

## Reservation of Powers to the Board of Directors and Delegation of Powers

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## **QUICK REFERENCE GUIDE**

1. The Code of Accountability for NHS Boards requires the Board of Directors to draw up a schedule of decisions reserved to itself and to ensure that management arrangements are in place to allow clear delegation of other responsibilities
2. This document sets out the powers reserved to the Board of Directors and the Scheme of Delegation, together with financial limits and approval thresholds. However, the Board of Directors remains accountable for all of its functions, including those which have been delegated.
3. All powers of the Trust which have not been retained as reserved by the Board of Directors or delegated to a Committee authorised by the Board shall be exercised on behalf of the Board of Directors by the Chief Executive. The Scheme of Delegation identifies functions which the Chief Executive will perform personally and those delegated to other directors or officers. All powers delegated by the Chief Executive can be reassumed as required.
4. The Scheme of Delegation covers only matters delegated by the Board to directors and the Detailed Scheme of Delegation covers other specific matters referred to in the Standing Financial Instructions (S.FI's) and Standing Orders (S.O's). Each Director is responsible for the delegation within their Clinical Service Centre (CSC) and should produce a scheme of delegation for matters within the CSC. In particular the scheme of delegation should include how the CSC budget and procedures for approval of expenditure are delegated.

## 1. INTRODUCTION

- 1.1 The Code of Accountability for NHS Boards requires the Board of Directors to draw up a schedule of decisions reserved to itself and to ensure that management arrangements are in place to allow clear delegation of other responsibilities.

## 2. PURPOSE

- 2.1 This document sets out the powers reserved to the Board of Directors and the Scheme of Delegation, together with financial limits and approval thresholds. However, the Board of Directors remains accountable for all of its functions, including those which have been delegated.
- 2.2 All powers of the Trust which have not been retained as reserved by the Board of Directors or delegated to a Committee authorised by the Board shall be exercised on behalf of the Board of Directors by the Chief Executive. The Scheme of Delegation identifies functions which the Chief Executive will perform personally and those delegated to other directors or officers. All powers delegated by the Chief Executive can be reassumed as required.

## 3. SCOPE

- 3.1 The Scheme of Delegation covers only matters delegated by the Board to directors and the Detailed Scheme of Delegation covers other specific matters referred to in the Standing Financial Instructions (SFI's) and Standing Orders (S.O's).
- 3.2 In the event of an infection outbreak, flu pandemic or major incident, the Trust recognises that it may not be possible to adhere to all aspects of this document. In such circumstances, staff should take advice from their manager and all possible action must be taken to maintain ongoing patient and staff safety

## 4. DEFINITIONS

**“Code of Accountability”** – Is a code of practice which forms the basis on which NHS organizations should seek to fulfill the duties and responsibilities conferred upon them by the Secretary of State.

**“Board of Directors”** – means the Chairman, officer and non-officer members of the Trust collectively as a body.

**“Accountable Officer”** means the NHS Officer responsible and accountable for funds entrusted to the Trust. The officer shall be responsible for ensuring the proper stewardship of public funds and assets. For this Trust it shall be the Chief Executive.

**“Trust”** means the Portsmouth Hospitals NHS Trust

**“Budget”** means a resource, expressed in financial terms, proposed by the Board for the purpose of carrying out, for a specific period, any or all of the functions of the Trust.

**“Budget holder”** means the director or employee with delegated authority to manage finances (Income and Expenditure) for a specific area of the organisation.

**“Chairman of the Board (or Trust)”** is the person appointed by the Secretary of State for Health to lead the Board and to ensure that it successfully discharges its overall responsibility for the Trust as a whole. The expression “the Chairman of the Trust” shall be deemed to include the Vice-Chairman of the Trust if the Chairman is absent from the meeting or is otherwise unavailable.

**“Chief Executive”** means the chief officer of the Trust.

**“Governance and Quality Committee”** means a committee whose functions are concerned with the arrangements for the purpose of monitoring and improving the quality of healthcare for which the Portsmouth Hospitals NHS Trust has responsibility.

**“Commissioning”** means the process for determining the need for and for obtaining the supply of healthcare and related services by the Trust within available resources.

**“Committee”** means a committee or sub-committee created and appointed by the Trust.

**“Committee members”** means persons formally appointed by the Board to sit on or to chair specific committees.

**“Contracting and procuring”** means the systems for obtaining the supply of goods, materials, manufactured items, services, building and engineering services, works of construction and maintenance and for disposal of surplus and obsolete assets.

**“Director of Finance and Investment”** means the Chief Financial Officer of the Trust.

**“Funds held on Trust”** shall mean those funds which the Trust holds on date of incorporation, receives on distribution by statutory instrument or chooses subsequently to accept under powers derived under S.90 of the NHS Act 1977, as amended. Such funds may or may not be charitable.

**“Member”** means officer or non-officer member of the Board as the context permits. Member in relation to the Board does not include its Chairman.

**“Associate Member”** means a person appointed to perform specific statutory and non-statutory duties which have been delegated by the Trust Board for them to perform and these duties have been recorded in an appropriate Trust Board minute or other suitable record.

**“Membership, Procedure and Administration Arrangements Regulations”** means NHS Membership and Procedure Regulations (SI 1990/2024) and subsequent amendments.

**“Nominated officer”** means an officer charged with the responsibility for discharging specific tasks within Standing Orders and Standing Financial Instructions.

**“Non-officer member”** means a member of the Trust who is not an officer of the Trust and is not to be treated as an officer by virtue of regulation 1(3) of the Membership, Procedure and Administration Arrangements Regulations.

