

Standing Financial Instructions

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Related Policies and Guidelines	Charitable Funds Standing Financial Instructions Department of Health and Social Care Group Accounting Manual
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Amendment History

Issue	Status	Date	Reason for Change	Authorised
V3.0	Live	040823	Complete Refresh	Trust Board

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1. Policy Summary

- 1.1 Great Western Hospitals NHS Foundation Trust (the "Trust") was authorised as an NHS Foundation Trust by Monitor (now part of the new organisation NHS England), the Independent Regulator of NHS Foundation Trusts pursuant to the National Health Service Act 2006 (the "NHS 2006 Act" or "2006 Act") on 1 December 2008.
- 1.2 These Standing Financial Instructions (SFIs) are issued for the regulation of the conduct of its members and officers in relation to all financial matters with which they are concerned. They shall have effect, as if incorporated in the Standing Orders (SOs) of the Foundation Trust's Board of Directors (note that SOs are a statutory requirement for Foundation Trusts (FTs) but SFIs are not termed as such, although an equivalent set of rules is required by NHS England, which this document represents).
- 1.3 The NHS England (NHSE) Single Oversight Framework details how NHSE oversees and supports providers in delivering consistently safe, effective, compassionate patient care within health systems that are financially and clinically sustainable. Additional financial guidance includes Code of Practice issued by the National Audit Office (NAO), and the most recent DHSC Group Accounting Manual. Other relevant guidance may be issued which should be applied alongside these instructions.

2. Policy Statements

- 2.1 These SFIs detail the financial responsibilities, policies and procedures adopted by the Trust. They are designed to ensure that the Trust's financial transactions are carried out in accordance with the law and with Government policy to achieve probity, accuracy, economy, efficiency and effectiveness. They should be used in conjunction with the Schedule of Decisions Reserved to the Board and the Scheme of Delegation adopted by the Trust (collectively called the "Scheme of Delegation").
- 2.2 These SFIs identify the financial responsibilities which apply to everyone employed by or working for the Foundation Trust and its constituent organisations. They do not provide detailed procedural advice and should be read in conjunction with the detailed departmental and financial policies and procedures.
- 2.3 Should any difficulties arise regarding the interpretation or application of any of the SFIs, then the advice of the Chief Financial Officer 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 of the Board of Directors (as well as the separate Standing Orders of the Council of Governors). Failure to comply with Standing Financial Instructions and Standing Orders of the Board of Directors can in certain circumstances be regarded as a disciplinary matter that could result in an employee's dismissal.

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- 2.4 Overriding Standing Financial Instructions – if for any reason these Standing Financial Instructions are not complied with, full details of the non-compliance and any justification for non-compliance and the circumstances around the non-compliance shall be reported to the Audit, Risk and Assurance Committee for referring action or ratification. All members of the Board and staff have a duty to disclose any non-compliance with these SFIs to the Chief Financial Officer, as soon as possible

3. Duties and Responsibilities

Foundation Trust Board of Directors

- 3.1 The Board exercises financial supervision and control by:
- a. Formulating the financial strategy of the Trust;
 - b. Requiring the submission and approval of Budgets within approved allocations and overall income;
 - c. Defining and approving essential features in respect of important procedures and financial systems (including (but not limited to) the need to obtain value for money) and the Trust's statutory duty under Section 63 of the 2006 Act (General duty of NHS foundation trusts) to exercise its functions effectively, efficiently and economically; and
 - d. Defining specific responsibilities placed on Directors and employees as indicated in the Scheme of Delegation.
- 3.2 The Board has resolved that certain powers and decisions may only be exercised by the Board in formal session. These are set out in the Scheme of Delegation. All other powers have been delegated to Directors in the Scheme of Delegation or, committees of the Board, as established by the Trust. The Board must approve the terms of reference of all committees reporting directly to the Board.
- 3.3 The Board will delegate responsibility for the performance of its functions in accordance with the Regulatory Framework and the Scheme of Delegation. The extent of delegation shall be kept under review by the Board

The Chief Executive and Chief Financial Officer

- 3.4 The Chief Executive and the Chief Financial Officer will delegate their detailed responsibilities as permitted by the Constitution and SOs, but they remain accountable for financial control.
- 3.5 Within the SFIs, it is acknowledged that the Chief Executive is ultimately accountable to the Board of Directors, and as accounting officer, to the Secretary of State, for ensuring that the Board meets its obligation to perform its functions within the available financial resources. The Chief Executive has overall executive

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responsibility for GWH's activities; is responsible to the Chair and members of the Board for ensuring that its financial obligations and targets are met and has overall responsibility for GWH's system of internal control.

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

Chief Financial Officer

- 3.7 The Chief Financial Officer is responsible for:

These SFIs and for keeping them appropriate and up to date;

- a. Implementing the Trust's financial policies and for co-ordinating any corrective action necessary to further these policies;
- b. 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;
- c. 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
- d. Without prejudice to any other functions of the Trust, and employees of the Trust, the duties of the Chief Financial Officer include:
 - i. Design, implementation and supervision of systems of internal financial control;
 - ii. The provision of relevant financial advice to members of the Trust Board and employees
 - iii. The preparation and maintenance of such accounts, certificates, estimates, records and reports as the Board may require for the purpose of carrying out its statutory duties.

Council of Governors

- 3.8 All members of the Council of Governors, severally and collectively are responsible for:

- a. Holding the Non-Executive Directors individually and collectively to account for the performance of the Board of Directors, and
- b. Representing the interest of the members of the Trust as a whole and the interests of the public.

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Board of Directors and Employees

- 3.9 All Directors and employees, severally and collectively, are responsible for:
- a. The security of Trust property
 - b. Avoiding loss;
 - c. Exercising economy and efficiency in the use of resources; and
 - d. Conforming to the requirements of NHS England, the Terms of Authorisation, the Constitution, Standing Orders, Standing Financial Instructions and the Delegation of Powers.

Contractors and their employees

- 3.10 Any contractor or employee of a contractor who is empowered by the Trust to commit the Trust to expenditure or who is authorised to obtain income shall be covered by these instructions. It is the responsibility of the Chief Executive to ensure that such persons are made aware of their duties under these Standing Financial Instructions.
- 3.11 For any and all Directors and employees who carry out a financial function, the form in which financial records are kept and the manner in which Directors and employees discharge their duties must be to the satisfaction of the Chief Financial Officer.

4.Audit

Audit, Risk and Assurance Committee

- 4.1 In accordance with the Constitution the Board of Directors shall establish an Audit, Risk and Assurance Committee, with clearly defined terms of reference. The Committee shall review the establishment and maintenance of an effective system of integrated governance, risk management and internal control, across the whole of the Trust's activities (both clinical and non-clinical), that supports the achievement of the Trust's objectives. The Committee is also responsible for:
- a. overseeing Internal and External Audit services with an active involvement in the selection and performance monitoring of the assurance providers to ensure a cost efficient service is provided
 - b. all audit recommendations will be reported and monitored by the Audit, Risk and Assurance Committee
 - c. reviewing financial and information systems and monitoring the integrity of the financial statements and reviewing significant financial reporting judgments

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- d. monitoring compliance with the Constitution and Standing Financial Instructions
- e. examining the circumstances associated with occasions when the Constitution and associated Standing Financial Instructions are waived
- f. reviewing schedules of losses, compensations, and settlements with staff, and making recommendations to the Board
- g. reviewing schedules of debtors/creditors balances over 6 months old and over a de minimis limit as defined by the Audit, Risk and Assurance Committee and related explanations/action plans
- h. reviewing the arrangements in place to support the Assurance Framework process prepared on behalf of the Board and advising the Board on the adequacy of internal mechanisms for identifying all principal risks and providing reasonable assurance that risk management arrangements are robust
- i. where the Audit, Risk and Assurance Committee feel there is evidence of ultra vires transactions, evidence of improper acts, or if there are other important matters that the Committee wish to raise, the Chair of the Audit, Risk and Assurance Committee should immediately inform the Chief Executive and raise the matter at the next meeting of the Board. Exceptionally, the matter may need to be referred to NHS England

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

Chief Financial Officer

4.3 To support the Audit, Risk and Assurance Committee in their role, it is the responsibility of the Chief Financial Officer to:

- a. Ensure there are arrangements to review, evaluate and report on the effectiveness of internal financial control, including the establishment of an internal audit function
- b. Decide at what stage to involve the police in cases of misappropriation of assets and any other irregularities (subject to the provisions of section 5.1.5 of this document, in relation to fraud and corruption)
- c. Ensure that an annual internal audit report is prepared (with interim progress reports) for the consideration for the Audit, Risk and Assurance Committee. The report must cover:

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- i. A clear opinion on the effectiveness of internal control in accordance with current assurance framework guidance issued by the DHSC. This opinion provides assurances to the Accounting Officer, especially when preparing the Statement of Internal Control and also provides assurances to the Audit and Assurance Committee
 - i. Any major internal financial control weaknesses discovered
 - ii. Progress on the implementation of internal audit recommendations
 - iii. Progress against plan over the previous year
 - iv. Strategic audit plan covering the coming three years
 - v. A detailed work-plan for the coming year
- 4.4 The Chief Financial Officer and designated auditors are entitled without necessarily giving prior notice to require and receive:
- i. Access to all records, documents and correspondence relating to any financial or other relevant transactions, including documents of a confidential nature
 - ii. Access at all reasonable times to any land, premises or members of the Board or employee of the Trust
 - iii. The production of any cash, stores or other property of the Trust under a member of the Board and an employee's control
 - iv. Explanations concerning any matter under investigation

Role of Internal Audit

- 4.5 Internal Audit provides an independent and objective opinion to the Chief Executive, the Audit, Risk and Assurance Committee and the Board on the degree to which risk management, control and governance support the achievement of the Trust's agreed objectives.
- 4.6 Internal Audit will review, appraise and report upon:
- a. The extent of compliance with, and the financial effect of, relevant established policies, plans and procedures
 - b. The adequacy and application of financial and other related management controls
 - c. The suitability of financial and other related management data

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- d. The extent to which the Trust's assets and interests are accounted for and safeguarded from loss of any kind, arising from:
 - i. Fraud and other offences (responsibility for investigation of any suspected or alleged fraud is held by the Local Counter Fraud Specialist)
 - ii. Waste, extravagance, inefficient administration
 - iii. Poor value for money or other causes
 - iv. Any form of risk, especially business and financial risk but not exclusively so
 - e. The adequacy of management action in response to audit recommendations
 - f. Any investigations / project work agreed with and under terms of reference laid down by the Chief Financial Officer
 - g. The Trust's compliance with the Care Quality Commission Essential Standards of Quality and Safety
- 4.7 Internal Audit shall also independently verify the Assurance Statements in accordance with guidance within the Government Internal Audit Standards.
- 4.8 Whenever any matter arises which involves, or is thought to involve, irregularities concerning cash, stores, or other property or any suspected irregularity in the exercise of any function of a pecuniary nature, the Chief Financial Officer must be notified immediately.
- 4.9 The Head of Internal Audit, or equivalent title, will normally attend the meetings of the Audit, Risk and Assurance Committee and has a right of access to all Audit, Risk and Assurance Committee members, the Chair and Chief Executive.
- 4.10 The Head of Internal Audit shall be accountable to the Chief Financial Officer. The reporting system for internal audit shall be agreed between the Chief Financial Officer, the Audit, Risk and Assurance Committee and the Head of Internal Audit. The agreement shall be in writing and shall comply with the guidance on reporting contained in the "Code of Practice issued by the National Audit Office (NAO)," the "DHSC Group Accounting Manual" and the "NHS FT Accounting Officer memorandum."
- 4.11 The Head of Internal Audit shall report to the Chief Financial Officer and shall refer audit reports to the appropriate officers designated by the Chief Executive. Failure to take remedial action within a reasonable period shall be reported to the Chief Executive. Where, in exceptional circumstances, the use of normal reporting channels could be seen as a possible limitation on the objectivity of the audit, the Head of Internal Audit shall have the right to report direct to the Chair or any Non-Executive Director. The reporting system shall be reviewed at least every 3 years.

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- 4.12 Managers in receipt of audit reports referred to them have a duty to take appropriate remedial action within the timescales specified in the report. The Chief Financial Officer shall identify a formal review process to monitor the extent of compliance with audit recommendations. Where appropriate remedial action had failed to take place within a reasonable period, the matter shall be reported to the Chief Financial Officer. Changes implemented must be maintained in the future and not viewed as merely satisfying an immediate audit point.

External Audit

- 4.13 The External Auditor is appointed by the Council of Governors with advice from the Audit, Risk and Assurance Committee. If there are any problems relating to the service provided by the External Auditor this should be resolved in accordance with the Code of Practice issued by the National Audit Office (NAO)
- 4.14 The Trust and the External Auditor must comply with the Code of Practice issued by the National Audit Office (NAO), and fulfil the relevant responsibilities laid out in schedule 7 and schedule 10 of the 2006 Act.
- 4.15 Officers in receipt of audit reports referred to them, have a duty to take appropriate remedial action, if any, within the agreed time-scales specified within the audit reports.
- 4.16 Prior approval must be sought from the Audit, Risk and Assurance Committee (the Council of Governors may also be notified) for each discrete piece of additional external audit work (i.e. work over and above the audit plan, approved at the start of the year.) awarded to the external auditors. Competitive tendering is not required and the Chief Financial Officer is required to authorise expenditure.
- 4.17 The External Auditor shall be routinely invited to attend and report to attend and report to meetings of the Audit, Risk and Assurance Committee, and shall be entitled to meet the Audit, Risk and Assurance Committee in the absence of Trust employees, if they so desire.

