

SOUTH EASTERN HEALTH & SOCIAL CARE TRUST

STANDING FINANCIAL INSTRUCTIONS

V3.0 February 2023

Summary of Areas of Responsibility

Responsible Director or Committee	Colour Coding	Summary of Areas of Responsibility
Trust Board		1, 6, 8.10.3, 10, 11.1.1, 14.2.1, 8.14.3
Audit Committee		2
Remuneration Committee		10
Charitable Funds Committee		19
Governance Assurance Committee		22.1
Chief Executive		1, 4, 6, 9, 10, 11.1.1, 14, 15.2.1, 18, 19, 22.1
Director of Finance & Estates		1, 2, 3, 4, 5, 6, 7, 8, 10, 11, 13, 14, 15, 16, 17, 18, 19, 22, 23
Director of Human Resources		10
Director of Planning, Performance & Informatics		8.4.4, 17
Medical Director		Section 8.5, 20, 21 & 22.1
Head of Pharmacy & Medicines Management		Section 8.5
Asst Director of Commissioning & Contracts		All of 12
Asst Director of Resource Utilisation and Capital		All of 14
Asst Director of ICT		All of 17
Asst Director of Risk Management & Governance		20, 21 & 22.1

Section	Title	Page
1	Introduction	5
2	Audit	9
3	Resource Limit Control	14
4	Revenue Resource Limit, Planning, Budgets, Budgetary Control and Monitoring	16
5	Annual Report and Accounts	20
6	Bank Accounts	21
7	Income, Fees and Charges and Security of Cash, Cheques and other negotiable instruments	23
8	Procurement and Contracting procedure	27
9	HSC Commissioning Agreements for the provision of services	35
10	Terms of service, allowances and payment to Staff & Board Members	36
11	Non-pay expenditure	42
12	Grants & Payments to Community/Voluntary Organisations	48
13	Cash management	50
14	Capital investment, private financing, fixed asset registers and security of assets	52
15	Stores and receipt of goods	57
16	Disposals and condemnations, losses and special payments	59
17	Information and communication technology	62
18	Patients and Service Users Private Funds & Property	65
19	Charitable Funds	69
20	Acceptance of gifts by staff	75
21	Retention of financial records	76
22	Risk Management and insurance	77
Appendix 1	Scheme of Delegated Authority at February 2023	79

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		Standing Financial Instructions v2.0 (January 2016 – updated August 2017)
Links to Other Policies / guides	All relevant statutory orders and circulars to public sector accounting as referenced throughout this document.	

1. INTRODUCTION

KEY POINTS

- Standing Financial Instructions identify the **key financial responsibilities** which apply to everyone working for the Trust.
- The **Trust Board** exercises financial supervision and control via a number of measures.
- The **Chief Executive** and **Director of Finance and Estates** will delegate financial responsibilities but remain accountable for financial control.
- **Employees are responsible for:** Trust property, avoiding loss, exercising economy and efficiency in use of resources, complying with the Trust's Standing Orders, Standing Financial Instructions, Financial Procedures, Financial Policies and Scheme of Delegated Authority.

1.1 General

- 1.1.1 The 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). **They are the “business rules” that Non-Executive Directors, Executive Directors and employees (including employees of third parties contracted by the Trust) must follow when acting on behalf of the Trust.**
- 1.1.2 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 Delegated Authority adopted by the Trust.
- 1.1.3 These Standing Financial Instructions identify the financial responsibilities which apply to everyone working for the Trust including third parties contracted to SEHSCT acting on behalf of the Trust. 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**. **SFIs are mandatory for Non-Executive Directors, the Chief Executive, Directors and Employees of the Trust.**

- 1.1.4 Should any difficulties arise regarding the interpretation or application of any of the Standing Financial Instructions then the advice of the Director of Finance & 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.
- 1.1.5 **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.**
- 1.1.6 **Overriding Standing Financial Instructions** – If for any reason these Standing Financial Instructions are not complied with, full details and any justification for 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.

1.2 Responsibilities and delegation

1.2.1 Department of Health

The Department of Health (DoH) sets the policy framework within which the Trust operates. In exceptional and usually emergency circumstances, e.g. a pandemic, the DoH may give approval for the Trust to operate with alternative authorisation arrangements, on a time-limited basis, which may supersede some elements of these Standing Financial Instructions.

1.2.2 The Trust Board

The **Trust Board** exercises financial supervision and control by:

- (a) requiring the submission and approval of an annual financial plan within the approved opening revenue and capital allocations / income;
- (b) defining and approving essential features in respect of important procedures and financial systems (including the need to obtain best value for money);
- (c) ensuring that it receives and reviews regular information concerning the financial management of the Trust and that it is informed on a timely basis about any concerns regarding the activities of the Trust.

The Trust Board has resolved that certain powers and decisions may only be exercised by the Trust Board in formal session. These are set out in the Standing Orders and Scheme of Reservation & Delegation

document. All other powers have been delegated to the **Chief Executive** or such other sub-committees as the Trust has established.

1.2.3 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 Trust Board, and as Accounting Officer, to the Minister for the Department of Health (DoH). The **Chief Executive** is personally responsible for safeguarding the public funds for which he/she has charge; for ensuring propriety and regularity in the handling of those funds and for the day-to-day operations and management of the Trust. In addition, he/she should ensure that the Trust meets the standards set out in Managing Public money NI (MPMNI) in relation to governance, decision making and financial management. The **Chief Executive** has overall executive responsibility for the Trust's activities; is responsible to the Chairman and the Trust Board for ensuring that its financial obligations and targets are met and has overall responsibility for the Trust's system of internal control.

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

1.2.5 The **Director of Finance and Estates**

The Director of Finance and Estates is responsible for:

- (a) implementing the Trust's financial policies/procedures and for coordinating any corrective action necessary to further these policies;
- (b) maintaining an effective system of internal financial control 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;
- (d) the provision of financial advice to the Trust Board, the Chief Executive, Directors 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.

1.2.6 Trust Board Members, Chief Executive, Executive Directors and Employees

All are severally and collectively responsible for:

- (a) the security of the property of the Trust;
- (b) avoiding loss and fraud;
- (c) exercising economy and efficiency in the use of resources;
- (d) conforming to the requirements of Standing Orders, Standing Financial Instructions, the Scheme of Delegated Authority and any Financial Procedures or Policies which the Director of Finance and Estates may issue.

1.2.7 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.

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

2. AUDIT

KEY POINTS

- **Audit Committee** is a sub-committee of the Trust Board which will provide an independent and objective view of internal control in the organisation;
- It will rely on work performed by Internal Audit and External Audit and other appropriate assurance functions;
- The **Director of Finance and Estates** is responsible for ensuring there are arrangements to review evaluate and report on the effectiveness of **internal financial control**;
- The **Director of Finance and Estates** is responsible for assessing, identifying, evaluating and responding to fraud, bribery and corruption risks and reporting on counter fraud work annually to the Audit Committee.

2.1 **Audit Committee**

2.1.1 In accordance with Standing Orders and the Code of Conduct and Code of Accountability for Board Members of Health & Social Care bodies (2012), the Trust Board shall formally establish an Audit Committee, with clearly defined terms of reference and follow current Cabinet Office guidance and the Department of Finance Audit and Risk Assurance Committee Handbook NI (April 2018). The **Audit Committee** will provide an independent and objective view of internal control arrangements by a review of:

- (a) the adequacy of all risk and control related disclosure statements, in particular the Mid-Year Assurance Statement and the annual Governance Statement, together with any accompanying Head of Internal Audit Assurance Statement, external audit opinion or other appropriate independent assurances, prior to endorsement by the Board;
- (b) the adequacy of the policies for ensuring compliance with relevant regularity, legal and code of conduct requirements, including the Trust's Standing Orders and Standing Financial Instructions;
- (c) the schedules of losses and compensations contained within the Trust Annual Report
- (d) the adequacy of the policies and procedures for all work related to fraud and corruption as required by relevant legislation, regulation or guidance;

- (e) The Committee's terms of reference on an annual basis which is then submitted to the Trust Board for approval. Any subsequent material changes to the Committee's terms of reference will be reported to the Department of Health.

In carrying out its work, the Committee will primarily utilise the work of Internal and External Audit, but will not be limited to these functions. It may also seek reports and assurances from other Trust Committees, Directors and managers if required, concentrating on the overarching system of risk management and internal control.

The Committee shall ensure that Internal Audit provides appropriate independent assurance to them, the Chief Executive and the Trust Board. This will be achieved by:

- (a) Overseeing Internal and External Audit services;
- (b) reviewing and approval of the Internal Audit strategy and more detailed programme of work, ensuring that this is consistent with the audit needs of the organisation;
- (c) consideration of the Head of Internal Audit's annual report, major findings of internal audit work (and management's response), and ensure co-ordination between the Internal and External Auditors to optimise audit resources;
- (d) ensuring that the Internal Audit function is adequately resourced and has appropriate standing within the organisation;

2.1.2 The **Audit Committee** shall review the work and findings of the External Auditor appointed by the NI Audit Office and consider the implications of and management's responses to their work. This will be achieved by:

- (a) consideration of the performance of the External Auditor;
- (b) discussion and agreement with the External Auditor, before the audit commences, of the nature and scope of the audit as set out in the annual External Audit Strategy;
- (c) discussion with the External Auditors of their local evaluation of audit risks and assessment of the Trust;
- (d) review of all External Audit reports, including consideration of the Report to Those Charged with Governance before submission to the Trust Board and any work carried out outside the annual External Audit Strategy, together with the appropriateness of management responses.

2.1.3 Where the Audit Committee considers there is evidence of ultra vires transactions, evidence of improper acts, or if there are other important matters that the Committee wishes to raise, the **Chair of the Audit Committee** should discuss the matter initially with the **Director of Finance and Estates** and then, if appropriate, raise the matter at a full meeting of the Trust Board. Exceptionally, the matter may need to be referred to the Director of Finance in the DoH in the first instance).

2.2 Director of Finance and Estates Responsibility (Internal Audit)

2.2.1 With respect to the internal audit service 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 function is adequate and meets the mandatory Public Sector Internal Audit Standards (PSIAS) having due regard to DoH guidance detailing internal audit;
- (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 by the Head of Internal Audit (Business Services Organisation) for the consideration by the Audit Committee. The report must cover:
 - (i) a clear opinion on the effectiveness of internal control in accordance with assurance framework guidance issued by DoH;
 - (ii) major internal control weaknesses discovered;
 - (iii) progress on the implementation of internal audit recommendations;
- (e) ensuring that an annual internal audit strategic plan covering the coming three years is produced from which an annual operational plan is derived;

2.2.2 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, members of the Trust Board or employee of the Trust;

- (c) the production of any cash, stores or other property of the Trust under the control of a member of the Trust Board or a Trust employee;
- (d) explanations concerning any matter under investigation.

2.3 Role of Internal Audit

2.3.1 Internal Audit will review, appraise and report upon:

- (a) the extent of compliance with finance policies and procedures established by the Trust and the extent of compliance with DoH guidance, laws and regulations, including reporting requirements;
- (b) the adequacy and effectiveness of the systems of financial, operational and management controls and their operation in practice in relation to the identified business risks;
- (c) the suitability, accuracy, reliability and integrity of financial and other management information;
- (d) the extent to which the assets and interests of the organization are acquired economically, accounted for and safeguarded from loss of all kinds;
- (e) the adequacy of follow up action taken by management in response to Internal Audit report recommendations;
- (f) the integrity of processes and systems to ensure that controls offer adequate protection against error, fraud and loss of all kinds;

2.3.2 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 financial nature, the **Director of Finance and Estates** must be notified immediately.

