



Scheme of Delegation and Prime Financial Policies

(Revised May 2014)

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1. Scheme of Delegation

1.1 Schedule of Matters Reserved to the Clinical Commissioning Members

1.2 General Enabling Provision

- a) Approve variations to the Stoke-on-Trent Clinical Commissioning Group Constitution in line with Clause 28

2. Schedule of Matters Reserved to the Governing Body

2.1 General Enabling Provision

The Governing Body may determine any matter, for which it has delegated or statutory authority, it wishes in full session within its statutory powers.

2.2 Regulation and Control

- a) Approve variations to the schedule of matters reserved to the Governing Body, and Prime Financial Policies, for the financial regulation of its proceedings and business.
- b) Requiring and receiving the declaration of Governing Body members' interests which may conflict with those of SOTCCG and, taking account of any waiver the Secretary of State may have made in any case, determining the extent to which that member may remain involved with the matter under consideration.
- c) Requiring and receiving the declaration of officers' interests which may conflict with those of SOTCCG
- d) Adoption of the organisational structures, processes and procedures to facilitate the discharge of business by SOTCCG and to agree modifications thereto.
- e) Approval of a scheme of delegation of powers to committees.
- f) Establishment of terms of reference and reporting arrangements of all committees and sub-committees that are established by the Governing Body.
- g) Receipt of reports from committees and taking appropriate action thereon.
- h) Confirmation of the recommendations of SOTCCG committees where the committees do not have executive powers.
- i) Approve variations to the scheme of delegation of powers from the Governing Body / Accountable Officer to officers.
- j) Ratification of any urgent decisions taken by the Accountable Officer and Chair in accordance with Clause 7.1.21
- k) Approval of arrangements for dealing with complaints.
- l) Disciplining employed members of the Governing Body or CCG who are in breach of statutory requirements or the Constitution
- m) Approval of arrangements relating to the discharge of SOTCCGs responsibilities as a corporate trustee for funds held on trust.

2.3 Appointments

- a) Appointment and dismissal of the Vice Chair of the Governing Body.
- b) Appointment and dismissal of Chair, Accountable Officer, Chief Financial Officer, Chief Commissioning Officer, subject to any directions issue by the Secretary of State / National Commissioning Board.
- c) Appointment and dismissal of other committees, and individual members, that are directly accountable to the Governing Body.

2.4 Policy Approval

Approval of any management policies deemed to be “novel, contentious, or repercussive”. The Governing Body will receive a summary of all policies approved and by which committee.

2.5 Strategy, Business Plans and Budgets

Definition of the strategic aims and objectives of SOTCCG

- a) Annual approval of plans in respect of the application of available financial resources to support the agreed Local Delivery Plan.
- b) Approval of SOTCCG annual commissioning strategy or plan.
- c) Approval of all proposals for significant organisational and/or service development
- d) and investment, whether for directly managed services, primary care, public health, or commissioned services, and including all PFI proposals and formal partnering arrangements.
- e) Approval of proposals for ensuring quality and developing clinical governance in services provided by SOTCCG or its constituent practices, having regard to any guidance issued by the Secretary of State.
- f) Approval and monitoring of the SOTCCG policies and procedures for the management of risk.

2.6 Direct Operational Decisions

- a) Approval of individual contracts, service agreements, or individual payments of any type above any limits delegated to individual officers for this purpose.
- b) Agreeing action on major litigation against or on behalf of SOTCCG
- c) Approval of the opening of bank or investment accounts.

2.7 Financial and Performance Monitoring Arrangements

- a) Continuous appraisal of the affairs of SOTCCG by means of the receipt of reports as it sees fit from committees, directors, and officers of SOTCCG
- b) Receipt of any other information that the Body, from time to time, sees fit.

2.8 Audit Arrangements

- a) Approval, on the recommendation of the Audit Committee, of audit arrangements for SOTCCG including arrangements for the separate audit of funds held on trust, and the appointment (and where necessary dismissal) of Auditors.
- b) Receipt of reports of Audit Committee meetings and acting thereon.
- c) Receipt of the annual management letter received from the external auditor and agreement of proposed action, taking account of the advice, where appropriate, of the Audit Committee.

2.9 Annual Report and Accounts

- a) Receipt and approval of SOTCCG annual report and accounts.
- b) Receipt and approval of the annual report and accounts for funds held on trust.

3. Accountable Officer Responsibilities under the Constitution *[Numbers in brackets refer to the paragraphs contained in the Constitution]*

3.1 General

3.1.1 Designated Governing Body member. **[7.1.2]**

3.1.2 The Chair and the Accountable Officer shall be elected positions. **[7.1.3]**

3.2 Accountable Officer Responsibilities

3.2.1 Shall be subject to an election and who shall then be appointed/nominated by the Governing Body. **[12.1.1]**

3.2.2 Shall be primarily governed by the Health and Social Care Act 2012. **[12.1.2]**

3.2.3 Ensure that the Governing Body has a full commissioning policy, whilst ensuring that: **[12.1.3]**

- a) All obligations of the Clinical Commissioning Group are fulfilled economically and in a transparent manner; and
- b) To maintain any Conflict of Interest registers of the Clinical Commissioning Group.

3.2.4 Will report directly to the Governing Body of the Clinical Commissioning Group. **[12.1.4]**

3.3 Arrangements for the exercise of functions by delegation

3.3.1 Shall, jointly with the Chair, in an emergency or where there is a requirement for an urgent decision, exercise the powers the Body has delegated under such circumstances. **[7.1.21]**

3.4 Duties and Obligations regarding of Conflict of Interest

3.4.1 Shall maintain a register of interests of all members of the Governing Body or its sub-committees recording all declarations of Conflicts of Interest in the forms set out in Schedules 5. **[21.1]**

3.4.2 Shall include and update any Conflicts of Interest in the register of interests together with any conditions the Governing Body, its Committees or Subcommittees may impose on the member or any relevant Contract. **[23.2]**

4. Accountable Officer Responsibilities under the Prime Financial Policies *[Numbers refer to the paragraphs contained in the Prime Financial Policies]*

4.1 General

4.1.1 To ensure that contractors and their employees, who are empowered by the group to commit the groups expenditure shall be covered by these policies. [\[7.1\]](#)

4.2 Internal Control

4.2.1 Has overall responsibility for the groups systems of internal control. [\[7.6\]](#)

4.3 Fraud and Corruption

4.3.1 Shall nominate a suitable person to carry out the duties of the Local Counter Fraud Specialist as specified by the DH Fraud and Corruption Manual [\[7.8.3\]](#)

4.3.2 Will monitor and ensure compliance with Directions issues by the Secretary of State for Health/ NHS National Commissioning Board on NHS Security Management [\[7.8.6\]](#)

4.3.3 Shall nominate a suitable person to carry out the duties of the Local Security Management Specialist (LSMS) as specified by the Secretary of State/ NHS National Commissioning Board. [\[7.8.6b\]](#)

4.3.4 Shall nominate a Lay Member to oversee the local security management service, who will report to the Governing Body. [\[7.8.6c\]](#)

4.4 Expenditure Control

4.4.1 Has overall executive responsibility for ensure that the groups complies with its statutory obligations, including its financial and accounting obligations, and that it exercises its functions effectively, efficiently and economically and in a way that provides good value for money. [\[7.9.2\]](#)

4.5 Commissioning Strategy, Budgets, Budgetary Control and Monitoring

- 4.5.1 Will compile and submit to the Governing Body a Commissioning Strategy as part of the DDD Plan which takes into account financial targets and forecasts limits of available resources. [\[7.11.1\]](#)
- 4.5.2 Is responsible for ensuring that information relating to the group's account or to its income or expenditure or its use of resources is provided to the NHS Commissioning Board as requested. [\[7.11.4\]](#)
- 4.5.3 Approval of permanent appointments if outside available resources and any approved manpower establishment [\[7.11.5c\]](#)
- 4.5.4 Will approve consultation arrangements for the groups commissioning plan. [\[7.11.6b\]](#)

4.6 Tendering and Contracting

- 4.6.1 Shall nominate an individual who shall oversee and manage each contract on behalf of the group. [\[7.17.3\]](#)
- 4.6.2 Shall ensure that competitive tenders are invited for: [\[7.17.5a\]](#)
- The supply of goods, materials and manufactured articles;
 - The tendering of services including all forms of management consultancy services (other than specialised services sought from or provided by the DH); for special arrangements governing the engagement of management consultants
 - For the design, construction and maintenance of building and engineering works (including construction and maintenance of grounds and gardens);
- 4.6.3 Exceptions and instances where formal tendering need not be applied
- In exceptional circumstances where the Accountable Officer decides that formal tendering procedures would not be practicable or the estimated expenditure or income would not warrant formal tendering procedures, and the circumstances are detailed in an appropriate CCG record; [\[7.17.5c\]](#)
- Note Receive formal notification and documentation when competitive tenders have not been sort, prior to authorisation.
- 4.6.4 Addressee for formal competitive tenders [\[7.17.6b\]](#)
- Designate an officer to receive tender, be responsible for their safe custody and endorsement.
- 4.6.5 Designate an officer to maintain a tender register. [\[7.17.6c \) v\]](#)

- 4.6.6 Where the designate officer is of the opinion that the tender received are not strictly competitive no contract shall be awarded without the approval of the Accountable Officer. [\[7.17.6d\]](#)
- 4.6.7 Decide whether late tenders are admissible or whether re-tendering is desirable or nominate an officer by the CCG. [\[7.17.6e\]](#)
- 4.6.8 Authorise the acceptance of tenders which will commit expenditure in excess of that which has been allocated by the CCG. [\[7.17.6f\]](#)
- 4.6.9 Nominate a manager to maintain lists of approved firms. [\[7.17.6h\]](#)
- 4.6.10 Authorise the award of contracts up to the value of £4,999,999 [\[7.17.6j\]](#)
- 4.6.11 Decide jointly with the Chief Finance Officer when it is impractical to use the approved list and ensure that the appropriate checks are carried out on those invited to tender or quote. [\[7.18\]](#)
- 4.6.12 Shall nominate an officer who shall oversee and manage each contract on behalf of the SOTCCG. [\[7.19\]](#)
- 4.6.13 Approve, with the Chief Financial Officer, the adoption of another organisation's tendering process in lieu of the CCG own. [\[7.20\]](#)
- 4.6.14 Nominate officers with delegated authority to enter into contracts of employment, regarding staff, interim agency staff or temporary staff service contracts. [\[7.21\]](#)

