



STANDING FINANCIAL INSTRUCTIONS

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SECTION A

1. DEFINITIONS FOR STANDING FINANCIAL INSTRUCTIONS

- 1.1 Any expression to which a meaning is given in the HPSS (NI) Order 1991, the Health and Social Care (Reform) Act (Northern Ireland) 2009 and other Acts / Orders relating to the HSC shall have the same meaning in these Standing Financial Instructions and in addition:
- 1.1.1 **"Accounting Officer"** means the HSC Officer responsible and accountable for funds entrusted to the Trust. The officer shall be responsible for ensuring the proper stewardship of public funds and assets. For this Trust it shall be the Chief Executive.
- 1.1.2 **"Trust"** means the Northern Ireland Ambulance Service (NIAS) Health & Social Care Trust.
- 1.1.3 **"Board"** means the Chair, Executive and Non-Executive members of the Trust collectively as a body.
- 1.1.4 **"Budget"** means a resource, expressed in financial terms, proposed by the Board for the purpose of carrying out, for a specific period, any or all of the functions of the Trust.
- 1.1.5 **"Budget holder"** means the Director or employee with delegated authority to manage finances (Income and Expenditure) for a specific area of the organisation.
- 1.1.6 **"Chair of the Board (or Trust)"** is the person appointed in accordance with the relevant legislation to lead the Board and to ensure that it successfully discharges its overall responsibility for the Trust as a whole. The expression "the Chair of the Trust" shall be deemed to include the member acting as Chair of the Trust if the Chair is absent from the meeting or is otherwise unavailable.
- 1.1.7 **"Chief Executive"** means the Chief Officer of the Trust. The Chief Executive is the Trust's Accounting Officer.
- 1.1.8 **"Assurance Committee"** means a committee whose functions are concerned with the arrangements for the purpose of monitoring and improving the quality and safety of health and social care for which the Northern Ireland Ambulance Service Health and Social Care Trust has responsibility.
- 1.1.9 **"Commissioning"** means the process for determining the need for and for



obtaining the supply of healthcare, social care and related services by the Trust within available resources.

- 1.1.10 **"Committee"** means a committee or Sub-Committee created and appointed by the Trust.
- 1.1.11 **"Committee members"** means persons formally appointed by the Board to sit on or to chair specific committees.
- 1.1.12 **"Director of Finance"** means the Chief Financial Officer of the Trust.
- 1.1.13 **"Member"** means executive or non-executive member of the Board as the context permits. Member, in relation to the Board, includes its Chair.
- 1.2.16 **"Nominated officer"** means an officer charged with the responsibility for discharging specific tasks within Standing Orders and Standing Financial Instructions.
- 1.2.17 **"Officer"** means employee of the Trust or any other person holding a paid appointment or office with the Trust.
- 1.2.18 **"Procurement Act 2023"** (PA 2023) means the legislation governing the award, entry into and management of public contracts from 24 February 2025.
- 1.2.19 **"SFI's"** means Standing Financial Instructions.
- 1.2.20 **"SO's"** means Standing Orders.
- 1.2.21 **"Transferred Northern Ireland Authority"** refers to authorities whose functions are exercisable only in or as regards NI and not relating to reserved/excepted matters.
- 1.2.22 **"Member acting as Chair"** means the non-executive member appointed by the Board to take on the Chair's duties if the Chair is absent for any reason.
- 1.2.23 **"DoH"** means the Department of Health.



SECTION B - STANDING FINANCIAL INSTRUCTIONS

1. INTRODUCTION

KEY POINTS

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

1.1 General

1.1.1 These Standing Financial Instructions (SFIs) are issued for the regulation of the conduct of the Trust's members and officers in relation to all financial matters. They shall have effect as if incorporated in the Standing Orders (SO's). They are the "business rules" that Directors and employees (including employees of third parties contracted by the Trust) must follow when acting on behalf of the Trust.

1.1.2 These Standing Financial Instructions detail the financial responsibilities, policies and procedures adopted by the Trust. They are designed to ensure that the Trust's financial transactions are carried out in accordance with the law and with Government policy in order to achieve probity, accuracy, economy, efficiency and effectiveness. They should be used in conjunction with the Standing Orders, and the Scheme of Reservation and Delegation (which includes the Schedule of Decisions Reserved to the Board and the Scheme of Delegation adopted by the Trust).

1.1.3 These SFIs should be read alongside the Procurement Act 2023. NIAS is a transferred Northern Ireland authority, and the Northern Ireland-specific



publication exemptions set out in the Act apply, unless a procurement proceeds under a reserved procurement arrangement.

- 1.1.4 These Standing Financial Instructions identify the financial responsibilities which apply to everyone working for the Trust including third parties contracted to NIAS acting on behalf of the Trust. They do not provide detailed procedural advice and should be read in conjunction with the detailed departmental and financial procedure notes. All financial procedures must be approved by the Director of Finance. Standing Financial Instructions **are mandatory on all Members, Directors and employees of the Trust.**
- 1.1.5 Should any difficulties arise regarding the interpretation or application of any of the Standing Financial Instructions then the advice of the Director of Finance must be sought before acting. The user of these Standing Financial Instructions should also be familiar with and comply with the provisions of the Trust's Standing Orders.
- 1.1.6 **Failure to comply with Standing Financial Instructions and Standing Orders can in certain circumstances be regarded as a disciplinary matter that could result in dismissal.**
- 1.1.7 Overriding Standing Financial Instructions – If for any reason these Standing Financial Instructions are not complied with in any significant or material respect, full details and any justification for non-compliance shall be reported to the next formal meeting of the Audit Committee for referring action or ratification. All members of the Board and staff have a duty to disclose any significant or material non-compliance with these Standing Financial Instructions to the Director of Finance as soon as possible.

1.2 Responsibilities and Delegation

1.2.1 The Trust Board

The Board exercises financial supervision and control by:

- (a) formulating the financial strategy.
- (b) requiring the submission and approval of an annual financial plan within the approved opening revenue and capital allocations / overall income.
- (c) defining and approving essential features in respect of important procedures and financial systems (including the need to obtain best value for money).
- (d) defining specific responsibilities placed on members of the Board and



employees as indicated in the Scheme of Reservation and Delegation; and

- (e) ensuring that it receives and reviews regular financial information concerning the management of the Trust and that it is informed on a timely basis about any concerns regarding the activities of the Trust.

The Trust Board has resolved that certain powers and decisions may only be exercised by the Board in formal session. These are set out in the Standing Orders and Scheme of Reservation & Delegation. All other powers have been delegated to the Chief Executive or such other committees as the Trust has established.

1.2.2 **The Chief Executive and Director of Finance**

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

Within the Standing Financial Instructions, it is acknowledged that the Chief Executive is ultimately accountable to the Board, and as Accounting Officer, to the Minister for the Department of Health (DoH). The Chief Executive is personally responsible for safeguarding the public funds for which he/she has charge; for ensuring propriety and regularity in the handling of those funds and for the day-to-day operations and management of the Trust. In addition, he/she should ensure that the Trust meets the standards set out in Managing Public Money NI (MPMNI) in relation to governance, decision making and financial management.

The Chief Executive has overall executive responsibility for the Trust's activities; is responsible to the Chair and the Board for ensuring that its financial obligations and targets are met and has overall responsibility for the Trust's system of internal control.

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

1.2.3 **The Director of Finance**

The Director of Finance is responsible for:

- (a) implementing the Trust's financial policies/procedures and for coordinating any corrective action necessary to further these policies.
- (b) maintaining an effective system of internal financial control including ensuring that detailed financial procedures and systems incorporating the principles of separation of duties and internal checks are prepared, documented and maintained to supplement these instructions.



- (c) ensuring that sufficient records are maintained to show and explain the Trust's transactions, in order to disclose, with reasonable accuracy, the financial position of the Trust at any time.
- (d) the provision of financial advice to the Trust Board, the Chief Executive, Directors and employees.
- (e) the design, implementation and supervision of systems of internal financial control; and
- (f) the preparation and maintenance of such accounts, certificates, estimates, records and reports as the Trust may require for the purpose of carrying out its statutory duties.

1.2.4 **Trust Board Members, Chief Executive, Executive Directors and Employees**

All are severally and collectively responsible for:

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

1.2.5 **Contractors and their employees**

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

For all members of the Trust Board and any employees who carry out a financial function, the form in which financial records are kept and the manner in which members of the Trust Board and employees discharge their duties must be to the satisfaction of the Director of Finance.



2. AUDIT

KEY POINTS

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

2.1 Audit and Risk Assurance Committee

2.1.1 In accordance with Standing Orders and the Code of Conduct and Code of Accountability for Board Members of Health and Social Care Bodies (2012), the Trust Board shall formally establish an Audit Committee, with clearly defined terms of reference and following guidance from the Audit and Risk Assurance Committee Handbook (NI) 2018.

2.1.2 The Audit and Risk Assurance Committee will provide an independent and objective view of governance and internal control arrangements by:

- (a) overseeing Internal and External Audit services.
- (b) reviewing the adequacy of all risk and control related disclosure statements, in particular the mid-year assurance statement and the Governance Statement, together with any accompanying Head of Internal Audit assurance statement, external audit opinion and other appropriate independent assurances prior to endorsement by the Trust Board.
- (c) reviewing financial and information systems and monitoring the integrity of the financial statements and reviewing significant financial reporting judgments.
- (d) contributing to the review of 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.

