



**Thurrock**  
***Clinical Commissioning Group***

# Standing Orders

## Scheme of Reservation & Delegation

### Standing Financial Instructions

March 2014

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## **BACKGROUND**

### **INTERPRETATION AND DEFINITIONS FOR STANDING ORDERS AND STANDING FINANCIAL INSTRUCTIONS**

Save as otherwise permitted by law, at any meeting the Chairman of the CCG shall be the final authority on the interpretation of Standing Orders (on which they should be advised by the Accountable Officer or Head of Corporate Governance).

Any expression to which a meaning is given in the National Health Service Act 1977, National Health Service and Community Care Act 1990, Health and Social Care Act 2006, as amended in the 2012 Act and other Acts relating to the National Health Service or in the Financial Regulations made under the Acts shall have the same meaning in these Standing Orders and Standing Financial Instructions and in addition:

- words importing the singular include, where the context so admits, the plural and vice versa;
- words importing the masculine include the feminine and the neuter;
- references to any statute, enactment, order, regulation or other similar instrument shall be construed as a reference to the statute, enactment, order, regulation or instrument as amended by any subsequent enactment, modification, order, regulation or instrument as subsequently amended or re-enacted.

## DEFINITIONS

<b>The 2006 Act</b>	Means the National Health Service Act 2006
<b>The 2012 Act</b>	Means the Health and Social Care Act 2012
<b>Accountable Officer</b>	means an individual who is appointed by NHS England and who may be a member or employee of the CCG or of anybody who is a Member of the CCG and whose duties and responsibilities are set out in paragraph 5 herein. This post may also referred to as the Chief Officer where the role is undertaken by the CCG's most senior manager or the Chief Clinical Officer where the role is undertaken by the Clinical Leader.
<b>Board</b>	means the appointed and/or elected members of Thurrock CCG having the duties and responsibilities as set out in the Constitution collectively as a body.
<b>Budget</b>	means a resource, expressed in financial terms, proposed by the Board for the purpose of carrying out, for a specific period, any or all of the functions of the CCG.
<b>Budget Holder</b>	means the Director or employee with delegated authority to manage finances (Income and Expenditure) for a specific area of the organisation.
<b>Chief Finance and Operating Officer</b>	Describes circumstances where a CCG has a <i>Chief Clinical Officer</i> (hence a clinician who undertakes the accountable officer role) and they decide to appoint a single individual to undertake the combined roles of the <i>Chief Operating Officer</i> and <i>Chief Finance Officer</i> .
<b>Chief Officer</b>	means an individual who is appointed by the NHS Commissioning Board and who may be a member or employee of the CCG or of anybody who is a Member of the CCG. This post is also known as the Accountable Officer, but is referred to as the Chief Officer when the role is undertaken by the CCG's most senior manager.
<b>Chief Operating Officer</b>	means the officer responsible for the day to day management of the CCG. It is the CCG's most senior manager in circumstances when the CCG has a <i>Chief Clinical Officer</i> (i.e. its clinical leader undertakes the <i>Accountable Officer</i> role)
<b>Clinical Commissioning Group</b>	means the Thurrock CCG formed in accordance with and approved by the NHS Commissioning Board. Referred to throughout this document as 'CCG'.
<b>Clinical Engagement Group</b>	means a committee whose functions are concerned with the arrangements for the purpose of monitoring and improving the quality of healthcare for which the CCG has responsibility.
<b>Commissioning</b>	means the process for determining the need for and for obtaining the supply of healthcare and related services by the CCG within available resources.
<b>Committee</b>	means a committee or sub-committee created and appointed by the CCG.
<b>Committee</b>	means persons formally appointed by the Board to sit on or to chair

<b>members</b>	specific committees.
<b>Conflict of Interest</b>	means any conflict of interest as set out in paragraph of the CCG Constitution.
<b>Contracting and procuring</b>	means the systems for obtaining the supply of goods, materials, manufactured items, services, building and engineering services, works of construction and maintenance and for disposal of surplus and obsolete assets.
<b>Executive Team</b>	The team of executive officers appointed by the board to manage day to day affairs of the CCG.
<b>Funds held on trust</b>	shall mean those funds which the CCG holds on date of incorporation, receives on distribution by statutory instrument or chooses subsequently to accept under powers derived under S.90 of the NHS Act 1977, as amended. Such funds may or may not be charitable.
<b>GDS</b>	means General Dental Services.
<b>GMS</b>	means General Medical Services.
<b>Governing Body</b>	means the body that ensures that the CCG has appropriate arrangements in place to exercise their functions effectively, efficiently and economically and in accordance with the generally accepted principles of good governance and the constitution of the CCG. The governing body is also referred to as 'the Board'.
<b>Healthcare Professional member</b>	means a member of the Executive Committee, who is a member of a regulated healthcare profession as defined by the NHS Reform and Healthcare Professions Act 2002.
<b>Locality</b>	means the locality as defined within the Constitution of the CCG.
<b>Member</b>	means officer or non-officer member of the Board or the Executive Committee as the context permits. Member in relation to the Board does not include its Chairman.
<b>Associate Member</b>	means a person appointed to perform specific statutory and non-statutory duties which have been delegated by the CCG Board for them to perform and these duties have been recorded in an appropriate CCG Board minute or other suitable record.
<b>Membership, Procedure and Administration Arrangements Regulations NHS Commissioning Board</b>	As defined and guided by NHSCB and DoH  means the body corporate as identified in the Health and Social Care Act 2011
<b>Nominated Officer</b>	means an officer charged with the responsibility for discharging specific tasks within Standing Orders and Standing Financial Instructions.
<b>Non-Officer Member</b>	means a member of the CCG who is not an officer of the CCG and is not to be treated as an officer by virtue of regulation 1(3) of the Membership, Procedure and Administration Arrangements

<b>Officer</b>	means employee of the CCG or any other person holding a paid appointment or office with the CCG.
<b>Officer member</b>	means a member of the CCG who is either an officer of the CCG or is to be treated as an officer by virtue of regulation 1(3) (i.e. the Chairman of the CCG Executive Committee or any person nominated by such a Committee for appointment as a CCG member).
<b>Part II Services</b>	means General Medical Services, General Dental Services, General Ophthalmic Services or Pharmaceutical Services under the NHS Act 1977.
<b>PDS</b>	means Primary Dental Services.
<b>PMS</b>	means Primary Medical Services.
<b>Head of Corporate Governance</b>	means a person appointed to act independently of the Board to provide advice on corporate governance issues to the Board and the Chairman and monitor the CCG's compliance with the law, Standing Orders, and Department of Health guidance.
<b>Secretary of State</b>	Means any requirements set out by the Secretary of State with regard to Health and the operation of CCG, which may be communication through or established by the NHS Commissioning Board. May be referred to as S of S.
<b>SFIs</b>	Means Standing Financial Instructions.
<b>SOs</b>	Means Standing Orders
<b>Vice Chairman</b>	means the non-officer member appointed by the Board to take on the Chairman's duties if the Chairman is absent for any reason.

## **KEY RELATIONSHIPS**

Within the scheme of delegation, it is important to emphasise the key relationships of any individual board members who may have responsibilities under these arrangements.

1. AO to Board + Membership + NHS CB
2. Chair to Board + Membership
3. COO to Board + AO
4. CFO to Board + F&P Committee +NHS CB
5. Chairs of Committees to Chair + Board
6. Audit and Gov Lay Member to Chair + Board Membership + NHS CB
7. Executive Nurse + AO / COO
8. Patient Lay Members to Chair +Membership + Patient and Public
9. Other Clinical Board Members to AO



## **SECTION B – STANDING ORDERS**

### **1 INTRODUCTION**

#### **1.1 Statutory Framework**

- a) NHS Thurrock Clinical Commissioning Group (the 'CCG') is a statutory body which came into existence on 1<sup>st</sup> April 2013 following authorisation by NHS England.
- a) The principal place of business of the CCG is Second Floor, Civic Offices, New Road, Grays, Essex RM17 6SL
- b) These standing orders have been drawn up to regulate the proceedings of the CCG so that group can fulfil its obligations, as set out largely in the 2006 Act, as amended by the 2012 Act and related regulations. They are effective from the date the group is established.
- c) The standing orders should be read on conjunction with the CCG Constitution, which also sets out the governance arrangements for both the CCG and the governing body.
- d) The standing orders, together with the CCG's constitution, scheme of reservation and delegation and the CCGs standing financial instructions, provide a procedural framework within which the group discharges its business. They set out:
  - the arrangements for conducting the business of the group;
  - the appointment of member practice representatives;
  - the procedure to be followed at meetings of the group, the governing body and any committees or sub-committees of the group or the governing body;
  - the process to delegate powers,
  - the declaration of interests and standards of conduct.
- e) These arrangements must comply, and be consistent where applicable, with requirements set out in the 2006 Act (as amended by the 2012 Act) and related regulations and take account as appropriate of any relevant guidance.
- f) The standing orders, scheme of reservation and delegation and standing financial instructions have effect as if incorporated into the CCG's constitution. CCG members, employees, members of the governing body, members of the governing body's committees and sub-committees, members of the CCG's committees and sub-committees and persons working on behalf of the group should be aware of the existence of these documents and, where necessary, be familiar with their detailed provisions. Failure to comply with the standing orders, scheme of reservation and delegation and standing financial instructions may be regarded as a disciplinary matter that could result in dismissal.

- g) The CCG will also be bound by such other statutes and legal provisions which govern the conduct of its affairs.

## **1.2 NHS Framework**

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

## **1.3 Delegation of Powers**

- a) The 2006 Act (as amended by the 2012 Act) provides the group with powers to delegate the group's functions and those of the governing body to certain bodies (such as committees) and certain persons. The group has decided that certain decisions may only be exercised by the group in formal session. These decisions and also those delegated are contained in the group's scheme of reservation and delegation.
- b) Delegated Powers are covered in a Section C of this document.

## **1.4 Integrated Governance**

- a) CCG Boards are encouraged to develop integrated governance arrangements that will lead to good governance and to ensure that decision-making is informed by intelligent information covering the full range of corporate, financial, clinical, information and research governance. Guidance from the Department of Health on the move toward and implementation of integrated governance has been issued and will be incorporated in the CCG's Risk Management Strategy (see Integrated Governance Handbook 2006). Integrated governance will better enable the Board to take a holistic view of the organisation and its capacity to meet its legal and statutory requirements and clinical, quality and financial objectives resulting in a more cost effective service and more efficient information processes.

## **2 THE CLINICAL COMMISSIONING GROUP BOARD: COMPOSITION OF MEMBERSHIP, TENURE AND ROLE OF MEMBERS**

**2.1 – 2.4 see Appendix A**

**2.6 – 2.9 see Appendix A**

### **2.10 Schedule of Matters reserved to the Board and Scheme of Delegation**

- a) The Board has resolved that certain powers and decisions may only be exercised by the Board in formal session. These powers and decisions are set out in the 'Schedule of Matters Reserved to the Board' and shall have effect as if incorporated into the Standing Orders. Those powers which it has delegated to officers and other bodies are contained in the Scheme of Delegation.

## **3 MEETINGS OF THE CCG**

**3.1 – 3.12 see Appendix A**

### **3.13 Suspension of Standing Orders**

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

### **3.14 Variation and amendment of Standing Orders**

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

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

**3.15 – 3.18 see Appendix A**

## **4 APPOINTMENT OF COMMITTEES AND SUB-COMMITTEES**

**4.1 – 4.2 see Appendix A**

### **4.3 Joint Committees**

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

**4.4 – 4.7 see Appendix A**

### **4.8 Appointments for Statutory functions**

Where the Board is required to appoint persons to a committee and/or to undertake statutory functions as required by the Secretary of State, and where such appointments are to operate independently of the Board such appointment shall be made in accordance with the regulations and directions made by the Secretary of State.

**4.9 see Appendix A**

## **5 ARRANGEMENTS FOR THE EXERCISE OF CCG FUNCTIONS BY DELEGATION**

**5.1 – 5.3 see Appendix A**

### **5.4 Delegation to officers**

- a) Those functions of the CCG which have not been retained as reserved by the Board or delegated to the Executive Committee, other committee or sub-committee or joint-committee shall be exercised on behalf of the CCG by the Accountable Officer. The Accountable Officer shall determine which functions he/she will perform personally and shall nominate officers to undertake the remaining functions for which he/she will still retain accountability to the CCG.
- b) The Accountable Officer shall prepare a Scheme of Delegation identifying his/her proposals which shall be considered and approved by the Board. The

Accountable Officer may periodically propose amendment to the Scheme of Delegation which shall be considered and approved by the Board.

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

## **5.5 Schedule of Matters Reserved to the CCG and Scheme of Delegation of powers**

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

**5.6 see Appendix A**

## **6 OVERLAP WITH OTHER CCG POLICY STATEMENTS / PROCEDURES, REGULATIONS AND THE STANDING FINANCIAL INSTRUCTIONS**

### **6.1 Policy statements: general principles**

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

### **6.2 Specific Policy statements**

Notwithstanding the application of SO No. 6.1 above, these Standing Orders and Standing Financial Instructions must be read in conjunction with the following Policy statements:

- The Standards of Business Conduct and Conflicts of Interest Policy for the CCG staff;  
Code of Conduct for NHS Managers 2002;
- ABPI Code of Professional Conduct relating to hospitality/gifts from pharmaceutical/external industry;
- The staff Disciplinary and Appeals Procedures adopted by the CCG both of which shall have effect as if incorporated in these Standing Orders.

### **6.3 Standing Financial Instructions**

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

#### **6.4 Specific guidance**

Notwithstanding the application of SO No. 6.1 above, these Standing Orders and Standing Financial Instructions must be read in conjunction with the following guidance and any other issued by the Secretary of State for Health:

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

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

**7.1.1 – 7.1.6, 7.2 & 7.3.1 – 7.3.3 - see Appendix A**

#### **7.4 Standards of Business Conduct**

##### **7.4.1 CCG Policy and National Guidance**

- a) All CCG staff and members of the Board must comply with the CCG's Standards of Business Conduct and Conflicts of Interest Policy and the national guidance contained in HSG (93) 5 on 'Standards of Business Conduct for NHS staff' (see SO 6.2), the Code of Conduct for NHS Managers 2002 and the ABPI Code of Professional Conduct relating to hospitality/gifts from pharmaceutical/external industry.

##### **7.4.2 Interest of Board members and staff in Contracts**

##### **7.4.3 Canvassing of and Recommendations by Members in Relation to Appointments**

- a) Canvassing of members of the CCG or of any Committee of the CCG directly or indirectly for any appointment under the CCG shall disqualify the candidate for such appointment. The contents of this paragraph of the Standing Order shall be included in application forms or otherwise brought to the attention of candidates.
- b) Members of the CCG or Executive Committee shall not solicit for any person any appointment under the CCG or recommend any person for such appointment; but this paragraph of this Standing Order shall not preclude a member from giving written testimonial of a candidate's ability, experience or character for submission to the CCG. Informal discussions outside appointments panels or committees, whether solicited or unsolicited, should be declared to the panel or committee.

#### **7.4.4 Relatives of Members or staff**

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

## **8 CUSTODY OF SEAL, SEALING OF DOCUMENTS AND SIGNATURE OF DOCUMENTS**

### **8.1 Custody of Seal**

The common seal of the CCG shall be kept by the Accountable Officer or a nominated Manager by him in a secure place.

### **8.2 Sealing of Documents**

Where it is necessary that a document shall be sealed, the seal shall be affixed in the presence of two senior managers duly authorised by the Accountable Officer, and not also from the originating department, and shall be attested by them.

### **8.3 Register of Sealing**

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

### **8.4 Use of Seal – General guide**

- All contracts for the purchase/lease of land and/or building
- All contracts for capital works exceeding £100,000
- All lease agreements where the annual lease charge exceeds £10,000 per annum and the period of the lease exceeds beyond five years

- Any other lease agreement where the total payable under the lease exceeds £100,000
- Any contract or agreement with organisations other than NHS or other government bodies including local authorities where the annual costs exceed or are expected to exceed £100,000

## **8.5 Signature of documents**

Where any document will be a necessary step in legal proceedings on behalf of the CCG, it shall, unless any enactment otherwise requires or authorises, be signed by the Accountable Officer or Chief Operating Officer.

## **9 MISCELLANEOUS (SEE OVERLAP WITH SFI NO 21.3)**

### **9.1 Joint Finance Arrangements**

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

See overlap with Standing Financial Instruction No. 21.3.



