

<COMPANY>

STANDARD OPERATING PROCEDURE

**RESERVATION OF POWERS TO THE BOARD
AND PROFESSIONAL EXECUTIVE
COMMITTEE
AND SCHEME OF DELEGATION OF
POWERS**

First Issued: March 200*

Reviewed; April 200*, April 2004, May 200*

For review: May 200*

Reviewer: Director of Finance & Performance

SCHEME OF DELEGATION

APPENDIX 2

SCHEME OF DECISIONS RESERVED TO THE BOARD

May 200*

REF	THE BOARD	DECISIONS RESERVED TO THE BOARD
NA	THE BOARD	<p>General Enabling Provision</p> <ol style="list-style-type: none"> 1. The Board may determine any matter, for which it has delegated or statutory authority, it wishes in full session within its statutory powers.
NA	THE BOARD	<p>Regulations and Control</p> <ol style="list-style-type: none"> 1. Approve Standing Orders (SOs), a schedule of matters reserved to the Board and Standing Financial Instructions for the regulation of its proceedings and business. 2. Suspend Standing Orders. 3. Vary or amend the Standing Orders. 4. Approve a scheme of delegation of powers from the Board to the Executive Committee and other committees. 5. Require and receive the declaration of Board members' interests which may conflict with those of the <COMPANY> and, taking account of any waiver which the S of S may have made in any case, determining the extent to which that member may remain involved with the matter under consideration. 6. Require and receive the declaration of officers' interests that may conflict with those of the <COMPANY>. 7. Approve arrangements for dealing with complaints. 8. Adopt the organisation structures, processes and procedures to facilitate the discharge of business by the <COMPANY> and to agree modifications thereto. 9. Receive reports from committees including those that the <COMPANY> is required by the Secretary of State or other regulation to establish and to action appropriately. 10. Confirm the recommendations of the <COMPANY>'s committees where the committees do not have executive powers. 11. Approve arrangements relating to the discharge of the <COMPANY>'s responsibilities as a corporate trustee for funds held on trust. 12. Establish terms of reference and reporting arrangements of all committees and sub-committees that are established by the Board. 13. Approve arrangements relating to the discharge of the <COMPANY>'s responsibilities as a bailee for patients' property. 14. Authorise use of the seal. 15. Discipline members of the Board or Executive Committee or employees who are in breach of statutory requirements or SOs.
NA	The Board	<p>Appointments/ Dismissal</p> <ol style="list-style-type: none"> 1. Appoint and dismiss members of the Executive Committee. (NB: members of the Executive Committee shall be appointed by the Chairman and at least 2 non-officer members of the <COMPANY> (Direction 2(7). The Chairman and non-officer members of the <COMPANY> may only terminate the membership of professional members with the consent of the Secretary of State, unless on account of a failure to declare a pecuniary

REF	THE BOARD	DECISIONS RESERVED TO THE BOARD
		<p>interest.)</p> <ol style="list-style-type: none"> 2. Appoint the Vice Chairman of the Board. 3. Appoint and dismiss other committees (and individual members) that are directly accountable to the Board. 4. Appoint, appraise, discipline and dismiss officer members (subject to SO2.6). 5. Confirm appointment of members of any committee of the <COMPANY> as representatives on outside bodies. 6. Appoint appraise, discipline and dismiss the Secretary (if the appointment of a Secretary is required under standing orders). 7. Approve proposals of the Remuneration Committee regarding directors and senior employees and those of the CE for staff not covered by the Remuneration Committee.
NA	The Board	<p>Strategy, Business Plans and Budgets</p> <ol style="list-style-type: none"> 1. Define the strategic aims and objectives of the <COMPANY>. 2. Approve annually plans in respect of the application of available financial resources to support the agreed Local Delivery Plan. 3. Approve proposals for ensuring quality and developing clinical governance in services provided by the <COMPANY> or its constituent practices, having regard to any guidance issued by the Secretary of State. 4. Approve (with any necessary appropriate modification) the <COMPANY> annual commissioning strategy or plan prepared by the <COMPANY> Executive Committee. 5. Approve annually (with any necessary appropriate modification) the <COMPANY> PCIP prepared by the Executive Committee 6. Approve (with any necessary appropriate modification) the <COMPANY> AAA prepared by the Executive Committee 7. Approve the <COMPANY>'s policies and procedures (prepared by the Executive Committee) for the management of risk. 8. Approve Outline and Final Business Cases for Capital Investment if this represents a variation from the AAA 9. Approve budgets (prepared by the Executive Committee) 10. Approve annually <COMPANY>'s proposed organisational development plan 11. Approve contracts with SHA for the <COMPANY> to provide PMS or PDS, or have contracts with PMS providers to provide services to some or all of the <COMPANY>'s population. 12. Ratify <COMPANY> Executive Committee's proposals for primary care development, including the draft PCIP, proposed GMS Local Development Scheme, proposed practice incentive schemes and proposed new or changes in existing GMS infrastructure reimbursement payments to GP practices 13. Ratify proposals for acquisition, disposal or change of use of land and/or buildings 14. Approve PFI proposals. 15. Approve the opening of bank accounts. 16. Approve Executive Committee's proposals on individual contracts (other than NHS contracts) of a capital or revenue nature amounting to, or likely to amount to over \$100,000 over a 3 year period or the period of the contract if longer.