**“Officer”** means employee of the Trust or any other person holding a paid appointment or office with the Trust.

**“Officer member”** means a member of the Trust who is either an officer of the Trust or is to be treated as an officer by virtue of regulation 1(3) (i.e. the Chairman of the Trust or any person nominated by such a Committee for appointment as a Trust member).

**“Secretary”** means a person appointed to act independently of the Board to provide advice on corporate governance issues to the Board and the Chairman and to monitor the Trust’s compliance with the law, Standing Orders, and Department of Health guidance.

**“SFIs”** means Standing Financial Instructions.

**“SOs”** means Standing Orders.

**“Deputy-Chairman”** means the non-officer member appointed by the Board to take on the Chairman’s duties if the Chairman is absent for any reason.

## **5 DUTIES AND RESPONSIBILITIES**

- 5.1 Each Director is responsible for delegation within their Clinical Service Centre or Corporate Function and should produce a local scheme of delegation. In particular the scheme of delegation should include how the CSC budget and procedures for approval of expenditure are delegated.

## 6 PROCESS

### PORTSMOUTH HOSPITALS NHS TRUST - SCHEME OF RESERVATION AND DELEGATION

REF	THE BOARD	DECISIONS RESERVED TO THE BOARD
NA	THE BOARD	<p><b>General Enabling Provision</b> The Board may determine any matter, for which it has delegated or statutory authority, it wishes in full session within its statutory powers.</p>
NA	THE BOARD	<p><b><i>Regulations and Control</i></b></p> <ol style="list-style-type: none"> <li>1. Approve Standing Orders (SOs), a schedule of matters reserved to the Board and Standing Financial Instructions for the regulation of its proceedings and business.</li> <li>2. Suspend Standing Orders.</li> <li>3. Vary or amend the Standing Orders.</li> <li>4. Ratify any urgent decisions taken by the Chairman and Chief Executive in public session in accordance with SO 4.2</li> <li>5. Approve a scheme of delegation of powers from the Board to committees.</li> <li>6. Require and receive the declaration of Board members' interests that may conflict with those of the Trust and determining the extent to which that member may remain involved with the matter under consideration.</li> <li>7. Require and receive the declaration of officers' interests that may conflict with those of the Trust.</li> <li>8. Approve arrangements for dealing with complaints.</li> <li>9. Adopt the organisation structures, processes and procedures to facilitate the discharge of business by the Trust and to agree modifications thereto.</li> <li>10. Receive reports from committees including those that the Trust is required by the Secretary of State or other regulation to establish and to take appropriate action on.</li> <li>11. Confirm the recommendations of the Trust's committees where the committees do not have executive powers.</li> <li>12. Approve arrangements relating to the discharge of the Trust's responsibilities as a corporate trustee for funds held on trust.</li> <li>13. Establish terms of reference and reporting arrangements of all committees and sub-committees that are established by the Board.</li> <li>14. Approve arrangements relating to the discharge of the Trust's responsibilities as a bailer for patients' property.</li> <li>15. Authorise use of the seal.</li> <li>16. Ratify or otherwise instances of failure to comply with Standing Orders brought to the Chief Executive's attention.</li> <li>17. Discipline members of the Board or employees who are in breach of statutory requirements or SOs.</li> </ol>

REF	THE BOARD	DECISIONS RESERVED TO THE BOARD
NA	THE BOARD	<p><b>Appointments/ Dismissal</b></p> <ol style="list-style-type: none"> <li>1. Appoint the Deputy Chairman of the Board.</li> <li>2. Appoint and dismiss committees (and individual members) that are directly accountable to the Board.</li> <li>3. Appoint, appraise, discipline and dismiss Executive Directors (subject to SO 2.7).</li> <li>4. Confirm appointment of members of any committee of the Trust as representatives on outside bodies.</li> </ol> <p>Approve proposals of the Appointments and Remuneration Committee regarding directors and senior employees and those of the Chief Executive for staff not covered by the appointments and Remuneration Committee.</p>
NA	THE BOARD	<p><b>Strategy, Plans and Budgets</b></p> <ol style="list-style-type: none"> <li>1. Define the strategic aims and objectives of the Trust.</li> <li>2. Approve proposals for ensuring quality and developing clinical governance in services provided by the Trust, having regard to any guidance issued by the Secretary of State.</li> <li>3. Approve the Trust's policies and procedures for the management of risk.</li> <li>4. Approve Outline and Final Business Cases for Capital Investment.</li> <li>5. Approve budgets.</li> <li>6. Approve annually Trust's proposed organisational development proposals.</li> <li>7. Ratify proposals for acquisition, disposal or change of use of land and/or buildings.</li> <li>8. Approve PFI proposals.</li> <li>9. Approve the opening of bank accounts.</li> <li>10. Approve proposals on individual contracts (other than NHS contracts) of a capital or revenue nature amounting to, or likely to amount to over [£1m] over a 3 year period or the period of the contract if longer.</li> <li>11. Approve proposals in individual cases for the write off of losses or making of special payments above the limits of delegation to the Chief Executive and Director of Finance &amp; Investment (for losses and special payments) previously approved by the Board.</li> <li>12. Approve individual compensation payments over £50k.</li> <li>13. Review use of NHSLA risk pooling schemes (LPST/CNST/RPST).</li> <li>14. Review schedules of debtor balances</li> </ol>
	THE BOARD	<p><b>Policy Determination</b></p> <ol style="list-style-type: none"> <li>1. Approve management policies including personnel policies incorporating the arrangements for the appointment, removal and remuneration of staff.</li> </ol>