Fraud and Corruption

- 4.18 In line with their responsibilities, the Chief Executive and the Chief Financial Officer shall monitor and ensure compliance with any relevant guidance issued by NHS England or NHS Counter Fraud Authority on fraud and corruption.
- 4.19 The Trust shall nominate a suitable person to carry out the duties of the Local Counter Fraud Specialist (LCFS) as specified by the Standards for Providers – Fraud, Bribery and Corruption.
- 4.20 The Chief Financial Officer is responsible for notifying the police when appropriate, during an investigation, following advice from the LCFS in line with the NHS Counter Fraud Authority Fraud and Corruption Manual and guidance.

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- 4.21 The LCFS shall report to the Chief Financial Officer and shall work with staff in the NHS Counter Fraud Service (NHS Counter Fraud Authority) in accordance with the NHS Counter Fraud and Corruption Manual.
- 4.22 The Chief Financial Officer should also prepare a “Counter Fraud Policy and Response Plan” that sets out the action to be taken both by persons detecting a suspected fraud and those persons responsible for investigating it.
- 4.23 The LCFS will attend Audit, Risk and Assurance Committee meetings and has a right of access to all Audit, Risk and Assurance Committee members, the Chair and Chief Executive of GWH.
- 4.24 The LCFS shall be accountable to the Chief Financial Officer. The reporting system for Counter Fraud services shall be agreed between the Chief Financial Officer, the Audit, Risk and Assurance Committee and the LCFS. The agreement shall be in writing and shall comply with the guidance on reporting contained in the NHS Counter Fraud and Corruption Manual and guidance. The reporting system shall be reviewed at least every 3 years.
- 4.25 The LCFS will provide a written report, at each Audit, Risk and Assurance Committee meeting, on counter fraud work within GWH.
- 4.26 The LCFS will, at the beginning of each Financial Year, prepare a written work plan outlining the LCFS’ projected work for that Financial Year.

The LCFS shall:

- a. Keep full and accurate records of any instances of fraud and suspected fraud
 - b. Report to the Audit, Risk and Assurance Committee any weaknesses in fraud-related systems and any other matters which may have fraud-related implications for the Trust
 - c. Request from the Chief Executive all necessary support to enable him/her to carry out his/her functions and responsibilities efficiently, effectively and promptly, including working conditions of sufficient security and privacy to protect the confidentiality of his work
 - d. Participate in activities which NHS England directs, or in which NHS Counter Fraud Authority is engaged, including national anti-fraud measures
- 4.27 Any Officer discovering or suspecting a loss of any kind must immediately inform the Chief Executive, the Chief Financial Officer, or the LCFS.
 - 4.28 In accordance with the Freedom to Speak Up (Raising Concerns Policy), the Trust shall have a whistle–blowing mechanism to report any suspected or actual fraud, bribery or corruption matters and internally publicise this, together with the national fraud and corruption reporting line provided by NHS Counter Fraud Authority (NHS CFA).

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- 4.29 The Trust will report annually on how it has met the standards set by NHS Counter Fraud Authority (NHS CFA) in relation to anti-fraud, bribery and corruption work and the Chief Financial Officer shall sign off the annual review and authorise its submission to NHS Counter Fraud Authority (NHS CFA).

Security management

- 4.30 In line with their responsibilities, the Trust Chief Executive will monitor and ensure compliance with the Directions issued directly by the Secretary of State for Health on NHS security management.
- 4.31 The Trust shall nominate an Executive Director to be responsible to the Board for security management matters and the promotion of security management measures within the Trust.
- 4.32 The Trust will appoint at least one person as a Local Security Management Specialist, in accordance with any guidance issued by NHS England or the NHS Counter Fraud Authority on suitability criteria for such appointees.
- 4.33 The Local Security Management Specialist will report directly to the nominated Executive Director lead and will work with NHS England and the NHS Counter Fraud Authority.
- 4.34 The Local Security Management Specialist will, at the beginning of each Financial Year, prepare a written work plan outlining the Local Security Management Specialist's projected work for that Financial Year.
- 4.35 The Local Security Management Specialist shall be afforded the opportunity to attend Audit, Risk and Assurance Committee meetings and other meetings of the Board, or its committees, as required.
- 4.36 The Trust shall also nominate a Non-Executive Director to be the lead Non-Executive Director for security management matters

5. Business Planning, Budgets, Budgetary Control and Monitoring

Preparation and Approval of Business Plans and Budgets

- 5.1 The Chief Executive, with the assistance of the Chief Financial Officer, will compile and submit to the Board of Directors, the Council of Governors, and NHS England strategic plans and operational business plans in accordance with the guidance issued by NHS England with regards timing and Trust financial duties. The Trust operational business plans will contain:

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- 5.2 A statement of the significant assumptions on which the plan is based;
- a. Details of major changes in workload, delivery of services or resources required to achieve the plan
 - b. The Financial Plan for the Year
 - c. Such other contents as may be determined by NHS England
- 5.3 The annual plan must be approved by the Trust board and submitted to the NHSE in accordance with their requirements.
- 5.4 In a suitable timeframe to enable compliance with NHS England's Risk Assessment Framework, the Chief Financial Officer will, on behalf of the Chief Executive, prepare and submit an annual budget for approval by the Board of Directors. Such budgets will:
- a. Be in accordance with the Trust values, and the aims and objectives set out in the annual Business Plan
 - b. Accord with workload and manpower plans
 - c. Be produced following discussion with appropriate budget holders
 - d. Be prepared within the limits of available funds
 - e. Identify potential risks and mitigating actions
 - f. Be based on reasonable and realistic assumptions
 - g. Enable the Trust to comply with the whole regulatory framework for Foundation Trusts.
- 5.5 Officers shall provide the Chief Financial Officer with all financial, statistical and other relevant information as necessary for the compilation of such business plans, estimates and forecasts.
- 5.6 The Chief Financial Officer has overall responsibility to ensure that adequate financial systems are in place to monitor and control financial performance to enable GWH to fulfil its statutory responsibility to meet its annual revenue and capital targets.
- 5.7 The Chief Financial Officer has the authority to request budget holders to formally sign off annual budgets, as an acknowledgement of ownership.

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Budgetary Control and Reporting

- 5.8 The Chief Financial Officer shall monitor financial performance against budget and business plan, projecting anticipated performance for future periods, report to the Board, and advise on any actions he or she deems appropriate.
- 5.9 All officers whom the Board of Directors may empower to engage staff, to otherwise incur expenditure, or to collect or generate income, shall comply with those systems. The systems of budgetary control shall incorporate the reporting of, and investigation into, financial, activity, or workforce variance from the budget. The Chief Financial Officer shall be responsible for providing budgetary information and advice to enable the Chief Executive and other officers to carry out their budgetary responsibilities.
- 5.10 The Chief Financial Officer shall keep the Chief Executive and the Board of Directors informed of financial consequences of changes in policy, pay awards and other events and trends affecting budgets and shall advise on the financial and economic aspects of future plans and projects.
- 5.11 The Chief Financial Officer has a responsibility to ensure that adequate training is delivered on an on-going basis to budget holders to help them manage successfully.
- 5.12 No budget-holder is authorised to overspend their budget. Where overspending is occurring, the budget holder must account to their Divisional Management Team or line manager for the overspending and identify means of addressing it. It is accepted that a budget may be exceeded for a short period in the year due to the phasing of expenditure.
- 5.13 Each budget holder is responsible for ensuring that no permanent employees are appointed without going through the Trust's recruitment process to ensure budgetary approval has been agreed.
- 5.14 The Chief Executive will delegate to budget holders responsibility for identifying and implementing cost efficiency programmes ("efficiencies") and income generation initiatives in order to deliver a budget that will enable compliance with NHS England's Single Oversight Framework, finance and use of resources.

Budgetary Delegation

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

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- b. The purpose of each budget heading
 - c. Individual and group responsibilities
 - d. Authorities to exercise virement
 - e. Achievement of planned levels of service
 - f. Provision of regular reports
- 5.16 The Chief Executive and delegated budget holders must not exceed the budgetary total or virement limits set by the Board.
- 5.17 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.
- 5.18 Non-recurring budgets should not be used to finance recurring expenditure without the authority in writing of the Chief Executive or the Chief Financial Officer.

Capital Expenditure

- 5.19 The general rules applying to delegation and reporting shall also apply to capital expenditure. Accounting for fixed assets must comply with the most recent version of the DHSC Group Accounting Manual. (The applications relating to capital are contained in section 15 of these SFIs)

Performance Monitoring Forms and Returns

- 5.20 The Chief Financial Officer is responsible for ensuring that the appropriate financial monitoring forms are submitted to the requisite monitoring organisations. The relevant Executive Director is responsible for ensuring that the appropriate Governance returns are submitted to the requisite monitoring organisations. The figures reported should reflect the same figures, though not necessarily presented in the same format, as those reported to the Board of Directors.

6. Annual Report and Accounts

- 6.1 The Chief Financial Officer, on behalf of the Trust, will keep accounts in such form as NHS England may direct, and produce annual accounts and financial returns for NHS England.
- 6.2 The Company Secretary will prepare an Annual Report in accordance with the guidance in the DHSC Group Accounting Manual.

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- 6.3 The Trust's Annual Report and the Annual Accounts and financial returns to NHS England must be audited by the external auditor in accordance with appropriate international auditing standards.
- 6.4 The Annual Report and Accounts (including the auditor's report) shall be approved by the Board of Directors.
- 6.5 The Annual Report and Accounts (including the auditor's report) is submitted to NHS England (in accordance with its timetable) by the Company Secretary and put forward to be laid before Parliament each year.
- 6.6 The Annual Report and Accounts (including the auditor's report) must be published and presented to a general meeting of the Council of Governors by 30th September each year and made available to the public for public inspection at the Trust's headquarters and made available on the Trust's website. Any summary financial statements published are, in addition to, and not instead of, the full annual accounts.

7. Bank Accounts

General

- 7.1 The Chief Financial Officer is responsible for managing the Trust's banking arrangements and for advising the Trust on the provision of banking services and operation of accounts. This advice will take into account guidance and directions issued from time to time by NHS England.
- 7.2 The Board shall approve the banking arrangements.

Bank and Government Banking Services (GBS)

- 7.3 In line with public sector practice, the Trust's principal bankers are those commercial banks working in partnership with the GBS; however, these SFIs will apply to any other accounts opened in the name of the Trust or its subsidiaries from time to time.
- 7.4 The Chief Financial Officer is responsible for:
 - a. Bank accounts and GBS accounts
 - b. Reporting to the Board all arrangements made with the Trust's bankers for accounts to be overdrawn
 - c. Ensuring payments made from bank or Government Banking Service accounts do not exceed the amount credited to the account except where arrangements have been made
 - d. Ensuring cash is managed in line with GWH's Licence Conditions and its

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Investment and Borrowing Strategies. Further details of which can be found in the Finance Department's Treasury Management Policies

- e. Establishing separate bank accounts for the Trust's non-exchequer funds
- f. Ensuring covenants attached to bank borrowings are adhered to

Banking Procedures

- 7.5 The Chief Financial Officer will prepare detailed instructions on the operation of bank and GBS accounts which must include:
 - a. Those members of staff with mandated authority to carry out transactions (by signing transfer authorities or cheques or other orders) drawn on the Trust's accounts
 - b. The conditions under which each bank and GBS account is to be operated
- 7.6 The Chief Financial Officer must advise the Trust's bankers in writing of the conditions under which each account will be operated. All funds shall be held in accounts in the name of the Trust. No officers other than the Chief Financial Officer shall open any bank account in the name of the Trust.

Tendering and Review

- 7.7 The Board of Directors will review the commercial banking arrangements of the Trust at regular intervals to ensure they reflect best practice and represent best value for money by periodically seeking competitive tenders for the Trust's banking business.
- 7.8 Competitive tenders should be sought at least every 5 years. The results of the tendering exercise should be reported to the Board.
- 7.9 If however, the Chief Financial Officer decides, that it is not in Trust's best interests to use commercial banking services, but instead to solely use the GBS services, then no tender will be required. This should be reported to the Board of Directors.

External Borrowing

- 7.10 The Chief Financial Officer will advise the Board of Directors concerning the Trust's ability to pay interest on, and repay, both the originating capital debt and any proposed new borrowing. The Chief Financial Officer is also responsible for reporting periodically to the Board of Directors concerning the originating debt and all loans and overdrafts
- 7.11 The Board of Directors will agree the list of employees (including specimens of their signatures) who are authorised to make short term borrowings on behalf of the Trust. This must contain the Chief Executive and the Chief Financial Officer.

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- 7.12 Any short-term borrowing must be with the authority of two members of an authorised panel, one of which must be the Chief Executive or the Chief Financial Officer. The Board of Directors must be made aware of all short-term borrowings at the next Board meeting.
- 7.13 All short-term borrowings should be kept to the minimum period of time possible, consistent with the overall cash flow position. All short-term borrowing requirements must be authorised by the Chief Financial Officer.
- 7.14 All long-term borrowing must be consistent with the plans outlined in the current Business Plan.

Investments

- 7.15 Temporary cash surpluses may be held only in such public or private sector investments as authorised by the Board.
- 7.16 The Chief Financial Officer is responsible for advising the Board on investments and shall report periodically to the Board concerning the performance of investments held.
- 7.17 The Chief Financial Officer will prepare detailed procedural instructions on the operation of investment accounts and on the records to be maintained.