REF	THE BOARD	DECISIONS RESERVED TO THE BOARD
		17. Approve Executive Committee’s proposals in individual cases for the write off of losses or making of special payments above the limits of delegation to the Chief Executive and Director of Finance (for losses and special payments) previously approved by the Board. 18. Approve individual compensation payments. 19. Approve proposals for action on litigation against or on behalf of the <COMPANY>. 20. Approve Executive Committee's proposals for <COMPANY> or practice incentive schemes, having regard to guidance by the Secretary of State.
	The Board	Policy Determination 1. Approve management policies including personnel policies incorporating the arrangements for the appointment, removal and remuneration of staff. Policies so adopted shall be listed and appended to this document [by the Secretary]
		Audit 1. Approve the appointment (and where necessary dismissal) of internal auditors and advise the Audit Commission on the appointment (and where necessary change/removal) of external auditors including arrangements for the separate audit of funds held on trust, and to receive reports of the Audit Committee meetings and take appropriate action. 2. Receive the annual management letter received from the external auditor and agreement of Executive Committee’s proposed action, taking account of the advice, where appropriate, of the Audit Committee. 3. Receive an annual report from the Internal Auditor and agree action on recommendations where appropriate of the Audit committee.
NA	The Board	Annual Reports and Accounts 1. Receipt and approval of the <COMPANY>'s Annual Report and Annual Accounts as prepared by the Executive Committee. 2. Receipt and approval of the Annual Report and Accounts for funds held on trust.
NA	The Board	Monitoring 1. Receipt of such reports as the Board sees fit from the Executive Committee in respect of its exercise of powers delegated.

DECISIONS DELEGATED BY THE BOARD TO, AND RESERVED BY, THE EXECUTIVE COMMITTEE

REF	EXECUTIVE COMMITTEE	DECISIONS DELEGATED BY THE BOARD TO, AND RESERVED BY, THE EXECUTIVE COMMITTEE
	THE EXECUTIVE COMMITTEE	<p>Regulation and Control</p> <ol style="list-style-type: none"> 1. Approve a scheme of delegation of powers from the Executive Committee to sub-committees, Executive Committee members and employees. 2. Approve any urgent decisions taken by the Chairman of the <COMPANY> and Chief Executive for ratification by the <COMPANY> in public session in accordance with SO 4.3. 3. Require and receive the declaration of any Executive Committee member's interests which may conflict with those of the <COMPANY> and taking account of any waiver which the SofS may have made in any case, and after consultation with the <COMPANY> Chief Executive, determining the extent to which that member may participate in the consideration of a matter in which he/she has an interest. 4. Advise on quality and clinical governance, having regard to any guidance by the Secretary of State, and including preparation of proposals to develop and monitor clinical standards in the <COMPANY> and its constituent practices. 5. Ratify or otherwise instances of failure to comply with Standing Orders brought to the Chief Executive's attention in accordance with SO 4.10. Such failures to be reported to the <COMPANY> in formal session.
	THE EXECUTIVE COMMITTEE	<p>Strategy, Business plans and Budgets</p> <ol style="list-style-type: none"> 1. Prepare Strategy and Business Plans and Budgets for approval by the Board 2. Advise the Board on the strategic aims and objectives of the <COMPANY>. 3. Prepare and review annually draft plans in respect of the application of available financial resources to support the agreed Local Delivery Plan for approval by the Board. 4. Agree with Chief Executive arrangements for negotiating with SHA draft AAA, draft PCIP and proposed Local Delivery Plan. 5. Prepare and review annually the draft <COMPANY> annual commissioning strategy or plan for approval by the Board. 6. Prepare and review annually the draft <COMPANY> PCIP for approval by the Board 7. Prepare proposals (having regard to any guidance by the Secretary of State) for <COMPANY> or practice incentive schemes. Monitor and review any such schemes. 8. Prepare and review annually of the <COMPANY> draft AAA for approval by the Board 9. Develop the <COMPANY>'s policies and procedures for the management of risk. 10. Approve Outline and Final Business Cases for Capital Investment if the case is within the AAA. If the case is out with the AAA preparation of advice to the Board.

REF	EXECUTIVE COMMITTEE	DECISIONS DELEGATED BY THE BOARD TO, AND RESERVED BY, THE EXECUTIVE COMMITTEE
	THE EXECUTIVE COMMITTEE	<p>Direct Operational Decisions</p> <ol style="list-style-type: none"> 1. Advise on acquisition, disposal or change of use of land and/or buildings. 2. The introduction or discontinuance of any significant activity or operation. An activity of operation shall be regarded as significant if it has a gross annual income or expenditure (that is before any set off) in excess of \$\$100,000. 3. Advise on approval of individual contracts (other than NHS contracts) of a capital or revenue nature amounting to, or likely to amount to over \$\$100,000 over a 3 year period or the period of the contract if longer. 4. Advise on approval of individual compensation payments. 5. Consider and make recommendations to the Board on action on litigation against or on behalf of the <COMPANY>. 6. Advise on individual cases for the write off of losses or making of special payments above the limits of delegation to the Chief Executive and Director of Finance (for losses and special payments) previously approved by the Board. 7. Approve Outline and Final Business Cases for capital investment where the case is within the objectives in the AAA.
	THE EXECUTIVE COMMITTEE	<p>Financial and Performance Reporting Arrangements</p> <ol style="list-style-type: none"> 1. Continuous appraisal of the affairs of the <COMPANY> by means of the provision to the Board as the Board may require from directors, committees, and officers of the <COMPANY> as set out in management policy statements. All monitoring returns required by the Department of Health and the Charity Commission shall be reported, at least in summary, to the Board. 2. Approve the opening or closing of any bank account. 3. Receive and approve a schedule of NHS service agreements signed in accordance with arrangements agreed with the Chief Executive. 4. Prepare, consider and endorse the <COMPANY>'s draft Annual Report (including the annual accounts) for approval by the Board.