REF	THE BOARD	DECISIONS RESERVED TO THE BOARD
	THE BOARD	<p><b>Audit</b></p> <ol style="list-style-type: none"> <li>1. Agree the appointment (dismissal) by the Audit Commission of the external auditors.</li> <li>2. Approval of external auditors' arrangements for the separate audit of funds held on trust, and the submission of reports to the Audit Committee meetings who will take appropriate action.</li> <li>3. Review 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.</li> <li>4. Receive an annual report from the Internal Auditor and agree action on recommendations where appropriate of the Audit Committee.</li> </ol>
NA	THE BOARD	<p><b>Annual Reports and Accounts</b></p> <ol style="list-style-type: none"> <li>1. Receipt and approval of the Trust's Annual Report and Annual Accounts.</li> <li>2. Receipt and approval of the Annual Report and Accounts for funds held on trust.</li> </ol>
NA	THE BOARD	<p><b>Monitoring</b></p> <ol style="list-style-type: none"> <li>1. Receive of such reports as the Board sees fit from committees in respect of their exercise of powers delegated.</li> <li>2. Continuous appraisal of the affairs of the Trust by means of the provision to the Board as the Board may require from directors, committees, and officers of the Trust as set out in management policy statements.</li> <li>3. Receive reports from Director of Finance &amp; Investment on financial performance against budget and Local Delivery Plan.</li> <li>4. Receive reports from Chief Executive on actual and forecast income from SLA's.</li> </ol>



## DECISIONS/DUTIES DELEGATED BY THE BOARD TO COMMITTEES

REF	COMMITTEE	DECISIONS/DUTIES DELEGATED BY THE BOARD TO COMMITTEES
S.O. 5.8	AUDIT COMMITTEE	<p>The Committee will:</p> <ol style="list-style-type: none"> <li>1. Advise the Board on internal and external audit services;</li> <li>2. The Committee shall review the establishment and maintenance of an effective system of integrated governance, risk management and internal control, across the whole of the organisation's activities (both clinical and non-clinical), that supports the achievement of the organisation's objectives;</li> <li>3. Monitor compliance with Standing Orders and Standing Financial Instructions;</li> <li>4. Review schedules of losses and compensations and making recommendations to the Board.</li> <li>5. Audit Committee to review the annual financial statements prior to submission to the Board.</li> <li>6. Consider the Trust's financial position on a regular basis with particular regard to the achievement of its statutory break-even duty, delivering cost improvements, control of expenditure and adequacy of forecasting.</li> <li>7. Approve the Trust's Treasury Management Policy (where appropriate)</li> <li>8. Approve the Trust's Interest Rate Risk Strategy (where appropriate).</li> <li>9. Review and monitor Investment and Borrowing Policy against relevant benchmarks (where appropriate).</li> </ol>
S.O.5.8	FINANCE COMMITTEE	<ol style="list-style-type: none"> <li>1. Consider the Trust's financial position on a regular basis with particular regard to the achievement of its statutory break-even duty, delivering cost improvements, control of expenditure and adequacy of forecasting.</li> <li>2. Review schedule of debtor balances</li> </ol>
SFI 15.1.1/S.O. 5.8	APPOINTMENTS AND REMUNERATION COMMITTEE	<p>The Committee will:</p> <ol style="list-style-type: none"> <li>1. Advise the Board about appropriate remuneration and terms of service for the Chief Executive, other Executive Directors and other senior employees including:</li> <li>2. All aspects of salary (including any performance-related elements/bonuses);</li> <li>3. Provisions for other benefits, including pensions and cars;</li> <li>4. Arrangements for termination of employment and other contractual terms;</li> <li>5. Make recommendations to the Board on the remuneration and terms of service of executive directors and senior employees to ensure they are fairly rewarded for their individual contribution to the Trust - having proper regard to the Trust's circumstances and performance and to the provisions of any national arrangements for such staff;</li> <li>6. Proper calculation and scrutiny of termination payments taking account of such national guidance as is appropriate advise on and oversee appropriate contractual arrangements for such staff;</li> <li>7. The Committee shall report in writing to the Board the basis for its recommendations.</li> </ol>

REF	COMMITTEE	DECISIONS/DUTIES DELEGATED BY THE BOARD TO COMMITTEES
S.O. 5.8 HSC 1999/065	GOVERNANCE AND QUALITY COMMITTEE	<p>The Committee will:</p> <ol style="list-style-type: none"> <li>1. Ensure all risks are appropriately managed across the Trust and that appropriate review and assurance mechanisms are in place</li> <li>2. Review the Trust's compliance with the core and development domains as set out in Standards for Better Health.</li> <li>3. Review the Assurance Framework and implementation of the associated action plans.</li> <li>4. Review the implementation of the Governance Strategy and associated strategies, including those of Risk Management and Clinical Audit.</li> <li>5. Ensure that significant risks are appropriately reported through the risk register and linked to the Trust Assurance Framework</li> <li>6. Monitor compliance with CNST (Maternity) and NHSLA Risk Management Standards.</li> <li>7. Ensure National Guidance (National Institute for Health and Care Excellence, National Service Frameworks) informs delivery of care and development services.</li> </ol>
S.O. 5.8	CHARITABLE FUNDS COMMITTEE	<p>The Committee will:</p> <ol style="list-style-type: none"> <li>1. Approve Charitable Funds expenditure in accordance with Charitable Funds Policy.</li> <li>2. Update and maintain charitable funds policies and procedures.</li> <li>3. Receive and approve annual expenditure plans.</li> <li>4. Monitor progress in attaining Rocky Appeal targets.</li> <li>5. Ensure that costed proposals for new appeals are presented to HMC and Trust Board.</li> </ol>
	COMBINED CONTRACT REPORTING GROUP	<p>The Committee will:</p> <ol style="list-style-type: none"> <li>1. Ensure that the Trust meets its obligations under the project agreement.</li> <li>2. To monitor the performance of The Hospital Company against the agreed service specifications.</li> <li>3. Monitor all variations to the Project agreement.</li> </ol>