8. Income, Fees and Charges and Security of Cash, Cheques and other Negotiable Instruments

Income Systems

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

Fees and Charges

- 8.3 The Trust shall follow the financial regime as determined by the Department of Health.
- 8.4 The Chief Financial Officer is responsible for approving and regularly reviewing the level of all fees and charges other than those determined by the DHSC or by Statute. Independent professional advice on matters of valuation shall be taken as necessary. Where sponsorship income (including items in kind such as subsidised goods or loans of equipment) is considered the guidance in the Department of Health's "Commercial Sponsorship – Ethical standards in the NHS" shall be followed.

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- 8.5 All employees must inform the Chief Financial Officer promptly of money due arising from transactions which they initiate/deal with, including all contracts, leases, tenancy agreements, private patient undertakings and other transactions.
- 8.6 Contracts must confirm to the strategy and business plans of the Trust and shall be approved according to the limits specified at SFI Appendix 1.

Debt Recovery

- 8.7 The Chief Financial Officer is responsible for the appropriate recovery action on all outstanding debts.
- 8.8 Any potential write-off of bad debt shall be processed through the losses and special payments process and shall be authorised by the Chief Financial Officer or Deputy Chief Financial Officer. All write-offs will be reported to the Audit, Risk and Assurance Committee detailing the actions taken to recover the debt and the factors considered in making the decision to write off the debt.
- 8.9 Overpayments should be detected (or preferably prevented) and recovery initiated under normal procedures. Where overpayments have been made for 3 or more occasions and the individual or organisation is refusing to pay the Trust Local Counter Fraud Specialist should be consulted.

Security of Cash, Cheques and Other Negotiable Instruments

- 8.10 The Chief Financial Officer shall be responsible for:
 - a. Approving the form of all receipt books, agreement forms, or other means of officially acknowledging or recording monies received or receivable
 - b. Ordering and securely controlling any such stationery
 - c. The provision of adequate facilities and systems for employees whose duties include collecting and holding cash, including the provision of safes or lockable cash boxes, the procedures for keys, and for coin operated machines
 - d. Prescribing systems and procedures for handling cash and negotiable securities on behalf of the Trust
- 8.11 Trust monies shall not, under any circumstances, be used for the encashment of private cheques or IOUs. All cheques, postal orders, cash, etc., shall be banked promptly and intact. Disbursements shall not be made from cash received, except under arrangements approved by the Chief Financial Officer.
- 8.12 The holders of safe keys shall not accept unofficial funds for depositing in their safes unless such deposits are in appropriate sealed envelopes or locked containers. It shall be made clear to the depositors that the Trust is not to be

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held liable for any loss, and written indemnities must be obtained from the depositors absolving the Trust from responsibility for any such loss.

- 8.13 All cheques must be dispatched to Financial Services. A record of all cheques received must be maintained at point of receipt before being despatched to Financial Services. A list of these cheque details is to be sent to the Financial Services Manager.

Money Laundering

- 8.14 To minimise the risk of being used for money laundering purposes and avoid the need to comply with Money Laundering Regulations the Trust will not accept payment in cash exceeding £1000 for any single transaction other than in respect of funds banked on behalf of a patient who has been admitted with such funds.

9. Contracts for the Provision of Healthcare Services

Commissioning

- 9.1 The Board of Directors shall regularly review and shall at all times maintain and ensure the capacity and capability of the Trust to provide the mandatory goods and services referred to in its Terms of Authorisation and related schedules.
- 9.2 The Chief Executive, as the Accounting Officer, is responsible for ensuring the Trust enters into suitable legally binding agreements with service commissioners for the provision of NHS services. This responsibility has been delegated to the Chief Financial Officer who is responsible for commissioning NHS service agreements for the provision of services to patients in accordance with the Business Plan and for establishing the arrangements for non-contracted activity. In carrying out these functions, the Chief Financial Officer will pay due regards to:
- a. The costing and pricing of services (in accordance with the National Tariff) and the activity / volume of services planned
 - b. The standards of service quality expected
 - c. Payment terms and conditions
 - d. Amendments to NHS contracts and contracted activity
 - e. The relevant national service framework, if any
 - f. Any other matters relating to contracts of a legal or non-financial nature

Contract Pricing and Reporting

- 9.3 NHS contracts should comply with the most recent guidance from the DHSC and be so devised as to minimise risk whilst maximising the Trust's opportunity

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to generate income.

- 9.4 The Chief Financial Officer will need to ensure that regular reports are provided to the Board detailing actual and forecast income from the contract. This will include information on costing arrangements; any pricing of NHS contracts at marginal cost must be undertaken by the Chief Financial Officer and reported to the Board.
- 9.5 The Chief Financial Officer must ensure that the process undertaken to cost procedures provided at the Trust as part of the annual reference cost collection adheres to the guidance published by the DHSC annually. The Trust's process must be reported to Audit, Risk and Assurance Committee to provide assurance that the submission will accurately represent the cost of each procedure,

Content of Contracts

- 9.6 All agreements should aim to implement the agreed priorities contained within the relevant plans and wherever possible, be based upon integrated care pathways to reflect expected patient experience.
- 9.7 Where the Trust makes arrangements for the provision of services by non- NHS providers, the Chief Executive is responsible for ensuring that the agreements put in place have due regard to the quality and the cost- effectiveness of the services provided.
- 9.8 Where the Trust enters into a relationship with another organisation for the supply or receipt of other services (clinical or non-clinical), the responsible Officer should ensure that an appropriate contract is present and signed by both parties. The Head of Operational Procurement/Senior Contracts Manager will provide professional advice on the structure and content on this type of contract and should approve the contract before being signed by the delegated Officer.
- 9.9 Contracts should be reviewed and agreed on an annual basis or as determined by the term of the agreement if shorter than one year so as to ensure value for money.

10. Tendering, quotation and contracting procedure

Duty of compliance

- 10.1 The procedure for awarding all contracts by or on behalf of the Trust shall comply with Trust SOs and SFIs.
- 10.2 Conflicts of interest should be considered throughout the procurement process, with any gifts or other benefits offered throughout a tender process or in the course of business of usual to be declined, unless they are low-cost branded promotional aids such as pens or post-it notes, under the value of £6 in total. Trust employees to adhere to the “managing conflicts of interest in the NHS policy”.

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- 10.3 Directives by the Council of the European Union promulgated by the Department of Health and Social Care (DHSC) prescribing procedures for awarding all forms of contracts shall have effect as if incorporated in these SOs and SFIs.
- 10.4 The Trust has policies and procedures in place for the control of all tendering activity carried out on behalf of the Trust.
- 10.5 The Trust shall comply as far as is reasonably practicable with the requirements of the latest DHSC guidance on capital investment and the procurement and management of consultants within the NHS.

Thresholds Tender Guide/Placing Contracts/Waivers

- 10.6 The Trust shall ensure that competitive tenders or quotations are invited for:
 - a. The supply of goods, materials and manufactured articles
 - b. The rendering of services including all forms of management consultancy services (other than specialised services sought from or provided by the DHSC)
 - c. For the design, construction and maintenance of building and engineering works (including construction and maintenance of grounds and gardens)
 - d. Where the Trust elects to invite bids for the supply of healthcare services these SOs and SFIs shall apply as far as they are applicable to the respective competitive exercise
- 10.7 The following tables outline the correct procurement process to be followed relative to value and the type of product or service being purchased.
- 10.8 Where goods, services, disposals and/or capital works are to be supplied over a period of time, the values listed must be taken as the value of the contract and include the whole life costs, not the annual value and should not seek to circumvent public sector procurement regulations.
- 10.9 For the purpose of these SFI's the definition of a Contract is a voluntary, deliberate, and legally binding agreement between two or more competent parties. Contracts are usually written but may be spoken or implied, and generally have to do with employment, sale or lease, or tenancy.
- 10.10 A contractual relationship is evidenced by (1) an offer, (2) acceptance of the offer, and a (3) valid (legal and valuable) consideration. Each party to a contract acquires rights and duties relative to the rights and duties of the other parties. However, while all parties may expect a fair benefit from the contract (otherwise courts may set it aside as inequitable) it does not follow that each party will benefit to an equal extent.

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Table 1

Contract Value (Excluding VAT)	Quotations/Tenders	Min number invited to Quote/Tender where available	Form of Contract
<£10,000	Single Quotation may be obtained by end user	1	Purchase Order
£10,000 - £24,999	Quotation Authorisation required from Procurement prior to obtaining quotes	2	Purchase Order
£25,000-£75,000	Quotation To be obtained by Procurement with appropriate advertising and market engagement	3	Contract and Purchase Order
£75,001 – Public Contract Regulations threshold	Tender by Procurement	4	Contract as specified in Tender and Purchase Order
> Public Contract Regulations threshold	Tender by Procurement	4	Contract as specified in Tender and Purchase Order

10.11 Where the opportunity has been advertised the Trust may shortlist suppliers, via a transparent supplier selection process, to take forward to the next stage of the procurement process.

10.12 Threshold limits represent the contract's lifetime value (e.g. a 5 year contract of £25,000 per year requires £125,000 method, sign off and authorisation).

10.13 The cumulative amount spent with the supplier over a rolling 12-month period (e.g. 5 separate spends of £5k each will trigger the appropriate procurement process in line with the values above).

10.14 In circumstances after market engagement has been conducted, where the specified number of quotations/tenders cannot be obtained (e.g. where there is a limited number of suppliers), the reasons for receiving a lower number of quotations/tenders must be recorded in the recommendation report and in this event a waiver/ STA will not be required.

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10.15 Authorisation to sign a Contract and recommendation report requirements are detailed in Table 2 below.

Financial Limits for the Procurement Process & Placing Contracts

10.16 Authorisation to sign a Contract and recommendation report requirements are detailed in Table 2 below.

10.17 Under no circumstances should any member of the Trust sign and authorise a Contract from a supplier unless they are permitted under SFI's to do so as detailed in the Table 2.

Table 2

Contract Value (Excluding VAT)	Recommendation Report Required	Authorisation To Place or sign Contract
<£10k (Inclusive of zero nominal value)	No	As per purchase order system approval hierarchy approval
£10k – £25k	Recommendation report required only if contract has not been awarded to the most economically advantageous offer	As per purchase order system approval hierarchy approval
£25k - £100k	Yes	Deputy Director of Procurement
£100k – £350k	Yes	Director of Procurement or Deputy Chief Financial Officer
£350k - £1.0m	Yes	Chief Financial Officer / Chief Executive Officer
£1.0m +	Yes	Trust Board

10.18 The Chief Executive, Chief Financial Officer, Deputy Chief Financial Officer, Director of Procurement, Head of Procurement and Chief Pharmacist may sign and place contracts on the Trust's behalf, providing a valid Contract Approval Document is signed by the relevant Executive Director or Chairman on behalf of the Trust Board. Where appropriate this should include a supporting contract recommendation report.

10.19 The Chief Executive shall nominate officers with delegated authority to enter into contracts of employment, regarding staff, agency staff or temporary staff service contract.

Electronic Tendering

10.20 All invitations to tender should be on a formal competitive basis applying the principles set out below using the Trust E-Tendering Portal.

10.21 All tendering carried out through e-tendering will be compliant with the Trust policies and procedures as set out in SFIs 10.2 – 10.13 Issue of all tender

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documentation should be undertaken by the Procurement Department electronically through a secure website with controlled access using secure login, authentication and viewing rules.

10.22 All tenders will be received into a secure electronic vault so that they cannot be accessed until an agreed opening time. Where the electronic tendering package is used the details of the persons opening the documents will be recorded in the audit trail together with the date and time of the document opening. All actions and communication by both procurement staff and suppliers are recorded within the system audit reports.

Manual Tendering – General Exception Rules

10.23 No tenders should be conducted manually unless there is a clear valid exception that is signed off by the Director of Procurement. All invitations to tender on a formal competitive basis shall state that no tender will be considered for acceptance unless submitted in either:

a. A plain, sealed package bearing a pre-printed label supplied by the Trust (or bearing the word 'Tender' followed by the subject to which it relates and the latest date and time for the receipt of such tender)

Or

b. In a special envelope supplied by the Trust to prospective tenderers and the tender envelopes/packages shall not bear any names or marks indicating the sender

10.24 Every tender for goods, materials or manufactured articles supplied as part of a works contract and services shall embody such of the main contract conditions as may be appropriate in accordance with the contract forms described in Section 7.5.

10.25 Where appropriate tenders for building and works, shall embody or be in the terms of the current edition of the appropriate Joint Contracts Tribunal (JCT) or NEC 3 form of contract amended to comply with Concode. When the content of the works is primarily engineering, tenders shall embody or be in the terms of the General Conditions of Contract recommended by the Institutions of Mechanical Engineers and the Association of Consulting Engineers (Form A) or, in the case of civil engineering work, the General Conditions of Contract recommended by the Institution of Civil Engineers.

10.26 Every tender for goods, materials, services (including consultancy services) or disposals shall embody the NHS Standard Contract Terms and Conditions as are applicable. Every supplier must have given a written undertaking not to engage in collusive tendering or other restrictive practice.

Receipt, Safe Custody and Record of Formal Tenders submitted manually

10.27 All tenders on the approved form shall be addressed to the appropriate officer according to the appropriate limits specified Table 2.

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- 10.28 The date and time of receipt of each tender shall be endorsed on the unopened tender envelope/package.
- 10.29 The appropriate officer shall designate an officer or officers, not from the originating department, to receive tenders on his/her behalf and to be responsible for their endorsement and safe custody until the time appointed for their opening, and for the records maintained in accordance with SFI 10.7.

