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Key points of this document

- Sets out the financial rules within which staff must operate.

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ROYAL PAPWORTH HOSPITAL NHS FOUNDATION TRUST

STANDING FINANCIAL INSTRUCTIONS

April 2026

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FOREWORD

These Standing Financial Instructions (SFIs), together with the Trust's Standing Orders (SOs), provide a business and financial framework within which all Executive Directors, Non-executive Directors and officers of the Trust will be expected to work. All Executive and Non-executive Directors and all members of staff, including staff seconded to the Trust, should be aware of the existence of these documents and, where necessary, be familiar with the detailed provisions.

These documents fulfil the dual role of protecting the Trust's interests and protecting staff from any possible accusation that they have acted less than properly.

The Bribery Act 2010 applies to NHS bodies including NHS Foundation Trusts and reinforces the need to act with the utmost integrity, making it an offence to give, promise or offer a bribe and to request, agree to receive or accept a bribe either at home or abroad. The Bribery Act does not require any tangible or other item to be exchanged for an offence to take place. Any staff or agent of the Trust acting in an improper manner may also expose the Trust to the corporate offence of failing to prevent bribery. The Board of Directors has made a clear statement regarding the Trust's stance on bribery and this is available on the public website.

In addition to the SOs and SFIs, there is a Schedule of Decisions Reserved to the Board and Scheme of Delegation, Financial Procedural Notes and locally generated rules and instructions.

The SFIs have been formally adopted by the Board of Directors.

Any queries regarding the contents of this document should in the first instance be raised with the Finance Business Partner responsible for each clinical area.

These Standing Financial Instructions have been written with due regard to the requirements of the Regulator (notably the NHS Oversight Framework, Code of Governance and Audit Code for NHS Foundation Trusts).

Chief Finance Officer

April 2026

1 INTRODUCTION

1.1 GENERAL

1.1.1 These Standing Financial Instructions (SFIs) shall have effect as if incorporated in the Standing Orders (SOs) of the Trust.

1.1.2 These SFIs detail the financial responsibilities, policies and procedures to be adopted by the Trust. They are designed to ensure that its financial transactions are carried out in accordance with the law and the requirements of the Regulator in order to achieve probity, accuracy, economy, efficiency and effectiveness. They should be used in conjunction with the Schedule of Decisions Reserved to the Board and Scheme of Delegation (SoD) adopted by the Trust.

1.1.3 These SFIs identify the financial responsibilities, which apply to everyone working for the Trust and its constituent organisations including Trading Units. They do not provide detailed procedural advice. These statements should therefore be read in conjunction with the detailed departmental and financial procedure notes. The CFO must approve all financial procedures.

1.1.4 Should any difficulties arise regarding the interpretation or application of any of the SFIs then the advice of the CFO **MUST BE SOUGHT BEFORE ACTING.** The user of these SFIs should also be familiar with and comply with the provisions of the Trust's SOs.

1.1.5 **FAILURE TO COMPLY WITH SFIs AND SOs IS A DISCIPLINARY MATTER, WHICH COULD RESULT IN DISMISSAL.**

1.2 INTERPRETATION

1.2.1 Unless the contrary intention appears or the context otherwise requires, words or expressions contained in this document bear the same meaning as in the Health Service Acts.

a) **"Council of Governors"** means the Council of Governors of the Trust as constituted by the Constitution.

b) **"Board of Directors"** and (unless the context otherwise requires) **"Board"** means the Board of Directors as constituted in accordance with the constitution.

c) **"Trustee Board"** means the Board that represents the Corporate Trustee (Royal Papworth Hospital NHS Foundation Trust), with responsibilities for the accountability to the Charity Commission for charitable funds held on trust by Royal Papworth Hospital Charity.

d) **"Budget"** means a resource, expressed in financial terms, proposed by the Trust for the purpose of carrying out, for a specific period, any or all of the functions of the Trust.

e) **"Budget Holder"** means the director or officer with delegated authority to manage finances (Income and Expenditure) for a specific area of the organisation.

f) **"Chair"** is the person appointed by the Council of Governors to lead the Board of Directors and Council of Governors to ensure that it successfully discharges its overall responsibility for the Trust as a whole.

g) **"Chief Executive"** means the Chief Executive officer of the Trust.

h) **"Commissioning"** means the process for determining the need for and for obtaining the supply of healthcare and related services by the Trust within available resources.

i) **"Committee"** means the Board of Directors, a Committee, Sub Committee or Joint Committee as the context requires.

j) **"Constitution"** means the constitution approved by the Board of Directors and Council of Governors and submitted to the Regulator, which describes the operation of the Foundation Trust.

k) **"Chief Finance Officer (CFO)"** means the Chief Financial Officer **(Finance Director)** of the Trust.

l) **"Executive Director"** means a Member of the Board of Directors who holds an executive office of the Trust.

m) **"External Auditor"** means the person appointed to audit the accounts of the Trust and associated charity and is synonymous with the term **"Auditor"** as defined in the Constitution.

n) **"Charitable Funds"** means donations received by Royal Papworth Charity which are used in furtherance of its charitable purpose to support Royal Papworth Hospital.

o) **"Internal Auditor"** means the person appointed to produce an annual audit opinion on the effectiveness of the system of internal control.

p) **"Legal Advisor"** means the properly qualified person appointed by the Trust to provide legal advice.

q) **"Director"** means a person appointed as an Executive or Non-executive Director, and whose post carries with it Board membership status, and includes the Chair. It does not necessarily include everyone whose job title includes the word 'Director'. The official register of Directors will be posted on the Trust website.

r) **"Nominated officer"** means an officer charged with the responsibility for discharging specific tasks within Standing Orders and Standing Financial Instructions.

s) **"Non-Executive Director"** means a Director who does not hold an executive office of the Trust, including the Chair.

t) **"Officer"** means an employee of the Trust or any other person holding a paid appointment or office with the Trust.

u) **"Quotation"** means an offer in respect of a single transaction.

v) **"Regulator"** means Monitor and its successor organisation NHS Improvement which became a part of NHS England in July 2022.

w) **"SoD"** means the Scheme of Delegation.

x) **"SFIs"** means the Standing Financial Instructions of the Trust.

y) **"SOs"** mean the Standing Orders of the Trust.

z) **"Tender"** means:-

- an offer related to a precise specification whether or not accompanied by a bill of quantities; or
- an offer related to the negotiation of a period or call-off contract.

aa) **"Trust"** means Royal Papworth Hospital NHS Foundation Trust.

1.2.2 Wherever the title Chief Executive, CFO, or other nominated officer is used in these instructions, it shall be deemed to include such other director or officers who have been duly authorised to represent them.

1.2.3 Wherever the term "officer" is used and where the context permits it shall be deemed to include officers of third parties contracted to the Trust when acting on behalf of the Trust.

1.3 RESPONSIBILITIES AND DELEGATION

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

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

1.3.3 The Chief Executive has overall executive responsibility for the Trust's activities, is responsible to the Board of Directors for ensuring that its financial obligations and targets are met and has overall responsibility for the Trust's system of internal control.

1.3.4 The Chief Executive and other Executive Directors will, as far as possible, delegate their detailed responsibilities but they remain accountable for financial control.

1.3.5 It is a duty of the Chief Executive to ensure that existing directors and officers and all new appointees are notified of and understand their responsibilities within these instructions.

1.3.6 All directors and officers, severally and collectively, are responsible for:

(a) the security of the property of the Trust;
(b) avoiding loss;
(c) exercising economy and efficiency in the use of resources; and
(d) conforming to the requirements of Standing Orders, Standing Financial Instructions, Financial Procedures and the Scheme of Delegation.

1.3.7 Any contractor or officer 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 Executive Directors to ensure that such persons are made aware of this.

1.3.8 For any and all directors and officers who carry out a financial function, the form in which financial records are kept and the manner in which directors and officers discharge their duties must be to the satisfaction of the CFO.

2 AUDIT

2.1 The Trust shall comply with the directions of the Regulator with respect to the standards, procedures and techniques to be adopted.

2.2 AUDIT COMMITTEE

2.2.1 In accordance with Standing Orders (and as set out in the Code of governance for NHS provider trusts, issued by the Regulator), the Board of Directors shall formally establish a committee of Non-executive Directors, (including where appropriate suitably qualified Associate Non-executive Directors) as an Audit Committee with formal terms of reference to perform such monitoring, reviewing and other functions as are appropriate to provide an independent and objective view of internal control. This shall be achieved by monitoring the degree to which organisational risk management, control and governance processes support the achievement of the Trust's agreed objectives.

2.2.2 The Board of Directors shall satisfy itself that at least one member of the Audit Committee has recent and relevant financial experience.

2.2.3 The Audit Committee terms of reference shall include details of how it will:

- monitor the integrity of the financial statements of the Trust and any formal announcements relating to the Trust's financial performance, reviewing significant financial reporting judgments contained in them;
- To provide advice (where requested by the Board of Directors) on whether the annual report and accounts, taken as a whole, is fair, balanced and understandable, and provides the information necessary for stakeholders to assess the trust's position and performance, business model and strategy;
- To review the trust's internal financial controls and internal control and risk management systems;
- review the adequacy and effectiveness of arrangements for economy and efficiency;
- monitor and review the effectiveness of the Trust's internal audit function;
- review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant UK professional and regulatory requirements;
- develop and implement policy on the engagement of the external auditor to supply non-audit services, taking into account relevant ethical guidance regarding the provision of non-audit services by the external audit firm;
- report to the Board of Directors and Council of Governors, identifying any matters in respect of which it considers action or improvement is needed and making recommendations as to the steps to be taken.