## SECTION C – SCHEME OF RESERVATION AND DELEGATION

REF	THE BOARD	DECISIONS RESERVED TO THE BOARD
NA	THE BOARD	<p><b><u>General Enabling Provision</u></b></p> <p>The Board may determine any matter, for which it has delegated or statutory authority, it wishes in full session within its statutory powers.</p>
NA	THE BOARD	<p><b><u>Regulations and Control</u></b></p> <p>Approve Standing Orders (SOs), a schedule of matters reserved to the Board and Standing Financial Instructions for the regulation of its proceedings and business.</p> <p>Suspend Standing Orders.</p> <p>Vary or amend the Standing Orders.</p> <p>Approve a scheme of delegation of powers from the Board to the Executive Committee and other committees.</p> <p>Require and receive the declaration of Board members' interests which may conflict with those of the CCG and, taking account of any waiver which the Secretary of State for Health may have made in any case, determining the extent to which that member may remain involved with the matter under consideration.</p> <p>Require and receive the declaration of interests that may conflict with those of the CCG.</p> <p>Approve arrangements for dealing with complaints.</p> <p>Adopt the organisation structures, processes and procedures to facilitate the discharge of business by</p>

REF	THE BOARD	DECISIONS RESERVED TO THE BOARD
		<p>the CCG and to agree modifications thereto.</p> <p>Receive reports from committees including those that the CCG is required by the Secretary of State or other regulation to establish and to action appropriately.</p> <p>Confirm the recommendations of the CCG's committees where the committees do not have executive powers.</p> <p>Approve arrangements relating to the discharge of the CCG's responsibilities as a corporate trustee for funds held on trust.</p> <p>Establish terms of reference and reporting arrangements of all committees and sub-committees that are established by the Board.</p> <p>Approve arrangements relating to the discharge of the CCG's responsibilities as a bailee for patients' property.</p> <p>Authorise use of the seal.</p> <p>Discipline members of the Board or Executive Committee or employees who are in breach of statutory requirements or SOs.</p> <p>Approve any urgent decisions taken by the Chairman of the CCG and Accountable Officer for ratification by the CCG in public session in accordance with SO 5.2.</p>
NA	THE BOARD	<p><b><u>Appointments/ Dismissal</u></b></p> <p>Appoint and dismiss members of the Executive Committee. The Chairman and non-officer members of the CCG may only terminate the membership of professional members with the consent of the Secretary</p>

REF	THE BOARD	DECISIONS RESERVED TO THE BOARD
		<p>of State, unless on account of a failure to declare a pecuniary interest.</p> <p>Appoint the Deputy Chairman of the Board.</p> <p>Chair will be elected from within the body of the Board in accordance in the Constitution.</p> <p>Appoint and dismiss other committees (and individual members) that are directly accountable to the Board.</p> <p>Appoint, appraise, discipline and dismiss officer members (subject to SO 2.2).</p> <p>Confirm appointment of members of any committee.</p> <p>Appointment of Internal or External Auditors and the Counter Fraud officer following recommendations from the Audit Committee.</p> <p>Approve proposals of the Remuneration Committee, regarding directors and senior employees, including the AO/Chair/Deputy Chair and Lay Representatives, and other Board Members.</p>
NA	THE BOARD	<p><b><u>Strategy, Annual Operational Plan and Budgets</u></b></p> <p>Define the strategic aims and objectives of the CCG.</p> <p>Identify the key strategic risks, evaluate them and ensure adequate responses are in place and are monitored.</p> <p>Approve plans in respect of the application of available financial resources to support the agreed Annual Operational Plan.</p> <p>Approve proposals for ensuring quality and developing clinical governance in services provided by the</p>

REF	THE BOARD	DECISIONS RESERVED TO THE BOARD
		<p>CCG or its constituent practices, having regard to any guidance issued by the Secretary of State.</p> <p>Approve (with any necessary appropriate modification) the CCG annual commissioning strategy or plan.</p> <p>Approve annually (with any necessary appropriate modification) the CCG Annual Operational Plan.</p> <p>Approve the CCG's policies and procedures for the management of risk.</p> <p>Approve Outline and Final Business Cases for Commissioning Investment if this represents a variation from the Plan.</p> <p>Approve budgets.</p> <p>Approve annually CCG's proposed organisational development proposals.</p> <p>Approve Executive Committee's proposals on individual contracts (other than NHS contracts) of a revenue nature amounting to, or likely to amount to over £100,000 over a 3 year period or the period of the contract if longer.</p> <p>Approve Executive Committee's proposals in individual cases for the write off of losses or making of special payments above the limits of delegation to the Accountable Officer and Chief Finance Officer (for losses and special payments) previously approved by the Board.</p> <p>Approve individual compensation payments.</p> <p>Approve proposals for action on litigation against or on behalf of the CCG.</p> <p>Approve Executive Committee's proposals for CCG or practice incentive schemes, having regard to guidance by the Secretary of State.</p>

REF	THE BOARD	DECISIONS RESERVED TO THE BOARD
	The Board	<p><b><u>Policy Determination</u></b></p> <p>Approve management policies including personnel policies incorporating the arrangements for the appointment, removal and remuneration of staff.</p> <p>Policies so adopted shall be listed and appended to this document and made available on the CCG website.</p>
	The Board	<p><b><u>Audit and Counter Fraud</u></b></p> <p>Receive the annual management letter received from the External Auditor and agreement of Executive Committee's proposed action, taking account of the advice, where appropriate, of the Audit Committee.</p> <p>Receive an annual report from the Internal Auditor and agree action on recommendations where appropriate of the Audit Committee.</p> <p>Receive an annual report from the Counter Fraud officer and agree action on recommendations where appropriate of the Audit Committee.</p>
NA	THE BOARD	<p><b><u>Annual Reports and Accounts</u></b></p> <p>Receipt and approval of the CCG's Annual Report and Annual Accounts.</p> <p>Receipt and approval of the Annual Report and Accounts for funds held on trust.</p> <p>Receipt of the Annual Report.</p>
NA	THE BOARD	<p><b><u>Monitoring</u></b></p>

REF	THE BOARD	DECISIONS RESERVED TO THE BOARD
		Receipt of such reports as the Board sees fit from the Executive Committee and other committees in respect of its exercise of powers delegated.

### DECISIONS DELEGATED BY THE BOARD TO, AND RESERVED BY, THE EXECUTIVE COMMITTEE

REF	EXECUTIVE COMMITTEE	DECISIONS DELEGATED BY THE BOARD TO, AND RESERVED BY, THE EXECUTIVE COMMITTEE
	THE EXECUTIVE COMMITTEE	<p><b><u>Regulation and Control</u></b></p> <p>Approve a scheme of delegation of powers from the Executive Committee to sub-committees, Executive Committee members and employees.</p> <p>Require and receive the declaration of all Executive Committee member's interests which may conflict with those of the CCG and taking account of any waiver which the S of S may have made in any case, and after consultation with the CCG Accountable Officer, determining the extent to which that member may participate in the consideration of a matter in which he/she has an interest.</p> <p>Advise on quality and governance, having regard to any guidance by the Secretary of State, and including preparation of proposals to develop and monitor clinical standards in the CCG and its constituent practices.</p> <p>Ratify or otherwise instances of failure to comply with Standing Orders brought to the Accountable Officer's attention in accordance with SO 5.6. Such failures to be reported to the CCG in formal</p>

REF	EXECUTIVE COMMITTEE	DECISIONS DELEGATED BY THE BOARD TO, AND RESERVED BY, THE EXECUTIVE COMMITTEE
		session.
	THE EXECUTIVE COMMITTEE	<p><b><u>Strategy, Plans and Budgets</u></b></p> <p>Prepare Strategy and Plans and Budgets for approval by the Board.</p> <p>Advise the Board on the strategic aims and objectives of the CCG.</p> <p>Prepare and review annually draft plans in respect of the application of available financial resources to support the agreed Annual Operational Plan and to further relevant and agreed elements of the NHSCB Annual Operational Plan for approval by the Board.</p> <p>Agree with Accountable Officer arrangements for negotiating with NHSCB draft Annual Accountability Agreement (AAA)</p> <p>Prepare and review annually the draft CCG annual commissioning strategy or plan for approval by the Board.</p> <p>Prepare proposals (having regard to any guidance by the Secretary of State) for CCG or practice incentive schemes. Monitor and review any such schemes.</p> <p>Prepare and review annually of the CCG draft AAA for approval by the Board.</p> <p>Develop the CCG's policies and procedures for the management of risk.</p>

REF	EXECUTIVE COMMITTEE	DECISIONS DELEGATED BY THE BOARD TO, AND RESERVED BY, THE EXECUTIVE COMMITTEE
	THE EXECUTIVE COMMITTEE	<p><b><u>Direct Operational Decisions</u></b></p> <p>The introduction or discontinuance of any significant activity or operation. An activity of operation shall be regarded as significant if it has a gross annual income or expenditure (that is before any set off) in excess of £100,000.</p> <p>Advice on approval of individual contracts (other than NHS contracts) of a revenue nature amounting to, or likely to amount to over £100,000 over a 3 year period or the period of the contract if longer.</p> <p>Advise on approval of individual compensation payments.</p> <p>Consider and make recommendations to the Board on action on litigation against or on behalf of the CCG.</p> <p>Advise on individual cases for the write off of losses or making of special payments above the limits of delegation to the Accountable Officer and Chief Finance Officer (for losses and special payments) previously approved by the Board.</p>
	THE EXECUTIVE COMMITTEE	<p><b><u>Financial and Performance Reporting Arrangements</u></b></p> <p>Continuous appraisal of the affairs of the CCG by means of the provision to the Board as the Board may require from directors, committees, and S of S of the CCG as set out in management policy statements. All monitoring returns required by the Department of Health and the Charity Commission shall be reported, at least in summary, to the Board.</p> <p>Approve the opening or closing of any bank account.</p>



REF	EXECUTIVE COMMITTEE	DECISIONS DELEGATED BY THE BOARD TO, AND RESERVED BY, THE EXECUTIVE COMMITTEE
		<p>Receive and approve a schedule of NHS service agreements signed in accordance with arrangements agreed with the Accountable Officer.</p> <p>Prepare, consider and endorse the CCG's draft Annual Report (including the annual accounts) for approval by the Board.</p>

### DECISIONS/DUTIES DELEGATED BY THE BOARD TO COMMITTEES AND BY THE EXECUTIVE COMMITTEE TO ITS SUB COMMITTEES

REF	COMMITTEE	DECISIONS/DUTIES DELEGATED BY THE BOARD TO COMMITTEES AND BY THE EXECUTIVE COMMITTEE TO ITS SUB COMMITTEES
<p>SFI 11.1.1</p> <p>Constitution, Schedule 9</p>	<p>AUDIT COMMITTEE</p>	<p><b><u>The Committee will:</u></b></p> <p>Advise the Board on internal and external audit and counter fraud services;</p> <p>The Committee shall review the establishment and maintenance of an effective system of integrated governance, risk management and internal control, across the whole of the organisation's activities (both clinical and non-clinical), that supports the achievement of the</p>

REF	COMMITTEE	DECISIONS/DUTIES DELEGATED BY THE BOARD TO COMMITTEES AND BY THE EXECUTIVE COMMITTEE TO ITS SUB COMMITTEES
		<p>organisation's objectives;</p> <p>Monitor compliance with Standing Orders and Standing Financial Instructions;</p> <p>Review schedules of losses and compensations and making recommendations to the Board;</p> <p>Review the annual financial statements prior to submission to the Board.</p>
<p>SFI 20.1.2</p> <p>Constitution, Schedule 9</p>	<p>REMUNERATION COMMITTEE</p>	<p><b><u>The Committee will:</u></b></p> <p>Make proposals to the Board regarding Directors and Senior employees, including the AO/Chair/ Deputy Chair/Lay Representatives, and other Board Members.</p> <p>Advise the Board about appropriate remuneration and terms of service for the Accountable Officer including, other executive directors and other senior employees including:</p> <p>(Except where national pay and terms and conditions of employment are applied).</p> <p>all aspects of salary (including any performance-related elements/bonuses);</p> <p>provisions for other benefits, including pensions and cars;</p> <p>arrangements for termination of employment and other contractual terms;</p> <p>make recommendations to the Board on any proposed remuneration for individual Executive Committee Members for specific work in addition to their corporate CCG role, so as to ensure that the individual is fairly rewarded for their individual contribution to the CCG while having proper regard to the CCG's circumstances and performance, and to the requirements of fair and open tendering or recruitment</p>

REF	COMMITTEE	DECISIONS/DUTIES DELEGATED BY THE BOARD TO COMMITTEES AND BY THE EXECUTIVE COMMITTEE TO ITS SUB COMMITTEES
		<p>policies;</p> <p>make recommendations to the Board on the remuneration and terms of service of senior employees to ensure they are fairly rewarded for their individual contribution to the CCG - having proper regard to the CCG's circumstances and performance and to the provisions of any national arrangements for such staff;</p> <p>proper calculation and scrutiny of termination payments taking account of such national guidance as is appropriate advise on and oversee appropriate contractual arrangements for such staff;</p> <p>report in writing to the Board the basis for its recommendations.</p>
Constitution, Schedule 9	Clinical Executive Group	The Committee will advise the Executive Committee and the Board in accordance with the applied TOR as laid down by the Board.
Constitution, Schedule 9	Finance Technical Committee	The Committee will advise the Executive Committee and the Board in accordance with the applied TOR as laid down by the Board.
Constitution, Schedule 9	Quality and Governance Committee	The Committee will advise the Executive Committee and the Board in accordance with the applied TOR as laid down by the Board.
Constitution, Para 21	Joint working with other CCG's	The Committee will advise the Executive Committee and the Board in accordance with the applied TOR as laid down by the Board.

REF	COMMITTEE	DECISIONS/DUTIES DELEGATED BY THE BOARD TO COMMITTEES AND BY THE EXECUTIVE COMMITTEE TO ITS SUB COMMITTEES
Constitution, Schedule 9	Other Sub-Committees as established by the Board	The Committee will advise the Executive Committee and the Board in accordance with the applied TOR as laid down by the Board.

## SCHEME OF DELEGATION DERIVED FROM THE ACCOUNTABLE OFFICER MEMORANDUM

REF	DELEGATED TO	DUTIES DELEGATED
	ACCOUNTABLE OFFICE (AO)	Accountable through NHS Accountable Officer Memorandum to Parliament for stewardship of CCG resources.
	AO AND CHIEF FINANCE OFFICER (CFO)	<p>Ensure the accounts of the CCG are prepared under principles and in a format directed by the Secretary of State. Accounts must disclose a true and fair view of the CCG's income and expenditure and its state of affairs.</p> <p>Sign the accounts on behalf of the Board.</p>
	ACCOUNTABLE OFFICER	<p>Sign a statement in the accounts outlining responsibilities as the Accountable Officer.</p> <p>Sign a statement in the accounts outlining responsibilities in respect of Internal Control.</p>
	ACCOUNTABLE OFFICER/CHIEF FINANCE OFFICER	<p>Ensure effective management systems that safeguard public funds and assist CCG Chairman to implement requirements of integrated governance including ensuring managers:</p> <ul style="list-style-type: none"> <li>▪ have a clear view of their objectives and the means to assess achievements in relation to those objectives;</li> <li>▪ be assigned well defined responsibilities for making best use of resources;</li> <li>▪ have the information, training and access to the expert advice they need to exercise their responsibilities effectively.</li> </ul>

REF	DELEGATED TO	DUTIES DELEGATED
	CHAIRMAN	Implement requirements of corporate governance
	ACCOUNTABLE OFFICER/CHIEF FINANCE OFFICER	<p>Achieve value for money from the resources available to the CCG and avoid waste and extravagance in the organisation's activities.</p> <p>Follow through the implementation of any recommendations affecting good practice as set out in reports from such bodies as the Audit Commission and the National Audit Office (NAO).</p> <p>Use to best effect the funds available for commissioning healthcare, developing services and promoting health to meet the needs of the local population.</p>
	CHIEF FINANCE OFFICER	Operational responsibility for effective and sound financial management and information.
	ACCOUNTABLE OFFICER/CHAIR	Primary duty to see that CFO discharges this function.
	ACCOUNTABLE OFFICER/CHAIR	Ensuring that expenditure by the CCG complies with Parliamentary requirements.
	ACCOUNTABLE OFFICER	The Codes of Conduct and Accountability incorporated in the Corporate Governance Framework issued to NHS Boards by the Secretary of State are fundamental in exercising their responsibilities for regularity and probity. As a Board member they have explicitly subscribed to the Codes; and should promote observance by all staff.

REF	DELEGATED TO	DUTIES DELEGATED
	ACCOUNTABLE OFFICER and CFO	AO, supported by Chief Finance Officer, to ensure appropriate advice is given to the Board and Executive Committee on all matters of probity, regularity, prudent and economical administration, efficiency and effectiveness.
	ACCOUNTABLE OFFICER	If AO considers the Board, Chairman or Executive Committee is doing something that might infringe probity or regularity; he/she should set this out in writing to the Chairman and the Board. If the matter is unresolved, he/she should ask the Audit Committee to inquire and if necessary the NHSCB and Department of Health.
	ACCOUNTABLE OFFICER	If the Board or Executive Committee is contemplating a course of action that raises an issue not of formal propriety or regularity but affects the AO's responsibility for value for money, the AO should draw the relevant factors to the attention of the Board and Executive Committee. If the outcome is that you are overruled it is normally sufficient to ensure that your advice and the overruling of it are clearly apparent from the papers. Exceptionally, the AO should inform the NHS Commissioning Board and the DH. In such cases, and in those described in reference 24, the AO should as a member of the Board vote against the course of action rather than merely abstain from voting.