DECISIONS/DUTIES DELEGATED BY THE BOARD TO COMMITTEES AND BY THE EXECUTIVE COMMITTEE TO ITS SUB COMMITTEES

REF	COMMITTEE	DECISIONS/DUTIES DELEGATED BY THE BOARD TO COMMITTEES AND BY THE EXECUTIVE COMMITTEE TO ITS SUB COMMITTEES
<p align="center">Corporate Governance Manual section 1.4 SFI 2.1.1</p>	<p align="center">AUDIT COMMITTEE</p>	<p>The Committee will:</p> <ol style="list-style-type: none"> 1. Advise the Board on internal and external audit services; 2. Review establishment and maintenance of effective systems of internal control and risk management; 3. Monitor compliance with Standing Orders and Standing Financial Instructions; 4. Review schedules of losses and compensations and making recommendations to the Board. 5. Review the annual financial statements prior to submission to the Board.
<p align="center">Corporate Governance Manual section 1.5 SFI 10.1.2</p>	<p align="center">REMUNERATION AND TERMS OF SERVICE COMMITTEE</p>	<p>The Committee will:</p> <ol style="list-style-type: none"> 1. advise the Board about appropriate remuneration and terms of service for the Chief Executive, other executive directors and other senior employees including: <ul style="list-style-type: none"> • all aspects of salary (including any performance-related elements/bonuses); • provisions for other benefits, including pensions and cars; • arrangements for termination of employment and other contractual terms; 2. make recommendations to the Board on any proposed remuneration for individual Executive Committee Members for specific work in addition to their corporate <COMPANY>E role, so as to ensure that the individual is fairly rewarded for their individual contribution to the <COMPANY> while having proper regard to the <COMPANY>'s circumstances and performance, and to the requirements of fair and open tendering or recruitment policies. 3. make recommendations to the Board on the remuneration and terms of service of senior employees to ensure they are fairly rewarded for their individual contribution to the <COMPANY> - having proper regard to the <COMPANY>'s circumstances and performance and to the provisions of any national arrangements for such staff. 4. proper calculation and scrutiny of termination payments taking account of such national guidance as is appropriate advise on and oversee appropriate contractual arrangements for such staff including the. 5. report in writing to the Board the basis for its recommendations.
<p align="center">HSC 1999/065</p>	<p align="center">Clinical Governance Sub-Committee</p>	<p>The Committee will advise the Executive Committee in accordance with the Terms of Reference appended to this document.</p>
<p align="center">HSC 1998/70 HSC 1999/123</p>	<p align="center">Risk Management Sub-Committee (and sub committees thereof)</p>	<p>The Committee will advise the Executive Committee in accordance with the Terms of Reference appended to this document.</p>

REF	COMMITTEE	DECISIONS/DUTIES DELEGATED BY THE BOARD TO COMMITTEES AND BY THE EXECUTIVE COMMITTEE TO ITS SUB COMMITTEES
	Charitable Funds Committee	The Committee will advise the Executive Committee in accordance with the Terms of Reference appended to this document. (Covered by Northern Lincolnshire and Goole Hospitals NHS Trust)
	Prescribing Sub-Committee	The Committee will advise the Executive Committee in accordance with the Terms of Reference appended to this document.
	Primary Care Development Sub-Committee	The Committee will advise the Executive Committee in accordance with the Terms of Reference appended to this document.
	Informatics Sub-Committee	The Committee will advise the Executive Committee in accordance with the Terms of Reference appended to this document.
	Commissioning Sub-Committee	The Committee will advise the Executive Committee in accordance with the Terms of Reference appended to this document.
	Workforce Planning and Development Sub-Committee	The Committee will advise the Executive Committee in accordance with the Terms of Reference appended to this document.
	Demand Management Sub-Committee	The Committee will advise the Executive Committee in accordance with the Terms of Reference appended to this document.

SCHEME OF DELEGATION DERIVED FROM THE ACCOUNTABLE OFFICER MEMORANDUM

REF	DELEGATED TO	DUTIES DELEGATED
10	CHIEF EXECUTIVE (CE)	Accountable through NHS Accounting Officer to Parliament for stewardship of <COMPANY> resources.
12	CE AND DIRECTOR OF FINANCE (DOF)	Ensure the accounts of the <COMPANY> are prepared under principles and in a format directed by the Secretary of State. Accounts must disclose a true and fair view of the <COMPANY>'s income and expenditure and its state of affairs. Sign the accounts on behalf of the Board.
13	CE	Sign a statement in the accounts outlining responsibilities as the Accountable Officer.
15 & 16	CHIEF EXECUTIVE	Ensure effective management systems that safeguard public funds and assist <COMPANY> Chairman to implement requirements of corporate governance including ensuring managers: <ul style="list-style-type: none"> • have a clear view of their objectives and the means to assess achievements in relation to those objectives • be assigned well defined responsibilities for making best use of resources • have the information, training and access to the expert advice they need to exercise their responsibilities effectively.”
15	CHAIRMAN	Implement requirements of corporate governance.
18	CE	Achieve value for money from the resources available to the <COMPANY> and avoid waste and extravagance in the organisation's activities. Follow through the implementation of any recommendations affecting good practice as set out on reports from such bodies as the Audit Commission and the National Audit Office (NAO). Use to best effect the funds available for commissioning healthcare, developing services and promoting health to meet the needs of the local population.
20	DoF	Operational responsibility for effective and sound financial management and information.
20	CE	Primary duty to see that DoF discharges this function.
21	CE	Ensuring that expenditure by the <COMPANY> complies with Parliamentary requirements.
22	CE	The Codes of Conduct and Accountability incorporated in the Corporate Governance Framework issued to NHS Boards by the Secretary of State are fundamental in exercising your responsibilities for regularity and probity. As a Board member you have explicitly subscribed to the Codes; you should promote their observance by all staff.
23	CE and DoF	Chief Executive supported by Director of Finance, to ensure appropriate advice is given to the Board and Executive

