised by the Board of Directors in formal session. These are set out in the Reservation of Powers to the Board in the Scheme of Delegation.

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

3.2 **The Chief Executive and Director of Finance**

3.2.1 Within these SFIs, it is acknowledged that the Chief Executive is ultimately accountable to the Board of Directors and as Accounting Officer, to NHS Improvement and to Parliament for ensuring that the Board of Directors meets its obligation to perform its functions within the available financial resources. The Chief Executive Officer will at all times comply with the NHS Foundation Trust Accounting Officer Memorandum (April 2008). The Chief Executive has overall executive responsibility for the Trust's activities, is responsible to the Board of Directors for ensuring that its financial obligations and targets are met and has overall responsibility for the Trust's system of internal control.

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

3.2.3 It is a duty of the Chief Executive to ensure that existing Directors and Officers and all new appointees are notified of and understand their responsibilities within these SFIs.

Director of Finance

3.2.4 The Director of Finance is responsible for:

- implementing the Trust's financial policies and for coordinating any corrective action necessary to further these policies;
- maintaining an effective system of internal financial control including ensuring that detailed financial procedures and systems incorporating the principles of separation of duties and internal checks are prepared, documented and maintained to supplement these instructions; and
- ensuring that sufficient records are maintained to show and explain the Trust's transactions, in order to disclose with reasonable accuracy, the financial position of the Trust at any time; and without prejudice to any other functions of the Directors and Officers to the Trust The duties of the Director of Finance include:
 - the provision of financial advice to the Trust, other Board of Directors and Officers;

- the design, implementation and supervision of systems of internal financial control; and
- the preparation and maintenance of such accounts, certificates, estimates, records and reports as the Trust may require for the purpose of carrying out its statutory duties.

Board Members and Officers

3.2.5 All Directors and Officers, severally and collectively, are responsible for:

- the security of the property of the Trust;
- avoiding loss;
- exercising economy and efficiency in the use of resources; and
- conforming to the requirements of Standing Orders, Standing Financial Instructions, relevant financial procedures and the Scheme of Delegation.

Contractors and their employees

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

3.2.7 For any and all Directors and Officers who carry out a financial function, the form in which financial records are kept and the manner in which Directors and Officers discharge their duties must be to the satisfaction of the Director of Finance.

4. AUDIT

4.1 Audit Committee

4.1.1 In accordance with the Constitution and Standing Orders the Board of Directors shall formally establish an Audit Committee, with clearly defined terms of reference and in accordance with guidance in the FT Code of Governance issued by Monitor in 2014, the Audit Code for NHS Foundation Trusts (2007) and any other relevant directions and guidance issued by NHS Improvement or any other relevant body, which will provide and independent an objective view of internal control by:

- overseeing Internal and External Audit services;
- reviewing financial and information systems and monitoring the integrity of the financial statements and reviewing significant financial reporting judgments;
- reviewing the establishment and maintenance of an effective system of integrated governance, risk management and internal control, across the whole of the Trust's activities (both clinical and non clinical), that supports the achievement of the Trust's objectives;
- monitoring compliance with Standing Orders and Standing Financial Instructions;
- reviewing schedules of losses and special payments and making recommendations to the Board of Directors; and
- reviewing the information prepared to support the controls assurance statements prepared on behalf of the Board of Directors and advising the Board of Directors accordingly.

4.1.2 Where the Audit Committee feel there is evidence of ultra vires transactions, evidence of improper acts, or if there are other important matters that the Audit Committee wishes to raise, the chairman of the Audit Committee should raise the matter at a full meeting of the Board of Directors (to the Director of Finance in the first instance). Exceptionally the matter may need to be referred to NHS Improvement.

4.1.3 It is the responsibility of the Director of Finance to ensure that an adequate internal audit service is provided and the Audit Committee shall be involved in the selection process when an internal audit service provider is changed.

4.2 **Director of Finance**

4.2.1 The Director of Finance is responsible for:

- ensuring there are arrangements to review, evaluate and report on the effectiveness of internal financial control including the establishment of an effective internal audit function;
- ensuring that the internal audit is adequate and meets NHS Improvement's mandatory audit standards;
- deciding at what stage to involve the police in cases of misappropriation and other irregularities not involving fraud or corruption; liaising with NHS Improvement as appropriate.

- ensuring that an annual internal audit report is prepared for the consideration of the Audit Committee and the Board of Directors.

4.2.2 The report must cover:

- a clear opinion on the effectiveness of internal control in accordance with current controls assurance guidance issued by NHS Improvement including for example compliance with control criteria and standards;
- major internal financial control weaknesses discovered;
- progress on the implementation of internal audit recommendations;
- progress against plan over the previous year;
- strategic audit plan covering the coming three years; and
- a detailed plan for the coming year.

4.2.3 The Director of Finance or designated auditor is entitled without necessarily giving prior notice to require and receive:

- access to all records, documents and correspondence relating to any financial or other relevant transactions, including documents of a confidential nature;
- access at all reasonable times to any land, premises held by the Board of Directors or Officers of the Trust;
- the production of any cash, stores or other property of the Trust under a Member of the Board's or Officer's control; and explanations concerning any matter under investigation.

4.3 **Role of Internal Audit**

4.3.1 Internal audit will review, appraise and report upon:

- the extent of compliance with, and the financial effect of relevant established policies, plans and procedures;
- the adequacy and application of financial and other related management controls;
- the suitability of financial and other related management data;

- the extent to which the Trust’s assets and interests are accounted for and safeguarded from loss of any kind, arising from
 - fraud and other offences;
 - waste, extravagance, inefficient administration; and poor value for money and other causes
- 4.3.2 Internal Audit shall also independently verify the controls assurance statements in accordance with guidance from NHS Improvement.
- 4.3.3 Whenever any matter arises which involves, or is thought to involve, irregularities concerning cash, stores, or other property or any suspected irregularity in the exercise of any function of a pecuniary nature, the Director of Finance must be notified immediately.
- 4.3.4 The Head 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.
- 4.3.5 The Head of Internal Audit shall be accountable to the Chief Executive. The reporting system for internal audit shall be agreed between the Director of Finance, the Audit Committee and the Head of Internal Audit. The agreement shall be in writing and shall comply with the guidance on reporting contained in the Audit Code for NHS Foundation Trusts and NHS Foundation Trust Annual Reporting Manual and the NHS Foundation Trust Accounting Officer Memorandum. The reporting system shall be reviewed at least every three years.
- 4.4 Fraud and Corruption**
- 4.4.1 In line with their responsibilities, the Chief Executive and Director of Finance shall monitor and ensure compliance with guidance issued by the Department of Health and NHS Improvement on fraud and corruption.
- 4.4.2 The Trust shall nominate a suitable person or organisation to carry out the duties of the Local Counter Fraud Specialist in accordance with national NHS Protect standards.
- 4.4.3 The Local Counter Fraud Specialist shall report to the Director of Finance and shall work with staff at NHS Protect.
- 4.4.4 The Director of Finance must also prepare a “fraud response plan” that sets out the action taken both by persons detecting a suspected fraud and those persons responsible for investigating it.

4.4.5 Any Officer discovering or suspecting a loss of any kind must either immediately inform the Trust's Counter Fraud Specialist or the Director of Finance , or inform an Officer charged with responsibility for responding to concerns involving loss or fraud or confidentially.

4.4.6 This Officer will then appropriately inform the Director of Finance and/or Chief Executive. Where a criminal offence is suspected, the Director of Finance must immediately inform the police if theft or arson is involved, but if the case involves suspicion of fraud, and corruption or of anomalies that may indicate fraud or corruption then the particular circumstances of the case will determine the stage at which the police are notified; but such circumstances should be referred to the relevant Local Counter Fraud Specialist (LCFS) and the regional Area Anti Fraud Specialist (AAFS) in accordance with NHS Protect guidance.

4.4.7 The Director of Finance must notify the AAFS, and the External Auditor of all frauds.

4.5 **Security Management Service**

4.5.1 The Chief Executive is responsible for the security of Officers and people engaged in activities for the purposes of the functions of the Trust.

4.5.2 The Director of Strategy and Corporate Affairs is responsible within the Trust for:

- security management matters; and
- the promotion of security management measures,

4.5.3 The Trust will appoint at least one person or organisation as a Local Security Management Specialist, in accordance with any guidance issued by NHS Improvement or NHS Protect on suitability criteria for such appointees.

4.5.4 The Director of Strategy and Corporate Affairs will ensure that the Trust's Local Security Management Specialist receives appropriate training in connection with security management measures in order to meet the requirements and objectives set out in NHS Protect's Local Security Management Specialist: Guidance.

4.5.5 The Local Security Management Specialist shall report directly to the Director of Strategy and Corporate Affairs and shall work with NHS Improvement and NHS Protect.

4.5.6 The Director of Strategy and Corporate Affairs will ensure that the Trust co-operates with NHS Improvement and NHS Protect to enable

them to efficiently and effectively carry out their respective functions in relation to the security of people and property across the NHS.

4.6 External Audit

4.6.1 The Auditor is appointed in accordance with the Constitution by the Trust, subject to approval by the Council of Governors, and paid for by the Trust. The Auditor must ensure a cost efficient service and comply with NHS Improvement's Audit Code.

4.6.2 The Trust shall ensure that the Auditor is provided with every facility and all information which he may reasonably require for the purposes of his functions under Schedule 10 of the 2006 Act

4.7 Senior Information Risk Owner

4.7.1 The Board shall nominate an Executive Director to be responsible to the Board for information risk management (the Senior Information Risk Owner).

4.7.2 The role of the Senior Information Risk Owner is defined in the Information Governance toolkit and is summarised in the Trust's Information Governance Policy as a Board level post. The Senior Information Risk Owner is the leading advocate for information risk to the Board, advising how information security risks could impact the strategic goals of the Trust.

5. ALLOCATIONS, BUSINESS PLANNING, BUDGETS, BUDGETARY CONTROL AND MONITORING

5.1 Preparation and approval of business plans and budgets:

5.1.1 The Chief Executive will compile and submit to the Board of Directors an annual business plan which takes into account financial targets and forecast limits of available resources. The annual business plan will contain a statement of the significant assumptions on which the plan is based and details of major changes in workload, delivery of services or resources required to achieve the plan.

5.1.2 Prior to the start of the financial year, the Director of Finance will, on behalf of the Chief Executive, prepare and submit budgets for approval by the Board of Directors. Such budgets will be in accordance with the aims and objectives set out in the Trust's Annual Business Plan and;

- accord with workload and manpower plans;

- be produced following discussion with appropriate budget holders;
 - be prepared within the limits of available funds and identify potential risks.
- 5.1.3 The Director of Finance shall monitor financial performance against budget and business plan, periodically review them, and report to the Finance and Investment Committee and the Board of Directors.
- 5.1.4 All budget holders must provide information as required by the Director of Finance to enable budgets to be complied with.
- 5.1.5 The Director of Finance has a responsibility to ensure that adequate training is delivered on an on-going basis to budget holders to help them manage successfully.
- 5.2 Budgetary delegation**
- 5.2.1 The Chief Executive may delegate the management of a budget to permit the performance of a defined range of activities including pooled budget arrangements under section 75 of the NHS Act 2006.
- 5.2.2 This delegation must be in writing and be accompanied by a clear definition of:
- the amount of the budget;
 - the purpose(s) of each budget heading;
 - individual and group responsibilities;
 - authority to exercise virement;
 - achievement of planned levels of service; and
 - the provision of regular reports.
- 5.2.3 The Chief Executive and delegated budget holders must not exceed the budgetary total or virement limits set by the Board of Directors.
- 5.2.4 Any budgeted funds not required for their designated purpose(s) revert to the immediate control of the Chief Executive, subject to any authorised use of virement.
- 5.2.5 Non-recurring budgets should not be used to finance recurring expenditure without the authority in writing of the Chief Executive.

5.3 **Budgetary control and reporting**

5.3.1 The Director of Finance will devise and maintain systems of budgetary control. These will include:

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

These reports will be monitored by the Finance and Investment Committee who will report to the Board on matters arising from their review.

5.4 **Each budget holder is responsible for ensuring that:**

- 5.4.1 Any likely overspending or reduction of income which cannot be met by virement is not incurred without the prior consent of the Board of Directors.
- 5.4.2 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 as set put in the Scheme of Delegation.
- 5.4.3 No permanent Officers are appointed outside of the agreed funded establishment without prior approval from the Executive Team.
- 5.4.4 The Chief Executive is responsible for identifying and implementing cost improvements and income generation initiatives in accordance with the requirements of the Annual Business Plan and a balanced budget.

5.5 **Capital expenditure**

5.5.1 The general rules applying to delegation and reporting shall also apply to capital expenditure. (The particular applications relating to capital are contained in SFI 14).

5.6 **Monitoring Returns**

5.6.1 The Chief Executive is responsible for ensuring that the appropriate monitoring forms are submitted to NHS Improvement and any other requisite monitoring organisation.

6. **ANNUAL ACCOUNTS AND REPORTS**

6.1 The Director of Finance, on behalf of the Trust, will:

- prepare financial returns in accordance with the accounting policies and guidance given by NHS Improvement, HM Treasury and the Department of Health, the Trust's accounting policies, and generally accepted accounting practice;
- submit annual financial reports to NHS Improvement certified in accordance with current guidelines;
- submit financial returns to NHS Improvement for each financial year in accordance with the timetable prescribed.