## SCHEME OF DELEGATION FROM STANDING ORDERS

SO REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
1.1	CHAIRMAN	Final authority in interpretation of Standing Orders (SOs).
2.9	BOARD	Appointment of Deputy Chairman
3.3	CHAIRMAN	Call meetings.
3.10	CHAIRMAN	Chair all Board meetings and associated responsibilities.
3.18	CHAIRMAN	Give final ruling in questions of order, relevancy and regularity of meetings.
3.19	CHAIRMAN	Having a second or casting vote
3.22	BOARD	Suspension of Standing Orders
3.26	AUDIT COMMITTEE	Audit Committee to review every decision to suspend Standing Orders (power to suspend Standing Orders is reserved to the Board)
3.27	BOARD	Variation or amendment of Standing Orders
4.1	BOARD	Formal delegation of powers to sub committees or joint committees and approval of their constitution and terms of reference. (Constitution and terms of reference of sub committees may be approved by the Chief Executive.)
4.2	CHAIRMAN & CHIEF EXECUTIVE	The powers which the Board has retained to itself within these Standing Orders may in emergency be exercised by the Chair and Chief Executive after having consulted at least two Non-Executive members.
4.5	CHIEF EXECUTIVE	The Chief Executive shall prepare a Scheme of Delegation identifying his/her proposals that shall be considered and approved by the Board, subject to any amendment agreed during the discussion.
7.1	THE BOARD	Declare relevant and material interests.
8.3	CHIEF EXECUTIVE	Maintain Register(s) of Interests.
8.1	ALL STAFF	Comply with national guidance contained in HSG 1993/5 "Standards of Business Conduct for NHS Staff".
8.7	ALL	Disclose relationship between self and candidate for staff appointment. (CE to report the disclosure to the Board.)
12.1/12.4	CHIEF EXECUTIVE	Keep seal in safe place and maintain a register of sealing.

<b>SO REF</b>	<b>DELEGATED TO</b>	<b>AUTHORITIES/DUTIES DELEGATED</b>
13.1	CHIEF EXECUTIVE/EXECUTIVE DIRECTOR	Approve and sign all documents which will be necessary in legal proceedings.

#### SCHEME OF DELEGATION FROM STANDING FINANCIAL INSTRUCTIONS

<b>SFI REF</b>	<b>DELEGATED TO</b>	<b>AUTHORITIES/DUTIES DELEGATED</b>
6.2.5	DIRECTOR OF FINANCE & INVESTMENT	Approval of all financial procedures.
6.1.3	DIRECTOR OF FINANCE & INVESTMENT	Advice on interpretation or application of SFIs.
6.1.5	ALL MEMBERS OF THE BOARD AND EMPLOYEES	Have a duty to disclose any non-compliance with these Standing Financial Instructions to the Director of Finance & Investment as soon as possible.
6.2.3	CHIEF EXECUTIVE	Responsible as the Accountable Officer to ensure financial targets and obligations are met and have overall responsibility for the System of Internal Control.
6.2.3	CHIEF EXECUTIVE & DIRECTOR OF FINANCE & INVESTMENT	Accountable for financial control but will, as far as possible, delegate their detailed responsibilities.
6.2.4	CHIEF EXECUTIVE	To ensure all Board members, officers and employees, present and future, are notified of and understand Standing Financial Instructions.
6.2.5	DIRECTOR OF FINANCE & INVESTMENT	Responsible for: a) Implementing the Trust's financial policies and coordinating corrective action; b) Maintaining an effective system of financial control including ensuring detailed financial procedures and systems are prepared and documented;

		<p>c) Ensuring that sufficient records are maintained to explain Trust's transactions and financial position;</p> <p>d) Providing financial advice to members of Board and staff;</p> <p>e) The design, implementation and supervision of systems of internal financial control</p> <p>f) Maintaining such accounts, certificates etc as are required for the Trust to carry out its statutory duties.</p>
<b>SFI REF</b>	<b>DELEGATED TO</b>	<b>AUTHORITIES/DUTIES DELEGATED</b>
6.2.6	ALL MEMBERS OF THE BOARD AND EMPLOYEES	Responsible for security of the Trust's property, avoiding loss, exercising economy and efficiency in using resources and conforming to Standing Orders, Financial Instructions and financial procedures.
6.2.7	CHIEF EXECUTIVE	Ensure that any contractor or employee of a contractor who is empowered by the Trust to commit the Trust to expenditure or who is authorised to obtain income are made aware of these instructions and their requirement to comply.
7.1.1	AUDIT COMMITTEE	Provide independent and objective view on internal control and probity.
7.1.2	AUDIT COMMITTEE CHAIR	Raise the matter at the Board meeting where Audit Committee considers there is evidence of ultra vires transactions or improper acts.
7.1.3	DIRECTOR OF FINANCE & INVESTMENT	Ensure an adequate internal audit service, for which he/she is accountable, is provided (and involve the Audit Committee in the selection process when/if an internal audit service provider is changed.)
7.2.1	DIRECTOR OF FINANCE & INVESTMENT	Decide at what stage to involve police in cases of misappropriation and other irregularities not involving fraud or corruption.
7.3.4	HEAD OF INTERNAL AUDIT	Review, appraise and report in accordance with NHS Internal Audit Manual and best practice.
7.4.1	AUDIT COMMITTEE	Ensure cost-effective External Audit.
7.5.1 /2	CHIEF EXECUTIVE & DIRECTOR OF FINANCE & INVESTMENT	Monitor and ensure compliance with Secretary of State Directions on fraud and corruption including the appointment of the Local Counter Fraud Specialist.
7.5.3	CHIEF EXECUTIVE	Monitor and ensure compliance with Directions issued by the Secretary of State for Health on NHS security management including appointment of the Local Security Management Specialist.
8.1.1	CHIEF EXECUTIVE	<p>Compile and submit to the Board an Annual Business Plan which takes into account financial targets and forecast limits of available resources. The Annual Business Plan will contain:</p> <ul style="list-style-type: none"> <li>• a statement of the significant assumptions on which the plan is based;</li> </ul>