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

REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
	BOARD	Approve procedure for declaration of hospitality and sponsorship.
	BOARD	Ensure proper and widely publicised procedures for voicing complaints, concerns about maladministration, breaches of Code of Conduct, and other ethical concerns.
	ALL BOARD MEMBERS AND EXECUTIVE COMMITTEE MEMBERS	Subscribe to Code of Conduct.
	BOARD	Board members share corporate responsibility for all decisions of the Board.
	CHAIR AND NON- OFFICER MEMBERS	Chair and non-officer members are responsible for monitoring the executive management of the organisation and are responsible to the S of S for the discharge of those responsibilities.
	BOARD	<p>The Board has amongst others six key functions for which it is held accountable by the Department of Health on behalf of the Secretary of State:</p> <ul style="list-style-type: none"> <li>▪ to ensure effective financial stewardship through value for money, financial control and financial planning and strategy;</li> <li>▪ to ensure that high standards of integrated governance and personal behaviour are maintained in the conduct of the business of the whole organisation;</li> <li>▪ to appoint, appraise and remunerate senior executives;</li> <li>▪ on the recommendation of the Executive Committee, to ratify the strategic direction of the</li> </ul>



REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
		<p>organisation within the overall policies and priorities of the Government and the NHS, define its annual and longer term objectives and agree plans to achieve them;</p> <ul style="list-style-type: none"> <li>▪ to oversee the delivery of planned results by monitoring performance against objectives and ensuring corrective action is taken when necessary;</li> <li>▪ to ensure that the appropriate committees within their TOR lead an effective dialogue between the organisation and the local community on its QIPP plans and performance and that these are responsive to the community's needs.</li> </ul>
	BOARD	<p>It is the Board's duty to:</p> <ul style="list-style-type: none"> <li>▪ act within statutory financial and other constraints;</li> <li>▪ for CCGs, establish the Executive Committee;</li> <li>▪ be clear what decisions and information are appropriate to the Board and draw up Standing Orders, a Schedule of Decisions Reserved to the Board or CCG Executive Committee and Standing Financial Instructions to reflect these;</li> <li>▪ ensure that management arrangements are in place to enable responsibility to be clearly delegated to senior executives for the main programmes of action and for performance against programmes to be monitored and senior executives held to account;</li> <li>▪ establish performance and quality measures that maintain the effective use of resources and provide value for money;</li> <li>▪ establish measures for the delivery of an annual QIPP plan.</li> <li>▪ specify its requirements in organising and presenting financial and other information succinctly and efficiently to ensure the Board can fully undertake its responsibilities;</li> <li>▪ establish Audit and Remuneration Committees on the basis of formally agreed terms of reference which set out the membership of the sub-committee, the limit to their powers, and the arrangements for reporting back to the main Board.</li> </ul>

REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
	CHAIRMAN	<p>It is the Chairman's role to:</p> <ul style="list-style-type: none"> <li>▪ provide leadership to the Board;</li> <li>▪ enable all Board members to make a full contribution to the Board's affairs and ensure that the Board acts as a team;</li> <li>▪ ensure that key and appropriate issues are discussed by the Board in a timely manner;</li> <li>▪ ensure the Board has adequate support and is provided efficiently with all the necessary data on which to base informed decisions;</li> <li>▪ appoint non-executive Board members to an Audit Committee of the main Board;</li> <li>▪ advise the Secretary of State through the regional member of the Policy Board on the performance of non-executive Board members.</li> </ul>
	ACCOUNTABLE OFFICER	<p>The Accountable Officer is accountable to the Chairman and non-executive members of the Board for ensuring that its decisions are implemented, that the organisation works effectively, in accordance with Government policy and public service values and for the maintenance of proper financial stewardship.</p> <p>The Accountable Officer should be allowed full scope, within clearly defined delegated powers, for action in fulfilling the decisions of the Board.</p> <p>The other duties of the Accountable Officer are laid out in the Accountable Officer Job Description.</p>
	NON OFFICER MEMBERS	<p>Non-officer Board members are appointed by or on behalf of the Secretary of State to bring independent judgement to bear on issues of strategy, performance, key appointments and accountability through the Department of Health to Ministers and to the local community.</p>
	BOARD	<p>NHS Boards must comply with legislation and guidance issued by the Department of Health on behalf of the Secretary of State, respect agreements entered into by themselves or on their behalf and establish</p>

REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
		terms and conditions of service that are fair to the staff and represent good value for taxpayers' money.

### SCHEME OF DELEGATION FROM MODEL STANDING ORDERS

SO REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
1.1	CHAIRMAN	Final authority in interpretation of Standing Orders.
2.4	BOARD	Appointment of Vice-Chairman.
3.1	CHAIRMAN	Calling meetings.
3.9	CHAIRMAN	Chair all Board meetings and associated responsibilities.
3.10	CHAIRMAN	Give final ruling in questions of order, relevancy and regularity of meetings.
3.12	CHAIRMAN	Having a second or casting vote.

SO REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
3.13	BOARD	Suspension of Standing Orders.
3.13	AUDIT COMMITTEE	Audit Committee to review every decision to suspend Standing Orders (power to suspend Standing Orders is reserved to the Board).
3.14	BOARD	<i>Variation or amendment of Standing Orders.</i>
4.2	CHAIRMAN	<i>Appoint one of the members of the Executive Committee (not including the Accountable Officer or Chief Finance Officer of the CCG) as Chairman of the Executive Committee, and another member as vice-Chairman, following nomination by that committee.</i>
4.7	THE BOARD	The Board shall approve the appointments to each of the committees which it has formally constituted.
5.2	CHAIRMAN & ACCOUNTABLE OFFICER	The powers which the Board has retained to itself within these Standing Orders may in emergency be exercised by the Chair and Accountable Officer after having consulted at least two non-officer members.
5.3	BOARD	Formal delegation of powers to Executive Committee, other committees, sub-committees or joint committees and approval of their constitution and terms of reference.
5.4	ACCOUNTABLE	The Accountable Officer shall prepare a Scheme of Delegation identifying his/her proposals, which shall

SO REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
	OFFICER	be considered and <u>approved by the Board</u> , subject to any amendment agreed during the discussion.
5.6	ALL	Disclosure of non-compliance with Standing Orders to the Accountable Officer as soon as possible.
7.1	ALL BOARD AND EXECUTIVE COMMITTEE MEMBERS	Declare relevant and material interests.
7.2	Head of Corporate Governance	Maintain Register(s) of Interests.
7.1	CHAIRMAN OF A MEETING	Making a declaration on a declared interest.
7.4	ALL STAFF	Comply with national guidance contained in HSG 1993/5 "Standards of Business Conduct for NHS Staff" and the Code of Conduct for NHS Managers 2002 and any superseding guidance.
7.4	ALL	Disclose of relationship between self and candidate for staff appointment. (AO to report the disclosure to the Board/Executive Committee).
8.1/8.3	HEAD OF CORPORATE	Keep seal in safe place and maintain a register of sealing.

SO REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
	GOVERNANCE	
8.4	ACCOUNTABLE OFFICER / EXECUTIVE DIRECTOR	Approve and sign all documents which will be necessary in legal proceedings.

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

#### SCHEME OF DELEGATION FROM MODEL STANDING FINANCIAL INSTRUCTIONS

SFI REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
10.1.3	CHIEF FINANCE OFFICER	Approval of all financial procedures.
10.1.4	CHIEF FINANCE OFFICER	Advice on interpretation or application of SFIs.
10.1.6	ALL MEMBERS OF THE BOARD AND EMPLOYEES	Have a duty to disclose any non-compliance with these Standing Financial Instructions to the Chief Finance Officer as soon as possible.

SFI REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
10.2.4	ACCOUNTABLE OFFICER/CHIEF FINANCE OFFICER	Responsible as the Accountable Officer to ensure financial targets and obligations are met and have overall responsibility for the System of Internal Control.
10.2.4	ACCOUNTABLE OFFICER & CHIEF FINANCE OFFICER	Accountable for financial control but will, as far as possible, delegate their detailed responsibilities.
10.2.5	ACCOUNTABLE OFFICER/CHIEF FINANCE OFFICER	To ensure all Board members, S of S and employees, present and future, are notified of and understand Standing Financial Instructions.
10.2.6	CHIEF FINANCE OFFICER	<p>Responsible for:</p> <ul style="list-style-type: none"> <li>▪ Implementing the CCG's financial policies and co-coordinating corrective action;</li> <li>▪ Maintaining an effective system of financial control including ensuring detailed financial procedures and systems are prepared and documented;</li> <li>▪ Ensuring that sufficient records are maintained to explain CCG's transactions and financial position;</li> <li>▪ Providing financial advice to members of Board, staff and executive committee;</li> <li>▪ Maintaining such accounts, certificates etc as are required for the CCG to carry out its statutory duties;</li> <li>▪ The design, implementation and supervision of systems of internal control.</li> </ul>
10.2.7	ALL MEMBERS OF THE BOARD AND EMPLOYEES	Responsible for security of the CCG's property, avoiding loss, exercising economy and efficiency in using resources and conforming to Standing Orders, Standing Financial Instructions and financial procedures.

SFI REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
10.2.8	ACCOUNTABLE OFFICER	Ensure that any contractor or employees of a contractor who is empowered by the CCG to commit the CCG to expenditure or who is authorised to obtain income are made aware of these instructions and their requirement to comply.
11.1.1	AUDIT COMMITTEE	Provide independent and objective view on internal control and probity.
11.1.3	CHAIR	Raise the matter at the Board meeting where Chair of Audit Committee considers there is evidence of ultra vires transactions or improper acts.
11.2.1	CHIEF FINANCE OFFICER	<p>a) Ensure an adequate internal audit service, for which he/she is accountable, is provided (and involve the Audit Committee in the selection process when/if an internal audit service provider is changed.)</p> <p>b) Ensure the annual audit report is prepared for consideration by the Audit Committee.</p>
11.2.1	CHIEF FINANCE OFFICER	Decide at what stage to involve police in cases of misappropriation and other irregularities not involving fraud or corruption.
11.3	HEAD OF INTERNAL AUDIT	Review, appraise and report in accordance with NHS Internal Audit Standards and best practice.
11.4	AUDIT COMMITTEE	Ensure cost-effective External Audit.
11.5	ACCOUNTABLE OFFICER & CHIEF FINANCE OFFICER	Monitor and ensure compliance with S of S Directions on fraud and corruption including the appointment of the Local Counter Fraud Specialist.



SFI REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
11.6	ACCOUNTABLE OFFICER	Monitor and ensure compliance with Directions issued by the Secretary of State for Health on NHS security management including appointment of the Local Security Management Specialist.
12.1.1	ACCOUNTABLE OFFICER	Has overall responsibility for the CCG's activities and ensuring the CCG stays within its resource limit.
12.1.4	CHIEF FINANCE OFFICER	Will ensure draw down is for approved expenditure and timely and follows best practice in Cash Management.
12.1.4	CHIEF FINANCE OFFICER	Ensure monitoring systems are in place to enable the CCG not to exceed its limits.
13.1.1	CHIEF FINANCE OFFICER	Periodically review financial planning assumptions, submit a report to the CCG annually showing total allocations received and their proposed distribution.
13.1.1	CHIEF FINANCE OFFICER	Regularly update the CCG on significant changes to the initial allocation and the uses of such funds.
13.2.1	ACCOUNTABLE OFFICER	<p>Compile and submit to the Board an operational and QIPP plan which takes into account financial targets and forecast limits of available resources. The plan will contain:</p> <ul style="list-style-type: none"> <li>▪ a statement of the significant assumptions on which the plan is based;</li> <li>▪ details of major changes in workload, delivery of services or resources required to achieve the plan.</li> </ul>
13.2.2 & 13.2.3	CHIEF FINANCE OFFICER	<p>Submit budgets to the Finance and Technical Committee and ultimately to the Board for approval.</p> <p>Monitor performance against budget; submit to the Board financial estimates and forecasts.</p>

SFI REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
13.2.5	CHIEF FINANCE OFFICER	Ensure adequate training is delivered on an on-going basis to S of S and CCG members.
13.3.1	CHIEF FINANCE OFFICER	Delegate budgets to budget holders.
13.3.2	ACCOUNTABLE OFFICER & BUDGET HOLDERS	Must not exceed the budgetary total or virement limits set by the Board.
13.4.1	CHIEF FINANCE OFFICER	Devise and maintain systems of budgetary control.
13.4.2	BUDGET HOLDERS	<p>Ensure that:</p> <ul style="list-style-type: none"> <li>a) no overspend or reduction of income that cannot be met from virement is incurred without prior consent of the Board;</li> <li>b) approved budget is not used for any other than specified purpose subject to rules of virement;</li> <li>c) no permanent employees are appointed without the approval of the COO/CFO other than those provided for within available resources and manpower establishment.</li> </ul>
13.4.3	ACCOUNTABLE OFFICER	Identify and implement cost improvements and income generation activities in line with the QIPP plan.
13.6.1	ACCOUNTABLE OFFICER/ HEAD OF PERFORMANCE	Ensure appropriate monitoring returns are submitted.

SFI REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
14.1	CHIEF FINANCE OFFICER	Preparation of annual accounts and reports.
15.1	CHIEF FINANCE OFFICER	<p>Managing banking arrangements, including provision of banking services, operation of accounts, preparation of instructions and list of cheque signatories.</p> <p>(Board approves arrangements.)</p>
15.4	CHIEF FINANCE OFFICER	<p>a) review the banking arrangements of the CCG at regular intervals to ensure they reflect best practice and represent best value for money.</p> <p>b) ensure competitive tenders are sought at least every 5 years.</p>
16.	CHIEF FINANCE OFFICER	Income systems, including system design, prompt banking, review and approval of fees and charges, debt recovery arrangements, design and control of receipts, provision of adequate facilities and systems for employees whose duties include collecting or holding cash.
16.2.3	ALL EMPLOYEES	Duty to inform CFO of money due from transactions which they initiate/deal with.
17	CHIEF FINANCE OFFICER	Implementation of and compliance with tendering and contracting procedures.
17.5.3	CHIEF FINANCE OFFICER	Waive formal tendering procedures.
17.5.3	CHIEF FINANCE OFFICER	Report waivers of tendering procedures to the Audit Committee.

SFI REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
17.5.5	CHIEF FINANCE OFFICER	Where a supplier is chosen that is not on the approved list the reason shall be recorded in writing to the AO or Executive Committee.
17.6.2	CHIEF FINANCE OFFICER	Responsible for the receipt, endorsement and safe custody of tenders received.
17.6.3	CHIEF FINANCE OFFICER	Shall maintain a register to show each set of competitive tender invitations despatched.
17.6.4	CHIEF FINANCE OFFICER	Where one tender is received will assess for value for money and fair price.
17.6.5	CHIEF FINANCE OFFICER	Responsible for treatment of 'late tenders'.
17.6.6	CHIEF FINANCE OFFICER	No tender shall be accepted which will commit expenditure in excess of that which has been allocated by the CCG and which is not in accordance with these Instructions except with the authorisation of the Accountable Officer.
17.6.8	CHIEF FINANCE OFFICER	Will appoint a manager to maintain a list of approved firms.
17.6.8	CHIEF FINANCE OFFICER	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.
17.7.2	CHIEF FINANCE OFFICER	The Chief Finance Officer or his nominated officer should evaluate the quotation and select the quote which gives the best value for money.

SFI REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
17.7.4	CHIEF FINANCE OFFICER	No quotation shall be accepted which will commit expenditure in excess of that which has been allocated by the CCG and which is not in accordance with these Instructions except with the authorisation of the Accountable Officer.
17.11	ACCOUNTABLE OFFICER / CHIEF FINANCE OFFICER	The Accountable Officer shall nominate an officer who shall oversee and manage each contract on behalf of the CCG.
17.12	CHIEF OPERATING OFFICER	The Chief Operating Officer shall nominate officers with delegated authority to enter into contracts of employment, regarding staff, agency staff or temporary staff service contracts.
17.13	CHIEF OPERATING OFFICER	The Chief Operating Officer shall nominate officers to commission service agreements with providers of healthcare in line with a commissioning plan approved by the Board.
17.15	CHIEF FINANCE OFFICER	The Chief Finance Officer shall be responsible for ensuring that best value for money can be demonstrated for all services provided on an in-house basis.
17.15.5	CHIEF OPERATING OFFICE	The Chief Operating Officer shall nominate an officer to oversee and manage the contract on behalf of the CCG.
18.1.1	CHIEF FINANCE OFFICER / CHIEF OPERATING OFFICE	Must ensure the CCG enters into suitable Service Level Agreements (SLAs) with service providers for the provision of NHS services.

SFI REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
18.4	CHIEF FINANCE OFFICER	Ensure that regular reports are provided to the Board detailing actual and forecast expenditure against the SLA.
19.2.4	CHIEF FINANCE OFFICER	Ensure that all agreements for provision of services with non-NHS providers achieve quality and are cost effective.
19.3.1	CHIEF FINANCE OFFICER	Will maintain a system of control to ensure effective accounting of expenditure against SLAs.
19.3.2	CHIEF FINANCE OFFICER	Must account for Out of Area Treatments/Non Contract Activity in accordance with national guidelines.
20.1.1	BOARD	Establish a Remuneration Committee.
20.1.2	REMUNERATION COMMITTEE	<p>Advise the Board on and make recommendations on the remuneration and terms of service of the AO, other officer members and senior employees to ensure they are fairly rewarded having proper regard to the CCG's circumstances and any national agreements.</p> <p>Advise on and oversee appropriate contractual arrangements for such staff, including proper calculation and scrutiny of termination payments.</p>
20.1.3	REMUNERATION COMMITTEE	Report in writing to the Board its advice and its bases about remuneration and terms of service of S of S and senior employees.
20.2.2	BOARD	Approval of variation to funded establishment of any department.

