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| **Standing Financial Instructions** |

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UC24 – Standing Financial Instructions

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**1. AUDIT**

UC24 shall comply with all relevant standards, procedures and techniques.

# Audit Committee

1.1.1 The Board of Directors shall establish a committee of non-executive directors as an Audit Committee with formal terms of reference to perform such Independent Regulating, reviewing and other functions as are appropriate to provide an independent and objective view of internal control. This shall be achieved by monitoring the degree to which organisational risk management, control and governance processes support the achievement of UC24’s agreed objectives.

The Audit Committee shall:

(a) Review financial and information systems and monitoring the integrity of the financial statements and review significant financial reporting judgments;

(b) Monitor compliance with Standing Financial Instructions and ensure appropriate action is taken;

(c) Review schedules of losses and special payments and making recommendations to the Board when appropriate;

(d) Observe best practice guidelines

(e) Oversee Internal and External Audit services;

(f) Review the establishment and maintenance of an effective system of integrated governance, risk management and internal control, across the whole of the organisation’s activities (both clinical and non-clinical), that supports the achievement of the organisation’s objectives;

(g) Review the arrangements in place to support Assurance Framework process prepared on behalf of the Board and advising the Board accordingly;

(h) Reviewing schedules of debtors/creditors balances over 6 months old and £5,000 and explanations/action plans.

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

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

1.1.4 The Audit Committee shall make a recommendation with respect to the re-appointment of the external auditors. If the work has been satisfactory and the charges reasonable, the committee may re-appoint the auditor for the following year without the need for a formal selection process. However, UC24 will undertake a market-testing exercise for the appointment of the external auditor at least once every five years.

1.1.5 The Audit Committee shall be involved in the selection process when internal audit services are changed.

1.1.6 Where the Audit Committee considers there is evidence of improper acts, or if there are other important matters that the Committee wishes to raise, the Chair of the Audit Committee should raise the matter at a full meeting of the Board of Directors.

# 1.2 Director of Finance

It is the responsibility of the Director of Finance to ensure an adequate Internal Audit service is provided.

1.2.1 The Director of Finance is responsible for:

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

(b) Ensuring that the purpose, authority and responsibility of Internal Audit is formally defined by the organisation in the Terms of Reference with regard to professional best practice;

(c) Deciding at what stage to involve the police in cases of misappropriation and other irregularities;

(d) Ensuring that an annual internal audit report is prepared for the consideration of the Audit Committee. The report must cover:

A clear statement on the effectiveness of internal financial control risk management and organisational controls;

Progress against plan over the previous year;

Major internal financial control weaknesses discovered;

Progress on the implementation of internal audit recommendations;

Strategic audit plan covering the coming three years;

A detailed plan for the coming year.

An annual audit opinion on the effectiveness of the system of internal control

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

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

(b) Access at all reasonable times to any land, premises or employee of UC24;

(c) The production of any cash, stores or other property of UC24 under an employee's control; and

(d) Explanations concerning any matter under investigation.

# 1.3 Role of Internal Audit

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

(a) The extent to which the achievement of UC24 objectives are monitored;

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

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

(d) The suitability and effective usage of financial and other related management information and data;

(e) The extent to which UC24 assets and interests are accounted for and safeguarded from loss of any kind, arising from:

(i) Fraud and other offences;

(ii) Waste, extravagance, inefficient administration;

(iii) Poor value for money or other causes.

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

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

1.3.4 The Internal Auditor will normally attend Audit Committee meetings and has a right of access to all Audit Committee members, the Chair and Chief Executive of UC24.

The Internal Auditor shall report direct to the Director of Finance and shall refer audit reports to the appropriate officers designated by the Chief Executive. Failure to take the necessary remedial action within a reasonable period shall be reported to the Director of Finance. Where, in exceptional circumstances, the use of normal reporting channels could be seen as a possible limitation on the objectivity of the audit, the Internal Auditor shall have access to report direct to the Chief Executive, Chair or any non-executive Director of UC24.

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

1.3.6 A final report will be issued to the appropriate manager(s) and Directors and to the Director of Finance. All final reports will be available to the Chief Executive and the Audit Committee members. The Audit Committee will also receive a report from the Internal Auditor when required, summarising the final reports issued and the adequacy of the management response.

1.3.7 UC24 will provide the Internal Auditor with every facility and all information which they may reasonably require for the purposes of their functions.

# 1.4 External Audit

1.4.1 The initial appointment must be made as soon as possible and no later than the end of the first period for which UC24 will be preparing accounts.

1.4.2 UC24 must ensure that the external auditor appointed meets required service levels on an on-going basis throughout the term of their appointment.

1.4.3 External audit responsibilities are:

(a) To be satisfied that the accounts comply with the directions provided, i.e. that the accounts comply with the Annual Reporting Requirements.

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

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

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

(e) To comply with any directions, procedures and techniques to be adopted;

(f) To consider the issue of a public interest report;

(g) To certify the completion of the audit;

(h) To express an opinion on the accounts; and

(i) to refer the matter to Audit Committee if directors or any other official makes or are about to make decisions involving potentially unlawful action likely to cause a loss or deficiency.

1.4.4 External auditors will ensure that there is a minimum of duplication of effort between themselves and over governing bodies or assurance bodies. The auditors will discharge this responsibility by:

(a) Reviewing internal audit reports.

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

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

1.4.5 UC24 will provide the external auditor with every facility and all information which they may reasonably require for the purposes of their functions.

# 1.5 Fraud and Corruption

1.5.1 The Chief Executive and Director of Finance shall monitor and ensure compliance with good practice to counter fraud and corruption.

1.5.2 UC24 shall nominate a suitable person to carry out the duties of the Local Counter Fraud Specialist.

1.5.3 The Local Counter Fraud Specialist shall report to the Director of Finance.

1.5.4 The Director of Finance is responsible for providing detailed procedures to enable UC24 to minimise and where possible to eliminate fraud and corruption. These procedures set out action to be taken by persons detecting a suspected fraud and persons responsible for investigating it.