Opening Formal Tenders

- 10.30 As soon as practicable after the date and time stated as being the latest time for the receipt of tenders, they shall be opened either electronically or if manually by two officers designated by the officer as appropriate.
- 10.31 Every tender received shall be stamped with the date of opening and if manually opened they shall be initialled by two of those present at the opening.
- 10.32 A permanent record shall be maintained to show for each set of competitive tender invitations dispatched:
- a. The names of firms/individuals invited
 - b. The names of and the number of firms/individuals from which tenders have been received
 - c. The total price(s) tendered
 - d. Closing date and time
 - e. Date and time of opening
 - f. The persons present at the opening shall sign the record, where a manual process has been conducted
- 10.33 Except as in the paragraph below, a record shall be maintained of all price alterations on tenders, i.e. where a price has been altered, and the final price shown shall be recorded. Every price alteration appearing on a tender and the record should be logged and where a manual process has been conducted it should be initialled by two of those present at the opening.
- 10.34 A report shall be made in the record if, on any one tender, price alterations are considered so numerous as to render the procedure set out in the paragraph above unreasonable.

Admissibility and Acceptance of Formal Tenders (Electronically & Manually)

- 10.35 In considering which tender to accept, if any, the designated officers shall have regard to whether value for money will be obtained by the Trust and whether the

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number of tenders received provides adequate competition. In cases of doubt they shall consult the Chief Financial Officer, Director of Procurement or nominated officer. All decisions should be recorded in line with the procurement process.

- 10.36 Tenders received after the due time and date may be considered only if the Chief Financial Officer or Director of Procurement or nominated officer decides that there are exceptional circumstances, e.g. where significant financial, technical or delivery advantages would accrue, and is satisfied that there is no reason to doubt the bona fides of the tenders concerned. The Chief Financial Officer, or nominated officer, shall decide whether such tenders are admissible and whether re-tendering is desirable. Re-tendering may be limited to those tenders reasonably in the field of consideration in the original competition. If the tender is accepted the late arrival of the tender should be reported to the Board at its next meeting. All decisions in relation to tenders received after the due time and date should be recorded in the procurement log.
- 10.37 Technically late tenders (i.e. those despatched in good time but delayed through no fault of the supplier) may at the discretion of the Chief Financial Officer or nominated officer be regarded as having arrived in due time. A record supporting this decision should be recorded in the procurement log.
- 10.38 Materially incomplete tenders (i.e. those from which information necessary for the adjudication of the tender is missing) and amended tenders (i.e. those amended by the supplier upon his own initiative either orally or in writing after the due time for receipt) should be dealt with in the same way as late tenders under SFI 10.33.
- 10.39 Where examination of tenders reveals a need for clarification, the supplier is to be given details of such clarifications and afforded the opportunity of confirming or withdrawing his offer.
- 10.40 Necessary discussions with a supplier of the contents of their tender, in order to elucidate technical points etc., before the award of a contract, will not disqualify the tender.
- 10.41 While decisions as to the admissibility of late, incomplete, or amended tenders are under consideration and while re-tenders are being obtained, the tender documents shall remain strictly confidential and kept in safekeeping by an officer designated by the Chief Financial Officer.
- 10.42 Where only one tender/quotation is received the Director of Procurement /nominated officer (within delegated limits) shall, as far as practicable, ensure that the price to be paid is fair and reasonable.
- 10.43 All tenders shall be evaluated on the basis of MEAT (Most Economically Advantageous Tender) and in conjunction with published Award Criteria and Weightings.

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10.44 Where the form of contract includes a fluctuation clause all applications for price variations must be submitted in writing by the tenderer and shall be approved by the Chief Executive or nominated officer (within Table 2).

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

Extensions to Contract

10.46 In all cases where optional extensions to contract are outlined at the time of tendering, in the recommendation report, the authority to approve contract extensions is given to the Director of Procurement up to the value of the original contract (including formally agreed variations).

Quotation & Tendering Procedures

10.47 Unless permitted by SOs, competitive quotations/tenders will be sought for all contracts according to the financial limits specified in Table 1 and will involve procurement department in line with Table 2.

10.48 Unless permitted by SOs, competitive quotations/tenders will be sought for all contracts according to the financial limits specified in Table 1 and will involve procurement department in line with Table 2.

10.49 Tender documents will be issued by procurement on behalf of the Trust. Procurement will arrange for them to be opened in accordance with the SFIs of the Trust.

10.50 No tender shall be considered which bears any mark or name indicating the sender.

10.51 Where the total contract value exceeds £25,000 the Trust has a legal obligation to ensure that they advertise through the appropriate portal in line with Public Contracts Regulations and must subsequently ensure the respective award is also published.

10.52 Where the total contract value exceeds the Public Contracts Regulations Thresholds then the Trust is committed to conducting a legally compliant procurement process in line with the Public Contracts Regulations.

10.53 Where appropriate, pharmacy orders will be placed against National or Regionally/Divisionally agreed Pharmacy Contracts, which should cover the majority of orders placed by the Pharmacy Department.

10.54 Where there is a wide discrepancy between the estimate and / or approved funding and the final total tendered cost involving an increase in expenditure this is to be reported to the Chief Financial Officer for further instructions.

10.55 The number of firms to be invited to tender for a particular contract shall be in accordance with the financial limits specified in Table 1. Quotation/tenders will be completed accordance with these SFIs.

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- 10.56 Adjudication must be made in accordance with SFI 10.33 to 10.43 a recommendation report shall be prepared by procurement for approval or to seek authorisation, according to delegated limits.
- 10.57 Acceptance of the tender/quotation must comply with the financial limits set out in Table 2. All contract documentation must be finalised promptly (ideally prior to the commencement of the contract) after the award of contract.
- 10.58 The waiving of variation of competitive tendering/quotation procedures shall be reported to the Audit, Risk and Assurance Committee regularly.

Quotation & Tendering Procedures Summary – Contracts

- 10.59 Competitive quotation/tenders will be obtained for all items according to the financial limits specified in Table 1.
- 10.60 Pre-Qualifications stages should be conducted in accordance with Public Contract Regulations.
- 10.61 Where goods, services, disposals and/or capital works are to be supplied over a period of time, the values listed must be taken as the value of the contract, not the annual value and should not seek to circumvent public sector procurement regulations. Signed Contracts will be required for all Single Tender Action waivers over £25,000.
- 10.62 Quotations/ tenders shall be invited for all purchases over a period of time in line with Table 1.
- 10.63 Quotations/ tenders will be issued in accordance with these SFI's and shall incorporate standard NHS Terms and Conditions of Contract or applicable building works and capital projects terms and conditions such as JCT and NEC.
- 10.64 After tenders/quotations have been opened, procurement will arrange for adjudication of the tenders/quotations. Adjudication must be made in accordance with SFI 10.33 to 10.43.
- 10.65 A Recommendation Report prepared by the Procurement Team should be submitted for approval or to seek authorisation as per Table 1 according to delegated limits.
- 10.66 All waiving of variation of competitive tendering/quotation procedures shall be reported to the Audit, Risk and Assurance Committee on a six monthly basis highlighting all waivers over £10,000 in line with waivers approved by the Chief Financial Officer.
- 10.67 All competitive quotations/tenders should come through the e-tendering portal to ensure compliance and published in line with Public Contracts Regulations. All Trust quotation/tenders or waivers over £25,000 in value must result in a signed contract between the supplier and the Trust under agreed terms and conditions,

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clear specifications and KPI's where appropriate. These will be retained through the Trust Procurement Source To Contract System. Any exceptions to this are at the discretion of the Director of Procurement.

Waiving or Variation of Competitive Tendering/Quotation Procedure

10.68 Signed Contracts will be required for all Single Tender Action waivers over £25,000.

10.69 In circumstances after market engagement has been conducted, where the specified number of quotations/tenders cannot be obtained (e.g. where there is a limited number of suppliers), the reasons for receiving a lower number of quotations/tenders must be recorded in the recommendation report and in this event a waiver/ STA will not be required.

10.70 Formal competition need not be applied (and therefore a waiver is not required) where:

- a. The estimated expenditure does not, or is not reasonably expected to, exceed the Contract value set out in SFI 10.9 Table 1
- b. The supply is proposed under special arrangements negotiated by the Department of Health, which the Trust is required by the Independent Regulator to comply with
- c. The requirement is covered by an existing contract and the additional expenditure does not either constitute a material difference (e.g. change of scope, or increase in value of 20% or more), or result in a shift in the economic balance of the contract in favour of the contractor
- d. The expenditure relates to agency pay however internal governance and authorisation will apply
- e. National public sector or NHS agreements including NHS Supply Chain are in place and have been approved by the Department of Health
- f. A direct award to a supplier on a national or regional framework is permissible and recommended according to the rules of the framework. On these occasions a recommendation report will require authorisation in accordance with SFI 10.3 Table 1. The Trust will be required to demonstrate in the report, with supporting evidence, that a direct award offers value for money and is in the best interests of the Trust
- g. The requirement is to attend a seminar, conference or similar unique event
- h. A consortium arrangement is in place and a lead organisation has been appointed to carry out tendering activity on behalf of the consortium members

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- i. A commissioning body is market testing the whole business to ensure value for money and the Trust requires a partner or subcontractor to respond to the invitation to tender. The selection of the partner by the Trust need not be separately competed
- j. The requirement is for the securing of a named individual on a temporary basis to fulfil a role and where substitution of another resource is not acceptable. In this case this does not constitute a procurement but the nominated Officer must still ensure value for money

Applicability of SFIs on Tendering and Contracting to funds held on trust

- 10.71 These Instructions shall not only apply to expenditure from Exchequer funds but also to works, services and goods purchased from the Trust's funds held on trust and private resources.
- 10.72 Where a requirement has been identified for goods and services to be paid for by charitable funds additional authorisation is required from the Charities and Technical Accountant.
- 10.73 The Charities and Technical Accountant will ensure that the particular fund in question has had a spending plan for the relevant financial year submitted and approved by the CHARITABLE FUNDS COMMITTEE. In the instance where no plan has been approved, the request will be returned to the relevant department.
- 10.74 Tenders undertaken from Charity Monies must be carried out in accordance with EU and Public Procurement Regulations, with the project element and its associated cost dictating the type of tender with its respective threshold.

Financial Standing and Technical Competence of Suppliers

- 10.75 The Chief Financial Officer may make or organise any enquiries they deem appropriate concerning the financial standing and financial suitability of Suppliers. The Delegated Officer with lead responsibility for clinical governance will similarly make such enquiries as is felt appropriate to be satisfied as to their technical / medical competence.
- 10.76 If in the opinion of the Chief Financial Officer or Delegated Officer, with lead responsibility for clinical governance, specialist services or skills are required then appropriate checks must be carried out as to the technical and financial capability of those suppliers that are invited to tender.

Governance

- 10.77 Separation of Duties: The principles of public accountability require a total separation of the responsibilities of finance staff and purchasing staff. For this reason, finance staff are not permitted to raise orders; neither are they permitted to authorise the payment of orders without the necessary signatures. Equally, purchasing staff are not permitted to authorise the payment of invoices other than from their own management budgets.

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11. Terms of Service, Allowances and Payment of Members of the Board and Employees

Board of Directors Remuneration Committee

- 11.1 The Board of Directors has constituted a Nominations and Remuneration Committee to be responsible for identifying and nominating for appointment, candidates to fill executive director posts, and with approval by the Council of Governors, to fill the position of Chief Executive. The Committee is also responsible for determining the Chief Executive and Executive Executives' level of remuneration.
- 11.2 Full details of the responsibilities of the Board of Directors Nominations and Remuneration Committee are included in included its terms of reference.
- 11.3 The Committee shall report in writing to the Board its decisions and the basis for its recommendations.

Council of Governors' Nominations and Remuneration Committee

- 11.4 The Council of Governors has constituted a Nominations and Remuneration Committee to be responsible for identifying and nominating for appointment, candidates to fill Non-Executive Director (including the Chair) posts as and when they arise. The Committee's recommendation(s) for appointments are referred to the full Council of Governors for approval. The Committee shall recommend to the full Council of Governors, the level of remuneration for the Chair and Non-Executive Executives.
- 11.5 Full details of the responsibilities of the Council of Governors Nominations and Remuneration Committee are included in the Scheme of Reservation and Delegation.

Funded Establishment

- 11.6 The manpower plans incorporated within the annual budget will form the funded establishment.
- 11.7 The funded establishment of any department may not be increased without the approval of the Chief Financial Officer.

Staff Appointments

- 11.8 No Director or Officer may engage, re-engage or re-grade Officers, re-deploy either on a permanent or temporary nature, or hire agency staff, or agree to changes in any aspect of remuneration unless:
- a) Authorised to do so by the Chief Executive or the Chief Financial Officer

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- b) Within the limit of his approved budget and funded establishment as defined in the Scheme of Delegation
 - c) All changes with a financial impact have been through the appropriate Divisional process for authorisation
- 11.9 Divisional management shall maintain good controls with regards staff appointments to ensure each department remain within their delegated budgetary limits
- 11.10 All appointments must adhere to the Trust Recruitment and Selection Policy
- 11.11 The Board will approve procedures presented by the Chief Executive for the determination of commencing pay rates, condition of service, etc., for employees.
- 11.12 Managers will ensure that all new employees and bank workers have produced the relevant documentation and completed the relevant signing on procedure with Human Resources prior to starting.
- 11.13 The Human Resources Department shall be notified immediately upon the effective date of any change in state of employment or personal circumstances of an employee being known.
- 11.14 All time records, pay sheets, and other pay records and notifications shall be in a form approved by the Trust Executive and shall be certified and submitted in accordance with agreed instructions.
- 11.15 The Chief Financial Officer shall devise and maintain a system of establishment controls which shall include regular reports to each manager on the staff in post in their departments.