In accordance with the Constitution, the Trust's annual accounts must be audited by an auditor appointed by the Council of Governors and presented to a general meeting of the Council in accordance with the Constitution. The Trust's audited annual accounts must be presented to a public meeting and made available to the public.

6.1.1 The Trust will publish an annual report, in accordance with the Constitution and guidelines on local accountability and NHS Improvement's NHS Foundation Trust Annual Reporting Manual and send it to NHS Improvement and Parliament.

6.1.2 In accordance with paragraph 37.3 of the Constitution, the Trust shall give information prepared by the Board of Directors with regard to the Council of Governor's views as to its forward planning in respect of each financial year to NHS Improvement.

7. BANK ACCOUNTS

7.1 General

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

7.1.2 The Board of Directors shall approve the banking arrangements.

7.2 Bank and GBS Accounts

7.2.1 The Director of Finance is responsible for:

- bank accounts and Government Banking Service (GBS) accounts;
- establishing separate bank accounts for the Trust's non-exchequer funds;
- ensuring payments made from bank or GBS accounts do not exceed the amount credited to the account except where arrangements have been made;
- reporting to the Board of Directors all arrangements made with the Trust's bankers for accounts to be overdrawn (together with remedial action taken);
- monitoring compliance with HM Treasury guidance and any guidance issued by NHS Improvement or any other relevant guidance on the level of cleared funds.

7.3 Banking Procedures

7.3.1 The Director of Finance will ensure that detailed instructions on the operation of bank and GBS accounts are prepared which must include:

- the conditions under which each bank account is to be operated; the limit to be applied at any overdraft; and those authorised to sign cheques or other orders drawn on the Trust's accounts;
- the Director of Finance must advise the Trust's bankers in writing of the conditions under which each account will be operated.

7.4 Tendering and review

7.4.1 The Director of Finance will review the banking arrangements of the Trust at regular intervals to ensure they reflect best practice and represent value for money by periodically reviewing competitive bank rates.

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

8.1 Income systems

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

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

8.1.3 The Director of Finance is also responsible for the prompt banking of all monies received.

8.2 Fees and charges

8.2.1 The Director of Finance is responsible for approving and regularly reviewing the level of all fees and charges other than those determined by the Department of Health or by Statute. Independent professional advice on matters of valuation should 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 (contained within the Trust's Ethical Standards Policy) shall be followed.

8.2.2 In receiving cash payments, it should be noted that the maximum value of any single transaction is limited to the equivalent of 15,000 euros. This is in line with Money Laundering Regulations 2007.

8.2.3 All employees must inform the Director of Finance promptly of money due arising from transactions which they initiate/deal with, including all contracts, leases, tenancy agreements, private patient undertakings and other transactions.

8.3 Debt recovery

8.3.1 The Director of Finance is responsible for the appropriate recovery.

8.3.2 Outstanding debts will be reviewed and follow up action taken, dependent upon the value of the debt and length of time outstanding.

Where applicable, debt recovery agencies will be used to recover such debts.

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

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

8.4 **Security of cash, cheques and other negotiable instruments**

8.4.1 The Director of Finance is responsible for:

- approving the form of all receipt books, agreement forms, or other means of officially acknowledging or recording monies received or receivable;
- ordering and securely controlling any such stationery;
- the provision of adequate facilities and systems for Officers whose duties include collecting and holding cash, including the provision of safes or lockable cash boxes, the procedures for keys, and for coin operated machines; and
- prescribing systems and procedures for handling cash and negotiable securities on behalf of the Trust;
- official money shall not under any circumstances be used for the encashment of private cheques or IOUs.

8.4.2 Subject to the relevant clause in the SFI, all cheques, postal orders, cash, etc., shall be banked intact. Disbursements shall not be made from cash received except under arrangements approved by the Director of Finance.

8.4.3 All Officers who hold cash will be provided with a safe or lockable cash box which shall normally be deposited in a safe. The nominated Officer will hold one key and shall arrange for a duplicate key to be lodged in the Trust Headquarters safe. Instructions for the release of this duplicate key should be prepared by the nominated Officer and approved by the Director of Finance. Loss of any key should be reported immediately to the Director of Finance. During the absence of the key holder, the Officer who acts in their place shall be subject to the same controls as the key holder. A written discharge of the contents of the safe or cash box on the transfer of responsibilities should be retained for audit purposes with consideration to operational practices. The holders of safe keys shall not accept unofficial funds for depositing in their safes unless such deposits are in special sealed envelopes or locked containers. It shall be made

clear to the depositors that the Foundation Trust is not to be held liable for any loss, and written indemnities must be obtained from the organisation or individuals absolving the Foundation Trust from responsibility for any loss.

- 8.4.4 The opening of incoming post shall be undertaken by two Officers (where possible) and all cash, cheques, postal orders and other forms of payment shall be entered immediately in an approved form or remittance register, which should be countersigned by a senior Officer.
- 8.4.5 An official receipt will be made out for all cash receipts when requested, showing the type of remittance and the reasons for payment.
- 8.4.6 A special receipt will be issued for all charitable fund donations which will enable the donor to express their wishes as to the purpose of the donation.
- 8.4.7 The opening of coin operated machines (including telephones) and the counting and recording of the takings shall be undertaken by two Officers together, except as may be authorised in writing by the Director of Finance and the coin box keys shall be held by a nominated manager.
- 8.4.8 All unused cheques and other orders shall be subject to the same security precautions as are applied to cash; bulk stocks of cheques shall normally be retained by the Trust's bankers and released by them only against a requisition signed by the Director of Finance or a nominated Officer.
- 8.4.9 The use of a cheque signing machine and/or cheques with a preprinted signature included shall be subject to such special security precautions as may be required from time to time by the Director of Finance.
- 8.4.10 Staff shall be informed on their appointment of their responsibilities and duties for the collection, handling or disbursement of cash, cheques, etc.
- 8.4.11 Any loss or shortfall of cash, cheques, or other negotiable instruments, however occasioned, shall be reported immediately in accordance with the agreed procedures for reporting losses and for recording incidents.

9. SUPPLIER INVOICE RECEIPT/APPROVAL AND BANK DETAILS

9.1 Invoice approval

9.1.1 All invoices are approved in accordance with the Trusts' scheme of delegation and are sent out electronically within our accounting system. Payment staff will scan the invoice received, cross checking the purchase order number from the invoice to our system.

9.2 New suppliers

9.2.1 The Director of Finance shall ensure there are suitable controls for all notification of new supplier accounts. All details received on the Trust template are followed up by confirmation to another contact by telephone.

9.3 Changes of bank details

9.3.1 The Director of Finance shall ensure there are suitable controls for any changes to suppliers' bank details. Suppliers shall use the standard amendment form recommended by NHS Protect in Fraud Prevention Notice 9 (FP9) of December 2010. Payment staff will follow this up by confirming all changes by telephone. Monthly reports are run from our system to audit these bank changes.

10. AGREEMENTS FOR PROVISION OF SERVICES

10.1 Foundation Trust Contracts

10.1.1 The Board of Directors of the Foundation Trust shall regularly review and shall at all times maintain and ensure the capacity of the Foundation Trust to provide the commissioner requested services referred to in the Licence and other terms of authorisation and related schedules.

10.1.2 The Chief Executive, as the Accounting Officer, is responsible for ensuring that the Trust enters into suitable NHS contracts with Clinical Commissioning Groups (CCGs) and other commissioners for the provision of services.

10.1.3 The Foundation Trust will follow the priorities contained within the schedules of the contract, and wherever possible, be based upon integrated care pathways to reflect expected patient experience. In discharging this responsibility, the Chief Executive should take into account:

- the standards of service quality expected;

- the relevant national service framework (if any);
- the provision of reliable information on cost and volume of services;
- the Performance Assessment Framework contained within the NHS contract;
- that NHS contracts build where appropriate on existing partnership arrangements;
- any model contracts issued by NHS Improvement or the Department of Health.

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

10.1.5 The Chief Executive, as the Accounting Officer, will need to ensure that regular reports are provided to the Board of Directors detailing actual and forecast income from the NHS contract. This will include information on costing arrangements, which increasingly should be based upon patient clusters. Where patient clusters are unavailable for specific services, all parties should agree a common currency.

10.1.6 Where the Trust makes arrangements for the provision of services by non-NHS providers it is the Chief Executive, as the Accounting Officer, who is responsible for ensuring that the agreements put in place have due regard to the quality and the cost-effectiveness of the services provided.

10.2 Contracts

10.2.1 Where the Trust enters into a relationship with another organisation for the supply or receipt of services – clinical or non-clinical, the responsible Officer should ensure that an appropriate contract is in place and signed by both parties.

10.2.2 Contracts should incorporate:

- a description of the service and indicative activity levels;
- the term of the agreement;
- the value of the agreement;
- lead Officers;

- performance and dispute resolution procedures;
- risk management and governance arrangements.

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

11. TERMS OF SERVICE AND PAYMENT OF DIRECTORS AND OFFICERS

11.1 Remuneration and Terms of Service

11.1.1 In accordance with SOs the Board of Directors 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.

11.1.2 The Remuneration and Terms of Service Committee will decide on appropriate remuneration and terms of service of the Chief Executive and other Executive Directors (and other very senior Officers) including:

- all aspects of salary (including any performance related elements/bonuses);
- provisions for other benefits, including pensions and cars;
- arrangements for termination of employment and other contractual terms

and will advise the Board of Directors of any decisions made.

11.1.3 Regular reviews of the remuneration and terms of service of the Chief Executive and other Executive Directors (and other senior Officers) will be carried out to ensure they are fairly rewarded for their individual contribution to the Trust – having proper regard to the Trust's circumstances and performance and to the provisions of any national arrangements where appropriate. To decide the appropriate remuneration of the Chief Executive and other Executive Directors and advise the Board of Directors of any decisions made. Any decisions made by the Remuneration and Terms of Service Committee shall be recorded in the minutes of the Remuneration and Terms of Service Committee meetings.

11.1.4 The Remuneration and Terms of Service Committee shall monitor and evaluate the performance of individual Executive Directors (and other senior Officers).

11.1.5 The Committee shall also advise on and oversee appropriate contractual arrangements for all Directors and Officers, including the proper calculation and scrutiny of termination payments taking account of such national guidance as is appropriate.

11.1.6 The Board of Directors will after due consideration and amendment if appropriate approve proposals presented by the Chief Executive for setting of remuneration and conditions of service for those Officers and Officers not covered by the Committee.

11.1.7 The Trust will pay allowances to the Chairman and other Non-Executive Directors in accordance with the decision of the Council of Governors in accordance with the Constitution.

11.2 **Funded establishment**

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

11.2.2 The funded establishment of any department may be varied within the existing funding available.

11.3 **Appointments**

11.3.1 No Officer may engage, re-engage, or re-grade Officers, either on a permanent or temporary nature, or hire agency staff, or agree to changes in any aspect of remuneration:

- unless within the limit of his approved budget and funded establishment.

11.3.2 The Board of Directors will approve procedures presented by the Chief Executive for the determination of commencing pay rates, and conditions of service for Officers.

11.4 **Processing of Payroll**

11.4.1 The Director of Finance is responsible for:

- specifying timetables for submission of properly authorised time records and other notifications;
- the final determination of pay and allowances;
- making payment on agreed dates; and

- agreeing method of payment.

11.4.2 The Director of Finance will issue instructions regarding:

- verification and documentation of data;
- the timetable for receipt and preparation of payroll data and the payment of Officers;
- maintenance of subsidiary records for superannuation, income tax, social security and other authorised deductions from pay;
- security and confidentiality of payroll information;
- checks to be applied to completed payroll before and after payment;
- authority to release payroll data under the provisions of the Data Protection Act 1998;
- methods of payment available to various categories of Officers;
- procedures for payment by cheque, bank credit, or cash to Officers;
- procedures for the recall of cheques and bank credits ;
- pay advances and their recovery;
- maintenance of regular and independent reconciliation of pay control accounts;
- separation of duties of preparing records and handling cash; and
- a system to ensure the recovery from leavers of sums of money and property due by them to the Trust;
- the process of reclaiming business mileage and expenses (soon to be migrated to an e-expenses system from the current paper process)

11.4.3 Appropriately nominated managers have delegated responsibility for: submitting time records, and other notifications in accordance with agreed timetables, completing time records and other notifications in accordance with the Director of Finance's instructions and in the form prescribed by the Director of Finance, submitting termination forms in the prescribed form immediately upon knowing the effective date of an Officer's resignation, termination or retirement. Where an Officer

fails to report for duty or to fulfill obligations in circumstances that suggest they have left without notice, the Director of Finance must be informed immediately.

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

11.5 **Contracts of Employment**

11.5.1 The Director of Workforce and Organisational Development is responsible for ensuring that all Officers are issued with a contract of employment in a form approved by the Board of Directors and which complies with employment legislation; and for dealing with variations to, or termination of, contracts of employment

12. **NON-PAY EXPENDITURE**

12.1 **Delegation of Authority**

12.1.1 The level of non-pay expenditure will be determined on an annual basis as part of the budget setting process and the Chief Executive will determine the level of delegation to budget managers.

12.1.2 The Chief Executive will set out: the list of managers who are authorised to place requisitions for the supply of goods and services and the maximum level of each requisition and the system for authorisation above that level.