1.5.5 The measures that are put in place shall be sufficient to satisfy all external bodies to whom the UC24 is accountable to, through;

(a) Encouraging prevention;

(b) Promoting detection and

(c) Ensuring investigation and remedial actions are undertaken promptly, thoroughly and effectively.

1.5.6 Proven instances of fraud and corruption should be considered as gross misconduct.

1.5.7 It is expected that all officers shall act with the utmost integrity, ensuring adherence to all relevant regulations and procedures. It is the responsibility of the Director of Finance to produce and issue these to the appropriate Directors and Managers who should ensure that all staff have access to these.

# 1.6 Prevention

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

1.6.1 Staff are expected to act in accordance with the SFI’s, following the guidance on the receipt of gifts and hospitality.

1.6.2 Non-Executive Directors are subject to the same high standards of accountability and are required to declare and register any interests which might potentially conflict with those of UC24.

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

# 1.7 Detection and Resulting Action

1.7.1 Staff are encouraged to raise any concerns they may have regarding suspected fraud and/or corruption. They can do this through:

(a) Their line manager,

(b) Internal Audit,

(c) The Director of Finance,

(d) The Local Counter Fraud Specialist or

(e) The NHS National Fraud Hotline.

1.7.2 The Director of Finance is responsible for ensuring that action is taken to investigate any allegations of fraud or corruption through the Local Counter Fraud Specialist.

1.7.3 Senior Managers are expected to deal firmly and promptly and in accordance with UC24’s disciplinary procedure with anyone who attempts to defraud UC24 or who acts in a corrupt manner.

1.7.4 Any abuse of the procedures, such as unfounded or malicious allegations, is itself subject to full investigation and appropriate disciplinary action.

# 1.8 Security Management

1.8.1 The Chief Executive will monitor and ensure compliance with security management.

**2. BUSINESS PLANNING, BUDGETS AND BUDGETARY CONTROL**

# 2.1 Preparation and Approval of Business Plans and Budgets

The Chief Executive shall delegate the preparation UC24’s budget, for approval by the Board of Directors.

2.1.1 The Delegated Officer will, on behalf of the Chief Executive, compile and submit to the Board of Directors an annual budget.

2.1.2 UC24 will provide information as to its forward planning in respect of each financial year to relevant Commissioners. This information will be prepared by the Directors, who must have regard to the views of the budget holders.

2.1.3 Prior to the start of the financial year the Director of Finance will, on behalf of the Chief Executive, prepare and submit income and expenditure budgets and reports thereon, for approval by the Board. Such budgets will:

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

(b) Accord with workload and manpower plans;

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

(d) Be prepared within the limits of available funds;

(e) Identify potential risks.

2.1.4 The Director of Finance shall monitor financial performance against financial targets, the Director of Operations and Performance will monitor activity and other performance targets.

2.1.5 Employees/Officers shall provide the relevant Directors with all financial, statistical and other relevant information as necessary, for the compilation of such budgets, plans, estimates and forecasts.

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

2.1.7 The Director of Finance will keep the Chief Executive and the Board informed of the financial consequences of changes in policy, pay awards, inflation and other events and trends affecting the financial position of UC24.

# 2.2 Budgetary Delegation

The Chief Executive and all delegated budget holders must not exceed the budgetary totals set by the Board of Directors in the Annual Plan.

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

(a) The amount of the budget;

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

(c) Individual and group responsibilities;

(d) Authority to exercise virement;

(e) Achievement of planned levels of service;

(f) The provision of regular reports.

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

2.2.3 Non-recurring budgets should not be used to finance recurring expenditure without the authority in writing of the Chief Executive.

# 2.3 Budgetary Control and Reporting

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

(a) Monthly financial reports to the Board in a form approved by the Board containing:

(i) Financial performance against delegated budgets;

(ii) Financial performance against contracts by exception

(iii) Summary cashflow

(iv) Summary balance sheet;

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

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

(vii) Details of any corrective action where necessary and the Chief Executive’s and/or Director of Finance’s view of whether such actions are sufficient to correct the situation;

(viii) Key performance indicators;

(ix) Financial risk and mitigating actions.

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

(c) Investigation and reporting of variances from financial, workload and manpower budgets;

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

(e) Arrangements for the authorisation of budget transfers.

2.3.2 Each Budget Holder is responsible for ensuring that:

(a) Any likely overspending or reduction of income which cannot be met by virement is not incurred without the prior consent of the Director of Finance;

(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/officers are appointed above the funded establishment unless approved by the Chief Executive.

(d) The systems of budgetary control established by the Director of Finance are complied with fully.

# 2.4 Capital Expenditure

2.4.1 The general rules applying to delegation and reporting shall also apply to capital expenditure.

2.4.2 The Board shall approve the capital programme for UC24, consistent with the approved Annual Financial Plan.

2.4.3 The Director of Finance shall ensure that regular reports to the Board are prepared, containing:

• Progress reports on the programme

• Explanations of any changes to the programme

# 2.5 Financial Performance Monitoring

2.5.1 The Chief Executive is responsible for ensuring that:

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

(b) Reasonable targets have been identified for these measures;

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

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

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

**3 ANNUAL ACCOUNTS AND REPORTS**

# 3.1 The Director of Finance, on behalf of UC24, will:

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

(b) Ensure that, in preparing annual accounts, UC24 complies with any directions given by the Independent Regulator with the approval of the Treasury as to:

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

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

(c) Ensure that a copy of the annual accounts and any report of the external auditor on them, are sent to the Independent Regulator, within the prescribed timetable.

# 3.2 UC24 will prepare annual reports as required.

(a) This will be presented to the Board of Directors for approval and received by the Governing Council at a public meeting. A copy will be forwarded to the Independent Regulator. The reports will give:

(b) information on any steps taken by UC24 to secure that (taken as a whole) the actual Membership of its public constituency and the patients’ constituency is representative of those eligible for such membership, and

(c) Any other information the Independent Regulator requires.

**4 BANK ACCOUNTS**

# 4.1 General

4.1.1 The Director of Finance is responsible for managing UC24’s banking arrangements and for advising the UC24 on the provision of banking services and operation of accounts.

