



South Eastern Health  
and Social Care Trust

**STANDING ORDERS,  
RESERVATION AND DELEGATION  
of POWERS**

**And**

**STANDING FINANCIAL  
INSTRUCTIONS**

May 2011 (updated March 2013)

<b>CONTENTS</b>	<b>Page</b>
<b>SECTION A – INTERPRETATION AND DEFINITIONS FOR STANDING ORDERS AND STANDING FINANCIAL INSTRUCTIONS</b>	<b>8</b>
<b>SECTION B – STANDING ORDERS</b>	<b>11</b>
<b>1. INTRODUCTION</b>	<b>11</b>
1.1 Statutory Framework	11
1.2 HSC Framework	11
1.3 Delegation of Powers	11
1.4 Integrated Governance	12
<b>2. THE TRUST BOARD: COMPOSITION OF MEMBERSHIP, TENURE AND ROLE OF MEMBERS</b>	<b>12</b>
2.1 Composition of the Trust Board	12
2.2 Appointment of the Chairman and Members	12
2.3 Terms of Office of the Chairman and Members	12
2.4 Appointment and Powers of Vice-Chairman	12
2.5 Joint Members	13
2.6 Patient and Client Council (PCC)	13
2.7 Local Commissioning Group (LCG)	13
2.8 Role of Members	13
2.9 Corporate Role of the Board	14
2.10 Schedule of Matters Reserved to the Board and Scheme of Delegation	15
2.11 Lead Roles for Board Members	15
<b>3. MEETINGS OF THE TRUST</b>	<b>15</b>
3.1 Calling Meetings	15
3.2 Notice of Meetings and the business to be transacted	15
3.3 Agenda and Supporting Papers	16
3.4 Petitions	16
3.5 Notice of Motion	16
3.6 Emergency Motions	16
3.7 Motions: Procedure at and during a meeting	16
(i) who may propose	16
(ii) contents of motions	16
(iii) amendments to motions	17
(iv) rights of reply to motions	17
(v) withdrawing a motion	17
(vi) motions once under debate	17
3.8 Motion to Rescind a Resolution	17
3.9 Chairman of meeting	18
3.10 Chairman’s ruling	18
3.11 Quorum	18
3.12 Voting	18
3.13 Suspension of Standing Orders	19
3.14 Variation and amendment of Standing Orders	19
3.15 Record of Attendance	19
3.16 Minutes	19
3.17 Admission of public and the press	19
3.18 Observers at Trust meetings	20
<b>4. APPOINTMENT OF COMMITTEES AND SUB-COMMITTEES</b>	<b>20</b>
4.1 Appointment of Committees	20
4.2 Joint Committees	20
4.3 Applicability of Standing Orders and Standing Financial Instructions to Committees	21

<b>CONTENTS</b>	<b>Page</b>	
4.4	Terms of Reference	21
4.5	Delegation of powers by Committees to Sub-Committees	21
4.6	Approval of Appointments to Committees	21
4.7	Appointments for Statutory functions	21
4.8	Committees established by the Trust Board	21
4.8.1	Audit Committee	21
4.8.2	Remuneration and Terms of Service Committee	22
4.8.3	Charitable Funds Committee	22
4.8.4	Governance Assurance Committee	22
4.8.5	Finance Committee	23
4.8.6	Other Committees	23
<b>5.</b>	<b>ARRANGEMENTS FOR THE EXERCISE OF TRUST FUNCTIONS BY DELEGATION</b>	<b>23</b>
5.1	Delegation of functions to Committees, Officers or other bodies	23
5.2	Emergency powers and urgent decisions	23
5.3	Delegation to Committees	23
5.4	Delegation to Officers	23
5.5	Schedule of matters reserved to the Trust and Scheme of Delegation of Powers	24
5.6	Duty to report non-compliance with Standing Orders and Standing Financial Instructions	24
<b>6.</b>	<b>OVERLAP WITH OTHER TRUST POLICY STATEMENTS/PROCEDURES, REGULATIONS AND THE STANDING FINANCIAL INSTRUCTIONS</b>	<b>24</b>
6.1	Policy statements: general principles	24
6.2	Standing Financial Instructions	24
6.3	Specific guidance	24
<b>7.</b>	<b>DUTIES AND OBLIGATIONS OF BOARD MEMBERS/DIRECTORS AND SENIOR MANAGERS UNDER THESE STANDING ORDERS</b>	<b>24</b>
7.1	Declaration of Interests	24
7.1.1	Requirements for Declaring Interests and applicability to Board Members	24
7.1.2	Interests which are relevant and material	25
7.1.3	Advice on Interests	25
7.1.4	Recording of Interests in Trust Board minutes	25
7.1.5	Publication of declared interests in Annual Report	25
7.1.6	Conflicts of interest which arise during the course of a meeting	25
7.1.7	Declaration of objectivity and interests for those officers engaged in award of contract	26
7.2	Register of Interests	26
7.3	Exclusion of Chairman and Members in Proceedings on Account of Pecuniary Interest	26
7.3.1	Definition of terms used in interpreting 'Pecuniary' interest	26
7.3.2	Exclusion in proceedings of the Trust Board	27
7.3.3	Waiver of Standing Orders made by the Minister for Health for Health	27
7.4	Standards of Business Conduct	29
7.4.1	Trust Policy and National Guidance	29
7.4.2	Interest of Officers in Contracts	29
7.4.3	Canvassing of, and recommendations by, Members in relation to appointments	29
7.4.4	Relatives of Members or Officers	29
<b>8.</b>	<b>CUSTODY OF SEAL, SEALING OF DOCUMENTS AND SIGNATURE OF DOCUMENTS</b>	<b>30</b>
8.1	Custody of Seal	30
8.2	Sealing of Documents	30

<b>CONTENTS</b>		<b>Page</b>
8.3	Register of Sealing	30
8.4	Signature of documents	30
<b>SECTION C – RESERVATION and DELEGATION of POWERS</b>		<b>31</b>
<b>SECTION D – STANDING FINANCIAL INSTRUCTIONS</b>		<b>38</b>
<b>9.</b>	<b>INTRODUCTION</b>	<b>39</b>
9.1	General	39
9.2	Responsibilities and delegation	39
<b>10.</b>	<b>AUDIT</b>	<b>41</b>
10.1	Audit Committee	41
10.2	Director of Finance and Estates	41
10.3	Role of Internal Audit	42
10.4	External Audit	43
10.5	Fraud and Corruption	43
<b>11.</b>	<b>RESOURCE LIMIT CONTROL</b>	<b>43</b>
<b>12.</b>	<b>ALLOCATIONS, PLANNING, BUDGETS, AND MONITORING BUDGETARY CONTROL</b>	<b>43</b>
12.1	Preparation and Approval of Plans and Budgets	43
12.2	Budgetary Delegation	44
12.3	Budgetary Control and Reporting	44
12.4	Capital Expenditure	45
12.5	Monitoring Returns	45
<b>13.</b>	<b>ANNUAL ACCOUNTS AND REPORTS</b>	<b>45</b>
<b>14.</b>	<b>BANK ACCOUNTS</b>	<b>45</b>
14.1	General	45
14.2	Bank Accounts	45
14.3	Banking Procedures	46
14.4	Tendering and Review	46
<b>15.</b>	<b>INCOME, FEES AND CHARGES AND SECURITY OF CASH, CHEQUES AND OTHER NEGOTIABLE INSTRUMENTS</b>	<b>46</b>
15.1	Income Systems	46
15.2	Fees and Charges	46
15.3	Debt Recovery	46
15.4	Security of Cash, Cheques and other Negotiable Instruments	47
<b>16.</b>	<b>TENDERING AND CONTRACTING PROCEDURE</b>	<b>47</b>
16.1	Duty to comply with Standing Orders and Standing Financial Instructions	47
16.2	Northern Ireland Public Procurement Policy, EU Directives Governing Public Procurement and DHSSPS Mini-Code Guidance.	47
16.3	Reverse eAuctions	47
16.4	Capital Investment Manual and other Department of Health guidance	48
16.5	Formal Competitive Tendering	48
16.5.1	General Applicability	48
16.5.2	Health Care Services	48
16.5.3	Exceptions and instances where formal tendering need not be applied	48

<b>CONTENTS</b>	<b>Page</b>
16.5.4 Fair and Adequate Competition	49
16.5.5 List of Approved Firms	49
16.5.6 Building and Engineering Construction Works	49
16.5.7 Items which subsequently breach thresholds after original approval	49
16.6 Contracting/Tendering Procedure	49
16.6.1 Invitation to tender	49
16.6.2 Receipt and safe custody of tenders	50
16.6.3 Opening tenders and Register of tenders	50
16.6.4 Admissibility	51
16.6.5 Late tenders	51
16.6.6 Acceptance of formal tenders (See overlap with SFI No. 16.7)	51
16.6.7 Tender reports to the Trust Board	52
16.6.8 List of approved firms (see SFI No. 16.5.5)	52
16.6.9 Exceptions to using approved contractors	53
16.7 Quotations: Competitive and Non-Competitive	53
16.7.1 General Position on quotations	53
16.7.2 Competitive Quotations	53
16.7.3 Non Competitive Quotations	53
16.7.4 Quotations to be within Financial Limits	54
16.8 Authorisation of Tenders and Competitive quotations	54
16.9 Private finance for capital procurement (see overlap with SFI No. 22)	54
16.10 Compliance requirements for all contracts	54
16.11 Personnel and Agency or temporary staff contracts	55
16.12 Health Care Service Agreements (see overlap with SFI No. 17)	55
16.13 Disposals (see overlap with SFI No. 24)	55
16.14 In-house Services	55
16.15 Applicability of Tendering and Contracting SFIs to funds held in trust (see overlap with SFI No. 27)	56
<b>17. HPSS SERVICE AGREEMENTS FOR PROVISION OF SERVICES</b>	<b>56</b>
17.1 Service and Budget Agreements (SBAs)	56
17.2 Involving Partners and Jointly Managing Risk	56
17.3 Reports to Board on SBAs	56
<b>18. TERMS OF SERVICE, ALLOWANCES AND PAYMENT OF MEMBERS OF THE TRUST BOARD AND EMPLOYEES</b>	<b>56</b>
18.1 Remuneration and Terms of Service (see overlap with SO No. 4)	56
18.2 Funded Establishment	57
18.3 Staff Appointments	57
18.4 Processing Payroll	57
18.5 Contracts of Employment	58
<b>19. NON-PAY EXPENDITURE</b>	<b>59</b>
19.1 Delegation of Authority	59
19.2 Choice, Requisitioning, Ordering, Receipt and Payment for Goods and Services (see overlap with Standing Financial Instruction No. 17)	59
<b>20. EXTERNAL BORROWING</b>	<b>61</b>
<b>21. HSC TRUST FINANCIAL GUIDANCE</b>	<b>62</b>
<b>22. CAPITAL INVESTMENT, PRIVATE FINANCING, FIXED ASSET REGISTERS AND SECURITY OF ASSETS</b>	<b>62</b>
22.1 Capital Investment	62
22.2 Private Finance (see overlap with SFI No. 16.9)	63

<b>CONTENTS</b>		<b>Page</b>
22.3	Asset Registers	63
22.4	Security of Assets	64
<b>23.</b>	<b>STORES AND RECEIPT OF GOODS</b>	<b>64</b>
23.1	General Position	64
23.2	Control of Stores, Stocktaking, Condemnations and Disposal	65
23.3	Goods Supplied by Centres of Procurement Expertise/HPSS Service Providers	65
<b>24.</b>	<b>DISPOSALS AND CONDEMNATIONS, LOSSES AND SPECIAL PAYMENT</b>	<b>65</b>
24.1	Disposal and Condemnations	65
24.2	Losses and Special Payments	66
<b>25</b>	<b>INFORMATION TECHNOLOGY</b>	<b>66</b>
25.1	Responsibilities and Duties of the Director of Finance and Estates	66
25.2	Responsibilities and Duties of other Directors and Officers in relation to computer systems of a general application	67
25.3	Contracts for Computer Services with other health bodies or outside agencies	67
25.4	Risk Assessment	67
25.5	Requirements for Computer Systems which have an impact on corporate financial systems	67
<b>26.</b>	<b>PATIENTS' PROPERTY</b>	<b>68</b>
<b>27.</b>	<b>ENDOWMENT AND GIFT (E&amp;G) FUNDS</b>	<b>69</b>
<b>28.</b>	<b>ACCEPTANCE OF GIFTS BY STAFF AND LINK TO STANDARDS OF BUSINESS CONDUCT</b>	<b>73</b>
<b>29.</b>	<b>PAYMENTS TO INDEPENDENT CONTRACTORS</b>	<b>73</b>
<b>30.</b>	<b>RETENTION OF RECORDS</b>	<b>73</b>
<b>31.</b>	<b>RISK MANAGEMENT AND INSURANCE</b>	<b>73</b>
31.1	Programme of Risk Management	73
31.2	Insurance Arrangements with Commercial Insurers	74



South Eastern Health  
and Social Care Trust

## **SECTION A**

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

## SECTION A

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

- 1.1 Save as otherwise permitted by law, at any meeting the Chairman of the Trust shall be the final authority on the interpretation of Standing Orders (on which they should be advised by the Chief Executive and/or Secretary to the Board).
- 1.2 Any expression to which a meaning is given in the HPSS (NI) Order 1991 and other Acts/Orders relating to the HPSS shall have the same meaning in these Standing Orders and Standing Financial Instructions and in addition:
- 1.2.1 "**Accountable Officer**" means the HSC Officer responsible and accountable for funds entrusted to the Trust. The officer shall be responsible for ensuring the proper stewardship of public funds and assets. For this Trust it shall be the Chief Executive.
- 1.2.2 "**Trust**" means the South Eastern Health & Social Care Trust.
- 1.2.3 "**Board**" means the Chairman, executive and non-executive members of the Trust collectively as a body.
- 1.2.4 "**Budget**" means a resource, expressed in financial terms, proposed by the Board for the purpose of carrying out, for a specific period, any or all of the functions of the Trust.
- 1.2.5 "**Budget holder**" means the director or employee with delegated authority to manage finances (Income and Expenditure) for a specific area of the organisation.
- 1.2.6 "**Chairman of the Board (or Trust)**" is the person appointed by the Departmental Public Appointments Unit to lead the Board and to ensure that it successfully discharges its overall responsibility for the Trust as a whole. The expression "the Chairman of the Trust" shall be deemed to include the Vice-Chairman of the Trust if the Chairman is absent from the meeting or is otherwise unavailable.
- 1.2.7 "**Chief Executive**" means the chief officer of the Trust.
- 1.2.8 "**Safety & Quality Committee**" means a committee whose functions are concerned with the arrangements for the purpose of monitoring and improving the quality of health and social care for which the South Eastern Health & Social Care Trust has responsibility.
- 1.2.9 "**Commissioning**" means the process for determining the need for and for obtaining the supply of healthcare, social care and related services by the Trust within available resources.
- 1.2.10 "**Committee**" means a committee or sub-committee created and appointed by the Trust.
- 1.2.11 "**Committee members**" means persons formally appointed by the Board to sit on or to chair specific committees.
- 1.2.12 "**Contracting and procuring**" means the systems for obtaining the supply of goods, materials, manufactured items, services, building and engineering services, works of construction and maintenance and for disposal of surplus and obsolete assets.
- 1.2.13 "**Director of Finance**" means the Chief Financial Officer of the Trust.
- 1.2.14 "**Funds held on trust**" shall mean those funds which the Trust holds on date of incorporation, receives on distribution by statutory instrument or chooses subsequently to accept under powers derived under Article 16 of the HPSS (NI) Order 1991. Such funds may or may not be charitable.
- 1.2.15 "**Member**" means executive or non-executive member of the Board as the context permits. Member in relation to the Board does not include its Chairman.