4.7 Commissioning

- 4.7.1 Establish arrangements to ensure that regular reports are provided to the Governing Body detailing actual and forecast expenditure and activity for each contract. [\[7.22.2\]](#)

4.8 Risk Management

- 4.8.1 Ensure that a risk register is maintained. [\[7.23\]](#)

4.9 Non Pay Expenditure

- 4.9.1 Will determine the level of delegation to budget managers. [\[7.25.1\]](#)
- 4.9.2 Shall set out procedures on the seeking of professional advice regarding the supply of goods and services. [\[7.25.2\]](#)

- 4.9.3 Shall authorised requisition/order for any items or items for which there is no budget provision for. [17.25.6e]
- 4.9.4 Issues verbal orders, in cases of emergency or urgent need. [17.25.6g]

4.10 Capital Investment, Fixed Assets Registers and Security of Assets

4.10.1 Will: [7.26.1]

- a) Ensure that there is an adequate appraisal and approval process in place for determining capital expenditure priorities and the effect of each proposal upon plans;
- b) Be responsible for the management of all stages of capital schemes and for ensuring that schemes are delivered on time and to cost;
- c) Shall ensure that the capital investment is not undertaken without confirmation of purchaser(s) support and the availability of resources to finance all revenue consequences, including capital charges;
- d) Be responsible for the maintenance of registers of assets, taking account of the advice of the Chief Finance Officer concerning the form of any register and the method of updating, and arranging for a physical check of assets against the asset register to be conducted once a year.

4.10.1 Responsible for the maintenance of registers of assets, taking in to account the advice of the Chief Financial Officer. [7.26.4]

4.10.2 Shall maintain an asset register recording fixed assets. [7.26.5]

4.10.3 Overall control and responsibility of fixed assets. [7.26.12]

4.11 Retention of Records

4.11.1 Shall: [7.27]

- a) Be responsible for maintaining all records required to be retained in accordance with NHS Code of Practice Records Management 2006 and other relevant notified guidance;
- b) Ensure that arrangements are in place for effective responses to Freedom of Information requests;
- c) Publish and maintain a Freedom of Information Publication Scheme.

5. Chief Financial Officer Responsibilities under Constitution
[Numbers in brackets refer to the paragraphs contained in the Constitution]

5.1 General

5.1.1 Designated Governing Body member. [\[7.1.2\]](#)

5.2 Chief Financial Officer

5.2.1 The Governing Body shall have a Chief Financial Officer. [\[12.3.1\]](#)

5.2.2 The Chief Financial Officer will be appointed by the Clinical Commissioning Group, be suitably qualified and will report to the Clinical Commissioning Group Governing Body. [\[12.3.2\]](#)

5.2.3 The obligations and liabilities of the Chief Financial Officer are set out below: [\[12.3.3\]](#)

- a) To be responsible for all financial strategy, financial management, governance and regulation of the Clinical Commissioning Group, including maintaining adequate recording, invoicing and receipt of money and the review of any fees or charges made;
- b) To maintain and regulate relevant budgetary controls, in particular with regard to any directions issued by the NHS England;
- c) To produce, when required, any reports and/or reconciliations of any expenditure made in relation to the performance of any of the functions under this Constitution; and
- d) To ensure compliance with any other relevant regulations, directions and/or guidance.

6. Chief Financial Officer Responsibilities under Prime Financial Policies
[Numbers in brackets refer to the paragraphs contained in the Prime Financial Policies]

6.1 General

6.1.1 Responsible for approving all detailed financial policies. [\[7.1.4\]](#)

6.1.2 Advice on interpretation or application of the Prime Financial Policies (PFP). [\[7.1.6\]](#)

- 6.1.3 Key contact for reporting non-compliance with the PFP. [\[7.2.1\]](#)
- 6.1.4 Ensure that the PFP remain up-to-date and relevant and will review them at least annually. [\[7.5.1\]](#)

6.2 Internal Control

- 6.2.1 Ensure that: [\[7.6.3\]](#)
 - a) Financial policies are considered for review and update annually;
 - b) A system is in place for proper checking and reporting of all breaches of financial policies; and
 - c) A proper procedure is in place for regular checking of the adequacy and effectiveness of the control environment.

6.3 Audit

- 6.3.1 Responsible person for internal audit, and the Audit commission appointed external auditors. [\[7.7.1; 7.7.2\]](#)
- 6.3.2 Ensuring that: [\[7.7.3\]](#)
 - a) The group has a professional and technically competent internal audit function; and
 - b) The Governing Body's Audit Committee approves any changes to the provision or delivery of assurance services to the group

6.4 Fraud and Corruption

- 6.4.1 Act as the key contact for the local counter fraud specialist [\[7.8.5\]](#)

6.5 Expenditure Control

- 6.5.1 Will: [\[7.9.3\]](#)
 - a) Provide reports in the form required by the NHS England;

- b) Ensure money drawn from the NHS England is required for approved expenditure only and is drawn down only at the time of need and follows best practice;
- c) Be responsible for ensuring that an adequate system of monitoring financial performance is in place to enable the group to fulfil its statutory responsibility not to exceed its expenditure limits, as set by direction of the NHS England.

6.6 Allotments

6.6.1 Will [7.10.1]

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

6.7 Commissioning Strategy, Budgets, Budgetary Control and Monitoring

- 6.7.1 Will, on behalf of the accountable officer, prepare and submit budgets prior to the start of the financial year, for approval by the Governing Body if delegated. **[7.11.2]**
- 6.7.2 Shall monitor financial performance against budget and plan, periodically review them, and report to the Governing Body. **[7.11.3]**

6.8 Annual Accounts and Report

6.8.1 Will ensure the group: [7.12.1]

- a) Prepares a timetable for producing the annual report and accounts and agrees it with external auditors and the Audit Committee;
- b) Prepares the accounts according to the timetable approved by the Audit Committee.

- c) Complies with statutory requirements and relevant directions for the publication of an annual report;
- d) Considers the external auditor's management letter and fully address all issues within agreed timescales; and
- e) Publishes the external auditor's management letter on the group's website at and makes it www.stoke.nhs.uk available upon request for inspection at SOTCCG office.

6.9 Information Technology

6.9.1 Responsible for the accuracy and security of the group's computerised financial data and shall: [\[7.13.1\]](#)

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

6.9.2 Shall ensure that new financial systems and amendments to current financial systems are developed in a controlled manner and thoroughly tested prior to implementation. Where this is undertaken by another Organisation, assurances of adequacy must be obtained from them prior to implementation. [\[7.13.2\]](#)

6.9.3 Is the Senior Information Responsible Officer (SIRO) for SOTCCG. [\[7.13.3\]](#)

6.10 Accounting System

6.10.1 Will ensure: [\[7.14.1\]](#)

- a) The group has suitable financial and other software to enable it to comply with these policies and any consolidation requirements of the NHS England;
- b) 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.
- c) Where another health organisation or any other agency provides a computer service for financial applications, the Chief Finance Officer shall periodically seek assurances that adequate controls are in operation.

6.11 Bank Accounts

6.11.1. Will: [\[7.15.1\]](#)

- a) Review the banking arrangements of the group at regular intervals to ensure they are in accordance with Secretary of State directions¹, best practice and represent best value for money;
- b) Manage the group's banking arrangements and advise the group on the provision of banking services and operation of accounts;
- c) Prepare detailed instructions on the operation of bank accounts.

6.12 Income, Fees and Charges and Security of Cash, Cheques and Other Negotiable Instruments

6.12.1. Responsible for: [\[7.16.1\]](#)

- a) Designing, maintaining and ensuring compliance with systems for the proper recording, invoicing, and collection and coding of all monies due;
- b) Establishing and maintaining systems and procedures for the secure handling of cash and other negotiable instruments;
- c) Approving and regularly reviewing the level of all fees and charges other than those determined by the NHS England or by statute.
- d) Independent professional advice on matters of valuation shall be taken as necessary;
- e) For developing effective arrangements for making grants or loans.

6.12.2 Responsible for the appropriate recovery action on all outstanding debts. [\[17.6.2\]](#)

- 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;

¹ See section 223H(3) of the NHS Act 2006, inserted by section 27 of the 2012 Act

- c) The provision of adequate facilities and systems for staff 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 SOTCCG

6.12.3 Approval of any disbursements, postal orders, cash etc made from cash. [\[7.16.5\]](#)

6.13 Tendering and Contracting Procedure

6.13.1 Agree when it is desirable to seek tenders from firms who are not on the approved list. [\[7.17.1\]](#)

6.13.2 Authorise acceptance of quotations that are not the lowest cost and record reasons for acceptance. [\[7.17.4b\]](#)

6.13.3 Authorise acceptance of quotations which will commit expenditure in excess of that which has been allocated by the CCG. [\[7.17.4d\]](#)

6.13.4 Receive formal notification and documentation when competitive tenders have not been sort, prior to authorisation. [\[7.17.5c\]](#)

6.13.5 Shall ensure that normally the firms/individuals invited to tender (and where appropriate, quote) are among those on approved lists. [\[7.17.5e\]](#)

6.13.6 Where only one tender is sought and, or received, ensuring, as far practicable, that the price to be paid is fair and reasonable and will ensure value for money for SOTCCG. [\[7.17.6d\]](#)

6.13.7 Authorise the acceptance of tenders which will commit expenditure in excess of that which has been allocated by the CCG. [\[7.17.6\]](#)

6.13.8 Authorise the award of contracts up to the value of £3,999,999 [\[7.17.6j\]](#)

6.14.8 Decide jointly with the Accountable Officer when it is impractical to use the approved list and ensure that the appropriate checks are carried out on those invited to tender or quote. [\[7.18\]](#)

6.14.9 Approve, with the Accountable Officer, the adoption of another organisation's tendering process in lieu of the CCG own. [\[7.20\]](#)

6.14 Commissioning

6.14.1 Maintain a system of financial monitoring to ensure the effective accounting of expenditure under contracts. [\[7.22.3\]](#)

6.15 Risk Management

6.15.1 Regularly review, with the Chief Operating Officer, the risk register. [\[7.23.4\]](#)

6.16 Payroll

6.16.1 Ensure that the payroll service selected: [\[7.24.1\]](#)

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

6.16.2 Set out comprehensive procedures for the effective processing of payroll. [\[7.24.2\]](#)

6.17 Non-pay Expenditure

6.17.1 Will: [\[7.25.3\]](#)

- a) Advise the Audit Committee on 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 reservation and delegation;
- b) Be responsible for the prompt payment of all properly authorised accounts and claims;
- c) Be responsible for designing and maintaining a system of verification, recording and payment of all amounts payable.