REF	DELEGATED TO	DUTIES DELEGATED
		Committee on all matters of probity, regularity, prudent and economical administration, efficiency and effectiveness.
24	CE	If CE considers the Board, Chairman or Executive Committee is doing something that might infringe probity or regularity, he should set this out in writing to the Chairman and the Board. If the matter is unresolved, he should ask the Audit Committee to inquire and if necessary the HA and Department of Health.
26	CE	If the Board or Executive Committee is contemplating a course of action that raises an issue not of formal propriety or regularity but affects the CE's responsibility for value for money, the CE should draw the relevant factors to the attention of the Board and Executive Committee. If the outcome is that you are overruled it is normally sufficient to ensure that your advice and the overruling of it are clearly apparent from the papers. Exceptionally, the CE should inform the Strategic Health Authority and the DoH. In such cases, and in those described in paragraph 24, the CE should as a member of the Board vote against the course of action rather than merely abstain from voting.

SCHEME OF DELEGATION DERIVED FROM THE CODES OF CONDUCT AND ACCOUNTABILITY

REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
1.3.1.7	BOARD	Approve procedure for declaration of hospitality and sponsorship
1.3.1.8	BOARD	Ensure proper and widely publicised procedures for voicing complaints, concerns about maladministration, breaches of Code of Conduct, and other ethical concerns.
1.31.9 & 1.3.2.2	ALL BOARD MEMBERS AND EXECUTIVE COMMITTEE MEMBERS	Subscribe to Code of Conduct
1.3.2.4	BOARD	Board members share corporate responsibility for all decisions of the Board.
1.3.2.4	CHAIR AND NON OFFICER MEMBERS	Chair and non-officer members are responsible for monitoring the executive management of the organisation and are responsible to the SofS for the discharge of those responsibilities.
1.3.2.4	BOARD	<p>The Board has six key functions for which it is held accountable by the Department of Health on behalf of the Secretary of State:</p> <ul style="list-style-type: none"> to ensure effective financial stewardship through value for money, financial control and financial planning and strategy to ensure that high standards of corporate governance and personal behaviour are maintained in the conduct of the business of the whole organisation, to appoint, appraise and remunerate senior executives, on the recommendation of the Executive Committee, to ratify the strategic direction of the organisation within the overall policies and priorities of the Government and the NHS, define its annual and longer term objectives and agree plans to achieve them, to oversee the delivery of planned results by monitoring performance against objectives and ensuring corrective action is taken when necessary, to ensure that the Executive Committee leads an effective dialogue between the organisation and the local community on its plans and performance and that these are responsive to the community's needs.
1.3.24	BOARD	<p>It is the Board's duty to:</p> <ol style="list-style-type: none"> 1. act within statutory financial and other constraints 2. for <COMPANY>s (and <COMPANY>s designated as care trusts), establish the executive committee 3. be clear what decisions and information are appropriate to the board and draw up standing orders, a schedule of decisions reserved to the board or <COMPANY> executive committee and standing financial instructions to reflect these,

REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
		<ol style="list-style-type: none"> 4. ensure that management arrangements are in place to enable responsibility to be clearly delegated to senior executives for the main programmes of action and for performance against programmes to be monitored and senior executives held to account, 5. establish performance and quality targets that maintain the effective use of resources and provide value for money. 6. specify its requirements in organising and presenting financial and other information succinctly and efficiently to ensure the board can fully undertake its responsibilities, 7. establish audit and remuneration committees on the basis of formally agreed terms of reference which set out the membership of the sub-committee, the limit to their powers, and the arrangements for reporting back to the main board.
1.3.2.5	CHAIRMAN	<p>It is the Chairman's role to:</p> <ol style="list-style-type: none"> 1. provide leadership to the Board, 2. enable all Board members to make a full contribution to the Board's affairs and ensure that the Board acts as a team, 3. ensure that key and appropriate issues are discussed by the Board in a timely manner, 4. ensure the Board has adequate support and is provided efficiently with all the necessary data on which to base informed decisions, 5. lead non-executive Board members through a formally-appointed remuneration committee of the main Board on the appointment, appraisal and remuneration of the chief executive and (with the latter) other executive Board members, 6. appoint non-executive Board members to an audit committee of the main Board, and 7. advise the Secretary of State through the regional member of the Policy Board on the performance of non-executive Board members.
1.3.2.5	CHIEF EXECUTIVE	<p>The Chief Executive is accountable to the Chairman and non-executive members of the Board for ensuring that its decisions are implemented, that the organisation works effectively, in accordance with Government policy and public service values and for the maintenance of proper financial stewardship.</p> <p>The Chief Executive should be allowed full scope, within clearly defined delegated powers, for action in fulfilling the decisions of the Board.</p> <p>The other duties of the Chief Executive as accountable officer are laid out in the Accountable Officer Memorandum</p>
1.3.2.6	NON OFFICER MEMBERS	<p>Non-officer Board members are appointed by or on behalf of the Secretary of State to bring independent judgement to bear on issues of strategy, performance, key appointments and accountability through the Department of Health to Ministers and to the local community</p>

REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
1.3.2.8	CHAIR AND BOARD MEMBERS	Declaration of conflict of interests.
1.3.2.9	BOARD	NHS Boards must comply with legislation and guidance issued by the Department of Health on behalf of the Secretary of State, respect agreements entered into by themselves or in on their behalf and establish terms and conditions of service that are fair to the staff and represent good value for taxpayers' money