- provide an annual report to the Board of Directors to demonstrate the Committee's discharge of its duties, published in the Annual Report to ensure adequate assurance is achieved

2.2.4 The Audit Committee shall review arrangements by which staff may raise, in confidence, concerns about possible improprieties in matters of financial reporting and control, clinical quality, patient safety or other matters. The Audit Committee's objective should be to ensure that arrangements are in place for the proportionate and independent investigation of such matters and for appropriate follow-up action.

2.2.5 It is for the Council of Governors to appoint or remove the external auditors at a general meeting of the Council of Governors.

2.2.6 The Trust must ensure that the external auditor appointed by the Council of Governors meets the criteria included by the Regulator within the Audit Code for NHS Foundation Trusts, at the date of appointment and on an on-going basis throughout the term of their appointment.

2.2.7 The Audit Committee must assess the work and fees of external audit on an annual basis to ensure that the work is of a sufficiently high standard and that the fees are reasonable.

2.2.8 The Audit Committee shall make a recommendation to the Council of Governors with respect to the re-appointment of the external auditors. If the work has been satisfactory and the charges reasonable, the Council of Governors may re-appoint the auditor for a following period without the need for a formal selection process. However, the Trust will undertake a market-testing exercise for the appointment of the external auditor at least once every five years.

2.2.9 If the Council of Governors does not accept the Audit Committee's recommendation, the Board of Directors shall include in the Annual Report a statement from the Audit Committee explaining the recommendation and should set out reasons why the Council of Governors has taken a different position.

2.2.10 When the Council of Governors ends an auditor's appointment in disputed circumstances, the Chair will write to the Regulator informing it of the reasons behind the decision.

2.2.11 The Annual Report should explain to members how, if the auditor provides non-audit services, auditor objectivity and independence is safeguarded.

2.2.12 Where the Audit Committee feel there is evidence of ultra vires transactions, evidence of improper acts, or if there are other important matters that the committee wishes to raise, the Chair of the Audit Committee should raise the matter at a full meeting of the Board of Directors. Exceptionally, the matter may need to be referred to the Independent Regulator.

2.2.13 The Audit Committee shall be involved in the selection process when an internal audit service provider is changed. The Trust will undertake a market-testing exercise for the appointment of the internal audit service provider at least once every five years.

2.3 CHIEF FINANCE OFFICER (CFO)

2.3.1 The CFO is responsible for:

(a) ensuring there are arrangements to review, evaluate and report on the effectiveness of internal financial control including the establishment of an effective internal audit function;

(b) ensuring that the purpose, authority and responsibility of internal audit is formally defined by the Trust in Terms of Reference with regard to professional best practice;

(c) deciding at what stage to involve the police in cases of misappropriation and other irregularities and shall, as appropriate, normally via the Head of Internal Audit, the local Counter Fraud Specialist and/or the Local Security Manager, investigate such cases, in conjunction, where necessary, with the relevant Managers and in consultation with the Police, where appropriate;

(d) ensuring that an annual internal audit report is provided by the Head of Internal Audit for the consideration of the Audit Committee and the Board of Directors. The report must cover:

(i) a clear statement on the effectiveness of internal financial control, risk management and organisational controls,

(ii) major internal control weaknesses discovered,

(iii) progress on the implementation of internal audit recommendations,

(iv) progress against plan over the previous year,

(v) strategic audit plan covering the coming three years,

(vi) a detailed plan for the coming year.

(e) ensuring that the Head of Internal Audit delivers an annual audit opinion on the effectiveness of the system of internal control.

2.3.2 The CFO or designated auditors are entitled without necessarily giving prior notice to require and receive:

(a) access to all records, documents and correspondence relating to any financial or other relevant transactions, including documents of a confidential nature;

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

(c) the production of any cash, stores or other property of the Trust under an officer's control; and

(d) explanations concerning any matter under investigation.

2.4 ROLE OF INTERNAL AUDIT

2.4.1 Internal Audit will, in accordance with recognised professional best practice, review, appraise and report upon:

(a) the extent to which the achievement of the Trust's objectives is monitored;

(b) the extent of compliance with, and the financial effect of or risk associated with, relevant established policies, plans and procedures;

(c) the adequacy, efficiency and application of financial and other related management controls;

(c) the suitability and effective usage of financial and other related management information and data;

(d) the extent to which the Trust's assets and interests are accounted for and safeguarded from loss of any kind, arising from:

(i) fraud and other offences,

(ii) waste, extravagance, inefficient administration,

(iii) poor value for money or other causes.

2.4.2 The Head of Internal Audit will produce an annual audit opinion on the effectiveness of the system of internal control.

2.4.3 Whenever any matters arise which involve, or are 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 CFO must be notified immediately.

2.4.4 The Head of Internal Audit and/or the Audit Manager will normally attend Audit Committee meetings and has a right of access to all Audit Committee members, the Chair and Chief Executive of the Trust.

2.4.5 The Head of Internal Audit shall report directly to the CFO and shall refer audit reports to the appropriate officers designated by the Chief Executive. Failure to take the necessary remedial action within a reasonable period shall be reported to the CFO. 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 access to report directly to the Chief Executive, Chair or any non-executive Director of the Trust.

2.4.6 The Head of Internal Audit shall co-ordinate internal audit plans and activities with line managers, external audit and other review agencies to ensure the most effective audit coverage is achieved and duplication of effort is minimised.

2.4.7 The Trust will provide the Head of Internal Audit with every facility and all information which they may reasonably require for the purposes of his functions under the terms of reference.

2.5 EXTERNAL AUDIT

2.5.1 External Audit responsibilities (in compliance with the requirements of the Regulator are:

(a) to be satisfied that the accounts comply with the directions provided, i.e. that the accounts comply with the Manual for Accounts for NHS Foundation Trusts and Annual Reporting Manual for NHS Foundation Trusts

(b) to be satisfied that the accounts comply with the requirements of all other provisions contained in, or having effect under, any enactment which is applicable to the accounts

(c) to be satisfied that proper practices have been observed in compiling the accounts

(d) to be satisfied that proper arrangements have been made for securing economy, efficiency and effectiveness in the use of resources

(e) to comply with any directions given by the Regulator as to the standards, procedures and techniques to be adopted, i.e. to comply with the Code of Audit Practice issued by the National Audit Office (NAO) in 2024.

(f) to consider the issue of a public interest report

(g) to certify the completion of the audit

(h) to express an opinion on the accounts

(i) to refer the matter to the Regulator if the Trust, or an officer or director of the Trust, makes or are about to make decisions involving potentially unlawful action likely to cause a loss or deficiency.

2.5.2 External Auditors will ensure that there is a minimum duplication of effort between themselves and relevant independent regulatory bodies and the Internal Auditors. The auditors will discharge this responsibility by:

(a) reviewing the statement made by the Chief Executive as part of the Annual Governance Statement and making a negative statement within the audit opinion if the Annual Governance Statement is not consistent with their knowledge of the Trust

(b) reviewing the results of the work of relevant assurers, for example the Care Quality Commission, to determine if the results of the work have an impact on their responsibilities

(c) undertaking any other work that they feel necessary to discharge their responsibilities.

2.5.3 The Trust will provide the External Auditor with every facility and all information which they may reasonably require for the purposes of their functions.

2.5.4 The Trust shall forward a report to the Regulator within 30 days (or such shorter period as the Regulator may specify) of the External Auditor issuing a public interest report in terms of Schedule 5 paragraph 3 of the Act. The report shall include details of the Trust's response to the issues raised within the public interest report.

2.6 FRAUD AND CORRUPTION

General

2.6.1 The Chief Executive and CFO shall monitor and ensure compliance with good practice to counter fraud and bribery.

2.6.2 The Trust shall nominate a suitable person to carry out the duties of the Local Counter Fraud Specialist (LCFS).

2.6.3 The LCFS shall report to the Trust's CFO and provide a written report, at least annually, on counter fraud activity within the Trust.

2.6.4 The LCFS shall attend the Audit Committee at least once per annum or when incidents arise that require their attendance.

Procedures

2.6.5 The CFO is responsible for providing detailed procedures to enable the Trust to minimise and where possible to eliminate fraud and corruption. These procedures

are included in the Trust's Counter-Fraud and Bribery Policy (DN605) which sets out action to be taken by persons detecting a suspected fraud or bribery and persons responsible for investigating it.

2.6.6 The measures that are put in place shall be sufficient to satisfy all external bodies to whom the Trust is accountable to, through:
(a) The creation of an anti-fraud and bribery culture
(b) Maximum deterrence of fraud and bribery
(c) Successful prevention and detection of fraud and bribery which cannot be deterred
(d) Prompt detection of fraud and bribery which cannot be prevented
(e) Professional investigation of detected fraud and bribery
(f) Effective sanctions, including appropriate legal action against people committing fraud or bribery, and
(g) Effective methods of seeking redress in respect of money defrauded

2.6.7 Fraud and bribery shall be sanctioned in accordance with legal and internal disciplinary procedure respectively.

2.6.8 It is expected that all officers shall act with the utmost integrity, ensuring adherence to all relevant regulations and procedures. It is the responsibility of the CFO to produce and issue these to the appropriate Directors and Managers who shall ensure that all staff have access to these. This is done via Trust Documents on the Trust's intranet.

2.6.9 It is expected that all members of staff will co-operate with the requirements of the LCFS in accordance with the Secretary of State directions.