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

2.3.4 The Head of Internal Audit shall be accountable to the Audit Committee.

2.4 External Audit

2.4.1 The Comptroller and Auditor General (C&AG) for Northern Ireland is the appointed External Auditor for the Trust. He/she may outsource

the delivery of the external audit programme to an appropriately qualified third party organisation.

- 2.4.2 If there are any problems relating to the service provided by an outsourced External Auditor, then this should be raised initially with the External Auditor and referred on to the NI Audit Office if the issue cannot be resolved. **The Director of Finance and Estates** will notify the Audit Committee and Trust Board of any such instances.
- 2.4.3 Any value-for-money assignments carried out by the External Auditor are directed by a nominated Senior Officer within DoH. The cost of such assignments is borne by DoH.
- 2.4.4 The Comptroller & Auditor General (C&AG) has a statutory right of access to all relevant documents as provided for in Articles 3 and 4 of the Audit and Accountability (NI) Order 2003.

2.5 Fraud and Corruption

- 2.5.1 In line with their responsibilities, the **Director of Finance and Estates** shall monitor and ensure compliance with all guidance issued by the DoH on fraud, bribery and corruption.
- 2.5.2. The **Director of Finance and Estates** is responsible for:
 - a. Assessing, identifying, evaluating and responding to risks of bribery or fraud;
 - b. Ensuring appropriate arrangements are in place for deterring, preventing, detecting and investigating fraud or bribery;
 - c. Ensuring that the Trust's Audit Committee formally considers the anti-fraud measures in place;
 - d. Reporting immediately all suspected or proven frauds, including attempted fraud to the Business Services Organisation's Counter Fraud & Probity Services Unit.
 - e. Complying with all guidance issued by DoH;
 - f. Developing an anti-fraud policy and fraud response plan which is updated at least every five years and sent to Counter Fraud and Probity Services Unit at BSO for review.
- 2.5.3 The **Director of Finance and Estates** shall nominate a suitable person to carry out the duties of the Fraud Liaison Officer as specified by the DoH Counter Fraud Policy and guidance.
- 2.5.5 The Assistant Director of Financial Services will provide a written report to the Audit Committee, at least 3 times a year on counter fraud cases on behalf of the Director of Finance & Estates.

3. RESOURCE LIMIT CONTROL

KEY POINTS

- The Trust is required to operate within the revenue and capital budgets delegated to it by the DoH/Commissioning Body.
- The Trust is required to work closely with Commissioners, the DoH and other HSC organisations to demonstrate efficient use of resources, manage cost pressures and gain approval for service developments and enhancements.

- 3.1** The Trust's revenue and capital expenditure form part of the DoH's Revenue Delegated Expenditure Level (DEL) and Capital DEL respectively.
- 3.2** The Trust shall not, without prior written DoH approval, enter into any undertaking to incur any expenditure which falls outside the Trust's delegations or which is not provided for in the Trust's annual financial plan as approved by the DoH or the Commissioning Body on its behalf. This reflects the general principles set out in Managing Public Money (NI) (MPMNI) relating to the authority for expenditure, regularity, propriety and value for money which applies to all public expenditure.
- 3.3** The Trust is obliged to act in line with the guidance as set out in circular HSS(F) 17/2009 which deals with the HSC Finance Regime.

This states that the Trust is obliged to:

- contain expenditure within the overall resources allocated subject to any ring fencing constraints;
- maintain a constructive dialogue with other HSC organisations;
- ensure that their services are offered at a price which reflects economic and efficient use of resources, and complies fully with financial requirements;
- take a joint risk sharing approach with Commissioners to the management of cost pressures identified;
- work with the DoH & Commissioners to re-profile services, incorporating bridging finance, milestones and timeframes;
- work with the DoH and Commissioners to manage the service implications of the capital programme;

- commission services from the independent sector as part of an agreed strategy which acknowledges and accounts for the short and long run implications for the statutory sector;
- undertake service developments or enhancements only with the approval of Commissioners except in the most exceptional of circumstances.

3.4 Where patient, service user or staff safety requires expenditure to be incurred beyond the current approved budget, the **Director of Finance & Estates** is required to prepare a contingency plan to bring expenditure back to within budget limits and within an agreed timeframe. Should that not be possible, then the Director of Finance & Estates is required to inform the Department of Health where material.

3.5 The Trust **Director of Finance & Estates** must obtain the prior approval of the Department of Health for any transactions which set precedents, are novel, potentially contentious or could cause repercussions elsewhere in HSC or other public sector bodies. DoH approval must be obtained even where such transactions are within the Trust's delegated limits.

Examples include:

- Incurring expenditure for any purpose which is or might be considered novel or contentious, or which has or could have significant future cost implications;
- Making any significant changes in the operation of funding of initiatives or particular schemes previously approved by the sponsor Department;
- Unusual financing transactions, especially those with lasting commitments;
- Making any change of policy or practice which has wider financial implications (e.g. because it might prove repercussive among other public sector bodies) or which might significantly affect the future level of the resources required.

This applies whether the expenditure relates to revenue, capital, IT, Direct Award Contracts (DAC), consultancy, gifting etc. and is irrespective of existing delegations.

4. REVENUE RESOURCE LIMIT, PLANNING, BUDGETS, BUDGETARY CONTROL AND MONITORING

KEY POINTS

- The **Chief Executive** will submit to the Commissioning body a financial plan which takes into account financial targets and forecast limits of available resources;
- The **Director of Finance and Estates** will prepare and submit an opening revenue and capital budget for approval by the Trust Board.
- The **Chief Executive** delegates the management of budgets to budget holders to permit the performance of a defined range of activities
- The **Director of Finance and Estates** reports monthly on performance against budget to Trust Board
- **Budget holders are responsible for:**
 - Remaining within budget
 - Using the budget for the purpose intended
 - Not appointing employees outside available resources
 - Attending budgetary training
 - Developing contingency plans where budgets are overcommitted

4.1 Revenue Resource Limit (RRL)

The **Director of Finance and Estates** will:

- (a) secure the Trust's entitlement to funds (both Revenue & Capital);
- (b) at the start of each financial year, submit to the Commissioning Body for approval a Financial Plan showing the total RRL and other forecast income and will include a budget of estimated payments and receipts together with a profile of expected expenditure and cash draw down of funding and/or other income over the year; and
- (c) regularly update the Trust Board on significant changes to the initial Revenue Resource Limit and the uses of such funds.

4.2 Preparation and Approval of Plans and Budgets

4.2.1 The **Chief Executive** will compile and submit to the Commissioning Body a financial plan which takes into account financial targets and forecasts limits of available resources. The plan will contain:

- (a) a statement of the significant assumptions on which the plan is based, taking into account its approved funding provision and any forecast receipts;
- (b) details of the organisations priorities and objectives;
- (c) details of major changes in workload, delivery of services or resources required to achieve the plan.

4.2.2 Prior to the start of the year the **Director of Finance and Estates** will, on behalf of the Chief Executive, prepare an opening revenue and capital budget. Such a budget will:

- (a) be in accordance with the aims and objectives set out in any business plan for the Trust;
- (b) agree with workload and manpower plans;
- (c) be produced following discussion with appropriate budget holders;
- (d) be prepared within the limits of available funds and, where applicable, any control total either approved or for approval by DoH;
- (e) identify potential risks.

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

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

4.2.5 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 their budgets successfully.

4.3 Budgetary Delegation

4.3.1 The **Chief Executive** delegates the management of budgets to budget holders to permit the performance of a defined range of activities. This

delegation is implied in line with these Standing Financial Instructions. Budget holders have the responsibility to be aware of:

- (a) the total amount of budget they are responsible for;
- (b) the purpose(s) of each budget heading;
- (c) their authority to exercise virement of budget only from revenue to revenue or from capital to capital (no virement of budget is permitted between revenue and capital);
- (d) the performance against their budget.

4.3.2 The **Chief Executive** and delegated budget holders must not exceed the budgetary total Revenue Resource Limit set by the Commissioning Body taking account of any approved control total.

4.3.3 All Budget Holders must ensure that the necessary business case preparation and approvals have been obtained for expenditure decisions before committing to new recurrent revenue expenditure in new service commissioning or to support any other proposed investment. Failure to obtain the required approvals will mean that the expenditure has been incurred without the required authority and is therefore deemed to be irregular. This could lead to a qualification of the audit opinion in the Trust's annual financial statements. Budget Holders should refer to the latest DoH and Trust guidance on business cases and the NI Guide on Expenditure Appraisal and Evaluation and the delegations issued by the DoH in HSC (F) 52/2016 or subsequent revisions. It is recommended that Budget Holders consult with their designated Divisional Accountant or the Assistant Director of Financial Management for advice before committing to any proposed recurrent investment.

4.3.4 Any budgeted funds not required for their designated purpose(s) revert to the immediate control of the **Director of Finance and Estates**, subject to any authorised use of virement. Where DoH resources allocated for a particular purpose are not required in full or part for the purpose provided, approval of the Commissioning Body/ DoH must be obtained before any redistribution within the Trust. This to be **co-ordinated by the Director of Finance and Estates**.

4.3.5 All Budget Holders are required to regularly review all projected expenditure and identify to their respective Divisional Accountant on a timely basis where inescapable expenditure has the potential to breach their delegated budget.

4.4 Budgetary Control and Reporting

4.4.1 The **Director of Finance and Estates** will devise and maintain systems of budgetary control and provide a financial report for each meeting of the Trust Board to meet their information needs.

The system of budgetary control to be maintained will include:

- (a) the production and issue of timely, accurate and clear advice and financial reports to key budget holders, covering the areas for which they are responsible;
- (b) investigation and reporting of variances from financial and manpower budgets;
- (c) monitoring of management action to correct variances; and

4.4.2 Each Budget Holder is responsible for ensuring that:

- (a) any likely material overspend or reduction of income which cannot be met by a solution, is not incurred without the prior consent of the relevant Divisional Accountant;
- (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;
- (d) Budget Holders should attend such training as is deemed necessary by the Director of Finance and Estates; and
- (e) Directorate Divisional Accountants or the Assistant Director of Financial Management should be consulted for advice and support as required.

4.4.3 The **Director of Finance & Estates** is responsible for identifying and implementing cost improvements and income generation initiatives in accordance with the requirements of the Trust's financial plan and a balanced budget.

4.5 Monitoring Returns

4.5.1 The Assistant Director of Financial Management is responsible for ensuring that the appropriate financial monitoring forms are submitted to the appropriate monitoring organization.

5. ANNUAL REPORT AND ACCOUNTS

KEY POINTS

- The **Director of Finance and Estates** will prepare the Annual Report & Accounts for the Trust as required by the DoH.
- The Annual Report & Accounts will be subject to audit by the NI Audit Office before being laid before the NI Assembly and presented in a public Trust Board meeting.
- The Annual Report & Accounts are to be published on the Trust's website

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

- (a) prepare financial accounts in accordance with the accounting policies and guidance given by the DoH and the Department of Finance's Financial Reporting Manual (FReM), any Trust accounting policies, and relevant Financial Reporting Standards;
- (b) prepare and submit, as a single document, the Trust's audited Annual Report & Accounts to the DoH certified in accordance with their annual timetable and guidelines;

5.2 The Trust's Annual Report & Accounts (ARA) must be audited by the NI Audit Office Comptroller and Auditor General before being laid before the NI Assembly. The Trust's ARA must be presented to a public meeting of the Trust Board and made available to the public after laying before the NI Assembly. The document must comply with the DoH Manual of Accounts, the Financial Reporting Manual (FReM) and any other relevant guidance.