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

12.1.4 The Council of Governors will need to approve significant transactions as defined in the Constitution.

12.2 **Choice, Requisitioning, Ordering, Receipt and Payment of Goods and Services Requisitioning**

12.2.1 The requisitioner, in choosing the item to be supplied (or the service to be performed), shall always obtain the best value for money for the Trust. In so doing, the advice of the Trust's adviser on supply shall be sought. Where this advice is not acceptable to the requisitioner, the Director of Finance (and/or the Chief Executive) shall be consulted.

12.2.2 The Director of Finance shall be responsible for the prompt payment of accounts and claims. Payment of contract invoices shall be in

accordance with contract terms, or otherwise, in accordance with national guidance.

12.3 **System of Payment and Verification**

12.3.1 The Director of Finance will:

- advise the Board of Directors regarding the setting of thresholds above which quotations (competitive or otherwise) or formal tenders must be obtained. Once approved, the thresholds should be incorporated in SOs and the Scheme of Delegation and regularly reviewed. These limits shall have the effect as if incorporated in these SFIs;
- prepare procedural instructions (where not already provided in the Scheme of Delegation or procedure notes for budget holders) on the obtaining of goods, works and services incorporating the thresholds;
- be responsible for the prompt payment of all properly authorised accounts and claims;
- be responsible for designing and maintaining a system of verification, recording and payment of all amounts payable. The system shall provide for:
 - a list of Directors/ Officers (including specimens of their signatures) authorised to certify invoices;
 - certification that:
 - goods have been duly received, examined and are in accordance with;
 - specification and the prices are correct;
 - work done or services rendered have been satisfactorily carried out in accordance with the order, and, where applicable, the materials used are of the requisite standard and the charges are correct;
 - in the case of contracts based on the measurement of time, materials or expenses, the time charged is in accordance with the time sheets; the rates of labour are in accordance with the appropriate rates; the materials have been checked as regards quantity, quality, and the price and the charges for the use of vehicles, plant and machinery have been examined;

- where appropriate, the expenditure is in accordance with regulations and all necessary authorisations have been obtained;
- the account is arithmetically correct;
- the account is in order for payment;
- a timetable and system for submission to the Director of Finance of accounts for payment; provision shall be made for the early submission of accounts subject to cash discounts or otherwise requiring early payment;
- instructions to Officers regarding the handling and payment of accounts within the Finance Department;
- be responsible for ensuring that payment for goods and services is only made once the goods and services are received, (except as set out at 12.4 below)
- prepare and issue procedures regarding Value Added Tax (VAT).

12.4 Prepayments

12.4.1 Prepayments other than those which are standard practice, e.g. telephone rental and annual subscriptions, are only permitted where exceptional circumstances apply. In such instances:

- prepayments are only permitted where the financial advantages outweigh the disadvantages (i.e. cash flows must be discounted to NPV using an appropriate rate);
- the appropriate Executive Director must provide, in the form of a written report, a case setting out all relevant circumstances of the purchase. The report must set out the effects on the Trust if the supplier is at some time during the course of the prepayment agreement unable to meet his commitments;
- the Director of Finance will need to be satisfied with the proposed arrangements before contractual arrangements proceed (taking into account the EU public procurement rules where the contract is above a stipulated financial threshold); and
- the budget holder is responsible for ensuring that all items due under a prepayment contract are received and he/she must immediately inform the appropriate Director or Chief Executive if problems are encountered.

12.5 Official Orders

12.5.1 Official orders must:

- be consecutively numbered;
- be in a form approved by the Finance Director, including electronic format;
- state the Trust's terms and conditions of trade; and
- only be issued to, and used by, those duly authorised by the Chief Executive.

12.6 Duties of Officers

12.6.1 Officers must ensure that they comply fully with the guidance and limits specified by the Director of Finance and that:

- all contracts (other than for a simple purchase permitted within the Scheme of Delegation or delegated budget), leases, tenancy agreements and other commitments which may result in a liability are notified to the Director of Finance in advance of any commitment being made contracts above specified thresholds are advertised and awarded in accordance with the EU rules on public procurement;
- where consultancy advice is being obtained, the procurement of such advice must be in accordance with guidance issued by NHS Improvement;
- no order or gift shall be issued for any item or items to any firm which has made an offer of gifts, reward or benefit to Board of Directors, Directors or Officers, other than:
 - isolated gifts of a trivial character or inexpensive seasonal gifts, such as calendars;
 - conventional hospitality, such as lunches in the course of working visits;
- no requisition/order is placed for any item or items for which there is no budget provision unless authorised by the Director of Finance on behalf of the Chief Executive;
- all goods, services, or works are ordered on an official order except works and services executed in accordance with a contract and purchases by purchase card or from petty cash;

- verbal orders must only be issued very exceptionally – by an Officer designated by the Chief Executive and only in cases of emergency or urgent necessity. These must be confirmed by an official order and clearly marked “Confirmation Order”;
- orders are not split or otherwise placed in a manner devised so as to avoid the financial thresholds;
- goods are not taken on trial or loan in circumstances that could commit the Trust to a future uncompetitive purchase;
- changes to the list of Directors/Officers authorised to certify invoices are notified to the Finance Director;
- purchases from petty cash are restricted in value and by type of purchase in accordance with instructions issued by the Finance Director
- petty cash records are maintained in a form as determined by the Finance Director.

12.6.2 The Director of Finance shall ensure that the arrangements for financial control and financial audit of building and engineering contracts and property transactions comply with the guidance contained within ONCODE and ESTATECODE. The technical audit of these contracts shall be the responsibility of the relevant Executive Director.

12.6.3 Under no circumstances should goods be ordered through the Foundation Trust for personal or private use (other than approved lease car schemes).

13. JOINT FINANCE ARRANGEMENTS WITH LOCAL AUTHORITIES AND VOLUNTARY BODIES

13.1 Payments to local authorities and voluntary organisations made under the powers of section 75 of the NHS Act 2006 shall comply with procedures laid down by the Director of Finance which shall be in accordance with these Acts.

14. EXTERNAL BORROWING

14.1 Prudential Borrowing Code

14.1.1 The Foundation Trust must ensure compliance with the Prudential Borrowing Code set by NHS Improvement.

14.1.2 The Prudential Borrowing Code will determine the Prudential Borrowing Limit. The Foundation Trust must not borrow outside of

the limit imposed by NHS Improvement in the NHS Provider Licence as amended by annual review.

14.2 **Public Dividend Capital**

- 14.2.1 The Director of Finance will advise the Board of Directors concerning the Trust's ability to pay dividend on, and repay Public Dividend Capital (PDC) and any proposed new borrowing, within the limits set by its Licence and the Prudential Borrowing Code for NHS Foundation Trusts. The Director of Finance is also responsible for reporting periodically to the Board of Directors concerning the PDC debt and all loans and overdrafts.
- 14.2.2 The Board of Directors will agree the list of Officers who are authorised to make short term borrowings on behalf of the Trust. This must contain the Chief Executive and the Director of Finance.
- 14.2.3 The Director of Finance must prepare detailed procedural instructions on applications for loans and overdrafts; and the operations of investment accounts and the records to be maintained.
- 14.2.4 All short-term borrowings should be kept to a minimum period of time possible, consistent with the over cash flow position, represent good value for money, and comply with the latest guidance issued by NHS Improvement.
- 14.2.5 Any short-term borrowing must be with the authority of two members of the authorised panel, one of which must be the Chief Executive or the Director of Finance. The Board of Directors must be made aware of all short term borrowings at the next Board meeting.
- 14.2.6 Temporary cash surpluses must be held only in such public or private sector investments as notified by NHS Improvement and/or the Secretary of State and in accordance with the Treasury Management policy.
- 14.2.7 The Director of Finance is responsible for advising the Board on investments and shall report periodically to the Board concerning the performance of investments held and on ensuring the Trust acts in accordance with the Best Practice Guidance in Making Investments for NHS Foundation Trusts. Proposals for investments will be considered and scrutinised by the Finance and Investment Committee on behalf of the Board.

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

15.1 Capital Investment

15.1.1 The Chief Executive:

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

15.1.2 For every capital expenditure proposal the Chief Executive shall:

- ensure that a business case (in line with the guidance contained within the Compliance Framework and the Best Practice Guidance in Making investments for NHS Foundation Trusts and any other guidance published by NHS Improvement) is produced setting out:
- an option appraisal of potential benefits compared with known costs to determine the option with the highest ratio of benefits to costs; and appropriate project management and control arrangements;
- the involvement of appropriate Trust personnel and external agencies;
- that the Director of Finance has certified professionally to the costs and revenue consequences detailed in the business case;

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

15.1.4 The Director of Finance shall assess on an annual basis the requirement for the operation of the construction industry tax deduction scheme in accordance with HM Revenue and Customs guidance, where dispensation does not already exist.

- 15.1.5 The Director of Finance shall issue procedures for the regular reporting of expenditure and commitment against authorised expenditure.
- 15.1.6 The approval of a capital programme shall not constitute approval for expenditure on any scheme. The Chief Executive shall issue to the manager responsible for any scheme:
- specific authority to commit expenditure;
 - authority to proceed to tender;
 - approval to accept a successful tender.
- 15.1.7 The Chief Executive will issue a Scheme of Delegation for capital investment management in accordance with “Protection of Assets Guidance for NHS Foundation Trusts” issued by Monitor, “Estatecode” guidance and the SOs.

The Director of Finance shall:

- issue procedures governing the financial management, including variations to contract, of capital investment projects and valuation for accounting purposes. These procedures shall fully take into account:
 - the delegated limits for capital schemes included in Annex C of HSC 1999/246 and guidance issued by NHS Improvement relating to the Prudential Borrowing Code which determines the limits of borrowing by an NHS Foundation Trust;
 - the Trust’s Investment Policy;
 - the best practice advice issued by NHS Improvement in “Risk Evaluation for Investment Decisions by Foundation Trusts”.
- ensure the NHS Foundation Trust Annual Reporting Manual which outlines the application of International Financial reporting Standards (IFRS), to the extent that they are relevant to NHS Foundation Trusts, is followed in the production of the Trust’s annual accounts and annual report.

15.2 Private Finance

- 15.2.1 When the Trust proposes to use finance that is to be provided other than through its allocations, the following procedures shall apply:

- the Director of Finance shall demonstrate that the use of private finance represents value for money and genuinely transfers significant risk to the private sector;
- where the sum exceeds the delegated limits set out in the Scheme of Delegation a business case must be prepared and the Trust shall comply with any relevant guidance and/or best practice advice issued by NHS Improvement;
- the proposal must be specifically agreed by the Board of Directors in the light of such professional advice as should reasonably be sought.

15.3 **Asset Registers**

- 15.3.1 The Chief Executive is responsible for the maintenance of registers of assets, taking account of the advice of the Director of Finance concerning the form of any register and the method of updating, and arranging for a physical check of assets against the asset register to be conducted once a year.
- 15.3.2 Each Trust shall maintain an asset register recording fixed assets. The asset register shall list every asset used by the Trust for the provision of commissioner requested services.
- 15.3.3 Additions to the fixed asset register must be clearly identified to an appropriate budget holder and be validated by reference to properly authorised and approved agreements, architect's certificates, supplier's invoices and other documentary evidence in respect of purchases from third parties.
- 15.3.4 Stores, requisitions and wages records for own materials and labour including appropriate overheads.
- 15.3.5 Lease agreements in respect of assets held under a finance lease and capitalised.
- 15.3.6 Where capital assets are sold, scrapped, lost or otherwise disposed of, their value must be removed from the accounting records and each disposal must be validated by reference to authorisation documents and invoices (where appropriate).
- 15.3.7 The Director of Finance shall approve procedures for reconciling balances on fixed assets accounts in ledgers against balances on fixed asset registers.
- 15.3.8 The value of each asset shall be indexed to current values in accordance with methods specified in the Annual Reporting Manual issued by NHS Improvement.

- 15.3.9 The value of each asset shall be depreciated using methods as specified in the Annual Reporting Manual issued by NHS Improvement.
- 15.3.10 The Director of Finance shall calculate and pay capital charges as specified in the Annual Reporting Manual issued by NHS Improvement.
- 15.4 **Assets used for Commissioner Requested Services**
- 15.4.1 A register of assets used for the provision of commissioner requested services is required to be maintained in accordance with requirements issued by NHS Improvement.
- 15.4.2 The Trust, as Licensee, shall not dispose of or relinquish control over, any relevant assets except with the consent in writing of NHS Improvement and in accordance with the provisions of the licence.
- 15.4.3 An annual plan will be produced which will include proposed changes in the treatment of such assets, and proposed disposals and acquisitions.
- 15.5 **Security of Assets**
- 15.5.1 The overall control of fixed assets is the responsibility of the Chief Executive.
- 15.5.2 Asset control procedures (including fixed assets, cash, cheques and negotiable instruments, and also including donated assets) must be approved by the Director of Finance. This procedure shall make provision for:
- recording managerial responsibility for each asset;
 - identification of additions and disposals;
 - identification of all repairs and maintenance expenses;
 - physical security of assets;
 - periodic verification of the existence of, condition of, and title to, assets recorded;
 - identification and reporting of all costs associated with the retention of an asset;
 - reporting, recording and safekeeping of cash, cheques, and negotiable instruments.