Prevention

2.6.10 The Director of Workforce & Organisation Development is responsible for ensuring that steps are taken at recruitment stage to establish as far as possible the previous record of potential officers in terms of their propriety and integrity.

2.6.11 Staff are expected to act in accordance with the Trust's Standing Orders and Managing Conflicts of Interest (DN313).

2.6.12 Non-Executive Directors are subject to the same high standards of accountability and are required to declare and register any interests which might potentially conflict with those of the Trust.

2.6.13 The LCFS shall be informed of all suspected or detected fraud so that they can consider the adequacy of the relevant controls and evaluate the implication of fraud for their opinion on the system of risk management, control and governance.

Detection and Resulting Action

2.6.14 Staff are encouraged to raise any concerns they may have regarding suspected fraud and/or bribery. They can do this through:
(a) The CFO
(b) The LCFS (contact details can be found on the Royal Papworth intranet)
(c) The NHS National Fraud Hotline 0800 028 40 60

2.6.15 The CFO is responsible for ensuring that action is taken to investigate any allegations of fraud or corruption through the LCFS. The steps to be taken are incorporated in the Trust's Counter-Fraud and Bribery Policy (DN605).

2.6.16 Senior Managers are expected to deal firmly and promptly and in accordance with the Trust's disciplinary procedure with anyone who attempts to defraud the Trust or who acts in a corrupt manner.

2.6.17 The Trust wishes to encourage anyone having reasonable suspicions of fraud or bribery to report them as set out above. The Trust's policy, which will be rigorously enforced, is that no individual will suffer detrimental treatment as a result of reporting reasonably held suspicions. However, any abuse of the procedures, such as unfounded or malicious allegations, is itself subject to full investigation and appropriate disciplinary action.

2.7 SECURITY MANAGEMENT MEASURES

2.7.1 In accordance with the Directions to NHS bodies on Security and Management Measures the Trust will promote and protect the security of people engaged in activities for the purposes of the Trust, its service functions and its property and information in accordance with those Directions and having regard to any other guidance or advice issued by the NHS Counter Fraud Authority.

2.7.2 The Trust will designate an Executive Director to take responsibility for Security and Management matters; the Trust has nominated the CFO.

2.7.3 The Trust will promote Security Management Measures and nominate one of the Trust's Non-Executive Directors to promote Security Management Measures at Board level.

2.7.4 The Trust will nominate a competent Local Security Manager who will be a person suitable for appointment.

3 BUSINESS PLANNING, BUDGETS, BUDGETARY CONTROL, AND MONITORING

3.1 PREPARATION AND APPROVAL OF BUSINESS PLANS AND BUDGETS

3.1.1 The Chief Executive, the Chief Operating Officer and the CFO shall prepare an Annual Business Plan in accordance with the requirements of the Regulator, for approval by the Board of Directors. This will include cross reference to the five-year strategic plan and an updated risk analysis. The Trust plan forms part of the ICB wide plan and there are various touch points along the planning timetable to ensure alignment of principles between ICS partners

3.1.2 The Annual Business Plan will contain:

(a) a statement of the significant assumptions on which the plan is based;

(b) details of major changes in workload, delivery of services or resources required to achieve the plan.

3.1.3 The Trust will give information as to its forward planning in respect of each financial year to the Regulator. This information will be prepared by the directors, who must have regard to the views of the Council of Governors.

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

(a) be in accordance with the aims and objectives set out in the annual business plan;

(b) accord with workload and workforce plans;

(c) be produced following discussion with appropriate budget holders;

(d) be prepared within the limits of available funds and prevailing regulatory requirements; and

(e) identify potential risks.

3.1.5 All budget holders must provide information as required by the CFO to enable budgets to be compiled.

3.1.6 Budget holders will be required to sign up to their allocated budgets at the beginning of each financial year.

3.1.7 The CFO shall monitor financial performance against budget and business plan, periodically review them, and report to the Board of Directors.

3.1.8 The CFO has a responsibility to ensure that adequate training is delivered on an on-going basis to budget holders to help them manage successfully.

3.1.9 Operating surpluses may be used to:

(a) spend on revenue

(b) meet locally determined health needs

(c) build up cash reserves for future investments

(d) finance an investment or purchase

(e) make payments on a loan.

3.1.10 Operating surpluses may not be distributed to members.

3.2 BUDGETARY DELEGATION

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

(a) the amount of the budget;

(b) the purpose(s) of each budget heading;

(c) individual and group responsibilities;

(d) authority to exercise virement;

(e) achievement of planned levels of service; and

(f) the provision of regular reports.

3.2.2 The Chief Executive and all delegated budget holders must not exceed the budgetary total or virement limits set by the Board of Directors. Refer to Scheme of Delegation.

3.2.3 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.

3.2.4 Non-recurring budgets shall not be used to finance recurring expenditure without the authority in writing of the CFO.

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3.3 BUDGETARY CONTROL AND FINANCIAL REPORTING

3.3.1 The CFO will devise and maintain systems of budgetary control and financial reporting. These will include:

(a) monthly financial reports to the Board of Directors in a form approved by the Board of Directors containing:

(i) income and expenditure to date showing trends and forecast year-end position;

(ii) summary cashflow and forecast year-end position;

(iii) summary balance sheet;

(iv) movements in working capital;

(v) capital project spend and projected outturn against plan;

(vi) explanations of any material variances that explain any movement from the planned retained surplus/deficit at the end of the current month position;

(vii) details of any corrective action where necessary and the Chief Executive's and/or CFO 's view of whether such actions are sufficient to correct the situation.

(b) the issue of timely, accurate and comprehensible advice and financial reports to each budget holder, covering the areas for which they are responsible;

(c) investigation and reporting of variances from financial, workload and workforce budgets;

(d) monitoring of management action to correct variances; and

(e) arrangements for the authorisation of budget transfers.

3.3.2 Each budget holder is responsible for ensuring that:

(a) any likely material overspend or reduction of income which cannot be met by virement is not incurred without the prior written consent of the Board of Directors;

(b) the amount provided in the approved budget is not used in whole or in part for any purpose other than that specifically authorised in writing subject to the rules of virement;

(c) no permanent officers are appointed without the approval of the Chief Executive or other Executive Director, other than those provided for by the pay budget as approved by the Board of Directors; and

(d) the systems of budgetary control established by the CFO are complied with fully.

3.4 CAPITAL EXPENDITURE

3.4.1 The general rules applying to delegation and reporting shall also apply to capital expenditure. (The particular applications relating to capital are contained in Chapter 11.)

3.5 FINANCIAL PERFORMANCE MONITORING

3.5.1 The Chief Executive is responsible for ensuring that:

(a) Financial performance measures have been defined and are monitored

(b) Reasonable targets have been identified for these measures

(c) A robust system is in place for managing performance against the targets

(d) Reporting lines are in place to ensure overall performance is managed

(e) Arrangements are in place to manage/respond to adverse performance.

4 ANNUAL FINANCIAL ACCOUNTS AND REPORTS

4.1 The CFO, on behalf of the Trust, will:

(a) keep accounts, and in respect of each financial year must prepare annual accounts, in such form as the Regulator may, with the approval of the Treasury, direct.

(b) ensure that, in preparing annual accounts, the Trust complies with any directions given by the Regulator with the approval of the Treasury as to:

(i) the methods and principles according to which the accounts are to be prepared; and

(ii) the information to be given in the accounts.

(c) ensure that a copy of the annual accounts and any report of the External Auditor on them, are laid before Parliament and that copies of these documents are sent to the Regulator.

4.2 The Trust's audited annual accounts and annual report must be presented to the Board of Directors for approval and received by the Council of Governors at a public meeting.

4.3 The Trust will prepare annual reports as required by Schedule 7, paragraph 25(4) of the National Health Service Act 2006 and in line with guidance from the Regulator. This will be presented to the Board of Directors for approval and received by the Council of Governors at a public meeting. A copy will be forwarded to the Regulator. The reports will give:

(a) information on any steps taken by the Trust to secure that (taken as a whole) the actual Membership of its public constituency and the patients' constituency is representative of those eligible for such membership; and

(b) any other information the Regulator requires.

4.4 The Trust will make the following documents available to the Comptroller and Auditor General for examination at their request:

(a) the accounts

(b) any records relating to them

(c) any report of the auditor on them.

5 COMMERCIAL AND GOVERNMENT BANK ACCOUNTS

5.1 GENERAL

5.1.1 The CFO is responsible for managing the Trust's banking arrangements and for advising the Trust on the provision of banking services and operation of accounts.

5.1.2 The Board of Directors shall approve the banking arrangements.

5.2 COMMERCIAL AND GOVERNMENT BANK ACCOUNTS

5.2.1 The CFO is responsible for:

(a) Commercial bank accounts and Government bank accounts;

(b) establishing separate bank accounts for the Trust's non-regulated funds;

(c) reporting to the Board of Directors all arrangements made with the Trust's bankers for accounts to be overdrawn;

(c) establishing treasury policies and procedures to ensure the effective management of cash and bank balances.

5.2.2 The Chief Executive and CFO are individually authorised to sign any documents in relation to the operation of the company's bank accounts and any documents in relation to electronic banking channels and to delegate to individuals the power to decide matters dealt with for electronic banking channels and to allow those individuals to sub-delegate the power to other individuals to make payments and give other instructions in respect of those electronic banking channels.

5.3 BANKING PROCEDURES

5.3.1 The CFO will prepare detailed instructions on the operation of commercial and government bank accounts which must include:

(a) the conditions under which each commercial and government bank account is to be operated;

(b) the limit to be applied to any overdraft; and

(c) those authorised to sign cheques or other orders drawn on the Trust's accounts and the limitation on single signatory payments.