- (e) monitoring compliance with Standing Orders and Standing Financial Instructions.
- (f) reviewing schedules of losses and compensations and making recommendations to the Board regarding their approval.
- (g) reviewing the adequacy of the policies and procedures for all work related to fraud and corruption.
- (h) contributing to the arrangements in place to support the Assurance Framework process prepared on behalf of the Board and advising the Board accordingly; and
- (i) providing, or arranging to have provided, any other assurances that are required by Trust Board.

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

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

2.2 Director of Finance

2.2.1 The Director of Finance is responsible for:

- (a) ensuring there are arrangements to review, evaluate and report on the effectiveness of internal financial control including the establishment of an effective Internal Audit function.
- (b) ensuring that the Internal Audit function is adequate and meets the mandatory Public Sector Internal Audit Standards (PSIAS) having due regard to DoH guidance detailing internal audit arrangements between a sponsoring Department and its Arm's Length Bodies.
- (c) deciding at what stage to involve the police in cases of misappropriation and



other irregularities in accordance with the Trust's Fraud Response Plan.

- (d) ensuring that an Annual Internal Audit Report is prepared by the Head of Internal Audit (Business Services Organisation) for the consideration of the Audit and Risk Assurance Committee. The report must cover:
 - (1) a clear opinion on the effectiveness of internal control in accordance with assurance framework guidance issued by DoH.
 - (2) major internal control weaknesses discovered.
 - (3) progress on the implementation of internal audit recommendations; and
 - (4) progress against plan over the previous year.
- (e) ensuring that an Annual Internal Audit Strategic Audit Plan covering the coming three years is produced from which an annual Operational Plan is derived.

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

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

2.3 Role of Internal Audit

2.3.1 Internal Audit will review, appraise and report upon:

- a) the extent of compliance with, and the financial effect of, relevant established policies, plans and procedures.
- b) the adequacy and application of financial and other related management controls.



- c) the suitability, accuracy, reliability and integrity of financial and other related management information.
- d) the extent to which the Trust's assets and interests are acquired economically, accounted for and safeguarded from loss of any kind.
- (e) the adequacy of follow up action taken by management in response to Internal Audit reports; and
- (f) the integrity of processes and systems to ensure that controls offer adequate protection against error, fraud and loss of all kinds.
- (g) the adequacy of governance arrangements to provide assurance to the Chief Executive and Trust Board.
- (h) the Head of Internal Audit shall provide an annual opinion on the Trust's risk management, control and governance arrangements. This opinion is based upon, and limited to, the results of the Internal Audit work performed during the year as approved by the Audit Committee.

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

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

2.3.4 The Head of Internal Audit shall be accountable to the Audit and Risk Assurance Committee. The reporting system for internal audit shall be agreed between the Director of Finance, the Audit and Risk Assurance Committee and the Head of Internal Audit. The agreement shall be in writing and shall comply with the guidance on reporting contained in the Public Sector Internal Audit Standards. The reporting system shall be reviewed at least every three years.

2.4 External Audit

2.4.1 The Comptroller and Auditor General (C&AG) for Northern Ireland is the appointed External Auditor for the Trust, who may outsource the delivery of the external audit programme to an appropriately qualified third-party organisation.



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

2.5 Fraud and Corruption

- 2.5.1 In line with their responsibilities, the Chief Executive and Director of Finance shall monitor and ensure compliance with all guidance issued by the DoH Counter Fraud Policy Unit on fraud, bribery and corruption.
- 2.5.2. The Director of Finance is responsible for:
- (a) assessing, identifying, evaluating and responding to risks of bribery or fraud.
 - (b) ensuring appropriate arrangements are in place for deterring, preventing, detecting and investigating fraud or bribery.
 - (c) ensuring that the Trust's Audit Committee formally considers the anti-fraud measures in place.
 - (d) reporting immediately all suspected or proven frauds, including attempted fraud to Business Services Organisation's Counter Fraud & Probity Services Unit; and
 - (e) complying with all guidance issued by DoH.
 - (f) Developing an anti-fraud policy and fraud response plan which is updated at least every five years and sent to Counter Fraud and Probity Services Unit at BSO for review.
- 2.5.3 The Director of Finance shall nominate a suitable person to carry out the duties of the Fraud Liaison Officer, as specified by the DoH Counter Fraud Policy and guidance.



- 2.5.4 The Fraud Liaison Officer shall report to the Director of Finance and shall work with staff in the Counter Fraud and Probity Service within the Business Services Organisation (BSO) and the Regional Counter Fraud Policy Unit in accordance with the DoH Counter Fraud Policy.
- 2.5.5 The Assistant Director of Financial Services will provide a written report to the Audit and Risk Assurance Committee, at least annually, on counter fraud work within and on behalf of the Trust.



3. RESOURCE LIMIT CONTROL

KEY POINTS

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

- 3.1 The Trust's revenue and capital expenditure form part of the DoH Department's Resource Delegated Expenditure Level (DEL) and Capital DEL respectively.
- 3.2 The Trust shall not, without prior written DoH approval, enter into any undertaking to incur any expenditure which falls outside the Trust's delegations, or which is not provided for in the Trust's annual budget as approved by the DoH or the Commissioning Body on its behalf. This reflects the general principles set out in Managing Public Money (NI) (MPMNI) relating to the authority for expenditure, regularity, propriety, and value for money which applies to all public expenditure.
- 3.3 The Trust is obliged to act in line with the guidance as set out in circular HSC (f) 37/2023 which deals with the HSC Finance Regime.

This states that the Trust is obliged to:

- (a) contain expenditure within the overall resources allocated subject to any ring-fencing constraints.
- (b) maintain a constructive dialogue with other HSC organisations.
- (c) ensure that their services are offered at a price which reflects economic and efficient use of resources and complies fully with financial requirements.
- (d) take a joint risk sharing approach with Commissioners to the management of cost pressures identified.
- (e) work jointly with Commissioners to reprofile services, incorporating bridging finance milestones and timeframes within SBA.
- (f) work with the DoH and Commissioners to manage the service implications of the



capital programme.

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

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

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

Examples include:

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

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



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

KEY POINTS

- The Chief Executive will submit to the Commissioning body a Trust Delivery Plan which takes into account financial targets and forecast limits of available resources.
- The Director of Finance will prepare and submit revenue and capital budgets for approval by Trust Board in line with the Trust Delivery Plan.
- The Chief Executive delegates the management of budgets to budget holders to permit the performance of a defined range of activities.
- The Director of Finance reports monthly on performance against budget to Trust Board; *and*
- Budget holders are responsible for:
 - remaining within budget.
 - using the budget for the purpose intended.
 - not appointing permanent employees outside available resources; *and*
 - attending budgetary training.

4.1 Revenue Resource Limit (RRL)

4.1.1 The Director of Finance will:

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

4.2 Preparation and Approval of Plans and Budgets

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



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

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

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

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

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

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

4.3 Budgetary Delegation

4.3.1 The Chief Executive delegates the management of budgets to budget holders to permit the performance of a defined range of activities. This delegation is implied in line with these Standing Financial Instructions. Budget holders have the responsibility to be aware of:

- (a) the total amount of the budget they are responsible for.



- (b) the purpose(s) of each budget heading.
- (c) individual and group responsibilities.
- (d) their authority to exercise virement only within total revenue or total capital (no virement of budget is permitted between revenue and capital); and
- (e) the performance against their budget.

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

4.3.3 All budget holders must ensure that the necessary business case preparation and approvals have been obtained for expenditure decisions before committing to recurrent revenue expenditure or to support any other proposed investment. Failure to obtain the required approvals will mean that the expenditure has been incurred without the required authority and is therefore deemed to be irregular. This could lead to a qualification of the audit opinion in the Trust's annual financial statements. Budget holders should refer to the latest DoH and Trust guidance on business cases and the NI Better Business Case (BBC) Guidance. It is recommended that Budget Holders consult with the Assistant Director of Financial management for advice before committing to any proposed recurrent investment.

4.3.4 Any budgeted funds not required for their designated purpose(s) revert to the immediate control of the Chief Executive, subject to any authorised use of virement. Where DoH resources allocated for a particular purpose are not required or not required in full for that purpose, approval of the Commissioning Body/DoH must be obtained before any redistribution within the Trust. This is to be coordinated by the Director of Finance.

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

4.3.6 All budget holders are required to regularly review all projected expenditure and identify to the Director of Finance on a timely basis where inescapable expenditure has the potential to breach their delegated budget.

4.4 Budgetary Control and Reporting



- 4.4.1 The Director of Finance will devise and maintain systems of budgetary control, which will include:
- (a) Monthly financial reports to the Trust Board in a form approved by the Board containing:
 - (1) income and expenditure to date showing trends and forecast year-end position.
 - (2) capital project spend and projected outturn against plan.
 - (3) explanations of any material variances from plan; and
 - (4) details of any corrective action where necessary and the Chief Executive's and / or Director of Finance's view of whether such actions are sufficient to correct the situation.
 - (b) the issue of timely, accurate and comprehensible advice and financial reports to each budget holder, covering the areas for which they are responsible.
 - (c) investigation and reporting of variances from financial, workload and workforce budgets.
 - (d) monitoring of management action to correct variances; and
 - (e) arrangements for the authorisation of budget transfers.
- 4.4.2 Each Budget Holder is responsible for ensuring that:
- (a) any likely overspending or reduction of income which cannot be met by virement is not incurred without the prior consent of the Board or its delegated representative.
 - (b) the amount provided in the approved budget is not used in whole or in part for any purpose other than that specifically authorised subject to the rules of virement.
 - (c) no permanent employees are appointed without the approval of the Chief Executive, or his / her delegated representative, other than those provided for within the available resources and budgeted establishment; and
 - (d) budget holders should attend such training as is deemed necessary by the Director of Finance.