6. BANK ACCOUNTS

KEY POINTS

- The **Director of Finance and Estates** is responsible for managing the Trust's banking arrangements and ensuring detailed instructions on their operation are in place.
- The **Trust Board** will ratify the banking arrangements.

6.1 General

6.1.1 The **Director of Finance and Estates** is responsible for managing the Trust's banking arrangements, including setting clarity for the interface with the Business Services Organisation where it provides banking services on behalf of the Trust. The **Chief Executive**, as Accounting Officer, is responsible for the credit risk to which public funds are exposed when held in commercial banks. The **Director of Finance and Estates** is also responsible for advising, if required, 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 DoH. The **Chief Executive** is responsible for ensuring that the Trust's banking arrangements are in accordance with the requirements outlined in Managing Public Money Northern Ireland (MPMNI).

6.1.2 The Trust Board shall ratify any change in the banking arrangements.

6.2 Bank Accounts

6.2.1 The **Director of Finance and Estates** is responsible for:

- (a) the operation of bank accounts;
- (b) establishing separate bank accounts for non-public funds administered by the Trust;
- (c) ensuring payments made from bank accounts do not exceed the amount credited to the account except where prior arrangements have been made;
- (d) reporting to the Trust Board all arrangements made with the Trust's bankers for accounts to be overdrawn;
- (e) monitoring compliance with DoH guidance on the level of cleared funds;

- (f) setting the parameters for the BSO within the SLA for any of the above as appropriate.

6.3 Banking Procedures

6.3.1 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, including the use of electronic banking;
- (b) those authorised to sign cheques or other orders drawn on the Trust's accounts;
- (c) the limit to be applied to any overdraft;
- (d) when and how payment by cheque, credit card or direct debit is acceptable;
- (e) record keeping, including bank reconciliations;
- (d) adequate records needing to be maintained of payments and receipts and
- (e) adequate facilities being available for the secure storage of cash;
- (h) setting the parameters for the BSO within the SLA for any of the above as appropriate.

6.3.2 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.

6.4 Tendering and Review

6.4.1 The **Director of Finance and Estates** is responsible for reviewing 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, in co-operation with other HSC organisations, competitive tenders for the Trust's commercial banking business. The Trust should avail of the regional HSC banking contract, save in exceptional circumstances.

6.4.2 Competitive tenders for HSC banking business should be sought at least every three to five years or extended period as agreed by the Trust. The results of the tendering exercise should be ratified by the **Trust Board**.

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

KEY POINTS

- The **Director of Finance and Estates** is responsible for ensuring that BSO Shared Services Accounts Receivable have appropriate procedures in place for the recording, invoicing, debt management, receipting and coding of all income due to the Trust;
- The **Director of Finance and Estates** is responsible for ensuring Trust staff have appropriate guidance regarding the above;
- The **Director of Finance and Estates** is responsible for approving and regularly reviewing the level of all fees and charges;
- **Trust staff** must promptly advise of income due to the Trust and follow the appropriate procedures to ensure an invoice is raised;
- The **Director of Finance and Estates** is responsible for ensuring adequate security arrangements are in place over controlled stationery, safes, safe keys, cash, cheques etc.

7.1 Income Systems

- 7.1.1 The **Director of Finance and Estates** is responsible for ensuring that there is compliance with agreed systems for the proper recording, invoicing, collection and coding of all monies due via the Shared Services Accounts Receivable Service Level Agreement, with the BSO.
- 7.1.2 The **Director of Finance and Estates** is also responsible for the prompt banking of all monies received whether by Trust cash offices or by BSO on its behalf
- 7.1.3 The **Director of Finance and Estates will seek** annual assurance from the BSO on the reliability of the information processed by BSO for accounting purposes on behalf of the Trust.
- 7.1.4 The **Director of Finance and Estates** will ensure that the BSO systems, controls and processes are subject to internal audit on an annual basis and that the Trust is formally advised of any assurance levels that are categorised as less than satisfactory.
- 7.1.5 The **Director of Financial Services** is responsible for designing, maintaining and training Trust staff in appropriate financial procedures regarding the above.

- 7.1.6 The Director of Financial Services will ensure that the Trust receives regular reports in an agreed format in relation to all areas of income, debt and banking that are managed by BSO on the Trust's behalf.

7.2 Fees and Charges

- 7.2.1 All fees or charges for any services supplied by the Trust, including services provided between HSC bodies shall be determined in accordance with MPMNI and should be based on a full cost recovery basis. Where it is decided to charge less than full costs, if the subsidy is intended to last this will require the decision to be documented and periodically reviewed.

- 7.2.2 The **Director of Finance and Estates** is responsible for approving the level of all fees and charges other than those determined by the DoH or by Statute. Independent professional advice on matters of valuation shall be taken as necessary.

- 7.2.3 Charges for commercial services should be set at a commercial rate in line with market practice and reflect fair competition with private sector providers. The requirements of competition law and State Aid must be considered. Decisions to set rates at below market practice must have DoH approval.

- 7.2.4 All employees must inform the Trust Income Manager promptly of money due to the Trust arising from transactions which they initiate/deal with, including all contracts, leases, rent, tenancy agreements, private or chargeable patient undertakings and other transactions.

- 7.2.5 Where sponsorship income (including items in kind such as subsidised goods or loans of equipment) is considered, the Trust will follow all relevant DoH guidance including Commercial Sponsorship – Ethical standards in the HSC as well as the Trust's policy on Gifts & Hospitality and obtain advice in relation to setting up a contract from the Trust's Contracts department

- 7.2.6 Receipts arising from the sale of goods and services, rent of land and dividends can be retained by the Trust and provide additional spending power for the Trust.

- 7.2.7 If there is any doubt about the correct treatment of a receipt, the Trust will consult the DoH.

7.3 Debt Recovery

- 7.3.1 The **Director of Finance and Estates** is responsible for ensuring that the BSO undertakes the appropriate recovery action on all outstanding debts. For those debts not managed by the BSO, the **Director of**

Finance and Estates is responsible for ensuring appropriate procedures are in place for recovery action.

7.3.2 Income not received should be dealt with in accordance with the DoH guidance on losses and special payments.

7.3.3 Appropriate controls should be put in place to prevent overpayments and measures put in place to detect overpayments. Where overpayments are detected, recovery must be initiated in line with DoH guidance, BSO Payroll Shared Services and Trust Policies and Procedures.

7.3.4 The **Director of Finance and Estates** shall ensure that regular reports in the agreed format are provided to the Trust by the BSO in relation to those debts managed by the BSO on the Trust's behalf.

7.4 Security of Cash, Cheques and other Negotiable Instruments

7.4.1 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.
- (e) obtaining assurance from BSO that suitable arrangements for the above exist where relevant within Shared Services Accounts Receivable.

7.4.2 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**.

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

7.4.4 The holders of safe keys shall not accept unofficial funds for depositing in their safes unless such deposits are in 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.

- 7.4.5 Any shortfall in cash, cheques or other negotiable instruments, however occasioned, must be reported immediately to the **Director of Finance and Estates** or the Trust's Fraud Liaison Officer as soon as it is discovered.

8. PROCUREMENT AND CONTRACTING PROCEDURE

KEY POINTS

- **Procurement is defined as** “the process of acquisition, usually by means of a contractual arrangement after public competition, of goods, services, works and other supplies by the public service.”
- The Trust must use the existing Centres of Procurement Expertise for the procurement of works, goods and services.
- The **Director of Finance and Estates** is responsible for ensuring that the Trust has appropriate systems in place for controlling risks associated with purchasing activities.
- **Trust managers and officers must:**
 - Ensure they comply fully with DoH Policies and Guidance on procurement (including Direct Award Contracts) and contract management;
 - Complete a declaration of objectivity and interest if participating in an official procurement evaluation process;
 - Accept tenders from suppliers who provide the lowest cost or the best value for money, being the optimum combination of whole life cost

8.1 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, the Standing Orders and these Standing Financial Instructions (except where Standing Order No. 3.13 Suspension of Standing Orders is applied). No member of staff should enter into a contract without receiving prior advice and guidance of the Trust's Contracts Department or a Centre of Procurement Expertise e.g. BSO PaLS.

8.2 Northern Ireland Public Procurement Policy, EU Directives Governing Public Procurement, DoH Mini-Code Guidance, DoH HSC(F) circulars and other professional Estates guidance

- 8.2.1 Northern Ireland Public Procurement Policy 2002 (as amended), Procurement Guidance Notes and any other guidelines or guidance issued by DoH, DoF Central Procurement Directorate (CPD) and the Trust Procurement Board prescribing procedures for awarding all forms of contracts shall have effect as if incorporated in these Standing Financial Instructions. The Trust shall ensure that it complies with any relevant and applicable UK and EU or other international procurement rules and within its delegated limits.

8.3 Scope of Procurement

8.3.1 As per the Northern Ireland Public Procurement Policy 2002 (as amended), Public Procurement is defined as “the process of acquisition, usually by means of a contractual arrangement after public competition, of goods, services, works and other supplies by the public service”.

8.3.2 These Standing Financial Instructions encompass the procurement of any works, goods, services and personnel from any external supplier in the market place awarded through Direct Award Contract, Quotations, Tenders or Open Competition

8.3.3 It does not cover:

- The supply of services provided internally from within the Trust or from HSC organisations;
- Expenditure which is regulated by Departmental directive, such as Personal and Social Care Expenditure on boarded-out adults, patient travelling expenses, or others, such as business rates and water and sewerage.

8.4 Procurement through a Centre of Procurement Expertise (CoPE)

8.4.1 The Trust’s procurement activity will be carried out under the influence of a COPE by means of a Service Level Agreement (SLA). The relevant CoPEs are:

- Business Services Organisation – Procurement and Logistics service (BSO PALS) for Goods and Services including Social Care and Independent Sector Healthcare
- Central Procurement Directorate - Health Projects (CPD HP) for Construction Works/Services.

8.4.2 The **Director of Finance and Estates** is responsible for holding to account the Procurement and Logistics service provided by the Business Services Organisation.

8.4.3 The **Director of Finance & Estates** is responsible for managing the procurement of strategic capital construction works and design services with the Central Procurement Directorate within the Trust delegated limit. This encompasses adherence to the Estates Procedure Manual by the Trust and for advising the Trust Board on the provision of construction works and design services. This advice will take into account guidance and directions issued from time to time by the DoH and DoF CPD. The Director of Planning, Performance and Informatics

carries the above responsibilities in relation to major capital schemes being undertaken within the Trust.

8.4.4 The **Director of Finance & Estates** and the Director of Performance, Planning & Informatics are responsible for ensuring the following are in place within CoPEs for Goods, Services and ICT Systems:

- (a) Clear and appropriately detailed specifications for all purchases;
- (b) The purchase of all works, goods, services and personnel conform to an appropriate method of procurement;
- (d) tenders and contract awards are evaluated through the use of pre-determined criteria that ensure the delivery of best value, where best value is defined as “the most advantageous combination of cost, quality and sustainability to meet customer requirements”;
- (e) All contracts for goods, works, personnel, ICT systems and services are managed and regularly monitored and reviewed;
- (f) Up-to-date legislation and guidance relevant to the management of purchasing is used;
- (h) The service is subject to audit to ensure that an appropriate and effective system of managing purchasing is in place and the necessary levels of controls and monitoring are implemented.