5.3.2 The CFO must advise the Trust's bankers in writing of the conditions under which each account will be operated.

5.3.3 All funds shall be held in accounts in the name of the Trust. No officer other than the CFO shall open any bank account in the name of the Trust.

5.4 BANKING - TENDERING AND REVIEW

5.4.1 The CFO will review the banking arrangements of the Trust periodically to ensure they reflect best practice and represent best value for money by periodically seeking competitive tenders for the Trust's banking business.

5.4.2 The results of such reviews will be reported to the Audit Committee.

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

6.1 INCOME SYSTEMS

6.1.1 The CFO is responsible for designing, maintaining and ensuring compliance with systems for the proper recording, invoicing, collection and coding of all income due.

6.1.2 The CFO is also responsible for the prompt banking of all monies received.

6.1.3 The Trust will carry on activities for the purpose of making additional income available in order to better carry on the Trust's principal purpose, subject to any restrictions in the Regulator's authorisation and licence and as stated in the Constitution.

6.1.4 Any income raised from income generation and from contracts with non-NHS bodies will be ploughed back into service provision.

6.2 FEES AND CHARGES

6.2.1 The CFO is responsible for approving and regularly reviewing the level of all fees and charges. Independent professional advice on matters of valuation shall be taken as necessary.

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

6.3 DEBT RECOVERY

6.3.1 The CFO is responsible for the appropriate recovery action on all outstanding debts.

6.3.2 Income not received shall be dealt with in accordance with losses procedures (see also SFI 13 - Disposals and Condemnations, Losses and Special Payments).

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

6.4 SECURITY OF CASH, CHEQUES AND OTHER NEGOTIABLE INSTRUMENTS

6.4.1 The CFO is responsible for:

(a) approving the form of all receipt books, agreement forms, or other means of officially acknowledging or recording monies received or receivable;

(b) ordering and securely controlling any such stationery;

(c) the provision of adequate facilities and systems for officers whose duties include collecting and holding cash, including the provision of safes or lockable cash boxes, the procedures for keys, and for coin operated machines; and

(d) prescribing systems and procedures for handling cash and negotiable securities on behalf of the Trust.

6.4.2 Official money shall not under any circumstances be used for the encashment of private cheques or IOUs.

6.4.3 All cheques, postal orders, cash etc., shall be banked intact. Disbursements shall not be made from cash received, except under arrangements approved by the CFO.

6.4.4 The holders of safe keys shall not accept unofficial funds for depositing in their safes unless such deposits are in special sealed envelopes or locked containers. It shall be made clear to the depositors that the Trust is not to be held liable for any loss, and written indemnities must be obtained from the organisation or individuals absolving the Trust from responsibility for any loss.

6.4.5 Where cash collection is undertaken by an external organisation, this shall be subject to such security and other conditions as required by the CFO.

6.4.6 Any loss or shortfall of cash, cheques or other negotiable instruments, however occasioned shall be reported immediately in accordance with the agreed procedure for reporting losses (see also SFI 13 - Disposals and Condemnations, Losses and Special Payments). Any loss or surplus of cash should be immediately reported to the CFO.

6.4.7 All payments made on behalf of the Trust to third parties should normally be made using the Bankers Automated Clearing System (BACS), through the Trust's Commercial and Government Banking Systems or by crossed cheque and drawn in accordance with these instructions, except with the agreement of the CFO, as appropriate, who shall be satisfied about security arrangements.

7 CONTRACTS WITH COMMISSIONERS

7.1 The Chief Executive, supported by the CFO, is responsible for negotiating contracts with commissioners for the provision of services to patients in accordance with the Business Plan.

7.2 These contracts are legally binding and appropriate legal advice identifying the Trust's liabilities under the terms of the contract should be considered.

7.3 In carrying out these functions, the Chief Executive should take into account the advice of the CFO regarding:

(a) costing and pricing of services;

(b) payment terms and conditions;

(c) billing systems and cash flow management;

(d) any other matters of a financial nature;

(e) the contract negotiation process and timetable;

(f) the provision of contract data;

(g) contract monitoring arrangements;

(h) amendments to contracts and

(i) any other matters relating to contracts of a legal or non-financial nature.

7.4 The Trust will maintain a public and up-to-date schedule of the authorised goods and services which are being currently provided.

8 TERMS OF SERVICE AND PAYMENT OF DIRECTORS AND OFFICERS

8.1 REMUNERATION AND TERMS OF SERVICE

8.1.1 In accordance with the Constitution, the Board of Directors shall establish an Executive Remuneration Committee of Non-executive Directors to decide the remuneration and allowances, and the other terms and conditions of office, of the Executive Directors.

8.2 FUNDED ESTABLISHMENT

8.2.1 The workforce plans incorporated within the annual budget will form the funded establishment.

8.2.2 The funded establishment of any department may not be varied without the approval of the Chief Executive or other Executive Director and, where appropriate, the approval of a business case by the Board of Directors.

8.3 STAFF APPOINTMENTS

8.3.1 No director or officer may engage, re-engage, or regrade officers, either on a permanent or temporary nature, or hire agency staff, or agree to changes in any aspect of remuneration:

(a) unless authorised to do so by the Chief Executive or other Executive Director; and

(b) unless within the limit of the approved pay budget, funded establishment and compliant with the Trust's policies and procedures.

8.3.2 The Executive Directors will approve procedures for the determination of commencing pay rates, condition of service, etc, for staff, including local terms and conditions.

8.4 PROCESSING OF PAYROLL

8.4.1 The Director of Workforce & Organisation Development is responsible for:

(a) specifying timetables for submission of properly authorised time records and other notifications;

(b) the final determination of pay;

(c) making payment on agreed dates; and

(d) agreeing method of payment.

8.4.2 The Director of Workforce & Organisation Development will issue instructions, in conjunction with the CFO and payroll provider as required, regarding:

(a) verification and documentation of data;

(b) the timetable for receipt and preparation of payroll data and the payment of officers;

(c) security and confidentiality of payroll information;

(d) checks to be applied to completed payroll before and after payment;

(e) authority to release payroll data under the provisions of the Data Protection Act;

(f) methods of payment available to various categories of officer;

(g) procedures for payment by cheque, bank credit, or cash to officers;

(h) pay advances and their recovery;

(i) separation of duties of preparing records and handling cash; and

(j) a system to ensure the recovery from leavers of sums of money and property due by them to the Trust.

8.4.3 The CFO will issue instructions in conjunction with the payroll provider as required, regarding:

a) maintenance of subsidiary records for superannuation, income tax, social security and other authorised deductions from pay;

b) procedures for the recall of cheques and bank credits

c) maintenance of regular and independent reconciliation of pay control accounts

8.4.4 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 procedures defined by the Director of Workforce & Organisation Development; and

(c) submitting termination forms in the prescribed form immediately upon knowing the effective date of an employee's resignation, termination or retirement. Where an employee fails to report for duty in circumstances that suggest they have left without notice, the Director of Workforce & Organisation Development must be informed immediately.

8.4.5 Regardless of the arrangements for providing the payroll service the Director of Workforce & Organisation Development, with support from the CFO, shall ensure that the chosen method is supported by appropriate (contracted) terms and conditions, adequate internal controls and audit review procedures and that suitable arrangements are made for the collection of payroll deductions and payment of these to appropriate bodies.

8.5 CONTRACTS OF EMPLOYMENT

8.5.1 It is the responsibility of the Director of Workforce & Organisation Development to:

(a) ensure that all officers are issued with a Statement of Terms and Conditions of Service in a form approved by the Board of Directors and which complies with employment legislation; and

(b) deal with variations to, or termination of, terms and conditions of employment.

9 NON-PAY EXPENDITURE

9.1 DELEGATION OF AUTHORITY

9.1.1 The Board of Directors will approve the level of non-pay expenditure on an annual basis and the Chief Executive will determine the level of delegation to budget managers prior to the start of the financial year to which the budget relates.

9.1.2 The Chief Executive will set out in the Scheme of Delegation:

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

(b) the maximum level of each requisition and the system for authorisation above that level.

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

9.2 CHOICE, REQUISITIONING, ORDERING, RECEIPT AND PAYMENT FOR GOODS AND SERVICES

9.2.1 The requisitioner, in choosing the item to be supplied (or the service to be performed), shall always obtain the best value for money for the Trust. In so doing, the advice of the Trust's Head of Procurement shall be sought.

9.2.2 Wherever appropriate, the supply of goods and services shall be covered by a contract following a tender exercise.

9.2.3 There will be no requirement to obtain formal tenders or quotations where the Trust is dealing with a body or other entity which has, on the Trust's behalf, complied with the applicable laws in relation to the supply of goods and services.

9.2.4 The CFO shall be responsible for the prompt payment of all authorised accounts and claims. Payment of contract invoices shall be in accordance with contract terms.

9.2.5 The CFO will:

(a) advise the Board of Directors regarding the setting of thresholds above which quotations (competitive or otherwise) or formal tenders must be obtained; and, once approved, the thresholds should be incorporated in the Scheme of Delegation 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 designing and maintaining a system of verification, recording and payment of all amounts payable. The system shall provide for:

(i) A list of directors/officers (including specimens of their signatures) authorised to certify invoices.

(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 time sheets, 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;
- 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) A timetable and system for submission to the CFO of accounts for payment; provision shall be made for the early submission of accounts subject to cash discounts or otherwise requiring early payment.

(iv) Instructions to officers regarding the handling and payment of accounts within the Finance Department.