- (e) Assistant Director of Financial Management should be consulted for advice and support as required.

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

4.5 Capital Expenditure

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

4.6 Monitoring Returns

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



5. ANNUAL ACCOUNTS AND REPORTS

KEY POINTS

- The Director of Finance will prepare financial returns, and the Annual Report and Accounts for the Trust as required by the DoH; *and*
- The Annual Report and Accounts will be subject to audit by the Comptroller and Auditor General, laid before the NI Assembly and presented in a public meeting of the Trust.
- The Annual Report & Accounts are to be published on the Trust's website.

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

- (a) prepare financial returns in accordance with the accounting policies and guidance given by the DoH and the Department of Finance (FReM), the Trust's accounting policies, and International Financial Reporting Standards.
- (b) prepare and submit an audited Annual Report of the Trust's activities together with its audited consolidated annual accounts to the DoH certified in accordance with issued timetable and guidelines; and
- (c) submit financial returns to the DoH for each financial year in accordance with the timetable prescribed by the DoH.

5.2 The Trust's Annual Report and annual accounts must be audited either by an external auditor appointed by or the Comptroller and Auditor General (C&AG) for Northern Ireland. The Trust's audited Annual Report and annual accounts must be presented to a public meeting of the Trust Board and made available to the public after laying before the NI Assembly. The document must comply with the DoH Manual of Accounts, the Financial Reporting Manual (FReM) and any other relevant guidance.

5.3 The Trust shall maintain and publish a Freedom of Information (FOI) Publication Scheme in a format approved by the Information Commissioner. A Publication Scheme is a complete guide to the information routinely published by a public authority. It describes the classes or types of information about the Trust that are made publicly available. This will include the Annual Report and Accounts.



6. BANK ACCOUNTS

KEY POINTS

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

6.1 General

6.1.1 The Director of Finance is responsible for managing the Trust's banking arrangements, including establishing and developing the interface with the BSO where it provides banking services on behalf of the Trust. The Chief Executive, as Accounting Officer, is responsible for the credit risk to which public funds are exposed when held in commercial banks. The Director of Finance is also responsible for advising the Trust Board on the provision of banking services and operation of accounts. This advice will take into account guidance and directions issued from time to time by the DoH.

6.1.2 The Chief Executive is responsible for ensuring that the Trust's banking arrangements are in accordance with the requirements outlined in Managing Public Money Northern Ireland (MPMNI).

6.1.3 The Trust Board shall approve the banking arrangements.

6.2 Bank Accounts

6.2.1 The Director of Finance is responsible for:

- (a) the operation of bank accounts.
- (b) establishing separate bank accounts for the Trust's non-public funds.
- (c) ensuring payments made from bank accounts do not exceed the amount credited to the account except where prior arrangements have been made.
- (d) reporting to the Board all arrangements made with the Trust's bankers for accounts to be overdrawn.



- (e) monitoring compliance with DoH guidance on the level of cleared funds; and
- (f) setting the parameters for the BSO within the SLA for any of the above as appropriate.

6.3 Banking Procedures

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

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

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

6.4 Tendering and Review

6.4.1 The Director of Finance is responsible for reviewing the commercial banking arrangements of the Trust at regular intervals to ensure they reflect best practice and represent best value for money by periodically seeking, in co-operation with other HSC organisations, competitive tenders for the Trust's commercial banking business. The Trust should avail of the regional HSC banking contract, save in exceptional circumstances.



- 6.4.2 Competitive tenders for HSC banking business should be sought at least every five years. The results of the tendering exercise should be reported to the Board.



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

KEY POINTS

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

7.1 Income Systems

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



regular reports in an agreed format in relation to all areas of income, debt and banking that are managed by BSO on the Trust's behalf.

7.2 Fees and Charges

- 7.2.1 All fees or charges for any services supplied by the Trust, including services provided between HSC bodies shall be determined in accordance with MPMNI and should be charged on a full cost recovery basis. Where it is decided to charge less than full costs, if the subsidy is intended to last this will require the decision to be documented and periodically reviewed.
- 7.2.2 The Director of Finance is responsible for approving and regularly reviewing the level of all fees and charges other than those determined by the DoH or by Statute. Fees or charges for any services supplied shall be determined in accordance with MPMNI. Independent professional advice on matters of valuation shall be taken as necessary.
- 7.2.3 Charges for commercial services should be set at a commercial rate in line with market practice and reflect fair competition with private sector providers. The requirements of commercial law and State Aid must be considered. Decisions to set rates at below market price must have DoH approval.
- 7.2.4 All employees must inform the Director of Finance promptly of money due to the Trust arising from transactions which they initiate / deal with, including all contracts, leases, tenancy agreements, and other transactions.
- 7.2.5 Where sponsorship income (including items in kind such as subsidised goods or loans of equipment) is considered, the Trust will follow all relevant DoH guidance including Commercial Sponsorship – Ethical standards in the HSC as well as the Trust's policy on Gifts & Hospitality.
- 7.2.6 Receipts arising from the sale of goods and services, and dividends can be retained by the Trust and provide additional spending power for the Trust.
- 7.2.7 If there is any doubt about the correct treatment of a receipt, the Trust will consult the DoH.

7.3 Debt Recovery

- 7.3.1 The Director of Finance is responsible for ensuring that the BSO undertakes the appropriate recovery action on all outstanding debts.



- 7.3.2 Income not received should be dealt with in accordance with the DoH guidance on losses and special payments.
- 7.3.3 Appropriate controls should be put in place to prevent overpayments and measures put in place to detect overpayments. Where overpayments are detected, recovery must be initiated in line with DOH guidance, BSO Payroll Shared Services and Trust Policies and Procedures.
- 7.3.4 The Director of Finance shall ensure that regular reports in the agreed format are provided to the Trust by the BSO in relation to those debts managed by the BSO on the Trust's behalf.

7.4 Security of Cash, Cheques and other Negotiable Instruments

- 7.4.1 The Director of Finance is responsible for:
- (a) approving the form of all receipt books, agreement forms, or other means of officially acknowledging or recording monies received or receivable.
 - (b) ordering and securely controlling any such stationery.
 - (c) the provision of adequate facilities and systems for employees whose duties include collecting and holding cash, including the provision of safes or lockable cash boxes, the procedures for keys, and for coin operated machines.
 - (d) prescribing systems and procedures for handling cash and negotiable securities on behalf of the Trust; and
 - (e) obtaining assurance from BSO that suitable arrangements for the above exist where relevant within the Accounts Receivable Shared Services Centre.
- 7.4.2 Official money shall not under any circumstances be used for the encashment of private cheques or IOUs.
- 7.4.3 All cheques, postal orders, cash etc., shall be banked in full and intact. Disbursements shall not be made from cash received, except under arrangements approved by the Director of Finance.
- 7.4.4 All unused cheques and other orders will be subject to the same security precautions as are applied to cash.



- 7.4.5 The holders of safe keys shall not accept unofficial funds for depositing in their safes unless such deposits are in special sealed envelopes or locked containers. It shall be made clear to the depositors that the Trust is not to be held liable for any loss, and written indemnities must be obtained from the organisation or individuals absolving the Trust from responsibility for any loss.
- 7.4.6 Any shortfall in cash, cheques or other negotiable instruments, however occasioned, will be reported immediately to the Director of Finance (in accordance with the Trust's losses procedure) and the Trust's Fraud Liaison Officer.



8. PROCUREMENT AND CONTRACTING PROCEDURE

KEY POINTS

- In accordance with PA 2023, procurement is defined as “the process for the award, entry into and management of contracts for goods, services and works, including any steps taken for awarding, entering into or managing a contract.”
- The Trust must use the existing Centres of Procurement Expertise for the procurement of works, goods and services.
- The Director of Finance will prepare a Procurement Strategy and an Annual Procurement Plan.
- The Director of Finance is responsible for ensuring that the Trust has appropriate systems in place for controlling risks associated with purchasing activities.

Trust managers and officers must:

- Ensure they comply fully with legislation, DoH Policies and Trust guidance on procurement (including Direct Award Contracts) and contract management;
- Complete a conflict of interest assessment throughout the entire commercial cycle of a good/service;
- Accept tenders from suppliers in accordance with the Trust’s award criteria, identifying the most advantageous tender. .

8.1 Duty to comply with Standing Orders and Standing Financial Instructions

- 8.1.1 The procedure for making all contracts by or on behalf of the Trust shall comply with all relevant legislation, Northern Ireland Public Procurement Policy, the Standing Orders and Standing Financial Instructions (except where Standing Order No. 3.13 Suspension of Standing Orders is applied). No member of staff should enter into a contract without receiving prior advice and guidance from the Trust or a Centre of Procurement Expertise e.g. BSO PaLS.



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

8.2.1 Northern Ireland Public Procurement Policy, Procurement Guidance Notes and any other guidelines or guidance issued by DoH prescribing procedures for awarding all forms of contracts shall have effect as if incorporated in the Standing Orders and Standing Financial Instructions. **The Trust shall also ensure that it complies with PA 2023 and any other relevant UK procurement legislation.**

8.3 Scope of Procurement

8.3.1 Public procurement is defined as “the process for the award, entry into and management of contracts for goods, services and works, including any steps taken for awarding, entering into or managing a contract”, in accordance with the Procurement Act 2023.

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

8.3.3 It does not cover:

- (a) The supply of services provided internally within the HSC e.g. supply of administration, finance, personnel, ICT support and arrangements with CoPEs;
- (b) Expenditure which is regulated by DoH directive, patient travelling expenses, or others, such as business rates and water and sewerage.