- 1.2.16 "**Associate Member**" means a person appointed to perform specific statutory and non-statutory duties which have been delegated by the Trust Board for them to perform and these duties have been recorded in an appropriate Trust Board minute or other suitable record.
- 1.2.17 "**Membership, Procedure and Administration Arrangements Regulations**" means HSS Trusts (Membership and Procedure) Regulations (Northern Ireland) 1994.
- 1.2.18 "**Nominated officer**" means an officer charged with the responsibility for discharging specific tasks within Standing Orders and Standing Financial Instructions.
- 1.2.19 "**Officer**" means employee of the Trust or any other person holding a paid appointment or office with the Trust.
- 1.2.20 "**Secretary**" means a person appointed to act independently of the Board to provide advice on corporate governance issues to the Board and the Chairman and monitor the Trust's compliance with the law, Standing Orders, and DHSS&PS guidance.
- 1.2.21 "**SFI's**" means Standing Financial Instructions.
- 1.2.22 "**SO's**" means Standing Orders.
- 1.2.23 "**Vice-Chairman**" means the non-executive member appointed by the Board to take on the Chairman's duties if the Chairman is absent for any reason.



South Eastern Health  
and Social Care Trust

## **SECTION B**

### **STANDING ORDERS**

## **SECTION B – STANDING ORDERS**

### **1. INTRODUCTION**

#### **1.1 Statutory Framework**

The South Eastern Health & Social Care Trust (the Trust) is a statutory body which came into existence on [date] under the South Eastern Health and Social Care Trust (Establishment) Order (Northern Ireland) 2006 .

- (1) The principal place of business of the Trust is Trust Headquarters, Ulster Hospital, Dundonald.
- (2) HSC Trusts are provided for under Article 10(1) of the Health and Personal Social Services (NI) Order 1991.
- (3) The functions of the Trust are conferred by this legislation.
- (4) As a statutory body, the Trust has specified powers to contract in its own name and to act as a corporate trustee.
- (5) Schedule 3 of the HPSS (NI) Order 1991 specifies the duties, powers and status of HSS Trusts.
- (6) Circular HSS (PDD) 8/94 and the Codes of Conduct and Accountability require the Trust to adopt Standing Orders for the regulation of its proceedings and business. The Trust must also adopt Standing Financial Instructions (SFIs) as an integral part of Standing Orders setting out the responsibilities of individuals.
- (7) The Trust will also be bound by such other statutes and legal provisions which govern the conduct of its affairs.

#### **1.2 HSC Framework**

- (1) In addition to the statutory requirements the Minister for Health through the DHSS&PS issues further directions and guidance. These are normally issued under cover of a circular or letter.
- (2) The Codes of Conduct and Accountability require that, inter alia, Boards draw up a schedule of decisions reserved to the Board, and ensure that management arrangements are in place to enable responsibility to be clearly delegated to senior executives (a scheme of delegation). The code also requires the establishment of audit and remuneration committees with formally agreed terms of reference. The Standards of Business Conduct make various requirements concerning possible conflicts of interest of Board members.
- (3) The Trust will produce and publish an annual report for each financial year within the timescales set by the DHSSPS. The Annual Report will identify the Chairman, Vice Chairman (if any), Chief Executive and non executive directors, as well as the Chairman and Members of the Audit and Remuneration committees. It should also set out the number of meetings of the Board and those committees, and individual attendance by the Members.
- (4) The Trust will comply with the Code of Practice on Openness issued by the former HSS Executive in 1996. The code's purpose is to ensure that the public can easily obtain an understanding of all services provided by the HPSS and changes to those services which may affect them or their families. Key obligations for the Trust include organisational responsibility for ensuring compliance with the public dissemination of its Annual Report. The Chief Executive will report annually to the Trust Board as part of a yearly review of the Code's implementation.

#### **1.3 Delegation of Powers**

The Trust has powers to delegate and make arrangements for delegation. The Standing Orders set out the detail of these arrangements. Under the Standing Order relating to the Arrangements for the Exercise of Functions (SO 5) the Trust is given powers to "make arrangements for the exercise, on behalf of the Trust of any of their functions by a committee, sub-committee or joint

committee appointed by virtue of Standing Order 4 or by an officer of the Trust, in each case subject to such restrictions and conditions as the Trust thinks fit or as the Minister for Health may direct". Delegated Powers are covered in a separate document (Reservation of Powers to the Board and Delegation of Powers). (See circular HSS (PDD) 8/94).

## **1.4 Integrated Governance**

Trust Boards are now encouraged to move away from silo governance and develop integrated governance 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, social care, information and research governance. 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, social care, quality and financial objectives.

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

### **2.1 Composition of the Membership of the Trust Board**

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

- (1) The Chairman of the Trust :
- (2) Up to 7 non-executive members :
- (3) Up to 5 executive members (but not exceeding the number of non-executive members) including:
  - the Chief Executive;
  - the Director of Finance;

The Trust Board shall have not less than 8 members (unless otherwise determined by the Minister for Health and set out in the Trust's Establishment Order or such other communication from DHSS&PS).

### **2.2 Appointment of Chairman and Members of the Trust**

- (1) The Chairman and Non-Executive Directors of the Trust are appointed by the DHSS&PS Public Appointments Unit following approval by the Minister for Health.

### **2.3 Terms of Office of the Chairman and Members**

- (1) The regulations setting out the period of tenure of office of the Chairman and members and for the termination or suspension of office of the Chairman and members are contained in Part 2, Articles 7 - 9 of the HSS Trusts (Membership and Procedure) Regulations (NI) 1994.

### **2.4 Appointment and Powers of Vice-Chairman**

- (1) Subject to Standing Order 2.4 (2) below, the Chairman and members of the Trust may appoint one of their numbers, who is not also an executive member, to be Vice-Chairman, for such period, not exceeding the remainder of his term as a member of the Trust, as they may specify on appointing him.
- (2) Any member so appointed may at any time resign from the office of Vice-Chairman by giving notice in writing to the Chairman. The Chairman and members may thereupon appoint another member as Vice-Chairman in accordance with the provisions of Standing Order 2.4 (1).
- (3) Where the Chairman of the Trust has died or has ceased to hold office, or where they have been unable to perform their duties as Chairman owing to illness or any other cause, a Vice-Chairman shall be appointed who will act as Chairman until a new Chairman is appointed or the existing

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Chairman resumes their duties, as the case may be; and references to the Chairman in these Standing Orders shall, so long as there is no Chairman able to perform those duties, be taken to include references to the Vice-Chairman.

- (4) Due to unforeseen circumstances, or in the event that the Chairman is unavailable to attend any Board or Committee meetings or other Trust business, a Non-Executive Director will represent him on these occasions.

## **2.5 Joint Members**

- (1) Where more than one person is appointed jointly to a post mentioned in Part 2, regulation 6 of the HSS Trusts (Membership and Procedure) Regulations (NI) 1994, those persons shall count for the purpose of Standing Order 2.1 as one person.
- (2) Where the office of a member of the Board is shared jointly by more than one person:
- (a) either or both of those persons may attend or take part in meetings of the Board;
  - (b) if both are present at a meeting they should cast one vote if they agree;
  - (c) in the case of disagreements no vote should be cast;
  - (d) the presence of either or both of those persons should count as the presence of one person for the purposes of Standing Order 3.11 Quorum.

## **2.6 Patient and Client Council (PCC)**

A member of the above organisation will be invited to attend meetings of the Board. They shall sit adjacent to the main Board table and be invited to speak on relevant matters on the agenda by the Chairman. Applications for speaking rights at the Board should be made in accordance with paragraph 3.2 (6) below.

## **2.7 Local Commissioning Group (LCG)**

A member of the above organisation will be invited to attend meetings of the Board. They shall sit adjacent to the main Board table and be invited to speak on relevant matters on the agenda by the Chairman. Applications for speaking rights at the Board should be made in accordance with paragraph 3.2 (6) below.

## **2.8 Role of Members**

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

### **(1) Executive Members**

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

### **(2) Chief Executive**

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

Due to unforeseen circumstances, or in the event that the Chief Executive is unavailable to attend any Board or Committee meetings or other Trust business, a Director will represent him on these occasions.

(3) **Director of Finance**

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

(4) **Medical Director**

The Medical Director shall take executive responsibility for all professional medical issues.

(5) **Executive Director of Nursing**

The Executive Director of Nursing shall take executive responsibility for all professional nursing issues.

(6) **Executive Director of Social Work**

The Executive Director of Social Work shall take executive responsibility for all professional social work issues.

(7) **Other Directors**

Directors shall exercise their authority within the terms of these Standing Orders and Standing Financial Instructions and the Scheme of Delegation. They shall be in attendance at all meetings.

(8) **Non-Executive Members**

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

(9) **Chairman**

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

The Chairman shall liaise with the DHSS&PS Public Appointments Unit over the appointment of Non-Executive Directors and once appointed shall take responsibility for their induction, their portfolios of interests and assignments, and their performance.

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

## **2.9 Corporate role of the Board**

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

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

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

## **2.11 Lead Roles for Board Members**

The Chairman will ensure that the designation of lead roles or appointments of Board members as required by the DHSS&PS or as set out in any statutory or other guidance will be made in accordance with that guidance or statutory requirement (e.g. appointing a Lead Board Member with responsibilities for Infection Control or Child Protection Services etc.).

# **3. MEETINGS OF THE TRUST BOARD**

## **3.1 Calling meetings**

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

## **3.2 Notice of Meetings and the Business to be transacted**

- (1) Before each meeting of the Board a written notice specifying the business proposed to be transacted shall be delivered to every member, or sent by post to the usual place of residence of each member, so as to be available to members at least three working days before the meeting. The notice shall be signed by the Chairman or by an officer authorised by the Chairman to sign on their behalf. Lack of service of such a notice on any member shall not affect the validity of a meeting.
- (2) In the case of a meeting called by members in default of the Chairman calling the meeting, the notice shall be signed by those members.
- (3) No business shall be transacted at the meeting other than that specified on the agenda, or emergency motions allowed under Standing Order 3.6.
- (4) A member desiring a matter to be included on an agenda shall make his/her request in writing to the Chairman at least 10 working days before the meeting. The request should state whether the item of business is proposed to be transacted in the presence of the public and should include appropriate supporting information. Requests made less than 10 working days before a meeting may be included on the agenda at the discretion of the Chairman.
- (5) Before each meeting of the Board a public notice in accordance with circular HSS (PPM) 4/2001 shall be issued detailing the time and place of the meeting. The public part of the agenda shall be displayed at the Trust's principal offices at least one week before the meeting (required by section 54 of the Health and Personal Social Services Act (Northern Ireland) 2001).
- (6) Deputations from any meeting, association, public body or an individual may be permitted to address a meeting of the Board, subject to the following conditions:
  - The subject is on the agenda
  - The Secretary has received 6 working days notice in writing of the intended deputation, its purpose and a brief synopsis of content.

- (7) The specified notice may be waived at the discretion of the Chairman. Any deputation will be confined to a presentation by not more than 2 persons, per agenda item and not to exceed 10 minutes duration. The Chairman may at his/her discretion vary the number of individuals permitted to address the Board and limit the duration of the address in the interest of the expediency of the business of the Board meeting.

### **3.3 Agenda and Supporting Papers**

The Agenda will be sent to members at least 5 working days before the meeting and supporting papers, whenever possible, shall accompany the agenda, but will be dispatched no later than three working days before the meeting, save in emergency. Any requests to address the Board which have been allowed under Standing Order 3.2 will be notified to members as soon as possible thereafter.

### **3.4 Petitions**

Where a petition has been received by the Trust the Chairman may include the petition as an item for the agenda of the next meeting. However submission of petitions is open to manipulation and any genuine complaints issues should be addressed through the formal complaints process within the Trust.

### **3.5 Notice of Motion**

- (1) Subject to the provision of Standing Orders 3.7 'Motions: Procedure at and during a meeting' and 3.8 'Motions to rescind a resolution', a member of the Board wishing to move a motion shall send a written notice to the Chief Executive who will ensure that it is brought to the immediate attention of the Chairman.
- (2) The notice shall be delivered at least 15 clear days before the meeting. The Chief Executive shall include in the agenda for the meeting all notices so received that are in order and permissible under governing regulations. This Standing Order shall not prevent any motion being withdrawn or moved without notice on any business mentioned on the agenda for the meeting.

### **3.6 Emergency Motions**

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

### **3.7 Motions: Procedure at and during a meeting**

#### **i) Who may propose**

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

#### **ii) Contents of motions**

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

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



iii) **Amendments to motions**

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

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

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

iv) **Rights of reply to motions**

a) Amendments

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

b) Substantive/original motion

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

v) **Withdrawing a motion**

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

vi) **Motions once under debate**

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

- an amendment to the motion;
- the adjournment of the discussion, or the meeting;
- that the meeting proceeds to the next business;
- that the question should be now put;
- the appointment of an 'ad hoc' committee to deal with a specific item of business;
- that a member/director be not further heard;
- a motion under Section 23(2) of the Local Government Act (NI) 1972 resolving to exclude the public, including the press (see Standing Order 3.17).

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

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

**3.8 Motion to Rescind a Resolution**

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

This Standing Order shall not apply to motions moved in pursuance of a report or recommendations of a Committee or the Chief Executive.

### **3.9 Chairman of meeting**

- (1) At any meeting of the Trust Board the Chairman, if present, shall preside. If the Chairman is absent from the meeting, the Vice-Chairman (if the Board has appointed one), shall preside.
- (2) In all such cases, the Vice Chairman if appointed must be a non executive member of the Board.