(d) be responsible for ensuring that payment for goods and services is only made once the goods and services are received, (except as below).

9.2.6 Non-routine prepayments (excluding maintenance contracts) are only permitted where the financial advantages outweigh the disadvantages and the intention is not to circumvent cash limits;

In such instances:

(a) the appropriate Director must approve, in the form of a written report, a case setting out all relevant circumstances of the purchase, before authorisation by the CFO. The report must set out the effects on the Trust if the supplier is at some time during the course of the prepayment agreement unable to meet their commitments;

(c) the CFO will need to be satisfied with the proposed arrangements before contractual arrangements proceed; and

(d) the budget holder is responsible for ensuring that all items due under a prepayment contract are received and they must immediately inform the appropriate Director or Chief Executive if problems are encountered.

9.2.7 Official Orders must:

(a) be consecutively numbered;

(b) be in a form approved by the CFO;

(c) state the Trust's terms and conditions of trade; and

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

9.2.8 Managers and budget holders must ensure that they comply fully with the guidance and limits specified by the CFO and that:

(a) all contracts [other than for a simple purchase permitted within the Scheme of Delegation or delegated budget], leases, tenancy agreements and other commitments which may result in a liability are notified to the CFO in advance of any commitment being made;

(b) Managers must have due regard to the Trust's Managing Conflicts of Interest policy and if a potential conflict of interest arises should refer the matter to the CFO for advice. Declarations of Interest must be made in line with guidance in the Standing Orders (DN142) and Managing Conflicts of Interest (DN313);

(c) no requisition/order is placed for any item or items for which there is no budget provision unless authorised by the CFO on behalf of the Chief Executive;

(d) 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 and those by the purchasing card; using the Purchasing Card Procedure;

(e) verbal orders must only be issued very exceptionally - by an officer designated by the Chief Executive and only in cases of emergency or urgent necessity. These must be confirmed by an official order and clearly marked "Confirmation Order";

(f) orders are not split or otherwise placed in a manner devised so as to avoid the financial thresholds;

(g) goods are not taken on trial or loan in circumstances that could commit the Trust to a future uncompetitive purchase and all trials or loans must be referred to the relevant Directorate manager, in accordance with local procedures;

(h) changes to the list of directors/officers authorised to certify invoices are notified to the Finance Department;

(i) purchases from petty cash are restricted in value and by type of purchase in accordance with instructions issued by the CFO;

(j) petty cash records are maintained in a form as determined by the CFO;

(k) no requisition/order is raised unless it is possible to evidence compliance to the rules as set out in this document;

(l) all budget holders must ensure that there are monitoring mechanisms in place for any contract that poses a risk to the Trust should the supply chain suffer interruption; and

(j) they use the NHS Spend Controls pipeline process to request spend approval from the Cabinet Office for commercial activities with an estimated whole life cost of £20 million or over (excluding VAT)

9.2.9 The technical audit of building and engineering contracts shall be the responsibility of the relevant senior manager. The CFO shall ensure that the arrangements for financial control and financial audit of building and engineering contracts and property transactions comply with best practice.

9.3 TENDERING OF GOODS AND SERVICES

(This section should be read in conjunction with the Trust's operational procedures for Tendering of Goods and Services. References to Regulations will be subject to revision according to the requirements of UK legislation).

9.3.1 General Applicability

Summary Table of Types of Procedure and Financial Limits

When the total life value of the proposed contract (including possible extensions) does not exceed £12,000 then the procedure is as summarised in the table below:

	Tender	Quotation
Revenue	≥ £12,000 Procurement process to be carried by the Procurement team	Less than £12,000 At least 1 written quotation to be obtained

Capital	≥ £12,000 Procurement process to be carried out by the Procurement team	Less than £12,000 At least 1 written quotation to be obtained

Amounts are inclusive of VAT and apply to both capital and revenue.

9.3.2 **Duty to comply with Standing Orders and Standing Financial Instructions**

The procedure for making all contracts by or on behalf of the Trust shall comply with the Standing Orders and Standing Financial Instructions (except where Suspension of Standing Orders is applied).

9.3.3 **Regulations Governing Public Procurement**

The Procurement Act 2023 promulgated by the Cabinet Office prescribing procedures for awarding all forms of contracts shall have effect as if incorporated in the Standing Orders and Standing Financial Instructions.

Nothing in these Standing Financial Instructions can override the Procurement Act 2023.

9.4 FORMAL COMPETITIVE TENDERING

9.4.1 **Procurement over £12,000**

The Trust will adopt formal tendering procedures for all procurements in excess of an estimated value of £12,000 including VAT (and in some cases for lower value procurement which has been considered to be potentially complex or high risk by the Head of Procurement or relevant divisional lead).

However, the extent and complexity of the documentation should be no greater than is necessary for the nature or value of the requirements. Procurements between £12,000 and £135,018 including VAT (or the Threshold stated in the Government Procurement Agreement) should be carried out as an open process, without the use of a pre selection stage and advertised on the e-notice platform Contracts Finder unless the Trust is procuring from a framework.

Any tender process over the threshold of £135,018 including VAT, or as set out in the Government Procurement Agreement, shall also require an opportunity notice to be published on the 'find a tender' e-notice platform unless the Trust is procuring from a framework.

9.4.2 **Public Contracts Regulations**

The tender process and timescales are governed by the Procurement Act 2023. Failure to comply with the relevant regulations carries severe penalties.

The scope of products and services that must be quoted or tendered is:

- the supply of goods, material and manufactured articles;
- the rendering of services including all forms of management consultancy services;

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

9.4.3 **Contract Award Notice**

A contract award notice must be published on the appropriate e-notice platform for any tender process completed over the value of £12,000 including VAT. This includes any framework call off over that value but does not include any awards made via the waiver process.

9.4.4 **Fair and Adequate Competition**

Except where the suspension of Standing Orders applies, the Trust shall ensure that invitations to tender are sent to a sufficient number of firms/individuals to provide fair and adequate competition as appropriate, and in no case less than three firms/individuals, having regard to their capacity to supply the goods or materials or to undertake the services or works required.

The limited application of the single tender rules should not be used to avoid competition or for administrative convenience or to further award work to a contractor originally appointed through a competitive process.

9.4.5 **Building and Engineering Construction Works**

Competitive tendering cannot be waived for building and engineering construction works and maintenance without the approval of the executive and regulator where required.

9.4.6 **Items which subsequently breach Thresholds after Original Approval**

Items estimated to be below the limit set in these Standing Financial Instructions for which tendering procedures are not used, which subsequently prove to have a value above such limits, shall be reported to the Chief Executive and be recorded in an appropriate Foundation Trust record. A tender process will need to be carried out to put in place a new agreement.

9.4.7 **Tender reports to the Trust Board**

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

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

The Chief Executive shall ensure that appropriate checks are carried out as to the technical and financial capability of those firms that are invited to tender or quote.

9.4.9 **Discrimination**

Firms tendering shall ensure that when engaging, training, promoting or dismissing employees or in any conditions of employment, shall not discriminate on such grounds as race, gender, disability, sexual orientation, age, religion or belief in

accordance with the provisions of current equality and diversity legislation and any amending and/or related legislation.

9.4.10 **Health & Safety**

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

9.4.11 **Bribery Act**

Firms tendering will conform to the requirements of the Bribery Act 2010.

9.4.12 **Social Value**

Social Value must be explicitly evaluated in all procurement and commissioning activity where the requirements are related and proportionate to the subject matter of the contract. A minimum of 10% of the scores allocated in procurements over £139,688 must be allocated to Social Value initiatives.

9.4.13 **Contract performance**

Monitoring of performance against the contract shall be the responsibility of the Budget holder or delegated representative and in accordance with the procedures set out by the Government Commercial Function when appropriate. The person responsible shall ensure that Key Performance Indicators are used where relevant to monitor contract performance and that there are escalation procedures in place in the event of supplier poor performance.

9.5 QUOTATIONS: COMPETITIVE AND NON-COMPETITIVE

9.5.1 **General Position on Quotations**

Quotations are required where tendering procedures are not adopted under 9.4.1 above and where the intended expenditure or income is lower than £12,000 (inclusive of VAT)**.**

9.5.2 **Quotations**

Quotations should be in writing unless the Chief Executive or their nominated officer determines that this is impractical, in which case quotations may be obtained by telephone. Confirmation of telephone quotations should be obtained as soon as possible and the reasons why the telephone quotation was obtained should be set out in a permanent record.

All quotations should be treated as confidential and should be retained for inspection by the requestor or passed to the Procurement Team for storage.

9.5.3 **Non-Competitive Quotations**

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

a) the supply of goods/services of a special character for which it is not, in the opinion of the Chief Executive or their nominated officer, possible or desirable to obtain competitive quotations. These goods/services are referred to in Schedule 2 of the Procurement Act 2023;
b) the supply of goods/services of any kind which are required for reasons of extreme urgency brought about by events unforeseeable by the Trust and not obtainable under existing contracts. This is not for goods/services that could have been ordered had planning been put in place;

Where the goods or services are for building and engineering maintenance, the responsible works manager must certify that (a) applies.

9.5.4 **Quotations to be within Financial Limits**

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

9.6 AUTHORISATION OF TENDERS AND COMPETITIVE QUOTATIONS

9.6.1 Providing all the conditions and circumstances set out in these Standing Financial Instructions have been fully complied with, formal authorisation and awarding of a contract may be decided by those staff as defined within the Trust's Scheme of Delegation.

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

9.6.3 Formal authorisation must be put in writing. In the case of authorisation by the Board of Directors this shall be recorded in their minutes.