Contracts of Employment

- 11.19 The Board shall delegate responsibility to a manager for:
- a. ensuring that all employees are issued with a Contract of Employment in a form approved by the Board and which complies with employment legislation; and
 - b. dealing with variations to, or termination of, Contracts of Employment.

Processing Payroll

- 11.20 The Chief Financial Officer is responsible for:
- a. Specifying timetables for submission of properly authorised time records and other notifications

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- b. The final determination of pay
- c. Making payment on agreed dates
- d. Agreeing method of payment

11.21 The Chief Financial Officer will issue instructions regarding:

- a. Verification and documentation of data
- b. The timetable for receipt and preparation of payroll data and the payment of employees
- c. Maintenance of subsidiary records for superannuation, income tax, national insurance and other authorised deductions from pay
- d. Security and confidentiality of payroll information
- e. Checks to be applied to completed payroll before and after payment
- f. Authority to release payroll data under the provisions of the Data Protection Act
- g. Procedures for payment by bank credit to employees
- h. Procedures for the recall of bank credits
- i. Pay advances and their recovery
- j. The recovery of salary overpayments
- k. Maintenance of regular and independent reconciliation of pay control accounts
- l. Separation of duties for preparing records and handling cash
- m. A system to ensure the recovery from leavers of sums of money and property due by them to the Trust

11.22 Appropriately nominated managers have delegated responsibility for:

- a. Submitting time records, and other notifications in accordance with agreed timetables
- b. Completing time records and other notifications in accordance with the Chief Financial Officer's instructions and in the form prescribed by the Chief Financial Officer
- c. Submitting termination forms in the prescribed form immediately upon

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knowing the effective date of any employee's resignation, termination or retirement. Where an employee fails to report for duty in circumstances that suggest they have left without notice, the Payroll Department must be informed immediately.

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

11.24 The Chief Financial Officer shall ensure adequate internal controls and audit review procedures are in place, and that suitable arrangements are made for the collection of payroll deductions and payment of these to appropriate bodies.

11.25 Managers and employees are jointly responsible and accountable for ensuring claims for pay and expenses are timely, correct and any under or over payments are highlighted as soon as discovered.

12. Terms of Service, Allowances and Payment of Members of the Board and Employees

Delegation of Authority

12.1 The Board will approve the level of non-pay expenditure on an annual basis and the Chief Financial Officer will determine the level of delegation to Budget Managers.

12.2 The Council of Governors will need to be consulted on significant transactions which the Trust are obliged to report to NHS England prior to entering the transaction. Such transactions may take the form of major investments such as PFI's, long term contracts for the provision of services or acquisitions or mergers with other NHS organisations or private sector companies.

12.3 Organisational transactions that meet the following criteria must be reported to NHS England:

- a. Most mergers and acquisitions as well as larger capital investment projects and property transactions, PFI-funded projects and potentially some major service contracts. Potential transactions should be reported if the ratio of the gross assets, income or consideration attributable to the transaction exceeds 10% of the trust's gross assets, income or total capital respectively.
- b. A transaction that could be reviewed by the Competition and Markets Authority (under the Enterprise Act 2002).
- c. A statutory transaction.

12.4 The Chief Financial Officer will set out:

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12.5

- a. The list of managers who are authorised to place requisitions/orders for the supply of goods and services
- b. The maximum financial level for each requisition/order and the system for authorisation above that level (see Appendix 1).
- c. The Chief Financial Officer shall set out procedures on the seeking of professional advice regarding the supply of goods and services.

Choice, Requisitioning, Ordering, Receipt And Payment For Goods And Services

Requisitioning

12.6 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 Head of Operational Procurement shall be sought. Where this advice is not acceptable to the requisitioner, the Chief Financial Officer (and/or the Chief Executive) shall be consulted.

12.7 Once the item to be supplied (or service to be performed) has been identified, the requisitioner should raise a requisition. Obtaining goods and services without an order is only permitted for certain goods and services, such as agency staff, utilities, etc.

System of Payment and Payment Verification

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

12.9 The Chief Financial Officer will:

- a. Advise the Board regarding the setting of thresholds above which quotations (competitive or otherwise) or formal tenders must be obtained; once approved, the thresholds are incorporated in these SFIs and regularly reviewed
- b. 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
- c. Be responsible for the prompt payment of all properly authorised accounts and claims as per the current Department of Health guidance
- d. Be responsible for ensuring that payment for goods and services is only made once the goods and services are received, (except as below)
- e. Be responsible for designing and maintaining a system of verification, recording and payment of all amounts payable. The system shall provide for:
 - i. **Authorisation:** A list of Executives/employees authorised to certify invoices and the expenditure that has been authorised.

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ii. **Certification** that:

- Goods have been duly received, examined and are in accordance with specification and the prices are correct
 - Work done or services rendered have been satisfactorily carried out in accordance with the order, and, where applicable, the materials used are of the requisite standard and the charges are correct
 - In the case of contracts based on the measurement of time, materials or expenses, the time charged is in accordance with the timesheets, the rates of labour are in accordance with the appropriate rates, the materials have been checked as regards quantity, quality, and price and the charges for the use of vehicles, plant and machinery have been examined and are reasonable
 - 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
- iii. **Payments and Creditors:** A timetable and system for submission to the Chief Financial Officer of accounts for payment; provision shall be made for the early submission of accounts subject to cash discounts for otherwise requiring early payment.
- iv. **Financial Procedures:** Instructions to employees regarding the handling and payment of accounts within the Finance department.

Prepayments

- 12.10 Prepayments are only permitted where exceptional circumstances apply. In such instances:
- a. Prepayments are only permitted where the financial advantages outweigh the disadvantages (i.e. cash flows must be discounted to NPV using the National Loans Fund (NLF) rate plus 2%).
 - b. The appropriate 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.
 - c. There are adequate administrative procedures to ensure that where payments in advance are made the goods or services are received or refunds obtained.
 - d. The Chief Financial Officer will need to be satisfied with the proposed

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arrangements before contractual arrangements proceed.

12.11 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.

Duties of Managers and Officers

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

- a. Official orders must be made electronically in accordance with the Scheme of Delegation set out in Appendix 1.
- b. all contracts (except as otherwise provided for in the Scheme of Delegation and the associated Limits of Delegation Policy), leases, tenancy agreements and other commitments which may result in a liability are notified to the Chief Finance Officer in advance of any commitment being made
- c. contracts above specified thresholds are advertised and awarded in accordance with this policy and EU rules on public procurement
- d. For all contracts with a single supplier who's value exceeds £2m p.a. the lead officer within the Trust shall be designated as the "contract owner" for that contract and shall:
 - i. Ensure the contract is entered on the central contact register maintained by the Procurement & Supply Chain department.
 - ii. Ensure that all contract documentation is lodged with the Procurement & Supply Chain department (a copy may also be retained within the originating department for administrative convenience).
 - iii. Ensure appropriate contract management is in place.
 - iv. Ensure that any significant change to the contract/service is formally agreed and documented as required by the SFI's or Limits of Delegation Policy.
- e. where consultancy advice is being obtained, the procurement of such advice must be in accordance with guidance issued by the Department of Health / NHS England (Monitor); this is available from the central procurement team on request.
- f. no order shall be issued for any item or items to any firm which has made an offer of gifts, reward or benefit to Executives or employees, other than:
- g. isolated gifts of a trivial character or inexpensive seasonal gifts, such as calendars;

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- h. conventional hospitality, such as lunches in the course of working visits in accordance with the Trusts hospitality policy;

12.13 (This provision needs to be read in conjunction with paragraph 33 of the Constitution and the principles outlined in the national guidance contained in HSG 93(5) “Standards of Business Conduct for NHS Staff”);

- a. no requisition/order is placed for any item or items for which there is no budget provision unless authorised by the Chief Finance Officer on behalf of the Chief Executive;
- b. all goods, services, or works are ordered on an official order except works and services executed in accordance with a contract and purchases from petty cash (subject to the petty cash limit – see scheme of delegated limits) .
- c. Where consultancy advice is being obtained, the procurement of such advice must be in accordance with guidance issued by NHS England or Department of Health and Social Care;
- d. verbal orders must only be issued very exceptionally - by an employee designated by the Chief Executive and only in cases of emergency or urgent necessity. These must be confirmed by an official order and clearly marked "Confirmation Order";
- i. orders are not split or otherwise placed in a manner devised so as to avoid the financial thresholds;
- ii. goods and services are not taken on trial, pilot or loan in circumstances that could commit the Trust to a future uncompetitive purchase;
- iii. changes to the list of employees and officers authorised to certify invoices are notified to the Chief Finance Officer;
- iv. purchases from petty cash are restricted in value and by type of purchase in accordance with instructions issued by Chief Finance Officer;
- v. petty cash records are maintained in a form as determined by the Chief Finance Officer.
- vi. an individual cannot order an item, receipt the item and certify the invoice for payment
- vii. The financial limits for officers’ approval of payments are set out in the Scheme of Delegated limits
- viii. Under no circumstances should goods be ordered through the Trust for personal or private use.

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12.14 The Chief Finance Officer shall ensure that the arrangements for financial control and financial audit of building and engineering contracts and property transactions comply with the guidance contained within CONCODE and HBN00-08 (formally ESTATECODE). The technical audit of these contracts shall be the responsibility of the relevant Director.

13. Wholly Owned Subsidiaries, Hosted Bodies, Partnerships and Collaboration

Wholly Owned Subsidiaries

13.1 Subsidiary companies are separate, distinct legal entities for commercial purposes and have distinct taxation, regulatory and liability obligations. As a separate, independent company, wholly owned subsidiaries are subject to their own governance arrangements, which are the responsibility of the subsidiary's Board of Directors, and therefore these Standing Financial Instructions are not applicable. Reference to the subsidiary's documentation will need to be made.

Hosted Bodies, Partnerships and Collaborations

13.2 Hosted bodies are organisations for which the Trust provides services under a service level agreement (SLA). The arrangements for administration of hosted bodies are managed by the Contracts Team.

13.3 Partnerships are organisations for which the Trust, in conjunction with other organisations, creates another separate entity under a Member's Agreement. These agreements are also managed by the Contracts Team

13.4 Dependent on the terms of the SLA, memorandum of understanding etc. these standing financial instructions may or may not be applicable. Individual SLAs, memorandum of understanding etc. should be referred to on a case by case basis.

14. External Borrowing, Public Dividend Capital and Investments

Public Dividend Capital (PDC)

14.1 The Accounting Officer is responsible for ensuring that the Trust pays annually to the Department of Health a dividend on its Public Dividend Capital at a rate to be determined from time to time by the Secretary of State in accordance with the 2006 Act and the Regulatory Framework.

14.2 The Trust will comply with the guidance on dividend payments in the DHSC Group Accounting Manual.

Other External Borrowing

14.3 The Trust may borrow money for the purposes of, or in connection with, its strategic objectives and its operational functions.

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- 14.4 The total amount of the Trust's borrowing must be affordable within NHS England's risk framework and the related ratings.
- 14.5 Any application for a loan or overdraft facility must be approved by the Board of Directors, and will only be made by the Chief Financial Officer, or a person with specific delegated powers from the Chief Financial Officer.
- 14.6 All borrowing must be consistent with the plans outlined in the current Trust Business Plan approved by the Board.

Investments

- 14.7 The Trust may invest money for the purposes of its strategic objectives and operation functions. NHS England's guidance is to be followed (Managing Operating Cash in NHS Foundation Trusts – December 2005).
- 14.8 The Audit, Risk and Assurance Committee shall set the investment policy and oversee all investment transactions by the Trust. The Chief Financial Officer must ensure compliance with this policy at all times.
- 14.9 The Chief Financial Officer is responsible for advising the Board on investments and shall periodically report the performance of all investments held to the Board through the Audit, Risk and Assurance Committee.
- 14.10 The Chief Financial Officer will prepare detailed procedural instructions on the operation of investment accounts and on the records to be maintained.

15. Capital Investment, Private Financing, Fixed Assets and Security of Assets

Capital Investment

- 15.1 The Trust will establish a Capital Prioritisation and Management Group (CPMG) to:
 - a. Ensure that there is an adequate appraisal and approval process in place for determining capital expenditure priorities and the effect of each proposal upon Business Plans;
 - b. Be responsible for the management of all stages of capital schemes and for ensuring that schemes are delivered on time and to cost; and
 - c. Ensure that the capital investment is not undertaken without the availability of resources to finance all revenue consequences, including depreciation and interest payable.
- 15.2 For every significant capital expenditure proposal CPMG shall ensure that a business case is produced setting out:

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- a. An option appraisal of potential benefits compared with known costs to determine the option with the highest ratio of benefits to costs
- b. An appropriately detailed analysis of expenditure and income flows anticipated, including documented responses from purchasers as appropriate, where significant a risk analysis testing the assumptions made
- c. Appropriate project management and controls are in place
- d. The involvement of appropriate Trust personnel and external agencies
- e. Clear objectives that can be reviewed and measured as part of the post project evaluation (PPE), along with a date when the PPE will be completed
- f. That the Chief Financial Officer has certified professionally to the costs (including full VAT liability) and revenue consequences detailed in the business case

15.3 Capital business cases shall be approved as follows:

- a. Commitment of expenditure up to £250,000: Capital Prioritisation and Management Group
- b. Commitment of expenditure in excess of £250,000 and up to £500,000: Trust Management Committee
- c. Commitment of expenditure in excess of £500,000: Board of Directors.