8.4 Procurement Arrangements

8.4.1 General

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

- (a) Establishing and documenting accountability, ensuring appropriate top-level commitment.
- (b) Implementing a procurement strategy and work plan.



- (c) Demonstrating legal compliance.
- (d) Pursuing best practice and demonstrating best value for money.
- (e) Managing effective relationships with key suppliers, customers and other stakeholders.
- (f) Following DoH policies and guidance on procurement in accordance with PA 2023;
- (g) Following an appropriate, documented procurement process.
- (h) Managing contracts and contractor performance.
- (i) Professional competence.
- (j) Monitoring and review of overall performance management; and
- (k) Audit.

8.4.2 The Director of Finance will compile and submit to the Board, or a nominated Committee, a Trust Procurement Strategy and Annual Procurement Plan which take into account key strategic procurement requirements to deliver efficient and effective procurement.

8.4.3 The Director of Finance will, on behalf of the Chief Executive, prepare a Procurement Plan and submit for approval by the Trust Board or a nominated Committee. The Annual Procurement Plan will:

- (a) be in accordance with the aims and objectives set out in the Trust Procurement Strategy;
- (b) be produced following discussion with appropriate CoPEs and other stakeholders;
- (c) be prepared within the limits of available funds;
- (d) identify potential risks;
- (e) cover all areas of externally sourced expenditure on works, equipment, goods, supplies, service and personnel.

8.4.4 The Director of Finance shall monitor performance against the work plan with key stakeholders, review it on a quarterly basis and report to the Board or a nominated



Committee.

- 8.4.5 Staff from all key areas involved in procurement must provide information as required by the Director of Finance to enable a plan to be compiled and progress monitored.
- 8.4.6 The Director of Finance has a responsibility to ensure that adequate training and documented procedures are available to Trust employees commensurate with their roles and responsibilities. These procedures will include appropriate guidance on procurement, the management of contracts and management of contractor performance.
- 8.4.7 The Chief Executive shall nominate an officer who shall oversee and manage each contract on behalf of the Trust. The Director of Finance will maintain, and present annually to the Trust's Audit Committee, a register of all Direct Award Contracts.

8.4.8 Duties of Managers and Officers

- (a) Managers and officers acting on behalf of the Trust must ensure that they comply fully with the Trust guidance on procurement (including Direct Award Contracts) and contract management.
- (b) Prior to participation in an evaluation process, those officers participating in the evaluation will be required to adhere to Tender Assessment Panel (TAP) guidance and complete a Declaration of Conflict of Interest. **Complete and maintain a conflict-of-interest assessment in line with the Procurement Act 2023 throughout planning, procurement, award and contract management, and implement mitigations where required.**
- (c) Officers participating in an evaluation must accept tenders from suppliers who provide the best value for money overall. This is defined as the most advantageous combination of costs, quality and sustainability to meet customer and Trust requirements. In this context, cost means consideration of the whole life cost; quality means meeting a specification which is fit for purpose and sufficient to meet customer's requirements; and sustainability means economic, social and environmental benefits. Finding value for money involves an appropriate allocation of risk.

8.4.9 Contract management and KPIs

- (a) **For public contracts with an estimated value above £5m, the Trust (via the relevant CoPE) will set at least three key performance indicators and monitor performance against them during the life of the contract, unless KPIs are**



inappropriate for the specific contract.

8.5 Procurement through a Centre of Procurement Expertise (CoPE)

8.5.1 Goods and Services

The Trust should use the CoPE within BSO Procurement and Logistics Service (PaLS) for the majority of its goods and services procurements. This provides strategic and operational procurement services covering both contracting for goods and services and where no contract exists, negotiating prices and placing orders on behalf of the Trust.

8.5.2 Construction, Works and Design Services

For construction, works and design related services the Trust should use the CoPE within the Department of Finance's Central Procurement Directorate (CPD) – Health Projects.

8.6 Use of Centres of Procurement Expertise (CoPE)

8.6.1 The Director of Finance is responsible for managing the arrangements regarding the procurement and logistics service with the BSO, including setting clarity for the BSO within the Service Level Agreement (SLA) and for advising the Trust Board on the provision of procurement and logistics services. This advice will take into account guidance and directions issued from time to time by the DoH.

8.6.2 The Director of Finance is responsible for managing the procurement of construction works and design services with the Central Procurement Directorate below the Trust delegated limit. This encompasses adherence to the Estates Procedure Manual by the Trust and for advising Trust Board on the provision of construction works and design services. This advice will take into account guidance and directions issued from time to time by the DoH.

8.6.3 The Director of Finance and the Director of Planning, Performance & Corporate Services are responsible for seeking assurance that the following are in place within the CoPEs for Goods, Services and ICT Systems:

- (a) clear and appropriately detailed specifications for all purchases.
- (b) the purchase of all works, goods and services conform to an appropriate method of procurement.
- (c) all potential suppliers are identified through the use of pre-determined criteria that ensure regularity and propriety.



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

8.7 Trust Estates Procurement and Contract Management

8.7.1 The Director of Finance is responsible for ensuring compliance by the Trust with the Construction Procurement Directorate – Health Projects Estates Procurement Manual (or equivalent relevant guidance), DoH Mini-code and other relevant guidance as appropriate and for ensuring appropriate monitoring procedures and processes are in place including evidence of compliance.

8.8 Competition

8.8.1 Competition promotes economy, efficiency and effectiveness in public expenditure. Works, goods and services should be acquired through public competition unless there are convincing reasons to the contrary, **unless a direct award justification applies. Advertising and procedural requirements must comply with relevant Northern Ireland procurement policy.**

8.8.2 Contracts shall be placed on a competitive basis and tenders accepted from suppliers who provide best value for money overall.

8.8.3 Where a contract is awarded to an economic operator without competition, this is referred as a Direct Award Contract (DAC). In light of their exceptional nature, all DACs should be dealt with in accordance with the advice, requirements and delegations set out in DoH and DoF guidance and in accordance with SLA or any formal general guidance on direct awards given by the relevant CoPE (in addition to complying with any other applicable delegations not arising as a result of DAC status e.g. capital or IT delegations). **For contracts awarded through a DAC**



process, where applicable, Conflict Assessments, Notices Regime, and KPIs should be managed and reported on in line with PA 2023.

8.9 Contracting / Tendering Procedure

8.9.1 The Trust shall obtain and follow the advice of the relevant CoPE(s) in relation to the following processes:

- (a) Invitation to tender (including issuing tender notices and associated tender documents in accordance with PA 2023).
- (b) Receipt and safe custody of tenders.
- (c) Opening tenders and registration of tenders.
- (d) Admissibility of tenders.
- (e) Late tenders.
- (f) Evaluation of tenders.
- (g) Assessment of financial standing and technical competence of contractors.
- (g) Exceptions to using approved contractors; and
- (h) Competitive and non-competitive quotations.

8.9.2 Before entering into a public contract, the Trust (via the relevant CoPE) will publish a contract award notice and observe the applicable standstill period, except where a statutory exception applies. The standstill period is normally 8 working days for procurements subject to mandatory standstill.

8.9.3 The Trust (via the relevant CoPE) will issue the notices required by the procurement regime, applying Northern Ireland-specific publication exemptions where these apply to transferred NI authorities.

8.10 Authorisation of Tenders and Competitive Quotations

8.10.1 Providing all the conditions and circumstances set out in these Standing Financial Instructions have been fully complied with, formal authorisation and awarding of a contract may be decided in accordance with delegated limits set out in the Trust's



Scheme of Reservation and Delegation.

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

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

8.10.4 Items which subsequently breach thresholds after original approval

Items estimated to be below the limits set in this Standing Financial Instruction for which formal tendering procedures are used, which subsequently prove to have a value above such limits, shall be reported to the Chief Executive (or appropriate delegated Trust Officer) and be recorded in an appropriate Trust record.

8.10.5 Quotations to be within Financial Limits

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

8.11 Private Finance for capital procurement

8.11.1 The Trust may consider the use of private sector financing for major capital schemes. In such cases, the Trust shall follow the advice and guidance of the DOH, CPD and the Department of Finance & Personnel in relation to the process to be followed. VFM should be considered as a major element of this advice and guidance.

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

8.12 Health Service Agreements

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



8.13 In-house Services

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

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

8.13.3 The evaluation team shall make recommendations to the Board.

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

8.14 Applicability of SFI's on Procurement and Contracting to Charitable Trust funds

8.14.1 These Instructions shall not only apply to expenditure from public funds but also to works, services and goods purchased from the Trust's Charitable Trust funds and from other funds provided to the Trust.



9. HSC SERVICE AGREEMENTS FOR PROVISION OF SERVICES (see overlap with SFI No. 8)

KEY POINTS

- The Chief Executive is responsible for ensuring the Trust enters into suitable Service and Budget Agreements (SBA) with service commissioners for the provision of health and social care services. They should aim to implement the agreed priorities contained in the Trust Delivery Plan.

9.1 Service and Budget Agreements (SBAs)

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

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

- (a) The standards of service quality expected.
- (b) The provision of reliable information on cost and volume of services.
- (c) that SBA's build where appropriate on existing investment plans; and
- (d) That SBAs are based on integrated care pathways.

9.2 Involving Partners and Jointly Managing Risk

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



all interested parties.

9.3 Reports to Board on SBAs

- 9.3.1 The Chief Executive, as the Accounting Officer, will need to ensure that regular reports are provided to the Board detailing actual and forecast income from the SBA.