8.4.5 If another CoPE or equivalent is to be used for a specific project, this should be consented to in advance by either BSO PALS or CPD HP depending on the subject matter.

8.4.6. In circumstances where the whole life cost of a Capital project is forecast to be above the Trust’s Delegated limit, the Trust must seek, on a case-by-case basis, the direction of the CPD. In some cases, CPD will permit the Trust to procure as per paragraph 8.4.1 above and in other cases procurement will be managed via CPD.

8.5 Pharmaceutical Procurement

8.5.1 The Trust shall use the Regional Pharmaceutical Procurement Service, which is a regional shared service operated by the Northern Health and Social Care Trust in collaboration with BSO PaLS. The Regional Pharmaceutical Contracting Executive Group (RPCEG) is responsible for approving the award of contracts for pharmaceuticals and dressings across HSCNI.

8.5.2 The **Medical Director** is responsible for ensuring Trust participation in the Regional Pharmaceutical Contracting Executive Group. The Trust shall have a service level agreement in place with the Regional

Pharmaceutical Procurement Service (RPPS). Senior Trust Pharmacy staff shall review performance with the Regional Procurement Pharmacist at least annually. The **Medical Director** is responsible for reporting on the activities of RPPS to the **Director of Finance and Estates**.

8.5.3 The Trust's Head of Pharmacy and Medicines Management shall be permitted to approve procurement outside of the above arrangements in circumstances where the relevant tender process is underway but not concluded or in other exceptional circumstances.

8.5.4 Pharmaceutical procurement shall be carried out in line with the relevant DoH policies.

8.6 Procurement of Social Care and Independent Healthcare

8.6.1 The Trust shall work with BSO PaLS to ensure that procurement in these areas are conducted in accordance with extant legislation and guidance and meets the guiding principles of the NI Public Procurement Policy.

8.7 Procurement Arrangements

8.7.1. General

The **Director of Finance and Estates** will ensure that the Trust has appropriate systems in place for controlling the risks associated with purchasing activities. These include:

- i. Establishing and documenting accountability, ensuring appropriate top level commitment;
- ii. Local implementation of actions arising from the HSC Regional Procurement Board;
- iii. Demonstrating legal compliance;
- iv. Pursuing best practice and demonstrating best value for money;
- v. Managing effective relationships with key suppliers, customers and other stakeholders;
- vi. Following DoH Policies and Guidance on procurement;
- vii. Managing contracts and contractor performance;
- viii. Monitoring and review of overall performance management;
- ix. Internal Audit of Contract Management activities within the Trust.

- x. Provision to the Audit Committee, a register of all Direct Award Contracts above £5,000.
- 8.7.2 The **Director of Finance and Estates** acts as a Trust representative on a HSC Regional Procurement Board and will oversee the implementation of key strategic procurement requirements to deliver efficient and effective procurement and in line with regional priorities.
- 8.7.3 The **Director of Finance and Estates** has a responsibility to ensure that adequate training and procedures are available to Trust employees commensurate with their roles and responsibilities.
- 8.7.4 The **Director of Finance and Estates** shall nominate an officer who shall oversee and manage each contract on behalf of the Trust.
- 8.7.5 Duties of Managers and Officers
- a. Managers and officers acting on behalf of the Trust must ensure that they comply fully with the Trust guidance on procurement (including Direct Award Contracts) and contract management.
 - b. Prior to participation in a tender evaluation process, those Officers participating in the evaluation will be required to complete a Declaration of Objectivity and Interests.
 - c. Officers participating in an evaluation must accept tenders from suppliers who provide the lowest cost or best value for money overall. This is defined as the most advantageous combination of costs, quality and sustainability to meet patient / client and Trust requirements. In this context, cost means consideration of the whole life cost; quality means meeting a specification which is fit for purpose and sufficient to meet customer's requirements; and sustainability means economic, social and environmental benefits. Finding value for money involves an appropriate allocation of risk.

8.8 Contracting / Tendering Arrangements

- 8.8.1 The Trust shall obtain and follow the advice of the relevant CoPE(s) in relation to the following processes:
- (a) Invitation to tender;
 - (b) Receipt and safe custody of tenders;
 - (c) Opening tenders and registration of tenders;
 - (d) Admissibility of tenders;
 - (e) Late tenders;
 - (f) Evaluation of tenders;
 - (g) Assessment of financial standing and technical competence of

- contractors;
- (h) Exceptions to using approved contractors;
- (i) Competitive and non-competitive quotations.

8.9 Competition

- 8.9.1 Competition promotes economy, efficiency and effectiveness in public expenditure. Works, goods, personnel and services should be acquired through public competition unless there are convincing reasons to the contrary, and where appropriate should comply with EU (where applicable) and domestic advertising rules and policy. The form of competition chosen should be appropriate to the value and complexity of the goods and services to be acquired.
- 8.9.2 Contracts shall be placed on a competitive basis and tenders accepted from suppliers who provide the lowest cost or best value for money overall.
- 8.9.3 Where a contract is awarded to an economic operator without competition, this is deemed a Direct Award Contract (DAC). In light of their exceptional nature, all DACs should be dealt with in accordance with the advice, requirements and delegations set out in DoH and DoF guidance and in accordance with the SLA or any formal general guidance on direct awards given by the relevant CoPE (in addition to complying with any other applicable delegations not arising as a result of DAC status e.g. capital or IT delegations).

8.10 Authorisation of Tenders and Competitive Quotations

- 8.10.1 Providing all the conditions and circumstances set out in these Standing Financial Instructions have been fully complied with, formal authorisation and awarding of a contract may be decided in accordance with the limits set out in the Trust's Scheme of Delegated Authority document (SoDA).
- 8.10.2 Where the contract to be awarded is a multi-Trust or regional contract then the **Director of Finance & Estates** 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.
- 8.10.3 Items which subsequently breach thresholds after original approval

Items to be procured which are originally estimated to be below the limits set in the Scheme of Delegated Authority for which formal tendering procedures are used which subsequently prove to have a value above such limits shall be **reported to the Director of Finance and Estates**.

8.10.4 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 these Standing Financial Instructions unless prior authorisation has been obtained from the **Director of Finance and Estates**.

8.11 Private finance for capital procurement

8.11.1 The Trust may consider the use of private sector financing for major capital schemes. In such cases, the Trust shall follow the advice and guidance of the DoH, CPD Health Projects and the Ni Civil Service's Department of Finance in relation to the process to be followed.

8.11.2 Private Finance should only be used after the rigorous scrutiny of all alternative procurement options, where:

- The use of private finance offers better value for money for the public sector compared with other forms of procurement; and
- The public sector partner is able to predict the nature and level of its long term service requirements with a reasonable degree of certainty.

8.11.3 Any proposal to utilise private sector finance must be specifically agreed by the **Trust Board** and the decision recorded in the minutes of the relevant meeting.

8.12 Shared Services

Active engagement should be undertaken with the BSO to continue improving, enhancing and extracting value from existing and new services with consideration to consolidating services through shared service provisioning.

The Trust should always use the BSO in the first instance where it can provide the relevant service. Where it is not possible to avail of BSO services then use of an alternative provider must be formally appraised via a business case.

8.14 In-house Services

8.14.1 When considering whether to bring a contracted out service in-house the **Director of Finance & Estates** shall be responsible for ensuring that best value for money can be demonstrated. The Trust may also

determine from time to time that in-house services should be market tested by competitive tendering.

8.14.2 Appropriate groups shall be established within the Trust to manage the tender process and to present an in-house bid. Should that be required specific procedures will be established. All groups shall work independently of each other. No member of the in-house tender group shall be permitted to participate in the evaluation of tenders.

8.14.3 The evaluation team shall make recommendations to the Trust Finance and Performance Committee who will agree, or not, with the evaluation teams recommendations. The decision shall be recorded in the minutes of the relevant meeting.

8.15 Applicability of these Standing Financial Instructions on Procurement and Contracting to Trust Charitable Funds and Patients' Private Funds

These instructions shall not only apply to expenditure from Public funds but also to works, services, personnel and goods purchased from the Trust's Charitable Funds and from funds provided to the Trust by other organisations.

8.16 Health Service Agreements

Service agreements between HSC providers for the supply of healthcare services, other services (e.g. CSSD and laundry) and social care shall be drawn up in accordance with the NHS and Community Care Act 1990 and administered by the Trust. Service agreements are not contracts in law and are not enforceable by the courts. However, a contract with an NHS Foundation Trust is a legal document and is enforceable in law.

9. HSC COMMISSIONING AGREEMENTS FOR THE PROVISION OF SERVICES

KEY POINTS

- The **Chief Executive** is responsible for ensuring the Trust enters into suitable agreements with Commissioning Bodies for the provision of health and social care services. The objective should be to implement the agreed priorities contained in relevant Commissioning documents.

9.1 Commissioning Agreements

9.1.1 The **Chief Executive**, as the Accounting Officer, is responsible for ensuring the Trust enters into suitable commissioning agreements with service commissioners for the provision of health and social care services.

9.1.2 All commissioning agreements should aim to implement the agreed priorities contained within the relevant Commissioning documents and wherever possible, be based upon integrated care pathways to reflect expected patient experience. In discharging this responsibility, the **Chief Executive** should take into account:

- the standards of service quality expected;
- the relevant service framework (if any);
- the provision of reliable information on cost and volume of services; and
- that commissioning agreements are built, where appropriate, on existing investment plans

9.2 Involving Partners and Jointly Managing Risk

Where possible commissioning agreements will be developed in conjunction with clinicians, social workers, nurses, service users, carers, public health professionals, Allied Health Professionals and managers. They 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. The commissioning agreement will apportion responsibility for handling particular risks to the party who may best influence the event. As such the Trust can jointly manage risk with all interested parties.

10. TERMS OF SERVICE, ALLOWANCES AND PAYMENTS TO STAFF & BOARD MEMBERS

KEY POINTS

- The **Remuneration Committee** is a sub-committee of the Trust Board and make recommendations to the Trust Board about appropriate remuneration and terms of service for the **Chief Executive** and other senior executives;
- The funded staffing establishment of any Directorate may not be varied without prior approval of the relevant Divisional Accountant within Finance.
- The Trust Executive Management Team will approve procedures presented by the **Director of Human Resources** to vary pay rates, conditions of service etc, for employees;
- The **Director of Finance and Estates** is responsible for ensuring that appropriate arrangements are in place for payroll processing, that proper controls exist and are operating effectively;
- **Trust nominated managers** have delegated responsibility for:
 - Submitting accurate time records and other notifications in accordance with agreed timetables and in a prescribed format;
 - Submitting manual or electronic contractual amendments on time and in a prescribed format
 - Submitting appropriate claims for reimbursement in accordance with agreed timetables and in a prescribed format.
- All employees will be issued with a contract of employment in an approved form which complies with employment legislation and DoH regulations / circulars.

10.1 Remuneration Committee

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

10.1.2 The role of the **Remuneration Committee** is:

- i. To advise the Board on performance, development, succession planning and appropriate remuneration and terms of service for the Chief Executive and all Senior Executives, guided by DoH policy and best practice.