The values quoted above are inclusive of VAT.

15.4 For capital schemes where the contracts stipulate stage payments, the Chief Financial Officer will issue procedures for their management. The Chief Financial Officer shall issue procedures for the regular reporting of expenditure and commitment against authorised expenditure.

15.5 The approval of a capital programme shall not constitute approval for the initiation of expenditure on any scheme. The Chief Financial Officer shall issue to the Manager responsible for any scheme:

- a. Specific authority to commit expenditure
- b. Authority to proceed to tender
- c. Approval to accept a successful tender

15.6 The Chief Executive will issue a Scheme of Delegation for capital investment management.

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- 15.7 The Chief Financial Officer shall issue procedures governing the financial management, including variations to contract, of capital investment projects and valuation for accounting purposes.
- 15.8 The Chief Financial Officer shall assess on an annual basis the requirement for the operation of the "Construction Industry Scheme" in accordance with any guidance issued by HM Revenue and Customs.

Private finance

- 15.9 Proposals to use private sector finance for capital schemes need to be approved by CPMG prior to requesting approval by the Board of Directors. Both CPMG and the Board of Directors should be satisfied that the use of private finance represents value for money and genuinely transfers risk to the private sector as appropriate.

Asset registers

- 15.10 The Chief Financial Officer is responsible for the maintenance of registers of assets, and arranging for a physical check of assets against the asset register to be conducted once a year.
- 15.11 The Chief Financial Officer shall prepare procedural instructions on the disposal of assets.
- 15.12 The Trust will maintain an asset register recording fixed assets. As a minimum, the data set to be held within these registers shall be as specified in the Group Accounting Manual as issued by NHS England.
- 15.13 Additions to the fixed asset register must be clearly identified to a scheme which will in turn have an identified and appropriate budget holder / project manager and be validated by reference to:
- a. Properly authorised and approved agreements, architect's certificates, supplier's invoices and other documentary evidence in respect of purchases from third parties
 - b. Stores, requisitions and wages records for own materials and labour including appropriate overheads
 - c. Lease agreements in respect of assets held under a finance lease and capitalised
- 15.14 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). It is the responsibility of the appropriate manager to inform the Chief Financial Officer that an asset is to be disposed of.

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15.15 The Chief Financial Officer shall approve procedures for reconciling balances on fixed assets accounts in ledgers against balances on fixed asset registers.

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

Security of assets

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

15.18 Asset control procedures (including fixed assets, cash, cheques, negotiable instruments and donated assets) must be approved by the Chief Financial Officer. This procedure shall make provision for:

- a. Recording managerial responsibility for each asset
- b. Identification of additions and disposals
- c. Identification of all repairs and maintenance expenses
- d. Physical security of assets
- e. Periodic verification of the existence of, condition of, and title to, assets recorded
- f. Identification and reporting of all costs associated with the retention of an asset
- g. Reporting, recording and safekeeping of fixed assets, cash, cheques and negotiable instruments

15.19 All significant discrepancies revealed by verification of physical assets to fixed asset registers shall be notified to the Chief Financial Officer.

15.20 Whilst each Officer has a responsibility for the security of property of the Trust, it is the responsibility of Executives and Senior Officers in all disciplines to apply appropriate routine security practices in relation to Trust property. Any damage to the Trust's premises, vehicles and equipment, or any loss of equipment, stores or supplies must be reported by Executives and employees in accordance with the procedure for reporting losses.

15.21 Where practical, assets should be marked as "Trust Property".

15.22 Any employee wishing to use Trust assets for private use must comply with the Trust's policies. The use of Trust assets for these purposes must not impact negatively on the services provided for NHS patients, both operationally and financially.

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16. Property (Land and Buildings)

- 16.1 Significant changes relating to the Trust's Estate must receive the prior approval of CPMG and the Board of Directors.
- 16.2 The following matters related to property must be approved by the Trust Board:
- a. Estates Strategy
 - b. Acquisition of freehold property over £100,000 (including VAT)
 - c. Acquisition of property where the total value of the agreement is over £100,000 (including VAT) by means of as lease, whether it is deemed to be an operating or finance lease
- 16.3 Property purchases, licenses and leases up to £250,000 each (including VAT) may be authorised by CPMG, provided that they fall within the Board's approved Estates Strategy and that the costs are within 10% of an independent valuation.
- 16.4 The detail of required in any property report to the Board of Directors should be determined by the materiality of the purchase or lease payments and any contentious issues, and must contain:
- a. Details of the purchase or lease payments
 - b. Details of the period of the lease
 - c. Details of the required accounting treatment
 - d. Annual running costs of the property
 - e. Funding sources within the Trust of both capital and revenue aspects of the acquisition
 - f. The results of property and ground surveys
 - g. Professional advice taken and the resultant cost
 - h. Details of any legal agreement entered into
 - i. Any restrictive covenants that exist on the property
 - j. Planning permission
- 16.5 Any property acquisition should be in accord with Estate code, the Department of Health and Social Care guidance.

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- 16.6 The contracts to acquire the property must be signed by two Executive Executives, one of whom must be the Chief Executive.
- 16.7 Board of Directors approval must be obtained for the disposal of any property over £100,000 (including VAT) which is recorded on the balance sheet of the Trust, A business case must be presented to the Trust which must include:
- a. The proceeds to be received
 - b. Any warrants or guarantees being given
 - c. Independent valuations obtained
 - d. The disposal must be effected in full accord with Estate code
 - e. Disposals of protected assets require the approval of NHS England
- 16.8 Major divestments as defined in the Foundation Trust Compliance Framework require the approval of NHS England.
- 16.9 The granting of property leases by the Trust must have Board approval where the annual value of the lease in in excess of £250,000.

17. Inventory and Receipt of Goods

General

- 17.1 Inventory stores, defined in terms of controlled stores and departmental stores (for immediate use) should be:
- a. Kept to a minimum practical level;
 - b. Subjected to regular stock take – perpetual and/or annual
 - c. Valued at the lower of cost and net realisable value;
 - d. Controlled on a First In First Out (FIFO) logic wherever possible, and
 - e. Be kept as secure as practically possible.
- 17.2 The cost of inventory shall be determined on the FIFO basis, and shall be the purchase price without overhead, but include VAT where this cannot be reclaimed on purchase.

Control of Stores and Stocktaking

- 17.3 Subject to the responsibility of the Chief Financial Officer for the systems of

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control, overall responsibility for the control of stores shall be delegated to an employee by the Chief Executive. The day to day responsibility may be delegated by him/her to departmental employees and stores managers/keepers, subject to such delegation being entered in a record available to the Chief Financial Officer. The control of Pharmaceutical stocks shall be the responsibility of a designated pharmaceutical officer; the control of fuel oil by a designated Estates Manager.

- 17.4 The responsibility for security arrangements and the custody of keys for all stores and locations shall be clearly defined in writing by the designated manager/pharmaceutical officer. Wherever practicable, stocks should be marked as Trust property.
- 17.5 The Chief Financial Officer shall set out procedures and systems to regulate the stores including records for receipt of goods, issues, and returns to stores, and losses.
- 17.6 Stocktaking arrangements shall be agreed with the Chief Financial Officer and there shall be a physical check covering all items in store at least once a year. The physical check shall involve at least one officer other than the storekeeper, and a member of the Finance Department shall be invited to attend.
- 17.7 Any surplus or deficiencies revealed on stocktaking shall be reported to the Chief Financial Officer and correctly reflected in the accounts.
- 17.8 Where a complete system of stores control is not justified, alternative arrangements shall require the approval of the Chief Financial Officer.
- 17.9 The designated manager/pharmaceutical officer shall be responsible for a system approved by the Chief Financial Officer for a review of slow moving and obsolete items and for condemnation, disposal and replacement of all unserviceable articles. The designated Officer shall report to the Chief Financial Officer any evidence of significant overstocking and of any negligence or malpractice (see also SFI 18, 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.
- 17.10 Breakages and other losses of goods in stock shall be recorded as they occur.
- 17.11 Inventory that has deteriorated, or are not usable for any other reason for their intended purposes, or may become obsolete, shall be written down to their net realisable value. The write down shall be approved by the Chief Financial Officer and recorded.
- 17.12 It is a duty of officers responsible for the custody and control of inventory to notify all losses, including those due to theft, fraud and arson, in accordance with SFI 18.

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Goods supplied by NHS Supply Chain

- 17.13 The authorised person shall check receipt against the delivery note and report any exceptions to the delegated officer as approved by the Chief Finance Officer. The delegated officer will be responsible for satisfying himself that the goods have been received before accepting the recharge.

18. Disposals and Condemnations, Losses and Special Payments

Disposals and Condemnations

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

- 18.2 When it is decided to dispose of a Trust asset, the head of department or authorised deputy will:

- a. Establish whether it is needed elsewhere in the Trust
- b. Determine and advise the Chief Financial Officer of the estimated market value of the item, taking account of professional advice where appropriate.

- 18.3 All unserviceable articles shall be:

- a. Condemned or otherwise disposed of by an employee authorised for that purpose by the Chief Financial Officer; and
- b. Recorded by the condemning officer in a form approved by the Chief Financial Officer which will indicate whether the articles are to be converted, destroyed or otherwise disposed of.
- c. All entries shall be confirmed by the countersignature of a second employee authorised for the purpose by the Chief Financial Officer.

- 18.4 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 Chief Financial Officer who will take the appropriate action.

Losses and Special Payments

- 18.5 The Chief Financial Officer must prepare procedural instructions on the recording of and accounting for condemnations, losses, and special payments in accordance with the DHSC Group Accounting Manual and prepare a register. The Chief Financial Officer must ensure that a Counter Fraud Policy is in place that sets out the action to be taken both by persons detecting a suspected fraud and those persons responsible for it investigating it.

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- 18.6 In cases involving suspected fraud, the Chief Financial Officer must also prepare a 'fraud response plan' that sets out the action to be taken both by persons detecting a suspected fraud and those persons responsible for investigating it.
- 18.7 Any employee discovering or suspecting a loss of any kind must immediately act according to the Trusts Counter Fraud and Corruption Policy.
- 18.8 Where a criminal offence is suspected, the Chief Financial Officer must immediately inform the police if theft or arson is involved. In cases of fraud and corruption or of anomalies which may indicate fraud or corruption, the Chief Financial Officer must inform the LCFS and/or NHS Counter Fraud Authority (NHSCFA) in accordance with NHS Standard Contract and NHSCFA Standards for Providers: Fraud, Bribery and Corruption.
- 18.9 The Chief Financial Officer must notify the NHS Counter Fraud Authority and the External Auditor of all frauds and monitor compliance with the NHS Standard Contract and with any other instructions issued by NHS Counter Fraud Authority.
- 18.10 The Directorate or Service Manager shall inform the Chief Financial Officer of all other losses or recoveries of losses so that they can be entered in the losses and special payments register.
- 18.11 For losses apparently caused by theft, arson, neglect of duty or gross carelessness, except if trivial, the Chief Financial Officer must immediately notify:
- a. The Board, and
 - b. The External Auditor.
- 18.12 Within limits delegated to it by the Board, the Chief Financial Officer shall approve the writing off of losses.
- 18.13 The Chief Financial Officer shall be authorised to take any necessary steps to safeguard the Trust's interests in personal and company insolvencies.
- 18.14 For any loss, the Chief Financial Officer should consider whether any insurance claim can be made.
- 18.15 The Chief Financial Officer shall maintain a Losses and Special Payments Register in which write off action is recorded.
- 18.16 All losses and special payments must be reported to the Audit, Risk and Assurance Committee annually.

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19. Information Technology

Responsibilities and duties of the Chief Financial Officer

- 19.1 The Chief Financial Officer, who is responsible for the accuracy and security of the computerised data of the Trust, shall:
- a. Devise and implement any necessary procedures to ensure adequate (reasonable) protection of the Trust's data, programs and computer hardware from accidental or intentional disclosure to unauthorised persons, deletion or modification, theft or damage, having due regard for the Data Protection Act and GDPR;
 - b. Ensure that adequate (reasonable) controls exist over data entry, processing, storage, transmission and output to ensure security, privacy, accuracy, completeness and timeliness of the data, as well as the efficient and effective operation of the system;
 - c. Ensure that adequate controls exist such that the computer operation is separated from development, maintenance and amendment and have relevant technical and organisational security measure in place, including data security measures, disaster recovery and back-up arrangements;
 - d. Ensure that an adequate management (audit) trail exists through the computerised system and that such computer audit reviews as may be considered necessary are being carried out;
- 19.2 Ensure that any personal data breach under the GDPR or the Data Protection Act 2018, or any other incident required by law to be reported, is reported to the Information Commissioner's Office;
- a. Prepare and maintain an IT strategy and Cyber Security strategy for regular approval by the Management Board; and
 - b. Ensure that all purchases of hardware/software are in compliance with the Trust's IT strategy.

System Development

- 19.3 The Chief Financial Officer shall be satisfied that new computer systems (including finance systems) and amendments to current systems are developed in a controlled manner and thoroughly tested prior to implementation. Where this is undertaken by another organisation, assurances of adequacy will be obtained from them prior to implementation.
- 19.4 In the case of computer systems which are proposed General Applications (i.e. normally those applications which the majority of NHS bodies in the local health economy or nationally wish to sponsor jointly) all responsible Executives and employees will send to the Chief Financial Officer:

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- a. Details of the outline design of the system;
- b. In the case of packages acquired either from a commercial organisation, from the NHS, or from another public sector organisation, the operational requirement.