SCHEME OF DELEGATION FROM MODEL STANDING ORDERS

SO REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
1.1	CHAIRMAN	Final authority in interpretation of SOs.
2.9	Board	Appointment of Vice Chairman
3.5	CHAIRMAN	Calling meetings.
3.14	CHAIRMAN	Chair all Board meetings and associated responsibilities.
3.21	CHAIRMAN	Give final ruling in questions of order, relevancy and regularity of meetings.
3.22	CHAIRMAN	Having a second or casting vote
3.32	BOARD	Suspension of Standing Orders
3.36	AUDIT COMMITTEE	Audit Committee to review every decision to suspend Standing Orders (power to suspend Standing Orders is reserved to the Board)
3.37	BOARD	Variation or amendment of Standing Orders
4.3	CHAIRMAN & CHIEF EXECUTIVE	The powers which the Board has retained to itself within these Standing Orders (Standing Order 2.5) may in emergency be exercised by the Chair and Chief Executive after having consulted at least two non-officer members
4.4	BOARD	Formal delegation of powers to Executive Committee, other committees, sub committees or joint committees and approval of their constitution and terms of reference. (The Chief Executive may approve Constitution and terms of reference of sub committees.)
4.7	CE	The Chief Executive shall prepare a Scheme of Delegation identifying his/her proposals, which shall be considered and <u>approved by the Board</u> , subject to any amendment agreed during the discussion.
4.10	ALL	Disclosure of non-compliance with Standing Orders to the Chief Executive as soon as possible.
6.1	ALL BOARD AND EXECUTIVE COMMITTEE MEMBERS	Declare relevant and material interests
6.8	CE	Maintain Register(s) of Interests.
7.11	CHAIRMAN OF A MEETING	Making a declaration on a declared interest.

SO REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
8.1	ALL STAFF	Comply with national guidance contained in HSG 1993/5 "Standards of Business Conduct for NHS Staff" (contained in appendix B)
8.8	ALL	Disclose relationship between self and candidate for staff appointment. (CE to report the disclosure to the Board/Executive Committee.)
9	CE	Tendering and contract procedure
9.5	CE AND NOMINATED OFFICERS*	Waive formal tendering procedures (subject to points a) to g) in SO 9.5).
9.5	CE	Report waivers of tendering procedures to the Board.
9.13	CE OR NOMINATED OFFICERS*	Evaluate the quotations and select the one which gives the best value for money
9.16	CE	Best value for money is demonstrated for all services provided under contract or in-house.
9.17	CE	Demonstrate that the use of private finance represents best value for money and transfers risk to the private sector.
9.19	CE*	Nominate an officer to oversee and manage a contract on behalf of the <COMPANY>.
9.20	CE*	Nominate officers to enter into contracts of employment, regrade staff, agency staff or consultancy service contracts.
9.22	CE*	Nominate officers with power to negotiate commissioning contracts/service agreements with providers of healthcare and other authorities.
10.1	CE	Determining any items to be sold by sale or negotiation.
11.4	CE*	Nominate an officer to oversee and manage a contract (for in-house services) on behalf of the <COMPANY>
12	BOARD	Authorise use of the Seal
12.1	CE	Keep seal in safe place and maintain a register of sealing.
12.3	CE AND DOF OR NOMINATED OFFICERS*	Approve and sign all building, engineering, property or capital documents.
12.4	BOARD	See the register of sealing quarterly.
13.1	CE	Approve and sign all documents which will be necessary in legal proceedings
13.2	CE OR NOMINATED OFFICERS*	Sign where authorised by resolution of the Board on behalf of the <COMPANY> any agreement or document not requested to be executed as a deed.

SO REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
14.1	CE	Existing Board members, officers and employees and all new appointees are notified of and understand their responsibilities within Standing Orders and SFIs.
App A s2	CE	Designate an officer responsible for receipt and custody of tenders before opening.
App A s3	TWO SENIOR OFFICERS	Open tenders.
App A s4	CE OR NOMINATED OFFICER*	Decide whether any late tenders should be considered.
App A s5	DOF	Keep lists of approved firms for tenders.

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

SCHEME OF DELEGATION FROM MODEL STANDING FINANCIAL INSTRUCTIONS

SFI REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
1.1.1	DIRECTOR OF FINANCE (DoF)	Training and communication programme for staff on SFIs.
1.1.3	DoF	Approval of all financial procedures.
1.1.4	DoF	Advice on interpretation or application of SFIs.
1.1.6	ALL MEMBERS OF THE BOARD AND EXECUTIVE AND ALL STAFF	Disclosure of non-compliance with SFIs as soon as possible to the DoF. DoF to report to the [Audit Committee].
1.3.4	Chief Executive (CE)	Responsible as the accountable officer to ensure financial targets and obligations are met and has overall responsibility for the system of internal control.
1.3.5	CE & DoF	Accountable for financial control but will, as far as possible, delegate their detailed responsibilities.
1.3.6	CE	To ensure all Board members, officers and employees, present and future, are notified of and understand Standing Financial Instructions.
1.3.7	DoF	Responsible for: a) Implementing the <COMPANY>'s financial policies and co-ordinating corrective action b) Maintaining an effective system of financial control including ensuring detailed financial procedures and systems are prepared and documented c) Ensuring that sufficient records are maintained to explain <COMPANY>'s transactions and financial position d) Providing financial advice to members of Board, Executive Committee and staff e) Maintaining such accounts, certificates etc as are required for the <COMPANY> to carry out its statutory duties.
1.3.8	ALL MEMBERS OF THE BOARD AND EXECUTIVE COMMITTEE AND EMPLOYEES	Responsible for security of the <COMPANY>'s property, avoiding loss, exercising economy and efficiency in using resources and conforming to Standing Orders, Financial Instructions and financial procedures.
1.3.9	CE	Ensure that any contractor or employee of a contractor who is empowered by the <COMPANY> to commit the <COMPANY> to expenditure or who is authorised to obtain income are made aware of these instructions and their requirement to comply
2.1.1	AUDIT COMMITTEE	Provide independent and objective view on internal control and probity.