SFI REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
20.3	CHIEF OPERATING OFFICER IN CONSULTATION WITH THE CHIEF FINANCE OFFICER	Approval of appointment of staff, including agency staff, appointments and re-grading within approved budget and funded establishment.
20.4.1 and 20.4.2	CHIEF FINANCE OFFICER	Payroll: <ul style="list-style-type: none"> <li>▪ specifying timetables for submission of properly authorised time records and other notifications;</li> <li>▪ final determination of pay and allowances;</li> <li>▪ making payments on agreed dates;</li> <li>▪ agreeing method of payment;</li> </ul> issuing instructions (as listed in SFI 10.4.2).
20.4.3	NOMINATED MANAGERS*	Submit time records in line with timetable;  Complete time records and other notifications in required form;  Submitting termination forms in prescribed form and on time.
20.4.4	CHIEF FINANCE OFFICER	Ensure that the chosen method for payroll processing is supported by appropriate (contracted) terms and conditions, adequate internal controls and audit review procedures and that suitable arrangement are made for the collection of payroll deductions and payment of these to appropriate bodies.
20.5	CHIEF OPERATING OFFICER	Ensure that all employees are issued with a Contract of Employment in a form approved by the Board

SFI REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
		<p>and which complies with employment legislation;</p> <ul style="list-style-type: none"> <li>▪ Deal with variations to, or termination of, contracts of employment.</li> </ul>
21.1	BOARD	The Board will approve the level of non-pay expenditure on an annual basis.
21.1	ACCOUNTABLE OFFICER/CHIEF FINANCE OFFICER/CHIEF OPERATING OFFICER	Determine, and set out, level of delegation of non-pay expenditure to budget managers, including a list of managers authorised to place requisitions, the maximum level of each requisition and the system for authorisation above that level.
21.1.3	CHIEF OPERATING OFFICER AND CHIEF FINANCE OFFICER	Set out procedures on the seeking of professional advice regarding the supply of goods and services.
21.2.1	CHIEF FINANCE OFFICER	In choosing the item to be supplied (or the service to be performed) shall always obtain the best value for money for the CCG. In so doing, the advice of the CCG's adviser on supplies shall be sought.
21.2.2	CHIEF FINANCE OFFICER	Shall be responsible for the prompt payment of accounts and claims.
21.2.3	CHIEF FINANCE OFFICER	<p>Advise the Board regarding the setting of thresholds above which quotations (competitive or otherwise) or formal tenders must be obtained; and, once approved, the thresholds should be incorporated in standing orders and regularly reviewed;</p> <p>Prepare procedural instructions [where not already provided in the Scheme of Delegation or procedure</p>



SFI REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
		<p>notes for budget holders] on the obtaining of goods, works and services incorporating the thresholds;</p> <p>Be responsible for the prompt payment of all properly authorised accounts and claims;</p> <p>Be responsible for designing and maintaining a system of verification, recording and payment of all amounts payable;</p> <p>Be responsible for ensuring that payment for goods and services is only made once the goods and services are received.</p>
21.2.4	CHIEF FINANCE OFFICER	Make a written case to support the need for a pre-payment.
21.2.4	CHIEF FINANCE OFFICER	Approve proposed pre-payment arrangements.
21.2.5	CHIEF FINANCE OFFICER	Authorise who may use and be issued with official orders.
21.2.6	MANAGERS AND OFFICERS	Ensure that they comply fully with the guidance and limits specified by the Chief Finance Officer.
21.3	CHIEF FINANCE OFFICER	Lay down procedures for payments to local authorities and voluntary organisations made under the powers of section 28A of NHS Act
22	CHIEF FINANCE OFFICER	Ensure that Board members are aware of the Financial Framework and ensure compliance.

SFI REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
25.2.1	CHIEF FINANCE OFFICER	Prepare procedures for recording and accounting for losses, special payments.
25.2.2	ALL STAFF	Discovery or suspicion of loss of any kind must be reported immediately to either head of department or nominated officer. The head of department / nominated officer should then inform the AO and CFO.
25.2.2	CHIEF FINANCE OFFICER	Where a criminal offence is suspected the CFO must inform the police if theft or arson is involved. In cases of fraud and corruption the CFO must inform the relevant Local Counter Fraud Specialist (LCFS) and NHS Counter Fraud Service (NHS CFS) Operational Fraud Team in line with S of S directions.
25.2.3	CHIEF FINANCE OFFICER	Notify CFSMS, LCFS and External Audit of all frauds.
25.2.4	CHIEF FINANCE OFFICER	Notify Board and External Auditor of losses caused by theft, arson, neglect of duty or gross carelessness (unless trivial).
25.2.5	BOARD	Approve write off of losses (within limits delegated by DH).
25.2.6	CHIEF FINANCE OFFICER	Consider whether any insurance claim can be made.
25.2.8	CHIEF FINANCE OFFICER	Maintain losses and special payments register.
26.1	CHIEF FINANCE OFFICER	Responsible for accuracy and security of computerised financial data.

SFI REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
26.1	CHIEF FINANCE OFFICER	Satisfy himself that new financial systems and amendments to current financial systems are developed in a controlled manner and thoroughly tested prior to implementation. Where this is undertaken by another organisation, assurances of adequacy must be obtained from them prior to implementation.
26.1.3	HEAD OF CORPORATE GOVERNANCE	Shall publish and maintain a Freedom of Information Scheme.
26.2.1	RELEVANT S OF S	Send proposals for general computer systems to CFO.
26.3	CHIEF FINANCE OFFICER	<p>Ensure that contracts with other bodies for the provision of computer services for financial applications clearly define responsibility of all parties for security, privacy, accuracy, completeness and timeliness of data during processing, transmission and storage, and allow for audit review.</p> <p>Seek periodic assurances from the provider that adequate controls are in operation.</p>
26.4	CHIEF FINANCE OFFICER	<p>Where computer systems have in impact on corporate financial systems satisfy himself that:</p> <ul style="list-style-type: none"> <li>▪ systems acquisition, development and maintenance are in line with corporate policies and guidance set out in the Connecting for Health Information Governance Toolkit;</li> <li>▪ data assembled for processing by financial systems is adequate, accurate, complete and timely, and that a management trail exists;</li> <li>▪ CFO and staff have access to such data;</li> </ul> <p>Such computer audit reviews are being carried out as are considered necessary.</p>

SFI REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
28.1	CHIEF FINANCE OFFICER	Shall ensure that each trust fund which the CCG is responsible for managing is managed appropriately.
29	CHIEF FINANCE OFFICER	Ensure all staff are made aware of the CCG policy on the acceptance of gifts and other benefits in kind by staff.
30.2	CHIEF FINANCE OFFICER	Ensure lists of all contractors are maintained up to date and systems are in place to deal with applications, resignations, inspection of premises etc. within contractors' terms of service.
30.3	CHIEF FINANCE OFFICER	Ensure only contractors included on the CCG lists receive payments; maintain a system of control to ensure prompt and accurate payments and validation of same.
31	HEAD OF CORPORATE GOVERNANCE	Retention of document procedures in accordance with Department of Health guidance.
32.1	HEAD OF CORPORATE GOVERNANCE	Risk management programme.
32.1	BOARD	Approve and monitor risk management programme.
32.2	BOARD	Decide whether the CCG will use the risk pooling schemes administered by the NHS Litigation Authority or self-insure for some or all of the risks (where discretion is allowed). Decisions to self-insure should be reviewed annually.

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

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

## DETAILED SCHEDULE TO SCHEME OF DELEGATION

Detailed are the maximum limits which are issued for S of S within each grouping. The Board retains the right to delegate specific limits in addition to these limits to additional groups of staff or individuals as appropriate. In addition, the Accountable Officer/Chief Operating Officer may delegate limits specifically to individual staff (defined as persons on the payroll of the CCG) to a value not exceeding the limit of the delegating officer.

It should be noted that reference to a contract, lease or tender relates to a single contract, lease or tender. It should also be noted that contracts, leases or tenders should not be split into smaller constituent parts in order to bring those parts below the delegated authority limits. Similarly, a 3 year contract for, say, £20,000 per annum should be considered as a single contract for £60,000 and thus subject to limits appropriate to that value.

Details of all individual limits will be included in the register of delegated authority limits, to be maintained by the Chief Finance Officer.

All limits for Managing devolved commissioning structures are set out in Appendix B to these Standing Orders.

### **KEY:**

<b>LEVEL / BUDGET HIERARCHY</b>	
<b>1</b>	<b>Board (Chair if delegated)</b>
<b>2</b>	<b>Committees: CEG, Finance, Audit, Executive Committee and Rem Com</b>
<b>3</b>	<b>Accountable Officer (AO)</b>
<b>4</b>	<b>Chief Operating Officer (COO)/Chief Finance Officer (CFO)/Executive Nurse (EN)</b>
<b>5</b>	<b>Heads of Department (HOD) 8C and above</b>
<b>6</b>	<b>Budget Holder</b>

Ref	Reference Support Documents /	DELEGATED MATTER	AUTHORITY DELEGATED TO						
			Level 1	Level 2	Level 3	Level 4	Level 5	Level 6	
1.	SO 8.4	<b>Use of Seal duly authorised by AO/Chair/CFO ( Any two) and reported to Board</b>							
		a)	All contracts for purchase/lease of land/buildings	*	n/a	Yes	Yes	Yes	No
		b)	All capital works exceeding £100,000	*	n/a	Yes	Yes	No	No
		c)	All leases where annual charge exceeds £10k or total payable over duration of lease exceeds £100k	*	n/a	Yes	Yes	No	No
		d)	Any non nhs or local authority contract where annual costs >£100k	*	n/a	Yes	Yes	No	No
2	SFI 13 and 21	<b>Management of 'Running Costs' Budgets/Expenditure</b>							
		a)	Monitoring at individual budget level	n/a	n/a	Yes	Yes	Yes	Yes
		b)	Expenditure levels - requisition / order / authorisation of invoices:	>£1m	>£500k	<£500k	<£250k	<£100k	<£25k
		c)	Non pay expenditure for which no specific budget has been set but within Running Cost Allowance	n/a	n/a	Yes	Yes	No	No
3	SFI 13 and 21	<b>Management of 'Commissioning Costs' Budgets/Expenditure</b>							
		a)	Expenditure value of requisition/ order/ invoice other than agreed NHS Contracts	>£500k	n/a	<£500k	<£250k	<£100k	<£25k
		b)	Authorisation of monthly Block payment for agreed contract value to NHS bodies	n/a	n/a	Yes	CFO	Head of Finance	No
		c)	Use of Non recurrent budget allocation	Yes	No	No	No	No	No

		d)	All leases where annual charge exceeds £10k or total payable over duration of lease exceeds £100k	>£500k	No	No	CFO <£500k		
4	SFIs Section 17	<b>Quotations, Tendering &amp; Contract Procedures: Goods and Services</b>							
			Authority levels to obtain verbal quotes, written quotations & Tenders: £2.5k to £5k one verbal quote, £5k to £10k - obtaining two minimum verbal quotations, £10k to £75k three written quotes and over £75k or OJEC limit, tenders	n/a	n/a	<£75k or tender value	<£75k or tender value	<£75k or tender value	<£10k
5	SFIs Section 17	<b>General Conditions and Authorisation of tenders and Waivers</b>							
		a)	Authorisation of waiver of tenders and quotations to £250,000	n/a	*	<£250k	<£250k	No	No
		b)	Authorisation of waiver of tenders and quotations over £250,000	Yes	*	No	No	No	No
		c)	Opening tenders - (tenders must be recorded in the tender register)	No	*	Two Execs	Two Execs	No	No
		d)	Tenders acceptance will follow guideline in SFI 17.6.6	No	No	Yes	Yes	Yes	Yes
		e)	Selection of tender above the most competitive tender price.	*	*	Yes with CFO	Yes with CFO	No	No
f)	Orders whose original value are exceeded by actual expenditure above 5% or £5,000 tolerance of the original order value will require an	n/a	n/a	n/a	CFO	No	No		



			explanation from approving officer to CFO						
6	SFIs Section 17 and 18	<b>Approval of business cases</b>							
		i	Responsibility to prepare and submit detailed business case proposals. Business Cases must include Value for Money and Option appraisals.	n/a	n/a	Yes	Yes	Yes	Yes
		ii	Approval of Business Case Proposals that are in the agreed budgets and commencement of Scheme - Under £500k (gross cost) approved by Level 3/4 and reported to CEG for Clinical Business cases and Finance Committee for others. Over £500k (gross cost) reported to committees mentioned and approved by Board	>£500k	*	<£500k AO with CFO	<£250k CFO with EN or COO	No	No
		iii	As (ii) but for new in year proposals with no budgetary provision	>£100k	<£100k	<£50k	<£10k	No	No
7	SFI 15 and 16	<b>CCG Disbursements</b>							
		a)	Authority to make payments for CCG liabilities which action the processing of payments to agencies e.g. Inland Revenue, Pensions Agency, NHS Logistics, Prescription and pricing agency. RFT1 (Transfers to other NHS bodies) Limited to £4,000,000.	n/a	n/a	n/a	CFO	Head of Finance	No

		b)	Processing of 'CHAPs' and other direct automated payment facilities other than monthly NHS Block contract payments:						
			- <£0.5m	n/a	n/a	n/a	n/a	Head of Finance	n/a
			- >£0.5m	n/a	n/a	n/a	CFO	n/a	n/a
		<b>Maintenance / Operation of Bank Accounts</b>							
8	SFIs Section 15	a)	Maintenance / Operation of Bank Accounts	*	*	No	CFO	Head of Finance	No
		b)	Opening & Closing of Bank Accounts	*	*	No	CFO	No	No
9	SFIs Section 20	<b>Engagement of Staff not on the Establishment - expenditure FYE and budget available</b>		>£100k	*	<£100k	<£50k	No	No
		<b>Losses, Write-off and Compensation and special payments:</b>							
		a)	Losses of cash due to:						
			- theft, fraud and others	n/a	*	Yes	CFO	No	No
			- overpayments	n/a	*	Yes	CFO	No	No
10	SFIs Section 25	b)	Fruitless payments	n/a	*	Yes	CFO	No	No
		c)	Bad debts and claims abandoned and other	n/a	*	Yes	CFO	No	No
		d)	Damage to buildings, fittings, furniture and equipment and loss of equipment and property in stores and in use due to culpable causes (e.g. fraud, theft, arson) or other	n/a	*	Yes	CFO	No	No

		e)	Compensation payments made under legal obligation	>£50k	*	Yes with CFO <£50k	Yes with CFO <£25k	No	No
		f)	Extra contractual payments to contractors	>£100k	*	Yes with CFO <£100k	Yes with CFO <£50k	No	No
		g)	Ex-gratia payments to staff for loss of personal effects:- Subject to the approval of CFO	>£3k	*	<£3k	<£2k	<£1k	No
		h)	Approval of individual write off of NHS debtors	n/a	*	No	CFO	No	No
		i)	Approval of individual write off of non NHS debtors:	>£10k	*	>£10k with CFO	>£5k with CFO	No	No
		***** Please note all section 10 items will be reported to the Audit Committee on a quarterly basis including any that may require approval.							
<b>11</b>	SFI 13 and 21	<b>Petty Cash Disbursements for reimbursable expenditure</b>		n/a	n/a	>£50	>£50	>£50	>£25
<b>12</b>	SFIs Section 20	<b>Personnel and Pay</b>							
		a)	Authority to fill funded post on the establishment with permanent staff	n/a	n/a	Yes	Yes	Yes	No

b)	Authority to appoint staff to post not on the formal establishment	Yes	No	No	No	No	No
c)	The granting of additional increments over A4C rules to staff within budget	n/a	*	Yes	Yes	No	No
d)	Upgrading and regarding: all requests for upgrading / regarding shall be dealt with in accordance with CCG Procedures	n/a	*	Yes	Yes	No	No
e)	- authority to authorise travel and subsistence expenses	n/a	n/a	Yes	Yes	Yes	Yes
f)	Leave:						
	- approval of annual leave	n/a	n/a	Yes	Yes	Yes	Yes
	- annual leave - approval of carry forward (up to maximum of 5 days)	n/a	n/a	Yes	Yes	Yes	No
	- annual leave - approval of carry over in excess of 5 days but less than 10 days	n/a	n/a	Yes	Yes	Yes	No
	- compassionate leave up to 5 days	n/a	n/a	Yes	Yes	Yes	Yes
	- compassionate leave > 5 days	n/a	n/a	Yes	Yes	Yes	No
	- special leave arrangements:						
	paternity leave	n/a	n/a	Yes	Yes	Yes	No
	carers leave - up to 5 days	n/a	n/a	Yes	Yes	Yes	No
	carers leave - > 5 days	n/a	n/a	Yes	Yes	Yes	No
	fostering leave - up to 5 days	n/a	n/a	Yes	Yes	Yes	No
	fosterings leave - > 5 days	n/a	n/a	Yes	Yes	Yes	No
	Interview leave - > 1 day	n/a	n/a	Yes	Yes	Yes	No
	- leave without pay	n/a	n/a	Yes	Yes	Yes	No
	- time off in lieu	n/a	n/a	Yes	Yes	Yes	No