19.5 The Chief Financial Officer 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.

Contracts for Computer Services with other health bodies or outside agencies

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

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

19.8 The Chief Financial Officer will ensure that relevant security details are provided in the contract in line with GDPR requirements and the Data Protection Act 2018. A Data Protection Impact Assessment (DPIA), Data Processing Agreement or an Information Sharing Agreement (ISA) if required, will be undertaken with the support of the Information Governance Team.

Risk Assessment

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

Requirements for Computer Systems which have an impact on corporate financial systems

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

- a. Systems acquisition, development and maintenance are in line with corporate policies such as an Information Technology Strategy;
- b. Data produced for use with financial systems is adequate, accurate, complete and timely, and that a management (audit) trail exists;
- c. Finance staff have access to such data;

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- d. Have adequate controls in place; and
- e. Such computer audit reviews as are considered necessary are being carried out.

20. Patients' Property

- 20.1 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 the possession of patients dying in hospital or dead on arrival. This includes items of daily living such as glasses, false teeth, hearing aids etc.
- 20.2 The Chief Executive is responsible for ensuring that patients or their carers', as appropriate, are informed before or at admission that the Trust will not accept responsibility or liability for patients' property brought into Health Service premises, unless it is handed in for safe custody and a copy of an official patients' property record is obtained as a receipt. This can be done by:
- a. Notices and information booklets;
 - b. Hospital admission documentation and property records;
 - c. The oral advice of administrative and nursing staff responsible for admissions.
- 20.3 The Chief Financial Officer must provide detailed written instructions on the collection, custody, investment, recording, safekeeping, and disposal of patients' property (including instructions on the disposal of the property of deceased patients and of patients transferred to other premises) for all staff whose duty is to administer, in any way, the property of patients. Due care should be exercised in the management of patients' money in order to avoid loss.
- 20.4 Where current guidance requires the opening of separate accounts for patients' monies, these shall be opened and operated under arrangements agreed by the Chief Financial Officer.
- 20.5 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) the production of Probate or Letters of Administration shall be required before any of the property is released. Where the total value of the property is £5,000 or less, forms of indemnity shall be obtained.
- 20.6 Staff should be informed, on appointment, by appropriate departmental or senior manager of their responsibilities and duties for the administration of the property of patients.

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20.7 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.

21. Standard of Business Conduct

21.1 The Trust's policy on acceptance of gifts and other benefits in kind by staff is embodied in the Trust's "Managing Conflicts of Interest in the NHS Policy". The policy follows the guidance from the Department of Health and NHS England, in particular Health Circular HSG (93) 5 'Standards of Business Conduct for NHS Staff' which is deemed to be an integral part of these Standing Orders and Standing Financial Instructions.

21.2 Declarations of gifts or other benefits must be made to the Company Secretary for the inclusion in the Register of Interests.

21.3 Staff should make themselves aware of, and comply with, the Trust policy on acceptance of gifts and other benefits in kind by staff. This policy follows the guidance contained in the Department of Health circular HSG (93) 5 'Standards of Business Conduct for NHS Staff' and NHS England's guidance on managing conflicts of interest in the NHS, and is also deemed to be an integral part of the Standing Orders and these Standing Financial Instructions.

22. Freedom of Information and Information Requests

22.1 The Trust's Information Governance Officer shall ensure that freedom of information requests are made available in line with the Trust Freedom of Information Publication Scheme.

23. Retention of Records

23.1 The Chief Executive shall be responsible for maintaining archives for all records required to be retained in accordance with official guidelines.

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

23.3 Records held in accordance with latest Department of Health guidance shall only be destroyed at the express instigation of the Chief Executive. Detail shall be maintained of records so destroyed.

24. Risk Management and Insurance

Risk Management Programme

24.1 The Chief Executive shall ensure that the Trust has a programme of risk

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management, in accordance with current NHS assurance framework requirements, which must be approved and monitored by the Board.

24.2 The programme of risk management shall include:

- a. A process for identifying and quantifying risks and potential liabilities;
- b. The maintenance of a comprehensive risk register and assurance framework;
- c. Engendering among all levels of staff a positive attitude towards the control of risk;
- d. 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;
- e. Reports to the Board on significant risks and progress against action plans to address those risks;
- f. Reports to the Board on the Assurance Framework and progress on action plans to address gaps in control and/or assurance as prioritised by the Board;
- g. Contingency plans to offset the impact of adverse events;
- h. Audit arrangements including; Internal Audit, clinical audit, health and safety review;
- i. A clear indication of which risks shall be insured; and
- j. Arrangements to review the Risk Management programme.

24.3 The existence, integration and evaluation of the above elements will assist in providing a basis for the Annual Governance Statement within the Annual Report and Accounts as required by current Department of Health and Social Care and NHS England guidance.

24.4 All staff have responsibility in their own sphere of operation, every working day. Accordingly, all staff are responsible for ensuring that their own practice, and that of anyone whom they manage, reflects the principles outlined in the Risk Management Strategy.

Insurance: Risk Pooling Schemes administered by NHS Litigation Authority

24.5 The Board shall decide if the Trust will insure through the risk pooling schemes administered by the NHS Litigation Authority under Section 71 (Schemes for meeting losses and liabilities, etc. of certain health service bodies) of the 2006 Act (the "Schemes") for some or all of the risks covered by the Schemes. If the

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- Board decides not to use the Schemes for any of the risk areas covered by the Schemes, this decision shall be reviewed annually.
- 24.6 Where the Board decides to use the Schemes for one or other of the risks covered by the Schemes, the Chief Financial Officer shall ensure that the arrangements entered into are appropriate and complementary to the Trust's risk management program.
- 24.7 Where the Board decides not to use the Schemes for one or other of the risks covered by the Schemes, the Chief Financial Officer shall ensure that the Board is informed of the nature and extent of the risks that are to be insured under alternative arrangements (if any) as a result of this decision. The Chief Financial Officer 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.
- 24.8 Insurance arrangements with commercial insurers and self-insurance are coordinated by the Deputy Chief Nurse.
- 24.9 The Trust may enter into insurance arrangements with commercial insurers on the open market for one or other of the risks covered by the Schemes, or for any risks not covered by the Schemes.
- 24.10 The Trust may self-insure either on an individual basis or as part of a risk-pooling scheme with other organisations for one or other of the risks covered by the Schemes, or for any risks not covered by the Schemes.

25. Staff Expenses

- 25.1 Chief Financial Officer shall be responsible for establishing procedures for the management of expense claims submitted by Trust employees. The Chief Financial Officer shall arrange for duly approved expense claims to be processed through the Trust's payroll system. Expense claims shall be authorised in accordance with the Scheme of Delegation.
- 25.2 The Chief Financial Officer shall refer to the Trust's general policies on staff expenses and may reject expense claims where there are material breaches of Trust policies. In this regard the Chief Financial Officer shall liaise with the Chief Executive where appropriate.

26. Credit finance Arrangements including Leasing Commitments

- 26.1 There are no grounds where any employee of the Trust can approve any contract or transaction which binds the Trust to credit finance commitments without the clear prior authority of the Chief Financial Officer. This includes all

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Executive Executives of the Trust as well as all officers. The Board has provided the Chief Financial Officer with sole authority to enter into such commitments, although these powers can be delegated by him/her to appropriate officers under his/her organisational control.

- 26.2 This instruction applies to leasing agreements and Hire Purchase undertaking which must be sent to the Chief Financial Officer for prior approval. No officer of the Trust outside the - organisational control of the Chief Financial Officer has any powers to approve such commitments.

27. Charitable Funds Held on Trust

General

- 27.1 This section must be taken in conjunction with the separate document, the Charities SFIs, which lays out, in more detail, the standards expected with regards the managements and use of charitable funds held on trust.

Corporate Trustee

- 27.2 The Trust is the sole corporate Trustee of the Royal United Hospitals Charitable Funds, and is responsible for the management of funds it holds on trust.
- 27.3 The discharge of the Trust's corporate trustee responsibilities are exercised separately and distinctly from its powers exercised as the Trust, and therefore these powers may not necessarily be discharged in the same manner. Nevertheless, there must still be adherence to the overriding general principles of financial regularity, prudence and propriety. The Trustees responsibilities cover both charitable and non-charitable purposes.
- 27.4 The Chief Financial Officer shall ensure that each Fund held on Trust which the Trust is responsible for managing is managed appropriately with regard to its purpose and to its requirements. The Chief Financial Officer shall, in exercising his/her responsibilities have regard to appropriate and independent legal advice, as and when required.
- 27.5 Oversight of the management of Funds held on Trust is delegated to the Board of Trustees Committee (Charity Committee) which will act as sub-committee of the Board chaired by a Non-Executive Director.
- 27.6 The overriding principle in managing Funds held on Trust is that the integrity of each trust fund must be maintained and all statutory and Trust obligations must be satisfied.
- 27.7 Charitable Funds held on Trust are those gifts, donations and endowments made under the relevant charities legislation and held on trust for purposes relating to the Trust and the objectives of which are for the benefit of the NHS in England. They are administered by the Board acting as Trustees for the Trust.
- 27.8 The Board shall delegate the majority of this Trustee role to the Charity Committee, as set out in the Committee's terms of reference.

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Administration and Management of Charitable Funds

- 27.9 The Chief Financial Officer shall maintain such accounts and records as may be necessary to record and protect all transactions and funds of the Trust as trustees of non-exchequer funds, including an Investment Register.
- 27.10 The Chief Financial Officer shall arrange for the administration of all existing Charitable Funds held on Trust. The Royal United Hospital Charitable Fund has been formed under an GWH Deed dated 10 September 1996 as amended by a Supplemental Deed dated 9 December 2009. Cost Centres and procedures shall be produced covering every aspect of the financial management of charitable Funds held on Trust, for the guidance of all Officers. Additional Deeds of Establishment shall identify the restricted nature of certain funds, as listed on the Charity Commission website, and it is the responsibility of fund managers, within their delegated authority, and the Board of Trustees Committee, to ensure that funds are utilised in accordance with the terms of the Deed of Establishment.
- 27.11 The Chief Financial Officer shall ensure that all Charitable Funds held on Trust are currently registered with the Charities Commission in accordance with the Charities Act 2016 or subsequent legislation.
- 27.12 The Chief Financial Officer shall recommend the creation of a new charitable fund where funds and/or other assets, received in accordance with the Trust's policies cannot adequately be managed as part of an existing fund. All new funds should be covered by the Deed of Establishment and must be formally approved by the Board.
- 27.13 Where a new fund cannot be covered by an existing Deed of Establishment such as for a Restricted Fund, a new Deed will be required. The Deed must clearly identify, inter alia, the objects of the new fund, the capacity of the Trust to delegate powers to manage the fund and the power to assign the residue of the charitable fund to another fund contingent upon certain conditions (e.g. discharge of original objects).
- 27.14 All gifts accepted shall be received and held in the name of the Trust and administered in accordance with the Trust's policy, subject to the terms of specific funds. As the Trust can accept gifts only for all or any purposes relating to the NHS, Officers (including Executives) shall, in cases of doubt, consult the Chief Financial Officer before accepting any gifts.
- 27.15 All gifts, donations and proceeds of fund-raising activities, which are intended for the Trust's use, must be handed immediately to the Chief Financial Officer via the Finance Department or the Fundraising Office to be banked directly to the charitable funds bank account.
- 27.16 In respect of donations, the Chief Financial Officer shall provide:

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- a. Guidelines to Officers as to how to proceed when offered funds. These are to include:-
 - i. The identification of the donors' intentions;
 - ii. Where possible, the avoidance of new trusts; the avoidance of impossible, undesirable or administratively difficult objectives;
 - iii. Sources of immediate further advice; and
 - iv. Treatment of offers for personal gifts;
 - v. Secure and appropriate receipting arrangements, which will indicate that funds have been accepted directly into the Trust's donated funds and that the donor's intentions have been noted and accepted.
- b. In respect of legacies and bequests, the Chief Financial Officer, shall where required, after the death of a testator ensure that:
 - i. All correspondence concerning a legacy is dealt with on behalf of the Trust. Only the Chief Financial Officer shall be empowered to give an executor a good discharge;
 - ii. Where necessary, grant of probate is obtained or apply for a grant of letters of administration, where the Trust is the beneficiary; and
 - iii. Arrangements regarding the administration of a will are negotiated with executors and to discharge them from their duty.

27.17 In respect of fund-raising, the final approval for major appeals, defined as events raising in excess of £100,000 will be given by the Board. Final approval for smaller appeals, defined as events anticipating raising less than £100,000 are delegated to the CHARITABLE FUNDS COMMITTEE.

Investment Management

27.18 The CHARITABLE FUNDS COMMITTEE shall be responsible for all aspects of the management of the investment of Funds held on Trust and shall ensure that there is a clear policy outlining the procedures and decision making required. The Chief Financial Officer shall be responsible for the appropriate treatment of all investment income including all dividends, interest and other receipts.

27.19 Any significant concerns with regards returns on investments or risk with the investments must be reported to the Board of Trustees.

Expenditure management

27.20 The exercise of expenditure discretion (including dispositions) shall be managed by the Board of Trustees Committee. Day to day management may be delegated

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to the Chief Financial Officer. In so doing the Board of Trustees Committee shall be aware of the following:

- a. The objects of various trust funds and the designated objectives;
- b. The availability of liquid funds within each trust fund;
- c. The powers of delegation available to commit resources;
- d. The avoidance of the use of exchequer funds to discharge trust fund liabilities (except where administratively unavoidable), and to ensure that any indebtedness to the Exchequer shall be discharged by trust funds at the earliest possible time;
- e. That trust funds are to be spent rather than preserved, subject to the wishes of the donor and the needs of the Trust; and
- f. The definitions of “charitable purposes” as agreed by the Charity Commission.