6.17.2 Will determine the delegated financial limits for non pay expenditure and review this annually. [\[7.25.4\]](#)

6.17.3 Approve the form used for official orders. [\[7.25.5\]](#)

6.17.4 Ensure that Officers and managers comply fully with the guidance and limits agreed. [\[7.25.6\]](#)

6.17.5 Shall authorised requisition/order for any items or items for which there is no budget provision for. [\[7.25.6e\]](#)

6.17.6 Issue instructions regarding the purchases from petty cash. [\[7.25.6k\]](#)

6.17.7 Ensure that petty cash records are maintained. [\[7.25.6l\]](#)

6.18 Capital Investment, Fixed Assets Registers and Security of Assets

- 6.18.1 Advise the Accountable Officer in terms of updating of registers and physical checks of assets. [\[7.26.1d\]](#)
- 6.18.2 Shall approve procedures for reconciling balance on fixed assets accounts in ledgers against balance on fixed assets registers. [\[7.26.8\]](#)
- 6.18.3 Shall calculate and pay capital charges as specified in Capital Accounting Manual. [\[7.26.11\]](#)
- 6.18.4 Approve the asset control procedures (including fixed assets, cash, cheques and negotiable instruments and also including donated assets. [\[7.26.13\]](#)

6.19 Trust Funds and Trustees

- 6.19.1 Shall ensure that each trust fund which the group is responsible for managing is managed appropriately with regard to its purpose and to its requirements. [\[7.28.1\]](#)

6.20 Acceptance of gifts by staff and link to standards of business conduct.

- 6.20.1 Shall ensure that all staff are made aware of SOTCCG policy on acceptance of gifts and other benefits in kind by staff. [\[7.29.1\]](#)

Details of all hospitality received by staff shall be entered in a register maintained by the Head of Governance.

6.21 Commissioning Support Service

- 6.21.1 Responsible for ensuring a comprehensive Service Level Agreement is in place for services provided by the Commissioning Support Service. [\[7.30.1\]](#)
- 6.21.2 The Chief Finance Officer will ensure that the contract for such services provides value for money. [\[7.30.2\]](#)
- 6.21.3 Ensuring the Governing Body can be assured as to the accuracy and quality of services delivered by the Commissioning Support Service. [\[7.30.3\]](#)

6.22 Table of Delegations

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Ref	Matter delegated	Delegate to CCG	Delegate to CSU
1	<p>Bank accounts</p> <ul style="list-style-type: none"> a) Maintenance and operation in accordance with mandate approved by Governing Body b) Cash requisition and draw down c) Payment requests outside of standard processes d) Urgent CHAPS e) Transacting RFT/BACS f) Cash advances to providers 	<ul style="list-style-type: none"> a) Chief Financial Officer f) Chief Financial Officer or their Nominated Deputy 	<ul style="list-style-type: none"> b) Delegate to CSU in accordance with cash limit resource and provision of cash flow reports c) CSU CFO or COO or their nominated deputies d) Restricted to payroll operated by the CSU e) Supplier run up to £12,000,000, payroll run up to £250,000.

<p>2</p>	<p>Budget management Responsibility for maintaining expenditure within approved budgets</p> <ul style="list-style-type: none"> • At individual budget level (pay and non-pay) • For the totality of services covered by the directorate • At service/ programme level • For all other areas <p>All financial limits in this schedule of matters delegated to officer are subject to adequate budgets being available</p>	<ul style="list-style-type: none"> a) Designated budget holder b) Chief Financial Officer or Chief Operating Officer c) Head of Service/programme d) Within budget limits 	
<p>3</p>	<p>Business Cases</p> <ul style="list-style-type: none"> a) Business cases cost neutral or a non recurrent cost not exceeding £25,000 b) Business cases with a cost (recurrent or non recurrent) exceeding £25,000 but not exceeding £150, 000 c) Business cases exceeding £150,000 	<ul style="list-style-type: none"> a) Clinical Director, the Chief Operating Officer or the Chief Financial Officer b) Executive Committee c) Governing Body approval. 	
<p>4</p>	<p>Commissioning and contracting expenditure: payments within SLA contractual arrangements</p> <ul style="list-style-type: none"> a) Payments relating to NHS Providers, partnership agreements with Local Authorities and third parties representing one twelfth of the contract/SLA value b) Other contractual payments and enhanced services 	<ul style="list-style-type: none"> b) Designated Budget Holder 	<ul style="list-style-type: none"> a) Delegate to the Contract Management Team who are responsible for ensuing payments are in line with contractual values and variation orders

5	<p>Commissioning and contracting expenditure: payments outside of SLAs,</p> <p>a) Signing of contractual arrangements for £500,000 and above</p> <p>b) Signing of contractual arrangements up to £499,999.99</p> <p>c) Payments for non-contract healthcare activity (NCAs) <£4999.99</p> <p>d) Payments for SLA over performance <£2499.99 per provider per month</p> <p>e) Payments for non-contract healthcare activity (NCAs) > £5000 and SLA over-performance >£2,500 per provider per month</p>	<p>a) Accountable Officer and Chief Financial Officer</p> <p>b) Chief Operating Officer and Chief Financial Officer or in their absence their nominated deputy</p> <p>e) Chief Operating Officer and Chief Financial Officer or their nominated deputies</p>	<p>c) Delegate to CSU subject to agreed processes and checks</p> <p>d) Delegate to CSU subject to agreed processes and checks</p>
6	<p>Fees and charges</p> <p>a) Overseas visitors, income generation and other patient related services</p> <p>b) Price of NHS Contracts</p>	<p>a) Chief Financial Officer and relevant clinical director</p> <p>b) Chief Financial Officer and Chief Operating Officer</p>	
7	<p>Hospitality</p> <p>Declaration in Hospital Register where value for any hospitality received exceeds £25 per individual per instance</p>	<p>Clinical Accountable Officer, Chief Operating Officer or Chief Finance Officer</p>	
8	<p>Invoice certification; excluding commissioning expenditure covered by sections 4 & 5</p> <p>a) Up to £24,999</p> <p>b) £25,000 to £49,999</p> <p>c) £50,000 and above</p>	<p>a) Designated budget holder</p> <p>b) Clinical Director or Chief Operating Officer</p> <p>c) Accountable Officer or Chief Financial Officer</p>	
9	<p>Losses, write-offs and compensation:</p> <p>Any write offs of any value</p>	<p>Chief Financial Officer & Clinical Accountable Officer</p>	

10	<p>Management Consultancy</p> <p>a) Where aggregate commitment in any one year or total commitment is £4,999 or less</p> <p>b) Where aggregate commitment in any one year is £5,000 to £24,999</p> <p>c) Where aggregate commitment in any one year is £25,000 or above</p>	<p>a) Head of Service</p> <p>b) Chief Financial Officer</p> <p>c) Clinical Accountable Officer</p>	
11	<p>Personal & Pay</p> <p>a) Authority to fill funded posts on the establishment with permanent staff</p> <p>b) Authority to appoint staff to post no on the formal establishment</p> <p>c) The granting of additional increment to staff within budget</p> <p>d) All requests for upgrading/regarding (dealt with in according with the CCG procedure)</p> <p>e) Additional staff to the agreed establishment within specifically allocated finance</p> <p>f) Additional staff to the agreed establishment without specifically allocated finance</p> <p><u>Pay</u></p> <p>a) Authority to complete starting date forms affecting pay, new starters, variations and leavers</p> <p>b) Authority to complete and authorise positive reporting forms</p> <p>c) Authority to authorise overtime</p> <p>d) Authority to authorise travel and subsistence expenses</p> <p><u>Leave</u></p> <p>a) Approval annual leave and study leave</p> <p>b) Compassionate leave up to 3 days</p> <p>c) Compassionate leave up to 6 days</p>	<p>a) Heads of Commissioning</p> <p>b) Accountable Officer or Chief Financial Officer</p> <p>c) Chief Operating Officer or Clinical Director</p> <p>d) Chief Operating Officer or Clinical Director</p> <p>e) Chief Operating Officer or Clinical Director</p> <p>f) Accountable Officer or Chief Financial Officer</p> <p>a) Chief Financial Officer, Chief Operating Officer or Clinical Accountable Officer</p> <p>b) Head of Commissioning, Clinical Accountable Officer or Chief Financial Officer</p> <p>c) Clinical Accountable Officer or Chief Financial Officer</p> <p>d) Head of Commissioning, Clinical Accountable Officer or Chief Financial Officer</p> <p>a) Immediate line manager</p> <p>b) Immediate line manager</p> <p>c) Head of Commissioning, Clinical Accountable Officer or Chief Financial Officer</p> <p>d) Immediate line manager</p>	

	<ul style="list-style-type: none"> d) Special leave arrangements up to 3 days e) Special leave arrangements up to 6 days f) Leave without pay g) Time off in lieu h) Maternity leave – paid and unpaid <u>Sick leave</u> a) Extension of sick leave on half pay up to 3 months b) Return to work part-time on full pay to assist recovery c) Extension of sick leave on full pay 	<ul style="list-style-type: none"> e) Head of Commissioning, Clinical Accountable Officer or Chief Financial Officer f) Immediate line manager g) Chief Operating Officer, Chief Financial Officer or Clinical Accountable Officer h) Automatic approval within guidance a) Chief Operating or Chief Financial Officer on HR Advice b) Remuneration committee c) Remuneration committee 	
12	<p>Petty Cash</p> <ul style="list-style-type: none"> a) Petty Cash disbursements up to £50 per item b) Petty cash float replenishment up to £500 per week 	<ul style="list-style-type: none"> a) Designated budget holder b) Chief Financial Officer 	