		- maternity leave, paid and unpaid	n/a	n/a	Yes	Yes	Yes	No
	h)	Sick leave:						
		- extension of sick leave on half pay up to three months	n/a	*	Yes	Yes	No	No
		- return to work part-time on full pay to assist recovery	n/a	*	Yes	Yes	No	No
		- extension of sick leave on full pay after expiry of contractual period	n/a	*	Yes	Yes	No	No

## **SECTION D – STANDING FINANCIAL INSTRUCTIONS**

### **10 INTRODUCTION**

#### **10.1 General**

- 10.1.1 These Standing Financial Instructions (SFIs) and supporting detailed financial policies shall have effect as if incorporated into the group's constitution. They are issued in accordance with Schedule 1A of the 2006 Act, as inserted by Schedule 2 of the Health and Social Care Act 2012 that each CCG shall agree Standing Financial Instructions for the regulation of the conduct of its members and S of S in relation to all financial matters with which they are concerned.
- 10.1.2 The SFIs are part of the CCG's control environment for managing the organisation's financial affairs. They contribute to good corporate governance, internal control and managing risks. They enable sound administration; lessen the risk of irregularities and support commissioning and delivery of effective, efficient and economical services in accordance with the law and Government policy. They also help the Accountable Officer and Chief Finance Officer to effectively perform their responsibilities. They should be used in conjunction with the scheme of reservation and delegation.
- 10.1.3 These Standing Financial Instructions identify the financial responsibilities which apply to everyone working for the CCG and its constituent organisations including devolved commissioning structures. They do not provide detailed procedural advice and should be read in conjunction with the detailed departmental and financial procedure notes. All financial procedures must be approved by the Chief Finance Officer. A list of the CCGs detailed financial procedures will be published and maintained on the CCG website.
- 10.1.4 Should any difficulties arise regarding the interpretation or application of any of the SFIs then the advice of the Chief Finance Officer must be sought before acting. The user of these SFIs should also be familiar with and comply with the provisions of the CCG's Standing Orders.
- 10.1.5 The failure to comply with SFIs and SOs can in certain circumstances be regarded as a disciplinary matter that could result in dismissal.
- 10.1.6 Overriding Standing Financial Instructions – If for any reason these SFIs are not complied with, full details of the non-compliance and any justification for non-compliance and the circumstances around the non-compliance shall be reported to the next formal meeting of the Audit Committee for referring action or ratification. All members of the Board and staff have a duty to disclose any non-compliance with these SFIs to the Chief Finance Officer as soon as possible.

## **10.2 Responsibilities and delegation**

### **10.2.1 The CCG Board**

The Board exercises financial supervision and control by:

- a) Formulating the financial strategy;
- b) Requiring the submission and approval of budgets within approved allocations/overall income;
- c) Defining and approving essential features in respect of important procedures and financial systems (including the need to obtain value for money); and
- d) Defining specific responsibilities placed on members of the Board and Executive Team and employees as indicated in the Scheme of Delegation document.

10.2.2 The Board has resolved that certain powers and decisions may only be exercised by the Board in formal session. These are set out in the 'Schedule of Matters Reserved to the Board' document. All other powers have been delegated to the Executive Committee and such other committees as the CCG has established.

10.2.3 The Executive Team will delegate responsibility for the performance of its functions in accordance with the Scheme of Delegation document adopted by the CCG.

### **10.2.4 The Accountable Officer and Chief Operating Officer**

The Accountable Officer and Chief Operating Officer will, as far as possible, delegate their detailed responsibilities, but they remain accountable for financial control.

Within the SFIs, it is acknowledged that the Accountable Officer is ultimately accountable to the Board, and as Accountable Officer, to the NHS Commissioning Board and Secretary of State, for ensuring that the Board meets its obligation to perform its functions within the available financial resources. The Accountable Officer has overall executive responsibility for the CCG's activities; is responsible to the Chairman and the Board for ensuring that its financial obligations and targets are met and has overall responsibility for the CCG's system of internal control.

10.2.5 It is a duty of the Accountable Officer to ensure that Members of the Board and Executive Team, employees and all new appointees are notified of, and put in a position to understand their responsibilities within these Instructions.

### **10.2.6 The Chief Finance Officer**

The Chief Finance Officer is responsible for:

- a) implementing the CCG's financial policies and for co-coordinating any corrective action necessary to further these policies;
- b) maintaining an effective system of internal financial control including ensuring that detailed financial procedures and systems incorporating the principles of separation of duties and internal checks are prepared, documented and maintained to supplement these instructions;

- c) ensuring that sufficient records are maintained to show and explain the CCG's transactions, in order to disclose, with reasonable accuracy, the financial position of the CCG at any time;
- d) and, without prejudice to any other functions of the CCG, and employees of the CCG, the duties of the Chief Finance Officer include:
- e) the provision of financial advice to other members of the Board and Executive Committee and employees;
- f) the design, implementation and supervision of systems of internal financial control; and
- g) the preparation and maintenance of such accounts, certificates, estimates, records and reports as the CCG may require for the purpose of carrying out its statutory duties.

### **10.2.7 Board Members, Executive Team Members and Employees**

All members of the Board and Executive Team and employees, severally and collectively, are responsible for:

- a) The security of the property of the CCG;
- b) Avoiding loss;
- c) Exercising economy and efficiency in the use of resources; and
- d) Conforming with the requirements of Standing Orders, Standing Financial Instructions, Financial Procedures and the Scheme of Delegation.

### **10.2.8 Contractors and their employees**

Any contractor or employee of a contractor who is empowered by the CCG to commit the CCG to expenditure or who is authorised to obtain income shall be covered by these instructions. It is the responsibility of the Accountable Officer to ensure that such persons are made aware of this.

10.2.9 For all members of the Board and Executive Team and any employees who carry out a financial function, the form in which financial records are kept and the manner in which members of the Board and Executive Team and employees discharge their duties must be to the satisfaction of the Chief Finance Officer.

## **11 AUDIT**

### **11.1 Audit Committee**

11.1.1 An independent Audit Committee is a central means by which a Board ensures effective internal control arrangements are in place. In addition, the Audit Committee provides a form of independent check upon the executive arm of the Board. In accordance with Standing Orders the Board shall formally establish an Audit Committee, with clearly defined terms of reference and following guidance from the NHS Audit Committee Handbook (2005) to perform the following tasks:



- a) Ensuring there is an effective internal audit function established by management, that meets mandatory NHS Internal Audit Standards and provides appropriate independent assurance to the Audit Committee, Accountable Officer and Board;
- b) Reviewing the work and findings of the external auditor appointed by the NHS CB and considering the implications of and management's responses to their work;
- c) Reviewing the findings of other significant assurance functions, both internal and external to the organisation, and considering the implications for the governance of the organisation;
- d) ensuring that the systems for financial reporting to the Board, including those of budgetary control, are subject to review as to completeness and accuracy of the information provided to the Board;
- e) Reviewing financial and information systems and monitoring the integrity of the financial statements and reviewing significant financial reporting judgments;
- f) Reviewing the establishment and maintenance of an effective system of integrated governance, risk management and internal control, across the whole of the organisation's activities (both clinical and non-clinical), that supports the achievement of the organisation's objectives;
- g) Monitoring compliance with the Constitution, Standing Orders and Standing Financial Instructions;
- h) Reviewing schedules of losses and compensations and making recommendations to the Board;
- i) Reviewing schedules of debtors/creditors balances over 3 months and £50,000 old and explanations/action plans;
- j) Review the annual report and financial statements prior to submission to the Board focusing particularly on;
  - the wording in the Statement of Internal control and other disclosures relevant to the Terms of Reference of the Committee;
  - changes in, and compliance with, accounting policies and practices;
  - unadjusted mis-statements in the financial statements;
  - major judgmental areas;
  - significant adjustments resulting from audit.
- k) Reviewing the annual financial statements and recommend their approval to the Board;
- l) Reviewing the external auditors report on the financial statements and the annual management letter;
- m) Conducting a review of the CCGs major accounting policies;
- n) Reviewing any incident of fraud or corruption or possible breach of ethical standards or legal or statutory requirements that could have a significant impact on the CCGs published financial accounts or reputation;
- o) Reviewing any objectives and effectiveness of the internal audit services including its working relationship with external auditors;
- p) Reviewing major findings from internal and external audit reports and ensure appropriate action is taken;
- q) Reviewing 'value for money' audits reporting on the effectiveness and efficiency of the selected departments or activities;
- r) Reviewing the mechanisms and levels of authority (e.g. Standing Orders, Standing Financial Instructions, Delegated limits) and make recommendations to the CCG Board;
- s) Reviewing the scope of both internal and external audit including the agreement on the number of audits per year for approval by the CCG Board;
- t) Investigating any matter within its terms of reference, having the right of access to any information relating to the particular matter under investigation;
- u) Reviewing waivers to Standing Orders;

- v) Reviewing hospitality and sponsorship registers;
- w) Reviewing the information prepared to support the controls assurance statements prepared on behalf of the Board and advising the Board accordingly.

11.1.2 The minutes of the Audit Committee meetings shall be formally recorded by the Head of Corporate Governance and submitted to the Board. The Chair of the Committee shall draw to the attention of the Board any issues that require disclosure to the full Board, or require executive action. The Committee will report to the Board annually on its work in support of the Statement of Internal Control, specifically commenting on the fitness for purpose of the Assurance Framework, the completeness and embeddedness of risk management in the organisation, the integration of governance arrangements and the appropriateness of self-assessments required by the NHS Commissioning Board / Department of Health / Care Quality Commission or other appropriate governance body..

11.1.3 Where the Audit Committee considers there is evidence of ultra vires transactions, evidence of improper acts, or if there are other important matters that the Committee wishes to raise, the Chairman of the Audit Committee should raise the matter at a full meeting of the Board. Exceptionally, the matter may need to be referred to the Department of Health.

## **11.2 Chief Finance Officer**

11.2.1 The Chief Finance Officer 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 Internal Audit function meets the NHS mandatory audit standards and provides sufficient independent and objective assurance to the Audit Committee and the Accountable Officer;
- c) deciding at what stage to involve the police in cases of misappropriation and other irregularities not involving fraud or corruption. ensuring that an annual Internal Audit report is prepared for the consideration of the Audit Committee [and the Board]. The report must cover:
  - a clear opinion on the effectiveness of internal control in accordance with current assurance framework guidance issued by the Department of Health including for example compliance with control criteria and standards;
  - major internal financial control weaknesses discovered;
  - progress on the implementation of Internal Audit recommendations;
  - progress against plan over the previous year;
  - a strategic audit plan covering the coming three years;
  - a detailed plan for the coming year.

11.2.2 The Chief Finance Officer or designated internal or external auditor is entitled without necessarily giving prior notice to require and receive:

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

### **11.3 Role of Internal Audit**

11.3.1 Internal Audit is an independent and objective appraisal service within an organisation which provides:

- a) an independent and objective opinion to the Accountable Officer, the Board, and the Audit Committee on the degree to which risk management, control and governance, support the achievement of the organisation's agreed objectives;
- b) an independent and objective consultancy service specifically to help line management improve the organisation's risk management, control and governance arrangements.

11.3.2 Internal Audit will review, appraise and report upon policies, procedures and operations in place to;

- a) establish and monitor the achievement of the organisation's objectives; ;
- b) identify, assess and manage the risks to achieving the organisation's objectives;
- c) ensure the economical, effective and efficient use of resources;
- d) ensure compliance with established policies (including behavioural and ethical expectations), procedures, laws and regulations;
- e) safeguard the organisation's assets and interests from losses of all kinds, including those arising from fraud, irregularity or corruption;
- f) ensure the integrity and reliability of information, accounts and data, including internal and external reporting and accountability processes.

11.3.3 The Head of Internal Audit will provide to the Audit Committee;

- a) A risk-based plan of internal audit work, agreed with management and approved by the Audit Committee, based upon the management's Assurance Framework that will enable the auditors to collect sufficient evidence to give an opinion on the adequacy and effective operation of the organisation;
- b) Regular updates on the progress against plan;
- c) Reports of management's progress on the implementation of action agreed as a result of internal audit findings;
- d) An annual opinion, based upon and limited to the work performed, on the overall adequacy and effectiveness of the organisation's risk management, control and governance processes (i.e. the organisation's system of internal control). This opinion is used by the Board to inform the SIC and by NHS Commissioning Board as part of its performance management role;

- e) A report supporting Trust assurances provided through mandatory self-assessment tools;
- f) Additional reports as requested by the Audit Committee.

11.3.4 Whenever any matter arises which involves, or is thought to involve, irregularities concerning cash, stores, or other property or any suspected irregularity in the exercise of any function of a pecuniary nature, the Chief Finance Officer must be notified immediately.

11.3.5 The Head of Internal Audit will normally attend Audit Committee meetings and has a right of access to all Audit Committee members, the Chairman and Accountable Officer of the CCG.

11.3.6 The Head of Internal Audit reports to the Audit Committee and is managed by the Chief Finance Officer. The reporting system for Internal Audit shall be agreed between the Chief Finance Officer, the Audit Committee and the Head of Internal Audit. The agreement shall be in writing and shall comply with the guidance on reporting contained in the NHS Internal Audit Standards. The reporting system shall be reviewed at least every three years.

11.3.7 The appointment and termination of the Head of Internal Audit and/or the Internal Audit Service must be approved by the Audit Committee.

#### **11.4 External Audit**

11.4.1 The External Auditor is appointed by the NHS Commissioning Board and paid for by the CCG. The Audit Committee must ensure a cost-efficient service. If there are any problems relating to the service provided by the External Auditor, then this should be raised with the External Auditor and referred on to the NHS Commissioning Board if the issue cannot be resolved.

#### **11.5 Fraud and Corruption**

11.5.1 In line with their responsibilities, the CCG Accountable Officer and Chief Finance Officer shall monitor and ensure compliance with Directions issued by the Secretary of State for Health on fraud and corruption.

11.5.2 The CCG shall nominate a suitable person to carry out the duties of the Local Counter Fraud Specialist (LCFS) as specified by the NHS Counter Fraud and Corruption Manual, and guidance.

11.5.3 The LCFS shall report to the CCG Chief Finance Officer and shall work with staff in the national Counter Fraud Offices (i.e. NHS Protect) in accordance with the NHS Counter Fraud and Corruption Manual.

11.5.4 The LCFS will provide a written report, at least annually, on counter fraud work within

the CCG.

## **11.6 Security Management**

- 11.6.1 In line with their responsibilities, the CCG Accountable Officer will monitor and ensure compliance with Directions issued by the Secretary of State for Health on NHS security management.
- 11.6.2 The CCG shall nominate a suitable person to carry out the duties of the Local Security Management Specialist (LSMS) as specified by the Secretary of State for Health guidance on NHS Security Management.
- 11.6.3 The CCG shall nominate a Non-Executive Officer to oversee the NHS Security Management service who will report to the Board.
- 11.6.4 The Accountable Officer has overall responsibility for controlling and coordinating security. However, key tasks are delegated to the appointed Local Security Management Specialist (LSMS) and his / her Director.

## **12 RESOURCE LIMIT CONTROL**

- 12.1 The CCG is required by statutory provisions to ensure that its expenditure does not exceed the aggregate of allotments from the NHS Commissioning Board and any other sums it has received and is legally allowed to spend.
- 12.2 The Accountable Officer has overall executive responsibility for ensuring that the CCG's complies with certain of its statutory obligations, including its financial and accounting obligations, and that it exercises its functions effectively, efficiently and economically and in a way which provides good value for money.
- 12.3 Any sums received on behalf of the Secretary of State excluding charges arising under Part II of the 1977 NHS Act is treated as sums received by the CCG.
- 12.4 The Chief Finance Officer will:
- a) provide reports in the form required by the NHS Commissioning Board;
  - b) ensure money drawn from the NHS Commissioning Board is required for approved expenditure only, and is drawn down only at the time of need and follows best practice ;
  - c) be responsible for ensuring that an adequate system of monitoring financial performance is in place to enable the CCG to fulfil its statutory responsibility not to exceed expenditure limits, as set by direction of the NHS Commissioning Board.

## **13 ALLOTMENTS, COMMISSIONING STRATEGY, BUDGETS, BUDGETARY CONTROL AND MONITORING**

### **13.1 Allocations**

13.1.1 The Chief Finance Officer of the CCG will:

- a) periodically review the basis and assumptions used by the NHS Commissioning Board for distributing allocations and ensure that these are reasonable and realistic and secure the CCG's entitlement to funds;
- b) prior to the start of each financial year submit to the CCG Board for approval a report showing the total allocations received and their proposed distribution including any sums to be held in reserve; and
- c) regularly update the CCG Board on significant changes to the initial allocation and the uses of such funds.

### **13.2 Preparation and Approval of Commissioning Strategy and Budgets**

13.2.1 The Accountable Officer will compile and submit to the Board a Commissioning strategy which takes into account financial targets and forecast limits of available resources. The Board will approve consultation arrangements for the CCG Commissioning Strategy and associated plans. . The 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.