4.1.2 The Board shall approve the banking arrangements.

# 4.2 Bank Accounts

4.2.1 The Director of Finance is responsible for:

(a) Bank accounts;

(b) Reporting to the Board of Directors all arrangements made with the UC24’s bankers for accounts to be overdrawn.

(d) No employee/officer other than the Director of Finance, or in his/her absence his/her authorised deputy, shall open a bank account in the name of UC24.

(e) All funds will be held in accounts in the name of UC24.

# 4.3 Banking Procedures

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

(a) The conditions under which each bank account is to be operated;

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

(c) Those authorised to sign cheques or other orders drawn on UC24’s accounts.

4.3.2 The Director of Finance must advise UC24’s bankers in writing of the conditions under which each account will be operated.

# 4.4 Tendering and Review

4.4.1 The Director of Finance will review the banking arrangements of UC24 at regular intervals not exceeding five years, to ensure they reflect best practice and represent best value. Following such reviews, the Finance Director shall determine whether or not to seek competitive tenders for the UC24’s banking business.

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

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

# 5.1 Income Systems

5.1.1 The Director of Finance is responsible for designing, maintaining and ensuring compliance with procedures for the proper recording, invoicing, Collection and coding of all income due.

5.1.2 The Director of Finance is also responsible for arranging the facilities to effect prompt banking of all monies received.

5.1.3 The Director of Finance will ensure that any restrictions on income imposed by the Independent Regulator will be complied with.

# 5.2 Fees and Charges

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

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

5.2.3 Employees must obtain the approval to income generation schemes prior to implementation in line with the Scheme of Delegation.

# 5.3 Debt Recovery

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

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

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

# 5.4 Security of Cash, Cheques and other Negotiable Instruments

5.4.1 The Director of Finance is responsible for:

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

(b) Ordering and securely controlling any such stationery;

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

(d) Prescribing systems and procedures for handling cash and negotiable securities on behalf of UC24.

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

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

5.4.4 The holders of safe keys shall not accept unofficial funds for depositing in their safes unless such deposits are in special sealed envelopes or locked containers.

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

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

5.4.7 All payments made on behalf of UC24 to third parties should normally be made using the Bankers Automated Clearing System (BACS), or by crossed cheque and drawn in accordance with these instructions, except with the agreement of the Finance Director, as appropriate, who shall be satisfied about security arrangements. Uncrossed cheques shall be regarded as cash.

5.4.8 Where appropriate, arrangements shall be made for the use of secure electronic payment methods to support e-commercial activities. This may include the use of procurement cards, direct debit cards and in limited circumstances, eBay trading accounts.

**6 CONTRACTS WITH COMMISSIONERS/OTHER BODIES**

# 6.1 Negotiating Contracts

6.1.1 The Chief Executive is responsible for negotiating contracts with commissioners for the provision of services to patients.

# 6.2 Contractual Standards

6.2.1 Contracts with commissioners are legally binding and shall comply with best costing practice and shall be so devised as to minimise risk whilst maximising UC24’s opportunity to generate income.

# 6.3 Executive Team support

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

Costing and pricing of services;

Payment terms and conditions;

Billing systems and cash flow management;

The contract negotiating process and timetable;

The provision of contract data;

The national tariff

Contract monitoring arrangements;

Amendments to contracts and

Any other matters relating to contracts of a legal or non-financial nature.

# 6.4 Contract Monitoring

6.4.1 The Director of Operations and Performance and the Director of Finance shall produce regular reports detailing actual and forecast service activity income with a detailed assessment of the impact of the variable elements of income.

# 6.5 Contracts with other organisations

6.5.1 Contracts with other bodies for the provision of patient care services must follow the guidance for contracts with commissioners above as far as this is relevant to the service being provided.

# 6.6 Non-Patient Care contracts

6.6.1 Contracts with other bodies for the provision of services other than patient care shall be subject to formal agreement which clearly sets out the specified service to be provided and the remuneration expected. Default clauses and appropriate resolutions must be included as part of the contract documentation.

**7 TERMS OF SERVICE AND PAYMENT OF DIRECTORS AND EMPLOYEES**

7.1 Remuneration and Terms of Service

7.1.1 The Board should formally agree and record in the minutes of its meetings, the precise terms of reference of the Board of Directors Nominations Committee (The Committee), specifying which posts fall within its area of responsibility, its composition, and the arrangements for reporting. (The constitution of this committee will be covered in Standing Orders).

7.1.2 The Committee will:

a) determine on behalf of the Board of Directors the remuneration and terms of service for the Chief Executive, other Executive Directors and senior managers, to ensure they are fairly rewarded for their individual contribution to UC24 - having proper regard to UC24’s circumstances and performance and to the provisions of any national arrangements for such staff where appropriate, including;

(i) All aspects of salary (including any performance-related elements/bonuses);

(ii) Provisions for other benefits, including pensions and cars;

(iii) Arrangements for appointment and termination of employment and other contractual terms;

(b) Advise on and oversee appropriate contractual arrangements for such staff including the proper calculation and scrutiny of termination payments.

7.1.3 The Committee has full powers of decision over those matters within its remit. Minutes of the Board of Director’s meetings should record such decisions and a minute book will be kept by the UC24 Secretary.

7.1.4 The Board will consider and, where appropriate, approve proposals presented by the Chief Executive for the setting of remuneration and conditions of service for those employees not covered by the Committee.

7.1.5 The UC24 will remunerate the Chair and Non-Executive Directors as determined by the Governing Council.

# 7.2 Funded Establishment

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

7.2.2 The funded establishment of any department may only be varied with the approval of the Chief Executive or other officers authorised by him/her to do so (See Scheme of Delegation).

# 7.3 Staff Appointments

7.3.1 No director or employee may engage, re-engage, or re-grade employees, either on a permanent or temporary nature, or hire agency staff, or agree to changes in any aspect of remuneration:

(a) unless authorised to do so by the Chief Executive or other officers authorised by him/her to do so (See Scheme of Delegation); and

(b) Within the limit of the approved pay budget and funded establishment.