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

KEY POINTS

- The Remuneration and Terms of Service Committee is a sub-committee of the Trust Board and makes recommendations to the Trust Board about appropriate remuneration and terms of service for the Chief Executive and other senior executives.
- The funded establishment of any department may not be varied without the approval of the Chief Executive or delegated to a nominated officer.
- The Director of Finance is responsible for ensuring that appropriate arrangements are in place for payroll processing, that proper controls exist and are operating effectively.
- All employees will be issued with a contract of employment in an approved form which complies with employment legislation and DoH regulations/circulars; *and*
- Trust nominated managers have delegate responsibility for:
 - Submitting accurate time records and other notifications in accordance with agreed timetables and in a prescribed format.
 - Submitting manual or electronic contractual amendments on time and in a prescribed format; *and*
 - Submitting appropriate claims for reimbursement in accordance with agreed timetables and in a prescribed format.

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

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

10.1.2 The role of the Remuneration Committee is:

- To advise the Board on performance, development, succession planning and appropriate remuneration and terms of service for the Chief Executive and all Senior Executives, guided by DoH policy and best practice.
- Provide advice to the Board on remuneration including all aspects of salary as well as arrangements for termination of employment and other contractual terms.



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

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

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

10.1.5 Recruitment exercises to fill permanent senior executive vacancies or new senior executive posts in the Trust should proceed only on approval of the Permanent Secretary of the DoH. Interim appointments of less than twelve months' duration



will be progressed in line with extant guidance from DoH.

- 10.1.6 The Trust will pay allowances to the Chair and non-executive members of the Board in accordance with the Payment of Remuneration to Chairmen and Non-Executive Members Determination issued by the DoH.

10.2 Funded Establishment

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

10.3 Staff Appointments

- 10.3.1 No Director or employee may engage, re-engage, or re-grade employees, either on a permanent or temporary nature, or hire agency staff, or agree to changes in any aspect of remuneration:
- (a) unless authorised to do so by the Chief Executive or nominated officer (as noted in the Scheme of Reservation and Delegation); and
 - (b) within the limit of their approved budget and funded establishment as confirmed by the Director of Finance.
- 10.3.2 The Trust will administer Agenda for Change Terms and Conditions as adopted by DoH and in accordance with the Trust's Partnership Agreement.
- 10.3.3 Any proposal by the Trust to move from existing pension arrangements, or to pay redundancy, or compensation for loss of office, requires the approval of the Doh and DoF. Proposals on severance payments must comply with the MPMNI and any related DoF/DoH guidance.



10.4 Payroll Processing

10.4.1 The processing of Trust payroll is outsourced to the BSO. The Director of Finance will ensure that there is an appropriate Service Level Agreement and monitoring arrangements in place with the BSO to ensure that the Trust's responsibilities with regard to payroll processing are addressed, that proper controls are in place and are operating effectively. This includes the need for a robust business continuity plan.

10.4.2 The Director of Finance will seek an annual assurance statement from the BSO Head of Internal Audit on the reliability of the information processed by BSO for accounting purposes on behalf of the Trust.

10.4.3 The Director of Finance will seek assurance that the BSO systems, controls and processes are subject to audit on an annual basis and that the Trust is made aware of any assurance levels that are categorised as less than satisfactory.

10.4.4 The Director of Finance is responsible for:

- (a) specifying timetables for submission of properly authorised time records and other notifications.
- (b) the payroll processing of pay and allowances including travel and subsistence, in accordance with DoH guidance.
- (c) making arrangements for ensuring payment on agreed dates; and
- (d) agreeing method of payment.

10.4.5 The Director of Finance will agree and ensure the issue of instructions, including by the BSO where appropriate, regarding:

- (a) verification and documentation of data.
- (b) the timetable for receipt and preparation of payroll data and the payment of pay and allowances including travel and subsistence to employees and non-executive appointee.
- (c) maintenance of subsidiary records for superannuation, income tax, social security and other authorised deductions from pay,



- (d) security and confidentiality of payroll information.
- (e) checks to be applied to completed payroll before and after payment.
- (f) authority to release payroll data under the provisions of the General Data Protection Regulation / Data Protection Act.
- (g) methods of payment available to various categories of employee and officers.
- (h) procedures for payment by bank credit to employees and officers.
- (i) procedures for the recall bank credits.
- (j) pay advances and their recovery.
- (k) maintenance of regular and independent reconciliation of pay control accounts.
- (l) separation of duties of preparing records and handling cash if applicable; and
- (m) a system to ensure the recovery from those in and leaving the employment of the Trust of sums of money and property due by them to the Trust.
- (n) a system to ensure all statutory returns, e.g. HMRC are completed.

10.4.6 Appropriately nominated managers have delegated responsibility for:

- (a) Approving and submitting manual or electronic time records, and other notifications in accordance with agreed timetables, and in the form prescribed by the BSO Payroll Service Centre.
- (b) Approving and submitting manual or electronic claims for re-imbusement of travel and subsistence expenses or other allowances in accordance with agreed timetables, and in the prescribed form; and
- (c) approving and submitting manual or electronic termination / contract amendment forms in the prescribed form immediately upon knowing the effective date of an employee's or officer's resignation, termination, retirement or other contractual change. Where an employee fails to report for duty or to fulfill obligations in circumstances that suggest they have left without notice, the Director of HR must be informed immediately to take a decision on whether to terminate future payments.



- (d) Regular review of issued Staff in Post reports to ensure that it correctly reflects those staff under their responsibility.

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

10.5 Contracts of Employment

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

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



11. NON-PAY EXPENDITURE

KEY POINTS

- The Trust Board will approve the level of non-pay expenditure authorisation limits on an annual basis.
- The Chief Executive will set out in the Scheme of Delegated Authority (SoDA), the list of Non-Executive Directors, Chairman, Directors and employees who are authorised to procure the supply of goods, services, personnel and, along with the financial limit of each purchase or payment.
- The Trust Board shall approve any increases to the approval limit for the Chairman and the Chief Executive.
- Non-pay expenditure should be committed in accordance with procurement guidance.
- The Director of Finance is responsible for ensuring that appropriate arrangements are in place for processing payments, that proper controls exist and are operating effectively.
- The Director of Finance is responsible for issuing procedural instructions and guidance on obtaining goods, works and services and certification of associated accounts and claims.
- The Director of Finance is responsible for the prompt payment of accounts and claims and in accordance with Government Accounting guidance; and

Trust managers and officers must ensure they:

- Apply the principles of economic appraisal, with appropriate and proportionate effort, to all decisions and proposals concerning spending.
- Adhere to procurement guidance.
- Order all goods, services or works on an official order, except works and services executed in accordance with contract and purchases from petty cash or purchase cards.
- Do not split orders to avoid financial thresholds.
- Do not place orders for items for which there is no budget provision, unless authorised by the Director of Finance.
- Only use verbal orders in exceptional circumstances.
- Do not take goods on loan/trial in circumstances that could commit the Trust to a future uncompetitive purchase.
- Restrict purchases from petty cash and adequate records are maintained.
- Do not issue orders to any firm which has made an offer of gifts/rewards or benefits to Non-Executive Directors, Chief Executive, Directors or employees.
- Notify the Director of Finance of staff changes to the list approved signatories



in the Trust.

11.1 Delegation of Authority

11.1.1 Within the administrative ceiling set by the Department of Health, the Trust Board will approve the level of non-pay expenditure on an annual basis and the Chief Executive will determine the level of delegation to budget managers.

11.1.2 The Chief Executive will set out:

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

11.1.3 The Chief Executive shall set out procedures on the seeking of professional advice regarding the supply of goods and services to ensure proper stewardship of public funds and assets.

11.1.4 Non-pay expenditure should be committed in accordance with the Northern Ireland Public Procurement Policy, Procurement Guidance Notes, DoH circulars and other relevant guidance.

11.1.5 The processing of Trust payments is outsourced to the BSO. The Director of Finance will ensure that there is an appropriate Service Level Agreement and monitoring arrangements in place with the BSO to ensure the Trust's responsibilities with regard to the processing of non-pay expenditure are addressed and that proper controls are in place and operating effectively. This should include a business continuity plan.

11.1.6 The Director of Finance will seek an annual assurance from the BSO on the reliability of the information processed by BSO for accounting purposes on behalf of the Trust.

11.1.7 The Director of Finance will seek assurance that the BSO systems, controls and processes are subject to audit on an annual basis and that the Trust is made aware of any assurance levels that are categorised as less than satisfactory.

11.1.8 The Director of Finance shall:

- (a) prepare procedural instructions or guidance that reflect the Scheme of Reservation and Delegation on the obtaining of goods, works and services



incorporating the thresholds.

- (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. The system shall provide for:
 - (1) a list of those senior employees who are authorised to certify invoices and to authorise expenditure.
 - (2) certification, either manually or electronically that:
 - (i) goods have been duly received, examined and are in accordance with specification and the prices are correct.
 - (ii) work done or services rendered have been satisfactorily carried out in accordance with the order, and, where applicable, the materials used are of the requisite standard and the charges are correct.
 - (iii) in the case of contracts based on the measurement of time, materials or expenses, the time charged is in accordance with the time sheets, the rates of labour are in accordance with the appropriate rates, the materials have been checked as regards quantity, quality, and price and the charges for the use of vehicles, plant and machinery have been examined;
 - (iv) where appropriate, the expenditure is in accordance with regulations including taxation and all necessary authorisations have been obtained.
 - (v) the account is arithmetically correct; and
 - (vi) the account is in order for payment.
 - (3) a timetable and process for submission of accounts to the BSO for payment; provision shall be made for the early submission of accounts subject to cash discounts or otherwise requiring early payment; and
 - (4) instructions to employees regarding the processes for requesting payments of invoices/accounts by the BSO Accounts Payable Shared



Service Centre.