- ii. Provide advice to the Board on remuneration including all aspects of salary as well as arrangements for termination of employment and other contractual terms.
- iii. To ensure robust objectives, performance measures and evaluation processes are in place within the Trust in respect of all Senior Executives.
- iv. To monitor and evaluate the performance and development of the Chief Executive and on the advice of the Chief Executive, the other Senior Executives of the Trust.
- v. To make such recommendations to the Board on succession planning and on the remuneration, allowances and terms of service of the Chief Executive and, on the advice of the Chief Executive, other Senior Executives.
- vi. To ensure that the Chief Executive and Senior Executives are rewarded for their individual contribution to the organisation having proper regard to the organisation's circumstances and performance and to the provision of national arrangements including DoH NI Arrangements.
- vii. To oversee appropriate contractual arrangements for the Chief Executive and Senior Executives including the proper calculation and scrutiny of termination payments taking account of relevant guidance as appropriate and advise the Board accordingly.
- viii. The Chief Executive is responsible for ensuring that the Director of Human Resources & Corporate Affairs brings forward the necessary information in a timely manner to enable the Committee to discharge its functions and takes appropriate follow-up action.

10.1.3 The **Remuneration Committee** shall report verbally to the **Trust Board** the basis for its recommendations. The **Trust Board** members shall use the report as the basis for their decisions, but remain accountable for taking decisions on the remuneration and terms of service of Directors not already directed by the DoH. Any change to the remuneration of Senior Executives will be in line with guidance provided in relevant circulars from the DoH or with the prior approval of the Permanent Secretary of the DoH where the circumstances are out with the terms of extant circulars. Minutes of the Trust Board's meetings shall record such decisions.

10.1.4 Recruitment exercises to fill permanent senior executive vacancies or new senior executive posts in the Trust should proceed only on approval of the Permanent Secretary of the DoH. Interim appointments of less than twelve months' duration will be progressed in line with extant guidance from DoH.

- 10.1.5 The Trust Board will consider and need to approve proposals presented by the Chief Executive or by the Remuneration Committee for setting the pay, terms and conditions of service for any employees or officers not covered by DoH direction.

10.2 Funded Staffing Establishment

- 10.2.1 The workforce plans incorporated within the annual budget will form the funded establishment.
- 10.2.2 The funded establishment of any Directorate may not be varied without the approval of the relevant Divisional Accountant within Finance.
- 10.2.3 It is the budget-holders' responsibility to ensure that the funded establishment is not exceeded without the prior approval of the relevant Divisional Accountant. The Director of Finance and Estates will regularly report to the Executive Management Team any material over-commitment against the funded establishment. Where patient, client or staff safety requires expenditure to be incurred beyond the current approved budget, the Directorate concerned is required to prepare a contingency plan to bring expenditure back to within budget limits and within an agreed timeframe. Should that not be possible, then the Director of Finance and Estates is required to inform the Commissioning Body and DoH where material.

10.3 Staff Appointments

- 10.3.1 No Director or employee may engage, re-engage or re-grade employees, either on a permanent or temporary basis, or hire agency staff, or agree to changes in any aspect of remuneration unless the specific Trust procedure relating to it is followed.
- 10.3.2 The Trust will administer Agenda for Change Terms and Conditions as adopted by DoH and in accordance with our Management Statement and Financial Memorandum (last updated April 2017)
- 10.3.3 Any proposal by the Trust to move from existing pension arrangements, or to pay redundancy, or compensation for loss of office, requires the approval of the DoH and DoF. Proposals on severance payments must comply with MPMNI and any related DoF/DoH guidance.

10.4 Payroll Processing

- 10.4.1 The processing of Trust payroll is outsourced to the Business Services Organisation. The Director of Finance and Estates will

ensure that there is an appropriate Service Level Agreement and monitoring arrangement in place with the BSO to ensure that the Trust's responsibilities with regard to payroll processing are addressed, that proper controls are in place and are operating effectively.

- 10.4.2 The **Director of Finance and Estates** will seek an annual assurance statement from the BSO Head of Internal Audit on the reliability of the information processed by BSO for accounting purposes on behalf of the Trust.
- 10.4.3 The **Director of Finance and Estates** will ensure that the BSO systems, controls and processes are subject to internal audit on an annual basis and that the Trust is made aware of any assurance levels that are categorised as less than satisfactory.
- 10.4.4 The **Director of Finance and Estates** is responsible for:
- (a) specifying timetables for submission of properly authorised time records and other notifications;
 - (b) the payroll processing of pay and allowances, including travel and subsistence;
 - (c) making arrangements for ensuring payment on agreed dates;
 - (d) agreeing method of payment.
- 10.4.5 The **Director of Finance and Estates** will agree and ensure the issue of instructions, including those to be issued by the BSO where appropriate, regarding:
- (a) verification and documentation of data;
 - (b) the timetable for receipt and preparation of payroll data and the payment of pay and allowances, including travel and subsistence to employees and Non-Executive Directors
 - (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 complete 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, bank credits or cash;
- (j) 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.
- (k) pay advances and their recovery;
- (l) maintenance of regular and independent reconciliation of pay control accounts;
- (m) separation of duties of preparing records and handling cash;
- (n) a system to ensure all statutory returns, e.g. HMRC are completed.
- (o) the recovery of overpayments of pay or travel & subsistence payments

10.4.6 Appropriately nominated managers have delegated responsibility for:

- (a) approving and submitting manual or electronic time records, and other notifications in accordance with agreed timetables and in a form prescribed by the BSO Payroll Service Centre;
- (b) approving and submitting manual or electronic termination / contract amendment forms in the prescribed form immediately upon knowing the effective date of an employee's or officer's resignation, termination, retirement or other contractual change. Where an employee fails to report for duty or to fulfill obligations in circumstances that suggest they have left without notice, the Assistant Director of Human Resources (Advisory) must be informed immediately to take a decision on whether to terminate future payments.
- (c) Approving and submitting manual or electronic claims for reimbursement of travel and subsistence expenses or other allowances in the prescribed form and in accordance with agreed timetables.
- (d) Regular review of issued Staff in Post reports to ensure that their cost centres are correctly being charged for staff under their responsibility.

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

10.5 Remuneration for Chair and Non-Executive Directors

The Trust will pay the Chairman and Non-Executive Directors of the Trust Board in accordance with the instructions issued by the Minister for Health, in line with DoH guidance.

10.6 Contracts of Employment

10.6.1 The Trust Board shall delegate responsibility to the **Director of Human Resources** for:

- (a) ensuring that all employees are issued with a Contract of Employment in a format which complies with employment legislation;
- (b) dealing with variations to, or termination of, contracts of Employment;
- (c) ensuring compliance with any legislation on contract workers.

11. NON-PAY EXPENDITURE

KEY POINTS

- The **Chief Executive** will approve the level of non-pay expenditure authorisation limits on an annual basis.
- The **Director of Finance and Estates** will set out in the Scheme of Delegated Authority (SoDA), the list of Non-Executive Directors, Chairman, Directors and employees, for approval by the **Chief Executive**, who are authorised to procure the supply of goods, services, personnel and works, along with the financial limit of each purchase or payment;
- The **Trust Board** shall approve any increases to the approval limit for the Chairman and the **Chief Executive**
- Non pay expenditure should be committed in accordance with procurement guidance;
- The **Director of Finance and Estates** is responsible for ensuring that appropriate arrangements are in place for processing payments, that proper controls exist and are operating effectively;
- The **Director of Finance and Estates** is responsible for issuing procedural instructions and guidance on obtaining goods, works, personnel and services;
- The **Director of Finance and Estates** is responsible for the prompt payment of accounts and claims and in accordance with Government Accounting guidance.
- **Trust managers and officers** must ensure they:
 - Apply the principles of economic appraisal, with appropriate and proportionate effort, to all decisions and proposals concerning spending;
 - Adhere to procurement guidance
 - Order all goods, services, personnel or works on an official order, except goods & services purchases from petty cash or purchase cards; Orders should not be split to avoid financial thresholds;
 - Do not place orders for items for which there is no budget provision, unless authorised to do so by the relevant Divisional Accountant;
 - Do not take goods on loan/trial in circumstances that could commit the Trust to a future uncompetitive purchase;
 - Restrict purchases from petty cash and ensure adequate records are maintained;
 - Do not issue orders to any entity which has made an offer of gifts/rewards or benefits to Non-Executive Directors, Chief Executive, Directors or employees;
 - Notify the Financial Services Systems Administration Team of staff

11.1 Delegation of Authority

- 11.1.1 The Trust Board delegates to the Chief Executive the setting of financial limits to which the Chairman, Directors or employees of the Trust may procure and award contracts for works, goods, services, or personnel OR authorise payment of expenditure on behalf of the Trust. This will be formalised through a Scheme of Delegated Authority (SoDA) which is to be reviewed by the Chief Executive at least once per year. The Trust Board shall approve any increase to the financial limits of the Chairman and the Chief Executive.
- 11.1.2 The Director of Finance & Estates will maintain a list of employees who are authorised to use a Government purchasing card.
- 11.1.3 Non-pay expenditure should be committed in accordance with the Northern Ireland Public Procurement Policy, Procurement Guidance Notes, DoH circulars and other relevant guidance.
- 11.1.4 The processing of the majority of Trust payments is outsourced to the Business Services Organisation. The Director of Finance and Estates will ensure that there is an appropriate Service Level Agreement and monitoring arrangements in place with the BSO to ensure the Trust's responsibilities with regard to the processing of payments (non payroll) are addressed and that proper controls are in place and operating effectively.
- 11.1.5 The Director of Finance and Estates will seek an annual assurance from the BSO Head of Internal Audit on the reliability of the information processed by BSO for accounting purposes on behalf of the Trust.
- 11.1.6 The Director of Finance and Estates will ensure that the BSO systems, controls and processes are subject to internal audit on an annual basis and that the Trust is made aware of any assurance levels that are categorised as less than satisfactory.
- 11.1.7 The Director of Finance and Estates is responsible for designing, maintaining and training Trust staff in appropriate financial procedures regarding the above.
- 11.1.8 The Director of Finance and Estates will ensure that the Trust receives regular reports in an agreed format in relation to all areas of payments that are managed by BSO on the Trust's behalf.
- 11.1.9 The Director of Finance and Estates shall:
- (a) Inform relevant employees should there be a material change in the procurement limits above which quotations (competitive or otherwise), DACS or formal tenders must be obtained.

- (b) prepare procedural instructions or guidance that reflect the process of obtaining goods, works, personnel and services;
- (c) be responsible for the prompt payment of all properly authorised invoices and claims in accordance with applicable terms, MPMNI and any guidance issued by DoH
- (d) be responsible for maintaining a finance and procurement system of verifying, recording and paying all amounts due.
- (e) Ensuring employees are trained in the process for requesting payments of invoices/accounts by the BSO Accounts Payable team.

11.1.10 Employees responsible for ordering goods or services are responsible for ensuring that:

- goods procured with a Purchase Order 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 including taxation and all necessary authorisations have been obtained;
- the invoice is arithmetically correct;
- the invoice is in order for payment.

11.2 Choice, Requisitioning, Ordering, Receipt and Payment for Goods and Services

11.2.1 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 relation to procurement thresholds. Purchases above £30,000 require the advice of a CoPE. Where this advice is not acceptable to the requisitioner the Assistant Director of Financial Services shall be consulted. Requisitions should be placed using the procurement system for goods and services.

11.2.2 Official Orders

Official Orders, either manual or electronic must only be issued to, and used by, those duly authorized to do so as outlined in the Trust's Scheme of Delegated Authority.

11.2.3 System of Payment and Payment Verification

- a. The Assistant Director of Financial Services shall be responsible for the prompt payment of valid invoices and claims once appropriately authorised by Trust Officers.
- b. Payment of contract invoices shall be in accordance with contract terms, or otherwise, in accordance with Government Accounting Guidance.