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

- a) be in accordance with the aims and objectives set out in the plan;
- b) accord with workload and manpower plans;
- c) be produced following discussion with appropriate budget holders;
- d) be prepared within the limits of available funds;
- e) identify potential risks.

13.2.3 The Chief Finance Officer shall monitor financial performance against budget and plan, periodically review them, and report to the Board. This report should include explanation for variances. These variances must be based on any significant departures from agreed financial plan or budgets.

13.2.4 The Accountable Officer is responsible for ensuring that information relating to the group's account or to its income or expenditure, or its use of resources is provided to the NHS Commissioning Board as requested.

13.2.5 All budget holders must provide information as required by the Chief Finance Officer to enable budgets to be compiled. The Chief Finance Officer has a responsibility to

ensure that adequate training is delivered on an on-going basis to budget holders to help them manage successfully.

### **13.3 Budgetary Delegation**

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

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

13.3.2 The Accountable Officer and delegated budget holders must not exceed the budgetary total or virement limits set by the Board.

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

13.3.4 Non-recurring budgets should not be used to finance recurring expenditure without the authority in writing of the Accountable Officer, as advised by the Chief Finance Officer.

### **13.4 Budgetary Control and Reporting**

13.4.1 The Chief Finance Officer will devise and maintain systems of budgetary control. These will include:

- a) monthly financial reports to the Finance & Performance Committee and then the Board in a form approved by the Board containing:
  - income and expenditure to date showing trends and forecast year-end position;
  - movements in working capital;
  - movements in cash and capital;
  - explanations of any material variances from plan;
  - details of any corrective action where necessary and the Accountable Officer's and/or Chief Finance Officer'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 manpower budgets;

- d) monitoring of management action to correct variances;
- e) arrangements for the authorisation of budget transfers.

13.4.2 Each Budget Holder is responsible for ensuring that:

- a) any likely overspending or reduction of income which cannot be met by virement is not incurred without the prior consent of the Board;
- b) the amount provided in the approved budget is not used in whole or in part for any purpose other than that specifically authorized, subject to the rules of virement;
- c) no permanent employees are appointed without the approval of the Accountable Officer other than those provided for within the available resources and manpower establishment as approved by the Board.

13.4.3 The Accountable Officer is responsible for identifying and implementing cost improvements and income generation initiatives in accordance with the requirements of the Local Delivery Plan and a balanced budget.

### **13.5 Capital Expenditure**

13.5.1 The general rules applying to delegation and reporting shall also apply to capital expenditure. (The particular applications relating to capital are contained in SFI 23).

### **13.6 Monitoring Returns**

13.6.1 The Accountable Officer is responsible for ensuring that the appropriate monitoring forms are submitted to the requisite monitoring organisation.

## **14 ANNUAL ACCOUNTS AND REPORTS**

14.1 The Chief Finance Officer, on behalf of the CCG, will:

- a) Prepare a timetable for producing the annual report and accounts and agree it with external auditors and the Board
- b) prepare financial returns in accordance with the accounting policies and guidance given by the Department of Health and the Treasury, the CCG's accounting policies, and generally accepted accounting practice;
- c) prepare and submit annual financial reports in accordance with the agreed timetable to be approved by the Board and submitted to the Department of Health certified in accordance with current guidelines;
- d) consider the external auditor's management letter and fully address all issues within agreed timescales and publish the external auditor's management letter on the CCG's website;
- e) comply with statutory requirements and relevant directions for the publication of the annual report;



- f) submit financial returns to the Department of Health for each financial year in accordance with the timetable prescribed by the Department of Health.

14.2 The CCG's annual accounts must be audited by an auditor appointed by the NHS Commissioning Board. The CCG's audited annual accounts must be presented to a public meeting and made available to the public.

14.3 The CCG will publish an annual report, in accordance with guidelines on local accountability, and present it at a public meeting. The document will comply with the Department of Health's Manual for Accounts and any subsequent or associated guidance.

## **15 BANK AND OPG ACCOUNTS**

### **15.1 General**

15.1.1 The Chief Finance Officer is responsible for managing the CCG's banking arrangements and for advising the CCG Board on the provision of banking services and operation of accounts. This advice will take into account guidance/ Directions issued from time to time by the Department of Health. In line with 'Cash Management in the NHS' CCGs should minimize the use of commercial bank accounts and consider using Office of the Paymaster General (OPG) accounts for all banking services.

15.1.2 The Board shall approve the banking arrangements.

### **15.2 Bank and OPG Accounts**

15.2.1 The Chief Finance Officer is responsible for:

- a) bank accounts and Office of the Paymaster General (OPG) accounts;
- b) establishing separate bank accounts for the CCG's non-exchequer funds;
- c) ensuring payments made from bank or OPG accounts do not exceed the amount credited to the account except where arrangements have been made;
- d) reporting to the Board all arrangements made with the CCG's bankers for accounts to be overdrawn;
- e) Reviewing the banking arrangements of the CCG at regular intervals to ensure they are in accordance with Secretary of State directions, best practice and represent best value for money and propose for approval by the Board the CCG banking arrangements;
- f) Prepare detailed instructions on the operation of the bank accounts
- g) monitoring compliance with DH guidance on the level of cleared funds.

### **15.3 Banking Procedures**

15.3.1 The Chief Finance Officer will prepare detailed instructions on the operation of bank

and OPG accounts which must include:

- a) the conditions under which each bank and OPG account is to be operated;
- b) those authorised to sign cheques or other orders drawn on the CCG's accounts.

15.3.2 The Chief Finance Officer must advise the CCG's bankers in writing of the conditions under which each account will be operated.

#### **15.4 Tendering and Review**

15.4.1 The Chief Finance Officer will review the banking arrangements of the CCG at regular intervals to ensure they reflect best practice and represent best value for money by periodically seeking competitive tenders for the CCG's banking business.

15.4.2 Competitive tenders should be sought at least every 5 years. This review is not necessary for OPG accounts. The results of the tendering exercise should be reported to the Board.

### **16 INCOME, FEES AND CHARGES AND SECURITY OF CASE, CHEQUES AND OTHER NEGOTIABLE INSTRUMENTS**

#### **16.1 Income Systems**

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

16.1.2 The Chief Finance Officer is also responsible for establishing and maintaining systems and procedures for the secure handling of cash and other negotiable instruments and for ensuring the prompt banking of all monies received.

16.1.3 The Chief Finance Officer is responsible for developing effective arrangements for making grants or loans.

#### **16.2 Fees and Charges**

16.2.1 The CCG shall follow the Department of Health's advice in the "Costing" Manual in setting prices for NHS service agreements.

16.2.2 The Chief Finance Officer is responsible for approving and regularly reviewing the level of all fees and charges other than those determined by the Department of Health or by Statute. Independent professional advice on matters of valuation shall be taken as necessary.

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

### **16.3 Debt Recovery**

16.3.1 The Chief Finance Officer is responsible for the appropriate recovery action on all outstanding debts.

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

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

### **16.4 Security of Cash, Cheques and other Negotiable Instruments**

16.4.1 The Chief Finance Officer is responsible for:

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

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

16.4.3 All cheques, postal orders, cash etc., shall be banked intact. Disbursements shall not be made from cash received, except under arrangements approved by the Chief Finance Officer.

16.4.4 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 CCG is not to be held liable for any loss, and written indemnities must be obtained from the organisation or individuals absolving the CCG from responsibility for any loss.

## **17 TENDERING AND CONTRACTING PROCEDURE**

### **17.1 Duty to comply with Standing Orders and Standing Financial Instructions**

The procedure for making all contracts by or on behalf of the CCG shall comply with these Standing Orders and Standing Financial Instructions (except where Standing Order No. 3.13 Suspension of Standing Orders is applied).

### **17.2 EU Directives Governing Public Procurement**

- a) Directives by the Council of the European Union promulgated by the Department of Health (DH) prescribing procedures for awarding all forms of contracts shall have effect as if incorporated in these Standing Orders and Standing Financial Instructions.
- b) CCG's should consider obtaining support from the NHS Purchasing and Supply Agency (PASA) for procurement to ensure compliance when engaging in tendering procedures.

### **17.3 Reverse e Auctions**

The CCG should have policies and procedures in place for the control of all tendering activity carried out through Reverse eAuctions. For further guidance on Reverse eAuctions refer to [www.ogc.gov.uk](http://www.ogc.gov.uk)

### **17.4 Formal Competitive Tendering**

#### **17.4.1 General Applicability**

The CCG shall ensure that competitive tenders are invited for:

- the supply of goods, materials and manufactured articles;
- the rendering of services including all forms of management consultancy services (other than specialised services sought from or provided by the DH);
- for the design, construction and maintenance of building and engineering works (including construction and maintenance of grounds and gardens); for disposals.

#### **17.4.2 Health Care Services**

Where the CCG elects to invite tenders for the supply of healthcare services these Standing Orders and Standing Financial Instructions shall apply as far as they are applicable to the tendering procedure and need to be read in conjunction with Standing Financial Instruction No. 18 and No. 19.

#### **17.4.3 Exceptions and instances where formal tendering need not be applied**

Formal tendering procedures need not be applied where:

- a) the estimated expenditure or income does not, or is not reasonably expected to, exceed £100,000; or
- b) where the supply is proposed under special arrangements negotiated by the DH in which event the said special arrangements must be complied with;
- c) regarding disposals as set out in Standing Financial Instructions No. 25;

Formal tendering procedures may be waived in the following circumstances:

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

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

- m) where allowed and provided for in the Capital Investment Manual.

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

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

#### **17.4.4 Fair and Adequate Competition**

Where the exceptions set out in SFI Nos. 17.3 and 17.5.3 apply, the CCG 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.

#### **17.4.5 List of Approved Firms**

The CCG and the Executive Team shall ensure that the firms/individuals invited to tender (and where appropriate, quote) are among those on approved lists. Where in the opinion of the Chief Finance Officer it is desirable to seek tenders from firms not on the approved lists, the reason shall be recorded in writing to the Accountable Officer or Executive Committee (see SFI 17.6.8 List of Approved Firms).

#### **17.4.6 Building and Engineering Construction Works**

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

#### **17.4.7 Items which subsequently breach thresholds after original approval**

Items estimated to be below the limits set in this Standing Financial Instruction for which formal tendering procedures are not used which subsequently prove to have a value above such limits shall be reported to the Accountable Officer, and be recorded in an appropriate CCG record.

### **17.5 Contracting/Tendering Procedure**

#### **17.5.1 Invitation to tender**

- a) The CCG shall ensure that the firms / individuals invited to tender (and where appropriate, quote) are among those on approved lists or where necessary a framework agreement. Where in the opinion of the Chief Finance Officer it is desirable to seek tenders from firms not on the approved lists, the reason shall be recorded in writing to the Accountable Officer or the CCG Board.
- b) All invitations to tender shall state the date and time as being the latest time for the receipt of tenders.
- c) All invitations to tender shall state that no tender will be accepted unless:
  - submitted in a plain sealed package or envelope bearing a pre-printed label supplied by the CCG (or the word "tender" followed by the subject to which it related) and the latest date and time for the receipt of such tender addressed to the Accountable Officer or nominated Manager;
  - that tender envelopes/ packages shall not bear any names or marks indicating the sender. The use of courier/postal services must not identify the sender on the envelope or on any receipt so required by the deliverer.
- d) Every tender for goods, materials, services or disposals shall embody such of the NHS Standard Contract Conditions as are applicable.
- e) Every tender must have given, or give a written undertaking, not to engage in collusive tendering or other restrictive practice.

### 17.5.2 Receipt and safe custody of tenders

- a) The Accountable Officer or his/her nominated representative will be responsible for the receipt, endorsement and safe custody of tenders received until the time appointed for their opening.
- b) The date and time of receipt of each tender shall be endorsed on the tender envelope/package.

### 17.5.3 Opening tenders and Register of tenders

- a) As soon as practicable after the date and time stated as being the latest time for the receipt of tenders, they shall be opened by two senior S of S/managers designated by the Accountable Officer and not from the originating department.
- b) A member of the CCG Board will be required to be one of the two approved persons present for the opening of tenders. The rules relating to the opening of tenders will need to be read in conjunction with any delegated authority set out in the CCG's Scheme of Delegation.
- c) The 'originating' Department will be taken to mean the Department sponsoring or commissioning the tender.
- d) The involvement of Finance staff in the preparation of a tender proposal will not preclude the Chief Finance Officer or any approved Senior Manager from the Finance team from serving as one of the two senior managers to open tenders.
- e) All Executive S of S/members will be authorised to open tenders regardless of whether they are from the originating department provided that the other authorised person opening the tenders with them is not from the originating department.  
The CCG's Business Manager will count as an Executive Officer for the purposes of opening tenders.
- f) Every tender received shall be marked with the date of opening and initialled by those present at the opening.
- g) A register shall be maintained by the Accountable Officer, or a person authorised by him, to show for each set of competitive tender invitations despatched:
  - the name of all firms individuals invited;
  - the names of firms individuals from which tenders have been received;
  - the date the tenders were received and opened;
  - the persons present at the opening;
  - the price shown on each tender;
  - a note where price alterations have been made on the tender and suitably initialled.Each entry to this register shall be signed by those present.  
A note shall be made in the register if any one tender price has had so many alterations that it cannot be readily read or understood.
- h) Incomplete tenders, i.e. those from which information necessary for the adjudication of the tender is missing, and amended tenders i.e., those amended

by the tenderer upon his/her own initiative either orally or in writing after the due time for receipt, but prior to the opening of other tenders, should be dealt with in the same way as late tenders. (Standing Financial Instruction No. 17.6.5 below).

#### **17.5.4 Admissibility**

- a) If for any reason the designated S of S are of the opinion that the tenders received are not strictly competitive (for example, because their numbers are insufficient or any are amended, incomplete or qualified) no contract shall be awarded without the approval of the Accountable Officer.
- b) Where only one tender is sought and/or received, the Accountable Officer and Chief Finance Officer shall, as far practicable, ensure that the price to be paid is fair and reasonable and will ensure value for money for the CCG.

#### **17.5.5 Late tenders**

- a) Tenders received after the due time and date, but prior to the opening of the other tenders, may be considered only if the Accountable Officer or his/her nominated officer decides that there are exceptional circumstances i.e. despatched in good time but delayed through no fault of the tenderer.
- b) Only in the most exceptional circumstances will a tender be considered which is received after the opening of the other tenders and only then if the tenders that have been duly opened have not left the custody of the Accountable Officer or his/her nominated officer or if the process of evaluation and adjudication has not started.
- c) While decisions as to the admissibility of late, incomplete or amended tenders are under consideration, the tender documents shall be kept strictly confidential, recorded, and held in safe custody by the Accountable Officer or his/her nominated officer.
- d) Accepted late tenders will be reported to the Board.

#### **17.5.6 Acceptance of formal tenders (See overlap with SFI No. 17.7)**

- a) Any discussions with a tenderer which are deemed necessary to clarify technical aspects of his/her tender before the award of a contract will not disqualify the tender.
- b) The lowest tender, if payment is to be made by the CCG, or the highest, if payment is to be received by the CCG, shall be accepted unless there are good and sufficient reasons to the contrary. Such reasons shall be set out in either the contract file, or other appropriate record.

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



- experience and qualifications of team members;
- understanding of client's needs;
- feasibility and credibility of proposed approach;
- ability to complete the project on time.

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

- c) No tender shall be accepted which will commit expenditure in excess of that which has been allocated by the CCG and which is not in accordance with these Instructions except with the authorisation of the Accountable Officer.
- d) The use of these procedures must demonstrate that the award of the contract was:
  - not in excess of the going market rate / price current at the time the contract was awarded;
  - that best value for money was achieved.
- e) All Tenders should be treated as confidential and should be retained for inspection.

#### **17.5.7 Tender reports to the CCG Board**

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

#### **17.5.8 List of approved firms (see SFI No. 17.5.5)**

- a) Responsibility for maintaining list

A manager nominated by the Accountable Officer shall on behalf of the CCG maintain lists of approved firms from who tenders and quotations may be invited. These shall be kept under frequent review. The lists shall include all firms who have applied for permission to tender and as to whose technical and financial competence the CCG is satisfied. All suppliers must be made aware of the CCG's terms and conditions of contract.

- b) Financial Standing and Technical Competence of Contractors

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

#### **17.5.9 Exceptions to using approved contractors**

- a) If in the opinion of the Accountable Officer and the Chief Finance Officer or the Executive Nurse with lead responsibility for clinical governance it is impractical to use a potential contractor from the list of approved firms/individuals (for example where specialist services or skills are required and there are insufficient suitable potential contractors on the list), or where a list for whatever reason has not been prepared, the Accountable Officer should ensure that appropriate checks are carried out as to the technical and financial capability of those firms that are invited to tender or quote.
- b) An appropriate record in the contract file should be made of the reasons for inviting a tender or quote other than from an approved list.

## **17.6 Quotations: Competitive and non-competitive**

### **17.6.1 General Position on quotations**

Quotations are required where formal tendering procedures are not adopted and where the intended expenditure or income exceeds, or is reasonably expected to exceed £10,000 but not exceed £100,000.