- (d) be responsible for ensuring that payment for goods and services is only made by BSO Accounts Payable Shared Service Centre once the goods and services are received.

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

11.2.1 Requisitioning

The requisitioner, in choosing the item to be supplied (or the service to be performed) shall always obtain the best value for money for the Trust; namely the optimum combination of whole life cost and quality (or fitness for purpose).

The NI Procurement Policy Statement sets out four public procurement principles to adhere to, where are:

- Transparency
- Accessibility
- Social Value; and
- Efficiency and effectiveness

In applying these principles, procurement decisions must align with the Procurement Act 2023 requirements for identifying the most advantageous tender.

Therefore, the Trust requires that the BSO Procurement and Logistics Service (PaLs), the Centre of Procurement Expertise 9CoPE) is consulted in the first instance to ensure that procurement is carried out in a professional way.

Where this advice is not acceptable to the requisitioner, the Director of Finance (and / or the Chief Executive) shall be consulted.

Requisitions should be placed using the FPL e-Procurement system for goods and services.

11.2.2 Official Orders

Official orders must:

- (a) be consecutively numbered.
- (b) be in a form approved by the Director of Finance.
- (c) state the Trust / HSC terms and conditions of trade; and



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

11.2.3 System of Payment and Payment Verification

The Director of Finance shall be responsible for the prompt payment of accounts and claims. Payment of contract invoices shall be in accordance with contract terms, or otherwise, in accordance with the Public Sector Prompt Payment Policy.

11.2.4 Prepayments

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

- (a) prepayments are only permitted where the financial advantages outweigh the disadvantages (i.e. cashflows must be discounted to NPV) and the intention is not to circumvent cash limits.
- (b) the appropriate officer must provide, in the form of a written report, a case setting out all relevant circumstances of the purchase. The report must set out the effects on the Trust if the supplier is at some time during the course of the prepayment agreement unable to meet his commitments.
- (c) the Director of Finance will need to be satisfied with the proposed arrangements before contractual arrangements proceed and on occasions the Director of Finance may require a report to be presented to the Senior Management team; and
- (d) the budget holder is responsible for ensuring that all items due under a prepayment contract are received and they must immediately inform the appropriate Director/Director of Finance or Chief Executive if problems are encountered.

11.2.5 Duties of Managers and Officers

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

- (a) they must apply the principles of economic appraisal, with appropriate and proportionate effort, to all decisions and proposals concerning spending.
- (b) all contracts (except as otherwise provided for in the Scheme of Reservation and Delegation), leases, tenancy agreements and other commitments which may result in a liability are notified to the Director of Finance in advance of any commitment being made.



- (c) contracts above specified thresholds are advertised and contract managed in accordance with published Procurement Policy Notes as issued to DoH Arms' Length Bodies under HSC(F) circulars **and the Procurement Act 2023, applying Northern Ireland-specific publication exemptions where these apply.**
- (d) where consultancy advice is being obtained, the procurement of such advice must be in accordance with guidance issued on the use of Management Consultants by the DoH.
- (e) no order shall be issued for any item or items to any firm which has made an offer of gifts, reward or benefit to directors or employees, other than:
 - (1) isolated gifts of low intrinsic value (under £50) or inexpensive seasonal gifts, such as calendars; and
 - (2) conventional hospitality, such as lunches in the course of working visits.

(This provision needs to be read in conjunction with Standing Order No. 7, the principles outlined in the Standards of Business Conduct and the Trust's policy on Gifts and Hospitality).

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



- (k) changes to the list of employees and officers authorised to certify invoices are notified in a timely manner to the Director of Finance.
- (l) purchases from petty cash are restricted in value and by type of purchase in accordance with instructions issued by the Director of Finance; and
- (m) petty cash records are maintained in a form as determined by the Director of Finance.

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



12. GRANTS AND OTHER BODIES

KEY POINTS

- Payments to community and voluntary organisations shall comply with procedures laid down by the Director of Finance and in accordance with DoH guidance.

- 12.1 Payments to community and voluntary organisations for services provided for, or on behalf of the Trust shall comply with procedures laid down by the Director of Finance which shall be in accordance with DoH guidance and relevant legislation.
- 12.2 Grants to other bodies for the provision of services to patients or clients shall, regardless of the source of funding, incorporate the principles set out in DoH guidance.
- 12.3 The Trust shall comply with the five main principles that apply to the management and administration of grant making. These are:
- (a) Regularity – funds should be used for the authorised purpose.
 - (b) Propriety – funds should be distributed fairly and free from undue influence.
 - (c) Value for Money – funds should be used in a manner that minimises costs, maximises outputs and always achieves intended outcomes.
 - (d) Proportionate Effort – resources consumed in managing the risks to achieve and demonstrate regularity, propriety and value for money should be proportionate to the likelihood and impact of the risks materialising and losses occurring.; and
 - (e) Clarity of responsibility and accountability – within partnership working arrangements there should be clearly documented lines of responsibility and accountability of each partner involved. Those who delegate responsibility should ensure that there are suitable means of monitoring performance.



13. CASH MANAGEMENT

KEY POINTS

- Grant in aid is paid in instalments to the Trust on the basis of need.
- The Director of Finance is responsible for ensuring that cash balances in the Trust are kept to a minimum.
- The Trust is not normally allowed to borrow.

- 13.1 Grant-in-aid will be paid to the Trust in instalments on the basis of need and should not be drawn down in advance of need.
- 13.2 The Director of Finance is responsible for submitting a written application to the DoH, forecasting cash requirements and for drawing down grant-in-aid according to need.
- 13.3 The Director of Finance is responsible for ensuring that cash balances are kept at a minimum level consistent with the efficient operation of the Trust. Any interest earned on overnight deposits may have to be returned to DoH.
- 13.4 Temporary cash surpluses must be held only in such public or private sector investments as authorised by the Board and in accordance with DoH guidance.
- 13.5 Where applicable the Director of Finance is responsible for advising the Board on investments and shall report periodically to the Board, or delegated sub-committee, concerning the performance of investments held.
- 13.6 The Director of Finance will prepare detailed procedural instructions on the operation of investment accounts and on the records to be maintained.
- 13.7 Normally the Trust will not be allowed to borrow. Where the Trust proposes to borrow funds, the Director of Finance shall seek the approval of the DoH and where appropriate the Department of Finance to ensure that it has the necessary authority and budgetary cover for any borrowing or the expenditure to be financed by such borrowing. Any expenditure by the Trust that is financed by borrowing shall count towards DEL.
- 13.8 The Trust will not enter into any other unconventional financial arrangement without the approval of the DoH and the Department of Finance.



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

KEY POINTS

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

14.1 Capital Investment

14.1.1 The Chief Executive:

- (a) shall ensure that there is an adequate economic appraisal of capital expenditure proposals in line with the Northern Ireland Guide to Better Business Cases, HM Treasury guidance and the DoH guidance.
- (b) shall ensure that there is an approval process in place for determining capital expenditure priorities and the effect of each proposal upon business plans.
- (c) is responsible for the management of all stages of capital schemes and for ensuring that schemes are delivered on time and to cost.
- (d) shall ensure that the capital investment is not undertaken without confirmation of purchaser(s) support and the availability of resources to finance all revenue consequences.

14.1.2 For every capital expenditure proposal, the Chief Executive shall ensure:

- (a) that a business case (in line with DoH guidance) is produced setting out:



- (1) an option appraisal of potential benefits compared with known costs to determine the option with the highest ratio of benefits to costs.
 - (2) the involvement of appropriate Trust personnel and external agencies; and
 - (3) appropriate project management and control arrangements, including post-project evaluation.
- (b) that the Director of Finance has certified professionally to the costs and revenue consequences detailed in the business case; and
- (c) that DoH approval is obtained for projects costing more than the Trust's delegated limit for capital schemes.

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

14.1.4 The Director of Finance shall assess on an annual basis the requirement for the operation of the construction industry tax deduction scheme in accordance with HMRC guidance and shall put procedures in place for the operation of the scheme.

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

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

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

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

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



14.1.7 The Director of Finance shall be responsible for the development and issuing of procedures governing the financial management, including variations to contract, of capital investment projects and valuation for accounting purposes. These procedures shall fully take into account the delegated limits for capital schemes as issued by DoH.

14.2 Private Finance (PFI) Schemes

14.2.1 The Trust should follow DoH guidance with regard to testing for PFI schemes when considering capital procurement. When the Trust proposes to use finance which is to be provided other than through its allocations, the following procedures shall apply:

- (a) the Director of Finance shall demonstrate that the use of private finance represents value for money and genuinely transfers significant risk to the private sector.
- (b) the Director of Finance will consult with the DoH over the accounting and budgeting treatment for a PFI. Where judgement over the level of control is difficult, the DoH will consult with the Department of Finance.; and
- (c) the proposal must be specifically agreed by the Trust Board and other relevant bodies as specified by DoH.

14.3 Leasing

14.3.1 The Chief Executive must obtain DoH approval for all property and finance leases.

14.3.2 Before entering into a lease, the Director of Finance shall ensure that a process is in place to demonstrate that the lease offers better value for money than an outright purchase.

14.4 Asset Registers

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

14.4.2 The Trust shall maintain an asset register recording non-current assets. The minimum data set to be held within this register shall be as specified in the Capital Accounting Manual and any other DoH guidance.