11.2.4 Prepayments

Prepayments are only permitted where exceptional circumstances apply and require the approval of the **Director of Finance & Estates**. This excludes normal regular expenditure such as rates, telephone rentals or other rental agreements. Occasions where advance payments are acceptable, with examples, are listed in MPMNI. In such instances:

- (a) Prepayments are only permitted where the financial advantages outweigh the disadvantages;
- (b) The appropriate officer must provide 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 their commitments;
- (c) The **Director of Finance and Estates** will need to be satisfied with the proposed arrangements before contractual arrangements proceed (taking into account the EU / Domestic UK public procurement rules where applicable);

- (d) The budget holder is responsible for ensuring that all items due under a prepayment contract are received and they must immediately inform the **Director of Finance & Estates** if problems are encountered.

11.2.5 Deferred Payments

Any proposal for deferred payments is considered novel and contentious and must have the approval of the Department of Health.

11.2.6 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) they must apply the principles of economic appraisal, with appropriate and proportionate effort, to all decisions and proposals concerning spending or saving public money. They must also follow any Trust guidance issued in this regard. Appraisal must be applied irrespective of whether the relevant public expenditure or resources involve capital or revenue, is large or small and is above or below Trust delegated limits;
- (b) all contracts (except as otherwise provided for in the Scheme of Delegated Authority), 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. Property leases will require the approval of DoH.
- (c) contracts above specified thresholds are advertised and awarded in accordance with rules on public procurement;
- (d) contracts awarded without competition must be supported by a Direct Award Contract approved by the **Director of Finance & Estates** or DoH Permanent Secretary in line with DoH guidance.
- (e) all use of external consultancy must be approved by the DoH prior to any expenditure being incurred;
- (f) no order shall be issued for any item or items to any individual or firm which has made an offer of gifts, reward or benefit to Executive Directors or employees, other than:
 - (i) isolated gifts of a trivial character or an inexpensive seasonal gift such as a calendar;
 - (ii) conventional hospitality, such as lunches in the course of working visits;

(g) purchases using the Government purchasing card are restricted in value and by type of purchase in accordance with instructions issued by the **Director of Finance and Estates**.

(h) purchases from petty cash must be accompanied by receipts and recorded in a form as determined by the **Director of Finance & Estates**

11.2.7 The **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 the Estates Procurement Manual and the Land Transactions Handbook. The technical audit of these contracts shall be the responsibility of the relevant Director.

11.2.8 Lending, Guarantees, Indemnities & Letters of Comfort

The Trust shall not, without the consent of DoH, lend money, give any guarantees, indemnities or letters of comfort.

11.2.8 Gifts & Hospitality

DoH and Department of Finance approval is needed for receiving any gifts or hospitality above DoH delegated limits. Gifts include the transfer of assets or leases at below market value. Gifts received or made above the value specified in the Trust Gifts & Hospitality policy must be noted in the Annual Report and Accounts.

11.3 Timeliness in payment of Invoices

11.3.1 The Trust or nominated service provider, will pay all properly authorised invoices within 30 calendar days of receipt on an undisputed invoice.

11.3.2 The Trust shall comply with the requirements of the Late Payment of Commercial Debts and Interest Act in relation to the payment of compensation and costs associated with late payment of suppliers.

11.3.3 Responsibility for approving such payments shall be delegated to an appropriate officer(s) by the **Chief executive** and this shall be recorded in the Trust's Scheme of Delegated Authority.

11.3.4 The Trust should pay suppliers, whenever possible, within 10 working days. The **Director of Finance and Estates** shall ensure that all appropriate steps are taken to approve and release invoices for payment without unnecessary delay.

12. GRANTS AND CONTRACTS WITH COMMUNITY & VOLUNTARY ORGANISATIONS

KEY POINTS

- Grants and contracts with community and voluntary organisations shall comply with DoH guidance and all relevant legislation.

12.1 Payments to community and voluntary organisations for services provided for, or on behalf of the Trust shall be covered by a Trust or equivalent contract or service level agreement and shall be managed in accordance with DoH guidance and relevant legislation.

12.2 Grants to other bodies for the provision of services to patients or clients shall, regardless of the source of funding, incorporate the principles set out in DoH Guidance.

12.3 The Trust shall comply with the five main principles that apply to the management and administration of grant making. These are:

- Regularity – funds should be used for the authorised purpose;
- Propriety – funds should be distributed fairly and free from undue influence;
- Value for Money – funds should be used in a manner that minimises costs, maximises outputs and always achieves intended outcomes;
- Proportionate effort – resources consumed in managing the risks to achieve and demonstrate regularity, propriety and value for money should be proportionate to the likelihood and impact of the risks materialising and losses occurring;
- Clarity of responsibility and accountability – within partnership working arrangements there should be clear documented lines of responsibility and accountability of each partner involved. Those who delegate responsibility should ensure that there are suitable means of monitoring performance.

12.3.1 The Trust shall take proportionate steps to assess the financial standing of any organisation with which it intends to enter into a contract with or to give a grant or grant in aid (GIA) of a material amount.

12.3.2 The Trust will consider whether state aid rules apply where any funding is being given favouring a particular company or sector. Advice will be sought from DoH.

12.3.3 The Trust will adopt a contract management approach in line with DoH circulars and as articulated in the contract to ensuring quality / quantity and value of service is maintained.

12.3.4 The Trust will not make a loan to a third party without the approval of DoH. The terms and conditions of any such grant or loan will include a requirement on the recipient organisation to prepare financial statements and ensure its records in relation to the grant/loan are readily available for inspection by the Trust, DoH, Internal or External Auditors.

12.3.5 Where the Trust has financed expenditure on capital assets for third parties, the **Director of Finance & Estates** will set conditions and make appropriate arrangements to ensure that assets are not disposed of without the Trust's prior consent.

12.4 Duties of Managers and Officers

Managers and officers acting on behalf of the Trust must ensure that they comply fully with the relevant contractual requirements, relevant legislation and DoH guidance.

13. CASH MANAGEMENT

KEY POINTS

- Grant in aid will be paid in instalments by an organisation to the Trust, if applicable, on the basis of need;
- The **Director of Finance and Estates** is responsible for ensuring that cash balances in the Trust are kept to a minimum;
- The Trust is not normally allowed to borrow.

13.1 Grant-in-aid (GIA) will be paid to the Trust in instalments by an organization, if applicable, on the basis of need.

13.2 The **Director of Finance and Estates** is responsible for submitting its cash requirements monthly to the DoH. This includes reviewing the forecast provided by BSO where it provides these cash management services on behalf of the Trust. The grant-in-aid included in the DoH spring supplementary estimates should not be exceeded.

13.3 The **Director of Finance and Estates** is responsible for ensuring that cash balances are kept at a minimum level in line with the efficient operation of the Trust. Any interest earned on overnight deposits may have to be returned to DoH. Depending on the budgetary treatment of the receipt and its impact on the Trust's cash requirement, it may lead to a commensurate reduction in GIA or may need to be surrendered to DoH. GIA not drawn down at the end of the year will lapse. However, where draw down of GIA is delayed to avoid excess cash balances at year end, the DoH will make available in the next financial year (subject to approval) any such GIA required to meet any liabilities at year end such as creditors.

13.4 Excess money to the level required to meet expenditure, held in the Trust's bank accounts, must only be held in such public or private sector investments as authorised by the Trust Board. The Trust should not build up cash balances or net assets in excess of what is required for operational purposes.

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

13.6 Normally the Trust will not be allowed to borrow. Where the Trust proposes to borrow funds, the **Director of Finance and Estates** shall seek the approval of the DoH and where appropriate the NI Civil Service Department of Finance (DoF) to ensure that it has the necessary authority and

budgetary cover for any borrowing or the expenditure to be financed by such borrowing. Any expenditure by the Trust that is financed by borrowing shall count towards the Departmental Expenditure Limits.

- 13.7** The Trust will not enter into any other unconventional financial arrangement without the approval of the DoH and the NI Civil Service DoF.

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

KEY POINTS

- The **Chief Executive** will ensure there is an adequate economic appraisal of capital expenditure proposals in line with all relevant guidance;
- For every capital expenditure proposal, the **Chief Executive** will ensure there is a business case, that the **Director of Finance and Estates** has certified the costs and revenue consequences, and that DoH approval has been secured where appropriate;
- Only major capital schemes costing in excess of £50 million require testing for PFI;
- The **Director of Finance & Estates** must obtain DoH approval for all property and finance leases;
- The **Chief Executive** is responsible for the overall control of assets and maintenance of asset registers, advised by the **Director of Finance and Estates** concerning asset control procedures;
- **Each employee** has responsibility for the security of property of the Trust and reporting any loss of assets in accordance with the procedure for reporting losses.

14.1 Capital Investment

14.1.1 The **Chief Executive**:

- (a) shall ensure that there is an adequate economic appraisal of capital expenditure proposals in line with the Northern Ireland Guide to Better Business Cases, HM Treasury guidance and DoH circulars.
- (b) shall ensure that there is an approval process in place for determining capital expenditure priorities;
- (c) is responsible for the management of all stages of capital schemes and for ensuring that schemes are delivered on time and to cost;

- (d) 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.

14.1.2 For every capital expenditure proposal (including ICT) the Chief Executive shall ensure:

- (a) that a business case (in line with DoH guidance) 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, including post-project evaluation;
- (b) that the Director of Finance and Estates has certified professionally to the costs and revenue consequences detailed in the business case.
- (c) that DoH approval is obtained for projects costing more than the Trust's delegated limit for capital or ICT schemes.

14.1.3 For capital schemes where the contracts stipulate stage payments, the Director of Finance & Estates will develop procedures for their management, incorporating the recommendations of the Land Transactions Handbook.

14.1.4 The Director of Finance and Estates shall put procedures in place for the operation of the construction industry tax deduction scheme in accordance with HM Revenue & Customs guidance (see 14.1.5). The Director of Finance and Estates is responsible for the regular reporting against authorised expenditure.

14.1.5 The approval of a capital programme shall not constitute approval to incur expenditure on any scheme.

The Chief Executive or the Director of Finance & Estates shall issue to the manager responsible for any scheme:

- (a) specific authority to commit expenditure;
- (b) authority to proceed to procurement;
- (c) approval to accept a successful tender.

The **Director of Finance & Estates** will develop a scheme of delegation for capital investment management in accordance with DoH guidance and the Trust's Standing Orders.

- 14.1.6 The **Director of Finance and Estates** shall be responsible for the development of 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 as issued by DoH.

14.2 Private Finance Initiatives (PFI) Schemes

- 14.2.1 The Trust should follow DoH guidance with regard to testing for PFI schemes when considering procurement of major capital projects above the capital threshold of £50 million. 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 appropriate risk to the private sector.
- (b) The **Director of Finance and Estates** will consult with the DoH over the accounting and budgeting treatment for a PFI. Where judgement over the level of control is difficult, the DoH will consult with the Department of Finance.
- (c) The proposal must be specifically agreed by the **Trust Board** and other relevant bodies as specified by DoH.