- 15.5.3 All discrepancies revealed by verification of physical assets to fixed asset register shall be notified to the Finance Director.
- 15.5.4 Whilst each member of staff has a responsibility for the security of property of the Trust, it is the responsibility of Board members and senior Officers in all disciplines to apply such appropriate routine security practices in relation to Trust property as may be determined by the Board of Directors. Any breach of agreed security practices must be reported in accordance with instructions.
- 15.5.5 Any damage to the Trust's premises, vehicles and equipment, or any loss of equipment, stores or supplies must be reported by Board members and Officers in accordance with the procedure for reporting losses.
- 15.5.6 Where practical, assets should be marked as Trust property.

16. STORES AND RECEIPT OF GOODS

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

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

16.1 Control of Stores, Stocktaking, condemnations and disposal

- 16.1.1 Subject to the responsibility of the Director of Finance for the systems of control, overall responsibility for the control of stocks and stores shall be delegated to an Officer by the Chief Executive. The day-to-day responsibility may be delegated by him to departmental Officers and stores managers/keepers, subject to such delegation being entered in a record available to the Director of Finance. The control of any pharmaceutical stocks shall be the responsibility of a Designated Pharmaceutical Manager; the control of any fuel shall be the responsibility of the Designated Estates Manager.
- 16.1.2 The responsibility for security arrangements and the custody of keys for all stores and locations shall be clearly defined in writing by the Head of Facilities. Wherever practicable, stocks should be marked as "Trust service property".
- 16.1.3 The Director of Finance shall set out procedures and systems to regulate the stores, including records for receipt of goods, issues, and returns to stores, and losses.

- 16.1.4 Stocktaking arrangements shall be agreed with the Director of Finance and there shall be a physical check covering all items in store at least once a year.
- 16.1.5 Where a complete system of stores control is not justified, alternative arrangements shall require the approval of the Director of Finance.
- 16.1.6 The designated Officer shall be responsible for a system approved by the Director of Finance 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 Director of Finance any evidence of significant overstocking and of any negligence or malpractice (see also SFI 17 Disposals and Condemnations, Losses and Special Payments). Procedures for the disposal of obsolete stock shall follow the procedures set out for disposal of all surplus and obsolete goods.
- 16.1.7 For goods supplied via the NHS Supply Chain central warehouses, the Chief Executive shall identify those authorised to requisition and accept goods from the store. The authorised person shall check receipt against the delivery note before forwarding this to the Director of Finance who shall satisfy him/herself that the goods have been received before accepting the recharge.

17. DISPOSALS AND CONDEMNATIONS, LOSSES AND SPECIAL PAYMENTS

17.1 Disposals and Condemnations

- 17.1.1 The Director of Finance must prepare detailed procedures for the disposal of assets in accordance with the Regulatory Framework and guidance issued by NHS Improvement, including condemnations, and ensure that these are notified to managers.
- 17.1.2 When it is decided to dispose of a Trust asset, the Head of Facilities or Head of Procurement will determine and advise the Director of Finance of the estimated market value of the item, taking account of professional advice where appropriate.
- 17.1.3 All unserviceable articles shall be condemned or otherwise disposed of by an Officer authorised for that purpose by the Director of Finance.
- 17.1.4 Recorded by the condemning Officer in a form approved by the Director of Finance which will indicate whether the articles are to be converted, destroyed or otherwise disposed of. All entries shall be confirmed by the countersignature of a second Officer authorised for the purpose by the Director of Finance.

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

17.2 Losses and Special Payments

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

17.2.2 Within limits delegated to it by NHS Improvement, and the Treasury, the Board of Directors shall approve the writing-off of losses above the level delegated to nominated Executive Directors or other senior Officers contained in the Financial Limits.

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

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

17.2.5 The Director of Finance shall maintain a Losses and Special Payments Register in which write-off action is recorded. These are presented to the Audit Committee on a quarterly basis.

17.2.6 No special payments exceeding delegated limits shall be made without the prior approval of NHS Improvement/Treasury.

18. INFORMATION TECHNOLOGY

18.1 Responsibilities and duties of the Director of Finance

18.1.1 The Director of Finance, who is responsible for the accuracy and security of the computerised financial data of the Trust, shall: devise and implement any necessary procedures to ensure adequate protection of the Trust's data, programs and computer hardware for which he/she is responsible from accidental or intentional disclosure to unauthorised persons, deletion or modification, theft or damage, having due regard for the Data Protection Act 1998 and any subsequent legislation.

18.1.2 Ensure that adequate 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.

- 18.1.3 Ensure that adequate controls exist such that the computer operation is separated from development, maintenance and amendment.
- 18.1.4 Ensure that an adequate management (audit) trail exists through the computerised system and that such computer audit reviews as he/she may consider necessary are being carried out.
- 18.1.5 The Director of Finance shall satisfy him/herself 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, assurance of adequacy will be obtained from them prior to implementation.
- 18.2 **Responsibilities and duties of other Directors and Officers in relation to computer systems of a general application**
- 18.2.1 In the case of computer systems which are proposed general applications (i.e. normally those applications which the majority of Trusts in the Region wish to sponsor jointly) all responsible Directors and Officers will send to the Director of Finance:
- details of the outline design of the system;
 - in the case of packages acquired either from a commercial organisation, from the NHS, or from another public sector organisation, the operational requirement.
- 18.3 **Contracts for computer services with other health bodies or outside agencies**
- 18.3.1 The Director of Finance shall ensure that contracts for computer services for financial applications with another health organisation or any other agency shall clearly define the responsibility of all parties for the security, privacy, accuracy, completeness, and timeliness of data during processing, transmission and storage. The contract should also ensure rights of access for audit purposes.
- 18.3.2 Where another health organisation or any other agency provides a computer service for financial applications, the Director of Finance shall periodically seek assurances that adequate controls are in operation.
- 18.4 **Risk Assessment**
- 18.4.1 The Director of Finance shall ensure that risks to the Trust arising from the use of IT are effectively identified and considered and appropriate action is taken to mitigate or control risk. This shall include the preparation and testing of appropriate disaster recovery plans.

18.5 Requirements for computer systems which have an impact on corporate financial systems

- 18.5.1 Where computer systems have an impact on corporate financial systems the Director of Finance shall satisfy him/herself that: systems acquisition, development and maintenance are in line with corporate policies such as an Information Technology Strategy.
- 18.5.2 Data produced for use with financial systems is adequate, accurate, complete and timely, and that a management (audit) trail exists.
- 18.5.3 Director of Finance/officers have access to such data; and such computer audit reviews as are considered necessary are being carried out.
- 18.5.4 The Director of Finance will devise procedures which ensure that orders for the acquisition of computer hardware, software and services (other than consumables) are placed in accordance with the Trust's information strategy.
- 18.5.5 The Director of Finance will ensure that separate control procedures are put in place for computer systems. This procedure will include:
- the acquisition and disposal of IT, systems and equipment;
 - the decommissioning of systems containing confidential data; and in accordance with guidance issued by NHS Improvement and the Department of Health.

19. PATIENTS' PROPERTY

- 19.1 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 possession of patients dying in hospital or dead on arrival.
- 19.2 The Chief Executive is responsible for ensuring that patients or their guardians, as appropriate, are informed before or at admission by:
- notices and information booklets;
 - hospital admission documentation and property records;
 - the oral advice of Officers responsible for admissions into Trust premises 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.

- 19.3 The Director of Finance must provide detailed written instructions on the collection, custody, investment, recording, safekeeping, and disposal of patients' property (including instructions on the disposal of the property of deceased patients and of patients transferred to other premises) for all Officers 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.
- 19.4 Where NHS Improvement's instructions require the opening of separate accounts for patients' moneys, these shall be opened and operated under arrangements agreed by the Director of Finance.
- 19.5 In all cases where property of a deceased patient is of a total value in excess of £5,000 (or such other amount as may be prescribed by any amendment to the Administration of Estates, Small Payments, Act 1965 as amended), the production of Probate or Letters of Administration shall be required before any of the property is released. Where the total value of property is £5,000 or less, forms of indemnity shall be obtained.
- 19.6 Officers 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.
- 19.7 Where patients' property or income is received for specific purposes and held for safekeeping the property or income shall be used only for that purpose, unless any variation is approved by the donor or patient in writing.

20. FUNDS HELD ON TRUST

20.1 Introduction

- 20.1.1 The Foundation Trust's responsibilities as a corporate trustee for the management of Funds it holds on Trust is now with Taunton and Somerset Foundation Trust (T&S). The administration of these funds is now managed by (T&S) together with the production of the Charity accounts and annual returns. Somerset Partnership are purely used for notification purposes.
- 20.1.2 The Somerset Partnership Fund Managers still approve all expenditure and are notified of any new funds

20.2 Sources of New Funds

20.2.1 In respect of donations, T&S shall:

- provide guidelines to Officers of the Trust as to how to proceed when offered funds. These are to include:
 - the identification of the donors intentions;
 - where possible, the avoidance of new trusts;
 - the avoidance of impossible, undesirable or administratively difficult objects;
 - sources of immediate further advice
 - treatment of offers for personal gifts
- in respect of legacies and bequests, T&S shall provide guidelines to Officers of the Trust covering any approach regarding: the wording of wills; the receipt of funds/other assets from executors;
- where necessary, obtain grant of probate, or make application for grant of letters of administration, where the Trust is the beneficiary;
- be empowered, on behalf of this body, to negotiate arrangements regarding the administration of a will with executors and to discharge them from their duty;
- be directly responsible for the appropriate treatment of all legacies and bequests; and keep a register of all enquiries.

20.2.2 In respect of Fund-raising, T&S shall:

- deal with all arrangements for fund-raising by and/or on behalf of the Trust and ensure compliance with all statutes and regulations;
- be empowered to liaise with other organisations/persons raising funds for the Trust and provide them with an adequate discharge. The Director of Finance shall be the only Officer empowered to give approval for such fund-raising subject to the overriding direction of the Board;
- be responsible for alerting the Board to any irregularities regarding the use of this Trust's name or its registration numbers;

- be responsible for the appropriate treatment of all funds received from this source;
- no trading activities will be undertaken without the prior consent of the Trustees and the formation of a trading company;
- in respect of Investment Income, the Director of Finance shall be responsible for the appropriate treatment of all dividends, interest and other receipts from this source.

20.3 **Expenditure Management**

20.3.1 The exercise of this Trust's expenditure discretion shall be managed by T&S through approval from the Somerset Partnership fund managers. In so doing, to be aware of the following:

- the objects of various funds and the designated objectives;
- the availability of liquid funds within each donated fund;
- the powers of delegation available to commit resources;

21. **ACCEPTANCE OF GIFTS**

21.1 The Director of Finance shall ensure that all Officers are made aware of the Trust policy on acceptance of gifts and other benefits in kind by Officers. This policy should follow the guidance contained in the Department of Health Standards of Business Conduct for NHS Staff and the NHS Foundation Trust Code of Governance, which forms part of the Trust's Ethical Standards Policy.

21.2 The Trust Guidelines on The Standards of Business Conduct are included in the personnel reference book. They require that a declaration of gifts, benefits, hospitality or sponsorship of any kind (provided their value is assessed to be worth at least £25), whether refused or accepted, will be entered in a register. A central Trust register is held by the Secretary to the Trust.

21.3 The Bribery Act 2010, which came into effect on 1 July 2011, makes it a criminal offence to give promise or offer a bribe, and to request, agree to receive or accept a bribe, either at home or abroad. The Bribery Act 2010 shall have effect as if incorporated in these SFIs.

22. **RETENTION OF DOCUMENTS**

22.1 The Chief Executive shall be responsible for maintaining archives for all document required to be retained under the direction contained in

Parts 1 and 2 of “Records Management: NHS Code of Practice (April 2006) (the “Records Management Code”).

- 22.2 The documents held in archives shall be capable of retrieval by authorised persons.
- 22.3 Documents held under the Records Management Code shall only be destroyed at the express instigation of the Chief Executive; records shall be maintained of documents so destroyed.

23. FREEDOM OF INFORMATION

- 23.1 The Director of Strategy and Corporate Affairs 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

24. RISK MANAGEMENT AND INSURANCE

- 24.1 The Chief Executive shall ensure that the Trust has a programme of risk management in accordance with current directions and guidance in relation to assurance frameworks as issued by NHS Improvement which will be approved and monitored by the Board of Directors.

24.2 The programme of risk management shall include:

- a process for identifying and quantifying risks and potential liabilities;
- engendering among all levels of Officers a positive attitude towards the control of risk;
- 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;
- contingency plans to offset the impact of adverse events;
- audit arrangements, including internal audit, clinical audit, health and safety review;
- decision on which risks shall be insured;
- arrangements to review the risk management programme.