# 7.4 Processing Payroll

7.4.1 The Director of Finance is responsible for:

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

(b) The final calculation of pay;

(c) Making payment on agreed dates;

(d) Agreeing method of payment.

7.4.2 The Director of Finance will issue instructions regarding:

(a) Verification and documentation of data;

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

(c) Maintenance of subsidiary records for superannuation, income tax, social security and other authorised deductions from pay;

(d) Security and confidentiality of payroll information;

(e) Checks to be applied to completed payroll before and after payment;

(f) Authority to release payroll data under the provisions of relevant statutory Acts;

(g) Methods of payment available to various categories of employee;

(h) Procedures for payment by cheque, bank credit, or cash to employees;

(i) Procedures for the recall of cheques and bank credits;

(j) Pay advances and their recovery;

(k) Maintenance of regular and independent reconciliation of pay control accounts;

(l) Separation of duties of preparing records and handling cash; and

(m) A system to ensure the recovery from those leaving the employment of the UC24 of sums of money and property due by them to UC24.

7.4.3 Appropriately nominated managers have delegated responsibility for:

(a) Submitting time records, and other notifications in accordance with agreed timetables;

(b) Completing time records and other notifications in accordance with the Director of Finance's instructions and in the form prescribed by the Director of Finance;

(c) Submitting termination forms in the prescribed form immediately upon knowing the effective date of an employees or officer’s resignation, termination or retirement. Where an employee fails to report for duty or to fulfil obligations in circumstances that suggest they have left without notice, the Director of Finance must be informed immediately.

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

7.4.5 The above paragraphs relate to the payment of staff employed within the UC24. In the event of the UC24 providing a Salaries and Wages service to any other organisation it will be necessary for the Finance

Director to have prepared a contract to cover the operation of the service provided.

# 7.5 Contracts of Employment

7.5.1 It is the responsibility of the Director of Corporate Services for:

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

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

**8 NON-PAY EXPENDITURE**

# 8.1 Delegation of Authority

8.1.1 The Board of Directors will approve the level of non-pay expenditure as part of the annual budget and the Chief Executive will determine the level of delegation to appropriate managers prior to the start of the financial year to which the budget relates.

8.1.2 The Chief Executive will set out (see Scheme of Delegation):

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

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

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

# 8.2 Choice, Requisitioning, Ordering, Receipt and Payment for Goods and Services

8.2.1 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 UC24. In so doing, the advice of UC24’s adviser on supply shall be sought and taken unless in exceptional circumstances. Wherever appropriate, the supply of goods and services shall be covered by a contract following a tender exercise.

8.2.2 System of Payment and Payment Verification

The UC24’s Chief Executive shall be responsible for ensuring that the UC24 complies with all applicable laws in relation to choice, requisitioning, ordering and receipt for goods and services. The Director of Finance shall be responsible for the prompt payment of accounts and claims. Payment of contract invoices shall be in accordance with contract terms.

8.2.3 In relation to supplies to, and disposals by, the UC24, the Chief Executive will:

(a) advise the Board regarding the setting of thresholds above which quotations (competitive or otherwise) or formal tenders must be obtained; (and, once approved, the thresholds should be incorporated in the Scheme of Delegation and regularly reviewed);

(b) When applied to leases or recurring service contracts the limits above will be applied to the total costs over the term of the lease or contract.

(c) Prepare procedural instructions or guidance within the Scheme of Delegation on the obtaining of goods, works and services incorporating the thresholds;

(d) Be responsible for the prompt payment of all properly authorised accounts and claims;

(e) Subject always to EU directives, competitive tendering or quotation procedures shall not apply to the disposal of:

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

ii. Obsolete or condemned articles and stores, which may be disposed of in accordance with the supplies policy of the UC24.

iii. Items to be disposed of with an estimated sale value of less than £1,000, this figure to be reviewed annually.

iv. Items arising from works of construction, demolition or site clearance, which should be dealt with in accordance with the relevant contract.

v. land or buildings concerning which guidance has been issued by Independent Regulator and subject to compliance with such guidance.

(f) Be responsible for designing and maintaining a system of verification, recording and payment of all amounts payable. The system shall provide for:

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

(ii) Certification that:

- Goods have been duly received, examined and are in accordance with specification and the prices are correct;

- Work done or services rendered have been satisfactorily carried out in accordance with the order, and, where applicable, the materials used are of the requisite standard and the charges are correct;

- In the case of contracts based on the measurement of time or expenses, the time charged is in accordance with the time sheets, the rates of labour are in accordance with the appropriate rates, the materials have been checked as regards quantity, quality, and price and the charges for the use of vehicles, plant and machinery have been examined;

- Where appropriate, the expenditure is in accordance with regulations and all necessary authorisations have been obtained;

- The account is arithmetically correct;

- The account is in order for payment.

(iii) A timetable and system for submission to the Director of Finance of accounts for payment; provision shall be made for the early submission of accounts subject to cash discounts or otherwise requiring early payment.

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

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

(h) Be responsible for ensuring that value added tax (VAT) is correctly accounted for.

Prepayments are only permitted with the approval of the Director of Finance or his/her authorised Deputy and where exceptional circumstances apply. In such instances:

8.2.4 Official orders

Official Orders must:

(a) Be consecutively numbered;

(b) Be in a form approved by the Director of Finance;

(c) State UC24’s terms and conditions of trade; and

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

8.2.5 Duties of Managers and Officers

All staff must ensure that they comply fully with the guidance and limits specified by the Director of Finance and that:

(a) All contracts, leases, tenancy agreements and other commitments which may result in a liability are notified to the Director of Finance in advance of any commitment being made;

(b) Contracts above specified thresholds are advertised and awarded in accordance with current national and European legislation;

(c) No order shall be issued for any item or items to any firm which has made an offer of gifts, reward or benefit to directors or employees, other than:

(i) Isolated gifts of a trivial character or inexpensive seasonal gifts, such as calendars, the value not to exceed the sums detailed in the acceptance of gifts and hospitality section;

(ii) Conventional hospitality, such as lunches in the course of working visits, as detailed in the scheme of delegation;

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

(e) All goods, services, or works are ordered on an official order except works and services executed in accordance with a contract and purchases from petty cash and purchased using a purchasing card;

(f) Verbal orders must only be issued very exceptionally - via the Supplies Department and only in cases of emergency or urgent necessity. These must be confirmed by an official order within two working days and clearly marked "Confirmation Order";

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

(h) Goods are not taken on trial or loan in circumstances that could commit the UC24 to a future uncompetitive purchase;

(i) Changes to the list of directors/officers authorised to certify invoices are notified to the Director of Finance;

(j) Purchases from petty cash are restricted in value and by type of purchase in accordance with instructions issued by the Director of Finance; and

(k) Petty cash records are maintained in a form as determined by the Director of Finance.