### **3.10 Chairman's ruling**

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

### **3.11 Quorum**

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

### **3.12 Voting**

- (i) Save as provided in Standing Orders 3.13 - Suspension of Standing Orders and 3.14 - Variation and Amendment of Standing Orders, every question put to a vote at a meeting shall be determined by a majority of the votes of members present and voting on the question. In the case of an equal vote, the person presiding (ie: the Chairman of the meeting shall have a second, and casting vote).
- (ii) At the discretion of the Chairman all questions put to the vote shall be determined by oral expression or by a show of hands, unless the Chairman directs otherwise, or it is proposed, seconded and carried that a vote be taken by paper ballot.
- (iii) If at least one third of the members present so request, the voting on any question may be recorded so as to show how each member present voted or did not vote (except when conducted by paper ballot).
- (iv) If a member so requests, their vote shall be recorded by name.
- (v) In no circumstances may an absent member vote by proxy. Absence is defined as being absent at the time of the vote.
- (vi) A manager who has been formally appointed to act up for an Officer Member during a period of incapacity or temporarily to fill an Executive Director vacancy shall be entitled to exercise the voting rights of the Officer Member.
- (vii) A manager attending the Trust Board meeting to represent an Officer Member during a period of incapacity or temporary absence without formal acting up status may not exercise

the voting rights of the Officer Member. An Officer's status when attending a meeting shall be recorded in the minutes.

(viii) For the voting rules relating to joint members see Standing Order 2.5.

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

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

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

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

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

### **3.15 Record of Attendance**

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

### **3.16 Minutes**

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

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

### **3.17 Admission of public and the press**

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

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

- 'that representatives of the press, and other members of the public, be excluded from the remainder of this meeting having regard to the confidential nature of the business to be transacted, publicity on which would be prejudicial to the public interest', Section 23(2) of the Local Government Act (NI) 1972

(ii) **General disturbances**

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

- 'That in the interests of public order the meeting adjourn for (the period to be specified) to enable the Trust Board to complete its business without the presence of the public'. Section 23(2) of the Local Government Act (NI) 1972.

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

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

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

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

Nothing in these Standing Orders shall be construed as permitting the introduction by the public, or press representatives, of recording, transmitting, video or similar apparatus into meetings of the Trust or Committee thereof. Such permission shall be granted at the discretion of the Chairman or nominated officer.

**3.18 Observers at Trust meetings**

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

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

**4.1 Appointment of Committees**

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

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

**4.2 Joint Committees**

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

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

#### **4.3 Applicability of Standing Orders and Standing Financial Instructions to Committees**

The Standing Orders and Standing Financial Instructions of the Trust, as far as they are applicable, shall as appropriate apply to meetings and any committees established by the Trust. In which case the term "Chairman" is to be read as a reference to the Chairman of other committee as the context permits, and the term "member" is to be read as a reference to a member of other committee also as the context permits. (There is no requirement to hold meetings of committees established by the Trust in public.)

#### **4.4 Terms of Reference**

Each such committee shall have such terms of reference and powers and be subject to such conditions (as to reporting back to the Board), as the Board shall decide and shall be in accordance with any legislation and regulation or direction issued by the Minister for Health. Such terms of reference shall have effect as if incorporated into the Standing Orders. These should be reviewed annually.

#### **4.5 Delegation of powers by Committees to Sub-Committees**

Where committees are authorised to establish sub-committees they may not delegate executive powers to the sub-committee unless expressly authorised by the Trust Board.

#### **4.6 Approval of Appointments to Committees**

The Board shall approve the appointments to each of the committees which it has formally constituted. Where the Board determines, and regulations permit, that persons, who are neither members nor officers, shall be appointed to a committee the terms of such appointment shall be within the powers of the Board as defined by the Minister for Health. The Board shall define the powers of such appointees and shall agree allowances, including reimbursement for loss of earnings, and/or expenses in accordance where appropriate with national guidance.

#### **4.7 Appointments for Statutory functions**

Where the Board is required to appoint persons to a committee and/or to undertake statutory functions as required by the Minister for Health, 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 Minister for Health.

#### **4.8 Committees established by the Trust Board**

The committees, sub-committees, and joint-committees established by the Board are:

##### **4.8.1 Audit Committee**

In line with the requirements of the NHS Audit Committee Handbook, Codes of Conduct and Accountability (July 2011), and more recently the Higgs report, an Audit Committee will be established and constituted to provide the Trust Board with an independent and objective review on its financial systems, financial information and compliance with laws, guidance, and regulations governing the HPSS. The Terms of Reference will be approved by the Trust Board, it will be reviewed on a periodic basis and it will be available to the public on request.

The Committee should comprise at least three Non-Executive Directors. None of these members should be the Chairman of the Trust Board or members of the Remuneration Committee. The Committee will meet on at least four occasions per year.

A quorum shall be two members. One of the members will be appointed Chair of the Committee by the Board.

#### 4.8.2 **Remuneration and Terms of Service Committee**

In line with the requirements of the Codes of Conduct and Accountability (July 2011), a Remuneration and Terms of Service Committee will be established and constituted.

The Committee should comprise the Board Chairman and at least two Non-Executive Directors. None of these members should be members of the Audit Committee.

The Chief Executive, or other Executive Directors, may be invited to attend the Committee in an advisory capacity but will withdraw when a matter concerning his/her remuneration package, terms of service or other matter of individual confidentiality is being discussed or documented. The Director of Human Resources & Corporate Affairs will also attend the Committee as an adviser.

No business shall be transacted at a meeting unless the Chair of the Board or Vice Chair and Non-Executive Directors attend for the whole of the meeting. The Committee will meet as required by the Chairman of the Board and will meet a minimum of once per year.

The purpose of the Committee will set out in a formal terms of reference that will be available to the public on request. As a minimum, the role of the Committee will be to advise the Trust Board about appropriate remuneration and terms of service for the Chief Executive and other Senior Executives including:

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

#### 4.8.3 **Charitable Funds Committee**

In line with its role as a corporate trustee for any funds held in trust, either as charitable or non-charitable funds, the Trust Board will establish a Trust Charitable Funds Advisory Committee to administer those funds in accordance with any statutory or other legal requirements.

The Committee will comprise of one Non-Executive Director and three Executive Directors and the Assistant Director, Financial Services. The Board Secretary shall be in attendance. The Committee will meet no fewer than two times per year. A quorum shall be 3 members, including one Non-Executive Director.

#### 4.8.4 **Governance Assurance Committee**

In line with the Trust's Governance arrangements (March 2010) the Board has established a Committee of the Board to be known as the Governance Assurance Committee. The Committee is a non-executive committee of the Board and has no executive powers, other than those specifically delegated in its terms of reference.

The Committee will comprise of five Non-Executive Directors and all members of the Executive Management Team. The Board Secretary shall be in attendance. The Committee will meet on a quarterly basis. A quorum will be one third of the members of the Committee. A Non-Executive Director shall chair the Committee.

#### 4.8.5 **Finance Committee**

In line with the Trust's Governance Arrangements (March 2010) the Board has established a Committee of the Board to be known as the Finance Committee. The Committee is a non-executive committee of the Board and has no executive powers, other than those specifically delegated in its terms of reference.

The Committee will comprise of three Non-Executive Directors. The Director of Finance & Estates, and Assistant Director, Financial Management will be in attendance. The Assistant Director, Capital

Development, will also attend as and when required. Attendance will be open to all other Non-Executive Directors and Directors. Other staff may be required to attend from time to time, as the agenda requires. The Committee will meet on a bi-monthly basis. A quorum shall be two Non-Executive Directors. A Non-Executive Director shall chair the Committee.

#### **4.8.6 Other Committees**

The Board may also establish such other committees as required to discharge the Trust's responsibilities.

## **5. ARRANGEMENTS FOR THE EXERCISE OF TRUST FUNCTIONS BY DELEGATION**

### **5.1 Delegation of Functions to Committees, Officers or other bodies**

5.1.1 Subject to such directions as may be given by the Minister for Health, the Board may make arrangements for the exercise, on behalf of the Board, of any of its functions by a committee, sub-committee appointed by virtue of Standing Order 4, or by an officer of the Trust, or by another body as defined in Standing Order 5.1.2 below, in each case subject to such restrictions and conditions as the Trust thinks fit.

5.1.2 Section 13, schedule 3 of the HPSS (NI) Order 1991 allows for regulations to provide for the functions of Trust's to be carried out by third parties. In accordance with The HSS Trusts (Membership and Procedure) Regulations (NI) 1994 the functions of the Trust may also be carried out in the following ways:

- (i) by another Trust;
- (ii) jointly with any one or more of the following: HSC trusts, Boards, agencies or a Centre of Procurement Expertise (in respect of procurement and logistics);

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

### **5.2 Emergency Powers and urgent decisions**

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

### **5.3 Delegation to Committees**

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

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

### **5.4 Delegation to Officers**

5.4.1 Those functions of the Trust which have not been retained as reserved by the Board or delegated to other committee or sub-committee or joint-committee shall be exercised on behalf of the Trust by the Chief Executive. The Chief Executive shall determine which functions he/she will perform

personally and shall nominate officers to undertake the remaining functions for which he/she will still retain accountability to the Trust.

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

5.4.3 Nothing in the Scheme of Delegation shall impair the discharge of the direct accountability to the Board of the Director of Finance to provide information and advise the Board in accordance with statutory or DHSS&PS requirements. Outside these statutory requirements the roles of the Director of Finance shall be accountable to the Chief Executive for operational matters.

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

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

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

If for any reason these Standing Orders on the Standing Financial instructions are not complied within any significant or material respect full details shall be reported to the Audit Committee. All members of the Trust Board and staff have a duty to disclose any significant or material non compliance to the Chief Executive as soon as possible.

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

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

The Trust Board will determine an appropriate mechanism for the formal approval of policies and procedures.. The formal approval will be recorded in an appropriate minute and will be deemed where appropriate to be an integral part of the Trust's Standing Orders and Standing Financial Instructions.

### **6.2 Standing Financial Instructions**

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

### **6.3 Specific guidance**

Notwithstanding the application of SO 6.1 above, these Standing Orders and Standing Financial Instructions must be read in conjunction with all relevant guidance and legislation.

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

### **7.1 Declaration of Interests**

#### **7.1.1 Requirements for Declaring Interests and applicability to Board Members**

i) The Trust's policy on Standards of Business Conduct requires Trust Board Members to declare interests which are relevant and material to the HSS Trust of which they are a member. All existing Board members should declare such interests. Any Board members appointed subsequently should do so on appointment.



### 7.1.2 **Interests which are relevant and material**

- (i) Interests which should be regarded as "relevant and material" are:
  - a) Directorships, including Non-Executive Directorships held in private companies or PLCs (with the exception of those of dormant companies);
  - b) Ownership or part-ownership of private companies, businesses or consultancies likely or possibly seeking to do business with the HSC;
  - c) Majority or controlling share holdings in organisations likely or possibly seeking to do business with the Trust;
  - d) A position of authority in a charity or voluntary organisation in the field of health and social care;
  - e) Any connection with a voluntary or other organisation contracting for Trust services;
  - f) Research funding/grants that may be received by an individual or their department;
  - g) Interests in pooled funds that are under separate management.
  
- (ii) Any member of the Trust Board who comes to know that the Trust has entered into or proposes to enter into a contract in which he/she or any person connected with him/her (as defined in Standing Order 7.3 below and elsewhere) has any pecuniary interest, direct or indirect, the Board member shall declare his/her interest by giving notice in writing of such fact to the Trust as soon as practicable.

### 7.1.3 **Advice on Interests**

**If Board members have any doubt about the relevance of an interest, this should be discussed with the Chairman of the Trust or with the Trust's Board Secretary.**

Influence rather than the immediacy of the relationship is more important in assessing the relevance of an interest. The interests of partners in professional partnerships including general practitioners should also be considered.

### 7.1.4 **Recording of Interests in Trust Board minutes**

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

Any changes in interests should be declared at the next Trust Board meeting following the change occurring and recorded in the minutes of that meeting. The Chief Executive will be responsible for ensuring that the Trust Register of Interests is duly updated.

### 7.1.5 **Publication of declared interests in Annual Report**

Board members' directorships of companies likely or possibly seeking to do business with the Trust should be published in the Trust's annual report. The Chief Executive is responsible for ensuring that this information is reflected in the Register of Interests.

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

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

### **7.1.7 Declaration of Objectivity and Interests for those Officers Engaged in Award of Contract**

Trust Officers participating in the preparation, evaluation and award of contracts must complete a declaration of objectivity and interests during the course of the tendering process to ensure the transparency of the process and that decisions made are not compromised. The administration of the declaration process will be handled by the Trust's Supplies Service provider in accordance with appropriate guidance. Where a potential conflict of interest is apparent, the Supplies Service provider will contact the Chief Executive or Director of Finance to agree the appropriate course of action.

### **7.2 Register of Interests**

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

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

7.2.3 The Register will be available to the public on request.

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

#### **7.3.1 Definition of terms used in interpreting 'Pecuniary' interest**

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

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

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

- a) he/she, or a nominee of his/her, is a member of a company or other body (not being a public body), with which the contract is made, or to be made or which has a direct pecuniary interest in the same, or
  - b) he/she is a partner, associate or employee of any person with whom the contract is made or to be made or who has a direct pecuniary interest in the same.
- iv) Exception to Pecuniary interests

A person shall not be regarded as having a pecuniary interest in any contract if:-

- a) neither he/she or any person connected with him/her has any beneficial interest in the securities of a company of which he/she or such person appears as a member, or
- b) any interest that he/she or any person connected with him/her may have in the contract is so remote or insignificant that it cannot reasonably be regarded as likely to influence him/her in relation to considering or voting on that contract, or
- c) those securities of any company in which he/she (or any person connected with him/her) has a beneficial interest do not exceed £5,000 in nominal value or one per

cent of the total issued share capital of the company or of the relevant class of such capital, whichever is the less.

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

### 7.3.2 Exclusion in proceedings of the Trust Board

- (i) Subject to the following provisions of this Standing Order, if the Chairman or a member of the Trust Board has any pecuniary interest, direct or indirect, in any contract, proposed contract or other matter and is present at a meeting of the Trust Board at which the contract or other matter is the subject of consideration, they shall at the meeting and as soon as practicable after its commencement disclose the fact and shall not take part in the consideration or discussion of the contract or other matter or vote on any question with respect to it.
- (ii) The Minister for Health may, subject to such conditions as he/she may think fit to impose, remove any disability imposed by this Standing Order in any case in which it appears to him/her in the interests of the Health and Social Care Services that the disability should be removed. (See SO 7.3.3 on the 'Waiver' which has been approved by the Minister).
- (iii) The Trust Board may exclude the Chairman or a member of the Board from a meeting of the Board while any contract, proposed contract or other matter in which he/she has a pecuniary interest is under consideration.
- (iv) Any remuneration, compensation or allowance payable to the Chairman or a Member by virtue of paragraph 9, Schedule 3 of the Health and Personal Social Services (Northern Ireland) Order 1991 shall not be treated as a pecuniary interest for the purpose of this Standing Order.
- (v) This Standing Order applies to a committee or sub-committee and to a joint committee or sub-committee as it applies to the Trust and applies to a member of any such committee or sub-committee (whether or not he/she is also a member of the Trust) as it applies to a member of the Trust.

### 7.3.3 Waiver of Standing Orders made by the Minister for Health

#### (1) Power of the Minister for Health to make waivers

Under regulation 20(2) of the HSS Trusts (Membership and Procedure) Regulations (NI) 1994, DHSS&PS may issue waivers if it appears in the interests of the health service that the disability in regulation 11 (which prevents a chairman or a member from taking part in the consideration or discussion of, or voting on any question with respect to, a matter in which he has a pecuniary interest) should be removed. Any waiver that has been agreed will be in line with sub-sections (2) to (4) below.