- 24.3 The existence, integration and evaluation of the above elements will assist in providing a basis to make an annual governance statement as required by the NHS Foundation Trust Reporting Manual.
- 24.4 The Board of Directors shall decide if the Trust will insure through the risk pooling schemes administered by the NHS Litigation Authority or self-insure for some or all of the risks covered by the risk pooling schemes. If the Board of Directors decides not to use the risk pooling schemes for any of the risk areas (clinical, property and employers/third party liability) covered by the scheme this decision shall be reviewed annually.
- 24.5 The Foundation Trust may enter into insurance arrangements with commercial insurers in respect of vehicle and other insurance not covered by the NHSLA schemes;
- 24.6 Where income generation activities take place these activities should normally be insured against all risks using commercial insurance. If the income generation activity is also an activity normally carried out by the Trust for a NHS purpose the activity may be covered in the risk pool. Confirmation of coverage in the risk pool must be obtained from the NHS Litigation Authority. In any case of doubt concerning a Trust's powers to enter into commercial insurance arrangements the Director of Finance should consult the NHS Litigation Authority.
- 24.7 Where the Board decides to use the risk pooling schemes administered by the NHS Litigation Authority the Director of Finance shall ensure that the arrangements entered into are appropriate and complementary to the risk management programme. The Director of Finance shall ensure that documented procedures cover these arrangements.
- 24.8 Where the Board decides not to use the risk pooling schemes administered by the NHS Litigation Authority for one or other of the risks covered by the schemes, the Director of Finance shall ensure that the Board is informed of the nature and extent of the risks that are self-insured as a result of this decision. The Director of Finance will draw up formal documented procedures for the management of any claims arising from third parties and payments in respect of losses that will not be reimbursed.
- 24.9 All the risk-pooling schemes require members to make some contribution to the settlement of claims (the 'deductible'). The Director of Finance should ensure documented procedures also cover the management of claims and payments below the deductible in each case.

**SOMERSET PARTNERSHIP NHS FOUNDATION TRUST
FINANCIAL LIMITS – EASY REFERENCE GUIDE**

Financial Limit £	Ordering Goods & Services and Authorising Payments	Capital Expenditure	Charitable Funds	Sale of Equipment	Losses Write – off/Special Payments
0 ↓	Managers on list approved by Chief Executive	Director of Finance with the Estates Manager for schemes and variances up to £100,000	Managers and Directors	Business, General Managers and Directors	Deputy Director of Finance or Senior Assistant Director of Finance
250 ↓				As above with written quotations	Director of Finance
1,000 ↓				As above with prior approval by Dir. of Finance	Director of Finance & Chief Executive
2,500 ↓					
5,000 ↓					Trust Board
20,000 ↓	Executive Directors			Trust Board to declare surplus followed by full tendering procedure	Trust Board
30,000 ↓					
50,000 ↓					
100,000 ↓	Director of Finance	Trust Board			
250,000 to 1,000,000 ↓	Chief Executive				

SCHEME OF RESERVATION AND DELEGATION

REF	THE BOARD	DECISIONS RESERVED TO THE BOARD
NA	THE BOARD	<p>General Enabling Provision</p> <p>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 accordance with the SOs. 5. Approve and delegate authority from the Board to committees. 6. Require and receive the declaration of Board members' and Governors' 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. 7. Require and receive the declaration of Executive and Non-Executive Directors' interests that may conflict with those of the Trust. 8. Approve arrangements for dealing with complaints. 9. Adopt the organisation structures, processes and procedures to facilitate the discharge of business by the Trust and to agree modifications thereto. 10. Receive reports and/or minutes from committees including those that the Trust is required by regulation to establish and to take appropriate action on. 11. Confirm the recommendations of the Trust's committees where the committees do not have executive powers. 12. Approve arrangements relating to the discharge of the Trust's responsibilities as a corporate trustee for funds held on trust. 13. Establish terms of reference and reporting arrangements of all committees and sub-committees that are established by the Board.

Please read this document in conjunction with the Constitution, Standing Orders and Standing Financial Instructions

REF	THE BOARD	DECISIONS RESERVED TO THE BOARD
		<p>14. Approve arrangements relating to the discharge of the Trust's responsibilities as a bailer for patients' property.</p> <p>15. Receive quarterly reports on the use of the Corporate Seal.</p> <p>16. Ratify or otherwise instances of failure to comply with Standing Orders brought to the Chief Executive's attention.</p> <p>17. Discipline Executive Directors, consultants and those individuals, where a non-executive director formed part of the interview panel, or employees who are in breach of statutory requirements or SOs</p> <p>18. Ensure compliance with the Code of Governance, the Risk Assessment Framework and the NHS Provider Licence.</p> <p>19. Approve the "Going Concern" statement as part of the annual accounts approval process.</p> <p>20. Non-Executive Directors shall appoint or remove the Chief Executive.</p> <p>21. Subject to the provisions in the constitution, the appointment of the Chief Executive shall require the approval of the Council of Governors.</p> <p>22. A committee, consisting of the Chairman, the Chief Executive and the other Non-Executive Directors shall appoint, discipline or remove the other Executive Directors.</p>
NA	THE BOARD	<p>Appointments/Dismissal/Redundancy</p> <p>1. Recommend the appointment of the Deputy Chairman to the Council of Governors.</p> <p>2. Appoint and dismiss committees (and individual members) that are directly accountable to the Board.</p> <p>3. Confirm appointment of members of any committee of the Trust as representatives on outside bodies.</p> <p>4. Approve staff redundancies.</p>
NA	THE BOARD	<p>Strategy, Plans and Budgets</p> <p>1. Define the strategic aims and objectives of the Trust.</p> <p>2. Approve proposals for ensuring quality and developing governance in services provided by the Trust, having regard to any</p>

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REF	THE BOARD	DECISIONS RESERVED TO THE BOARD
		<p>guidance issued by NHS Improvement, the Care Quality Commission and the Secretary of State</p> <ol style="list-style-type: none"> 3. Approve the Trust's policies and procedures for the management of risk. 4. Approve Outline and Final Business Cases for Capital Investment in line with the investment policy. 5. Approve Trust's proposed organisational development proposals. 6. Ratify proposals for acquisition, disposal or change of use of land and/or buildings. 7. Approve PFI proposals. 8. Approve proposals on individual contracts (other than NHS contracts) of a capital or revenue nature amounting to, or likely to amount to over the defined limits within the SFIs and the investment policy. 9. Approve proposals in individual cases for the write off of losses or making of special payments above the limits of delegation to the Chief Executive and Director of Finance (for losses and special payments) previously approved by the Board. 10. Approve individual compensation payments above limits of delegation to Executive Directors. 11. Review use of NHSLA risk pooling schemes (CNST/RPST)/insurance/self insurance to cover insurable risks. 12. Approve such business plans, budgets and capital programmes submitted by the Chief Executive on at least an annual basis, including the approval of Cost Improvement Programmes. 13. Approve business cases (requiring additional revenue resources) above limits of delegation to Executive Directors.
	THE BOARD	<p>Policy Determination</p> <ol style="list-style-type: none"> 1. Overall responsibility for policy, procedural documents such responsibility to be delegated by a specific policy for Developing and Managing Organisation-wide Procedural Documents, as appropriate
	THE BOARD	<p>Audit</p> <ol style="list-style-type: none"> 1. Review of the annual audit letter received from the external auditor and agreement of proposed action, taking account of the advice, where appropriate, of the Audit Committee. 2. Receive an annual report from the Internal Auditor and agree action on recommendations where appropriate of the Audit Committee

Please read this document in conjunction with the Constitution, Standing Orders and Standing Financial Instructions

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. Continuously appraise the affairs of the Trust by means of the provision of such reports to the Board as the Board may require from directors, committees, and officers of the Trust. All monitoring returns required by NHS Improvement as outlined in the NHS Provider Licence shall be reported, at least in summary, to the Board. 3. Receive reports from the Director of Finance on financial performance against budget and Business Plan. 4. Receive reports from Director of Finance on actual and forecast income from Service Level Agreements and service contracts.

Please read this document in conjunction with the Constitution, Standing Orders and Standing Financial Instructions

DECISIONS/DUTIES DELEGATED BY THE BOARD TO COMMITTEES

REF	COMMITTEE	DECISIONS/DUTIES DELEGATED BY THE BOARD TO COMMITTEES
SFI 4.1	AUDIT COMMITTEE	<p>The Committee will:</p> <ol style="list-style-type: none"> 1. 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. 2. Review arrangements by which staff may raise in confidence, concerns about possible improprieties of financial reporting and control, clinical quality, patient safety or other matters 3. Review the adequacy of: <ul style="list-style-type: none"> • all risk and control related disclosure statements (in particular the Annual Governance Statement and declarations of compliance with Care Quality Commission domains), together with any accompanying Head of Internal Audit statement, external audit opinion or other appropriate independent assurances, prior to endorsement by the board; • the underlying assurance processes that indicate the degree of the achievement of corporate objectives, the effectiveness of the management of principal risks and the appropriateness of the above disclosure statements; • the policies for ensuring that there is compliance with relevant regulatory, legal and code of conduct requirements • the policies and procedures for all work related to fraud and corruption as set out in Secretary of State Directions and as required by NHS Protect 4. Review the Annual Accounts and make recommendations on the approval of the Annual Accounts to the Board 5. 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, Chief Executive and Board and the Committee shall monitor and review the

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REF	COMMITTEE	DECISIONS/DUTIES DELEGATED BY THE BOARD TO COMMITTEES
		<p>effectiveness of the internal audit function</p> <ol style="list-style-type: none"> 6. Develop and implement a policy on the engagement of the External Auditor to supply non-audit services, taking into account relevant ethical guidance regarding the provision of non-audit services by the External Audit firm 7. Make recommendations to the Council of Governors in relation to the appointment, re-appointment and removal of the external auditor and approval of the terms of engagement of the external auditor 8. Review the work and findings of the External Auditor and consider the implications and management's responses to their work. The Committee shall also monitor and review the External Auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant UK professional and regulatory requirements 9. Review the work and findings of the Counter Fraud Service and consider the implications and management's responses to their work 10. Review the findings of other significant assurance functions, both internal and external to the organisation, and consider the implications to the integrated governance of the organisation. 11. Review the work of other committees and groups within the organisation, whose work can provide relevant assurance to the Audit Committee's own scope of work. This will particularly include the Quality and Performance Committee 12. Review reports and positive assurances from directors and managers on the overall arrangements for governance, risk management and internal control. 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. 13. Review the Annual Report, Financial Statements, and external audit opinion on the Quality Accounts before submission to the Board 14. Ensure that the systems for financial reporting to the Board, including those of budgetary control, and formal announcements relating to the Partnership Trust's financial performance are subject to review as to completeness and accuracy of the information provided to the Board.
SO 6	QUALITY AND	The Committee will:

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REF	COMMITTEE	DECISIONS/DUTIES DELEGATED BY THE BOARD TO COMMITTEES
	PERFORMANCE COMMITTEE	<ol style="list-style-type: none"> 1. Enable the Board to obtain assurance that high standards of care are provided by the Trust and, in particular, that adequate and appropriate governance structures, processes and controls are in place throughout the Trust to: <ul style="list-style-type: none"> - promote safety and excellence in patient care - identify, prioritise and manage risk within the Trust - ensure the effective and efficient use of resources through evidence-based clinical practice - protect the health and safety and wellbeing of Trust employees 2. Ensure that the Trust is compliant with and delivers: <ul style="list-style-type: none"> - legal and statutory requirements - agreed clinical standards and quality objectives - quality standards required by NHS Improvement and the Care Quality Commission - risk management standards 3. Develop and implement a Risk Management Strategy for the effective identification, assessment, mitigation and monitoring of risk within the Trust 4. Review and implement strategies for: <ul style="list-style-type: none"> - Patient Safety and Quality Improvement; - Performance; - Organisational Development; - Communications and Patient and Public Involvement; - Equality and Diversity; - Health and Safety; - Security Management; - Incident Response;

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REF	COMMITTEE	DECISIONS/DUTIES DELEGATED BY THE BOARD TO COMMITTEES
		<ul style="list-style-type: none"> - Suicide Prevention. 5. Ensure effective arrangements are in place to assure high standards of clinical governance, including clinical effectiveness, management of clinical risk, practice standards and patient safety; 6. Ensure effective arrangements are in place to ensure that Care Quality Commission registration, requirements and outcomes are delivered and that NHS Improvement governance requirements are met in full; 7. Oversee the development and implementation of effective systems to ensure that the views of service users and carers are central to the provision and development of services, so that services are responsive to the needs of these individuals; 8. Ensure that Information Governance regulatory requirements (NHS Information Governance Toolkit) are met and ensuring compliance with the law and NHS standards; 9. Ensure that effective arrangements are in place to secure the availability of a competent and appropriately qualified workforce to deliver healthcare for the Trust; 10. Oversee and monitor the development of effective Emergency Planning and Business Continuity Planning arrangements; 11. Identify learning from Serious Incidents Requiring Investigation (SIRIs) and other incidents and ensuring they are shared across the Trust and implemented to improve patient safety and patient experience; 12. Ensure the operational effectiveness of policies and procedures
SO 6	FINANCE AND INVESTMENT COMMITTEE	<p>The Committee will:</p> <ul style="list-style-type: none"> 1. Consider and keep under review the Trust's medium term financial strategy, in relation to both revenue and capital and risk; 2. Review proposals for major business cases and investment decisions and their respective funding sources and make recommendations to the Trust Board, in accordance with NHS Improvement guidance;

Please read this document in conjunction with the Constitution, Standing Orders and Standing Financial Instructions