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

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

14.4.4 Where capital assets are sold, scrapped, lost or otherwise disposed of, their value must be removed from the accounting records and each disposal must be validated by reference to authorisation documents and invoices (where appropriate).

14.4.5 The Director of Finance shall approve procedures for reconciling balances on fixed assets accounts in ledgers against balances on fixed asset registers.

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

21.3.7 The value of each asset shall be depreciated and / or impaired using methods and rates as specified in the Capital Accounting Manual issued by the DoH.

14.5 Security of Assets

14.5.1 The overall control of non-current assets is the responsibility of the Chief Executive.

14.5.2 Asset control procedures (including fixed assets, cash, cheques and negotiable instruments, and also including donated assets) must be approved by the Director of Finance. 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 the condition of, and title to, assets recorded.
- (f) identification and reporting of all costs associated with the retention of an asset; and
- (g) reporting, recording and safekeeping of cash, cheques, and negotiable instruments.

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

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

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

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



15. STORES AND RECEIPT OF GOODS

KEY POINTS

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

15.1 General Position

15.1.1 Stores, defined in terms of controlled stores and departmental stores (for immediate use) should be:

- (a) kept to a minimum.
- (b) subjected to annual stock take; and
- (c) valued at the lower of cost and net realisable value in accordance with relevant DoH circulars and any other relevant guidance.

15.2 Control of Stores, Stocktaking, Condemnations and Disposal

15.2.1 Subject to the responsibility of the Director of Finance for the systems of control, overall responsibility for the control of stores shall be delegated to an employee by the Chief Executive. The day-to-day responsibility may be delegated by him / her to departmental employees and stores managers / keepers, subject to such delegation being entered in a record available to the Director of Finance. The control of any pharmaceutical stocks shall be the responsibility of a designated Pharmaceutical Officer, the control of any fuel oil and coal of a designated manager.

15.2.2 The responsibility for security arrangements and the custody of keys for any stores and locations shall be clearly defined in writing by the designated manager / Pharmaceutical Officer. Wherever practicable, stocks should be marked as Trust property.



- 15.2.3 The Director of Finance shall set out procedures and systems to regulate the stores including records for receipt of goods, issues, and returns to stores, and losses.
- 15.2.4 Stocktaking arrangements shall be agreed with the Director of Finance and there shall be a physical check covering all items in store at least once a year.
- 15.2.5 Where a complete system of stores control is not justified, alternative arrangements shall require the approval of the Director of Finance.
- 15.2.6 The designated Manager / Pharmaceutical Officer shall be responsible for a system approved by the Director of Finance for a review of slow moving and obsolete items and for condemnation, disposal, and replacement of all unserviceable articles. The designated Officer shall report to the Director of Finance any evidence of significant overstocking and of any negligence or malpractice (see also overlap with SFI No. 16 Disposals and Condemnations, Losses and Special Payments). Procedures for the disposal of obsolete stock shall follow the procedures set out for disposal of all surplus and obsolete goods.

15.3 Goods supplied by Centres of Procurement Expertise (CoPE)

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

15.4 Goods supplied directly from Suppliers

- 15.4.1 For goods supplied directly from suppliers, the Chief Executive shall delegate to officers the requisitioning and acceptance of goods. The delegated officers shall check receipt against the delivery note and order and notify of any shortages or discrepancies using established Trust procedures.



16. DISPOSALS AND CONDEMNATIONS, LOSSES AND SPECIAL PAYMENTS

KEY POINTS

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

16.1 Disposals and Condemnations

16.1.1 The Director of Finance must prepare detailed procedures for the disposal of assets including condemnations and ensure that these are notified to managers.

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

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

- (a) any matter in respect of which a fair price can be obtained by negotiation or sale by auction as determined (or pre-determined with a reserve) by the Director of Finance or his/her nominated officer.
- (b) obsolete or condemned articles and stores.
- (c) items to be disposed of with an estimated sale value of less than £20,000.



- (d) items arising from works of construction, demolition or site clearance, which should be dealt with in accordance with the relevant contract.
- (e) land or buildings subject to compliance with DoH guidance.

16.1.3 All unserviceable articles shall be:

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

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

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

16.2 Losses and Special Payments

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

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

- (a) Raise doubts about the effectiveness of existing systems.
- (b) Contain lessons which might be of wider interest: or
- (c) Might create a precedent of other NICS/NHS departments.

16.2.3 Any employee or officer discovering or suspecting a loss of any kind must either immediately inform their head of department, who must immediately inform the Director of Finance or inform an officer charged with responsibility for responding to concerns involving loss. This officer will then appropriately inform the Director of Finance.



- 16.2.4 Where a criminal offence is suspected, the Director of Finance must immediately inform the police if theft or arson is involved. In cases of fraud or corruption, the Trust Fraud Liaison Officer, upon receipt of advice from BSO Counter Fraud & Probity Service will determine when to inform the PSNI.
- 16.2.5 The Trust Fraud Liaison officer must notify the BSO Counter Fraud and Probity Services Team on discovery of a loss or suspected loss to public funds or property as a result of fraud, misappropriation, theft, arson or malicious damage.
- 16.2.6 Within limits delegated to it by the DoH, the Director of Finance shall approve the writing-off of losses. These delegated limits are noted in the Trust's Scheme of Reservation and Delegation.
- 16.2.7 The Director of Finance shall be authorised to take any necessary steps to safeguard the Trust's interests in bankruptcies and company liquidations.
- 16.2.8 For any loss, the Director of Finance should consider whether any insurance claim can be made. Losses shall not be written off until all reasonable attempts to make a recovery have been made, proved unsuccessful and there is no feasible alternative.
- 16.2.9 The Director of Finance shall maintain a Losses and Special Payments Register in which write-off action is recorded.
- 16.2.10 No special payments exceeding delegated limits shall be made without the prior approval of the DoH.
- 16.2.11 All losses and special payments must be reported to the Audit Committee at least once per annum.



17. INFORMATION TECHNOLOGY

KEY POINTS

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

17.1 Responsibilities and duties of the Director responsible for ICT

17.1.1 The Director of Planning, Performance and Corporate Services will have responsibility to:

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

17.1.2 The Director of Finance 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.

17.2 Responsibilities and duties of other Directors and Officers in relation to Computer Systems of a general application

17.2.1 In the case of computer systems which are proposed General Applications (i.e. normally those applications which HSC bodies wish to sponsor jointly) all responsible directors and employees will send to the Director of Planning, Performance and Corporate Services:

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

17.3 Contracts for Computer Services with other health bodies or outside agencies

17.3.1 The Director of Finance shall ensure that contracts for computer services for financial applications with another organisation (e.g. BSO) shall clearly define the responsibility of all parties for the security, privacy, accuracy, completeness, and timeliness of data during processing, transmission and storage. The contract should also ensure rights of access for audit purposes.

17.3.2 Where another organisation (e.g. BSO) provides a computer service for financial applications, the Director of Finance shall periodically seek assurances that adequate controls are in operation.

17.4 Risk Assessment

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

17.5 Requirements for Computer Systems which have an impact on corporate Financial Systems

17.5.1 Where computer systems have an impact on corporate financial systems the Director of Planning, Performance and Corporate Services will consult with the Director of Finance to ensure that:

- (a) systems acquisition, development and maintenance are in line with corporate



policies such as an ICT Strategy.

- (b) data produced for use with financial systems is adequate, accurate, complete and timely, and that a management (audit) trail exists.
- (c) Finance staff have access to such data; and
- (d) computer audit reviews that are considered necessary are being carried out.



18. PATIENTS' PROPERTY

KEY POINTS

- The Trust has a responsibility to securely hold any patients' property received.
- Line managers must ensure that staff appropriately informed of their responsibilities and duties for the administration of patients' property.

18.1 The Chief Executive will take all reasonable steps (taking account of the situations confronting ambulance personnel particularly in emergency cases) to ensure that patients property handed in or discovered is securely held.

18.2 Staff should be informed, on appointment, by the appropriate departmental or senior manager of their responsibilities and duties for the administration of the property of patients.



19. CHARITABLE TRUST FUNDS (CTF)

KEY POINTS

- The Director of Finance has primary responsibility to the Trust Board (and Charitable Trust Funds Committee if appropriate) for ensuring that Charitable Trust funds are managed appropriately with regard to their purpose and requirements.
- The Director of Finance will arrange for the administration of all new and existing funds.
- The Director of Finance will provide guidelines to Trust officers on how to proceed with donations, legacies and bequests.
- The Director of Finance will deal with all arrangements for fundraising; ensure that appropriate banking arrangements are in place and be responsible for all aspects of the investment of Charitable Trust funds.
- Donated assets will be maintained along with the general estate and inventory of assets; *and*
- The Director of Finance will ensure regular reporting to the Trust Board (and Charitable Trust Funds Committee if appropriate) and preparation of the Annual Trustee's Report and Accounts.

19.1 Trust responsibilities for Charitable Trust funds are distinct from responsibilities for exchequer (public) funds and may not necessarily be discharged in the same manner, but there must still be adherence to the overriding general principles of financial regularity, prudence and propriety. The Director of Finance should ensure that each fund is managed appropriately with regard to its purpose and requirements.

19.2 This section of the SFI's should be interpreted and applied in conjunction with the rest of these instructions, subject to modifications contained herein.

19.3 The Director of Finance has primary responsibility to the Trust Board (and Charitable Trust Funds Committee if appropriate) for ensuring that these SFI's are applied and for compliance with the requirements of the Charities Commission for Northern Ireland (CCNI).