9.7 INSTANCES WHERE FORMAL COMPETITIVE TENDERING OR COMPETITIVE QUOTATION IS NOT REQUIRED

9.7.1 Competitive tendering procedures may be waived by officers to whom powers have been delegated by the Chief Executive without reference to them in the following cases. In each case, a Waiver of Tender request document must be completed and supporting evidence provided to support the request. Each waiver will be risk assessed by the procurement team before being passed to the Chief Executive, or delegated person, for a decision on whether to proceed. Only waivers that meet the criteria set out in Schedule 5 of the Procurement Act 2023 shall be considered (https://www.legislation.gov.uk/ukpga/2023/54/schedule/5).

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The limited application of the non-competitive tender rules should not be used to avoid competition or for administrative convenience or to award further work to a firm/individual originally appointed through a competitive procedure.

9.7.2 Where competitive tendering or a competitive quotation is not required the Trust should adopt one of the following alternatives:

(a) the Trust shall use the NHS Supply Chain or nationally/regionally negotiated framework for procurement of all goods and services unless the Chief Executive or nominated officers deem it inappropriate. The decision to use alternative sources must be documented.

(b) if the Trust does not use the NHS Supply Chain - where tenders or quotations are not required, because expenditure is below the defined threshold, the Trust shall procure goods and services in accordance with procurement procedures approved by the CFO.

9.8 COMPLIANCE REQUIREMENTS FOR ALL CONTRACTS

9.8.1 The Board of Directors shall comply with:

(a) The Trust's Standing Orders and Standing Financial Instructions;

(b) the Public Contracts Regulations, in particular note that all contracts shall provide for 30-day payment terms for undisputed invoices;

(c) any relevant directions issued by the Regulator or the Department of Health

(d) such of the NHS Standard Contract Conditions as are applicable.

(e) contracts with other Foundation Trusts must be in a form compliant with appropriate NHS guidance.

(f) where appropriate, contracts shall be in or embody the same terms and conditions of contract as was the basis on which tenders or quotations were invited.

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

9.9 ENGAGING STAFF INCLUDING AGENCY, TEMPORARY STAFF AND MANAGEMENT CONSULTANTS

9.9.1 The Chief Executive shall nominate officers with delegated authority to enter into contracts of employment, regarding staff, agency staff, temporary staff service contracts and contracts for management consultants.

9.9.2 All management consultant contracts will conform to the Regulator's management consultancy cap.

Advance approval must be secured from the Regulator for all NHS foundation trusts in receipt of interim support from the Department of Health and Social Care or those that are in breach of their licence for financial reasons, before:

- new contracts for consultancy projects over £50,000 are signed;
- existing contracts are extended or varied, incurring additional expenditure to which the Trust is not already committed (where the total contract value exceeds £50,000).

All other NHS foundation trusts are strongly encouraged to comply with the above process.

For all new engagements and contract renewals:

- the Trust will carry out an IR35 assessment in line with HMRC guidance to determine whether an engagement will fall within IR35 rules or outside of IR35 rules. Only engagements outside of IR35 rules will be approved. Management consultants assessed as inside of IR35 rules will be employed through the Trust's payroll as bank staff.
- board members and senior officials with significant financial responsibility should be on the Trust's payroll, unless there are exceptional circumstances. In these cases, the Accounting Officer should approve the arrangement and such exceptions should exist for no longer than a six-month period;

The Trust will require that the tax and NICS obligations of the individuals being engaged comply with in HMRC's off-payroll guidance 'Working Rules (IR35) for Public Authorities'.

9.9.3 All agency appointments will comply with the Regulator's rules including quality exceptions on agency caps unless notified to the Regulator where price caps are exceeded. This includes compliance with any national rules regarding agency use for particular staff groups, compliance with any agency expenditure limits set by NHS England and use of approved framework providers. All procurement for approved framework agreements must comply with price caps and maximum wage rates. Details of shifts where workers are no procured from agencies on approved frameworks will be notified to the Regulator. Details can be found here https://www.england.nhs.uk/reducing-expenditure-on-nhs-agency-staff-rules-and-price-caps/#rules-and-price-caps.

9.9.4 The maximum charge for agency staff is set out by NHS England (https://www.england.nhs.uk/reducing-expenditure-on-nhs-agency-staff-rules-and-price-caps/#rules-and-price-caps) and amended on an annual basis.

9.10 HEALTHCARE SERVICE LEVEL AGREEMENTS

9.10.1 Service level agreements with NHS providers for the supply of healthcare services shall be drawn up in accordance with NHS Acts.

9.11 IN-HOUSE SERVICES

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

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

(a) Specification group, comprising the Chief Executive or nominated officer/s and specialist.

(b) In-house tender group, comprising a nominee of the Chief Executive and technical support.

(c) Evaluation team, comprising normally a specialist officer, a Procurement officer and a CFO representative. For services having a likely annual expenditure exceeding the figure defined within the Trust's Scheme of delegation, a non-officer member shall be a member of the evaluation team.

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

9.11.4 The evaluation team shall make recommendations to the Board.

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

9.12 DISPOSALS (SEE ALSO SFI 13, DISPOSALS AND CONDEMNATIONS, LOSSES AND SPECIAL PAYMENTS)

Tendering or quotation procedures shall not apply to the disposal of:

(a) any matter in respect of which a fair price can be obtained only by negotiation or sale by auction as determined (or pre-determined in a reserve) by the Chief Executive or their nominated officer;

(b) obsolete or condemned articles and stores (including inventory), which may be disposed of in accordance with the policy of the Foundation Trust;

(c) items to be disposed of with an estimated sales value of less than £1,000 (exclusive of VAT), this figure to be reviewed periodically;

(d) items arising from works of construction, demolition or site clearance, which should be dealt with in accordance with the relevant contract;

(e) land or buildings concerning which any relevant guidance has been issued, subject to compliance with such guidance.

All disposals of items on the asset register which originally cost not less than £5,000 must be notified to the Finance Department.

9.13 CONFIDENTIALITY OF CONTRACT INFORMATION

All documentation and minutes relating to contract prices shall at all times be treated as private and confidential.

9.14 APPLICABILITY OF SFIs ON TENDERING AND CONTRACTING TO CHARITABLE FUNDS

These Instructions shall not only apply to expenditure from Exchequer funds but also to works, services and goods purchased from the funds of Royal Papworth Hospital Charity.

10 EXTERNAL BORROWING AND INVESTMENTS

The CFO will be responsible for the management of the Trust's cash flow.

10.1 EXTERNAL BORROWING

10.1.1 The Trust will secure the most preferential interest rates for borrowing.

10.1.2 The CFO 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 CFO is also responsible for reporting periodically to the Board of Directors concerning the originating debt and all loans, overdrafts and associated interest.

10.1.3 Any application for new borrowing will only be made by the CFO or by an officer so delegated by him/her, following approval by the Board of Directors (or otherwise with the appropriate level of delegated authority).

10.1.4 The CFO must prepare detailed procedural instructions concerning applications for new borrowing, which comply with instructions issued by the Regulator.

10.2 INVESTMENTS

10.2.1 Temporary cash surpluses must be held only in such investments as approved by the Board of Directors and within the terms of the Trust's Treasury Management Policy (DN197).

10.2.2 The CFO is responsible for advising the Board of Directors on investments and shall report periodically to the Board of Directors concerning the performance of investments held.

10.2.3 The Board of Directors will approve policies concerning all external borrowing and investments. The CFO will prepare detailed procedural instructions concerning all external borrowing and investments and the records to be maintained.

11 CAPITAL INVESTMENT, PRIVATE FINANCING, CAPITAL ASSET REGISTERS AND SECURITY OF ASSETS

11.1 REVENUE AND CAPITAL INVESTMENT

11.1.1 The Investment Group, supported by the CFO:

(a) shall ensure that there is an adequate appraisal and approval process in place for determining revenue and capital investment priorities and the effect of each proposal upon business plans;

(b) is ultimately responsible for the management of all stages of revenue and capital investment schemes and for ensuring that schemes are delivered on time and to cost. The Project Manager has day to day responsibility for ensuring that schemes are delivered on time and to cost; and

(c) shall ensure that the revenue and capital investment is not undertaken without confirmation of the availability of resources to finance all revenue consequences.

11.1.2 For revenue and capital investment proposals Divisional and Directorate Managers shall ensure:

(a) that an Authority to Invest Request (ATIR) is prepared, in line with the guidance contained within the Investment Group Policy, Procedures and Terms of Reference is produced setting out:

(i) an option appraisal of potential benefits compared with known costs to determine the option with the highest ratio of benefits to costs; and

(ii) this should be supported by appropriate project management and control arrangements;

(b) that the ATIR has been certified as identified on the Form;

(c) that where appropriate the ATIR is submitted to and approved by the Performance Committee or Board of Directors; and

(d) that all proposals to lease, hire or rent capital assets have been subject to appraisal of their impact on the Trust's ability to achieve its financial targets and where appropriate subject to legal advice from the Trust's legal advisor on the terms of the proposed contract.

11.1.3 For capital schemes where the contracts stipulate stage payments, the Chief Executive will issue procedures for their management.

11.1.4 The CFO shall assess the requirement for the operation of the construction industry tax deduction scheme in accordance with HM Revenue & Customs guidance.

11.1.5 The CFO shall issue procedures for the regular reporting of expenditure and commitment against authorised expenditure.

11.1.6 The approval of a revenue and capital investment shall not constitute approval for expenditure on any scheme.

11.1.7 The Chief Executive or the CFO on their behalf, 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.

11.1.8 The CFO shall issue procedures governing the financial management, including variations to contract, of revenue and capital investment projects and valuation for accounting purposes.