REF	COMMITTEE	DECISIONS/DUTIES DELEGATED BY THE BOARD TO COMMITTEES
		<ol style="list-style-type: none"> 3. Maintain an oversight of, and obtain assurances, the robustness of the Trust's key income sources and contractual safeguards; 4. Scrutinise financial performance and review any areas of concern and report to the Board; 5. Review and make submissions to NHS Improvement as necessary on behalf of the Board; 6. Scrutinise the systems and controls around the development and delivery of the Trust's five year productivity programme, providing assurance to the Board on the effectiveness of those controls; 7. Review major procurements and tenders; 8. Commission regular reviews of the Trust's key contracts with suppliers and partners to ensure they continue to deliver benefits for the Trust and its patients; 9. Approve and review the Trust's treasury management and working capital policy annually or as required; 10. Review and monitor progress against the capital plan through highlight reports and project plans; 11. Review the financial aspects of the Estates Strategy and ensure that the appropriate funding arrangements are in place; 12. Approve and review, on behalf of the Trust Board, the Trust's investment strategy and policy and maintain an oversight of the Trust's investments, ensuring compliance with the policy. 13. Approve investment decisions
10.1	REMUNERATION AND TERMS OF SERVICE COMMITTEE	<p>The Committee will:</p> <ol style="list-style-type: none"> 1. Review regularly the remuneration and terms of service of the Chief Executive and other Executive Directors (and other Very Senior Officers) to ensure they are fairly rewarded for their individual contribution to the Trust - having proper regard to the Trust's circumstances and performance and to the provisions of any national arrangements where appropriate; 2. Decide the appropriate remuneration of the Chief Executive and other Executive Directors. Any decisions made by the Remuneration Committee shall be recorded in the minutes of the Remuneration Committee meetings;

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REF	COMMITTEE	DECISIONS/DUTIES DELEGATED BY THE BOARD TO COMMITTEES
		<ol style="list-style-type: none"> 3. Monitor and evaluate the performance of individual Directors; 4. Advise on and oversee appropriate contractual arrangements for such staff including calculating and scrutiny of termination payments taking account of such national guidance as is appropriate.
N/A	MENTAL HEALTH LEGISLATION COMMITTEE	<p>The Committee will:</p> <ol style="list-style-type: none"> 1. Monitor the Trust's implementation of, and compliance with, current mental health legislation and proposed changes to such legislation, in particular the Mental Health Act 1983, the Mental Capacity Act 2005 and the Deprivation of Liberty Safeguards, within the Trust taking into account best practice; 2. Consider the implications of any changes to legislation and regulations within the policies, practices, procedures and resource requirements of the Trust and its partner organisations; 3. Monitor the processes relating to and outcomes of First Tier Tribunals (Mental Health) and of hearings held by the hospital managers' panels. 4. Ensure there is an appropriate number of Hospital Managers' panel members in place with the appropriate skills and experience to fulfil their role. 5. Monitor trends in compliance with and the application of the Mental Health Act 1983 (and any new Mental Health Acts or revisions to the existing Act) within the Trust and make recommendations where necessary. 6. Receive reports following Care Quality Commission Mental Health Act compliance visits for information and comment and ensure appropriate action is agreed and implemented within the organisation. 7. Monitor delivery against the Trust's action plan developed as a result of the Care Quality Commission's Annual Report as instructed by Trust Board. 8. Approve policies in relation to the Mental Health Act and Mental Capacity Act across the Trust and scrutinise the application of these policies throughout the Trust in relation to both Acts.. 9. Identify and address training issues in terms of delegation of responsibilities under the Mental Health Act, Mental Capacity Act and the Deprivation of Liberty Safeguards. 10. Identify and address quality issues in terms of delegation of responsibilities under the Mental

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REF	COMMITTEE	DECISIONS/DUTIES DELEGATED BY THE BOARD TO COMMITTEES
		Health Act 1983. 11. Manage risks identified and delegated by Trust Board and to identify and report to Trust Board any new risks that require escalation.
HSC 1999/065	CALDICOTT & INFORMATION GOVERNANCE GROUP	See Standing Order 6.1
NA	CLINICAL GOVERNANCE GROUP	See Standing Order 6.1
NA	OUR PARTNERSHIP GROUP	See Standing Order 6.1
NA	SIRI AND MORTALITY REVIEW GROUP	See Standing Order 6.1
NA	PATIENT AND CARER INVOLVEMENT GROUP	See Standing Order 6.1
NA	HEALTH, SAFETY, SECURITY AND ESTATES GROUP	See Standing Order 6.1

Please read this document in conjunction with the Constitution, Standing Orders and Standing Financial Instructions

SCHEME OF DELEGATION DERIVED FROM THE ACCOUNTABLE OFFICER MEMORANDUM

REF	DELEGATED TO	DUTIES DELEGATED
3	CHIEF EXECUTIVE	Duty to prepare the accounts in accordance with the NHS Act 2006. Duty to personally sign the accounts. Witness before the Committee of Public Accounts to deal with questions arising from the accounts or from any report made to Parliament by the Comptroller and Auditor General under the National Audit Act 1983.
5	CHIEF EXECUTIVE	Responsible to Parliament for resources under his control.
7	CHIEF EXECUTIVE	Responsible for overall organisation, management and staffing of the Foundation Trust and for its procedures in financial and other matters. Ensure that: <ul style="list-style-type: none"> a) there is a high standard of financial management in the Foundation Trust as a whole; b) financial systems and procedures promote the efficient and economical conduct of business and safeguard financial propriety and regularity throughout the Foundation Trust; and c) financial considerations are fully taken into account in decisions on Foundation Trust policy proposals.
9	CHIEF EXECUTIVE	Required to: <ul style="list-style-type: none"> a) personally sign the accounts and accept personal responsibility for their proper form and content as prescribed by NHS Improvement; b) comply with the financial requirements of the NHS Provider Licence; c) ensure that proper financial procedures are followed and that accounting records are maintained in a form suited to the requirements of management, as well as in the form prescribed for published accounts; d) ensure that the resources for which he is responsible are properly well managed and safeguarded,

Please read this document in conjunction with the Constitution, Standing Orders and Standing Financial Instructions

REF	DELEGATED TO	DUTIES DELEGATED
		<p>with independent and effective checks of cash balances in the hands of any official;</p> <p>e) ensure that assets for which he is responsible are controlled and safeguarded with similar care, and with checks as appropriate;</p> <p>f) ensure that protected property (or interest in) is not disposed of without the consent of NHS Improvement;</p> <p>g) ensure that conflicts of interest are avoided, whether in the proceedings of the Board of Directors, the Council of Governors or the actions of advice of Foundation Trust staff; and</p> <p>h) ensure that, in the consideration of policy proposals relating to the expenditure for which he is responsible, all relevant financial considerations, including any issues of propriety, regularity or value for money, are taken into account and brought to the attention of the Board of Directors.</p>
10	CHIEF EXECUTIVE	<p>Ensure that effective management systems appropriate for the achievement of the Foundation Trust's objectives, including financial monitoring and control systems, have been put in place. Ensure that managers at all levels:</p> <p>a) have a clear view of their objectives, and the means to assess and, wherever possible, measure outputs or performance in relation to those objectives;</p> <p>b) are assigned well-defined responsibilities for making the best use of resources, including a clinical scrutiny of output and value for money; and</p> <p>c) have the information (particularly about costs), training and access to the expert advice which they need to exercise their responsibilities effectively.</p>
11	CHIEF EXECUTIVE	<p>Ensure that their arrangements for delegation promote good management and that they are supported by the necessary staff with an appropriate balance of skills.</p>
12	CHIEF EXECUTIVE	<p>Responsibility to see that appropriate advice is tendered to the Board of Directors and the Council of Governors on all matters of financial propriety and regulation, and more broadly, as to all considerations of prudent and economical administration, efficiency and effectiveness. Determine how and on what terms such advice should be tendered, and whether in a particular case to make reference to their own duty, as Accounting Officer, to justify to the Public Accounts Committee, transactions for which they are</p>

Please read this document in conjunction with the Constitution, Standing Orders and Standing Financial Instructions

REF	DELEGATED TO	DUTIES DELEGATED
		accountable.
13	BOARD	Act in accordance with the requirements of propriety or regularity; including the Fit and Proper Persons Test requirements.
13	CHIEF EXECUTIVE	Make written objections to proposals by the Board of Directors, Council of Governors or Chair which he considers to infringe the requirement to act with the requirements of propriety or regularity. If the Board of Directors, Council of Governors or Chair decides to proceed, seek a written instruction to take the action in question, and inform Monitor of the position (if possible, before the decision is implemented)
14 and 15	CHIEF EXECUTIVE	If a course of action is contemplated which raises an issue relating to his wider responsibilities for economy, efficiency and effectiveness, draw the relevant factors to the attention of the Board of Directors or Council of Governors and advise them in whatever way he deems appropriate. If his decision is overruled, and the proposal is one which he would not feel able to defend to the Public Accounts Committee as representing value for money, seek a written instruction before proceeding. Inform NHS Improvement of such an instruction, if possible, before the decision is implemented. If there is no time to submit advice in writing due to extreme urgency, ensure that if the advice is overruled, both the advice and the instructions are recorded in writing immediately afterwards.
16	CHIEF EXECUTIVE	Appear before the Public Account Committee from time to time to give evidence on the reports arising from examinations undertaken by the Comptroller and Auditor General, and answer questions concerning expenditure and receipts for which he is Accounting Officer.
17	CHIEF EXECUTIVE	Furnish the Public Accounts Committee with explanations of any weaknesses in the matters covered in paragraphs 8-15 of the NHS Foundation Trust Accounting Officer Memorandum, to which his attention has been drawn by the Comptroller and Auditor General or about which they may wish to question to Accounting Officer.
19	CHIEF EXECUTIVE	Ensure that he is adequately and accurately briefed on matters which are likely to arise at any hearing of the Public Accounts Committee.
21	CHIEF EXECUTIVE	Ensure that he is generally available for consultation, and that in any temporary period of unavailability, there will be a senior officer in the Foundation Trust who can act on his behalf if required.

Please read this document in conjunction with the Constitution, Standing Orders and Standing Financial Instructions

REF	DELEGATED TO	DUTIES DELEGATED
22	BOARD	Where it becomes clear that the Accounting Officer is so incapacitated that he or she will be unable to discharge his responsibilities over a period of four weeks or more, appoint an acting Accounting Officer (usually the Finance Director), until his return.
23	ACTING ACCOUNTING OFFICER	Sign accounts where the Accounting Officer is unable to sign in time for printing.

Please read this document in conjunction with the Constitution, Standing Orders and Standing Financial Instructions

SCHEME OF DELEGATION DERIVED FROM THE CODES OF CONDUCT AND ACCOUNTABILITY AND CONSTITUTION

REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
1.3.1.7	BOARD	Approve procedure for declaration of hospitality and sponsorship.
1.3.1.8	BOARD	Ensure proper and widely publicised procedures for voicing complaints, concerns about misadministration, breaches of Code of Conduct, and other ethical concerns.
1.31.9 & 1.3.2.2	ALL BOARD MEMBERS	Subscribe to the Standards for members of NHS Boards and Governing Bodies, Code of Conduct and the Nolan principles
1.3.2.4	BOARD	Board members share corporate responsibility for all decisions of the Board.
1.3.2.4	CHAIR AND NON EXECUTIVE/OFFICER MEMBERS	Chair and non-officer members are responsible for monitoring the executive management of the Trust and are responsible to NHS Improvement for the discharge of those responsibilities.
1.3.2.4	BOARD	<p>The Board has six key functions:</p> <ol style="list-style-type: none"> 1. To ensure effective financial stewardship through value for money, financial control and financial planning and strategy; 2. To ensure that high standards of clinical and corporate governance and personal behaviour are maintained in the conduct of the business of the whole Trust; 3. To appoint, appraise and remunerate senior executives; 4. To ratify the strategic direction of the Trust within the overall policies and priorities of the Government and the NHS, define its annual and longer term objectives and agree plans to achieve them; 5. To oversee the delivery of planned results by monitoring performance against objectives and ensuring corrective action is taken when necessary;

Please read this document in conjunction with the Constitution, Standing Orders and Standing Financial Instructions

REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
		6. To ensure effective dialogue between the Trust and the local community on its plans and performance and that these are responsive to the community's needs.
1.3.24	BOARD	<p>It is the Board's duty to:</p> <ol style="list-style-type: none"> 1. Act within statutory financial and other constraints; 2. Be clear what decisions and information are appropriate to the Board and review and draw up Standing Orders, a schedule of decisions reserved to the Board and Standing Financial Instructions to reflect these, 3. Ensure that management arrangements are in place to enable responsibility to be clearly delegated to senior executives for the main programmes of action and for performance against programmes to be monitored and senior executives held to account; 4. Establish performance and quality measures that maintain the effective use of resources and provide value for money; 5. Specify its requirements in organising and presenting financial and other information succinctly and efficiently to ensure the Board can fully undertake its responsibilities; 6. Establish Audit and Remuneration and Terms of Service Committees on the basis of formally agreed terms of reference that set out the membership of the sub-committee, the limit to their powers, and the arrangements for reporting back to the main Board.
1.3.2.5	CHAIRMAN	<p>It is the Chairman's role to:</p> <ol style="list-style-type: none"> 1. Provide leadership to the Board and to the Council of Governors. 2. Enable all Board members to make a full contribution to the Board's affairs and ensure that the Board acts as a team; 3. Ensure that key and appropriate issues are discussed by the Board in a timely manner, 4. Ensure the Board has adequate support and is provided efficiently with all the necessary data on which to base