19.4 Existing Trust Funds

19.4.1 The Director of Finance should arrange for the administration of all existing Charitable Trust funds. They should ensure that a governing instrument exists for every trust fund and should produce procedures covering every aspect of the



financial management of Charitable Trust funds, for the guidance of directors and employees. Such guidelines should identify the restricted or unrestricted nature of certain funds.

19.4.2 The Assistant Director of Finance should periodically review the Charitable Trust funds in existence and should make recommendations to the Trust Board (or Charitable Trust Funds Committee if appropriate) regarding the potential for rationalisation of such funds within statutory guidelines.

19.5 New Trust Funds

19.5.1 The Director of Finance should arrange for the creation of a new Charitable Trust fund where funds and / or other assets, received in accordance with policies, cannot adequately be managed as part of an existing Charitable Trust fund and where it is cost effective to do so.

19.5.2 The governing document for each new Charitable Trust fund should clearly identify, amongst other things, the objectives of the new fund, the capacity to delegate powers to manage and the power to assign the residue of the Charitable Trust fund to another fund contingent upon certain conditions, e.g. discharge of original objects.

19.6 Sources of New Trust Funds

19.6.1 Donations

In respect of donations, the Director of Finance should:

- (a) Provide guidelines to officers of the Trust as to how to proceed when offered funds. These include:
 - (1) the identification of the donor's intention in line with the structure of Trust Funds available.
 - (2) where possible, the avoidance of new Charitable Trust funds.
 - (3) the avoidance of impossible, undesirable or administratively difficult intentions of the donor.
 - (4) treatment of offers of personal gifts.
 - (5) The promotion of gift aid where conditions allow.



- (b) Provide secure and appropriate receipting arrangements which will indicate that funds have been accepted directly into Charitable Trust funds and that the donor's intentions have been noted and accepted.

19.6.2 Legacies and Bequests

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

- (a) provide guidelines to officers covering any approach regarding:
 - (1) the wording of wills; and
 - (2) the receipt of funds / other assets from executors.
- (b) where necessary, obtain grant of probate, or make application for grant of letters of administration, where the Charitable Trust fund is the beneficiary.
- (c) be empowered to negotiate arrangements regarding the administration of a will with executors and to discharge them from their duty; and
- (d) be directly responsible for the appropriate treatment of all legacies and bequests.

19.6.3 Fund Raising

In respect of fund-raising, NIAS are currently not permitted to carry out fund raising activity.

19.6.4 Investment Income

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

19.7 Investment Management

19.7.1 The Director of Finance shall be responsible for all aspects of the management of the investment of Charitable Trust funds. The issues on which he / she should be required to provide advice to the Trust Board (or Charitable Trust Funds Committee if appropriate) should include:

- (a) the formulation of investment policy within the powers of the Charitable Trust fund under statute and within governing instruments to meet its requirements with regard to income generation and the enhancement of capital value.



- (b) the appointment of advisers, brokers, and where appropriate, fund managers. The Director of Finance should agree the terms of such appointments and for such appointments written agreements should be signed by the Chief Executive.
- (c) pooling of investment resources with other Trusts and the preparation of a submission to the DoH for them to make a scheme.
- (d) the participation in common investment funds and the agreement of terms of entry and withdrawal from such funds.
- (e) that the use of Trust investments shall be appropriately authorised in writing and charges raised within policy guidelines.
- (f) the review of the performance of brokers and fund managers; and
- (g) the reporting of investment performance.

19.8 Expenditure from Funds

19.8.1 The use of funds shall be managed by the Director of Finance in conjunction with the Board (or Charitable Trust Funds Committee if appropriate). In so doing he / she shall be aware of the following:

- (a) the purposes of various funds and the designated objectives.
- (b) the availability of cash funds within each trust fund.
- (c) the powers of delegation available to commit resources.
- (d) the avoidance of the use of exchequer (public) funds to discharge Charitable Trust fund liabilities (except where administratively unavoidable), and to ensure that any reimbursement to the exchequer (public) funds shall be discharged by Charitable Trust funds at the earliest possible time.
- (e) that Charitable Trust funds are to be spent rather than preserved, subject to the wishes of the donor and the needs of the Charitable Trust fund; and
- (f) The definitions of “charitable purposes” as agreed by the DoH.



19.9 Banking Services

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

19.10 Asset Management

19.10.1 Assets in the ownership of or used by the Charitable Trust fund, shall be maintained along with the general estate and inventory of assets. The Director of Finance shall ensure:

- (a) in conjunction with the legal adviser, that appropriate records of all assets owned are maintained, and that all assets, at agreed valuations, are brought to account.
- (b) that appropriate measures are taken to protect and / or to replace assets. These to include decisions regarding insurance, inventory control, and the reporting of losses.
- (c) that donated assets received on trust rather than into the ownership of the Trust shall be accounted for appropriately; and
- (d) that all assets acquired from Charitable Trust funds which are intended to be retained within the Charitable Trust funds are appropriately accounted for, and that all other assets so acquired are brought to account in the name of the Trust.

19.11 Reporting

19.11.1 The Director of Finance shall ensure that regular reports are made to the Board (or Charitable Trust Funds Committee if appropriate) in respect of the receipt of funds, investments, and the disposition of resources.

19.11.2 The Director of Finance shall prepare Annual Trustees' Report and Charitable Trust fund accounts in the required manner which shall be submitted to the Trust Board (Charitable Trust Funds Committee if appropriate) and DoH within agreed timescales.



19.12 Accounting and Audit

19.12.1 The Director of Finance shall maintain all financial records to enable the production of Charitable Trust fund reports as above and to the satisfaction of internal and external audit.

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

19.13 Administration Costs

19.13.1 The Director of Finance shall identify all costs directly incurred in the administration of Charitable Trust funds and, in agreement with the Board, shall charge such costs to the appropriate Charitable Trust accounts.

19.14 Taxation and Excise Duty

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



20. ACCEPTANCE OF GIFTS BY STAFF AND LINK TO STANDARDS OF BUSINESS CONDUCT

KEY POINTS

- Trust staff are required to comply with the Trust's Gifts and Hospitality Policy.

20.1 The Director of Finance shall ensure that all staff are made aware of the Trust policy on acceptance of gifts and other benefits-in-kind by staff. This policy follows DoH guidance and is also deemed to be an integral part of the Standing Orders, these Standing Financial Instructions and the Gifts and Hospitality Policy.

20.2 The Director of Finance shall ensure a written record is maintained of any such gifts, bequests or donations and of their estimated value and whether they are disposed of or retained.



21. RETENTION OF RECORDS

KEY POINTS

- The Chief Executive is responsible for maintaining records in accordance with DoH guidelines, Good Management and Good Records (GMGR) and the Trust Retention and Disposal Schedule.

21.1 The Chief Executive shall be responsible for maintaining archives for all records required to be retained in accordance with DoH guidelines as set out in the Good Management Good Records document.

21.2 The records held in archives shall be capable of retrieval by authorised persons.

21.3 Records held in accordance with latest DoH guidance shall only be destroyed in accordance with the provisions of GMGR. Details shall be maintained of records destroyed.



22. RISK MANAGEMENT AND INSURANCE

KEY POINTS

- The Chief Executive shall ensure that the Trust has a programme of risk management which is approved and monitored by Trust Board; *and*
- There are only three exceptions of when the Trust may enter into arrangements for commercial insurance.

22.1 Programme of Risk Management

22.1.1 The Chief Executive shall ensure that the Trust has a programme of risk management, in accordance with current DoH assurance framework requirements, which must be approved and monitored by the Audit and Risk Assurance Committee on behalf of the Trust Board.

22.1.2 The Chief Executive shall ensure that the risks the Trust faces are dealt in an appropriate manner, in accordance with the relevant aspects of best practice in corporate governance and shall develop a risk management strategy in accordance with DoH / HM Treasury guidance and Managing Public Money NI (MPMNI).

22.1.3 The programme of risk management shall include:

- (a) a process for identifying and quantifying risks and potential liabilities.
- (b) developing among all levels of staff a positive attitude towards the control of risk.
- (c) management processes to ensure all significant risks and potential liabilities are addressed including effective systems of internal control, cost effective insurance cover, and decisions on the acceptable level of retained risk (risk appetite).
- (d) contingency plans to offset the impact of adverse events.
- (e) audit arrangements including Internal Audit, clinical audit, health and safety review.



- (f) a clear indication of which risks shall be insured (see 22.2); and
- (g) on-going arrangements to review the Risk Management programme and to assess the effectiveness of existing arrangements.

22.1.4 The existence, integration and evaluation of the above elements will assist in providing a basis to make a statement on the effectiveness of Internal Control within the Mid-Year Assurance Statement and the Governance Statement within the Annual Report and Accounts as required by current DoH guidance.

22.2 Insurance Arrangements with Commercial Insurers

22.2.1 There is a general prohibition on entering into insurance arrangements with commercial insurers, other than insurance which is a statutory obligation, or which is permitted under MPMNI.

22.2.2 There are, however, **three exceptions** when Trust's may enter into insurance arrangements with commercial insurers. The exceptions are:

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

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

22.2.4 The Trust falls under Schedule 2 of the Employer's Liability (Compulsory Insurance) Regulations (Northern Ireland) 1999, and therefore is not required to insure against liability for personal injury suffered by its employees.



23. HSC TRUST FINANCIAL GUIDANCE

KEY POINTS

- The Director of Finance will ensure that members of the Trust Board are aware of extant finance guidance from the DoH.

23.1 The Director of Finance shall ensure that members of the Board are aware of the extant finance guidance issued by DoH and that this direction and guidance are followed by the Trust.