8.2.6 The technical audit of building and engineering contracts shall be the responsibility of the relevant Director.

8.2.7 The Director of Finance shall ensure that systems and processes are in place to identify and discharge all relevant tax liabilities.

**9 TENDERING AND CONTRACTING PROCEDURE**

# 9.1 Duty to comply with Standing Orders

9.1.1 The procedure for making all contracts by or on behalf of UC24 shall comply with these Standing Orders.

# 9.2 EU Directives Governing Public Procurement

9.2.1 European Union Directives on public sector purchasing as brought into effect in England by Act of Parliament and statutory instrument shall have effect as if incorporated in these standing orders.

9.2.2 UC24 shall comply as far as is practicable with the requirements of the "Capital Investment Manual" and “Estatecode” and “Concode” in respect of capital investment and estate and property transactions and with the NHS guidance".

# 9.3 Formal Competitive Tendering

9.3.1 General Applicability

UC24 shall ensure that competitive tenders are invited for the supply of goods, materials and manufactured articles and for the rendering of services including all forms of management consultancy services; for the design, construction and maintenance of building and engineering works (including construction and maintenance of grounds and gardens); and for disposals in accordance with relevant advice.

9.3.2 Formal tendering procedures may be waived by officers to whom powers have been delegated by the Chief Executive without reference to the Chief Executive where:

(a) the estimated expenditure or income does not, or is not reasonably expected to exceed the levels set out in the Scheme of Delegation;

(b) The timescale genuinely precludes competitive tendering. Failure to plan the work properly is not justification for a single tender; or

(c) Specialist expertise is required and is available from only one source: or

(d) The task is essential to complete the project and arises as a consequence of a recently completed assignment and engaging different consultants for the new task would be inappropriate; or

(e) There is a clear benefit to be gained from maintaining continuity with an earlier project. However in such cases the benefits of such continuity must outweigh any potential financial advantage to be gained by competitive tendering;

(f) Where provided for in the Capital Investment Manual.

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

9.3.4 Where it is decided that competitive tendering is not applicable and should be waived by virtue of (b) to (e) above, the fact of the waiver and the reasons should be documented and reported to the Audit Committee in a formal meeting.

9.3.5 The Board shall ensure that delegated arrangements are in place so that invitations to tender are sent to a sufficient number of firms/individuals to provide fair and adequate competition as appropriate, and normally not less than three firms/individuals, having regard to their capacity to supply the goods or materials or to undertake the services or works required.

# 9.4 Quotations

9.4.1 Quotations are required where formal tendering procedures are waived or where the intended expenditure or income exceeds the level set out in the Scheme of Delegation.

9.4.2 Where quotations are required they should be obtained from at least 3 firms/individuals on specifications or terms of reference prepared by, or on behalf of, the Board.

9.4.3 Quotations should be in writing unless the Chief Executive or his/her nominated officer determines that it is impractical to do so in which case quotations may be obtained by telephone. Written confirmation of a telephone quotation should be obtained as soon as possible and the reasons why the telephone quotation was obtained should be set out in a permanent record.

9.4.4 All quotations should be treated as confidential and should be retained for inspection.

9.4.5 The Chief Executive or their nominated officer should evaluate the quotation and select the quote which gives the best value for money. If this is not the lowest then this fact and the reasons why the lowest quotation was not chosen should be recorded in a permanent record.

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

a) the supply of goods/services of a special character for which it is not, in the opinion of the Chief Executive or his/her nominated officer, possible or desirable to obtain competitive quotations;

b) the goods/services are required urgently.

# 9.5 Where competitive tendering or a competitive quotation is not required

9.5.1 UC24 may make purchases against any existing national contract for the provision of goods and services as negotiated by the NHS Purchasing and Supply Agency unless the Chief Executive or nominated officers deem it inappropriate. The decision to use alternative sources must be documented.

9.5.2 The Chief Executive shall be responsible for ensuring that best value for money can be demonstrated for all services provided under contract or in-house. The Board may also determine from time to time that in-house services should be market tested by competitive tendering.

# 9.6 Contracts

9.6.1 UC24 may only enter into contracts within its statutory powers and shall comply with:

(a) UC24’s Standing Financial Instructions;

(b) EU Directives and other statutory provisions;

(c) any relevant guidance including that issued by the Independent Regulator.

9.6.2 Where appropriate contracts shall be in or embody the same terms and conditions of contract as was the basis on which tenders or quotations were invited.

9.6.3 The Chief Executive shall nominate an officer who shall oversee and manage each contract on behalf of UC24.

# 9.7 Personnel and Agency or Temporary Staff Contracts

9.7.1 The Chief Executive shall nominate officers with delegated authority to enter into contracts of employment of other officers, to authorise regrading staff and enter into contracts for the employment of agency staff or temporary staff.

# 9.8 Cancellation of Contracts

9.8.1 The Chief Executive shall ensure that every written contract shall include a clause empowering UC24 to cancel the contract and to recover from the contractor the amount of any loss resulting from such cancellation is;

9.8.2 The contractor shall have offered, or given or agreed to give, any person any gift or consideration of any kind as an inducement or reward in relation to the obtaining or execution of the contract or any other contract with UC24, or for showing or forbearing to show favour or disfavour to any person in relation to the contracts or any other contract with UC24; or

9.8.3 If the like acts shall have been done by any person employed by him/her or acting on his/her behalf (whether with or without the knowledge of the contractor); or

9.8.4 If in relation to any contract with UC24 the contractor or any person employed by him/her or acting on his/her behalf shall have committed any offence under the Prevention of Corruption Acts 1889 and 1916 and other appropriate legislation.