Please read this document in conjunction with the Constitution, Standing Orders and Standing Financial Instructions

REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
		<p>informed decisions;</p> <ol style="list-style-type: none"> 5. Lead Non-Executive Board members through a formally-appointed Remuneration Committee of the main Board on the appointment, appraisal and remuneration of the Chief Executive and (with the latter) other Executive Board members; 6. Lead the Council of Governors through a formally-appointed Nominations and Remuneration Committee of the Council of Governors on the appointment and appraisal for the Non-Executive Directors; 7. Appoint Non-Executive Board members to an Audit Committee of the main Board; 8. Advise NHS Improvement on the performance of Non-Executive Directors when required;
1.3.2.5	CHIEF EXECUTIVE	<ol style="list-style-type: none"> 1. The Chief Executive is accountable to the Chairman and Non-Executive members of the Board for ensuring that its decisions are implemented, that the Trust works effectively, in accordance with Government policy, the Trust's constitution and public service values and for the maintenance of proper financial stewardship 2. The Chief Executive should be allowed full scope, within clearly defined delegated powers, for action in fulfilling the decisions of the Board. 3. The other duties of the Chief Executive as Accountable Officer are laid out in the Accountable Officer Memorandum.
1.3.2.6	NON EXECUTIVE DIRECTORS	Non-Executive Directors are appointed by the Council of Governors to bring independent judgement to bear on issues of strategy, performance, key appointments and accountability through NHS Improvement and to the local community.
1.3.2.8	CHAIR AND DIRECTORS	Declaration of conflict of interests.
1.3.2.9	BOARD	NHS Boards must comply with legislation and guidance issued by NHS Improvement, the Care Quality Commission, the Department of Health and other regulators, respect agreements entered into by themselves or in on their behalf and establish terms and conditions of service that are fair to the staff and represent good value for taxpayers' money.
4.	COUNCIL OF GOVERNORS	<p>The general responsibilities of the Council of Governors shall be:</p> <ul style="list-style-type: none"> • to hold the Non-Executive Directors individually and collectively to account for the performance of the Board of

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REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
		<p>Directors; and</p> <ul style="list-style-type: none"> • to represent the interests of the members of the Trust as a whole and the interests of the public' • to assist the Board of Directors in setting the strategic direction of the Trust and targets for the Trust's performance; • to monitor the Trust's performance in achieving strategic objectives and performance targets that have been set; • to act as guardians to ensure that the Trust operates in a way that is consistent with NHS and Trust principles (as set out in Annex 9 of the constitution) and the NHS Provider Licence; to exercise such other powers and to discharge such other duties as may be conferred on the Council of Governors under the constitution; • to approve proposals to increase by 5% or more the proportion of the Foundation Trust's total income in any Financial Year attributable to activities other than the fulfilment of the Principal Purpose • to approve amendments to the Constitution and at least one member of the Council of Governors must attend the next Annual Members' Meeting to present any amendments that relate to the powers or duties of the Council of Governors (or otherwise in respect of the role that the Council of Governors has as part of the Foundation Trust). • to approve the Foundation Trust's application for a merger, acquisition, separate or dissolution. • to approve the Foundation Trust's entry into a Significant Transaction. • to approve the policy for non audit work.

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SCHEME OF DELEGATION FROM STANDING ORDERS

SO REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
2.1	CHAIRMAN	Final authority in interpretation of Standing Orders (SOs).
3.1	CHAIRMAN	Recommend the appointment of the Deputy Chairman to the Council of Governors.
3.11	COUNCIL OF GOVERNORS	To appoint the Chairman and Non-Executive Directors at a general meeting of the Council of Governors. To decide the period of office, remuneration and allowances, and other terms and conditions of office of the Chairman and other Non-Executive Directors.
4.3	CHAIRMAN	Call meetings of the Board.
4.7	CHAIRMAN	Chair all Board meetings and associated responsibilities.
4.8	CHAIRMAN	Give final ruling in questions of order, relevancy and regularity of meetings.
4.13	CHAIRMAN	Having a casting vote in the event of a tie.
4.15	BOARD	Suspension of Standing Orders
4.15.5	AUDIT COMMITTEE	Audit Committee to review every decision to suspend Standing Orders (power to suspend Standing Orders is reserved to the Board)
4.16	BOARD	Variation or amendment of Standing Orders
6.1	BOARD	Formal delegation of powers to sub committees or joint committees and approval of their constitution and terms of reference (terms of reference of sub committees may be approved by the Chief Executive.)
5.2	CHAIRMAN & CHIEF EXECUTIVE	The powers which the Board has retained to itself within these Standing Orders may in emergency be exercised by the Chair and Chief Executive after having consulted at least two Non-Executive members.

Please read this document in conjunction with the Constitution, Standing Orders and Standing Financial Instructions

SO REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
5.4	CHIEF EXECUTIVE	The Chief Executive shall prepare a Scheme of Delegation identifying his/her proposals that shall be considered and approved by the Board, subject to any amendment agreed during the discussion.
5.5	ALL	Disclosure of non-compliance with Standing Orders to the Chief Executive as soon as possible.
8.1	BOARD	Declare relevant and material interests.
8.1	CHIEF EXECUTIVE	Maintain Register(s) of Interests.
9.	ALL STAFF	Comply with national guidance contained in HSG 1993/5 "Standards of Business Conduct for NHS Staff". Comply with Trust's Ethical Standards Policy. Comply with Nolan principles.
9.	ALL	Disclose relationship between self and candidate for staff appointment. (Chief Executive to report the disclosure to the Board.)
10.	CHIEF EXECUTIVE	Tendering and contract procedure.
10.3.3	CHIEF EXECUTIVE	Waive formal tendering procedures.
10.3.3	CHIEF EXECUTIVE	Report waivers of tendering procedures to the Board.
10.11	DIRECTOR OF FINANCE	Where a supplier is chosen that is not on the approved list the reason shall be recorded in writing to the CE.
10.5	CHIEF EXECUTIVE	Responsible for the receipt, endorsement and safe custody of tenders received.
10.6	CHIEF EXECUTIVE	Shall maintain a register to show each set of competitive tender invitations dispatched.
10.7	CHIEF EXECUTIVE AND DIRECTOR OF FINANCE	Where one tender is received will assess for value for money and fair price.
10.9	CHIEF EXECUTIVE	No tender shall be accepted which will commit expenditure in excess of that which has been allocated by the

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SO REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
		Trust and which is not in accordance with these Instructions except with the authorisation of the Chief Executive.
10.15	CHIEF EXECUTIVE OR DIRECTOR OF FINANCE	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 these Instructions except with the authorisation of the Chief Executive.
10.18	CHIEF EXECUTIVE	The Chief Executive shall demonstrate that the use of private finance represents value for money and genuinely transfers risk to the private sector.
10.18	BOARD	All PFI proposals must be agreed by the Board.
10.19	CHIEF EXECUTIVE	The Chief Executive shall nominate an officer who shall oversee and manage each contract on behalf of the Trust.
10.20	CHIEF EXECUTIVE	The Chief Executive shall nominate officers with delegated authority to enter into contracts of employment, regarding staff, agency staff or temporary staff service contracts.
12.	CHIEF EXECUTIVE	The Chief Executive shall be responsible for ensuring that best value for money can be demonstrated for all services provided on an in-house basis.
10.21	CHIEF EXECUTIVE	Must ensure the Trust enters into contracts with service commissioners for the provision of NHS services.
NA	CHIEF EXECUTIVE	Approve the legally binding contract with the main commissioning Clinical Commissioning Group or successor body.
13.1 and 13.3	CHIEF EXECUTIVE	Keep seal in safe place and maintain a register of sealing.
14.	CHIEF EXECUTIVE/ EXECUTIVE DIRECTOR	Approve and sign all documents that will be necessary in legal proceedings.

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SCHEME OF DELEGATION FROM STANDING FINANCIAL INSTRUCTIONS (SFIs)

SFI REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
1.7	DIRECTOR OF FINANCE	Approval of all financial procedures.
1.8	DIRECTOR OF FINANCE	Advice on interpretation or application of Standing Financial Instructions.
2.4	ALL MEMBERS OF THE BOARD AND EMPLOYEES	Have a duty to disclose any non-compliance with these Standing Financial Instructions to the Director of Finance as soon as possible.
3.1.2	CHIEF EXECUTIVE	Responsible as the Accounting Officer to ensure financial targets and obligations are met and have overall responsibility for the System of Internal Control.
3.1.2	CHIEF EXECUTIVE & DIRECTOR OF FINANCE	Accountable for financial control but will, as far as possible, delegate their detailed responsibilities.
3.1.4	CHIEF EXECUTIVE	To ensure all Board members, officers and employees, present and future, are notified of and understand Standing Financial Instructions.
3.15	DIRECTOR OF FINANCE	Responsible for: <ul style="list-style-type: none"> a) implementing the Trust's financial policies and coordinating corrective action; b) maintaining an effective system of financial control including ensuring detailed financial procedures and systems are prepared and documented; c) ensuring that sufficient records are maintained to explain Trust's transactions and financial position; d) providing financial advice to members of Board and staff; e) maintaining such accounts, certificates etc as are required for the Trust to carry out its statutory duties.
3.1.6	ALL MEMBERS OF THE BOARD AND EMPLOYEES	Responsible for security of the Trust's property, avoiding loss, exercising economy and efficiency in using resources and conforming to Standing Orders, Financial Instructions and financial procedures.

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SFI REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
3.17	CHIEF EXECUTIVE	Ensure that any contractor or employee of a contractor who is empowered by the Trust to commit the Trust to expenditure or who is authorised to obtain income are made aware of these instructions and their requirement to comply.
4.1	AUDIT COMMITTEE	Provide independent and objective view on internal control and probity.
4.12	CHAIR OF AUDIT COMMITTEE	Raise the matter at the Board meeting where Audit Committee considers there is evidence of ultra vires transactions or improper acts.
4.13 and 4.21	DIRECTOR OF FINANCE	Ensure an adequate internal audit service, for which he/she is accountable, is provided (and involve the Audit Committee in the selection process when/if an internal audit service provider is changed.)
4.21	DIRECTOR OF FINANCE	Decide at what stage to involve police in cases of misappropriation and other irregularities not involving fraud or corruption.
4.3	HEAD OF INTERNAL AUDIT	Review, appraise and report in accordance with NHS Internal Audit Manual and best practice.
4.6	AUDIT COMMITTEE	Ensure cost-effective External Audit.
4.4	CHIEF EXECUTIVE & DIRECTOR OF FINANCE	Monitor and ensure compliance with Secretary of State Directions on fraud and corruption including the appointment of the Local Counter Fraud Specialist.
4.5	CHIEF EXECUTIVE	Monitor and ensure compliance with Directions issued by the Secretary of State for Health on NHS security management including appointment of the Local Security Management Specialist.
5.1.1	CHIEF EXECUTIVE	Compile and submit to the Board an Annual Plan and Business Plan Action Plan. The content of the Annual Plan to comply with the NHS Improvement Planning Guidance.
5.1.2 and 5.1.3	DIRECTOR OF FINANCE	Submit budgets to the Board for approval. Monitor performance against budget; submit to the Board financial estimates and forecasts.
5.1.5	DIRECTOR OF FINANCE	Ensure adequate training is delivered on an on going basis to budget holders.

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SFI REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
5.2.1	CHIEF EXECUTIVE	Delegate budgets to budget holders.
5.2.3	CHIEF EXECUTIVE & BUDGET HOLDERS	Must not exceed the budgetary total or virement limits set by the Board.
5.3.1	DIRECTOR OF FINANCE	Devise and maintain systems of budgetary control.
5.3.2	BUDGET HOLDERS	Ensure that a) no overspend or reduction of income that cannot be met from virement is incurred without prior consent of Board; b) approved budget is not used for any other than specified purpose subject to rules of virement; c) no permanent employees are appointed without the approval of the CE other than those provided for within available resources and manpower establishment
5.4.4	CHIEF EXECUTIVE	Identify and implement cost improvements and income generation activities in line with the Integrated Business Plan, the three year financial plan and the Annual Plan for NHS Improvement.
5.6.1`	CHIEF EXECUTIVE	Submit monitoring returns to requisite monitoring organisations.
6.1	DIRECTOR OF FINANCE	Preparation of annual accounts and reports ensuring that a copy of the annual accounts and any reports of the external auditor are laid before Parliament and then sent to NHS Improvement and that the annual report is presented to the Council of Governors. Prepare a report for approval by the Board on "Going Concern".
7.1	DIRECTOR OF FINANCE	Managing banking arrangements, including provision of banking services, operation of accounts, preparation of instructions and list of cheque signatories.
8.	DIRECTOR OF FINANCE	Develop and maintain income systems, including system design, prompt banking, review and approval of fees and charges, debt recovery arrangements, design and control of receipts, provision of adequate facilities and systems for employees whose duties include collecting or holding cash.