		<ul style="list-style-type: none"> <li>details of major changes in workload, delivery of services or resources required to achieve the plan.</li> </ul>
8.1.2 & 8.1.3	DIRECTOR OF FINANCE & INVESTMENT	<p>Submit budgets to the Board for approval.</p> <p>Monitor performance against budget; submit to the Board financial estimates and forecasts.</p>
8.1.6	DIRECTOR OF FINANCE & INVESTMENT	Ensure adequate training is delivered on an on going basis to budget holders.
<b>SFI REF</b>	<b>DELEGATED TO</b>	<b>AUTHORITIES/DUTIES DELEGATED</b>
8.2.1	CHIEF EXECUTIVE	Delegate budget to budget holders.
8.2.2	CHIEF EXECUTIVE & BUDGET HOLDERS	Must not exceed the budgetary total or virement limits set by the Board.
8.3.1	DIRECTOR OF FINANCE & INVESTMENT	Devise and maintain systems of budgetary control.
8.3.2	BUDGET HOLDERS	<p>Ensure that</p> <p>a) no overspend or reduction of income that cannot be met from virement is incurred without prior consent of the Board;</p> <p>b) approved budget is not used for any other than specified purpose subject to rules of virement;</p> <p>c) no permanent employees are appointed without the approval of the Chief Executive other than those provided for within available resources and manpower establishment.</p>
8.3.3	CHIEF EXECUTIVE	Identify and implement cost improvements and income generation activities in line with the LDP.
8.5.1	CHIEF EXECUTIVE	Submit monitoring returns
9.1	DIRECTOR OF FINANCE & INVESTMENT	Preparation of annual accounts and reports.
10.1	DIRECTOR OF FINANCE & INVESTMENT	<p>Managing banking arrangements, including provision of banking services, operation of accounts, preparation of instructions and list of cheque signatories.</p> <p>(Board approves arrangements.)</p>
11.1	DIRECTOR OF FINANCE &	Income systems, including system design, prompt banking, review and approval of fees and charges, debt recovery arrangements, design and control of receipts, provision of adequate facilities and systems for employees whose

	INVESTMENT	duties include collecting or holding cash.
11.2.3	ALL EMPLOYEES	Duty to inform Director of Finance & Investment of money due from transactions which they initiate/deal with.
S.O. 9	CHIEF EXECUTIVE	Tendering and contract procedure.
S.O. 9.5	CHIEF EXECUTIVE	Waive formal tendering procedures.
S.O. 9.5	CHIEF EXECUTIVE	Report waivers of tenders <b>over £100k</b> to the Board.
S.O. 9.7	DIRECTOR OF FINANCE & INVESTMENT	Where a supplier is chosen that is not on the approved list the reason shall be recorded in writing by the Director of Procurement & Commercial Services.
<b>SFI REF</b>	<b>DELEGATED TO</b>	<b>AUTHORITIES/DUTIES DELEGATED</b>
S.O. Appendix A	CHIEF EXECUTIVE	Responsible for the receipt, endorsement and safe custody of tenders received.
S.O. Appendix A	CHIEF EXECUTIVE	Shall maintain a register to show each set of competitive tender invitations dispatched.
S.O. 9.18	CHIEF EXECUTIVE AND DIRECTOR OF FINANCE & INVESTMENT	Where only one tender is invited will assess for value for money and fair price.
S.O. 9	CHIEF EXECUTIVE	No tender shall be accepted which will commit expenditure in excess of that which has been allocated by the Trust and which is not in accordance with these Instructions except with the authorisation of the Chief Executive.
S.O. 9	CHIEF EXECUTIVE	Shall ensure that appropriate checks are carried out as to the technical and financial capability of those firms that are invited to tender or quote.
S.O. 9.13	CHIEF EXECUTIVE	The Chief Executive or nominated officer should evaluate the quotation and select the quote which gives the best value for money.
S.O. 9.16	CHIEF EXECUTIVE	The Chief Executive shall demonstrate that the use of private finance represents value for money and genuinely transfers risk to the private sector.
S.O. 9.16	BOARD	All PFI proposals must be agreed by the Board.
S.O. 9.18	CHIEF EXECUTIVE	The Chief Executive shall nominate an officer who shall oversee and manage each contract on behalf of the Trust.
S.O. 9.19	CHIEF EXECUTIVE	The Chief Executive shall nominate officers with delegated authority to enter into contracts of employment, regarding staff, agency staff or temporary staff service contracts.