SFI REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
2.1.2	CHAIR	Raise the matter at the Board meeting where Audit Committee considers there is evidence of ultra vires transactions or improper acts
2.1.3 & 2.2.1	DoF	Ensure an adequate internal audit service, for which he/she is accountable, is provided (and involve the Audit Committee in the selection process when/if an internal audit service provider is changed.)
2.2.1	DoF	Decide at what stage to involve police in cases of misappropriation and other irregularities not involving fraud or corruption.
2.3	HEAD OF INTERNAL AUDIT	Review, appraise and report in accordance with NHS Internal Audit Manual and best practice.
2.4	CE DoF	Monitor and ensure compliance with SofS Directions on fraud and corruption including the appointment of the Local Counter Fraud Specialist.
2.5	AUDIT COMMITTEE	Ensure cost-effective external audit.
3.3	CE	Overall responsibility for Resource and Cash Limit Control
3.4	DoF	Ensuring compliance with Dept of Health requirements, ensure money drawn from Dept of Health is for approved expenditure only at time of need, and ensuring adequate system of monitoring
4.1	DoF	Periodically review the basis and assumptions used by the Strategic Health Authority and Workforce Development Confederations for distributing allocations and ensure that these are reasonable and realistic and secure the <COMPANY>'s entitlement to funds; Prior to the start of each financial year submit to the <COMPANY> for approval a report showing the total allocations received and their proposed distribution including any sums to be held in reserve; and Regularly update the <COMPANY> on significant changes to the initial allocation and the uses of such funds.
4.2.1	CE	Compile and submit to the Board an annual business plan which takes into account financial targets and forecast limits of available resources. The annual business plan will contain: <ul style="list-style-type: none"> • a statement of the significant assumptions on which the plan is based; • details of major changes in workload, delivery of services or resources required to achieve the plan.
4.2.2 4.2.3	DoF	Submit budgets to the Board for approval. Monitor performance against budget; submit to Executive Committee and Board financial estimates and forecasts.
4.2.5	DoF	Ensure adequate training is delivered on an on going basis to budget holders.
4.3	CE	Delegate budget to budget holders
4.3	CE & Budget Holders	Must not exceed the budgetary total or virement limits set by the Board or Executive Committee.

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4.4.1	DoF	Devise and maintain systems of budgetary control.
4.4.2	Budget Holders	Ensure that a) no overspend or reduction of income that cannot be met from virement is incurred without prior consent of Board b) approved budget is not used other than for the specified purpose, subject to rules of virement c) no permanent employees are appointed without the approval of the CE other than those provided for within available resources and manpower establishment.
4.4.3	CE	Identify and implement cost improvements and income generation activities in line with the Business Plan.
4.6	CE	Submit monitoring returns
5.1	DoF	Preparation of annual accounts and reports.
6.1	DoF	Managing banking arrangements, including provision of banking services, operation of accounts, preparation of instructions and list of cheque signatories. (Board approves arrangements.)
7.	DoF	Income systems, including system design, prompt banking, review and approval of fees and charges, debt recovery arrangements, design and control of receipts, provision of adequate facilities and systems for employees whose duties include collecting or holding cash.
7.2.3	ALL EMPLOYEES	Duty to inform DoF of money due from transactions which they initiate/deal with.
8.1	CE	Ensure the <COMPANY> enters into suitable Service Level Agreements (SLA) with service commissioners for the provision of NHS services.
8.3	CE	As the accountable officer, ensure that regular reports are provided to the Executive Committee detailing actual and forecast income from the SLA.
9.2	CE	Ensuring secondary services are commissioned in accordance with the priorities agreed in the Local Delivery Plan and AAA.
9.4	CE	As the accountable officer, ensure that regular reports are provided to the Executive Committee and, as appropriate, to the Board detailing actual and forecast expenditure and activity for each SLA.
9.5	CE	Ensure that arrangements for the provision of services by non-NHS providers have regard for quality and cost effectiveness.
9.6	DoF	A system of financial monitoring must be maintained by the Director of Finance to ensure the effective accounting of expenditure under the SLA. This should provide a suitable audit trail for all payments made under the

SFI REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
		agreements, but maintains patient confidentiality.
9.7	DoF	Account for Out of Area Treatments financial adjustments in accordance with national guidelines
10.1.1	BOARD	Establish a Remuneration & Terms of Service Committee
10.1.2	REMUNERATION COMMITTEE	Advise the Board on and make recommendations on the remuneration and terms of service of the CE, other officer members and senior employees to ensure they are fairly rewarded having proper regard to the <COMPANY>'s circumstances and any national agreements Monitor and evaluate the performance of individual members of the Executive Committee (and other senior employees) Advise on and oversee appropriate contractual arrangements for such staff, including proper calculation and scrutiny of termination payments
10.1.3	REMUNERATION COMMITTEE	Report in writing to the Board its advice and its bases about remuneration and terms of service of directors and senior employees.
10.1.4	CE	Advise the Board on the remuneration and terms of service for staff not covered by the Remuneration Committee.
10.1.4	BOARD	Approve proposals presented by the Chief Executive for setting of remuneration and conditions of service for those employees and officers not covered by the Remuneration Committee.
10.2.2	CE	Approval of variation to funded establishment of any department.
10.3	CE	Staff, including agency staff, appointments and re-grading.
10.4.1 and 10.4.2	DoF	Payroll a) specifying timetables for submission of properly authorised time records and other notifications b) final determination of pay and allowances c) making payments on agreed dates d) agreeing method of payment e) issuing instructions (as listed in SFI 10.4.2).
10.4.3	NOMINATED MANAGERS*	Submit time records in line with timetable Complete time records and other notifications in required form Submitting termination forms in prescribed form and on time.