# 9.9 Determination of Contracts for Failure to Deliver Goods or Materials

9.9.1 There shall be inserted into every written contract for the supply of goods or materials a clause to secure that, should the contractor fail to deliver the goods or materials or any portion thereof within the time or times specified in the contract, UC24 may, without prejudice, determine the contract either wholly or to the extent of such default and purchase other goods or material of similar description to make good:

Such a default; or

b) In the event of the contract being wholly determined the goods or materials remaining to be delivered.

9.9.2 The clause should further secure that the amount by which the cost of so purchasing other goods or materials exceeds the amount which would have been payable to the contractor in respect of the goods or materials shall be recoverable from the contractor.

# 9.10 DISPOSALS

9.10.1Competitive tendering or quotation procedures shall not apply to the disposal of:

Any matter in respect of which a fair price can be obtained only by negotiation or sale by auction as determined (or pre-determined in a reserve) by the Chief Executive or his/her nominated officer.

Obsolete or condemned articles and stores, which may be disposed of in accordance with UC24 Policy.

Items to be disposed of with an estimated sale value as detailed in the Scheme of Delegation.

Items arising from works of construction, demolition or site clearance, which should be dealt with in accordance with the relevant contract.

Land or buildings concerning which guidance has been issued by Independent Regulator but subject to compliance with such guidance.

**10 EXTERNAL BORROWING AND INVESTMENTS**

The Finance Director will be responsible for the management of UC24’s cash flow.

# 10.1 External Borrowing

The Finance Director is responsible for securing Board approval for all loans or working capital facilities. All major finance leases must be approved by the Board of Directors, in line with the scheme of delegation

10.1.1 The Board of Directors will monitor UC24s financing arrangements.

10.1.2 The Finance Director will secure the most preferential interest rates for borrowing.

10.1.3 The Finance Director will advise the Board of Directors concerning the UC24’s ability to pay interest on, and repay, both the originating capital debt and any proposed new borrowing.

10.1.4 Any application for new borrowing will only be made by the Finance Director or by an employee so delegated by him/her.

10.1.5 The Finance Director must prepare detailed procedural instructions concerning applications for new borrowing.

10.1.6 The Finance Director is responsible for reporting periodically to the Board concerning the originating debt and all loans, overdrafts and associated interest.

# 10.2 Investments

10.2.1 The Board approves the Treasury Management Strategy within guidance and best practice.

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

10.2.3 The Finance Director must ensure that all covenants attached to borrowings by the lender are adhered to.

**11 CAPITAL INVESTMENT AND FIXED ASSETS**

# 11.1 Capital Investment

11.1.1 The Chief Executive:

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

(b) is responsible for the management of all stages of capital schemes and for ensuring that schemes are delivered on time and to cost;

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

(d) shall not commit to capital expenditure without confirmation of the availability of cash.

11.1.2 For every capital expenditure proposal to be funded from the UC24’s own resources, a business case should be prepared in accordance with a scheme of delegation issued by the Chief Executive on the advice of the Director of Finance. The Director of Finance shall have discretion to lower this limit where the nature of the proposal has a significant impact on activity levels or financial commitments. The Chief Executive shall ensure:

(a) that a business case 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) appropriate project management and control arrangements;

(b) that the business case has been certified as follows:

(i) by the Director of Finance to indicate endorsement of the cost and activity assumptions and to demonstrate financial concurrence; and

(ii) by the Chief Executive or the Director of Operations and Performance to indicate endorsement of the operational assumptions.

(c) that a business case is submitted to and approved by the Board of Directors in line with the Scheme of Delegation; and

(d) that all proposals to lease, hire or rent fixed assets have been subject to appraisal of their impact on the UC24’s ability to achieve its financial targets and subject to legal advice, from UC24’s legal advisor, on the terms of the proposed contract.

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

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

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

The Chief Executive, or the Director of Finance on his/her behalf, shall issue to the delegated manager (see Scheme of Delegation) responsible for any scheme:

(a) specific authority to commit expenditure;

(b) authority to proceed to tender;

(c) approval to accept a successful tender.

The Chief Executive will issue a scheme of delegation for capital investment management in accordance with the Standing Financial Instructions.

11.1.6 The Director of Finance shall issue procedures governing the financial management, including variations to contract, of capital investment projects and valuation for accounting purposes.

# 11.2 Asset Registers

11.2.1 The Chief Executive is responsible for the maintenance of registers of assets, taking account of the advice of the Director of Finance 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.

11.2.2 The Chief Executive is responsible for the maintenance of a publicly available property register recording protected property, in accordance with the guidance issued by the Independent Regulator.

11.2.3 The Director of Finance shall approve procedures for reconciling balances on protected property accounts in ledgers against balances on protected property asset registers.

11.2.4 UC24 will value its assets in accordance with guidance.

11.2.5 Unless the Independent Regulator otherwise directs only non-protected assets may be used as collateral to raise funds.

# 11.3 Security of Assets

11.3.1 The overall control of fixed assets is the responsibility of the Chief Executive advised by the Director of Finance for the accounting aspects and the Director of Operations and Performance for the physical management and control.

11.3.2 Asset control procedures (including protected property, non-protected assets, cash, cheques and negotiable instruments, and also including donated assets) must be approved by the Director of Finance and the Director of Operations and Performance. 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) Identification and reporting of all costs associated with the retention of an asset;

(f) The asset replacement policy

(g) Reporting, recording and safekeeping of cash, cheques, and negotiable instruments.

11.3.3 All discrepancies revealed by verification of physical assets to fixed asset register must be notified to the Director of Finance.

11.3.4 Whilst each employee has a responsibility for the security of property of UC24, it is the responsibility of directors and senior employees in all disciplines to apply such appropriate routine security practices in relation to UC24 property as may be determined by the Board. Any breach of agreed security practices must be reported in accordance with agreed instructions.