7 Prime Financial Policies

7.1 General

- 7.1.1 These prime financial policies and supporting detailed financial policies shall have effect as if incorporated into the group's constitution.
- 7.1.2 The prime financial policies are part of the group's control environment for managing the organisation's financial affairs. They contribute to good corporate governance, internal control and managing risks. They enable sound administration; lessen the risk of irregularities and support commissioning and delivery of effective, efficient and economical services. They also help the Accountable Officer and Chief Finance Officer to effectively perform their responsibilities. They should be used in conjunction with the scheme of reservation and delegation found at Schedule 14.
- 7.1.3 In support of these prime financial policies, the group has prepared more detailed policies, approved by the Chief Finance Officer known as *detailed financial policies*. The group refers to these prime and detailed financial policies together as the Clinical Commissioning Group's financial policies.
- 7.1.4 These prime financial policies identify the financial responsibilities which apply to everyone working for the group or operating on behalf of it. They do not provide detailed procedural advice and should be read in conjunction with the detailed financial policies. The Chief Finance Officer is responsible for approving all detailed financial policies.
- 7.1.5 A list of the group's detailed financial policies will be published and maintained on the group's website at www.stoke.nhs.uk
- 7.1.6 Should any difficulties arise regarding the interpretation or application of any of the prime financial policies then the advice of the Chief Finance Officer must be sought before acting. The user of these prime financial policies should also be familiar with and comply with the provisions of the group's constitution, standing orders and scheme of reservation and delegation.
- 7.1.7 Failure to comply with prime financial policies and standing orders can in certain circumstances be regarded as a disciplinary matter that could result in dismissal.

7.2 Overriding Prime Financial Policies

- 7.2.1 If for any reason these prime financial policies are not complied with, full details of the non-compliance and any justification for non-compliance and the circumstances around the non-compliance shall be reported to the next formal meeting of the Governing Body's audit committee for referring action or ratification. All of the group's members and employees have a duty to disclose any non-compliance with these prime financial policies to the Chief Finance Officer as soon as possible.

7.3 Responsibilities and Delegation

- 7.3.1 The roles and responsibilities of group's members, employees, members of the Governing Body, members of the Governing Body's committees and sub-committees, members of the group's committee and sub-committee (if any) and persons working on behalf of the group are set out in Clauses 7,8,11-13,15-20 of the constitution.
- 7.3.2 The financial decisions delegated by members of the group are set out in the group's scheme of reservation and delegation (see Schedule 14).

7.4 Contractors and their Employees

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

7.5 Amendment of Prime Financial Policies

- 7.5.1 To ensure that these prime financial policies remain up-to-date and relevant, the Chief Finance Officer will review them at least annually. Following consultation with the Accountable Officer the Chief Finance Officer will recommend amendments, as fitting, to the Audit Committee for approval.

7.6 Internal Control

POLICY – The group will put in place a suitable control environment and effective internal controls that provide reasonable assurance of effective and efficient operations, financial stewardship, probity and compliance with laws and policies

- 7.6.1 The Governing Body is required to establish an Audit Committee with terms of reference agreed by the Governing Body (see Clause 14 of the group's constitution for further information).
- 7.6.2 The Accountable Officer has overall responsibility for the group's systems of internal control.
- 7.6.3 The Chief Finance Officer will ensure that:
- a) Financial policies are considered for review and update annually;

- b) A system is in place for proper checking and reporting of all breaches of financial policies; and
- c) A proper procedure is in place for regular checking of the adequacy and effectiveness of the control environment.

7.7 Audit

The group will keep an effective and independent internal audit function and fully comply with the requirements of external audit and other statutory reviews

- 7.7.1 The Chief Finance Officer as the person appointed by the group to be responsible for internal audit and, the Audit Commission appointed external auditor, will have direct and unrestricted access to audit committee members and the chair of the Governing Body and the Accountable Officer for any significant issues arising from audit work that management cannot resolve, and for all cases of fraud or serious irregularity.
- 7.7.2 The person appointed by the group to be responsible for internal audit and the external auditor will have access to the Audit Committee and the Accountable Officer to review audit issues as appropriate. All Audit Committee members, the Chair of the Governing Body and the Accountable Officer will have direct and unrestricted access to the head of internal audit and external auditors.
- 7.7.3 The Chief Finance Officer will ensure that:
- a) The group has a professional and technically competent internal audit function; and
 - b) The Governing Body's Audit Committee approves any changes to the provision or delivery of assurance services to the group.

7.7.4 Role of Internal Audit

- 7.7.4a Internal Audit shall independently review, appraise and report upon:
- a) The extent of compliance with, and the financial effect of, relevant established policies, plans and procedures;
 - b) The adequacy and application of financial and other related management controls, and risk of management and risk based planning;
 - c) The suitability of financial and other related management data;
 - d) The extent to which SOTCCG's assets and interests are accounted for and safeguarded from loss of any kind, arising from
 - e) fraud and other offences,
 - f) waste, extravagance, inefficient administration

- g) poor value for money or other causes.
- h) Internal Audit shall also independently verify the Assurance Framework statements in accordance with guidance from the DH.

7.7.5 External Audit

- 7.7.5a The external auditor is appointed by the Audit Commission and paid for by SOTCCG. The Audit Committee must ensure a cost-efficient service. If there are any problems relating to the service provided by the external auditor, then this should be raised with the external auditor and referred on to the Audit Commission if the issue cannot be resolved.

7.8 Fraud and Corruption

The group requires all staff to always act honestly and with integrity to safeguard the public resources they are responsible for. The group will not tolerate any fraud perpetrated against it and will actively chase any loss suffered

- 7.8.1 The Governing Body's Audit Committee will satisfy itself that the group has adequate arrangements in place for countering fraud and shall review the outcomes of counter fraud work. It shall also approve the counter fraud work programme.
- 7.8.2 The Governing Body's Audit Committee will ensure that the group has arrangements in place to work effectively with NHS Protect.
- 7.8.3 SOTCCG shall nominate a suitable person to carry out the duties of the Local Counter Fraud Specialist as specified by the DH Fraud and Corruption Manual.
- 7.8.4 The Local Counter Fraud Specialist will provide a written report, at least annually, on counter fraud work within SOTCCG.
- 7.8.5 The Local Counter Fraud Specialist will report to SOTCCG Chief Finance Officer.

7.8.6 Security Management

- 7.8.6a In line with his responsibilities, the Accountable Officer will monitor and ensure compliance with Directions issued by the Secretary of State for Health on NHS Security Management.
- 7.8.6b SOTCCG shall nominate a suitable person to carry out the duties of the Local Security Management Specialist (LSMS) as specified by the Secretary of State.

7.8.6c SOTCCG shall nominate a Lay Member to oversee the Local Security Management service, who will report to the Body.

7.9 Expenditure Control

7.9.1 The group is required by statutory provisions² to ensure that its expenditure does not exceed the aggregate of allotments from the NHS Commissioning Body and any other sums it has received and is legally allowed to spend.

7.9.2 The Accountable Officer has overall executive responsibility for ensuring that the group complies with its statutory obligations, including its financial and accounting obligations, and that it exercises its functions effectively, efficiently and economically and in a way which provides good value for money.

7.9.3 The Chief Finance Officer will:

- a) Provide reports in the form required by the NHS England;
- b) Ensure money drawn from the NHS England is required for approved expenditure only and is drawn down only at the time of need and follows best practice;
- c) Be responsible for ensuring that an adequate system of monitoring financial performance is in place to enable the group to fulfil its statutory responsibility not to exceed its expenditure limits, as set by direction of the NHS England.

7.10 Allotments³

7.10.1 The group's Chief Finance Officer will:

- a) Periodically review the basis and assumptions used by the NHS England for distributing allotments and ensure that these are reasonable and realistic and secure the group's entitlement to funds;
- b) Prior to the start of each financial year submit to Governing Body for approval a report showing the total allocations received and their proposed distribution including any sums to be held in reserve; and
- c) Regularly update the governing body on significant changes to the initial allocation and the uses of such funds.

7.11 Commissioning Strategy, Budgets, Budgetary Control and Monitoring

² See section 223H of the 2006 Act, inserted by section 27 of the 2012 Act

³ See section 223(G) of the 2006 Act, inserted by section 27 of the 2012 Act.

The group will produce and publish an annual commissioning plan⁴ that explains how it proposes to discharge its financial duties. The group will support this with comprehensive medium term financial plans and annual budgets

- 7.11.1 The Accountable Officer will compile and submit to the Governing Body a commissioning strategy 'DDD Plan' which takes into account financial targets and forecast limits of available resources.
- 7.11.2 Prior to the start of the financial year the Chief Finance Officer will, on behalf of the Accountable Officer, prepare and submit budgets for approval by the Governing Body if delegated.
- 7.11.3 The Chief Financial Officer shall monitor financial performance against budget and plan, periodically review them, and report to the Governing Body. This report should include explanations for variances. These variances must be based on any significant departures from agreed financial plans or budgets.
- 7.11.4 The Accountable Officer is responsible for ensuring that information relating to the group's accounts or to its income or expenditure, or its use of resources is provided to the NHS England as requested.
- 7.11.5 All budget holders are 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 Body;
 - 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 members of staff are appointed without the approval of the Accountable Officer, other than those provided for within available resources and any manpower establishment approved by the Body.

7.11.6 Capital Expenditure

7.11.6a The general rule applying to delegation and reporting shall also apply to capital expenditure.

7.11.6b The Chief Operating Officer will approve consultation arrangements for the group's Commissioning plan⁵.

7.12 Annual Accounts and Reports

The group will produce and submit to the NHS England accounts and reports in

⁴ See section 14Z11 of the 2006 Act, inserted by section 26 of the 2012 Act.