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10.4.4	DoF	Ensure that the chosen method for payroll processing is supported by appropriate (contracted) terms and conditions, adequate internal controls and audit review procedures and that suitable arrangements are made for the collection of payroll deductions and payment of these to appropriate bodies.
10.5	NOMINATED MANAGER*	Ensure that all employees are issued with a Contract of Employment in a form approved by the Board and which complies with employment legislation; and Deal with variations to, or termination of, contracts of employment.
11.1	CE	Determine, and set out, level of delegation of non-pay expenditure to budget managers, including a list of managers authorised to place requisitions, the maximum level of each requisition and the system for authorisation above that level. [It is good practice to append such lists to the Scheme of Delegation document.]
11.1.3	CE	Set out procedures on the seeking of professional advice regarding the supply of goods and services.
11.2.1	REQUISITIONERS*	In choosing the item to be supplied (or the service to be performed) shall always obtain the best value for money for the <COMPANY>. In so doing, the advice of the <COMPANY>'s adviser on supply shall be sought.
11.2.2	DoF	<ul style="list-style-type: none"> a) Advise the Board regarding the setting of thresholds above which quotations (competitive or otherwise) or formal tenders must be obtained; and, once approved, the thresholds should be incorporated in standing orders and regularly reviewed; b) Prepare procedural instructions [where not already provided in the Scheme of Delegation or procedure notes for budget holders] on the obtaining of goods, works and services incorporating the thresholds; c) Be responsible for the prompt payment of all properly authorised accounts and claims; d) Be responsible for designing and maintaining a system of verification, recording and payment of all amounts payable. e) A timetable and system for submission to the Director of Finance of accounts for payment; provision shall be made for the early submission of accounts subject to cash discounts or otherwise requiring early payment. f) Instructions to employees regarding the handling and payment of accounts within the Finance Department. g) Be responsible for ensuring that payment for goods and services is only made once the goods and services are received
11.2.4	MEMBER OF THE EXECUTIVE COMMITTEE	Make a written case to support the need for a prepayment.
11.2.4	DoF	Approve proposed prepayment arrangements.
11.2.4	BUDGET HOLDER	Ensure that all items due under a prepayment contract are received (and immediately inform DoF if problems are encountered).
11.2.5	CE	Authorise who may use and be issued with official orders.

SFI REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
11.2.6	MANAGERS AND OFFICERS	Ensure that they comply fully with the guidance and limits specified by the Director of Finance
11.2.7	CE DoF	Ensure that Standing Orders are compatible with Department of Health requirements re building and engineering contracts. Ensure that the arrangements for financial control and financial audit of building and engineering contracts and property transactions comply with the guidance contained within CONCODE and ESTATECODE. The technical audit of these contracts shall be the responsibility of the relevant Director.
11.3	DoF	Lay down procedures for payments to local authorities and voluntary organisations made under the powers of section 28A of the NHS Act
12	DoF	Ensure that Board and Executive Committee members are aware of the Financial Framework and ensure compliance
13.1.1 & 2	CE	Capital investment programme a) ensure that there is adequate appraisal and approval process for determining capital expenditure priorities and the effect that each has on business plans b) responsible for the management of capital schemes and for ensuring that they are delivered on time and within cost c) ensure that capital investment is not undertaken without resources being available to finance all revenue consequences d) ensure that a business case is produced for each proposal.
13.1.2	DoF	Certify professionally the costs and revenue consequences detailed in the business case for capital investment.
13.1.3	CE	Issue procedures for management of contracts involving stage payments.
13.1.3	DoF	Assess the requirement for the operation of the construction industry taxation deduction scheme.
13.1.3	DoF	Issue procedures for the regular reporting of expenditure and commitment against authorised capital expenditure.
13.1.4	CE	Issue manager responsible for any capital scheme with authority to commit expenditure, authority to proceed to tender and approval to accept a successful tender. Issue a scheme of delegation for capital investment management.
13.1.5	DoF	Issue procedures governing financial management, including variation to contract, of capital investment projects and valuation for accounting purposes.
13.2.1	DoF	Demonstrate that the use of private finance represents value for money and genuinely transfers significant risk to the private sector.
13.2.1	BOARD	Proposal to use PFI must be specifically agreed by the Board.
13.3.1	CE	Maintenance of asset registers (on advice from DoF).
13.3.5	DoF	Approve procedures for reconciling balances on fixed assets accounts in ledgers against balances on fixed asset