11.3.5 Any damage to UC24’s premises, vehicles and equipment, or any loss of equipment, stores or supplies must be reported by directors and employees in accordance with the procedure for reporting losses.

11.3.6 Where practical, assets should be marked as UC24 property.

**12 STORES AND RECEIPT OF GOODS**

12.1 The Director of Operations in conjunction with the Director of Finance shall set out procedures and systems to regulate stores (defined as controlled and accountable) including:

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

(b) Stocktaking arrangements;

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

12.2 Responsibility for the control of stores is set out in the Scheme of Delegation.

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

12.4 Subject to the responsibility of the Director of Finance for the systems of control, overall responsibility for the control of stores shall be delegated to an officer by the Chief Executive. The day-to-day responsibility may be delegated by him to departmental officers and stores managers/keepers, subject to such delegation being entered in a record available to the Director of Finance. The control of Pharmaceutical stocks shall be the responsibility of a designated Officer; the control of fuel oil of a designated officer.

**13 DISPOSALS AND CONDEMNATIONS, LOSSES AND SPECIAL PAYMENTS**

# 13.1 Disposals and Condemnations

13.1.1 Procedures

The Director of Finance, in conjunction with the Director of Operations and Performance, must prepare detailed procedures for the disposal of assets including condemnations, scrap materials and items surplus to requirements and ensure that these are notified to managers.

13.1.2 When it is decided to dispose of a UC24 asset, the Head of Department or authorised deputy will approach the Finance Department to determine and advise the Director of Finance of the estimated market value of the item, taking account of professional advice where appropriate.

13.1.3 UC24 may not dispose of any protected property. Property must first be unprotected with the approval of the Board of Directors and in line with the guidance issued by the Independent Regulator.

All unserviceable articles shall be:

(a) Condemned or otherwise disposed of by an employee authorised for that purpose by the Director of Finance;

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

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

# 13.2 Losses and Special Payments

13.2.1 Procedures

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

13.2.2 An employee discovering or suspecting a loss of any kind must immediately inform their Head of Department, the Head of Internal Audit, the Local Counter Fraud Specialist or, if no other route is appropriate, the Chief Executive. The Head of Department or the Head of Internal Audit must immediately inform the Director of Finance. If theft or arson is involved, the Head of Department must inform the police immediately. In cases where the speed of response from the police is of the essence, such as a crime in progress, employees may contact the police directly, but must inform, immediately thereafter, their Head of Department, who must then inform the Director of Finance promptly. Out of office hours, if the Head of Department is not on duty, the most senior manager on site should be contacted.

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

(a) The Chief Executive,

(b) The Local Counter Fraud Specialist.

13.2.4 Within limits established by UC24, the Board of Directors may consider and if thought fit, shall approve the writing-off of losses (as per the Scheme of Delegation).

13.2.5 The Chief Executive should consult the Treasury on any losses or special payments, irrespective of any delegated authorities passed to UC24 or the amount of money concerned if they:-

• involve important questions of principle

• raise doubts about the effectiveness of existing systems

• contain lessons which might be of wider interest

• are novel or contentious

• might create a precedent for other departments in similar circumstances

• arise because of obscure or ambiguous instructions issued centrally

In line with Annex 4.10 to 4.13 of the HM Treasury manual Managing Public Money.

13.2.6 The Director of Finance shall approve all special payments made to staff where legal advice has been taken and a compensation payment is deemed appropriate.

13.2.7 The Director of Finance shall take any necessary steps to safeguard UC24’s interests in bankruptcies and company liquidations.

13.2.8 For any loss, the Director of Finance, as appropriate, should consider whether any insurance claim can be made against insurers.

13.2.9 The Director of Finance shall maintain a Losses and Special Payments Register in which write-off action, losses and special payments are recorded.

**14 INFORMATION TECHNOLOGY**

# 14.1 Responsibilities and duties of the Director of Finance

14.1.1 The Director of Finance, who is responsible for the accuracy and security of the computerised financial data of the UC24, shall:

(a) Devise and implement any necessary procedures to ensure adequate (reasonable) protection of the UC24’s data, programmes and computer hardware for which he/she is responsible from accidental or intentional disclosure to unauthorised persons, deletion or modification, theft or damage, having due regard for the Data Protection Act;

(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 he/she may consider necessary are being carried out.

14.1.2 The Director of Finance shall satisfy himself/herself that new financial systems and amendments to current financial systems (including those obtained by external agency arrangements) are developed in a controlled manner and thoroughly tested prior to implementation. Where this is undertaken by another organisation, assurances of adequacy will be obtained from them prior to implementation.

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

14.2.1 In the case of computer systems which are proposed General Applications (i.e. normally those applications which other Health Organisations in the Region wish to sponsor jointly) all responsible directors and employees will send to the Director of Finance:

(a) Details of the outline design of the system;

(b) In the case of packages acquired either from a commercial organisation, from the NHS, or from another public sector organisation, the operational requirement.

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

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

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

# 14.4 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 Finance in conjunction with the relevant Director shall satisfy themselves that:

(a) Systems acquisition, development and maintenance are in line with corporate policies such as an Information Technology Strategy;

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

(c) Finance staff have access to such data; and

(d) Such computer audit reviews as are considered necessary are being carried out.

**15 RETENTION OF DOCUMENTS**

15.1 The Chief Executive will be responsible for defining retention periods and maintaining archives in accordance with best practice and extant guidance, for all documents required to be retained.

15.2 The documents held in archives must be capable of retrieval by authorised persons.

15.3 Documents so held shall only be destroyed at the express instigation of the Chief Executive; records will be maintained of documents so destroyed.

**16 RISK MANAGEMENT AND INSURANCE**

# 16.1 Programme of Risk Management

16.1.1 The Chief Executive will ensure that the risk management strategy will be approved and monitored by the Board.

The risk management strategy will include:

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

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

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

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

e) Audit arrangements including Internal Audit, clinical audit, health and safety reviews and;

f) Decision on which risks shall be insured through arrangements with commercial insurers;

g) Arrangements to review the Risk Management strategy.