14.3 Leasing

- 14.3.1 The **Chief Executive** must obtain DoH approval before entering into any property and/or finance lease. The DoH must have DEL provision for finance leases. Additionally, the Trust will ensure it is compliant with the relevant DoH circular in relation to any external organisation entering into a lease agreement for use of Trust premises to ensure this occurs at a fair market rent levels and is inclusive of rates.
- 14.3.2 Before entering into a new lease or extending an existing lease term, the **Director of Finance & Estates** must at expiry or break options, submit to DoH a proportionate business case at least 12 months before either the lease expiry date or landlord/tenant notice date, whichever is earlier. The **Director of Finance and Estates** will demonstrate that the lease offers value for money and ensure that is appropriately demonstrated in the business case through analysis of options, including outright purchase. Business cases must be submitted for DoH approval in the first instance.

14.4 Asset Registers

- 14.4.1 The **Chief Executive** is responsible for the maintenance of registers of assets, taking into account 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 on a regular basis.
- 14.4.2 The Trust shall maintain an asset register recording non-current assets. The minimum data set to be held within this register shall be as specified in the *Capital Accounting Manual* and any other DoH guidance.
- 14.4.3 Additions to the 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 on the Trust's Statement of Financial Position and capitalised.
- 14.4.4 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). Attention is drawn to the guidance on limiting the holdings of land and buildings to the minimum required for the performance of present and clearly foreseen responsibilities as per DoH guidance.
- 14.4.5 The **Director of Finance and Estates** shall approve procedures for reconciling balances on fixed assets accounts in ledgers against balances on asset registers.
- 14.4.6 The value of each asset shall be indexed to current values in accordance with methods specified in the *Capital Accounting Manual* issued by the DoH.
- 14.4.7 The value of each asset shall be depreciated and/or impaired using methods and rates as specified in the *Capital Accounting Manual* issued by the DoH.
- 14.4.8 Transfers of assets between government departments should generally be at full current market value; assets transferred under a

transfer of functions order to implement a machinery of government change are generally made at no charge.

14.5 Security of Assets

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

14.5.2 Asset control procedures (including fixed assets, medical equipment cash, cheques, negotiable instruments and donated assets) must be approved by the **Director of Finance and Estates**. (See SFI No. 7 for the control of cash, cheques and negotiable instruments). 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.

14.5.3 All discrepancies revealed by verification of physical assets to the fixed asset register shall be notified to the **Director of Finance and Estates**.

14.5.4 Whilst each employee and officer has a responsibility for the security of property of the Trust, it is the responsibility of Directors in all disciplines to apply appropriate routine security practices in relation to HSC property. Any breach of agreed security practices must be reported in accordance with such agreed procedures.

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

14.5.6 Where practical, assets should be marked as Trust property.

15. STORES AND RECEIPT OF GOODS

KEY POINTS

- The **Chief Executive** delegates the control of stores to **designated officers** in the Trust;
- **Designated officers** are responsible for security arrangements and the custody of keys for any stores;
- **Designated officers** will set out procedures and systems to control and regulate stores, including a physical check of items in the store at least annually;
- **Designated officers** are responsible for the review of slow moving and obsolete items in the stores and adherence to the procedures for the reporting of losses.

15.1 General position

15.1.1 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 if they have a material value;
- (c) valued at the lower of cost and net realisable value in accordance with relevant DoH circulars and any other relevant guidance.

15.2 Control of Stores, Stocktaking, Condemnations and Disposal

15.2.1 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/her to departmental employees and stores managers/keepers. In some cases, responsibility may be delegated to BSO PaLS.

The areas of delegation include:

- Pharmacy
- Laboratory
- Community Aids and appliances
- Fuel
- Estates maintenance.
- Ward stocks
- Linen stores

- Catering Stores
- Personal Protective Equipment

15.2.4 Stocktaking arrangements shall be agreed with the **Director of Finance and Estates** and there shall be a physical check covering at least Pharmacy and PPE items in store at least once a year.

15.2.6 The designated Manager/ Officer shall be responsible for a system which reviews 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. 16 Disposals and Condemnations, Losses and Special Payments).

15.3 Goods supplied by Centres of Procurement Expertise

15.3.1 For goods supplied via BSO central warehouses, the Chief Executive shall delegate to officers the requisitioning and acceptance of goods from PaLS. The delegated officers shall check receipt against the delivery note and notify PaLS of any shortages or discrepancies.

15.3.2 For goods supplied directly from suppliers, the Chief Executive shall delegate to officers the requisitioning and acceptance of goods. The delegated officers shall check receipt against the delivery note and order and liaise directly with the supplier regarding any shortages or discrepancies. No payment will be made to the supplier until the matter is rectified.

16. DISPOSALS AND CONDEMNATIONS, LOSSES AND SPECIAL PAYMENTS

KEY POINTS

- The Assistant Director of Financial Services is responsible for accounting for the disposal of assets including condemnations;
- Assets shall be sold for best price, taking into account the costs of sales. Generally, assets will be sold by auction or competitive tender;
- **Heads of Service** are responsible for ensuring that all data held on assets for disposal are dealt with appropriately and securely;
- The **Director of Finance and Estates** must prepare procedural instructions on the recording of and accounting for condemnations, losses and special payments in line with DoH guidance;
- **Any employee** discovering or suspecting a loss of any kind must either immediately inform the Trust's Fraud Liaison Officer.

16.1 Disposals and Condemnations

16.1.1 When it is decided to dispose of a Trust asset, the Head of Department or authorised deputy will determine and advise the Assistant Director of Financial Services of the estimated market value of the item, taking account professional advice where appropriate. Assets shall be sold for best price, taking into account any costs of sale. Generally, assets shall be sold by auction or competitive tender. All receipts derived from the sale of assets must be declared in accordance with DoH guidance by the **Director of Finance and Estates**.

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 by negotiation or sale by auction as determined (or pre-determined with a reserve) by the **Director of Finance and Estates** or his/her nominated officer;
- (b) obsolete or condemned articles and stores.
- (c) items to be disposed of with an estimated sale value of less than £20,000;
- (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 subject to compliance with DoH guidance.

16.1.3 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 which will indicate whether the articles are to be converted, destroyed or otherwise disposed of.

16.1.5 Heads of Department will be responsible for ensuring that all data held on assets for disposal are dealt with appropriately.

16.2 Losses and Special Payments

16.2.1 The **Director of Finance and Estates** must prepare procedural instructions for the recording of and accounting for condemnations, losses, and special payments in line with DoH guidance.

16.2.2 The Director of Finance and Estates will consult with the DoH where proposed losses:

- Raise doubts about the effectiveness of existing systems;
- Contain lessons which might be of wider interest; or
- Might create a precedent for other NICS departments;

16.2.3 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 Trust Fraud Liaison Officer or the **Director of Finance & Estates**. Where a criminal offence is suspected, the **Director of Finance and Estates** must immediately be informed in addition to the PSNI if theft or arson is involved. In cases of fraud or corruption, the Trust Fraud Liaison Officer, upon receipt of advice from the BSO Counter Fraud & Probity Service will determine when to inform the PSNI.

16.2.4 The Trust Fraud Liaison Officer must notify the BSO Counter Fraud and Probity Services Team on discovery of a loss or suspected loss of public funds or property as a result of fraud, misappropriation or malicious damage.

16.2.5 Within limits delegated to it by the DoH, the **Director of Finance & Estates** shall approve the writing-off of losses.

16.2.6 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.

- 16.2.7 For any loss, the **Director of Finance and Estates** should consider whether any insurance claim can be made. Losses shall not be written off until all reasonable attempts to make a recovery have been made, proved unsuccessful and there is no feasible alternative.
- 16.2.8 The **Director of Finance and Estates** shall maintain a Losses and Special Payments Register in which write-off action is recorded.
- 16.2.9 No special payments exceeding delegated limits shall be made without the prior approval of the DoH.
- 16.2.10 The Audit Committee shall receive a report of all losses at least once a year

17. INFORMATION & COMMUNICATION TECHNOLOGY

KEY POINTS

- The **Director of Finance & Estates** is responsible for the accuracy and security of the computerised financial data of the Trust;
- The **Director of Finance and Estates** will ensure that contracts for computer services for financial applications with another organisation clearly defines the responsibilities of all parties;
- The **Director of Planning, Performance & Informatics** will ensure that risks to the Trust arising from the use of ICT are effectively identified and considered;
- Where computer systems have an impact on corporate financial systems, the **Director of Planning, Performance & Informatics** will need to be satisfied across a range of measures.

17.1 Responsibilities and duties of the Director responsible for ICT

17.1.1 The **Director of Finance and Estates** who is responsible for the accuracy and security of the computerised financial data of the Trust, will delegate to the **Director of Planning, Performance & Informatics** responsibility to:

- (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, cyber-attacks, theft or damage, having due regard for the General Data Protection Regulations;
- (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.

17.1.2 The **Director of Finance and Estates** shall ensure that any 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 testing must be obtained from them prior to implementation.

17.2 Contracts for Computer Services with other Organisations agencies

17.2.1 The **Director of Finance and Estates** shall ensure that contracts for computer services for financial applications with another organisation (e.g. BSO) 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.

17.2.2 Where other organisations (e.g. BSO) provides a computer service for financial applications, the **Director of Finance and Estates** shall periodically seek assurances that adequate controls are in operation.

17.3 Risk Assessment

The **Director of Planning, Performance and Informatics** shall ensure that risks to the Trust arising from the use of ICT 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.

17.4 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 Planning, Performance and Informatics** will consult with the **Director of Finance and Estates** to ensure that:

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

17.5 Responsibilities and duties of other Directors and Officers in relation to computer systems of a general application

17.5.1 In the case of computer systems which are proposed General Applications (i.e. normally those applications which HSC bodies wish to sponsor jointly) all responsible Executive Directors will send to the Assistant Director of ICT:

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

18. PATIENTS AND CLIENTS' PROPERTY

KEY POINTS

- The Trust has responsibility to provide safe custody for money and other personal property in a number of circumstances;
- The **Chief Executive** is responsible for ensuring that patients/ or their next of kin are informed that the Trust will not accept responsibility or liability for property brought into the premises unless it is handed over and a receipt obtained;
- The **Director of Finance and Estates** will provide written instructions on the management of patients/clients property for all staff;
- **Line managers** must ensure that staff are appropriately informed of their responsibilities and duties for the administration of patients'/clients' property.

18.1 The Trust has a responsibility to provide safe custody for money and other personal property (hereafter referred to as "property") in the following circumstances:

- handed over by, or collected on behalf of, patients or service users;
- in the possession of unconscious or confused patients or service users;
- found in the possession of patients dying in Trust facilities or dead on arrival.

18.2 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;
- spoken advice of administrative, nursing and other professional 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.

18.3 The **Director of Finance and Estates** must provide detailed written instructions on the collection, custody, investment, recording, safekeeping, and disposal of patients' or service users' property (including instructions on the disposal of the property of deceased patients or service users and of patients or service users transferred to other premises) for all staff whose duty it is to administer, in any way, the property of patients or service users. Due care should be exercised in the management of a patient's/service user's money.

- 18.4** Where DoH instructions require the opening of separate accounts, known as Patient Private Property (PPP) accounts for patients' or service users' monies, these shall be opened and operated under arrangements agreed by the **Director of Finance and Estates**.
- 18.5** The Trust shall take cognisance of the provisions of the Enduring Powers of Attorney (NI) Order 1987 that permit a patient or service user to choose someone other than a member of Trust staff to deal with his/her property and affairs.
- 18.6** Where patients'/service users' 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/service user in writing.
- 18.7** A patient or service user 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 service user (or guardian or next-of-kin as appropriate)
 - (b) property taken into safe custody having been found in the possession of patients or service users 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.
- 18.8** 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/service user or his/her personal representative where practicable. It shall then be signed by both members of staff and the patient / service user, except where the latter is restricted by physical or mental incapacity. Any alterations shall be validated by signatures of 2 members of staff to allow the original record to be amended.
- 18.9** The handing over, for safe custody, of personal property is to be discouraged. Where this is not possible the property handed over for safe custody shall be placed into the care of the officer responsible for the custody of patients' / service users' 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.