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

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

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

(3) Application of waiver

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

It will apply to:

- (i) A member of the Trust, who is a healthcare professional, within the meaning of regulation 5(5) of the Regulations, and who is providing or performing, or assisting in the provision or performance, of –
- (a) services under the Health and Personal Social Services (Northern Ireland) Order 1991; or
  - (b) services in connection with a pilot scheme under the Health and Personal Social Services (Northern Ireland) Order 1991;
- for the benefit of persons for whom the Trust is responsible.
- (ii) Where the 'pecuniary interest' of the member in the matter which is the subject of consideration at a meeting at which he is present:-
- (a) arises by reason only of the member's role as such a professional providing or performing, or assisting in the provision or performance of, those services to those persons;
  - (b) has been declared by the relevant chairman as an interest which cannot reasonably be regarded as an interest more substantial than that of the majority of other persons who:-
    - (i) are members of the same profession as the member in question,
    - (ii) are providing or performing, or assisting in the provision or performance of, such of those services as he provides or performs, or assists in the provision or performance of, for the benefit of persons for whom the Trust is responsible.

(4) Conditions which apply to the waiver and the removal of having a pecuniary interest

The removal is subject to the following conditions:

- (a) the member must disclose his/her interest as soon as practicable after the commencement of the meeting and this must be recorded in the minutes;
- (b) the relevant chairman must consult the Chief Executive before making a declaration in relation to the member in question pursuant to paragraph 7.3.3 (2) (b) above, except where that member is the Chief Executive;
- (c) **in the case of a meeting of the Trust:**
  - (i) the member may take part in the consideration or discussion of the matter which must be subjected to a vote and the outcome recorded;
  - (ii) may not vote on any question with respect to it.
- (d) **in the case of a meeting of the Committee:**
  - (i) the member may take part in the consideration or discussion of the matter which must be subjected to a vote and the outcome recorded;
  - (ii) may vote on any question with respect to it; but

- (iii) the resolution which is subject to the vote must comprise a recommendation to, and be referred for approval by, the Trust Board.

## **7.4 Standards of Business Conduct**

### **7.4.1 Trust Policy and National Guidance**

All Trust staff and members of must comply with the Trust's Policy on Standards of Business Conduct and the guidance contained circular HSS (GEN1) 1/95 (see SO 6.2).

### **7.4.2 Interest of Officers in Contracts**

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

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

- (i) Canvassing of members of the Trust or of any Committee of the Trust directly or indirectly for any appointment under the Trust shall disqualify the candidate for such appointment. The contents of this paragraph of the Standing Order shall be included in application forms or otherwise brought to the attention of candidates.
- (ii) Members of the Trust shall not solicit for any person any appointment under the Trust or recommend any person for such appointment; but this paragraph of this Standing Order shall not preclude a member from giving written testimonial of a candidate's ability, experience or character for submission to the Trust.

### **7.4.4 Relatives of Members or Officers**

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

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

### **8.1 Custody of Seal**

The common seal of the Trust shall be kept by the Chief Executive or a nominated Manager by him/her in a secure place.

### **8.2 Sealing of Documents**

Documents should only be sealed following a resolution by the Trust Board. 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 Chief Executive, and not also from the originating department, and shall be attested by them.

### **8.3 Register of Sealing**

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

### **8.4 Signature of documents**

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

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



South Eastern Health  
and Social Care Trust

## **SECTION C**

### **SCHEME OF RESERVATION AND DELEGATION**

## SECTION C - SCHEME OF RESERVATION AND DELEGATION

### Powers Reserved To The Board

Area	Approval Level	Basis of Authority
General Enabling Provision	Trust Board	Code of Conduct & Accountability
Standing Orders	Trust Board	Code of Conduct & Accountability
Establishment of Board Sub Committees, Terms of Reference and Reporting Arrangements	Trust Board	Code of Conduct & Accountability
Standing Financial Instructions	Trust Board	Code of Conduct & Accountability
Strategy, Plans ,and Budgets	Trust Board	Code of Conduct & Accountability
Performance	Trust Board	Code of Conduct & Accountability
Approval of Annual Accounts and Annual report	Trust Board	Code of Conduct & Accountability
Approval of Trust Banking Arrangements	Trust Board	Code of Conduct & Accountability
Capital Business Cases > £1m	Trust Board	Code of Conduct & Accountability



## Appendix 1 – Powers reserved to the Board

REF	RESERVED TO / DELEGATED TO	SCHEME OF RESERVATION AND DELEGATION OF POWERS
NA	The Board	<p><b>General Enabling Provision</b></p> <p>The Board may determine any matter, for which it has delegated or statutory authority, in full session within its statutory powers.</p>
NA	The Board	<p><b>Standing Orders</b></p> <ol style="list-style-type: none"> <li>1. Approve Standing Orders (SOs), a schedule of matters reserved to the Board and Standing Financial Instructions for the regulation of its proceedings and business.</li> <li>2. Suspend Standing Orders.</li> <li>3. Vary or amend the Standing Orders.</li> <li>4. Ratify any urgent decisions taken by the Chairman and Chief Executive in public session in accordance with SO 5.2</li> <li>5. Approve a scheme of delegation of powers from the Board to committees.</li> <li>6. Require and receive the declaration of Board members' interests that may conflict with those of the Trust and determining the extent to which that member may remain involved with the matter under consideration.</li> <li>7. Require and receive the declaration of officers' interests that may conflict with those of the Trust.</li> <li>8. Approve arrangements for dealing with complaints.</li> <li>9. Adopt the organisation structures, processes and procedures to facilitate the discharge of business by the Trust.</li> </ol> <p><b>Board Sub Committees</b></p> <ol style="list-style-type: none"> <li>1 . Receive reports from committees including those that the Trust is required by the Minister for Health or other regulation to establish and to take appropriate action on. Confirm the recommendations of the Trust's committees where the committees do not have executive powers.</li> <li>2 Approve arrangements relating to the discharge of the Trust's responsibilities as a corporate trustee for funds held on trust.</li> <li>3 Establish terms of reference and reporting arrangements of all committees and sub-committees that are established by the Board.</li> <li>4 Approve arrangements relating to the discharge of the Trust's responsibilities as an appointee for patients' and clients' property.</li> <li>5 Authorise use of the seal.</li> </ol>

REF	RESERVED TO / DELEGATED TO	SCHEME OF RESERVATION AND DELEGATION OF POWERS
		6 Discipline members of the Board who are in breach of statutory requirements or SOs.
NA	The Board	<p><b>Strategy, Plans and Budgets</b></p> <ol style="list-style-type: none"> <li>1. Define the strategic aims and objectives of the Trust.</li> <li>2. Approve proposals for ensuring quality and developing clinical and social care governance in services provided by the Trust, having regard to any guidance issued by the Minister for Health.</li> <li>3. Approve the Trust's policies and procedures for the management of risk.</li> <li>4. Approve Outline and Final Business Cases for Capital Investment.</li> <li>5. Approve budgets.</li> <li>6. Approve annually Trust's proposed organisational development proposals.</li> <li>7. Ratify proposals for acquisition, disposal or change of use of land and/or buildings.</li> <li>8. Approve PFI proposals.</li> <li>9. Approve the opening of bank accounts and Trust banking arrangements.</li> <li>10. Approve proposals on individual contracts (other than HSC contracts) of a capital or revenue nature amounting to, or likely to amount to over £1m over a 3 year period or the period of the contract if longer.</li> </ol>
	The Board	<p><b>Monitoring of Performance</b></p> <ol style="list-style-type: none"> <li>1. Receipt of such reports as are required by statute or DHSS&amp;PS regulation and other such reports as the Board sees fit from committees in respect of their exercise of powers delegated.</li> <li>2. Continuous appraisal of the affairs of the Trust by means of the provision of such reports to the Board as the Board may require from directors, committees, and officers of the Trust. All monitoring returns required by the DHSS&amp;PS shall be reported, at least in summary, to the Board.</li> <li>3. Receive reports from the Director of Finance on financial performance against budget and Trust Delivery Plan,.</li> </ol>
NA	The Board	<p><b>Annual Reports and Accounts</b></p> <ol style="list-style-type: none"> <li>1. Receipt and approval of the Trust's Annual Report and Annual Accounts.</li> <li>2. Receipt and approval of the Accounts for funds held on trust.</li> <li>3. Receipt and approval of the Accounts for patients' property.</li> </ol>

**DECISIONS/DUTIES DELEGATED BY THE BOARD TO COMMITTEES**

REF	COMMITTEE	DECISIONS/DUTIES DELEGATED BY THE BOARD TO COMMITTEES
	Audit Committee	<p>The Committee will:</p> <ol style="list-style-type: none"> <li>1. Advise the Board on internal and external audit services;</li> <li>2. The Committee shall review the establishment and maintenance of an effective system of integrated governance, risk management and internal control, across the whole of the organisation's activities (both clinical and non-clinical), that supports the achievement of the organisation's objectives;</li> <li>3. Monitor compliance with Standing Orders and Standing Financial Instructions;</li> <li>4. Review schedules of losses and compensations .</li> <li>5. Review the annual financial statements for public funds, charitable funds and patients property prior to submission to the Board</li> <li>6. Receive the annual management letter from the external auditor and agreement of proposed action,</li> <li>7. Receive an annual report from the Internal Auditor and agree action on recommendations</li> </ol>
	Remuneration and Terms of Service Committee	<p>The Committee will:</p> <ol style="list-style-type: none"> <li>1. Advise the Board about appropriate remuneration and terms of service for the Chief Executive and other Senior Executives including: <ul style="list-style-type: none"> <li>• All aspects of salary (including any performance-related elements/bonuses);</li> <li>• Provisions for other benefits;</li> <li>• Arrangements for termination of employment and other contractual terms;</li> <li>• Make recommendations to the Board on the remuneration and terms of service of executive directors and senior employees to ensure they are fairly rewarded for their individual contribution to the Trust - having proper regard to the Trust's circumstances and performance and to the provisions of any national arrangements for such staff;</li> <li>• 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;</li> </ul> </li> <li>2. The Committee shall report in writing to the Board the basis for its recommendations.</li> </ol>
	Governance Assurance Committee	<p>The Governance Assurance Committee will :</p> <ol style="list-style-type: none"> <li>1. Advise the Board on Governance Assurance issues;</li> <li>2. Review the development and maintenance of an effective system of integrated governance and internal control across the whole of the organisation's activities (both clinical and non-clinical) that supports the achievement of the organization's objectives.</li> <li>3. In particular, the Committee will:</li> </ol>

REF	COMMITTEE	DECISIONS/DUTIES DELEGATED BY THE BOARD TO COMMITTEES
		<ul style="list-style-type: none"> <li>a. Review the adequacy of underlying assurance processes, and the Board Assurance Framework;</li> <li>b. Review the adequacy of all governance and risk management and control related disclosures statements</li> <li>c. Review the adequacy of the policies for ensuring compliance with the relevant regulatory, legal and code of conduct requirements, including Standing Orders</li> <li>d. Review the adequacy of the strategies for integrated governance; and</li> <li>e. The annual work plans of the Corporate Control and Safety &amp; Quality Committees</li> </ul>
	Charitable Funds Committee	<p>The Charitable Trust Funds will:</p> <ul style="list-style-type: none"> <li>1. oversee the administration, including banking arrangements of Charitable Funds, their investment and disbursement.</li> <li>2. ensure funds are applied in accordance with legislation, policies and procedures relevant to charitable funds in accordance with Standing Financial Instructions and other associated regulations.</li> </ul>
	Finance Committee	<p>The Finance Committee will:</p> <ul style="list-style-type: none"> <li>1. review in detail the annual revenue and capital budget, so as to be able to confirm to the Trust Board the basis of acceptance.</li> <li>2. review the financial monitoring information in sufficient detail to advise the Trust Board, with confidence, concerning the financial performance of the Trust.</li> <li>3. keep Directors up to date regarding the financial outlook for the Trust, and to review the key financial assumptions used in estimating the projected position.</li> <li>4. review the activity and other performance monitoring information relevant to financial performance.</li> <li>5. review achievement of cost improvements and income generation activities in line with the Trust Delivery Plan.</li> <li>6. review and approve relevant fees and charges on an annual basis.</li> <li>7. review financial reporting (ongoing on a regular basis).</li> <li>8. receive regular updates on actions taken by the Director of Finance &amp; Estates to ensure the provision of effective and sound financial management and information.</li> <li>9. ensure the Director of Finance &amp; Estates provides assurance that adequate training is delivered on an on-going basis to budget holders to enable them to manager their responsibilities.</li> <li>10. review Business Cases being approved prior to submission to Trust Board.</li> </ul>

## SCHEME OF DELEGATION DERIVED FROM THE ACCOUNTABLE OFFICER MEMORANDUM

REF	DELEGATED TO	DUTIES TO BE DELEGATED / RESERVED
7	Chief Executive	Accountable through HPSS Accounting Officer to Parliament / NI Assembly for stewardship of Trust resources
9	Chief Executive	Ensure the accounts of the Trust are prepared under principles and in a format directed by the DHSS&PS. Accounts must disclose a true and fair view of the Trust's income and expenditure and its state of affairs. Sign the accounts on behalf of the Board.
10	Chief Executive	Sign a statement in the accounts outlining responsibilities as the Accountable Officer. Sign a statement in the accounts outlining responsibilities in respect of Internal Control.
12 & 13	Chief Executive	Ensure effective management systems that safeguard public funds and assist the Trust Chairman to implement requirements of corporate governance including ensuring managers: <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>
12	Chief Executive	Implement requirements of corporate governance.
13	Chief Executive	Achieve value for money from the resources available to the Trust and avoid waste and extravagance in the organisation's activities. Follow through the implementation of any recommendations affecting good practice as set out on reports from the Northern Ireland Audit Office (NIAO).
15	Chief Executive	Operational responsibility for effective and sound financial management and information.
15	Chief Executive	Primary duty to see that DoF discharges this function.
16	Chief Executive	Ensuring that expenditure by the Trust complies with Parliamentary / NI Assembly requirements.
18	Chief Executive	to ensure appropriate advice is given to the Board on all matters of probity, regularity, prudent and economical administration, efficiency and effectiveness.
19	Chief Executive	If the Chief Executive considers that the Board or Chairman 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 DHSS&PS.
21	Chief Executive	If the Board is contemplating a course of action that raises an issue not of formal propriety or regularity but affects the Chief Executive's responsibility for value for money, the Chief Executive should draw the relevant factors to the attention of the Board. 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 Chief Executive should inform the DHSS&PS. In such cases, the Chief Executive should as a member of the Board vote against the course of action rather than merely abstain from voting.