S.O. 11.1	CHIEF EXECUTIVE	The Chief Executive shall be responsible for ensuring that best value for money can be demonstrated for all services provided on an in-house basis.
S.O. 11.4	CHIEF EXECUTIVE	The Chief Executive shall nominate an officer to oversee and manage the contract on behalf of the Trust.
S.O. 9.20/9.21	CHIEF EXECUTIVE	Must ensure the Trust enters into suitable Service Level Agreements (SLAs) with service commissioners for the provision of NHS services
SFI14.3	CHIEF EXECUTIVE	As the Accountable Officer, ensure that regular reports are provided to the Board detailing actual and forecast income from the SLA



SFI REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
15.1.1	BOARD	Establish an Appointments and Remuneration Committee
15.1.2	APPOINTMENTS & REMUNERATION COMMITTEE	<p>Advise the Board on and make recommendations on the remuneration and terms of service of the CE, other officer members and senior employees to ensure they are fairly rewarded having proper regard to the Trust's circumstances and any national agreements;</p> <p>Monitor and evaluate the performance of individual senior employees;</p> <p>Advise on and oversee appropriate contractual arrangements for such staff, including proper calculation and scrutiny of termination payments.</p>
15.1.3	APPOINTMENTS & REMUNERATION COMMITTEE	Report in writing to the Board its advice and its bases about remuneration and terms of service of directors and senior employees.
15.1.4	BOARD	Approve proposals presented by the Chief Executive for setting of remuneration and conditions of service for those employees and officers not covered by the Remuneration Committee.
15.3.1	CHIEF EXECUTIVE	Approval of variation to funded establishment of any department.
15.3.1	CHIEF EXECUTIVE	Staff, including agency staff, appointments and re-grading.
15.4.1 and 15.4.2	DIRECTOR OF FINANCE & INVESTMENT	<p>Payroll:</p> <ul style="list-style-type: none"> <li>a) specifying timetables for submission of properly authorised time records and other notifications;</li> <li>b) final determination of pay and allowances;</li> <li>c) making payments on agreed dates;</li> <li>d) agreeing method of payment;</li> <li>e) issuing instructions (as listed in SFI 15.4.2).</li> </ul>
15.4.3	NOMINATED MANAGERS*	<p>Submit time records in line with timetable.</p> <p>Complete time records and other notifications in required form.</p> <p>Submitting termination forms in prescribed form and on time.</p>
15.4.4	DIRECTOR OF FINANCE & INVESTMENT	Ensure that the chosen method for payroll processing is supported by appropriate (contracted) terms and conditions, adequate internal controls and audit review procedures and that suitable arrangements are made for the collection of payroll deductions and payment of these to appropriate bodies.

<b>SFI REF</b>	<b>DELEGATED TO</b>	<b>AUTHORITIES/DUTIES DELEGATED</b>
15.5.1	NOMINATED MANAGER*	Ensure that all employees are issued with a Contract of Employment in a form approved by the Board and which complies with employment legislation; and Deal with variations to, or termination of, contracts of employment.
16.1.1	CHIEF EXECUTIVE	Determine, and set out, level of delegation of non-pay expenditure to budget managers, including a list of managers authorised to place requisitions, the maximum level of each requisition and the system for authorisation above that level.
16.1.3	CHIEF EXECUTIVE	Set out procedures on the seeking of professional advice regarding the supply of goods and services.
16.2.1	REQUISITIONER*	In choosing the item to be supplied (or the service to be performed) shall always obtain the best value for money for the Trust. In so doing, the advice of the Trust's adviser on supply shall be sought.
16.2.2	DIRECTOR OF FINANCE & INVESTMENT	Shall be responsible for the prompt payment of accounts and claims.
16.2.3	DIRECTOR OF FINANCE & INVESTMENT	<ul style="list-style-type: none"> <li>a) Advise the Board regarding the setting of thresholds above which quotations (competitive or otherwise) or formal tenders must be obtained; and, once approved, the thresholds should be incorporated in standing orders and regularly reviewed;</li> <li>b) Prepare procedural instructions [where not already provided in the Scheme of Delegation or procedure notes for budget holders] on the obtaining of goods, works and services incorporating the thresholds;</li> <li>c) Be responsible for the prompt payment of all properly authorised accounts and claims;</li> <li>d) Be responsible for designing and maintaining a system of verification, recording and payment of all amounts payable;</li> <li>e) A timetable and system for submission to the Director of Finance &amp; Investment of accounts for payment; provision shall be made for the early submission of accounts subject to cash discounts or otherwise requiring early payment;</li> <li>f) Instructions to employees regarding the handling and payment of accounts within the Finance Department;</li> <li>g) Be responsible for ensuring that payment for goods and services is only made once the goods and services are received</li> </ul>
16.2.4	APPROPRIATE EXECUTIVE DIRECTOR	Make a written case to support the need for a prepayment.
16.2.4	DIRECTOR OF FINANCE & INVESTMENT	Approve proposed prepayment arrangements.
<b>SFI REF</b>	<b>DELEGATED TO</b>	<b>AUTHORITIES/DUTIES DELEGATED</b>

16.2.4	BUDGET HOLDER	Ensure that all items due under a prepayment contract are received (and immediately inform Director of Finance & Investment if problems are encountered).
16.2.5	CHIEF EXECUTIVE	Authorise who may use and be issued with official orders.
16.2.6	MANAGERS AND OFFICERS	Ensure that they comply fully with the guidance and limits specified by the Director of Finance and Investment.
16.2.7	CHIEF EXECUTIVE DIRECTOR OF FINANCE & INVESTMENT	Ensure that the arrangements for financial control and financial audit of building and engineering contracts and property transactions comply with the guidance contained within CONCODE and ESTATECODE. The technical audit of these contracts shall be the responsibility of the relevant Director.
16.3.1	DIRECTOR OF FINANCE & INVESTMENT	Lay down procedures for payments to local authorities and voluntary organisations made under the powers of section 28A of the NHS Act.
17.1	DIRECTOR OF FINANCE & INVESTMENT	The Director of Finance and Investment will advise the Board on the Trust's ability to pay dividend on PDC and report, periodically, concerning the PDC debt and all loans and overdrafts.
17.1.1	BOARD	Approve a list of employees authorised to make short term borrowings on behalf of the Trust. (This must include the Chief Executive and Director of Finance & Investment.)
17.1.2	DIRECTOR OF FINANCE & INVESTMENT	Prepare detailed procedural instructions concerning applications for loans and overdrafts.
17.1.4	CHIEF EXECUTIVE OR DIRECTOR OF FINANCE & INVESTMENT	Be on an authorising panel comprising one other member for short term borrowing approval.
17.2.2	DIRECTOR OF FINANCE & INVESTMENT	Will advise the Board on investments and report, periodically, on performance of same.
17.2.3	DIRECTOR OF FINANCE & INVESTMENT	Prepare detailed procedural instructions on the operation of investments held.
18.1	DIRECTOR OF FINANCE & INVESTMENT	Ensure that Board members are aware of the Financial Framework and ensure compliance