- 18.10** Patients' and service users' income from pensions and state benefits shall be dealt with in accordance with current DoH Regulations.
- 18.11** Refunds of cash handed in for safe custody shall be dealt with in accordance with the written instructions developed 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 service user by the officer who has responsibility for its security. The return shall be receipted by the patient or service user (or guardian or next-of-kin if appropriate) and witnessed by an employee of the Trust.
- 18.12** The disposal of property of deceased patients / service users 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.
- 18.13** In all cases where property of a deceased patient or service user is of a total value in excess of the amount 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 £10,000 or less forms of indemnity shall be obtained.
- 18.14** In respect of a deceased patient's or service user's property, if there is no will and no identified lawful kin, the property reverts to the Crown, and the details shall be notified to the Crown Solicitor for Northern Ireland.
- 18.15** 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 Assistant Director of Financial Services or **Director of Finance & Estates**. No other expenses or debts shall be discharged out of the estate of a deceased patient or client.
- 18.16** The **Director of Finance and Estates** shall be responsible for securing patients' and clients' monies in accordance with DoH guidance so as to ensure a minimum level of risk. Individual accounts shall be maintained within the Trust's Patients Private Property system. Any interest earned shall be retained by the Trust to offset the cost of administering the service to patient's and service user's.

- 18.17** 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.
- 18.18** The **Director of Finance and Estates** will be responsible for seeking consent from RQIA to hold monies in excess of the limit set by the DoH on behalf of patients/service users who have been deemed incapable of managing their monies and property under Article 116(4) of the Mental Health Order (NI) 1986.
- 18.19** The **Director of Finance and Estates** is responsible for the preparation of the annual Accounts for Patients Personal Property and its inclusion within the overall Trust Annual Report and Accounts.

19. CHARITABLE FUNDS

KEY POINTS

- The **Director of Finance and Estates** has primary responsibility to the Trust Board and Charitable Funds Committee for ensuring that charitable funds are managed and spent appropriately with regard to their purpose.
- The **Director of Finance and Estates** will arrange for the administration of all new and existing funds;
- The **Director of Finance and Estates** will provide a policy for Trust officers on how to proceed with donations, legacies and bequests;
- The **Director of Finance and Estates** will deal with all arrangements for fund raising; ensure that appropriate banking arrangements are in place and be responsible for all aspects of the investment of Charitable funds;
- Donated assets will be maintained along with the general estate and inventory of assets;
- The **Director of Finance and Estates** will ensure regular reporting to the Charitable Funds Committee and preparation of the annual Charitable Funds Report and Accounts.

19.1 Trust responsibilities for charitable funds are distinct from responsibilities for public 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 fund is managed appropriately with regard to its purpose and requirements.

19.2 The **Director of Finance and Estates** has primary responsibility to the Trust Board, and Charitable Funds Committee for ensuring that these SFI's are applied and for compliance with the requirements of the Charity Commission for Northern Ireland (CCNI).

19.3 Existing funds

The **Director of Finance and Estates** should arrange for the administration of all existing funds. He/she should ensure that a governing instrument exists for every fund and should produce procedures covering every aspect of the financial management of funds for the guidance of Directors and employees.

19.4 The Assistant Director of Financial Services should periodically review the funds in existence and should make recommendations to the

Charitable Funds Committee regarding the potential for rationalisation of such funds within statutory guidelines.

19.5 New Funds

The **Director of Finance and Estates** should arrange for the creation of a new fund where donations received cannot adequately be managed as part of an existing Charitable Trust fund and where it is cost effective to do so.

19.6 The governing document for each new fund should clearly identify, amongst other things, the purpose of the new fund, the capacity to delegate powers to manage the funds and the power to assign the residue of the fund to another fund.

19.7 Sources of Funds

19.7.1 In respect of donations, the **Director of Finance and Estates** should:

- (a) provide a written procedure for officers of the Trust as to how to proceed when offered funds. These include:
 - the identification of the donor's wishes in line with the structure of Trust funds available;
 - the avoidance of impossible, undesirable or administratively difficult intentions of the donor;
 - the treatment of offers of personal gifts;
 - the promotion of gift aid where conditions allow;
 - the provision of secure and appropriate receipting arrangements which will indicate that funds have been accepted directly into funds.

19.7.2 Legacies and Bequests

In respect of legacies and bequests, the **Director of Finance and Estates** should:

- (a) provide guidelines to officers covering any approach regarding the receipt of funds/other assets from executors of wills;
- (b) where necessary, obtain grant of probate, or make application for grant of letters of administration, where a charitable 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;
- (d) be responsible for the appropriate treatment of all legacies and bequests.

19.8 Fund Raising

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

- (a) deal with all arrangements for fund raising by or on their behalf and ensure compliance with all statutes and regulations;
- (b) be empowered to liaise with other organisations / persons raising funds on behalf of the Trust Charitable Funds. The **Chief Executive** or the **Director of Finance and Estates** shall be the only officers empowered to give approval for such fund-raising.
- (c) be responsible for alerting the **Charitable Funds Committee** to any irregularities regarding the use of the fund's name or its registration number(s);
- (d) be responsible for the appropriate treatment of income and expenditure from all donations received.

19.9 Investment Income

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.

19.10 Investment Management

The **Director of Finance and Estates** shall be responsible for all aspects of the management of the investment of charitable funds. The issues on which he/she should provide advice to the **Charitable Funds Committee** should include:

- (a) the formulation of investment policy within the powers of the 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. **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 with other Trusts and the preparation of a submission to the DoH 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;
- (f) the review of the performance of brokers and fund managers;
- (g) the reporting of investment performance.

19.11 Expenditure from Funds

The use of funds shall be managed by the **Director of Finance and Estates** in conjunction with the **Charitable Funds Committee**. In so doing he/she shall be aware of the following:

- (a) the purpose of various funds and the designated objectives;
- (b) the availability of cash within each fund;
- (c) the powers of delegation available to commit resources;
- d) the avoidance of the use of public funds to meet charitable expenditure (except where administratively unavoidable), and to ensure that any reimbursement of public funds is made from the charitable fund(s) at the earliest possible time:
- (e) that funds are to be spent rather than preserved, subject to the purpose of the charitable fund(s); and
- (f) the definition of “charitable purposes” as agreed by the DoH.

19.12 Banking Services

The **Director of Finance and Estates** should advise the Board and, with its approval, should ensure that appropriate separate banking services are available for the Charitable funds. A financial system is to be in place that permit identification of income, expenditure and the balance of cash available to each fund.

19.13 Asset Management

Assets in the ownership of or used by the 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 Charitable funds which are intended to be retained by the Trust are appropriately accounted for and that all other assets so acquired are brought to account in the name of the Trust.

19.14 Reporting

The **Director of Finance and Estates** shall ensure that regular reports are made to the **Charitable Funds Committee** in respect of the receipt of donations, investments made, and the expenditure of resources.

The **Director of Finance and Estates** shall prepare annual Charitable Trust fund accounts in the required manner which shall be submitted to the Charitable Funds Committee, Trust Board and DoH within agreed timescales.

19.15 Accounting and Audit

The **Director of Finance and Estates** shall maintain all financial records to enable the production of reports as above and to the satisfaction of internal and external audit.

19.17 The Trust Board shall be advised by the **Director of Finance and Estates** on the outcome of the annual external audit. The **Chief Executive** shall submit the Report to Those Charged with Governance to the DoH.

19.19 Administration Costs

The **Director of Finance and Estates** shall identify all costs directly incurred in the administration of charitable funds and shall charge such costs to the appropriate Charitable Trust funds accounts.

19.20 Taxation and Excise Duty

The **Director of Finance and Estates** shall ensure that any fund liability to taxation and VAT 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.

20. ACCEPTANCE OF GIFTS BY STAFF

KEY POINTS

- **Trust staff** are required to comply with the Trust Gifts & Hospitality Policy

20.1 The Board Secretary shall ensure that all staff are made aware of the Trust's policy on the acceptance of gifts, hospitality and other benefits-in-kind by staff. This policy follows DoH guidance

20.2 The Board Secretary shall ensure a written record is maintained of any such gifts or non-financial donations and of their estimated value and whether they are disposed of or retained.

21. RETENTION OF FINANCIAL RECORDS

KEY POINTS

- The Asst Director of Corporate Services is responsible for maintaining records in accordance with DoH guidelines, Good Management Good Records (GMGR).

- 21.1** The Asst Director of Corporate Services shall be responsible for maintaining archives for all records required to be retained in accordance with DoH guidelines as set out in Good Management Good Records (GMGR).
- 21.2** The records held in archives shall be capable of retrieval by authorised persons.
- 21.3** Records held in accordance with latest DoH guidance shall only be destroyed in accordance with the provisions of GMGR. Detail shall be maintained of records so destroyed.

22. RISK MANAGEMENT AND INSURANCE

22.1 Programme of Risk Management

The **Chief Executive** shall ensure that the Trust has a programme of risk management, in accordance with current DoH assurance framework requirements, which must be approved and monitored by the **Governance Assurance Committee** on behalf of the Trust Board. This programme of risk management, in accordance with the relevant aspects of best practice in corporate governance, will ensure arrangements for the management of risks in the Trust and will include the development of a risk management strategy in accordance with DoH guidance and Managing Public Money NI.

22.1.1 The programme of risk management shall include:

- a) a process for identifying and quantifying risks and potential liabilities which may threaten objectives;
- b) developing among all levels of staff a positive attitude towards identification, management and 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 (risk appetite);
- d) contingency plans to offset the impact of adverse events;
- e) audit arrangements including Internal Audit, clinical audit, health and safety review;
- f) a clear indication of which risks shall be insured (see 22.2);
- g) on-going arrangements to review the Risk Management programme and to assess the effectiveness of existing arrangements.

22.1.2 The existence, integration and evaluation of the above elements will assist in providing a basis to make a statement on the effectiveness of Internal Control within the Mid-Year Assurance Statement and Governance Statement for which the **Director of Finance & Estates** is responsible for producing.

22.2 Insurance Arrangements with Commercial Insurers

22.1.1 There is a general prohibition on entering into insurance arrangements with commercial insurers other than insurance which is a statutory obligation or which is permitted under Managing Public Money NI.

There are, however, three exceptions when the Trust may enter into insurance arrangements with commercial insurers. The exceptions are:

- (1) Trusts may enter commercial arrangements for insuring motor vehicles owned by the Trust or leased by the Trust or on behalf of other HSC Bodies, including insuring third party liability arising from their use;
- (2) where the Trust is involved with a consortium in a Private Finance Initiative contract / Public Private Partnership 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. If the income generation activity is also an activity normally carried out by the Trust for an HSC purpose the activity may be covered in a risk pool. In any case of doubt concerning a Trust's powers to enter into commercial insurance arrangements the **Director of Finance and Estates** should consult with DoH.

In the case of a major loss or third party claim, the Trust shall liaise with DoH about the circumstances in which an appropriate addition to budget will be considered.

The Trust is listed in the Employer's Liability (Compulsory Insurance) Regulations (Northern Ireland) 1999, and therefore is not required to insure against liability for personal injury suffered by its employees.

Appendix 1 – Scheme of Delegated Authority at 7 February 2023



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