South Eastern Health  
and Social Care Trust

## **SECTION D**

### **STANDING FINANCIAL INSTRUCTIONS**

## **SECTION D - STANDING FINANCIAL INSTRUCTIONS**

### **9. INTRODUCTION**

#### **9.1 General**

- 9.1.1 Each Trust shall agree Standing Financial Instructions for the regulation of the conduct of its members and officers in relation to all financial matters with which they are concerned. They shall have effect as if incorporated in the Standing Orders (SOs).
- 9.1.2 These Standing Financial Instructions detail the financial responsibilities, policies and procedures adopted by the Trust. They are designed to ensure that the Trust's financial transactions are carried out in accordance with the law and with Government policy in order to achieve probity, accuracy, economy, efficiency and effectiveness. They should be used in conjunction with the Standing Orders, Schedule of Decisions Reserved to the Board and the Scheme of Delegation adopted by the Trust.
- 9.1.3 These Standing Financial Instructions identify the financial responsibilities which apply to everyone working for the Trust and its constituent organisations. 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 Director of Finance and Estates.
- 9.1.4 Should any difficulties arise regarding the interpretation or application of any of the Standing Financial Instructions then the advice of the Director of Finance and Estates must be sought before acting. The user of these Standing Financial Instructions should also be familiar with and comply with the provisions of the Trust's Standing Orders.
- 9.1.5 The failure to comply with Standing Financial Instructions and Standing Orders can in certain circumstances be regarded as a disciplinary matter that could result in dismissal.
- 9.1.6 Overriding Standing Financial Instructions – If these Standing Financial Instructions are not complied with in any significant or material respect, 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 significant or material non-compliance with these Standing Financial Instructions to the Director of Finance and Estates as soon as possible.

#### **9.2 Responsibilities and delegation**

##### **9.2.1 The Trust 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);
- (d) defining specific responsibilities placed on members of the Board and employees as indicated in the Scheme of Delegation document.

- 9.2.2 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 Reservation & Delegation of Powers document. All other powers have been delegated to the Chief Executive or such other committees as the Trust has established.

### 9.2.3 **The Chief Executive and Director of Finance and Estates**

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

Within the Standing Financial Instructions, it is acknowledged that the Chief Executive is ultimately accountable to the Board, and as Accountable Officer, to the Minister for Health, for ensuring that the Board meets its obligation to perform its functions within the available financial resources. The Chief Executive has overall executive responsibility for the Trust'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 Trust's system of internal control.

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

### 9.2.5 **The Director of Finance and Estates**

The Director of Finance and Estates is responsible for:

- (a) implementing the Trust's financial policies and for 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 Trust's transactions, in order to disclose, with reasonable accuracy, the financial position of the Trust at any time;

and, without prejudice to any other functions of the Trust, and employees of the Trust, the duties of the Director of Finance and Estates include:

- (d) the provision of financial advice to other members of the Board and employees;
- (e) the design, implementation and supervision of systems of internal financial control;
- (f) the preparation and maintenance of such accounts, certificates, estimates, records and reports as the Trust may require for the purpose of carrying out its statutory duties.

### 9.2.6 **Board Members and Employees**

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

- (a) the security of the property of the Trust;
- (b) avoiding loss;
- (c) exercising economy and efficiency in the use of resources;
- (d) conforming to the requirements of Standing Orders, Standing Financial Instructions, Financial Procedures, the Scheme of Delegation and other financial procedures which the Director of Finance and Estates may issue.

### 9.2.7 **Contractors and their employees**

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



9.2.8 For all members of the Board 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 employees discharge their duties must be to the satisfaction of the Director of Finance and Estates.

## **10. AUDIT**

### **10.1 Audit Committee**

10.1.1 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), which will provide an independent and objective view of internal control by:

- (a) overseeing Internal and External Audit services;
- (b) reviewing the adequacy of all control related disclosures statements (in particular the Statement on Internal Control) together with accompanying Head of Internal Audit statement, external audit opinion or other appropriate independent assurances, prior to endorsement by the Board.
- (c) reviewing the adequacy of the policies for ensuring compliance with relevant regulatory, legal and code of conduct requirements, including the Trust's Standing Orders and Standing Financial Instructions.
- (d) reviewing schedules of losses and compensations and making recommendations to the Board;
- (e) Reviewing the adequacy of the policies and procedures for all work related to fraud and corruption as required by the Counter Fraud Policy Unit.
- (f) review and approval of the Internal Audit strategy, operational plan and more detailed programme of work, ensuring that this is consistent with the audit needs of the organization as identified in the Assurance Framework.

10.1.2 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 DHSS&PS. (To the Director of Finance and Estates in the first instance.)

10.1.3 It is the responsibility of the Director of Finance and Estates to ensure an adequate Internal Audit service is provided and the Audit Committee shall be involved in the selection process when/if an Internal Audit service provider is changed.

### **10.2 Director of Finance and Estates**

10.2.1 The Director of Finance and Estates 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 is adequate and meets the mandatory Government Internal Audit Standards (GIAS);
- (c) deciding at what stage to involve the police in cases of misappropriation and other irregularities in accordance with the Trust's Fraud Response Plan;
- (d) ensuring that an annual internal audit report is prepared for the consideration of the Audit Committee [and the Board]. The report must cover:

- (i) a clear opinion on the effectiveness of internal control in accordance with current assurance framework guidance issued by the DHSS&PS including for example compliance with control criteria and standards;
  - (ii) major internal financial control weaknesses discovered;
  - (iii) progress on the implementation of internal audit recommendations;
  - (iv) progress against plan over the previous year;
- (e) ensuring that an annual internal audit strategic audit plan covering the coming three years is produced and, based on year one of this plan, an operational plan for the coming year.

10.2.2 The Director of Finance and Estates or designated auditors are entitled without necessarily giving prior notice to require and receive:

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

### **10.3 Role of Internal Audit**

10.3.1 Internal Audit will review, appraise and report upon:

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

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

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

10.3.4 Audits will be performed in accordance with the audit plan agreed between the Director of Finance and the Chief Internal Auditor. Following an audit, Internal Audit will issue a report to the Assistant Director of Finance-Financial Services and the Senior manager responsible for the areas being audited. A meeting will be arranged between Internal Audit, the Assistant Director of Finance (or nominated person), and the appropriate Senior manager to review the report. Management comments will be discussed at this meeting for inclusion in the final report. The final report will be issued to the Chief executive, the Director of Finance, the Assistant Director of Finance-Financial Services and the appropriate Senior Manager from the area being audited. An action plan will be

prepared and issued to all relevant parties. This action plan will include deadlines for action to be taken and review dates to ensure action has been taken. Action plans will be held on file for review and presentation to the audit committee. The audit committee will be presented with individual comprehensive reports as agreed with Internal Audit.

#### **10.4 External Audit**

10.4.1 The External Auditor is appointed by the Northern Ireland Audit Office (NIAO) and paid for by the Trust. 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 NIAO if the issue cannot be resolved. The Director of Finance and Estates will notify the Trust Board of any such instances.

#### **10.5 Fraud and Corruption**

10.5.1 In line with their responsibilities, the Trust Chief Executive and Director of Finance and Estates shall monitor and ensure compliance with all guidance issued by the DHSS&PS Counter Fraud Policy Unit on fraud and corruption.

### **11. RESOURCE LIMIT CONTROL**

Not applicable to HSC Trusts.

### **12. ALLOCATIONS, PLANNING, BUDGETS, BUDGETARY CONTROL, AND MONITORING**

#### **12.1 Preparation and Approval of Plans and Budgets**

12.1.1 The Chief Executive will compile and submit to the Board a Trust Delivery Plan (TDP) which takes into account financial targets and forecast limits of available resources. The TDP will contain:

- (a) a statement of the significant assumptions on which the plan is based;
- (b) details of the organisation's priorities and objectives
- (c) details of major changes in workload, delivery of services or resources required to achieve the plan.

12.1.2 In accordance with the timetable agreed by the Board, the Director of Finance and Estates will, on behalf of the Chief Executive, prepare and submit budgets for approval by the Board. Such budgets will:

- (a) be in accordance with the aims and objectives set out in the Trust Delivery 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.

12.1.3 The Director of Finance and Estates shall monitor financial performance against budget and plan, review them on a monthly basis and report to the Board.

12.1.4 All budget holders must provide information as required by the Director of Finance and Estates to enable budgets to be compiled.

12.1.5 The Director of Finance and Estates has a responsibility to ensure that adequate training is delivered on an on-going basis to budget holders to help them manage successfully.

## **12.2 Budgetary Delegation**

12.2.1 The Chief Executive will delegate the management of a budget to budget holders to permit the performance of a defined range of activities. This delegation must have 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 transfers between budgets;
- (e) Achievement of planned levels of service; and
- (f) The provision of regular reports.

12.2.2 The Chief Executive and delegated budget holders must not exceed the budgetary total or virement limits set by the Board.

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

12.2.4 Non-recurring budgets should not be used to finance recurring expenditure without the authority in writing of the Chief Executive, as advised by the Director of Finance and Estates.

## **12.3 Budgetary Control and Reporting**

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

- (a) monthly financial reports to the Board in a form approved by the Board containing:
  - (i) income and expenditure to date showing trends and forecast year-end position;
  - (ii) capital project spend and projected outturn against plan;
  - (iii) explanations of any material variances from plan;
  - (iv) details of any corrective action where necessary and the Chief Executive's and/or Director of Finance and Estates '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; and
- (e) arrangements for the authorisation of budget transfers.

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

- (c) no permanent employees are appointed without the approval of the Chief Executive, or his/her delegated representative, other than those provided for within the available resources and manpower establishment as approved by the Board.

12.3.3 The Chief Executive is responsible for identifying and implementing cost improvements and income generation initiatives in accordance with the requirements of the TDP and a balanced budget.

#### **12.4 Capital Expenditure**

12.4.1 The general rules applying to delegation and reporting shall also apply to capital expenditure. (The particular applications relating to capital are contained in SFI 22).

#### **12.5 Monitoring Returns**

12.5.1 The Chief Executive is responsible for ensuring that the appropriate monitoring forms are submitted to the appropriate directorate within DHSSPS.

### **13. ANNUAL ACCOUNTS AND REPORTS**

13.1 The Director of Finance and Estates, on behalf of the Trust, will:

- (a) prepare annual accounts in accordance with the accounting policies and guidance given by the DHSS&PS and the Treasury, the Trust's accounting policies, and generally accepted accounting practice;
- (b) prepare, certify and submit audited annual accounts to the DHSS&PS in accordance with the prescribed timetable.
- (c) submit annual reports and other financial returns to the DHSS&PS for each financial year in accordance with the timetable prescribed by the DHSS&PS.

13.2 The Trust's annual accounts must be audited by an auditor appointed by the Northern Ireland Audit Office (NIAO). The Trust's audited annual accounts must be presented to a public meeting and made available to the public.

13.3 The Trust 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 DHSS&PS Manual for Accounts.

### **14. BANK ACCOUNTS**

#### **14.1 General**

14.1.1 The Director of Finance and Estates is responsible for managing the Trust's banking arrangements and for advising the Trust Board on the provision of banking services and operation of accounts. This advice will take into account guidance and directions issued from time to time by the DHSS&PS.

14.1.2 The Board shall approve the banking arrangements.

#### **14.2 Bank Accounts**

14.2.1 The Director of Finance and Estates is responsible for:

- (a) bank accounts;
- (b) establishing separate bank accounts for the Trust's non-public funds;
- (c) ensuring payments made from bank 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 Trust's bankers for accounts to be overdrawn.
- (e) monitoring compliance with DHSS&PS guidance on the level of cleared funds.

### **14.3 Banking Procedures**

14.3.1 The Director of Finance and Estates will prepare detailed instructions on the operation of bank accounts which must include:

- (a) the conditions under which each bank account is to be operated;
- (b) those authorised to sign cheques or other orders drawn on the Trust's accounts;
- (c) the limit to be applied to any overdraft.

14.3.2 The Director of Finance and Estates must advise the Trust's bankers in writing of the conditions under which each account will be operated including the nominated officers who are authorised to release monies from the bank accounts.

### **14.4 Tendering and Review**

14.4.1 The Director of Finance and Estates will review the commercial banking arrangements of the Trust at regular intervals to ensure they reflect best practice and represent best value for money by periodically seeking competitive tenders for the Trust's commercial banking business. The Trust should avail of the regional HPSS banking contract, save in exceptional circumstances.

14.4.2 Competitive tenders should be sought at least every five years. The results of the tendering exercise should be reported to the Board.

## **15. INCOME, FEES AND CHARGES AND SECURITY OF CASH, CHEQUES AND OTHER NEGOTIABLE INSTRUMENTS**

### **15.1 Income Systems**

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

15.1.2 The Director of Finance and Estates is also responsible for the prompt banking of all monies received.

### **15.2 Fees and Charges**

15.2.1 The Trust shall follow DHSS&PS guidance in setting prices for HPSS service agreements.

15.2.2 The Director of Finance and Estates is responsible for approving and regularly reviewing the level of all fees and charges other than those determined by the DHSS&PS or by Statute. Independent professional advice on matters of valuation shall be taken as necessary. Where sponsorship income (including items in kind such as subsidised goods or loans of equipment) is considered the guidance in the Trust's policy on Standards of Business Conduct shall be followed.

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

### **15.3 Debt Recovery**

15.3.1 The Director of Finance and Estates is responsible for the appropriate recovery action on all outstanding debts.

15.3.2 Income not received should be dealt with in accordance with losses procedures and DHSS&PS guidance.

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

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

15.4.1 The Director of Finance and Estates is responsible for:

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

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

15.4.3 All cheques, postal orders, cash etc., shall be banked intact. Disbursements shall not be made from cash received, except under arrangements approved by the Director of Finance and Estates

15.4.4 All unused cheques and other orders will be subject to the same security precautions as are applied to cash.

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

15.4.6 Any shortfall in cash, cheques or other negotiable instruments, however occasioned, will be reported immediately to the Director of Finance and Estates in accordance with the Trust's losses procedure.

### **16. TENDERING AND CONTRACTING PROCEDURE**

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

The procedure for making all contracts by or on behalf of the Trust shall comply with all relevant legislation, Northern Ireland Public Procurement Policy and these Standing Orders and Standing Financial Instructions (except where Standing Order No. 3.13 Suspension of Standing Orders is applied).

#### **16.2 Northern Ireland Public Procurement Policy, EU Directives Governing Public Procurement and DHSS&PS Mini-Code Guidance.**

Northern Ireland Public Procurement Policy, Directives by the Council of the European Union and Guidance on procurement matters promulgated by the DHSS&PS prescribing procedures for awarding all forms of contracts shall have effect as if incorporated in these Standing Orders and Standing Financial Instructions.

#### **16.3 Reverse eAuctions**

The Trust 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 the Trust's Centre of Procurement Excellence.

## 16.4 Capital Investment Manual and other DHSS&PS Guidance

The Trust shall comply as far as is practicable with the requirements of the DHSS&PS Capital Investment Manual, CONCODE, and liaise with the Health Estates Department in respect of capital investment and estate and property transactions. In the case of management consultancy contracts the Trust shall comply as far as is practicable with DHSS&PS circular HSS(F) 20/2006 - "Guidance on the Use of External Consultants".