⁵ See section 14Z13 of the 2006 Act, inserted by section 26 of the 2012 Act

accordance with all statutory obligations⁶, relevant accounting standards and accounting best practice in the form and content and at the time required by the NHS England

7.12.1 The Chief Finance Officer will ensure the group:

- a) Prepares a timetable for producing the annual report and accounts and agrees it with external auditors and the Audit Committee;
- b) Prepares the accounts according to the timetable approved by the Audit Committee.
- c) Complies with statutory requirements and relevant directions for the publication of an annual report;
- d) Considers the external auditor's management letter and fully address all issues within agreed timescales; and
- e) Publishes the external auditor's management letter on the group's website at and makes it www.stoke.nhs.uk available upon request for inspection at SOTCCG office.

7.13 Information Technology

The group will ensure the accuracy and security of the group's computerised financial data

7.13.1 The Chief Finance Officer is responsible for the accuracy and security of the group's computerised financial data and shall.

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

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

⁶ See paragraph 17 of Schedule 1A of the 2006 Act, as inserted by Schedule 2 of the 2012 Act.

7.13.3 The Chief Finance Officer will be the Senior Information Responsible Officer (SIRO) for SOTCCG.

7.14 Accounting Systems

The group will run an accounting system that creates management and financial accounts

7.14.1 The Chief Finance Officer will ensure:

- a) The group has suitable financial and other software to enable it to comply with these policies and any consolidation requirements of the NHS Commissioning Board;
- b) 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.
- c) Where another health organisation or any other agency provides a computer service for financial applications, the Chief Finance Officer shall periodically seek assurances that adequate controls are in operation.

7.15 Bank Accounts

The group will keep enough liquidity to meet its current commitments

7.15.1 The Chief Finance Officer will:

- a) Review the banking arrangements of the group at regular intervals to ensure they are in accordance with Secretary of State directions⁷, best practice and represent best value for money;
- b) Manage the group's banking arrangements and advise the group on the provision of banking services and operation of accounts;
- c) Prepare detailed instructions on the operation of bank accounts.

7.15.2 The Audit Committee shall approve the banking arrangements.

⁷

See section 223H(3) of the NHS Act 2006, inserted by section 27 of the 2012 Act

7.16 Income, Fees and Charges and Security of Cash, Cheques and Other Negotiable Instruments

The group will operate a sound system for prompt recording, invoicing and collection of all monies due it will seek to maximise its potential to raise additional income only to the extent that it does not interfere with the performance of the group or its functions⁸. It will ensure its power to make grants and loans is used to discharge its functions effectively⁹.

7.16.1 The Chief Financial Officer is responsible for:

- a) Designing, maintaining and ensuring compliance with systems for the proper recording, invoicing, and collection and coding of all monies due;
- b) Establishing and maintaining systems and procedures for the secure handling of cash and other negotiable instruments;
- c) Approving and regularly reviewing the level of all fees and charges other than those determined by the NHS England or by statute.
- d) Independent professional advice on matters of valuation shall be taken as necessary;
- e) For developing effective arrangements for making grants or loans.

7.16.2 Debt Recovery

7.16.2a The Chief Finance Officer is responsible for the appropriate recovery action on all outstanding debts.

7.16.2b Income not received should be dealt with in accordance with losses procedures;

7.16.2c Overpayments should be detected (and preferably prevented) and recovery initiated.

7.16.3 Security of Cash, Cheques and other Negotiable Instruments

7.16.3a The Chief Finance Officer is responsible for:

- a) Approving the form of all receipt books, agreement forms, or other means of officially acknowledging or recording monies received or receivable;
- b) Ordering and securely controlling any such stationery;

⁸ See section 14Z5 of the 2006 Act, inserted by section 26 of the 2012 Act.

⁹ See section 14Z6 of the 2006 Act, inserted by section 26 of the 2012 Act.

- c) The provision of adequate facilities and systems for staff 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 SOTCCG

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

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

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

7.17 Tendering and Contracting Procedure

The group: will ensure proper competition that is legally compliant within all purchasing to ensure we incur only budgeted, approved and necessary spending will seek value for money for all goods and services shall ensure that competitive tenders are invited for the supply of goods, materials and manufactured articles; the rendering of services including all forms of management consultancy services (other than specialised services sought from or provided by the Department of Health); and for the design, construction and maintenance of building and engineering works (including construction and maintenance of grounds and gardens) for disposals

7.17.1 The group shall ensure that the firms / individuals invited to tender (and where appropriate, quote) are among those on approved lists or where necessary a framework agreement. Where in the opinion of the Chief Finance officer it is desirable to seek tenders from firms not on the approved lists, the reason shall be recorded in writing.

7.17.2 The Governing Body may only negotiate contracts on behalf of the group, and the group may only enter into contracts, within the statutory framework set up by the 2006 Act, as amended by the 2012 Act. Such contracts shall comply with:

- a) The group's standing orders;
- b) The Public Contracts Regulation 2006, any successor legislation and any other applicable law; and
- c) Take into account as appropriate any applicable NHS England or the Independent Regulator of NHS Foundation Trusts (Monitor) guidance that does not conflict with (b) above.

7.17.3 In all contracts entered into, the group shall endeavour to obtain best value for money. The Accountable Officer shall nominate an individual who shall oversee and manage each contract on behalf of the group.

7.17.4 Quotations: Competitive and Non-Competitive

7.17.4a General Position on Quotations

Quotations are required where formal tendering procedures are not adopted and where the intended expenditure or income exceeds, or is reasonably expected to exceed £10,000 (this figure to be reviewed periodically).

7.17.4b Competitive Quotations

- a) Where quotations are required under PFP 7.17.4.a and the intended expenditure or income does not exceed, or is reasonably expected not to exceed £24,999, they should be obtained from at least two firms/individuals based on specifications or terms of reference prepared by, or on behalf of, SOTCCG. Where the intended expenditure or income exceeds this threshold, or is reasonably expected to exceed it, at least three quotations should be obtained, subject to the threshold for formal tendering procedures as set out on PFP 7.17.5.
- b) Quotations should be in writing unless it is impractical to do so in which case they may be obtained by telephone or electronically. Confirmation of telephone or electronic quotations should be obtained in writing without delay, and the reasons why the non-written quotation was obtained should be set out in a permanent record.
- c) All quotations should be treated as confidential and should be retained for inspection.
- d) The quotations should be evaluated and the one selected should provide the best value for money. If this is not the lowest quotation, then the choice made and the reasons why should be recorded in a permanent record, and pre-approved by the Chief Finance Officer.

7.17.4c Non-Competitive Quotations

Non-competitive quotations in writing (i.e. from a limited range of providers) may be obtained in the following circumstances:

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

7.17.4d Quotations to be within Financial Limits

No quotation shall be accepted which will commit expenditure in excess of that which has been allocated by SOTCCG and which is not in accordance with PFPs except with the authorisation of the Chief Finance Officer.

7.17.5 Formal Competitive Tendering

7.17.5a General applicability

SOTCCG shall ensure that competitive tenders are invited for:

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

7.17.5b Healthcare Services

Where SOTCCG elects to invite tenders for the supply of healthcare services these PFPs shall apply as far as they are applicable to the tendering procedure, and need to be read in conjunction with the Prime Financial Policies covering Commissioning.

7.17.5c Exceptions and Instances where Formal Tendering need not be applied

Formal tendering procedures **need not be applied** where:

- a) The estimated expenditure or income does not, or is not reasonably expected to, exceed £75,000 (this figure to be reviewed periodically); or
- b) Where the supply is proposed under special arrangements negotiated by the DH in which event the said special arrangements must be complied with;

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

- c) In exceptional circumstances where the Accountable Officer decides that formal tendering procedures would not be practicable or the estimated expenditure or income would not warrant formal tendering procedures, and the circumstances are detailed in an appropriate CCG record;
- d) Where the requirement is covered by an existing contract;
- e) Where NHS Purchasing and Supply Agency agreements are in place;

- f) Where a consortium arrangement is in place and a lead organisation has been appointed to carry out tendering activity on behalf of the consortium members;
- g) Where the timescale genuinely precludes competitive tendering but failure to plan the work properly would not be regarded as a justification for a single tender;
- h) Where specialist expertise is required and is available from only one source;
- i) When the task is essential to complete the project, and arises as a consequence of a recently completed assignment and engaging different consultants for the new task would be inappropriate;
- j) There is a clear benefit to be gained from maintaining continuity with an earlier project. However in such cases the benefits of continuity must outweigh any potential financial advantage to be gained by competitive tendering;
- k) For the provision of legal advice and services providing that any legal firm or partnership commissioned by the Trust is regulated by the Law Society for England and Wales for the conduct of their business (or by the Bar Council for England and Wales in relation to the obtaining of Counsel's opinion) and is generally recognised as having sufficient expertise in the area of work for which they are commissioned. The Chief Finance Officer shall ensure that any fees paid are reasonable and within commonly accepted rates for the costing of such work.
- l) In respect of any procurement undertaken by a collaborative procurement hub (or similar organisation) on behalf of SOTCCG – a single tender limit of £90,000 applies.

The waiving of competitive quotations or tendering procedures must not be used to avoid competition nor for administrative convenience nor simply to award further work to a consultant originally appointed through a competitive procedure.

Where it is decided that competitive quotations or tendering is not applicable and may be waived, the fact of the waiver and the reasons should be documented and recorded in an appropriate CCG record ('Single Tender Action (STA)') which must receive prior authorisation from the Accountable Officer or Chief Finance Officer. All STAs shall be reported to the Audit Committee.

17.7.5d Fair and Adequate Competition

Where the exceptions set out in PFP 7.17.4a and b apply, the Group shall ensure that invitations to tender are sent to sufficient number of firms/individuals to provide fair and adequate competition as appropriate, having regard to their capacity to supply the goods or materials or to undertake the services or works required, and in no case shall be less than two.

17.7.5e List of Approved Firms

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

17.7.5f Items which subsequently breach thresholds after original Approval

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

7.17.6 Tendering and Contracting Procedure

Where the function of contracting on behalf of SOTCCG is delegated or subcontracted to any other person, body, or organisation, then such delegate or subcontractor shall observe SOTCCG's tendering procedure.