### **17.6.2 Competitive Quotations**

- a) Quotations should be obtained from at least 3 firms/individuals based on specifications or terms of reference prepared by, or on behalf of, the CCG or Executive Team.
- b) Quotations should be in writing unless the Accountable Officer or his nominated officer determines that it is impractical to do so 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.
- c) All quotations should be treated as confidential and should be retained for inspection.
- d) The Accountable Officer or his nominated officer should evaluate the quotation and select the quote which gives the best value for money. If this is not the lowest quotation if payment is to be made by the CCG, or the highest if payment is to be received by the CCG, then the choice made and the reasons why should be recorded in a permanent record.

### **17.6.3 Non-Competitive Quotations**

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

- a) the supply of proprietary or other goods of a special character and the rendering of services of a special character, for which it is not, in the opinion of the Responsible Officer, possible or desirable to obtain competitive quotations;
- b) the supply of goods or manufactured articles of any kind which are required quickly and are not obtainable under existing contracts;
- c) miscellaneous services, supplies and disposals;
- d) where the goods or services are for building and engineering maintenance the responsible works manager must certify that the first two conditions of this SFI apply.

#### 17.6.4 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 CCG and which is not in accordance with Standing Financial Instructions except with the authorisation of either the Accountable Officer or Chief Finance Officer.

### 17.7 Authorisation of Tenders and Competitive Quotations

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

Designated budget holders	up to	£10,000
Heads of Department	up to	£25,000
Executive Officers	up to	£125,000
CFO, COO/AO	up to	£1,000,000
Chairman	up to	£1,000,000
CCG Board	over	£1,000,000

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

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

### 17.8 Instances where formal competitive tendering or competitive quotation is not required

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

- a) the CCG shall use the NHS Purchasing and Supplies Agency for procurement of all goods and services unless the Accountable Officer or nominated S of S

deems it inappropriate. The decision to use alternative sources must be documented.

- b) if the CCG does not use the NHS Purchasing and Supplies Agency - where tenders or quotations are not required, because expenditure is below **£10,000**, the CCG shall procure goods and services in accordance with procurement procedures approved by the Chief Finance Officer.

## **17.9 Compliance requirements for all contracts**

The Board may only enter into contracts on behalf of the CCG within the statutory powers delegated to it by the Secretary of State and the statutory framework set up by the 2006 Act, as amended by the 2012 Act and shall comply with:

- a) The CCG's Standing Orders and Standing Financial Instructions;
- b) The Public Contracts Regulations 2006, any successor legislation, and any other applicable law;
- c) As appropriate, any applicable NHS Commissioning Board or the Independent Regulator of NHS Foundation Trusts (Monitor) guidance that does not conflict with these standing orders;
- d) EU Directives and other statutory provisions;
- e) Such of the NHS Standard Contract Conditions as are applicable;
- f) 'Standards for Better Health';
- g) 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;

In all contracts made by the CCG, the Board shall endeavour to obtain best value for money by use of all systems in place. The Accountable Officer shall nominate an officer who shall oversee and manage each contract on behalf of the CCG.

### **17.10 Personnel and Agency or Temporary Staff Contracts**

The Accountable Officer shall nominate S of S with delegated authority to enter into contracts of employment, regarding staff, agency staff or temporary staff service contracts.

### **17.11 Healthcare Services Agreements (see overlap with SFI No. 18)**

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

The Accountable Officer shall nominate S of S to commission service agreements with providers of healthcare in line with a commissioning plan approved by the Board.

### **17.12 Disposals (See overlap with SFI No. 25)**

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

- a) any matter in respect of which a fair price can be obtained only by negotiation or sale by auction as determined (or pre-determined in a reserve) by the Accountable Officer or his nominated officer;
- b) obsolete or condemned articles and stores, which may be disposed of in accordance with the supplies policy of the CCG;
- c) items to be disposed of with an estimated sale value of less than £10,000, this figure to be reviewed on a periodic basis;
- d) items arising from works of construction, demolition or site clearance, which should be dealt with in accordance with the relevant contract;
- e) land or buildings concerning which DH guidance has been issued but subject to compliance with such guidance.

### **17.13 In-house Services**

- a) The Accountable Officer shall be responsible for ensuring that best value for money can be demonstrated for all services provided on an in-house basis. The CCG may also determine from time to time that in-house services should be market tested by competitive tendering.
- b) In all cases where the Board or Executive Team determines that in-house services should be subject to competitive tendering the following groups shall be set up:
  - Specification group, comprising the Accountable Officer or nominated officer/s and specialist.
  - In-house tender group, comprising a nominee of the Accountable Officer and technical support.
  - Evaluation team, comprising normally a specialist officer, a supplies officer and a Chief Finance Officer representative. For services having a likely annual expenditure exceeding £100,000, a non-officer member should be a member of the evaluation team.
- c) All groups should work independently of each other and individual S of S 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.
- d) The evaluation team shall make recommendations to the Board or Executive Team.
- e) The Accountable Officer shall nominate an officer to oversee and manage the contract on behalf of the CCG.

### **17.14 Applicability of SFIs on Tendering and Contracting to funds held in trust (see overlap with SFI No. 28)**

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

## **18 NHS SERVICE AGREEMENTS FOR PROVISION OF SERVICES (SEE OVERLAP WITH SFI NO 17.13) AND COMMISSIONING**

### **18.1 Service Level Agreements (SLAs)**

18.1.1 The Accountable Officer is responsible for ensuring the CCG enters into suitable Service Level Agreements (SLA) with commissioners for the provision of NHS services.

All SLAs should aim to implement the agreed priorities contained within the Local Delivery Plan (LDP) and wherever possible, be based upon integrated care pathways to reflect expected patient experience. In discharging this responsibility, the Accountable Officer should take into account:

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

### **18.2 Involving Partners and jointly managing risk**

A good SLA will result from a dialogue of clinicians, users, carers, public health professionals and managers. It will reflect knowledge of local needs and inequalities. This will require the Accountable Officer to ensure that the CCG works with all partner agencies involved in both the delivery and the commissioning of the service required. The SLA will apportion responsibility for handling a particular risk to the party or parties in the best position to influence the event and financial arrangements should reflect this. In this way the CCG can jointly manage risk with all interested parties. Due consideration in all provider/purchaser arrangements must be observed as the NHS moves toward a 'Patient-led NHS'.

### **18.3 A 'Patient-Led NHS and Clinical Commissioning**

The Department of Health has published its document 'Creating a patient-led NHS' setting out the basis upon which the Government's major reform agenda will be carried forward.

### 18.3.1 A 'Patient-led NHS'

Every aspect of the new system is designed to create a service which is patient-led, where:

- people have a far greater range of choices and of information and guidance to help make choices;
- there a stronger standards and safeguards for patients;
- NHS organisations are better at understanding patients and their needs, use new and different methodologies to do so and have better and more regular sources of information about preferences and satisfaction.

### 18.3.2 What services will look like

In order to be patient-led, the NHS will develop new service models which build on current experience and innovation to:

- give patients more choice and control wherever possible;
- offer integrated networks for emergency, urgent and specialist care to ensure that everyone throughout the country has access to safe, high quality care;
- make sure that all services and all parts of the NHS contribute to health promotion, protection and improvement.

### 18.3.3 Securing services

The NHS will develop the way it secures services for its patients. It will:

- promote more choice in acute care by offering choice to the patient both in number and type of provider;
- encourage development of new community and primary services alongside new practices;
- strengthen existing networks for emergency, urgent and specialist services;
- build on current practices in shared commissioning to create a far simpler contract management and administration system that can be professionally managed.

### 18.3.4 Changing the way the NHS works

The NHS needs a change of culture as well as of systems to become truly patient-led, where:

- everything is measured by its impact on patients and type of provider
- the NHS is as concerned with health promotion and prevention as with sickness and injury;
- frontline staff have more authority and autonomy to better support the patient;
- barriers which create rigidity and inflexibility are tackled and codes of conduct and shared values are instilled into the culture.

### 18.3.5 Making the changes

A Patient-led NHS needs effective organisations and incentives, with:

- a new development programme to help NHS Trusts become NHS Foundation Trusts;
- a similar structured programme to support CCGs in their development of 'Practice Based Commissioning';
- further development of Payment by Results to provide appropriate financial incentives for all services;
- greater integration of all the financial and quality incentives along with full utilisation of new human resources and IT programmes.

Commissioning a Patient-led NHS and Clinical Commissioning are being rolled out by the Department of Health and full support and latest guidance may be accessed at <http://www.dh.gov.uk>

## **18.4 Reports to Board on SLAs**

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

## **19 COMMISSIONING**

### **19.1 Role of the CCG in Commissioning Secondary Services**

- 19.1.1 The CCG has responsibilities for commissioning secondary services on behalf of the resident population. This will require the CCG to work in partnership with the NHS Commissioning Board, local NHS Trusts, CCGs, and FTs, local authority, users, carers and the voluntary sector to develop an operational plan.
- 19.1.2 The CCG will coordinate its work with the NHS Commissioning Board, other clinical commissioning groups, and local providers of services, local authority (ies), including through Health & Wellbeing Boards, patients and their carers and the voluntary sector and others as appropriate to develop robust commissioning plans.

### **19.2 Role of the Accountable Officer**

- 19.2.1 The Accountable Officer has responsibility for ensuring secondary services are commissioned in accordance with the priorities agreed in the operational plan. This will involve ensuring SLAs are put in place with the relevant providers, based upon integrated care pathways.
- 19.2.2 SLAs will be the key means of delivering the objectives of the operational plan and



therefore they need to have a wider scope. The CCG Accountable Officer will need to ensure that all SLAs;

- Meet the standards of service quality expected;
- Fit the requirement of 'Standards for Better Health';
- Fit the relevant national service framework (if any);
- Enable the provision of reliable information on cost and volume of services;
- Fit the NHS National Performance Assessment Framework;
- that SLAs build where appropriate on existing Joint Investment Plans;
- that SLAs are based upon cost-effective services;
- those SLAs are based on integrated care pathways.

19.2.3 The Accountable Officer, will need to ensure that regular reports are provided to the Board detailing actual and forecast expenditure and activity for each SLA.

19.2.4 Where the CCG makes arrangements for the provision of services by non-NHS providers it is the Accountable Officer, who is responsible for ensuring that the agreements put in place have due regard to the quality and cost-effectiveness of services provided. Before making any agreement with non-NHS providers, the CCG should explore fully the scope to make maximum cost-effective use of NHS facilities.

### **19.3 Role of Chief Finance Officer**

19.3.1 A system of financial monitoring must be maintained by the Chief Finance Officer to ensure the effective accounting of expenditure under the SLA. This should provide a suitable audit trail for all payments made under the agreements, but maintains patient confidentiality.

19.3.2 The Chief Finance Officer must account for Out of Area Treatments/Non Contract Activity financial adjustments in accordance with national guidelines.

## **20 TERMS OF SERVICE, ALLOWANCES AND PAYMENT OF MEMBERS OF THE CCG BOARD AND EXECUTIVE COMMITTEE AND EMPLOYEES**

20.1 Refer to sections 34, 36 and Schedules 2 and 3 of the CCG Constitution.

### **20.2 Funded Establishment**

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

20.2.2 The funded establishment of any department may not be varied without the approval of the Accountable Officer.

## **20.3 Staff Appointments**

20.3.1 No officer or Member of the Executive Team, or Member of the CCG Board or employee may engage, re-engage, or re-grade employees, either on a permanent or temporary nature, or hire agency staff, or agree to changes in any aspect of remuneration:

- unless authorised to do so by the Chief Operating Officer; and
- within the limit of their approved budget and funded establishment.

20.3.2 The Board will approve procedures presented by the Chair of Remuneration Committee for the determination of commencing pay rates, condition of service, etc., for employees Rem Com.

## **20.4 Processing Payroll**

20.4.1 The Chief Finance Officer is responsible for:

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

20.4.2 The Chief Finance Officer will issue instructions regarding:

- a) verification and documentation of data;
- b) the timetable for receipt and preparation of payroll data and the payment of employees and allowances;
- c) maintenance of subsidiary records for superannuation, income tax, social security and other authorised deductions from pay;
- d) security and confidentiality of payroll information;
- e) checks to be applied to completed payroll before and after payment;
- f) authority to release payroll data under the provisions of the Data Protection Act;
- g) methods of payment available to various categories of employee and S of S;
- h) procedures for payment by cheque, bank credit, or cash to employees and S of S;
- i) procedures for the recall of cheques and bank credits;
- j) pay advances and their recovery;
- k) maintenance of regular and independent reconciliation of pay control accounts;
- l) separation of duties of preparing records and handling cash;
- m) a system to ensure the recovery from those leaving the employment of the CCG of sums of money and property due by them to the CCG.

20.4.3 Appropriately nominated managers and Executive Team members have delegated responsibility for:

- a) submitting time records, and other notifications in accordance with agreed timetables;
- b) completing time records and other notifications in accordance with the Chief Finance Officer's instructions and in the form prescribed by the Chief Finance Officer;
- c) submitting termination forms in the prescribed form immediately upon knowing the effective date of employees or officer's resignation, termination or retirement. Where an employee fails to report for duty or to fulfil Executive Team obligations in circumstances that suggest they have left without notice, the Chief Finance Officer must be informed immediately.

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

20.4.5 The Chief Finance Officer will ensure that the payroll service selected:

- a) Is supported by appropriate (i.e. contracted) terms and conditions;
- b) Has adequate internal controls and audit review processes;
- c) Have suitable arrangements for the collection of payroll deductions and payment of these to appropriate bodies.

20.4.6 In addition, the Chief Finance Officer shall set out comprehensive procedures for the effective processing of payroll.

## **20.5 Contracts of Employment**

20.5.1 The Board shall delegate responsibility to the Chief Operating Officer:

- a) ensuring that all employees are issued with a Contract of Employment in a form approved by the Board and which complies with employment legislation; and
- b) dealing with variations to, or termination of, contracts of employment.

## **21 NON-PAY EXPENDITURE**

### **21.1 Delegation of Authority**

21.1.1 The Board will approve the level of non-pay expenditure on an annual basis and the Accountable Officer will determine the level of delegation to budget managers.

21.1.2 The Accountable Officer will set out:

- a) Procedures on the seeking of professional advice regarding the supply of goods and services;
- b) the list of managers who are authorised to place requisitions for the supply of goods and services;

- c) the maximum level of each requisition and the system for authorisation above that level.

## **21.2 Choice, Requisitioning, Ordering, Receipt and Payment for Goods and Services (see overlap with Standing Financial Instruction No. 17)**

### **21.2.1 Requisitioning**

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 CCG. In so doing, the advice of the CCG's adviser on supplies shall be sought. Where this advice is not acceptable to the requisitioner, the Chief Finance Officer (and/or the Accountable Officer) shall be consulted.

### **21.2.2 System of Payment and Payment Verification**

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

### **21.2.3 The Chief Finance Officer will:**

- a) advise the Board regarding the setting of thresholds above which quotations (competitive or otherwise) or formal tenders must be obtained; and, once approved, the thresholds should be incorporated in Standing Orders and Standing Financial Instructions and regularly reviewed;
- b) prepare procedural instructions or guidance within the Scheme of Delegation on the obtaining of goods, works and services incorporating the thresholds;
- c) be responsible for the prompt payment of all properly authorised accounts and claims;
- d) be responsible for designing and maintaining a system of verification, recording and payment of all amounts payable. The system shall provide for:
  - A list of Board and Executive Team members/employees (including specimens of their signatures) authorised to certify invoices.
  - Certification that:
    - goods have been duly received, examined and are in accordance with specification and the prices are correct;
    - work done or services rendered have been satisfactorily carried out in accordance with the order, and, where applicable, the materials used are of the requisite standard and the charges are correct;
    - in the case of contracts based on the measurement of time, materials or expenses, the time charged is in accordance with the time sheets, the rates of labour are in accordance with the appropriate rates, the materials have been checked as regards quantity, quality, and price and the charges for the use of vehicles, plant and machinery have been examined;

- where appropriate, the expenditure is in accordance with regulations and all necessary authorisations have been obtained;
- the account is arithmetically correct;
- the account is in order for payment.
- A timetable and system for submission to the Chief Finance Officer of accounts for payment; provision shall be made for the early submission of accounts subject to cash discounts or otherwise requiring early payment.
- Instructions to employees regarding the handling and payment of accounts within the Finance Department.
- e) be responsible for ensuring that payment for goods and services is only made once the goods and services are received. The only exceptions are set out in SFI No. 21.2.4 below.

#### **21.2.4 Prepayments**

Prepayments are only permitted where exceptional circumstances apply. In such instances:

- a) Prepayments are only permitted where the financial advantages outweigh the disadvantages (i.e. cash flows must be discounted to NPV using the National Loans Fund (NLF) rate plus 2%).
- b) The appropriate officer member of the Executive Team must provide, in the form of a written report, a case setting out all relevant circumstances of the purchase. The report must set out the effects on the CCG if the supplier is at some time during the course of the prepayment agreement unable to meet his commitments;
- c) The Chief Finance Officer will need to be satisfied with the proposed arrangements before contractual arrangements proceed (taking into account the EU public procurement rules where the contract is above a stipulated financial threshold);
- d) The budget holder is responsible for ensuring that all items due under a prepayment contract are received and they must immediately inform the appropriate Director or Accountable Officer if problems are encountered.