## 16.5 Formal Competitive Tendering

### 16.5.1 General Applicability

The Trust 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 DHSS&PS);
- For the design, construction and maintenance of building and engineering works (including construction and maintenance of grounds and gardens); for disposals.

### 16.5.2 Health Care Services

Where the Trust elects to invite tenders for the supply of healthcare services these Standing Orders and Standing Financial Instructions shall apply as far as they are applicable to the tendering procedure and need to be read in conjunction with Standing Financial Instruction No. 18 and No. 19. In all cases the Trust must comply with the requirements of the Public Contract Regulations 2006 in respect of the disbursement of funds and / or grant aid to the voluntary sector and discharge its duties to ensure that such monies, where used for procurement purposes, comply with the relevant requirements of the Public Contracts Regulations 2006.

### 16.5.3 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 **£30,000**;
- (b) where the supply is proposed under special arrangements negotiated by the DHSS&PS in which event the said special arrangements must be complied with;
- (c) regarding disposals as set out in Standing Financial Instructions No. 24;

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

- (d) in very exceptional circumstances where the Chief Executive decides that formal tendering procedures would not be practicable the circumstances will be detailed in an appropriate Trust record;
- (e) where the requirement is covered by an existing contract let in accordance with Trust SFI's;
- (f) where National agreements are in place that offer best value for money and are legally accessible to the Trust;
- (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 through a Centre of Procurement Expertise;
- (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 product or service expertise is required and is available from only one source or, in the case of products, is protected by patent / copyright;
- (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 and must not infringe any EU Tendering Regulations;
- (l) 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 unless provided for within the original terms and conditions of tender.

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

#### **16.5.4 Fair and Adequate Competition**

Where the exceptions set out in SFI Nos. 16.1 and 16.5.3 apply, the Trust shall ensure that invitations to tender are sent to a sufficient number of firms/individuals to provide fair and adequate competition as appropriate.

#### **16.5.5 List of Approved Firms**

The Trust 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 Director of Finance and Estates it is desirable to seek tenders from firms not on the approved lists, the reason shall be recorded in writing to the Chief Executive (see SFI 16.6.8 List of Approved Firms).

#### **16.5.6 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 DHSS&PS approval.

#### **16.5.7 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 Chief Executive (or appropriate delegated Trust Board Officer), and be recorded in an appropriate Trust record.

### **16.6 Contracting/Tendering Procedure**

#### **16.6.1 Invitation to tender**

- (i) All invitations to tender shall state the date and time as being the latest time for the receipt of tenders.
- (ii) All invitations to tender shall state that no tender will be accepted unless:
  - (a) submitted in a plain sealed package or envelope bearing a pre-printed label supplied by the Trust (or the word "tender" followed by the subject to which it relates) and the latest date and time for the receipt of such tender addressed to the Chief Executive or nominated Manager; and

- (b) 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.

**OR**

Where an e-tendering system is in use shall not be accessible by any means until after the appointed date and time of closing and only then by appropriately authorized personnel.

- (c) Every tender for goods, materials, services or disposals shall embody such of the HPSS Standard Contract Conditions as are applicable.
- (d) Every tender for building or engineering works shall embody or be in the terms of a recognised Forms of Contract amended to comply with guidance issued by DHSS&PS and Health Estates. These documents may be modified and/or amplified to cover special features of individual projects.

#### **16.6.2 Receipt and safe custody of tenders**

The Chief Executive or his nominated representative will be responsible for the receipt, endorsement and safe custody of tenders received until the time appointed for their opening.

Where services are to be provided by a Centre of Procurement Expertise (CoPE) it will be the responsibility of the CoPE to ensure safe custody of unopened tender documents.

The date and time of receipt of each tender shall be endorsed on the tender envelope/package.

**OR**

Where an e-tendering system is in use the electronic files shall be held in a secure electronic environment until time of opening has passed at which point the system shall release the files for access by appropriately authorized personnel.

#### **16.6.3 Opening tenders and Register of tenders**

- (i) 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 officers/managers designated by the Chief Executive and not from the originating department.
- (ii) Where services are to be provided by a Centre of Procurement Expertise (CoPE) it will be the responsibility of the CoPE to ensure that appropriate personnel from the CoPE are present at tender opening.
- (iii) The 'originating' Department will be taken to mean the Department sponsoring or commissioning the tender.
- (iv) The involvement of Finance Directorate staff in the preparation of a tender proposal will not preclude the Director of Finance and Estates or any approved Senior Manager from the Finance Directorate from serving as one of the two senior managers to open tenders.
- (v) All Executive Directors/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 Trust's Company Secretary will count as a Director for the purposes of opening tenders.

- (vi) Every tender received shall be marked with the date of opening and initialed by those present at the opening.

- (vii) A record shall be maintained by the Chief Executive, or a person(s) 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 opened;
  - the persons present at the opening;
  - the price shown on each tender;

Each record shall be signed (digitally where an e-tendering system is in use) by those present.

A note shall be made on the record if any one tender price has had so many alterations that it cannot be readily read or understood.

- (viii) 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 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 Order No. 16.6.5 below).

#### 16.6.4 Admissibility

- (i) If for any reason the designated officers 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 Chief Executive.
- (ii) Where only one tender is sought and/or received, the Chief Executive and Director of Finance and Estates shall, as far practicable, ensure that the price to be paid is fair and reasonable and will ensure value for money for the Trust.

#### 16.6.5 Late tenders

- (i) Tenders received after the due time and date, but prior to the opening of the other tenders, may be considered only if the Chief Executive or his nominated officer decides that there are exceptional circumstances i.e. despatched in good time but delayed through no fault of the tenderer. Where services are to be provided by a Centre of Procurement Expertise (CoPE), a duly authorised CoPE officer will act as nominated officer.
- (ii) 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 Chief Executive or his nominated officer or if the process of evaluation and adjudication has not started. Where services are to be provided by a Centre of Procurement Expertise (CoPE), a duly authorised CoPE officer will act as nominated officer.
- (iii) 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 Chief Executive or his nominated officer. Where services are to be provided by a Centre of Procurement Expertise (CoPE), a duly authorised CoPE officer will act as nominated officer.

#### 16.6.6 Acceptance of formal tenders (See overlap with SFI No. 16.7)

Prior to commencement of a tender process a group shall be constituted to evaluate and agree the award of contract. Nominees to the group shall be provided by the Chief Executive or his/her nominated officer and shall have the delegated authority to act on behalf of the Trust in respect of the award of contract.

- (i) Prior to participation in an evaluation process those Officers participating in the evaluation will be required to complete a Declaration of Objectivity and Interests.
- (ii) Any discussions with a tenderer which are deemed necessary to clarify technical aspects of his tender before the award of a contract will not disqualify the tender. Such discussions must be carried out by or with the knowledge and approval of the Procurement Officer responsible for management of the tender process.
- (iii) The most economically advantageous tender to the Trust, shall be accepted unless there are good and sufficient reasons to the contrary. In order to comply with EU Regulations and Good Practice a detailed record of contract award shall be maintained showing the performance of tenders against a pre-determined set of award criteria.
- (iv) No tender shall be accepted which will commit expenditure in excess of that which has been allocated by the Trust and which is not in accordance with these Instructions except with the authorisation of the Chief Executive or Director of Finance and Estates.
- (v) The use of these procedures must demonstrate that the award of the contract was:
  - (a) not in excess of the going market rate / price current at the time the contract was awarded;
  - (b) that best value for money was achieved.
- (vi) All tenders should be treated as confidential and should be retained for audit and inspection.

#### 16.6.7 **Tender reports to the Trust Board**

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

#### 16.6.8 **List of approved firms (see SFI No. 16.5.5)**

##### (a) **Responsibility for maintaining list**

A manager nominated by the Chief Executive shall on behalf of the Trust 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 Trust is satisfied. All suppliers must be made aware of the Trust's terms and conditions of contract.

##### (b) **Building and Engineering Construction Works**

- (i) Invitations to tender shall be made only to firms included on the approved list of tenderers compiled in accordance with this Instruction or on the separate maintenance lists compiled in accordance with Estmancode guidance (Health Notice HN(78)147).
- (ii) Firms included on the approved list of tenderers shall comply with the N.I. Public Sector standard Equality Clause.
- (iii) Firms shall conform at least with the requirements of the Health and Safety at Work Act (N.I. Order) and any amending and/or other related legislation concerned with the health, safety and welfare of workers and other persons, and to any relevant British Standard Code of Practice issued by the British Standard Institution. Firms must provide to the appropriate manager a copy of its safety policy and evidence of the safety of plant and equipment, when requested.

##### (c) **Financial Standing and Technical Competence of Contractors**

The Director of Finance and Estates or the Trust's Centre of Procurement Expertise may make or institute any enquiries deemed appropriate concerning the financial standing and

financial suitability of approved contractors. The Director with lead responsibility for clinical and social care governance will similarly make such enquiries as is felt appropriate to be satisfied as to their technical / professional competence.

#### **16.6.9 Exceptions to using approved contractors**

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

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

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

#### **16.7.1 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 the current levels contained within the DHSS&PS Mini-code Guidance.

#### **16.7.2 Competitive Quotations**

- (i) Quotations should be obtained in accordance with the DHSS&PS Mini-code based on specifications or terms of reference prepared by, or on behalf of, the Trust.
- (ii) All quotations should be treated as confidential and should be retained for audit and inspection.
- (iii) The Chief Executive 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 Trust, or the highest if payment is to be received by the Trust, then the choice made and the reasons why should be recorded in a permanent record.

#### **16.7.3 Non-Competitive Quotations**

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

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

Where quotations are obtained without formal competition being sought approval must be given by the Chief Executive or his/her appointed Officer.

#### 16.7.4 Quotations to be within Financial Limits

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

#### 16.8 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
Directors	up to	£30,000
Chief Executive	up to	£350,000
Chairman	up to	£350,000
Trust Board	over	£350,000

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

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

Where the contract to be awarded is a multi-Trust or Regional Contract then the Chief Executive shall nominate in advance a Trust employee(s) to participate in the tender evaluation and adjudicate the contract on behalf of the Trust. In doing so the Chief Executive shall delegate authority to that officer(s) to award the contract on behalf of the Trust.

#### 16.9 Private Finance for capital procurement (see overlap with SFI No. 22)

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

- (a) The Chief Executive shall demonstrate that the use of private finance represents value for money and genuinely transfers risk to the private sector.
- (b) Where the sum exceeds delegated limits, a business case must be referred to the appropriate DHSS&PS for approval or treated as per current guidelines.
- (c) The proposal must be specifically agreed by the Board of the Trust.
- (d) The selection of a contractor/finance company must be on the basis of competitive tendering or quotations.

#### 16.10 Compliance requirements for all contracts

The Board may only enter into contracts on behalf of the Trust within the statutory powers delegated to it by the Minister for Health and shall comply with:

- (a) The Trust's Standing Orders and Standing Financial Instructions;
- (b) EU Directives and other statutory provisions including N.I. Procurement Policy and DHSS&PS Guidance;
- (c) any relevant directions including the Capital Investment Manual and guidance on the Procurement and Management of Consultants;
- (d) such of the HPSS Standard Contract Conditions as are applicable;

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

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

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

#### **16.12 Health and Social Care Service Agreements (see overlap with SFI No. 17)**

Service agreements between HSS organisations shall not be regarded for any purpose as giving rise to contractual rights or liabilities, but if any dispute arises with respect to such an arrangement, either party may refer the matter to the DHSS&PS for determination.

#### **16.13 Disposals (See overlap with SFI No. 24)**

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

- (a) any matter in respect of which a fair price can be obtained only by negotiation or sale by auction as determined (or pre-determined in a reserve) by the Chief Executive or his nominated officer;
- (b) obsolete or condemned articles and stores, which may be disposed of in accordance with the supplies policy of the Trust;
- (c) items to be disposed of with an estimated sale value of less than £[n], 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 DHSS&PS guidance has been issued but subject to compliance with such guidance.

#### **16.14 In-house Services**

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

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

- (a) Specification group, comprising the Chief Executive or nominated officer/s and specialist.
- (b) In-house tender group, comprising a nominee of the Chief Executive and technical support.
- (c) Evaluation team, comprising normally a specialist officer, a supplies officer and a Director of Finance and Estates representative. For services having a likely annual expenditure exceeding £ [n], a non-executive director should be a member of the evaluation team.

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

16.14.4 The evaluation team shall make recommendations to the Board.

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

**16.15 Applicability of SFI's on Tendering and Contracting to funds held in trust (see overlap with SFI No. 27)**

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

**17. HPSS SERVICE AGREEMENTS FOR PROVISION OF SERVICES (see overlap with SFI No. 16.12)**

**17.1 Service and Budget Agreements (SBA's)**

17.1.1 The Chief Executive, as the Accountable Officer, is responsible for ensuring the Trust enters into suitable Service and Budget Agreements (SBA) with service commissioners for the provision of health and social care services.

All SBA's should aim to implement the agreed priorities contained within the Trust Delivery Plan (TDP) and wherever possible, be based upon integrated care pathways to reflect expected patient experience. In discharging this responsibility, the Chief Executive should take into account:

- the standards of service quality expected;
- the provision of reliable information on cost and volume of services;
- that SBA's are based on integrated care pathways.

**17.2 Involving Partners and jointly managing risk**

A good SBA will result from a dialogue of clinicians, users, carers, public health professionals and managers. It will reflect knowledge of local needs and inequalities. This will require the Chief Executive to ensure that the Trust works with all partner agencies involved in both the delivery and the commissioning of the service required. The SBA will apportion responsibility for handling a particular risk to the party or parties in the best position to influence the event and financial arrangements should reflect this. In this way the Trust can jointly manage risk with all interested parties.

**17.3 Reports to Board on SBA's**

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

**18. TERMS OF SERVICE, ALLOWANCES AND PAYMENT OF MEMBERS OF THE TRUST BOARD, SENIOR EXECUTIVES AND EMPLOYEES**

**18.1 Remuneration and Terms of Service (see overlap with SO No. 4)**

18.1.1 In accordance with Standing Orders the Board shall establish a Remuneration and Terms of Service Committee, with clearly defined terms of reference, specifying which posts fall within its area of responsibility, its composition, and the arrangements for reporting.