7.17.6a Invitation to Tender

- a) All invitations to tender shall state the date and time as being the latest time for the receipt of tenders.
- b) All invitations to tender shall state that no tender will be accepted unless submitted in either:
 - a plain sealed package or envelope bearing a pre-printed label supplied by SOTCCG (or the word "Tender" followed by the subject to which it relates) and the latest date and time for the receipt of such tender; or
 - a special envelope supplied by SOTCCG to prospective tenderers; and that
 - tender envelopes/packages shall not bear any names or marks indicating the sender. The use of courier/postal services must not identify the sender on the envelope or on any receipt so required by the deliverer.
- c) Every tender for goods, materials, services or disposals shall embody such of the NHS Standard Contract Conditions as are applicable. Every tenderer must give a written undertaking not to engage in collusive tendering or other restrictive practice.

7.17.6b Receipt of Safe Custody Tenders

Formal competitive tenders shall be addressed to the Accountable Officer or his nominated manager.

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

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

7.17.6c Opening Tenders and Register of Tenders

- i) As soon as practicable after the date and time stated as being the latest time for the receipt of tenders, they shall be opened in the presence of two senior officers as follows and not from the originating department:
 - a) Where the total contract value (including sub-contracts) at the last reported estimate stage is £1,000,000 or more, any two Directors (Executive or Lay Member) of the Body;
 - b) Where the total contract value (including sub-contracts) at the last reported estimate stage is less than £1,000,000, any two Directors (Executive or Lay Member) of the Body, or their nominated deputies.
- ii) The originating department will be taken to mean the department sponsoring or commissioning the tender.
- iii) All Directors are authorised to open tenders regardless of whether they are from the originating department provided that the other authorised person also opening the tenders is not from the originating department.
- iv) Every tender received shall be marked with the date of opening and initialled by two of those present at the opening.
- v) A register shall be maintained by the Head of Governance to show for each set of competitive tender invitations despatched:
 - The names of all firms/individuals invited;
 - The names of firms/individuals from which tenders have been received;
 - The date the tenders were opened;
 - The persons present at the opening;
 - The price shown on each tender;
 - Date and time of opening
 - A note where price alterations have been made on the tender. Every price alteration appearing on a tender and the record should be initialled by two of those present at the opening.

The register shall be signed by those present at the opening.

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

- f) Qualified tenders, i.e. where a contractor proposes conditions which differ from those specified by SOTCCG, incomplete tenders, i.e. those from which information necessary for the adjudication of the tender is missing, and amended tenders, i.e. those amended by the tenderer upon his own initiative either orally or in writing after the due time for receipt, but prior to the opening of other tenders, should be dealt with in the same way as late tenders. (PFP 17.17.6e below).

7.17.6d Admissibility

- a) If for any reason the designated officers are of the opinion that the tenders received are not strictly competitive (for example, because their numbers are insufficient or any are amended, incomplete or qualified) no contract shall be awarded without the approval of the Accountable Officer
- b) Where only one tender is sought and/or received, the Chief Finance Officer shall be advised and, as far practicable, he shall ensure that the price to be paid is fair and reasonable and will ensure value for money for SOTCCG
- c) Where examination of tenders reveals errors which would affect the tender price, the tenderer is to be given details of the errors and afforded the opportunity of confirming or withdrawing the offer.

7.17.6e Late Tenders

- a) Tenders received after the due time and date, but prior to the opening of the other tenders, may be considered only if the Accountable Officer or his nominated officer decides that there are clear exceptional circumstances i.e. despatched in good time but delayed through no fault of the tenderer.
- b) Only in the most exceptional circumstances will a tender be considered which is received after the opening of the other tenders and only then if the tenders that have been duly opened have not left the custody of the Accountable Officer or his nominated officer or if the process of evaluation and adjudication has not started.
- c) Such tenders may be considered only if the Accountable Officer or his nominated officer decides that there are exceptional circumstances, e.g. where significant financial, technical or delivery advantages would accrue, and is satisfied that there is no reason to doubt the bona fides of the tender concerned. The Accountable Officer or nominated officer shall

decide whether such tenders are admissible or whether re-tendering is desirable. Re-tendering may be limited to those tenders reasonably in the field of consideration in the original competition.

- d) While decisions as to the admissibility of late, incomplete or amended tenders are under consideration and while re-tenders are being obtained, the tender documents shall be kept strictly confidential, recorded, and held in safe custody by the Accountable Officer or his nominated officer.

7.17.6f Acceptance of Formal Tenders (see overlap with PFP 7.17.4b)

- a) Any discussions with a tenderer which are deemed necessary to clarify technical aspects of his tender before the award of a contract will not disqualify the tender.

Information provided by a tenderer under these circumstances shall not be acted upon by SOTCCG until it has been confirmed in writing by the tenderer.

- b) The lowest tender, if payment is to be made by SOTCCG, or the highest, if payment is to be received by SOTCCG, shall be accepted unless there are good and sufficient reasons to the contrary. Such reasons shall be set out in the contract file, or other appropriate record.

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

- i. Experience and qualifications of team members;
- ii. Understanding of client's needs;
- iii. Feasibility and credibility of proposed approach;
- iv. Ability to complete the project on time.

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

Acceptance under such circumstances for contracts of any will require the endorsement of the Accountable Officer or Chief Finance Officer.

- c) No tender shall be accepted which will commit expenditure in excess of that which has been allocated by SOTCCG and which is not in accordance with these PFPs except with the authorisation of the Accountable Officer.
- d) The use of these procedures must demonstrate that the award of the contract:

- (i) Was not in excess of the going market rate/price current at the time the contract was awarded;
 - (ii) Achieved the best value for money.
- e) All tenders shall be treated as confidential and shall be retained for inspection.

7.17.6g Tender Reports to Stoke-on-Trent Clinical Commissioning Group Governing Body.

Reports to Stoke-on-Trent Clinical Commissioning Group Governing Body will be made in exceptional circumstances only.

7.17.6h List of Approved Firms (see PFP 7.17.1)

a) Responsibility for Maintaining List

A Manager nominated by the Accountable Officer shall on behalf of SOTCCG maintain lists of approved firms from which tenders and quotations may be invited. Such lists may be compiled by SOTCCG or procured from another health body or organisation approved by the DH. These shall be kept under frequent review. The list shall include all firms who have applied for permission to tender and as to whose technical and financial competence SOTCCG is satisfied. All suppliers must be made aware of SOTCCG's terms and conditions of contract.

b) Financial Standing and technical Competence of Contractors

The Chief Finance Officer may make or institute any enquiries he deems appropriate concerning the financial standing and financial suitability of approved contractors.

7.17.6i Exceptions of Using Approved Contractors

If in the opinion of the Accountable Officer and the Chief Finance Officer, it is impractical to use a potential contractor from the list of approved firms/individuals (for example where specialist services or skills are required and there are insufficient suitable potential contractors on the list), or where a list for whatever reason has not been prepared, the Accountable Officer should be satisfied that appropriate checks are carried out as to the technical and financial capability of those firms that are invited to tender or quote.

7.17.6j Authorisation of Tenders and Competitive Quotations

Providing all the conditions and circumstances set out in these PFP's have been fully complied with, and the intended expenditures or income falls within the relevant budget, formal authorisation and awarding of a contract may be decided by the following officers or staff to the gross value (this includes VAT only if it is not recoverable)

Budget Holder	Expenditure £ (up to)
Designated budget holders	25,000
CCG Board members; Chief Operating Officer and Chief Financial Officer	75,000
Accountable Officer	150,000
CCG Governing Body	Over 150,000

These levels of authorisation will be reviewed periodically, and may be varied by the Body at any time; they need to be read in conjunction with SOTCCG Scheme of Delegation.

7.18 Instances where Formal Competitive Tendering and Competitive Quotation is not required

Where competitive tendering or a competitive quotation is not required, SOTCCG shall use NHS Purchasing and Supplies Agency or other public sector procurement hub arrangements for procurement of all goods and services unless the Accountable Officer or Chief Finance Officer deem it inappropriate, in which case the Chief Finance Officer shall determine an alternative procurement process. The decision to use alternative sources must be documented and reported to the Audit Committee.

7.19 Compliance Requirements for All Contracts

The Body may only enter into contracts on behalf of SOTCCG within the statutory powers delegated to it by the Secretary of State and shall comply with:

- a) SOTCCG's Constitution and PFP's
- b) All relevant EU Directives and other statutory provisions;
- c) Any relevant directions including the Capital Investment Manual, specific DH guidance and guidance on the Procurement and Management of Consultants;
- d) Such of the NHS Standard Contract Conditions as are applicable;
- e) Contracts with Foundation Trusts must be in a form compliant with appropriate NHS guidance;

- f) Where appropriate contracts shall be in or embody the same terms and conditions of contract as was the basis on which tenders or quotations were invited;
- g) In all contracts made by SOTCCG, the Body shall endeavour to obtain best value for money by use of all systems in place. The Accountable Officer shall nominate an officer who shall oversee and manage each contract on behalf of SOTCCG.

7.20 Adoption of the Tendering Process Conducted by another Organisation

SOTCCG may, on the express approval of the Accountable Officer or the Chief Finance Officer, adopt the tendering process of another organisation provided that organisation is either:

- a) A SHA, SpHA, CCG, FT or other NHS Trust, or
- b) A LIFT company
- c) A partner organisation where the basis of partnership is a Section 75 agreement and provided specifically that:
- d) Such process has not proceeded to contract stage, and
- e) The process would satisfy SOTCCG's own Constitution and PFP's with regard to procedure and competition, and
- f) SOTCCG's authorisation limits for acceptance of tenders and letting of contracts are observed
- g) In all such instances, the Body shall be informed by formal report at its next scheduled meeting.

7.21 Personnel and Interim, Agency and Temporary Staff Contracts

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

7.22 Commissioning

Working in partnership with relevant national and local stakeholders, the group will commission certain health services to meet the reasonable requirements of the persons for whom it has responsibility

- 7.22.1 The group will coordinate its work with the NHS England, other clinical commissioning groups, local providers of services, local authority (i.e.), including through Health &

Wellbeing Boards, patients and their carers and the voluntary sector and others as appropriate to develop robust commissioning plans.