SFI REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
19.1.1 & 2	CHIEF EXECUTIVE	Capital investment programme: a) ensure that there is adequate appraisal and approval process for determining capital expenditure priorities and the effect that each has on plans b) responsible for the management of capital schemes and for ensuring that they are delivered on time and within cost; c) ensure that capital investment is not undertaken without availability of resources to finance all revenue consequences; d) ensure that a business case is produced for each proposal.
19.1.2	DIRECTOR OF FINANCE & INVESTMENT	Certify professionally the costs and revenue consequences detailed in the business case for capital investment.
19.1.3	CHIEF EXECUTIVE	Issue procedures for management of contracts involving stage payments.
19.1.4	DIRECTOR OF FINANCE & INVESTMENT	Issue procedures for the regular reporting of expenditure and commitment against authorised capital expenditure.
19.1.5	CHIEF EXECUTIVE	Issue manager responsible for any capital scheme with authority to commit expenditure, authority to proceed to tender and approval to accept a successful tender. Issue a scheme of delegation for capital investment management.
19.1.6	DIRECTOR OF FINANCE & INVESTMENT	Issue procedures governing financial management, including variation to contract, of capital investment projects and valuation for accounting purposes.
19.2.1	DIRECTOR OF FINANCE & INVESTMENT	Demonstrate that the use of private finance represents value for money and genuinely transfers significant risk to the private sector.
19.2.1	BOARD	Proposal to use PFI must be specifically agreed by the Board.
19.3.1	CHIEF EXECUTIVE	Maintenance of asset registers (on advice from Director of Finance & Investment).
19.3.5	DIRECTOR OF FINANCE & INVESTMENT	Approve procedures for reconciling balances on fixed assets accounts in ledgers against balances on fixed asset registers.
19.3.8	DIRECTOR OF FINANCE &	Calculate and pay capital charges in accordance with Department of Health requirements.

	INVESTMENT	
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<b>SFI REF</b>	<b>DELEGATED TO</b>	<b>AUTHORITIES/DUTIES DELEGATED</b>
19.4.1	CHIEF EXECUTIVE	Overall responsibility for fixed assets.
19.4.2	DIRECTOR OF FINANCE & INVESTMENT	Approval of fixed asset control procedures.
19.4.3	BOARD, EXECUTIVE MEMBERS AND ALL SENIOR STAFF	Responsibility for security of Trust assets including notifying discrepancies to Director of Finance & Investment, and reporting losses in accordance with Trust procedure.
20.2	CHIEF EXECUTIVE	Delegate overall responsibility for control of stores (subject to Director of Finance & Investment responsibility for systems of control). Further delegation for day-to-day responsibility subject to such delegation being recorded. (Good practice to append to the scheme of delegation document.)
20.2	DIRECTOR OF FINANCE & INVESTMENT	Responsible for systems of control over stores and receipt of goods.
20..2	DESIGNATED PHARMACEUTICAL OFFICER	Responsible for controls of pharmaceutical stocks
20..2	DESIGNATED ESTATES OFFICER	Responsible for control of stocks of fuel oil and coal.
20..2	NOMINATED OFFICERS*	Security arrangements and custody of keys
20..2	DIRECTOR OF FINANCE & INVESTMENT	Set out procedures and systems to regulate the stores.
20.2	DIRECTOR OF FINANCE & INVESTMENT	Agree stocktaking arrangements.
20.2	DIRECTOR OF FINANCE &	Approve alternative arrangements where a complete system of stores control is not justified.

	INVESTMENT	
20.2.	DIRECTOR OF FINANCE & INVESTMENT	Approve system for review of slow moving and obsolete items and for condemnation, disposal and replacement of all unserviceable items.
20.2.	NOMINATED OFFICERS*	Operate system for slow moving and obsolete stock, and report to Director of Finance & Investment evidence of significant overstocking.
20.3.1	CHIEF EXECUTIVE	Identify persons authorised to requisition and accept goods from NHS <b>Supply Chain</b> .
<b>SFI REF</b>	<b>DELEGATED TO</b>	<b>AUTHORITIES/DUTIES DELEGATED</b>
21.1.1	DIRECTOR OF FINANCE & INVESTMENT	Prepare detailed procedures for disposal of assets including condemnations and ensure that these are notified to managers.
21.2.1/ 21.2.2	DIRECTOR OF FINANCE & INVESTMENT	Prepare procedures for recording and accounting for losses, special payments and informing police in cases of suspected arson or theft.
21.2.2	ALL STAFF	Discovery or suspicion of loss of any kind must be reported immediately to either head of department or nominated officer. The head of department / nominated officer should then inform the Chief Executive and Director of Finance & Investment.
21.2.2	DIRECTOR OF FINANCE & INVESTMENT	Where a criminal offence is suspected, Director of Finance & Investment must inform the police if theft or arson is involved. In cases of fraud and corruption DoF must inform the relevant Local Counter Fraud Service and NHS Counter Fraud Service Regional Team in line with Secretary of State directions.
21.2.2	DIRECTOR OF FINANCE & INVESTMENT	Notify NHS CFS and External Audit of all frauds.
21.2.3	DIRECTOR OF FINANCE & INVESTMENT	Notify Board and External Auditor of losses caused theft, arson, neglect of duty or gross carelessness (unless trivial).
21.2.4	BOARD	Approve write off of losses (within limits delegated by DH).
21.2.6	DIRECTOR OF FINANCE & INVESTMENT	Consider whether any insurance claim can be made.
21.2.7	DIRECTOR OF	Maintain losses and special payments register.