18.1.2 The Committee will:

- (a) advise the Board about appropriate remuneration and terms of service for the Chief Executive and other senior executives including:



- (i) all aspects of salary (including any performance-related elements/bonuses);
  - (ii) provisions for other benefits, including pensions and cars;
  - (iii) arrangements for termination of employment and other contractual terms;
- (b) make such recommendations to the Board on the remuneration and terms of service of the Chief Executive and other senior executives to ensure they are fairly rewarded for their individual contribution to the Trust - having proper regard to the Trust's circumstances and performance and to the provisions of any national arrangements for such members and staff where appropriate;
- (c) monitor and evaluate the performance of the Chief Executive and individual senior executives;
- (d) advise on and oversee appropriate contractual arrangements for such staff including the proper calculation and scrutiny of termination payments taking account of such national guidance as is appropriate.
- 18.1.3 The Committee shall report in writing to the Board the basis for its recommendations. The Board shall use the report as the basis for their decisions, but remain accountable for taking decisions on the remuneration and terms of service of officer members. Minutes of the Board's meetings should record such decisions.
- 18.1.4 The Board will consider and need to approve proposals presented by the Chief Executive for the setting of remuneration and conditions of service for those employees and officers not covered by the Committee.
- 18.1.5 The Trust will pay allowances to the Chairman and non-executive members of the Board in accordance with the Payment of Remuneration to Chairmen and Non-Executive Members Determination issued by the DHSS&PS.

## **18.2 Funded Establishment**

- 18.2.1 The workforce plans incorporated within the annual budget will form the funded establishment.
- 18.2.2 The funded establishment of any department may not be varied without the approval of the Director of Finance and Estates and the Director of Human Resources and Corporate Affairs.

## **18.3 Staff Appointments**

- 18.3.1 No officer or Member of the Trust 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:
- (a) unless authorised to do so by the Chief Executive (as noted in the Scheme of Delegation);
  - (b) within the limit of their approved budget and funded establishment.
- 18.3.2 The Board will approve procedures presented by the Chief Executive for the determination of commencing pay rates, condition of service, etc, for employees.

## **18.4 Processing Payroll**

- 18.4.1 The Director of Finance and Estates is responsible for:
- (a) specifying timetables for submission of properly authorised time records and other notifications;
  - (b) the final calculation of net pay.

- (c) making payment on agreed dates;
- (d) agreeing method of payment.

18.4.2 The Director of Finance and Estates 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 officers;
- (h) procedures for payment by cheque, bank credit, or cash to employees and officers;
- (i) procedures for the recall of cheques and bank credits;
- (j) pay advances and their recovery;
- (k) maintenance of regular and independent reconciliation of pay control accounts;
- (l) separation of duties of preparing records and handling cash;
- (m) a system to ensure the recovery from those in and leaving the employment of the Trust of sums of money and property due by them to the Trust.

18.4.3 Appropriately nominated managers have delegated responsibility for:

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

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

## **18.5 Contracts of Employment**

18.5.1 The Board shall delegate responsibility to the Director of Human Resources and Corporate Affairs for:

- (a) ensuring that all employees are issued with a Contract of Employment in a form approved by the Board and which complies with employment legislation;

- (b) dealing with variations to, or termination of, contracts of employment.

## **19. NON-PAY EXPENDITURE**

### **19.1 Delegation of Authority**

19.1.1 The Board will approve the level of non-pay expenditure on an annual basis and the Chief Executive will determine the level of delegation to budget managers.

19.1.2 The Chief Executive will set out:

- (a) the list of managers who are authorised to place requisitions for the supply of goods and services;
- (b) the maximum level of each requisition and the system for authorisation above that level.

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

19.1.4 Non-pay expenditure should be committed in accordance with the Northern Ireland Public Procurement Policy.

19.1.5 The authorized level of delegation will be incorporated into the architecture of all electronic systems.

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

#### **19.2.1 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 Trust. In so doing, the advice of the Trust's adviser on supply shall be sought. Where this advice is not acceptable to the requisitioner, the Director of Finance and Estates (and/or the Chief Executive) shall be consulted.

#### **19.2.2 System of Payment and Payment Verification**

The Director of Finance and Estates 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 the Public Sector Prompt Payment Policy.

19.2.3 The Director of Finance and Estates 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:
  - (i) A list of those senior employees who are authorised to certify invoices (possibly including specimens of their signatures).
  - (ii) Certification that:

- goods have been duly received, examined and are in accordance with specification and the prices are correct;
  - work done or services rendered have been satisfactorily carried out in accordance with the order, and, where applicable, the materials used are of the requisite standard and the charges are correct;
  - in the case of contracts based on the measurement of time, materials or expenses, the time charged is in accordance with the time sheets, the rates of labour are in accordance with the appropriate rates, the materials have been checked as regards quantity, quality, and price and the charges for the use of vehicles, plant and machinery have been examined;
  - where appropriate, the expenditure is in accordance with regulations and all necessary authorisations have been obtained;
  - the account is arithmetically correct;
  - the account is in order for payment.
- (iii) A timetable and system for submission to the Director of Finance and Estates of accounts for payment; provision shall be made for the early submission of accounts subject to cash discounts or otherwise requiring early payment.
- (iv) Instructions to 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. 19.2.4 below.

#### 19.2.4 Prepayments

Prepayments are only permitted where exceptional circumstances apply. This excludes normal regular expenditure such as telephone rentals, insurance or other rental agreements. In such instances:

- (a) The appropriate officer must provide, in the form of a written report, a case setting out all relevant circumstances of the purchase. The report must set out the effects on the Trust if the supplier is at some time during the course of the prepayment agreement unable to meet his commitments;
- (b) The Director of Finance and Estates 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);
- (c) The budget holder is responsible for ensuring that all items due under a prepayment contract are received and they must immediately inform the appropriate Director or Chief Executive if problems are encountered.

#### 19.2.5 Official orders

Official Orders must:

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

### 19.2.6 Duties of Managers and Officers

Managers and officers must ensure that they comply fully with the guidance and limits specified by the Director of Finance and Estates 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 Director of Finance and Estates 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 DHSS&PS;
- (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:
  - (i) isolated gifts of a trivial character or inexpensive seasonal gifts, such as calendars;
  - (ii) 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 Trust's policy on "Standards of Business Conduct for Staff")**

- (e) no requisition/order is placed for any item or items for which there is no budget provision unless authorised by the Director of Finance and Estates on behalf of the Chief Executive;
- (f) all goods, services, or works are ordered on an official order except works and services executed in accordance with a contract and purchases from petty cash;
- (g) verbal orders must only be issued very exceptionally - by an employee designated by the Chief Executive and only in cases of emergency or urgent necessity. These must be confirmed the next working day by an official order and clearly marked "Confirmation Order";
- (h) orders are not split or otherwise placed in a manner devised so as to avoid the financial thresholds;
- (i) goods are not taken on trial or loan in circumstances that could commit the Trust to a future uncompetitive purchase;
- (j) changes to the list of employees and officers authorised to certify invoices are notified to the Director of Finance and Estates;
- (k) purchases from petty cash are restricted in value and by type of purchase in accordance with instructions issued by the Director of Finance and Estates;
- (l) petty cash records are maintained in a form as determined by the Director of Finance and Estates.

19.2.7 The Chief Executive and Director of Finance and Estates shall ensure that the arrangements for financial control and financial audit of building and engineering contracts and property transactions comply with the guidance contained within Concode and the Land Transactions Handbook. The technical audit of these contracts shall be the responsibility of the relevant Director.

## 20. EXTERNAL BORROWING

20.1.1 The Director of Finance and Estates must prepare detailed procedural instructions concerning applications for loans and overdrafts.

20.1.2 All short-term borrowings should be kept to the minimum period of time possible, consistent with the overall cashflow position, represent good value for money, and comply with the latest guidance from the DHSS&PS.

20.1.3 Any short-term in excess of one month must be authorized by the Director of Finance.

20.1.4 All long-term borrowing must be consistent with the plans outlined in the current TDP.

## **20.2 Investments**

20.2.1 Temporary cash surpluses must be held only in such public or private sector investments as notified by the DHSS&PS and authorised by the Board.

20.2.2 The Director of Finance and Estates is responsible for advising the Board on investments and shall report periodically to the Board, or delegated sub-committee, concerning the performance of investments held.

20.2.3 The Director of Finance and Estates will prepare detailed procedural instructions on the operation of investment accounts and on the records to be maintained.

## **21. HSC TRUST FINANCIAL GUIDANCE**

21.1.1 The Director of Finance and Estates should ensure that members of the Board are aware of the extant finance guidance issued by DHSS&PS and that this direction and guidance are followed.

## **22. CAPITAL INVESTMENT, PRIVATE FINANCING, FIXED ASSET REGISTERS AND SECURITY OF ASSETS**

### **22.1 Capital Investment**

#### **22.1.1 The Chief Executive:**

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

22.1.2 For every capital expenditure proposal the Chief Executive shall ensure:

- (a) that a business case (in line with the guidance contained within the *Capital Investment Manual*) is produced setting out:
  - (i) an option appraisal of potential benefits compared with known costs to determine the option with the highest ratio of benefits to costs;
  - (ii) the involvement of appropriate Trust personnel and external agencies;
  - (iii) appropriate project management and control arrangements;
- (b) that the Director of Finance and Estates has certified professionally to the costs and revenue consequences detailed in the business case.

22.1.3 For capital schemes where the contracts stipulate stage payments, the Chief Executive will issue procedures for their management, incorporating the recommendations of the Land Transactions Handbook.

22.1.4 The Director of Finance and Estates shall assess on an annual basis the requirement for the operation of the construction industry tax deduction scheme in accordance with Inland Revenue guidance.

22.1.5 The Director of Finance and Estates shall issue procedures for the regular reporting of expenditure and commitment against authorised expenditure.

22.1.6 The approval of a capital programme shall not constitute approval for expenditure on any scheme.

The Chief Executive shall issue to the manager responsible for any scheme:

- (a) specific authority to commit expenditure;
- (b) authority to proceed to tender ( see overlap with SFI No. 16.6);
- (c) approval to accept a successful tender (see overlap with SFI No. 16.6).

The Chief Executive will issue a scheme of delegation for capital investment management in accordance with the Land Transactions Handbook guidance and the Trust's Standing Orders.

22.1.7 The Director of Finance and Estates shall issue procedures governing the financial management, including variations to contract, of capital investment projects and valuation for accounting purposes. These procedures shall fully take into account the delegated limits for capital schemes included in circular HSS(F) 13/06.

## **22.2 Private Finance (see overlap with SFI No. 16.9)**

22.2.1 The Trust should normally test for PFI when considering capital procurement. When the Trust proposes to use finance which is to be provided other than through its Allocations, the following procedures shall apply:

- (a) The Director of Finance and Estates shall demonstrate that the use of private finance represents value for money and genuinely transfers significant risk to the private sector.
- (b) Where the sum involved exceeds delegated limits, the business case must be referred to the DHSS&PS or in line with any current guidelines.
- (c) The proposal must be specifically agreed by the Board.

## **22.3 Asset Registers**

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

22.3.2 Each Trust shall maintain an asset register recording fixed assets. The minimum data set to be held within these registers shall be as specified in the *Capital Accounting Manual* as issued by the DHSS&PS.

22.3.3 Additions to the fixed asset register must be clearly identified to an appropriate budget holder and be validated by reference to:

- (a) properly authorised and approved agreements, architect's certificates, supplier's invoices and other documentary evidence in respect of purchases from third parties;
- (b) stores, requisitions and wages records for own materials and labour including appropriate overheads;
- (c) lease agreements in respect of assets held under a finance lease and capitalised.

- 22.3.4 Where capital assets are sold, scrapped, lost or otherwise disposed of, their value must be removed from the accounting records and each disposal must be validated by reference to authorisation documents and invoices (where appropriate).
- 22.3.5 The Director of Finance and Estates shall approve procedures for reconciling balances on fixed assets accounts in ledgers against balances on fixed asset registers.
- 22.3.6 The value of each asset shall be indexed to current values in accordance with methods specified in the *Capital Accounting Manual* issued by the DHSS&PS.
- 22.3.7 The value of each asset shall be depreciated using methods and rates as specified in the *Capital Accounting Manual* issued by the DHSS&PS.
- 22.3.8 The Director of Finance and Estates of the Trust shall calculate and pay capital charges as specified in the *Capital Accounting Manual* issued by the DHSS&PS.

## **22.4 Security of Assets**

- 22.4.1 The overall control of fixed assets is the responsibility of the Chief Executive.
- 22.4.2 Asset control procedures (including fixed assets, cash, cheques and negotiable instruments, and also including donated assets) must be approved by the Director of Finance and Estates. This procedure shall make provision for:
- (a) recording managerial responsibility for each asset;
  - (b) identification of additions and disposals;
  - (c) identification of all repairs and maintenance expenses;
  - (d) physical security of assets;
  - (e) periodic verification of the existence of, condition of, and title to, assets recorded;
  - (f) identification and reporting of all costs associated with the retention of an asset;
  - (g) reporting, recording and safekeeping of cash, cheques, and negotiable instruments.
- 22.4.3 All discrepancies revealed by verification of physical assets to fixed asset register shall be notified to the Director of Finance and Estates.
- 22.4.4 Whilst each employee and officer has a responsibility for the security of property of the Trust, it is the responsibility of Board members and senior employees in all disciplines to apply such appropriate routine security practices in relation to HPSS property as may be determined by the Board. Any breach of agreed security practices must be reported in accordance with agreed procedures.
- 22.4.5 Any damage to the Trust's premises, vehicles and equipment, or any loss of equipment, stores or supplies must be reported by Board members and employees in accordance with the procedure for reporting losses.
- 22.4.6 Where practical, assets should be marked as Trust property.

## **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 Director of Finance and Estates for the systems of control, overall responsibility for the control of stores shall be delegated to an employee by the Chief Executive. The day-to-day responsibility may be delegated by him to departmental employees and stores managers/keepers, subject to such delegation being entered in a record available to the Director of Finance and Estates. 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 Director of Finance and Estates 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 Director of Finance and Estates 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 Director of Finance and Estates.
- 23.2.6 The designated Manager/Pharmaceutical Officer shall be responsible for a system approved by the Director of Finance and Estates for a review of slow moving and obsolete items and for condemnation, disposal, and replacement of all unserviceable articles. The designated Officer shall report to the Director of Finance and Estates any evidence of significant overstocking and of any negligence or malpractice (see also overlap with SFI No. 24 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 Centres of Procurement Expertise / HPSS Service Providers**

- 23.3.1 For goods supplied via central warehouses, the Chief Executive shall identify those authorised to requisition and accept goods from the store. The authorised person shall check receipt against the delivery note and notify the Centre of Procurement Expertise of any shortages or discrepancies using established Trust procedures.

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

### **24.1 Disposals and Condemnations**

#### **24.1.1 Procedures**

The Director of Finance and Estates 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 Trust asset, the Head of Department or authorised deputy will determine and advise the Director of Finance and Estates 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 Director of Finance and Estates;

- (b) recorded by the Condemning Officer in a form approved by the Director of Finance and Estates 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 Director of Finance and Estates.

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 Director of Finance and Estates who will take the appropriate action.

## **24.2 Losses and Special Payments**

### **24.2.1 Procedures**

The Director of Finance and Estates 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 Chief Executive and the Director of Finance and Estates or inform an officer charged with responsibility for responding to concerns involving loss. This officer will then appropriately inform the Director of Finance and Estates and/or Chief Executive. Where a criminal offence is suspected, the Director of Finance and Estates must immediately inform the police if theft or arson is involved. In cases of fraud or corruption, the Director of Finance and Estates will determine when to inform the PSNI in accordance with the Trust's Fraud Response Plan.