- 7.22.2 The Accountable Officer will establish arrangements to ensure that regular reports are provided to the Governing Body detailing actual and forecast expenditure and activity for each contract.
- 7.22.3 The Chief Finance Officer will maintain a system of financial monitoring to ensure the effective accounting of expenditure under contracts. This should provide a suitable audit trail for all payments made under the contracts whilst maintaining patient confidentiality.

7.23 Risk Management

The group will put arrangements in place for evaluation and management of its risks

- 7.23.1 A risk register will be maintained, which will assess risks for their probability and impact;
- 7.23.2 The risks will be classified as high, medium, low or very low;
- 7.23.3 The risk register will details mitigating actions;
- 7.23.4 The risk register will be regularly reviewed by the Chief Financial Officer and Chief Operating Officer;
- 7.23.5 The risk register will be presented to each Governing Body meeting and each Audit Committee Meeting.

7.24 Payroll

The group will put arrangements in place for an effective payroll service

- 7.24.1 The Chief Finance Officer will ensure that the payroll service selected:
 - a) Is supported by appropriate (i.e. contracted) terms and conditions;
 - b) Has adequate internal controls and audit review processes;
 - c) Has suitable arrangements for the collection of payroll deductions and payment of these to appropriate bodies.
- 7.24.2 In addition the Chief Finance Officer shall set out comprehensive procedures for the effective processing of payroll.

7.25 Non-Pay Expenditure

The group will seek to obtain the best value for money goods and services received

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

7.25.2 The Accountable Officer shall set out procedures on the seeking of professional advice regarding the supply of goods and services.

7.25.3 The Chief Finance Officer will:

- a) Advise the Audit Committee on 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 reservation and delegation;
- b) Be responsible for the prompt payment of all properly authorised accounts and claims;
- c) Be responsible for designing and maintaining a system of verification, recording and payment of all amounts payable.

7.25.4 Delegates financial limits for non pay expenditure will be determined by the Chief Finance Officer and reviewed annually and approved by the Audit Committee.

7.25.5 Official Orders

Official orders must:

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

7.25.6 Duties of Officers and Managers

Officers and managers must ensure that they comply fully with the guidance and limits specified by the Chief Finance Officer and that:

- a) All contracts (except as otherwise provided for in the Scheme of Delegation), leases, tenancy agreements and other commitments which may result in a liability are notified to the Chief Finance Officer in advance of any commitment being made;
- b) Contracts above specified thresholds are advertised and awarded in accordance with EU rules on public procurement;
- c) Where consultancy advice is being obtained, the procurement of such advice must be in accordance with DH guidance;

- d) No order shall be issued for any item or items to any firm which has made an offer of gifts, reward or benefit to directors or members of staff, other than:
 - i. isolated gifts of a modest nature or inexpensive seasonal gifts, such as calendars;
 - ii. conventional hospitality, such as lunches in the course of working visits;
- e) No requisition/order is placed for any item or items for which there is no budget provision unless authorised by the Chief Finance Officer on behalf of the Accountable Officer;
- f) All goods, services, or works are ordered on an official order except works and services executed in accordance with a contract, purchases from petty cash, and goods or services purchased via SOTCCG's approved purchasing card scheme;
- g) Other than for purchases made via SOTCCG's approved purchasing card scheme, verbal orders must only be issued only in cases of emergency or urgent need, by a member of staff designated by the Accountable Officer - only in cases of genuine emergency or urgent necessity. These must be confirmed by an official order and clearly marked "Confirmation Order";
- h) Orders are not split or otherwise placed in a manner devised so as to avoid the financial thresholds;
- i) Goods are not taken on trial or loan in circumstances that could commit SOTCCG to a future uncompetitive purchase or other liability;
- j) Changes to the list of officers authorised to certify invoices are notified to the Chief Finance Officer;
- k) Purchases from petty cash are restricted in value and by type of purchase in accordance with instructions issued by the Chief Finance Officer;
- l) Petty cash records are maintained in a form as determined by the Chief Finance Officer.

7.25.7 Joint Finance Arrangements with Local Authorities and Voluntary Bodies

Payments to local authorities and voluntary organisations made under the powers of Sections 256 and 257 of the NHS Act 2006 shall comply with procedures laid down by the Chief Finance Officer which shall be in accordance with these Acts and the 2000 Directions of the Secretary of State.

7.26 Capital Investment, Fixed Asset Registers and Security of Assets

The group will put arrangements in place to manage capital investment, maintain an asset register recording fixed assets and put in place policies to secure the safe storage of the group's fixed assets

7.26.1 The Accountable Officer will:

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

- b) Be responsible for the management of all stages of capital schemes and for ensuring that schemes are delivered on time and to cost;
- c) Shall ensure that the capital investment is not undertaken without confirmation of purchaser(s) support and the availability of resources to finance all revenue consequences, including capital charges;
- d) Be responsible for the maintenance of registers of assets, taking account of the advice of the Chief Finance Officer concerning the form of any register and the method of updating, and arranging for a physical check of assets against the asset register to be conducted once a year.

7.26.2 The Chief Finance Officer will prepare detailed procedures for the disposals of assets.

7.26.3 Asset Registers

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

7.26.5 SOTCCG shall maintain an asset register recording fixed assets. The minimum data set to be held within these registers shall be as specified in the Capital Accounting Manual.

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

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

7.26.7 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).

7.26.8 The Chief Finance Officer shall approve procedures for reconciling balances on fixed assets accounts in ledgers against balances on fixed asset registers.

7.26.9 The value of each asset shall be indexed to current values in accordance with methods specified in the Capital Accounting Manual.

7.26.10 The value of each asset shall be depreciated using methods and rates as specified in the Capital Accounting Manual.

7.26.11 The Chief Finance Officer shall calculate and pay capital charges as specified in the Capital Accounting Manual.

7.26.11 Security of Assets

7.26.12 The overall control of fixed assets is the responsibility of the Accountable Officer

7.26.13 Asset control procedures (including fixed assets, cash, cheques and negotiable instruments, and also including donated assets) must be approved by the Chief Finance Officer. This procedure shall make provision for:

- a) Recording managerial responsibility for each asset;
- b) Identification of additions and disposals;
- c) Identification of all repairs and maintenance expenses;
- d) Physical security of assets;
- e) Periodic verification of the existence of, condition of, and title to, assets recorded;
- f) Identification and reporting of all costs associated with the retention of an asset;
- g) Reporting, recording and safekeeping of cash, cheques, and negotiable instruments.

7.27 Retention of Records

The group will put arrangements in place to retain all records in accordance with NHS Code of Practice Records Management 2006 and other relevant notified guidance

7.27.1 The Accountable Officer shall:

- a) Be responsible for maintaining all records required to be retained in accordance with NHS Code of Practice Records Management 2006 and other relevant notified guidance;
- b) Ensure that arrangements are in place for effective responses to Freedom of Information requests;
- c) Publish and maintain a Freedom of Information Publication Scheme.

7.28 Trust Funds and Trustees

The group will put arrangements in place to provide for the appointment of trustees if the group holds property on trust

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

7.29 Acceptance of gifts by staff and link to standard of business conduct

- 7.29.1 The Chief Finance Officer shall ensure that all staff are made aware of SOTCCG policy on acceptance of gifts and other benefits in kind by staff. This policy follows the guidance contained in the DH circular HSG (93) 5 “Standards of Business Conduct for NHS Staff”, which is attached as Annex A these PFP’s. The Code of Conduct for NHS Managers 2002 and the ABPI Code of Professional Conduct, which are deemed to be part of the Constitution and PFP’s.
- 7.29.2 Details of all hospitality received by staff shall be entered in a register maintained by the Head of Governance.

7.30 Commissioning Support Service

- 7.30.1 The Chief Finance Officer will be responsible for ensuring a comprehensive Service Level Agreement is in place for services provided by the Commissioning Support Service.
- 7.30.2 The Chief Finance Officer will ensure that the contract for such services provides value for money.
- 7.30.3 The Chief Finance Officer will ensure the Governing Body can be assured as to the accuracy and quality of services delivered by the Commissioning Support Service.

ANNEX A

January 1993

Standard of Business Conduct for NHS Staff

Part A

Prevention of Corruption Acts 1906 and 1916 - summary of main provisions

Acceptance of gifts by way of inducements or rewards

1. Under the Prevention of Corruption Acts, 1906 and 1916, it is an offence for members of staff to accept any gifts or consideration as an inducement or reward for:
 - doing, or refraining from doing, anything in their official capacity; or
 - showing favour or disfavour to any person in their official capacity.

2. Under the Prevention of Corruption Act 1916, any money, gift or consideration received by a member of staff in public service from a person or organisation holding or seeking to obtain a contract will be deemed by the courts to have been received corruptly unless the member of staff proves the contrary.

Part B

NHS Management Executive (NHSME) - General Guidelines

Introduction

1. These guidelines, which are intended by the NHSME to be helpful to all NHS employers (i) and their staff, re-state and reinforce the guiding principles previously set out in Circular HM(62)21 (now cancelled), relating to the conduct of business in the NHS.

Responsibility of NHS employers

2. NHS employers are responsible for ensuring that these guidelines are brought to the attention of all staff; also that machinery is put in place for ensuring that they are effectively implemented (in these guidelines "NHS employer" means all "for action" addressees listed on the title page of HSG (93)5).

Responsibility of NHS staff

3. It is the responsibility of staff to ensure that they are not placed in a position which risks, or appears to risk, conflict between their private interests and their NHS duties. This primary responsibility applies to all NHS Staff, i.e. those who commit NHS resources directly (e.g. by the ordering of goods) or those who do so indirectly (e.g. by the prescribing of medicines). A further example would be staff who may have an interest in a private nursing home and who are involved with the discharge of patients to residential facilities.

Guiding principle in conduct of public business

4. It is a long established principle that public sector bodies, which include the NHS, must be impartial and honest in the conduct of their business, and that their staff members should remain beyond suspicion. It is also an offence under the Prevention of Corruption Acts 1906 and 1916 for a member of staff corruptly to accept any inducement or reward for doing, or refraining from doing anything, in his or her official capacity, or corruptly showing favour, or disfavour, in the handling of contracts (see Part A).