11.1.9 Where the revenue and capital investment constitutes an extraordinary investment or significant transaction as set out in the Investment Group Policy, Procedures and Terms of Reference the additional review and assessment process identified must be followed.

11.2 PRIVATE FINANCE INITIATIVE FUNDING

11.2.1 The Foundation Trust may market-test for PFI (Private Finance Initiative funding) when considering capital procurement. When the Board proposes, or is required, to use finance provided by the private sector the following procedures shall apply:

(a) The CFO shall demonstrate that the use of private finance represents value for money and genuinely transfers significant risk to the private sector.

(b) Where the sums exceed delegated limits, a business case must be referred to the appropriate area of the Department of Health and/or NHS England as relevant for approval or dealt with in line with current guidelines.

(c) The proposal must be specifically agreed by the Board of Directors.

(d) The selection of a contractor / finance company must be on the basis of competitive tendering or quotations (see also SFI 9 and the Tendering and Contracting Procedure).

The roles and responsibilities of those involved in prospective private finance initiative (PFI) schemes shall be in accordance with the requirements of the Regulator.

Ultimately, it is the role of the Board of Directors to approve or reject the proposal.

11.3 ASSET REGISTERS

11.3.1 The Chief Executive is responsible for the maintenance of registers of assets, taking account of the advice of the CFO concerning the form of any register and the method of updating, and arranging for a physical check of assets against the asset register to be conducted once a year.

11.3.2 The Trust shall maintain a publicly available asset register as required under condition CoS2 of the licence, in accordance with guidance issued by NHS Improvement. This includes but is not limited to land, leases, buildings, plant and equipment, that is needed for the provision of any mandatory goods and services (including health) or mandatory education and training, as defined in the Trust's Terms of Administration.

11.3.3 The Trust may not dispose of any assets which could affect the delivery of Commissioner Requested Services without the approval of NHS England. This includes the disposal of part of the property or granting an interest in it. Where protected property is lost or disposed of, the value must be removed from the accounting records and each disposal must be validated by reference to authorisation documents and invoices (where appropriate).

11.3.4 The CFO shall approve procedures for reconciling balances on property accounts in ledgers against balances on property registers.

11.4 SECURITY OF ASSETS

11.4.1 The overall control of all assets is the responsibility of the Chief Executive.

11.4.2 Asset control procedures (including protected capital assets, non-protected assets, cash, cheques and negotiable instruments, and also including donated assets) must be approved by the CFO. 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) the asset replacement policy and

(h) reporting, recording and safekeeping of cash, cheques, and negotiable instruments.

11.4.3 All discrepancies revealed by verification of physical assets to capital asset register shall be notified to the CFO.

11.4.4 Asset control procedures for IT equipment and other non-capital equipment must be approved by the Chief Operating 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) the asset replacement policy

11.4.5 Whilst each officer has a responsibility for the security of property of the Trust, it is the responsibility of directors and senior officers in all disciplines to apply such appropriate routine security practices in relation to property of the Trust as may be determined by the Board of Directors. Any breach of agreed security practices must be reported in accordance with instructions.

11.4.6 Any damage to the Trust's premises, vehicles and equipment, or any loss of equipment, stores or supplies must be reported by directors and officers in accordance with the procedure for reporting losses.

11.4.7 Where practical, assets shall be marked as Trust property.

12 STORES AND RECEIPT OF GOODS

12.1 The CFO shall set out procedures and systems to regulate stores including:

(a) records for receipt of goods, issues, and returns to stores

(b) stocktaking arrangements (to include the requirement for a physical check covering all items in store at least once a year)

(c) stock valuation

(d) the review of slow moving and obsolete items and for condemnation, disposal, and replacement of all unserviceable articles.

12.2 Subject to the responsibility of the CFO for the systems of control, overall responsibility for the control of stores shall be delegated to an officer by the Chief Executive. The day-to-day responsibility may be delegated by them to

departmental officers and stores managers/keepers, subject to such delegation being entered in a record available to the CFO. The control of pharmaceutical stocks shall be the responsibility of a designated Pharmaceutical Officer; the control of fuel oil and coal of a designated Estates Manager.

12.3 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 shall be marked as property of the Trust.

13 DISPOSALS AND CONDEMNATIONS, LOSSES AND SPECIAL PAYMENTS

[See also Scheme of Delegation 11]

13.1 DISPOSALS AND CONDEMNATIONS

13.1.1 The CFO must prepare detailed procedures for the disposal of assets including condemnations, and ensure that these are notified to managers.

13.1.2 When it is decided to dispose of a Trust asset, the head of department or authorised deputy will determine and advise the CFO of the estimated market value of the item, taking account of professional advice where appropriate.

13.1.3 All unserviceable articles shall be:

(a) condemned or otherwise disposed of by an officer (the Condemning Officer) authorised for that purpose by the CFO;

(b) recorded by the Condemning Officer in a form approved by the CFO which will indicate whether the articles are to be converted, destroyed or otherwise disposed of. All entries shall be confirmed by the countersignature of a second officer authorised for the purpose by the CFO.

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

13.2 LOSSES AND SPECIAL PAYMENTS

13.2.1 The CFO must prepare procedural instructions on the recording of and accounting for condemnations, losses, and special payments.

13.2.2 Any officer discovering or suspecting a loss of any kind must either immediately inform their head of department, who must immediately inform the CFO or inform an officer charged with responsibility for responding to concerns involving loss confidentially. This officer will then appropriately inform the CFO. Where a criminal offence is suspected, the CFO must immediately invoke the Trust's Counter-Fraud and Bribery Policy, inform the Local Security Manager and the police if theft or arson is involved. For minor break-ins etc. the appropriate Duty Manager or Security Officer is responsible for informing the police and thereafter the CFO.

13.2.3 For losses apparently caused by theft, fraud, arson, neglect of duty or gross carelessness, except if trivial, the CFO must immediately notify:

(a) the Board of Directors;

(b) the Local Counter Fraud Specialist; and

(c) the Local Security Manager.

13.2.4 For losses apparently caused through inefficient operation of administrative controls or financial control systems or any other losses the Chief Executive or CFO shall review the reasons for the loss and take action to amend the relevant systems and/or such other action as appropriate.

13.2.5 Within limits established by the Trust, the CFO shall approve the writing-off of bad debts.

13.2.6 The CFO shall take any necessary steps to safeguard the Trust's interests in bankruptcies and company liquidations.

13.2.7 For any loss, the CFO shall consider whether any insurance claim can be made.

13.2.8 The CFO shall maintain a Losses and Special Payments Register in which write-off action is recorded. This register must be reported to the Audit Committee at least once a year.

14 INFORMATION TECHNOLOGY

14.1 The CFO, who is responsible for the accuracy and security of the computerised financial data of the Trust, shall:

(a) ensure that adequate (reasonable) controls exist over data entry, processing, storage, transmission and output to ensure security, privacy, accuracy, completeness, and timeliness of the financial data, as well as the efficient and effective operation of the system;

(b) ensure that an adequate management (audit) trail exists through the computerised system and that such computer audit reviews as they may consider necessary are being carried out.

14.2 The Chief Information Officer shall:

(a) devise and implement any necessary procedures to ensure adequate (reasonable) protection of the Trust's data, programs and computer hardware for which they are responsible from accidental or intentional disclosure to unauthorised persons, deletion or modification, theft or damage, having due regard for the Data Protection Act 2018; and

(b) ensure that adequate controls exist such that the computer operation is separated from development, maintenance and amendment.

14.3 The CFO shall satisfy themself that new financial systems and amendments to current financial systems are developed in a controlled manner and thoroughly tested prior to implementation. Where this is undertaken by another organisation, assurances of adequacy will be obtained from them prior to implementation.

14.4 The CFO 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 shall also ensure rights of access for audit purposes.

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

14.6 Where computer systems have an impact on corporate financial systems the CFO shall be satisfied that:

(a) systems acquisition, development and maintenance are in line with corporate policies such as the Trust’s Digital Strategy;

(b) data produced for use with financial systems is adequate, accurate, complete and timely, and that a management (audit) trail exists;

(c) appropriate finance staff have access to such data; and

(d) such computer audit reviews as are considered necessary are being carried out; and

(e) any changes to such systems shall be notified to and approved by the CFO.

14.7 The Chief Information Officer shall ensure that system acquisitions, developments and maintenance are in line with corporate policies.

14.8 The Chief Information Officer shall ensure that all computer software held by the Trust is properly licensed and operated in accordance with the terms of the license.

15 PATIENTS' PROPERTY

15.1 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.

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

- notices and information booklets,
- hospital admission documentation and property records,
- the oral advice of administrative and nursing staff responsible for admissions,

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.

15.3 The Chief Nurse 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 shall be exercised in the management of patient monies in order to maximise the benefits to the patient.

16 CHARITABLE FUNDS (FUNDS HELD ON TRUST)

16.1 INTRODUCTION

16.1.1 Standing Orders (SOs) identify the Trust's responsibilities as a Corporate Trustee for the management of charitable funds and define how those responsibilities are to be discharged. They explain that although the management processes may overlap with those of the organisation of the Trust, the Trustee responsibilities must be discharged separately, and full recognition given to the accountability to the Charity Commission for charitable funds.

16.1.2 The reserved powers of the Board and the Scheme of Delegation make clear where decisions regarding the exercise of dispositive discretion are to be taken and by whom. Directors and officers must take account of that guidance before taking action. SFIs are intended to provide guidance to persons who have been delegated to act on behalf of the Corporate Trustee.