	FINANCE & INVESTMENT	
22.1.1	DIRECTOR OF FINANCE & INVESTMENT	Responsible for accuracy and security of computerised financial data.
22.1.2	DIRECTOR OF FINANCE & INVESTMENT	Satisfy himself that new financial systems and amendments to current financial systems are developed in a controlled manner and thoroughly tested prior to implementation. Where this is undertaken by another organisation, assurances of adequacy must be obtained from them prior to implementation.
22.1.3	TRUST SECRETARY	Shall publish and maintain a Freedom of Information Scheme.
22.2.1	RELEVANT OFFICERS	Send proposals for general computer systems to Director of Finance & Investment.

SFI REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
22.3	DIRECTOR OF FINANCE & INVESTMENT	<p>Ensure that contracts with other bodies for the provision of computer services for financial applications clearly define responsibility of all parties for security, privacy, accuracy, completeness and timeliness of data during processing, transmission and storage, and allow for audit review.</p> <p>Seek periodic assurances from the provider that adequate controls are in operation.</p>
22.4	DIRECTOR OF FINANCE & INVESTMENT	<p>Ensure that risks to the Trust from use of IT are identified and considered and that disaster recovery plans are in place.</p>
22.5	DIRECTOR OF FINANCE & INVESTMENT	<p>Where computer systems have an impact on corporate financial systems satisfy himself that:</p> <ul style="list-style-type: none"> <li>a) systems acquisition, development and maintenance are in line with corporate policies;</li> <li>b) data assembled for processing by financial systems is adequate, accurate, complete and timely, and that a management trail exists;</li> <li>c) DoF and staff have access to such data;</li> </ul> <p>Such computer audit reviews are being carried out as are considered necessary.</p>
23.2	CHIEF EXECUTIVE	<p>Responsible for ensuring patients and guardians are informed about patients' money and property procedures on admission.</p>
23.3	DIRECTOR OF FINANCE & INVESTMENT	<p>Provide detailed written instructions on the collection, custody, investment, recording, safekeeping, and disposal of patients' property (including instructions on the disposal of the property of deceased patients and of patients transferred to other premises) for all staff whose duty is to administer, in any way, the property of patients.</p>
23.6	DEPARTMENTAL MANAGERS	<p>Inform staff of their responsibilities and duties for the administration of the property of patients.</p>
24.1	DIRECTOR OF FINANCE & INVESTMENT	<p>Shall ensure that each trust fund which the Trust is responsible for managing is managed appropriately.</p>
25.1	DIRECTOR OF FINANCE & INVESTMENT	<p>Ensure all staff are made aware of the Trust policy on the acceptance of gifts and other benefits in kind by staff</p>
26.1	CHIEF EXECUTIVE	<p>Retention of document procedures in accordance with Department of Health guidelines</p>
27.1	BOARD	<p>Approve and monitor risk management programme.</p>



SFI REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
27.2	BOARD	Decide whether the Trust will use the risk pooling schemes administered by the NHS Litigation Authority or self-insure for some or all of the risks (where discretion is allowed). Decisions to self-insure should be reviewed annually.
27.4	DIRECTOR OF FINANCE & INVESTMENT	<p>Where the Board decides to use the risk pooling schemes administered by the NHS Litigation Authority the Director of Finance &amp; Investment shall ensure that the arrangements entered into are appropriate and complementary to the risk management programme. The Director of Finance &amp; Investment shall ensure that documented procedures cover these arrangements.</p> <p>Where the Board decides not to use the risk pooling schemes administered by the NHS Litigation Authority for any one or other of the risks covered by the schemes, the Director of Finance &amp; Investment shall ensure that the Board is informed of the nature and extent of the risks that are self insured as a result of this decision. The Director of Finance &amp; Investment will draw up formal documented procedures for the management of any claims arising from third parties and payments in respect of losses that will not be reimbursed.</p>
27.4	DIRECTOR OF FINANCE & INVESTMENT	Ensure documented procedures cover management of claims and payments below the deductible.

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

## **7. TRAINING REQUIREMENTS**

This document should be read in conjunction with the Trust's, Standing Financial Instructions, Standing Orders and Detailed Scheme of Delegation.

## **8. REFERENCES AND ASSOCIATED DOCUMENTATION**

- NHS trust model standing orders, reservation and delegation of powers and standing financial instructions – March 2006  
[http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH\\_4132059](http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_4132059)
- Code of Accountability for Trust Boards –  
[http://www.nhsbsa.nhs.uk/Documents/Sect\\_1\\_-\\_D\\_-\\_Codes\\_of\\_Conduct\\_Acc.pdf](http://www.nhsbsa.nhs.uk/Documents/Sect_1_-_D_-_Codes_of_Conduct_Acc.pdf)

## **9. MONITORING COMPLIANCE WITH, AND THE EFFECTIVENESS OF, PROCEDURAL DOCUMENTS**

Compliance with this policy will be monitored by:

- Internal and external audit
- The Audit Committee on behalf of the Trust Board

## **10. QUALITY IMPACT STATEMENT**

Portsmouth Hospitals NHS Trust is committed to ensuring that, as far as is reasonably practicable, the way we provide services to the public and the way we treat our staff reflects their individual needs and does not discriminate against individuals or groups on any grounds.

This policy has been assessed accordingly