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

16.1.2 The Chief Executive in consultation with his/her designated officer(s) shall be responsible for ensuring adequate insurance cover is effected in accordance with risk management policy approved by the Board of Directors.

16.1.3 Each officer shall promptly notify the designated officer of all new risks or property under his control, which require to be insured, and of any alterations affecting existing risks or insurances.

16.1.4 The designated officer shall ascertain the amount of cover required and shall affect such insurances as are necessary to protect the interests of UC24.

16.1.5 The Chief Executive or his/her designated officer shall make all claims arising out of policies of insurance and each officer shall furnish the Director of Finance immediately with full particulars of any occurrence involving actual or potential loss to UC24 and shall furnish an estimate of the probable cost involved.

16.1.6 The Director of Finance shall ensure that all engineering plant under his/her control is inspected by the relevant Insurance Companies within the periods prescribed by legislation.

16.1.7 The value of all assets and risks insured shall be reviewed or index-linked on an annual basis by the designated officer.

16.1.8 The relevant Directors shall decide if UC24 will insure through arrangements with commercial insurers.

16.1.9 The relevant Directors shall ensure documented procedures cover the management of claims and payments in respect of the arrangements with commercial insurers.

**17 ACCEPTANCE OF GIFTS AND HOSPITALITY**

# 17.1 Acceptance of Gifts and Hospitality

17.1.1 The acceptance of gifts, hospitality or consideration of any kind from contractors and other suppliers of goods or services as an inducement or reward is not permitted under the Bribery Act 2010.

17.1.2 Where offers of goods and services do not involve inducement or reward, officers should not accept gifts from commercial sources other than inexpensive articles such as calendars or diaries considered under the value of £25. If such gifts arrive unsolicited, the advice of the Director of Finance should be sought.

# 17.2 Private Transactions

* + 1. Officers having official dealings with contractors or other suppliers of goods or services should avoid transacting any kind of private business with them by means other than normal commercial channels. No favour or preference as regards price or otherwise which is not generally available should be sought or accepted.

**Scheme of Delegation**

|  |  |  |
| --- | --- | --- |
| **Scheme of Delegation - Appendix 1 to UC24 SFIs** | | |
|  | **Document Details** | |
|  | Title | Scheme of Delegation |
|  | Purpose | This scheme details the levels of delegation the Board gives to individuals and committees |
|  | Who is the document aimed at | All Staff |
|  |  |  |
|  | **Delegated Matter** | **Authority Delegated to** |
|  |  |  |
| **1.** | **Management of Budgets (responsibility of keeping expenditure in budgets)** |  |
| a) | At individual budget level (pay & non pay) | Budget Managers, Heads Of, Service Leads. |
| b) | At Service Delivery Unit / Directorate level | Budget Managers, Heads Of, Service Leads, Exec Directors |
| c) | For all other areas | Director of Finance |
| d) | Approving spend exceeding the tender price by 10% or £15k (whichever is higher) | Chief Executive, Director of Finance |
|  |  |  |
| **2.** | **Non Pay revenue expenditure Ordering/Payments** |  |
| a) | Orders/Payments up to £200 | Budget Holders, Heads of |
| b) | Orders/Payments up to £500 | Heads Of and Budget Holder |
| c) | Orders/Payments up to £5,000 | Budget Holders, and 2 Exec Directors |
| d) | Orders/Payments over £5,000 | Budget Holder, with Chief Executive and Director of Finance |
| e) | Orders exceeding a 12 month period | In addition to all the above (a - c) with Chief Executive and Director of Finance |
|  |  |  |
|  |  |  |
| **3.** | **Capital expenditure Ordering/Payment** |  |
| a) | All Orders/Payments | Director of Finance and Budget Holder |
|  |  |  |
| **4.** | **Authorised Signatory List** |  |
| a) | Creation & Maintenance of authorised signatories | Head of Finance, Director of Finance |
|  |  |  |
| **5.** | **Capital Schemes & Leases** |  |
| a) | Granting, Termination & Extension to Leases | Chief Executive & Director of Finance |
|  |  |  |
| **6.** | **Quotation, Tendering & Contract Procedures** |  |
| a) | Obtaining a minimum of 2 quotes (written/electronic) for goods/services over £500 | Budget Holder, Scheme Lead, Head of Finance |
| b) | Obtaining a minimum of 3 quotes (written/electronic) for goods/services over £5,000 | Budget Holder, Scheme Lead, Head of Finance |
| c) | Waiving of quotations and tenders subject to SFIs | Chief Executive and Head of Finance |
|  |  |  |
| **7.** | **Setting of Fee's & Charges** |  |
| a) | Costing of New Services / SLAs | Head/Director of Finance, with Budget Holder input |
| b) | Review of Service/SLA cost | Head/Director of Finance, with Budget Holder input |
|  |  |  |
| **8.** | **Engagement of Agencies / Staff not on the Establishment** |  |
| a) | Engagement with new Agencies | Budget Holder and Head of Finance or Director of Finance |
| b) | Engagement with Locum/Bank Staff (associates of approved agencies) | Budget Holder or Head Of service |
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|  |  |  |
| **9.** | **Workforce & Pay** |  |
| a) | Filling Funded Posts | Budget Holder and Head of Service |
| b) | Appointing staff to post where no budget currently exists | Budget Holder and Head of Service and Director of Finance |
| c) | Authorising overtime | Budget Holder |
| d) | Authorising Travel & Subsistence expenses | Budget Holder |
| e) | Renewal of fixed term contracts | Budget Holder, Head of Service, Director |
| f) | Redundancy Payments | Budget Holder, Head of Service, Director of Finance |
|  |  |  |
| **10.** | **Maintenance/Operation of Bank Accounts** | **Director of Finance** |
|  |  |  |
| **11.** | **Maintenance and update of Finance Procedures** | **Director of Finance** |
|  |  |  |
| **12.** | **Write-Off of Losses** |  |
| a) | Losses of Cash due to Fraud, Theft, Overpayment or other causes | Director of Finance & Chief Executive |
| b) | Bad Debts | Director of Finance & Chief Executive |