16.1.3 As management processes overlap most of the sections of these SFIs will apply to the management of funds held on trust. This section covers those instructions which are specific to the management of funds held on trust.

16.1.4 The over-riding principle is that the integrity of each fund must be maintained, and statutory and fund obligations met. Materiality must be assessed separately from Exchequer activities and funds.

16.2 CHARITY RECORDS

16.2.1 The CFO shall maintain such accounts and records as are necessary to record and protect all transactions and funds of the charitable fund, as a Trustee of non-exchequer funds, including an Investments Register. These accounts and records shall be maintained in accordance with legislative requirements.

16.2.2 All share and stock certificates and property deeds shall be deposited with the either Trust's bankers, investment advisers or in a safe, or compartment within a safe, to which the CFO will have access.

16.2.3 The CFO or nominated deputy will present the financial position of the Charity at the Charitable Funds Committee meetings.

16.2.4 The Charitable Funds audited annual accounts and annual report must be presented to the Trustee Board for approval.

16.2.5 The CFO shall prepare detailed procedural instructions concerning the receiving, recording, investment and accounting for charitable funds.

16.2.6 Royal Papworth Charity shall keep an appropriate record of all legacy notifications. After the death of a testator all correspondence concerning a legacy shall be dealt with on behalf of the charitable fund by the Charity Office who will act in accordance with Donation Acceptance and Refusal Policy RPC004.

16.2.7 All donated equipment accepted shall be received and held by the Trust and administered in accordance with the Charity's policy, subject to any specific terms of the gift. As the Trust can accept donated equipment only for purposes relating to the Health Service, officers shall follow the Donation Acceptance and Refusal Policy before accepting any gifts. All donations of money and proceeds of fund-raising activities shall be banked, without delay, into the Charitable Fund Bank Account.

16.3 MANAGEMENT OF CHARITABLE FUNDS

16.3.1 The Charitable Funds Committee, a Committee of the Trustee Board, will run the procurement of investment manager(s) for final approval by the Trustee Board. The Charitable Funds Committee has delegated responsibility to monitor the performance of the portfolio(s). The Investment Policy is drafted and reviewed by the Charitable Funds Committee for final approval by the Trustee Board. Charitable Funds shall then be invested by a duly appointed investment manager in accordance with this policy and subject to statutory requirements.

16.3.2 Where it becomes necessary for the Charity to obtain Grant of Probate, to make application for grant of letters of administration, or other acceptance authorisation in order to obtain a legacy or donation due to the Charity, the Head of Business Services shall be the Charity's nominee for the purpose.

16.3.3 Application for funds from external grants, partnerships, foundations and trusts shall be authorised by the Head of Business Services on behalf of the Trustee Board.

16.3.4 For any fundraising activities which involve the use of fund-raising consultants, a formal agreement shall be drawn up for approval by the Charitable Funds Committee.

16.3.5 Fundraising activity will be monitored and reviewed by the Charitable Funds Committee.

16.4 EXPENDITURE OF CHARITABLE FUNDS

16.4.1 Expenditure of any charitable funds shall be conditional upon the item being within the terms of the appropriate donation, the purpose of the charity, and in accordance with RPC006 Grant Giving Policy.

16.4.2 Expenditure from Charitable Funds must be authorised by the Trustee Board either directly or, within the delegated limits defined within the Grant Giving Policy. The Charitable Funds Committee have delegated responsibility to monitor and approve the training and the addition and removal of fund signatories to charitable funds.

17 RETENTION OF DOCUMENTS

17.1 The Chief Executive shall be responsible for defining retention periods and maintaining archives for all documents required to be retained in line with guidance from the Department of Health.

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

17.3 Documents so held shall only be destroyed in line with the Trust's Records Management Policy (DN260).

18 RISK MANAGEMENT & INSURANCE

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

18.2 The programme of risk management shall include:

a) a process for identifying and quantifying risks and potential liabilities;

b) engendering among all levels of staff a positive attitude towards the control of risk;

c) management processes to ensure all significant risks and potential liabilities are addressed including effective systems of internal control, cost effective insurance cover, and decisions on the acceptable level of retained risk;

d) contingency plans to offset the impact of adverse events;

e) audit arrangements including; internal audit, clinical audit, health and safety review;

f) arrangements to review the risk management programme.

g) decision on which risks shall be insured through arrangements with either the NHS Resolution Risk Pooling Schemes or commercial insurers.

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

18.4 The Chief Nurse and Associate Director of Corporate Governance shall ensure that insurance arrangements exist in accordance with the risk management programme.

19 DECLARATION OF INTERESTS AND HOSPITALITY

19.1 ACCEPTANCE OF GIFTS AND HOSPITALITY

19.1.1 The acceptance of gifts, hospitality or consideration of any kind from contractors and other suppliers of goods or services as an inducement or reward is not permitted under the Corruption Acts 1906 and 1916 and the Bribery Act 2010. The Trust's Managing Conflicts of Interest guidance must be followed. The Managing Conflicts of Interest (DN313) is available on the Trust Intranet. The Associate Director of Corporate Governance should be contacted in the event of any query and must be notified immediately of any irregularities so that the appropriate action can be taken.

19.1.2 Where offers of goods and services do not involve inducement or reward officers should not accept gifts from commercial sources other than inexpensive articles such as calendars or diaries. If such gifts arrive unsolicited, the advice of the Associate Director of Corporate Governance should be sought.

19.1.3 The Trust's Managing Conflicts of Interest must be followed by all staff. Advice must be sought from the Associate Director of Corporate Governance who is responsible, for ensuring that registers of interests are maintained.

19.1.4 Advice on prevention and detection of bribery, including advice relating to acceptance of gifts and hospitality and further background information is provided in the Trust's Counter-Fraud and Bribery Policy.

19.2 PRIVATE TRANSACTIONS

19.2.1 Officers having official dealings with contractors or other suppliers of goods or services should avoid transacting any kind of private business with them by means other than normal commercial channels. No favour or preference as regards price or otherwise which is not generally available should be sought or accepted. For further information see the Trust's Counter-Fraud and Bribery Policy.

19.3 DECLARATION OF INTEREST

19.3.1 Guidance in the Standing Orders (DN142) and Managing Conflicts of Interest (DN313) should be followed.

Monitoring Table

What key element(s) need(s) monitoring as per local approved policy/ procedure or guidance?	Who will lead on this aspect of monitoring? Name the lead and what is the role of the multidisciplinary team or others.	What tool will be used to monitor/check/ observe/assess/ inspect/ authenticate that everything is working according to this key element from the approved policy/ procedure?	How often is the need to monitor each element? How often is the need complete a report? How often is the need to share the report?	Who or what committee will the completed report goes to. How will each report be interrogated to identify the required actions and how thoroughly should this be documented in e.g. meeting minutes.	Which committee, department or lead will undertake subsequent recommendations and action planning for any or all deficiencies and recommendations within reasonable timeframes?	How will system or practice changes be implemented the lessons learned and how will these be shared?
Element to be monitored	**Lead**	**Tool**	**Frequency**	**Reporting arrangements**	**Acting on recommendations and Lead(s)**	**Change in practice and lessons to be shared**
All	Chief Finance Officer (CFO) Associate Director of Corporate Governance	N/A	Annually	Audit Committee	Audit Committee	Any changes in practice and lessons shall be shared with the relevant internal stakeholders

Rapid Equality Impact Assessment Tool

When looking at the impact on the equality groups, you must consider the following points in accordance with General Duty of the Equality Act 2010:
In summary, those subject to the Equality Duty must have due regard to the need to:

- eliminate unlawful discrimination, harassment and victimisation;
- advance equality of opportunity between different groups; and
- foster good relations between different groups

EQUALITY IMPACT ASSESSMENT – WHAT IS THE IMPACT TO DIFFERENT GROUPS IN SOCIETY?		
If you believe there has been No impact or a Positive impact, please choose Yes for Negative impact please choose No. Please provide supporting comments, both on positive and negative impacts. You may be asked to complete a FULL EQUALITY IMPACT ASSESSMENT to understand the impact further.		**COMMENTS**
Age: Consider and detail across age ranges on old and younger people. This can include safeguarding, consent and child welfare.	Yes	N/A
Disability: Consider and detail on attitudinal, physical and social barriers.	Yes.	N/A
Race: Consider and detail on difference ethnic groups, nationalities, Roma gypsies, Irish travellers, language barriers.	Yes	N/A
Sex: Consider and detail on men and women	Yes	N/A
Gender reassignment: (including transgender) Consider and detail on transgender and transsexual people. This can include issues such as privacy of data and harassment	Yes	N/A
Sexual orientation: Consider and detail on heterosexual people as well as lesbian, gay and bi-sexual people.	Yes	N/A
Religion or belief: Consider and detail on people with different religions, beliefs or no belief.	Yes	N/A
Pregnancy and maternity: Consider and detail on working arrangements, part-time working, and infant caring responsibilities.	Yes	N/A
Marriage and civil partnership status	Yes	N/A
Environment: Consider impact on transport, energy and waste	Yes	N/A
Other identified groups: Consider and detail and include the source of any evidence on different socio-economic groups, area inequality, income, resident status (migrants) and other groups experiencing disadvantage and barriers to access.	Yes	N/A
Were any NEGATIVE impacts identified?	No	
If YES, you will need to complete a full Equality Impact Assessment. Please contact the Equality, Diversity and Inclusion team papworth.edi@nhs.net for the full assessment template.		N/A