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SFI REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
8.23	ALL EMPLOYEES	Duty to inform Director of Finance of money due from transactions which they initiate/deal with.
10.1	BOARD	Establish a Remuneration and Terms of Service Committee, in accordance with the constitution.
10.1	REMUNERATION AND TERMS OF SERVICE COMMITTEE	<p>The Committee will:</p> <ul style="list-style-type: none"> • decide the appropriate remuneration and terms of office for the Chief Executive and other Executive Directors (and Very Senior Officers) including all aspects of salary; provision for other benefits including pensions and cars and arrangements for termination of employment and other contractual terms and to advise the Board of Directors of any decisions made. • regularly review, discuss and if necessary approve changes to the remuneration and terms of service of the Chief Executive and other Executive Directors (and other Very Senior Officers) to ensure they are fairly rewarded for their individual contribution to the Trust – having proper regard to the Trust’s circumstances and performance and to the provisions of any national arrangements where appropriate and to advise the Board of Directors of any decisions made. • monitor and evaluate the performance of individual senior employees, including Executive Directors. • advise on and oversee appropriate contractual arrangements for such staff, including proper calculation and scrutiny of termination payments.
10.2.2	CHIEF EXECUTIVE	Approval of variation to funded establishment of any directorate.
10.3.1	CHIEF EXECUTIVE	Staff, including agency staff, appointments and re-grading.
10.4	DIRECTOR OF FINANCE	<p>Payroll:</p> <ol style="list-style-type: none"> a) specifying timetables for submission of properly authorised time records and other notifications; b) final determination of pay and allowances; c) making payments on agreed dates; d) agreeing method of payment;

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SFI REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
		e) issuing instructions (as listed in SFI 11.4.2).
10.4.3	NOMINATED MANAGERS*	Submit time records in line with timetable. Complete time records and other notifications in required form. Submit termination forms in prescribed form and on time.
10.4.4	DIRECTOR OF FINANCE	Ensure that the chosen method for payroll processing is supported by appropriate (contracted) terms and conditions, adequate internal controls and audit review procedures and that suitable arrangements are made for the collection of payroll deductions and payment of these to appropriate bodies.
10.5	NOMINATED MANAGER*	Ensure that all employees are issued with a Contract of Employment in a form approved by the Board and which complies with employment legislation; and Deal with variations to, or termination of, contracts of employment.
11.1	CHIEF EXECUTIVE	Determine, and set out, level of delegation of non-pay expenditure to budget managers, including a list of managers authorised to place requisitions, the maximum level of each requisition and the system for authorisation above that level.
11.1.3	CHIEF EXECUTIVE	Set out procedures on the seeking of professional advice regarding the supply of goods and services.
11.2.1	REQUISITIONER*	In choosing the item to be supplied (or the service to be performed) shall always obtain the best value for money for the Trust. In so doing, the advice of the Trust's adviser on supply shall be sought.
11.3	DIRECTOR OF FINANCE	Shall be responsible for the prompt payment of accounts and claims.
11.3.1	DIRECTOR OF FINANCE	<ul style="list-style-type: none"> advise the Board regarding the setting of thresholds above which quotations (competitive or otherwise) or formal tenders must be obtained; and, once approved, the thresholds should be incorporated in standing orders and regularly reviewed;

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SFI REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
		<ul style="list-style-type: none"> • prepare procedural instructions [where not already provided in the Scheme of Delegation or procedure notes for budget holders] on the obtaining of goods, works and services incorporating the thresholds; • be responsible for the prompt payment of all properly authorised accounts and claims; • be responsible for designing and maintaining a system of verification, recording and payment of all amounts payable; • a timetable and system for submission to the Director of Finance of accounts for payment; provision shall be made for the early submission of accounts subject to cash discounts or otherwise requiring early payment; • instructions to employees regarding the handling and payment of accounts within the Finance Department; • be responsible for ensuring that payment for goods and services is only made once the goods and services are received
11.4.1	APPROPRIATE EXECUTIVE DIRECTOR	Make a written case to support the need for a prepayment.
11.4.1	DIRECTOR OF FINANCE	Approve proposed prepayment arrangements.
11.4.1	BUDGET HOLDER	Ensure that all items due under a prepayment contract are received (and immediately inform DoF if problems are encountered).
11.5.1	CHIEF EXECUTIVE	Authorise who may use and be issued with official orders.
11.6.1	MANAGERS AND OFFICERS	Ensure that they comply fully with the guidance and limits specified by the Director of Finance.
11.6.2	CHIEF EXECUTIVE DIRECTOR OF FINANCE	Ensure that the arrangements for financial control and financial audit of building and engineering contracts and property transactions comply with the guidance contained within CONCODE and ESTATECODE. The technical audit of these contracts shall be the responsibility of the relevant Director.

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SFI REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
12.1	DIRECTOR OF FINANCE	Lay down procedures for payments to local authorities and voluntary organisations made under the powers of section 28A of the NHS Act.
13.2.1	DIRECTOR OF FINANCE	The DoF will advise the Board on the Trust's ability to pay dividend on Public Dividend Capital (PDC) and report, periodically, concerning the PDC debt and all loans and overdrafts.
13.2.2	BOARD	Approve a list of employees authorised to make short-term borrowings on behalf of the Trust. (This must include the Chief Executive and Director of Finance.)
13.2.3	DIRECTOR OF FINANCE	Prepare detailed procedural instructions concerning applications for loans and overdrafts.
13.2.4	CHIEF EXECUTIVE OR DIRECTOR OF FINANCE	Be on an authorising panel comprising one other member for short term borrowing approval.
13.2.7	DIRECTOR OF FINANCE	Will advise the Board on investments and report, periodically, on performance of same.
14.1.1 and 14.1.2	CHIEF EXECUTIVE	Capital investment programme: <ul style="list-style-type: none"> • ensure that there is adequate appraisal and approval process for determining capital expenditure priorities and the effect that each has on plans • responsible for the management of capital schemes and for ensuring that they are delivered on time and within cost; • ensure that capital investment is not undertaken without availability of resources to finance all revenue consequences; • ensure that a business case is produced in line with the Capital Policy.
14.1.2	DIRECTOR OF FINANCE	Certify professionally the costs and revenue consequences detailed in the business case for capital investment.
14.1.3	CHIEF EXECUTIVE	Issue procedures for management of contracts involving stage payments.
14.1.4	DIRECTOR OF FINANCE	Assess the requirement for the operation of the construction industry taxation deduction scheme.

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SFI REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
14.1.5	DIRECTOR OF FINANCE	Issue procedures for the regular reporting of expenditure and commitment against authorised capital expenditure.
14.1.6	CHIEF EXECUTIVE	Issue manager responsible for any capital scheme with authority to commit expenditure, authority to proceed to tender and approval to accept a successful tender. Issue a scheme of delegation for capital investment management.
14.2	DIRECTOR OF FINANCE	Issue procedures governing financial management, including variation to contract, of capital investment projects and valuation for accounting purposes.
14.3.1	DIRECTOR OF FINANCE	Demonstrate that the use of private finance represents value for money and genuinely transfers significant risk to the private sector.
14.3.1	Board	Proposal to use PFI must be specifically agreed by the Board.
14.4.1	DIRECTOR OF FINANCE	Maintenance of asset registers.
14.4.7	DIRECTOR OF FINANCE	Approve procedures for reconciling balances on fixed assets accounts in ledgers against balances on fixed asset registers.
14.4.10	DIRECTOR OF FINANCE	Calculate capital charges in accordance with International Financial Reporting Standards and accepted accounting policies.
14.6.1	CHIEF EXECUTIVE	Overall responsibility for fixed assets.
14.6.2	DIRECTOR OF FINANCE	Approval of fixed asset control procedures.
14.6.4	BOARD, EXECUTIVE MEMBERS AND ALL SENIOR STAFF	Responsibility for security of Trust assets including notifying discrepancies to DoF, and reporting losses in accordance with Trust procedure.
15.2	CHIEF EXECUTIVE	Delegate overall responsibility for control of stores (subject to DoF responsibility for systems of control). Further delegation for day-to-day responsibility subject to such delegation being recorded. (Good practice

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SFI REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
		to append to the scheme of delegation document.)
15.2	DIRECTOR OF FINANCE	Responsibility for systems of control over stores and receipt of goods.
15.2	DESIGNATED PHARMACEUTICAL OFFICER	Responsibility for controls of pharmaceutical stocks
15.2	DESIGNATED ESTATES OFFICER	Responsibility for control of stocks of fuel oil and coal.
15.2	NOMINATED OFFICERS*	Security arrangements and custody of keys
15.2	DIRECTOR OF FINANCE	Set out procedures and systems to regulate the stores.
15.2	DIRECTOR OF FINANCE	Agree stocktaking arrangements.
15.2	DIRECTOR OF FINANCE	Approve alternative arrangements where a complete system of stores control is not justified.
15.2	DIRECTOR OF FINANCE	Approve system for review of slow moving and obsolete items and for condemnation, disposal and replacement of all unserviceable items.
15.2	NOMINATED OFFICERS*	Operate system for slow moving and obsolete stock, and report to DoF evidence of significant overstocking.
15.2.7	CHIEF EXECUTIVE	Identify persons authorised to requisition and accept goods from NHS Supply Chain (NHS Shared Business Agency) stores.
16.1.1	DIRECTOR OF FINANCE	Prepare detailed procedures for disposal of assets including condemnations and ensure that these are notified to managers.
16.2.1	DIRECTOR OF FINANCE	Prepare procedures for recording and accounting for losses, special payments and informing police in cases of suspected arson or theft.
4.5.2	ALL STAFF	Discovery or suspicion of loss of any kind must be reported immediately to either head of department or

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SFI REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
		nominated officer. The head of department / nominated officer should then inform the CE and DoF.
4.5.3	DIRECTOR OF FINANCE	Where a criminal offence is suspected, DoF must inform the police if theft or arson is involved. In cases of fraud and corruption DoF must inform the relevant LCFS and CFSMS Regional Team in line with SofS directions.
4.5.3	DIRECTOR OF FINANCE	Notify CFSMS and External Audit of all frauds.
16.2.2	BOARD	Approve write off of losses of £10,000 or more.
16.2.4	DIRECTOR OF FINANCE	Consider whether any insurance claim can be made.
16.2.5	DIRECTOR OF FINANCE	Maintain losses and special payments register.
17.1	DIRECTOR OF FINANCE	Responsibility for accuracy and security of computerised financial data.
17.1	DIRECTOR OF FINANCE	Satisfy himself/herself 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.
22.1.1	DIRECTOR OF STRATEGY AND CORPORATE AFFAIRS	Shall publish and maintain a Freedom of Information Scheme.
17.2.1	RELEVANT OFFICERS	Send proposals for general computer systems to DoF.
17.3	DIRECTOR OF FINANCE	Ensure that contracts with other bodies for the provision of computer services for financial applications clearly define responsibility of all parties for security, privacy, accuracy, completeness and timeliness of data during processing, transmission and storage, and allow for audit review. Seek periodic assurances from the provider that adequate controls are in operation.
17.4	DIRECTOR OF FINANCE	Ensure that risks to the Trust from use of IT are identified and considered and that disaster recovery plans are in place.

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SFI REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
17.5	DIRECTOR OF FINANCE	Where computer systems have an impact on corporate financial systems satisfy himself that: a) systems acquisition, development and maintenance are in line with corporate policies; b) data assembled for processing by financial systems is adequate, accurate, complete and timely, and that a management trail exists; c) DoF and staff have access to such data; Such computer audit reviews are being carried out as are considered necessary.
18.2	CHIEF EXECUTIVE	Responsible for ensuring patients and guardians are informed about patients' money and property procedures on admission.
18.3	DIRECTOR OF FINANCE	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.
18.6	MANAGERS	Inform staff of their responsibilities and duties for the administration of the property of patients.
19.1	DIRECTOR OF FINANCE	Shall ensure that each trust fund that the Trust is responsible for managing is managed appropriately.
20	DIRECTOR OF FINANCE	Ensure all staff are made aware of the Trust policy on the acceptance of gifts and other benefits in kind by staff.
21	CHIEF EXECUTIVE	Retention of documents procedures in accordance with Records Management: NHS Code of Practice part 1 and part 2 (2006).
23.1.2	CHIEF EXECUTIVE	Risk management programme.
23.1.2	BOARD	Approve and monitor risk management programme.
23.1.4	BOARD	Decide whether the Trust will use the risk pooling schemes administered by the NHS Litigation Authority (Risk Management Standards) or self-insure for some or all of the risks (where discretion is allowed).

Please read this document in conjunction with the Constitution, Standing Orders and Standing Financial Instructions

SFI REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
		Decisions to self-insure should be reviewed annually.
23.1.7	DIRECTOR OF FINANCE	<p>Where the Board decides to use the risk pooling schemes administered by the NHS Litigation Authority the Director of Finance shall ensure that the arrangements entered into are appropriate and complementary to the risk management programme. The Director of Finance shall ensure that documented procedures cover these arrangements.</p> <p>Where the Board decides not to use the risk pooling schemes administered by the NHS Litigation Authority for any one or other of the risks covered by the schemes, the Director of Finance shall ensure that the Board is informed of the nature and extent of the risks that are self insured as a result of this decision. The Director of Finance will draw up formal documented procedures for the management of any claims arising from third parties and payments in respect of losses that will not be reimbursed.</p>
33.4	DIRECTOR OF FINANCE	Ensure documented procedures cover management of claims and payments below the deductible.

* Nominated officers and the areas for which they are responsible should be incorporated into the Trust's Scheme of Delegation document.

Please read this document in conjunction with the Constitution, Standing Orders and Standing Financial Instructions