#### **21.2.5 Official orders**

Official Orders must:

- a) be consecutively numbered;
- b) be in a form approved by the Chief Finance Officer;
- c) state the CCG's terms and conditions of trade;
- d) only be issued to, and used by, those duly authorised by the Accountable Officer.

#### **21.2.6 Duties of Managers and S of S**

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

- a) all contracts (except as otherwise provided for in the Scheme of Delegation), leases, tenancy agreements and other commitments which may result in a liability are notified to the Chief Finance Officer in advance of any commitment being made;
- b) contracts above specified thresholds are advertised and awarded in accordance with EU rules on public procurement;
- c) where consultancy advice is being obtained, the procurement of such advice must be in accordance with guidance issued by the Department of Health;
- d) no order shall be issued for any item or items to any firm which has made an offer of gifts, reward or benefit to directors or employees, other than:
  - isolated gifts of a trivial character or inexpensive seasonal gifts, such as calendars;
  - conventional hospitality, such as lunches in the course of working visits;

**(This provision needs to be read in conjunction with Standing Order No. 6 and the principles outlined in the national guidance contained in HSG 93(5) “Standards of Business Conduct for NHS Staff”; the Code of Conduct for NHS Managers 2002); and the ABPI Code of Professional Conduct relating to hospitality/gifts from pharmaceutical/external industry.**
- e) no requisition/order is placed for any item or items for which there is no budget provision unless authorised by the Chief Finance Officer on behalf of the Accountable Officer;
- f) all goods, services, or works are ordered on an official order except works and services executed in accordance with a contract and purchases from petty cash;
- g) verbal orders must only be issued very exceptionally - by an employee designated by the Accountable Officer and only in cases of emergency or urgent necessity. These must be confirmed by an official order and clearly marked "Confirmation Order";
- h) orders are not split or otherwise placed in a manner devised so as to avoid the financial thresholds;
- i) goods are not taken on trial or loan in circumstances that could commit the CCG to a future uncompetitive purchase;
- j) changes to the list of members/employees and S of S authorised to certify invoices are notified to the Chief Finance Officer;
- k) purchases from petty cash are restricted in value and by type of purchase in accordance with instructions issued by the Chief Finance Officer;
- l) petty cash records are maintained in a form as determined by the Chief Finance Officer.

### **21.3 Joint Finance Arrangements with Local Authorities and Voluntary Bodies (see overlap with Standing Order No. 9.1)**

21.3.1 Payments to local authorities and voluntary organisations made under the powers of section 28A of the NHS Act 1977 shall comply with procedures laid down by the Chief Finance Officer which shall be in accordance with that Acts. (See overlap with Standing Order No. 9.1)

## **22 FINANCIAL FRAMEWORK**

22.1 The Chief Finance Officer should ensure that members of the Board and the Executive Team are aware of the Financial Framework. This document contains directions which the CCG must follow. It also contains directions to Strategic Health Authorities / the NHS Commissioning Board regarding resource and capital allocation and funding to CCGs. The Chief Finance Officer should also ensure that the direction and guidance in the framework is followed by the CCG.

## **23 STORES AND RECEIPT OF GOODS**

### **23.1 General position**

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

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

### **23.2 Control of Stores, Stocktaking, condemnations and disposal**

23.2.1 Subject to the responsibility of the Chief Finance Officer for the systems of control, overall responsibility for the control of stores shall be delegated to an employee by the Accountable Officer. The day-to-day responsibility may be delegated by him/her to departmental employees and stores managers/keepers, subject to such delegation being entered in a record available to the Chief Finance Officer. The control of any Pharmaceutical stocks shall be the responsibility of a designated Pharmaceutical Officer; the control of any fuel oil and coal of a designated estates manager.

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

23.2.3 The Chief Finance Officer shall set out procedures and systems to regulate the stores including records for receipt of goods, issues, and returns to stores and losses.

23.2.4 Stocktaking arrangements shall be agreed with the Chief Finance Officer and there shall be a physical check covering all items in store at least once a year.

23.2.5 Where a complete system of stores control is not justified, alternative arrangements shall require the approval of the Chief Finance Officer.

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

designated Officer shall report to the Chief Finance Officer any evidence of significant overstocking and of any negligence or malpractice (see also overlap with SFI No. 25 Disposals and Condemnations, Losses and Special Payments). Procedures for the disposal of obsolete stock shall follow the procedures set out for disposal of all surplus and obsolete goods.

### **23.3 Goods supplied by NHS Logistics**

23.3.1 For goods supplied via the NHS Logistics central warehouses, the Accountable Officer shall identify those authorised to requisition and accept goods from the store. The authorised person shall check receipt against the delivery note before forwarding this to the Chief Finance Officer who shall satisfy himself that the goods have been received before accepting the recharge.

## **24 DISPOSALS AND CONDEMNATIONS, LOSSES AND SPECIAL PAYMENTS**

### **24.1 Disposals and Condemnations**

#### **24.1.1 Procedures**

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

24.1.2 When it is decided to dispose of a CCG asset, the Head of Department or authorised deputy will determine and advise the Chief Finance Officer of the estimated market value of the item, taking account of professional advice where appropriate.

24.1.3 All unserviceable articles shall be:

- a) condemned or otherwise disposed of by an employee authorised for that purpose by the Chief Finance Officer;
- b) recorded by the Condemning Officer in a form approved by the Chief Finance Officer 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 employee authorised for the purpose by the Chief Finance Officer.

24.1.4 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 Chief Finance Officer who will take the appropriate action.

### **24.2 Losses and Special Payments**

#### **24.2.1 Procedures**

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



24.2.2 Any employee or officer discovering or suspecting a loss of any kind must either immediately inform their Head of Department, who must immediately inform the Accountable Officer and the Chief Finance Officer or inform an officer charged with responsibility for responding to concerns involving loss. This officer will then appropriately inform the Chief Finance Officer and/or Accountable Officer. Where a criminal offence is suspected, the Chief Finance Officer must immediately inform the police if theft or arson is involved. In cases of fraud and corruption or of anomalies which may indicate fraud or corruption, the Chief Finance Officer must inform the relevant LCFS and Operational Fraud Team (OFT) in accordance with Secretary of State for Health's Directions.

### 24.2.3 Suspected fraud

The Chief Finance Officer must notify the NHS CFS and the External Auditor of all frauds.

24.2.4 For losses apparently caused by theft, arson, neglect of duty or gross carelessness, except if trivial, the Chief Finance Officer must immediately notify:

- a) the Board, and
- b) the External Auditor.

24.2.5 Within limits delegated to it by the Department of Health, the Board shall approve the writing-off of losses.

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

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

24.2.8 The Chief Finance Officer shall maintain a Losses and Special Payments Register in which write-off action is recorded.

24.2.9 No special payments exceeding delegated limits shall be made without the prior approval of the Department of Health.

24.2.10 All losses and special payments must be reported to the Audit Committee at every meeting.

## 25 INFORMATION TECHNOLOGY

### 25.1 Responsibilities and duties of the Chief Finance Officer

25.1.1 The Chief Finance Officer, who is responsible for the accuracy and security of the computerised financial data of the CCG, shall:

- a) devise and implement any necessary procedures to ensure adequate (reasonable) protection of the CCG's data, programs and computer hardware for which the Director is responsible from accidental or intentional disclosure to unauthorised persons, deletion or modification, theft or damage, having due regard for the Data Protection Act 1998;
- b) ensure that adequate (reasonable) controls exist over data entry, processing, storage, transmission and output to ensure security, privacy, accuracy, completeness, and timeliness of the data, as well as the efficient and effective operation of the system;
- c) ensure that adequate controls exist such that the computer operation is separated from development, maintenance and amendment;
- d) ensure that an adequate management (audit) trail exists through the computerised system and that such computer audit reviews as the Director may consider necessary are being carried out.

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

25.1.3 The Officer responsible for Information Technology shall publish and maintain a Freedom of Information (FOI) Publication Scheme, or adopt a model Publication Scheme approved by the Information Commissioner. A Publication Scheme is a complete guide to the information routinely published by a public authority. It describes the classes or types of information about our CCG that we make publicly available.

## **25.2 Responsibilities and duties of other Directors and S of S in relation to computer systems of a general application**

25.2.1 In the case of computer systems which are proposed General Applications (i.e. normally those applications which the majority of CCGs in the Region wish to sponsor jointly) all responsible directors and employees will send to the Chief Finance Officer:

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

## **25.3 Contracts for computer services with other health bodies or outside agencies**

25.3.1 The Chief Finance Officer shall ensure that contracts for computer services for financial applications with another health organisation or any other agency shall clearly define the responsibility of all parties for the security, privacy, accuracy,

completeness, and timeliness of data during processing, transmission and storage. The contract should also ensure rights of access for audit purposes.

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

## **25.4 Requirements for computer systems which have an impact on corporate financial systems**

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

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

## **26 PATIENTS' PROPERTY**

26.1 The CCG 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.

26.2 The Accountable Officer is responsible for ensuring that patients or their guardians, as appropriate, are informed before or at admission by:

- Notices and information booklets (**subject to sensitivity guidance**);
- Hospital admission documentation and property records;
- The oral advice of administrative and nursing staff responsible for admissions.

that the CCG 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.

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

26.4 Where Department of Health instructions require the opening of separate accounts for patients' moneys, these shall be opened and operated under arrangements agreed by the Chief Finance Officer.

- 26.5 In all cases where property of a deceased patient is of a total value in excess of £5,000 (or such other amount as may be prescribed by any amendment to the Administration of Estates, Small Payments, Act 1965), the production of Probate or Letters of Administration shall be required before any of the property is released. Where the total value of property is £5,000 or less, forms of indemnity shall be obtained.
- 26.6 Staff should be informed, on appointment, by the appropriate departmental or senior manager of their responsibilities and duties for the administration of the property of patients.
- 26.7 Where patients' property or income is received for specific purposes and held for safekeeping the property or income shall be used only for that purpose, unless any variation is approved by the donor or patient in writing.

## **27 FUNDS HELD ON TRUST**

### **27.1 Corporate Trustee**

- a) Standing Order No. 2.9 outlines the CCG's responsibilities as a corporate trustee for the management of funds it holds on trust, along with SO 4.9.4 that defines the need for compliance with Charities Commission latest guidance and best practice.
- b) The discharge of the CCG's corporate trustee responsibilities are distinct from its responsibilities for exchequer funds and may not necessarily be discharged in the same manner, but there must still be adherence to the overriding general principles of financial regularity, prudence and propriety. Trustee responsibilities cover both charitable and non-charitable purposes.

The Chief Finance Officer shall ensure that each trust fund which the CCG is responsible for managing is managed appropriately with regard to its purpose and to its requirements.

### **27.2 Accountability to Charity Commission and Secretary of State for Health**

- a) The trustee responsibilities must be discharged separately and full recognition given to the CCG's dual accountabilities to the Charity Commission for charitable funds held on trust and to the Secretary of State for all funds held on trust.
- b) The Schedule of Matters Reserved to the Board and the Scheme of Delegation make clear where decisions regarding the exercise of discretion regarding the disposal and use of the funds are to be taken and by whom. All CCG Board and Executive Team members and CCG S of S must take account of that guidance before taking action.

### **27.3 Applicability of Standing Financial Instructions to funds held on Trust**

- a) In so far as it is possible to do so, most of the sections of these Standing Financial Instructions will apply to the management of funds held on trust. (See overlap with SFI No. 17.16).

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

## **28 ACCEPTANCE OF GIFTS BY STAFF AND LINK TO STANDARDS OF BUSINESS CONDUCT (SEE OVERLAP WITH SO NO.6 AND SFI NO. 21.2.6)**

The Chief Finance Officer shall ensure that all staff are made aware of the CCG policy on acceptance of gifts and other benefits in kind by staff. This policy follows the guidance contained in the Department of Health circular HSG (93) 5 'Standards of Business Conduct for NHS Staff'; the Code of Conduct for NHS Managers 2002; and the ABPI Code of Professional Conduct relating to hospitality/gifts from pharmaceutical/external industry and is also deemed to be an integral part of these Standing Orders and Standing Financial Instructions (see overlap with SO No. 6).

## **29 PAYMENTS TO INDEPENDENT CONTRACTORS**

### **29.1 Role of the CCG**

The CCG will approve additions to, and deletions from, approved lists of contractors, taking into account the health needs of the local population, and the access to existing services. All applications and resignations received shall be dealt with equitably, within any time limits laid down in the contractors NHS terms and conditions of service.

### **29.2 Duties of the Accountable Officer**

The Accountable Officer shall:

- a) ensure that lists of all contractors, for which the CCG is responsible, are maintained in an up to date condition;
- b) ensure that systems are in place to deal with applications, resignations, inspection of premises, etc., within the appropriate contractor's terms and conditions of service.

### **29.3 Duties of the Chief Finance Officer**

The Chief Finance Officer shall:

- a) ensure that contractors who are included on a CCG's approved lists receives payments;
- b) maintain a system of payments such that all valid contractors' claims are paid promptly and correctly, and are supported by the appropriate documentation and signatures;

- c) ensure that regular independent verification of claims is undertaken, to confirm that:
  - rules have been correctly and consistently applied;
  - overpayments are detected (or preferably prevented) and recovery initiated;
  - suspicions of possible fraud are identified and subsequently dealt with in line with the Secretary of State for Health's Directions on the management of fraud and corruption.
- d) ensure that arrangements are in place to identify contractors receiving exceptionally high, low or no payments, and highlight these for further investigation; and
- e) ensure that a prompt response is made to any query raised by either the Prescription Pricing Division or the Dental Practice Division of the NHS Business Services Authority, regarding claims from contractors submitted directly to them.

## **30 RETENTION OF RECORDS**

30.1 The Accountable Officer shall:

- be responsible for maintaining archives for all records required to be retained in accordance with NHS Code of Practice - Records Management 2006.
- Ensure that arrangements are in place for effective responses to Freedom of Information requests
- Publish and maintain a Freedom of Information Publication Scheme

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

30.3 Records held in accordance with NHS Code of Practice - Records Management 2006, shall only be destroyed at the express instigation of the Accountable Officer. Detail shall be maintained of records so destroyed.

## **31 RISK MANAGEMENT AND INSURANCE**

### **31.1 Programme of Risk Management**

The Accountable Officer shall ensure that the CCG has a programme of risk management, in accordance with current Department of Health assurance framework requirements, which must be approved and monitored by the Board.

The programme of risk management shall include:

- a) a process for identifying and quantifying risks and potential liabilities;
- b) engendering among all levels of staff a positive attitude towards the control of risk;

- c) management processes to ensure all significant risks and potential liabilities are addressed including effective systems of internal control, cost effective insurance cover, and decisions on the acceptable level of retained risk;
- d) contingency plans to offset the impact of adverse events;
- e) audit arrangements including; internal audit, clinical audit, health and safety review;
- f) a clear indication of which risks shall be insured;
- g) arrangements to review the risk management programme.

The existence, integration and evaluation of the above elements will assist in providing a basis to make a statement on the effectiveness of internal control within the Annual Report and Accounts as required by current Department of Health guidance.

### **31.2 Insurance: Risk Pooling Schemes administered by NHSLA**

The Board shall decide if the CCG will insure through the risk pooling schemes administered by the NHS Litigation Authority or self-insure for some or all of the risks covered by the risk pooling schemes. If the Board decides not to use the risk pooling schemes for any of the risk areas (clinical, property and employers/third party liability) covered by the scheme this decision shall be reviewed annually.

### **31.3 Insurance arrangements with commercial insurers**

There is a general prohibition on entering into insurance arrangements with commercial insurers. There are, however, three exceptions when CCGs may enter into insurance arrangements with commercial insurers. The exceptions are:

- a) for insuring motor vehicles owned by the CCG including insuring third party liability arising from their use;
- b) where the CCG is involved with a consortium in a Private Finance Initiative contract and the other consortium members require that commercial insurance arrangements are entered into;
- c) where income generation activities take place. Income generation activities should normally be insured against all risks using commercial insurance. If the income generation activity is also an activity normally carried out by the CCG for a NHS purpose the activity may be covered in the risk pool. Confirmation of coverage in the risk pool must be obtained from the NHS Litigation Authority. In any case of doubt concerning a CCG's powers to enter into commercial insurance arrangements the Finance Director should consult the Department of Health.

### **31.4 Arrangements to be followed by the Board in agreeing Insurance cover**

- a) Where the Board decides to use the risk pooling schemes administered by the NHS Litigation Authority the Chief Finance Officer shall ensure that the arrangements entered into are appropriate and complementary to the risk

management programme. The Chief Finance Officer shall ensure that documented procedures cover these arrangements.

- b) Where the Board decides not to use the risk pooling schemes administered by the NHS Litigation Authority for one or other of the risks covered by the schemes, the Chief Finance Officer shall ensure that the Board is informed of the nature and extent of the risks that are self-insured as a result of this decision. The Chief Finance Officer will draw up formal documented procedures for the management of any claims arising from third parties and payments in respect of losses which will not be reimbursed.
- c) All the risk pooling schemes require Scheme members to make some contribution to the settlement of claims (the 'deductible'). The Director Finance should ensure documented procedures also cover the management of claims and payments below the deductible in each case.