27.21 The Fund Managers must adhere to the Charities Policy, Charity Commission Guidance and any other statutory rules that affect charitable funds when planning expenditure. Levels of authority with regards expenditure are outlined in the charities SFIs.

Banking Services

27.22 The Chief Financial Officer shall advise the Board of Trustees Committee and, with its approval, shall ensure that appropriate banking services are available to the Trust as corporate trustee. These bank accounts should permit the separate identification of liquid funds to each trust where this is deemed necessary by NHS England or the Charity Commission.

Asset Management

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

- a. Appropriate records of all donated assets owned by the Trust are maintained, and that all assets, at agreed valuations are brought to account;
- b. Appropriate measures are taken to protect and/or to replace assets. These to include decisions regarding insurance, inventory control, and the reporting of losses;
- c. Donated assets received on trust shall be accounted for appropriately;
- d. All assets acquired from charitable Funds held on Trust which are intended to be retained within the trust funds are appropriately accounted for.

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Reporting, Accounting and Audit

- 27.24 The Chief Financial Officer shall ensure that regular reports are made to the Board of Trustees Committee and the Board with regard to, inter alia, the receipt of Funds held on Trust, investments of these trust funds and the disposition of resources.
- 27.25 The Chief Financial Officer shall prepare the Annual Accounts in the required manner, which shall be submitted to the Board within agreed timescales.
- 27.26 The Chief Financial Officer shall:
- a. In relation to the non-charitable trust funds prepare any required returns to NHS England; and
 - b. Prepare an annual trustees report regarding charitable trust funds and make the required return to the Charity Commission for adoption by the Board of Trustees Committee as required.

Accounting and Audit

- 27.27 The Chief Financial Officer shall maintain all financial records to enable the production of reports as above and to the satisfaction of internal and external audit.
- 27.28 Distribution of investment income to the Charitable Funds held on Trust and the recovery of administration costs shall be on a basis determined by the Chief Financial Officer unless otherwise dictated by Charity SORP (Statements of Recommended Practice).
- 27.29 The Chief Financial Officer shall ensure that the records, accounts and returns receive adequate scrutiny by the Trust's Internal Audit during the year. She/he will liaise with the Internal Auditor and provide them with all necessary information.
- 27.30 The Board of Trustees Committee shall be advised by the Chief Financial Officer on the outcome of the annual audit.
- 27.31 The Chief Financial Officer shall identify all costs directly incurred in the administration of all Funds held on Trust, and subject to any legal restrictions, and with the agreement of the Board, shall charge such costs to the appropriate Trust accounts.

Administration Costs

- 27.32 The Chief Financial Officer shall identify all costs directly incurred in the administration of all Funds held on Trust, and subject to any legal restrictions, and with the agreement of the Board, shall charge such costs to the appropriate Trust accounts.

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Taxation and Excise Duty

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

28. Intellectual Property

- 28.1 The Chief Executive, as the accounting officer, will need to ensure that all intellectual property is identified, protected and used for the benefit of the Trust, the NHS and service users. Such intellectual property shall consist of creations of the Trust for which it holds exclusive rights which includes, but is not limited to, trade secrets, publications, trademarks, designs and patents.

Identify and protect all intellectual property and trade secrets

- 28.2 The Chief Executive, as the accounting officer, will ensure that all intellectual property is identified and properly recorded in the Trust's Intellectual Property register.
- 28.3 The Chief Executive, as the accounting officer, will ensure that all third party Intellectual Property, upon which the Trust's Intellectual Property relies and is recorded in the register, is properly licensed from the third party for the intended usage and confers rights to sub-license as part of the Trust's Intellectual Property.
- 28.4 All staff are required to identify and protect the intellectual property of the Trust and ensure that is properly recorded in the Trust's Intellectual Property register.
- 28.5 The Chief Executive, as accounting officer, will ensure that a Non-Disclosure Agreement is signed with any third party before disclosure or receipt of confidential information with the third party.
- 28.6 The Chief Executive, as accounting officer will ensure that all contracts of employment include conditions under which confidentiality of Trust and third party information should be maintained as part of the staff conditions of employment.
- 28.7 All documents containing commercially sensitive information must be marked 'Commercial in confidence'.
- 28.8 The Chief Executive, as accounting officer will ensure that all publications produced by the Trust are marked as Trust copyright. This will include, amongst other items, research reports, manuals, policy documents.

Registering of trademarks and patents

- 28.9 The Chief Executive, as accounting officer, will identify trademarks and patents of specific value to the Trust and wider NHS and ensure that it is appropriately registered with the relevant authorities.

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Licensing of Intellectual Property

- 28.10 The Chief Executive, as accounting officer, is responsible for ensuring that the Trust licenses Intellectual Property to protect the property and reputation of the Trust from misuse, and to derive benefit for the Trust, NHS and service users.
- 28.11 All uses of the Trust's intellectual property by a third party must be licensed, whether there is a fee for usage or not. The license should take into account:
- a. The scope of usage of Intellectual Property, including territories where the Intellectual Property may be used and the uses to which it may be put.
 - b. Conditions of usage setting out how the Intellectual Property may, or may not be used, both to protect the property's value and the reputation of the Trust.
 - c. The term of the license, including any conditions by which the Trust may terminate the license, including misuse.
 - d. The benefit accruing to the Trust from the licensee's use of the Intellectual Property. This may include a financial benefit, or where no financial benefit is requested, may include promotion of the Trust, sharing of information, or other non-financial benefit which is to the benefit of the Trust, the NHS or service users.
- 28.12 The Chief Executive, as accounting officer, is responsible for ensuring that the Trust enters into legal agreements with third parties where there is joint ownership of Intellectual Property.
- 28.13 The Chief Executive, as accounting officer, is responsible for entering into agreements to share Intellectual Property between the Trust and the staff who created the Intellectual Property. In making such agreements should take into account:
- a. The Trust's ability to use the Intellectual Property should not be limited;
 - b. Staff members will have no ability to sub-license the Intellectual Property;
 - c. The benefits from usage or licensing of the Intellectual Property may be distributed to all parties of the agreement, including staff.

29. Monitoring Compliance

- 29.1 The SFIs detail the method of control, review and assessment required to seek assurance that the instructions laid down by the Trust are adhered to. Annual reports to the relevant Board or Committee are produced as required to demonstrate compliance and performance against the SFIs.

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30. Review

- 30.1 This policy will be subject to a planned review every three years as part of the Trust's Policy Review Process. It is recognised however that there may be updates required in the interim arising from amendments or release of new regulations, Codes of Practice or statutory provisions or guidance from the Department of Health or professional bodies. These updates will be made as soon as practicable to reflect and inform the Trust's revised policy and practise.

31. Training

- 31.1 Managers are responsible for ensuring all their staff receive the type of initial and refresher training that is commensurate with their role(s).
- 31.2 Staff must refer to the Mandatory Training Profiles, available on the intranet, to identify what training in relation to training that is relevant for their role and the required frequency of update. Further information is available on the statutory and mandatory training web pages about each subject and the available training opportunities.
- 31.3 The Mandatory Training Policy identifies how training non-attendance will be followed up and managed and is available on the intranet.
- 31.4 Training statistics for mandatory training subjects are collated by the Learning & Development team, and are reported to the Strategic Workforce Committee
- 31.5 Staff must keep a record of all training in their portfolio.
- 31.6 All staff and managers can access their mandatory training compliance records via the Trust's mandatory reporting tool (STAR) available on the intranet.

32. Definitions of Terms Used

- 32.1 Any expression, to which a meaning is given in Health Service Acts, or in the Financial Directions made under the Acts, shall have the same meaning in these instructions.
- 32.2 Wherever the title Chief Executive, Director, or other nominated officer is used in these instructions, it should be deemed to include other officers who have been duly authorised to represent them in their absence.
- 32.3 Save as otherwise permitted by law, at any meeting of the Board the Chair of the Trust (or the person presiding over the meeting) shall be the final authority on the interpretation of the SFIs (on which she/he should be advised by the Chief Executive or the Chief Financial Officer) and her/his decision shall be final and binding except in the case of manifest error.

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32.4 Wherever a financial limit is stipulated in these SFIs but no value is given, reference should be made to the Trust's Financial Limits contained within the Scheme of Delegation, which shall be issued to accompany the SFIs and Standing Orders. The Board should periodically review the Financial Limits.

32.5 Unless a contrary intention is evident or the context requires otherwise, words or expressions contained in these SFIs shall bear the same meaning as in the Constitution. In these SFIs:

the 2006 Act means the National Health Service Act 2006 (as amended);

the 2012 Act means the Health and Social Care Act 2012;

Accounting Officer means a person who from time to time discharges the functions specified in paragraph 25(5) of Schedule 7 of the 2006 Act. The Chief Executive of the Trust is the Accounting Officer;

Annual Accounts means those accounts prepared by the Trust pursuant to paragraph 25 of Schedule 7 to the 2006 Act;

Annual Report means a report prepared by the Trust pursuant to paragraph 26 of Schedule 7 to the 2006 Act;

Auditor means the Auditor of the Trust appointed by the Council of Governors pursuant to the Constitution;

Audit, Risk and Assurance Committee means a committee of the Board as established pursuant to the Constitution;

Authorisation means the authorisation issued to the Trust by NHS England (formally Monitor) under section 35 of the 2006 Act;

Board means the Board of Directors as constituted in accordance with the Constitution;

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

Budget Holder means the Director or Officer with delegated authority to manage business activity for a specific area of the Trust;

Budget Manager means the Officer who has daily operational responsibility for the management of the Budget;

Chair means the Chair of the Trust;

Council of Governors means the Council of Governors as constituted in accordance with the Constitution;

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Chief Executive means the Chief Executive of the Trust;

Constitution means the Constitution of the Trust together with the annexes;

Director means a member of the Board who has voting rights;

Executive Director means an executive member of the Board of the Trust;

Chief Financial Officer means the Chief Financial Officer of the Trust;

Financial Limits means the financial limits set out in the Scheme of Delegation;

Financial Year means each successive period of twelve months beginning with 1 April;

Funds held on Trust means those funds which the Trust holds at the date of incorporation, receives on distribution by statutory instrument or chooses subsequently to accept under powers gained under the 2006 Act and shall include the income and interest derived from the holding of such funds all or some of which may or may not be charitable;

Local Counter Fraud Specialist means the person appointed by the Trust to carry out the responsibilities and functions set out in Section 24 of the NHS National Contract and NHS Counter Fraud Authority Anti-Fraud & Bribery Standards for Provider organisations;

Local Security Management Specialist means the person appointed by the Trust to carry out the responsibilities and functions set out in Section 24 of the NHS National Contract and NHS Counter Fraud Authority Security Management Standards for Provider organisations;

Member means a member of the Trust;

NHS England means the body which from the 1 April 2016 which brought together Monitor, NHS Trust Development Authority, Patient Safety, Advancing Change Team and Intensive Support Teams.

NHS Counter Fraud Authority means the division established by Direction 2 of the NHS Business Services Authority Directions 2006 (as amended by the NHS Business Services Authority Amendment Directions 2011);

Non-Executive Director means a non-executive member of the Board of the Trust including the Chair;

Officer means an employee of the Trust and for the avoidance of doubt does not include Non-Executive Executives;

Remuneration Committee shall have the meaning ascribed to it in SFI 11;

Secretary means the Secretary of the Trust or any other person or body corporate appointed to perform the duties of the Secretary of the Trust, including a joint, assistant or deputy secretary;

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Standing Financial Instructions (SFIs) means these Standing Financial Instructions which regulate the conduct of the Trust's financial matters;

Standing Orders means the Standing Orders for the Council of Governors and the Standing Orders for the Board;

Trust means Great Western Hospitals NHS Foundation Trust

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Appendix 1: Authorisation Limits

Revenue and Capital Authorisation Limits – Values exclude VAT

	Expenditure & Non-SLA Sales Orders (Income*) Revenue / Capital	Investment Approvals	Tender Waivers	Sign Expenditure Contracts** & Recommendation Reports***	Disposal / Write off of Physical Assets	Losses & Special Payments / Debt Write-Off	Charitable Funds
Board of Directors	£1m +	£1m +	£300k +	£1m +	£500k +		£500k +
Chief Executive	£1m		£300k	£1m	£500k		
Chief Financial Officer	£1m		£200k	£1m	£150k		
Executive Director	£250k						
Deputy Director	£100k						
Deputy Chief Financial Officer			£50k	£100k-£350k	£10k	£10k	£5k
Director of Procurement				£100k-£350k			
Deputy Director of Procurement				£100k			
Charitable Funds Committee							£5k
Trust Management Committee		£1m					
Clinical Divisions							
Clinical Triumvirate / Quad		<£50k and neutral overall					

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Clinical Divisional Director	£100k						
Budget Holder / General Manager / Matron	£50k				£5k	£5k	
Budget Manager	£5k				£1k	£1k	£5k
Support Divisions							
Executive Director	£250k	<£50k and neutral overall					
Deputy Director	£100k						
Budget Holder / Head of Service	£50k				£5k	£5k	
Budget Manager	£5k				£1k	£1k	£5k

All values exclude VAT.

* The Income and Contracts Accountant to authorise provider to provider sales order following the signing of contracts which will be authorised in accordance with the above limits.

** For contracts that cover more than one financial year this includes the total value of contracts, not just the annual charge.

*** Recommendation reports all go to FIDC, with >£1m also going to Trust Board for approval

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