The Director of Finance and Estates must notify the DHSS&PS Counter Fraud Policy Unit and the External Auditor of all frauds.

24.2.3 For losses apparently caused by theft, arson, neglect of duty or gross carelessness, except if trivial, the Director of Finance and Estates must immediately notify:

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

24.2.4 Within limits delegated to it by the DHSS&PS, the Board shall approve the writing-off of losses.

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

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

24.2.7 The Director of Finance and Estates shall maintain a Losses and Special Payments Register in which write-off action is recorded.

24.2.8 No special payments exceeding delegated limits shall be made without the prior approval of the DHSS&PS.

24.2.9 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 Director of Finance and Estates**

25.1.1 The Director of Finance and Estates, who is responsible for the accuracy and security of the computerised financial data of the Trust, shall:

- (a) devise and implement any necessary procedures to ensure adequate (reasonable) protection of the Trust's data, 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 Director of Finance and Estates 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 Director of Planning, Information and Performance Management shall publish and maintain a Freedom of Information (FOI) Publication Scheme, or adopt a model Publication Scheme approved by the information Commissioner. A Publication Scheme is a complete guide to the information routinely published by a public authority. It describes the classes or types of information about our Trust that we make publicly available.

## **25.2 Responsibilities and duties of other Directors and Officers 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 HSS bodies wish to sponsor jointly) all responsible directors and employees will send to the Director of Finance and Estates:

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

## **25.3 Contracts for Computer Services with other health bodies or outside agencies**

The Director of Finance and Estates 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.

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

## **25.4 Risk Assessment**

The Director of Planning, Information and performance management shall ensure that risks to the Trust arising from the use of IT are effectively identified and considered and appropriate action taken to mitigate or control risk. This shall include the preparation and testing of appropriate disaster recovery plans.

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

Where computer systems have an impact on corporate financial systems the Director of Finance and Estates 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) Director of Finance and Estates staff have access to such data;
- (d) such computer audit reviews as are considered necessary are being carried out.

## **26. PATIENTS AND CLIENTS' PROPERTY**

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

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

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

that the Trust will not accept responsibility or liability for property brought into Trust premises, unless it is handed over for safe custody and a copy of an official patients' property record is obtained as a receipt.

26.3 The Director of Finance and Estates must provide detailed written instructions on the collection, custody, investment, recording, safekeeping, and disposal of patients' or clients' property (including instructions on the disposal of the property of deceased patients or clients and of patients or clients transferred to other premises) for all staff whose duty it is to administer, in any way, the property of patients or clients. 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 DHSS&PS instructions require the opening of separate accounts for patients' or clients' moneys, these shall be opened and operated under arrangements agreed by the Director of Finance and Estates.

26.5 The Trust shall take cognisance of the provisions of the Enduring Powers of Attorney (NI) Order 1987 to provide for a patient or client to choose for someone other than a member of Trust staff to deal with his/her property and affairs.

26.6 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.

26.7 A patient's / client's property record, in a form determined by the Director of Finance and Estates, shall be completed in respect of the following:

- (a) property handed in for safe custody by any patient or client (or guardian or next-of-kin as appropriate)
- (b) property taken into safe custody having been found in the possession of patients or clients who are:
  - mentally disordered
  - confused or disorientated
  - unconscious
  - dying in a Trust facility
  - severely incapacitated for any reason

A record shall be completed in respect of all persons in category (b) above including a nil return if no property is taken into safe custody.

- 26.8 The record shall be completed by a member of staff in the hospital or facility concerned in the presence of a second member of staff and in the presence of the patient/client or his/her personal representative where practicable. It shall then be signed by both members of staff and the patient / client, except where the latter is restricted by physical or mental incapacity. Any alterations shall be validated by signatures as required for the original entry on the record.
- 26.9 Property handed over for safe custody shall be placed into the care of the officer responsible for the custody of patients' / clients' property, except where there are no administrative staff present, in which case the property shall be placed into the care of the most senior member of staff on duty.
- 26.10 Patients' and clients' income from pensions and associated allowances shall be dealt with in accordance with current DHSS Regulations.
- 26.11 Refunds of cash handed in for safe custody shall be dealt with in accordance with the written instructions issued by the Director of Finance and Estates. Property other than cash which has been handed in for safe custody shall be returned to the patient or client by the officer who has responsibility for its security. The return shall be receipted by the patient or client (or guardian or next-of-kin if appropriate) and witnessed.
- 26.12 The disposal of property of deceased patients / clients shall be effected by the officer who has responsibility for its security. Such disposal shall be in accordance with the written instructions of the Director of Finance and Estates. Where cash or valuables have been deposited for safe custody, they shall only be released after written authority has been given by an officer delegated by the Director of Finance and Estates. Such authority shall include details of the lawful kin or other person entitled to the cash and valuables in question.
- 26.13 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 (NI) 1967, as amended by S.R. 1985 No 9), 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.
- 26.14 In respect of a deceased patient's or client's property, if there is no will and no identified lawful kin, the property vests in the Crown, and the details shall be notified to the Crown Solicitor for Northern Ireland.
- 26.15 Any funeral expenses necessarily borne by the Trust are a first charge on the deceased's estate. Where it is deemed necessary for the Trust to make appropriate arrangements for burial or cremation, any cash of the estate held by the Trust may be appropriated towards funeral expenses, upon the authorisation of the Director of Finance and Estates. No other expenses or debts shall be discharged out of the estate of a deceased patient or client.
- 26.16 The Director of Finance and Estates shall be responsible for investing patients' and clients' monies so as to ensure a reasonable return associated with a minimum level of risk. Individual accounts shall be maintained within the Trust's Patients'/Clients Property System and interest earned shall be apportioned regularly to those accounts on an equitable basis.
- 26.17 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.

## **27. ENDOWMENT AND GIFT (E&G) FUNDS**

- 27.1 Trust responsibilities for E&G funds are distinct from 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. The *Director of Finance and Estates* should ensure that each E&G fund is managed appropriately with regard to its purpose and requirements.

- 27.2 This section of the SFI's should be interpreted and applied in conjunction with the rest of these instructions, subject to modifications contained herein.
- 27.3 The Director of Finance and Estates has primary responsibility to the Board, and E&G Committee if appropriate, for ensuring that these SFI's are applied.

#### **Existing Trust Funds**

- 27.4 The Director of Finance and Estates should arrange for the administration of all existing E&G funds. They should ensure that a governing instrument exists for every trust fund and should produce detailed codes of procedure covering every aspect of the financial management of E&G funds, for the guidance of directors and employees. Such guidelines should identify the restricted nature of certain funds.
- 27.5 The Director of Finance and Estates should periodically review the E&G funds in existence and should make recommendations to the Board regarding the potential for rationalisation of such funds within statutory guidelines.

#### **New Trust Funds**

- 27.6 The Director of Finance and Estates should arrange for the creation of a new E&G fund where funds and/or other assets, received in accordance with policies, cannot adequately be managed as part of an existing E&G fund.
- 27.7 The governing document for each new E&G fund should clearly identify, inter alia, the objectives of the new fund, the capacity to delegate powers to manage and the power to assign the residue of the E&G fund to another fund contingent upon certain conditions, eg, discharge of original objects.

#### **Sources of New Trust Funds**

##### **Donations**

- 27.8 In respect of donations, the Director of Finance and Estates should:
- (a) provide guidelines to officers of the Trust as to how to proceed when offered funds. These include:
    - (i) the identification of the donor's intention;
    - (ii) where possible, the avoidance of new E&G funds;
    - (iii) the avoidance of impossible, undesirable or administratively difficult objects;
    - (iv) sources of immediate further advice; and
    - (v) treatment of offers for personal gifts.
  - (b) provide secure and appropriate receipting arrangements which will indicate that funds have been accepted directly into E&G funds and that the donor's intentions have been noted and accepted.

##### **Legacies and Bequests**

- 27.9 In respect of legacies and bequests, the Director of Finance and Estates should:
- (a) provide guidelines to officers covering any approach regarding:
    - (i) the wording of wills;
    - (ii) the receipt of funds/other assets from executors;

- (b) where necessary, obtain grant of probate, or make application for grant of letters of administration, where the E&G fund is the beneficiary;
- (c) be empowered to negotiate arrangements regarding the administration of a will with executors and to discharge them from their duty; and
- (d) be directly responsible for the appropriate treatment of all legacies and bequests.

### **Fund Raising**

27.10 In respect of fund-raising, the Director of Finance and Estates shall:

- (a) deal with all arrangements for fund-raising by and/or on their behalf and ensure compliance with all statutes and regulations;
- (b) be empowered to liaise with other organisations/persons raising funds and provide them with an adequate discharge. The Director of Finance and Estates shall be the only officer empowered to give approval for such fund-raising subject to the overriding direction of the Board;
- (c) be responsible for alerting the Board to any irregularities regarding the use of the E&G fund's name or its registration numbers; and
- (d) be responsible for the appropriate treatment of all funds received from this source.

### **Trading Income**

27.11 In respect of trading income, the Director of Finance and Estates shall:

- (a) be primarily responsible for any trading undertaken; and
- (b) be primarily responsible for the appropriate treatment of all funds received from this source.

### **Investment Income**

27.12 In respect of investment income, the Director of Finance and Estates shall be responsible for the appropriate treatment of all dividends, interest and other receipts from this source (see below).

### **Investment Management**

27.13 The Director of Finance and Estates shall be responsible for all aspects of the management of the investment of E&G funds. The issues on which he/she should be required to provide advice to the Board should include:

- (a) the formulation of investment policy within the powers of the E&G fund under statute and within governing instruments to meet its requirements with regard to income generation and the enhancement of capital value;
- (b) the appointment of advisers, brokers, and where appropriate, fund managers in accordance with Section 17 of these Standing Financial Instructions. The Director of Finance and Estates should agree the terms of such appointments and for such appointments written agreements should be signed by the Chief Executive;
- (c) pooling of investment resources and the preparation of a submission to the DHSS&PS for them to make a scheme;
- (d) the participation in common investment funds and the agreement of terms of entry and withdrawal from such funds;

- (e) that the use of Trust investments shall be appropriately authorised in writing and charges raised within policy guidelines;
- (f) the review of the performance of brokers and fund managers;
- (g) the reporting of investment performance.

### **Disposition Management**

- 27.14 The exercise of dispositive discretion shall be managed by the Director of Finance and Estates in conjunction with the Board. In so doing he/she shall be aware of the following:
- (a) the objects of various funds and the designated objectives;
  - (b) the availability of liquid funds within each trust fund;
  - (c) the powers of delegation available to commit resources;
  - (d) the avoidance of the use of Exchequer funds to discharge E&G fund liabilities (except where administratively unavoidable), and to ensure that any indebtedness to the Exchequer shall be discharged by E&G funds at the earliest possible time;
  - (e) that E&G funds are to be spent rather than preserved, subject to the wishes of the donor and the needs of the E&G fund; and
  - (f) the definitions of “charitable purposes” as agreed by the DHSS&PS.

### **Banking Services**

- 27.15 The Director of Finance and Estates should advise the Board and, with its approval, should ensure that appropriate banking services are available to the E&G fund. These bank accounts should permit the separate identification of liquid funds to each fund where this is deemed necessary by the DHSS&PS.

### **Asset Management**

- 27.16 Assets in the ownership of or used by the E&G fund, shall be maintained along with the general estate and inventory of assets. The Director of Finance and Estates shall ensure:
- (a) in conjunction with the legal adviser, that appropriate records of all assets owned are maintained, and that all assets, at agreed valuations, are brought to account;
  - (b) that appropriate measures are taken to protect and/or to replace assets. These to include decisions regarding insurance, inventory control, and the reporting of losses;
  - (c) that donated assets received on trust rather than into the ownership of the Trust shall be accounted for appropriately;
  - (d) that all assets acquired from E&G funds which are intended to be retained within the E&G funds are appropriately accounted for, and that all other assets so acquired are brought to account in the name of the Trust.

### **Reporting**

- 27.17 The Director of Finance and Estates shall ensure that regular reports are made to the Board with regard to, inter alia, the receipt of funds, investments, and the disposition of resources.
- 27.18 The Director of Finance and Estates shall prepare annual E&G fund accounts in the required manner which shall be submitted to the Board and DHSS&PS within agreed timescales.



## **Accounting and Audit**

- 27.19 The Director of Finance and Estates shall maintain all financial records to enable the production of E&G fund reports as above and to the satisfaction of internal and external audit.
- 27.20 The Director of Finance and Estates shall ensure that the records, accounts and returns receive adequate scrutiny by internal audit during the year. He will liaise with external audit and provide them with all necessary information.
- 27.21 The Board shall be advised by the Director of Finance and Estates on the outcome of the annual audit. The Chief Executive shall submit the Management Letter to the Board.

## **Administration Costs**

- 27.22 The Director of Finance and Estates shall identify all costs directly incurred in the administration of E&G funds and, in agreement with the Board, shall charge such costs to the appropriate E&G accounts.

## **Taxation and Excise Duty**

- 27.23 The Director of Finance and Estates shall ensure that any E&G fund liability to taxation and excise duty is managed appropriately, taking full advantage of available concessions, through the maintenance of appropriate records, the preparation and submission of the required returns and the recovery of deductions at source.

## **28. ACCEPTANCE OF GIFTS BY STAFF AND LINK TO STANDARDS OF BUSINESS CONDUCT (see overlap with SO No. 6 and SFI No. 19.2.6 (d))**

The Director of Finance and Estates shall ensure that all staff are made aware of the Trust policy on acceptance of gifts and other benefits-in-kind by staff. This policy follows the guidance contained in the DHSS&PS circular HSS(PDD) 8/94 "Codes of Conduct and Accountability" 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**

See Section 17.5.2.

## **30. RETENTION OF RECORDS**

- 30.1 The Chief Executive shall be responsible for maintaining archives for all records required to be retained in accordance with DHSS&PS guidelines.
- 30.2 The records held in archives shall be capable of retrieval by authorised persons.
- 30.3 Records held in accordance with latest DHSS&PS guidance shall only be destroyed at the express instigation of the Chief Executive. Detail shall be maintained of records so destroyed.

## **31. RISK MANAGEMENT AND INSURANCE**

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

The Chief Executive shall ensure that the Trust has a programme of risk management, in accordance with current DHSS&PS 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) 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 (SIC) within the Annual Report and Accounts as required by current DHSS&PS guidance.

### **31.2 Insurance arrangements with commercial insurers**

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

- (1) Trust's may enter commercial arrangements for **insuring motor vehicles** owned by the Trust including insuring third party liability arising from their use;
- (2) where the Trust is involved with a consortium in a **Private Finance Initiative contract** and the other consortium members require that commercial insurance arrangements are entered into; and
- (3) where **income generation activities** take place. Income generation activities should normally be insured against all risks using commercial insurance. In any case of doubt concerning a Trust's powers to enter into commercial insurance arrangements the Finance Director should consult the DHSS&PS.