Staff will need to be aware that a breach of the provisions of these Acts renders them liable to prosecution and may also lead to loss of their employment and superannuation rights in the NHS.

5. NHS staff are expected to:
 - Ensure that the interest of patients remains paramount at all times;
 - Be impartial and honest in the conduct of their official business;
 - Use the public funds entrusted to them to the best service, always ensuring value for money.
6. It is also the responsibility of staff to ensure that they do **not**:

- abuse their official position for personal gain or to benefit their family or friends;
- Seek to advantage or further private business or other interests, in the course of their official duties.

Implementing the Guiding Principles

7. Casual gifts

Casual gifts offered by contractors or others, e.g. at Christmas time, may not in any way be connected with the performance of duties so as to constitute an offence under the Prevention of Corruption Acts. Such gifts should nevertheless be politely but firmly declined.

Articles of low intrinsic value such as diaries or calendars, or small tokens of gratitude from patients or their relatives, need not necessarily be refused. In cases of doubt staff should either consult their line manager or politely decline acceptance.]

Hospitality

8. Modest hospitality, provided it is normal and reasonable in the circumstances, e.g. lunches in the course of working visits, may be acceptable, though it should be similar to the scale of hospitality which the NHS as an employer would be likely to offer.
9. Staff should decline all other offers of gifts, hospitality or entertainment. If in doubt they should seek advice from their line manager.

Declaration of interests

10. NHS employers need to be aware of all cases where a member of staff, or his or her close relative or associate, has a controlling and/or significant financial interest in a business (including a private company, public sector organisation, other NHS employer and/or voluntary organisation), or in any other activity or pursuit, which may compete for an NHS contract to supply either goods or services to the employing authority.
11. All NHS staff should therefore declare such interests to their employer, either on starting employment, on starting employment or on acquisition of the interest, in order that it may be known to, and in no way promoted to the detriment of, either the employing authority or the patients whom it serves.
12. One particular area of potential conflict of interest which may directly affect patients is when NHS staff hold a self beneficial interest in private care homes or hostels. While it is for staff to declare such interest to their employing authority, the employing authority has a

responsibility to introduce whatever measures it considers necessary to ensure that its interests and those of patients are adequately safeguarded. This may for example take the form of a contractual obligation on staff to declare any such interests.

Advice on professional conduct issued by the General Medical Council recommends that when a doctor refers a patient to a private care home or hostel in which he or she has an interest, the patient must be informed of that interest before referral is made.

13. In determining what needs to be declared, employers and staff will wish to be guided by the principles set out in paragraph 5 above.

14. NHS Employers should:

- Ensure that staff are aware of their responsibility to declare relevant interests (perhaps by including a clause to this effect in staff contracts);
- Consider keeping registers of all such interested and making them available for inspection by the public;
- Develop a local policy, in consultation with staff and local staff interests, for implementing this guidance. This may include the disciplinary action to be taken if a member of staff fails to declare a relevant interest, or is found to have abused his or her official position, or knowledge, for the purpose of self-benefit, or that of family or friends.

Preferential Treatment in Private Transactions

15. Individual staff must not seek or accept preferential rates or benefits in kind for private transactions carried out with companies with which they have had, or may have, official dealings on behalf of their NHS employer (this does not apply to concessionary agreements negotiated with companies by NHS management, or by recognised staff interests, on behalf of all staff – for example, NHS staff benefits schemes).

Contracts

16. All staff who are in contact with suppliers and contractors (including external consultants), and in particular those who are authorised to sign purchase orders, or place contracts for goods, materials or services, are expected to adhere to professional standards of the kind set out in the Ethical Code of the Institute of Purchasing and Supply (IPS), reproduced at Part C.

Favouritism in Awarding Contracts

17. Fair and open competition between prospective contractors or suppliers for NHS contracts is a requirement of NHS Standing Orders, EU Directives on Public Purchasing for Works and Supplies and the Public Contracts Regulations 2006. This means that:
- No private, public or voluntary organisation or company which may bid for NHS business should be given any advantage over its competitors, such as advance notice of NHS requirements. This applies to all potential contractors, whether or not there is a relationship between them and the NHS employer, such as a long-running series of previous contracts.
 - Each new contract should be awarded solely on merit, taking into account the requirements of the NHS and the ability of the contractors to fulfil them.
18. NHS employers should ensure that no special favour is shown to current or former members of staff or their close relatives or associates in awarding contracts to private or other businesses run by them or employing them in a senior or relevant managerial capacity. Contracts may be awarded to such businesses where they are won in fair competition against other tenders, but scrupulous care must be taken to ensure that the selection process is conducted impartially, and that staff that are known to have a relevant interest play no part in the selection.

Warning to Potential Contractors

19. NHS employers will wish to ensure that all invitations to potential contractors to tender for NHS business include a notice warning tenderers of the consequences of engaging in any corrupt practices involving members of staff of public bodies.

Outside Employment

20. NHS employees are advised not to engage in outside employment which may conflict with their NHS work, or be detrimental to it. They are advised to tell their NHS employing authority if they think they may be risking a conflict of interest in this area: the NHS employer shall be responsible for judging whether the interests of patients could be harmed, in line with the principles in paragraph 5 above. NHS employers may wish to consider the preparation of local guidelines on this subject.

Private Practice

21. Consultants (and associate specialists) employed under the Terms and Conditions of Service of Hospital Medical and Dental Staff are permitted to carry out private practice in NHS hospitals subject to the conditions outlined in the handbook "A Guide to the Management of Private Practice in the NHS". (See also PM (79)11). Consultants who have signed new contracts with Trusts shall be subject to the terms applying to private practice in those contracts.
22. Other grades may undertake private practice or work for outside agencies, providing they do not do so within the time they are contracted to the NHS, and they observe the conditions in paragraph 20 above. All hospital doctors are entitled to fees for other work outside their NHS contractual duties under "Category 2" (paragraph 37 of the TCS of Hospital Medical and Dental staff), e.g. examinations and reports for life insurance purposes. Hospital doctors and dentists in training should not undertake locum work outside their contracts where such work would be in breach of their contracted hours. Career grade medical and dental staff employed by NHS Trusts may agree terms and conditions different from the National Terms and Conditions of Service.

Rewards for Initiative

23. NHS employers should ensure that they are in a position to identify potential intellectual property rights (IPR), as and when they arise, so that they can protect and exploit them properly, and thereby ensure that they receive any rewards or benefits (such as royalties) in respect of work commissioned from third parties, or work carried out by their staff in the course of their NHS duties. Most IPR are protected by statute; e.g. patents are protected under the Patents Act 1977 and copyright (which includes software programmes) under the Copyright Designs and Patents Act 1988. To achieve this, NHS employers should build appropriate specifications and provisions into the contractual arrangements which they enter into before the work is commissioned, or begins. They should always seek legal advice if in any doubt in specific cases.
24. With regard to patents and inventions, in certain defined circumstances the Patents Act gives staff a right to obtain some reward for their efforts, and employers should see that this is affected. Other rewards may be given voluntarily to staff who within the course of their employment has produced innovative work of outstanding benefit to the NHS. Similar rewards should be voluntarily applied to other activities such as giving lectures and publishing books and articles.
25. In the case of collaborative research and evaluative exercises with manufacturers, NHS employers should see that they obtain a fair reward for the input they provide. If such an exercise involves additional work for a NHS staff member outside that paid for by the NHS employer under his contract of employment, arrangements should be made for some share of any rewards or benefits to be passed on to the staff member(s) concerned from the

collaborating parties. Care should however be taken that involvement in this type of arrangement with a manufacturer does not influence the purchase of other supplies from that manufacturer.

Part C

Chartered Institute of Purchasing and Supply - Ethical Code

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The personal ethical code set out below was approved by the Institute's Council on 16 October 1999 and is binding on CIPS members.

Introduction

1. Members of the Institute undertake to work to exceed the expectations of the following Code and will regard the Code as the basis of best conduct in the purchasing and supply profession.
2. Members should seek the commitment of their employer to the Code and seek to achieve wide spread acceptance of it amongst their fellow employees.
3. Members should raise any matter of concern of an ethical nature with their immediate supervisor or another senior colleague if appropriate, irrespective of whether it is explicitly addressed in the Code.

Principles

4. Members shall always seek to uphold and enhance the standing of the purchasing and supply profession and will always act professionally and selflessly by:
 - a) Maintaining the highest possible standard of integrity in all their business relationships both inside and outside the organisations where they work;
 - b) Rejecting any business practice which might reasonably be deemed improper and never using their authority for personal gain;
 - c) Enhancing the proficiency and stature of the profession by acquiring and maintaining current technical knowledge and the highest standards of ethical behaviour;
 - d) Fostering the highest possible standards of professional competence amongst those for whom they are responsible;
 - e) Optimising the use of resources which they influence and for which they are responsible to provide the maximum benefit to their employing organisation;
 - f) Complying both with the letter and the spirit of:
 - i. The law of the country in which they practise
 - ii. Institute guidance on professional practice

iii. Contractual obligations.

5. Members should never allow themselves to be deflected from these principles.

Guidance

6. In applying these principles, members should follow the guidance set out below:

- a) Declaration of interest - any personal interest which may affect or be seen by others to affect a member's impartiality in any matter relevant to his or her duties should be declared.
- b) Confidentiality and accuracy of information – the confidentiality of information received in the course of duty should never be issued for personal gain. Information given in the course of duty should be honest and clear
- c) Competition - the nature and length of contracts and business relationships with suppliers can vary according to circumstances. These should always be constructed to ensure deliverables and benefits. Arrangements which might in the long term prevent the effective operation of fair competition should be avoided.
- d) Business gifts - business gifts, other than items of very small intrinsic value such as business diaries or calendars, should not be accepted.
- e) Hospitality - the recipient should not allow him or herself to be influenced or be perceived by others to have been influenced in making a business decision as a consequence of accepting hospitality. The frequency and scale of hospitality accepted should be managed openly and with care and should not be greater than the member's employer is able to reciprocate.

Decisions and Advice

7. When it is not easy to decide between what is and is not acceptable, advice should be sought from the member's supervisor, another senior colleague or the Institute as appropriate. Advice on any aspect of the Code is available from the Institute