SFI REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
		registers.
13.3.8	DoF	Calculate and pay capital charges in accordance with Department of Health requirements.
13.4.1	CE	Overall responsibility for fixed assets.
13.4.2	DoF	Approval of fixed asset control procedures.
13.4.4	ALL SENIOR STAFF	Responsibility for security of <COMPANY> assets including notifying discrepancies to DoF, and reporting losses in accordance with <COMPANY> procedure.
14.2	CE	Delegate overall responsibility for control of stores (subject to DoF responsibility for systems of control). Further delegation for day-to-day responsibility subject to such delegation being recorded. (Good practice to append to the scheme of delegation document.)
14.2	DoF	Responsible for systems of control over stores and receipt of goods.
14.2	DESIGNATED PHARMACEUTICAL OFFICER	Responsible for controls of pharmaceutical stocks
14.2	DESIGNATED ESTATES OFFICER	Responsible for control of stocks of fuel oil and coal.
14.3	NOMINATED OFFICERS*	Security arrangements and custody of keys
14.4	DoF	Set out procedures and systems to regulate the stores.
14.5	DoF	Agree stocktaking arrangements.
14.6	DoF	Approve alternative arrangements where a complete system of stores control is not justified.
14.7	DoF	Approve system for review of slow moving and obsolete items and for condemnation, disposal and replacement of all unserviceable items.
14.7	NOMINATED OFFICERS*	Operate system for slow moving and obsolete stock, and report to DoF evidence of significant overstocking.
14.8	CE	Identify persons authorised to requisition and accept goods from NHS Supplies stores.
15.1	DoF	Prepare detailed procedures for disposal of assets including condemnations and ensure that these are notified to managers.
15.2.1	DoF	Prepare procedures for recording and accounting for losses and special payments and informing police in cases of suspected arson or theft.

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15.2.2	ALL STAFF	Discovery or suspicion of loss of any kind must be reported immediately to either head of department or nominated officer. The head of department / nominated officer should then inform the CE and DoF.
15.2.2	DoF	Where a criminal offence is suspected, DoF must inform the police if theft or arson is involved. In cases of fraud and corruption DoF must inform the relevant CFOS team in line with SoS directions.
15.2.3	DoF	Notify DCFS and External Audit of all frauds.
15.2.4	DoF	Notify Board and External Auditor of losses caused theft, arson, neglect of duty or gross carelessness (unless trivial).
15.2.5	BOARD	Approve write off of losses (within limits delegated by DoH).
15.2.7	DoF	Consider whether any insurance claim can be made.
15.2.8	DoF	Maintain losses and special payments register.
16.1	DoF	Responsible for accuracy and security of computerised financial data.
16.2	DoF	Satisfy him- or her- self 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.
16.3	RELEVANT OFFICERS	Send proposals for general computer systems to DoF
16.4 & 5	DoF	Ensure that contracts with other bodies for the provision of computer services for financial applications clearly define responsibility of all parties for security, privacy, accuracy, completeness and timeliness of data during processing, transmission and storage, and allow for audit review. Seek periodic assurances from the provider that adequate controls are in operation.
16.6	DoF	Where computer systems have in impact on corporate financial systems satisfy himself that: a) systems acquisition, development and maintenance are in line with corporate policies b) data assembled for processing by financial systems is adequate, accurate, complete and timely, and that a management rail exists c) DoF and staff have access to such data d) Such computer audit reviews are being carried out as are considered necessary.
17	CE	Responsible for ensuring patients and guardians are informed about patients' money and property procedures on admission.
17.3	DoF	Provide detailed written instructions on the collection, custody, investment, recording, safekeeping, and disposal of patients' property (including instructions on the disposal of the property of deceased patients and of patients

SFI REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
		transferred to other premises) for all staff whose duty is to administer, in any way, the property of
17.6	DEPARTMENTAL MANAGERS	Inform staff of their responsibilities and duties for the administration of the property of patients.
19	DOF	Ensure all staff are made aware of the <COMPANY> policy on the acceptance of gifts and other benefits in kind by staff
20.2	CE	Maintain lists of approved independent contractors
20.3	DOF	Maintain payment systems for paying independent contractors, including the independent verification of claims.
21	CE	Retention of document procedures in accordance with HSC 1999/053.
22.1	CE	Risk management programme
22.1	BOARD	Approve and monitor risk management programme
22.3	BOARD	Decide whether the <COMPANY> will use the risk pooling schemes administered by the NHS Litigation Authority or self-insure for some or all of the risks. Decisions to self-insure should be reviewed annually.
22.4	DOF	Consult NHS LA in case of doubt as to the power to use commercial insurers.
22.6	DOF	<p>Where the Board decides to use the Director of Finance shall ensure that the arrangements entered into are appropriate and complementary to the risk management programme. The Director of Finance shall ensure that documented procedures cover these arrangements.</p> <p>Where the Board decides not to use the risk pooling schemes administered by the NHS Litigation Authority for any one or other of the risks covered by the schemes, the Director of Finance shall ensure that the Board is informed of the nature and extent of the risks that are self insured as a result of this decision. The Director of Finance will draw up formal documented procedures for the management of any claims arising from third parties and payments in respect of losses that will not be reimbursed.</p>
22.7	DoF	Ensure documented procedures cover management of claims and payments below the deductible.

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

<COMPANY>

DELEGATED AUTHORITY FOR AUTHORISING EXPENDITURE

Officer	Description	Maximum Amount \$
CHIEF EXECUTIVE	<ul style="list-style-type: none">• items of expenditure within approved budgets	No limit
1	<ul style="list-style-type: none">• virement between approved budgets<ul style="list-style-type: none">- jointly with Director of Finance	200,000
	<ul style="list-style-type: none">• transfers from General Reserves<ul style="list-style-type: none">- jointly with Director of Finance- jointly with Chairman's approval	200,000 500,000
DIRECTOR OF FINANCE	<ul style="list-style-type: none">• items of expenditure within approved budgets	No limit
2	<ul style="list-style-type: none">• virement between approved budgets<ul style="list-style-type: none">- individually- jointly with Chief Executive	\$100,000 \$200,000
	<ul style="list-style-type: none">• transfers from specific reserves	No limit
	<ul style="list-style-type: none">• transfers from General Reserves<ul style="list-style-type: none">- individually- jointly with Chief Executive- jointly with Chairman	\$100,000 \$200,000 \$500,000

May 200*

Officer	Description	Maximum Amount \$
<p>OTHER DIRECTORS AS BUDGET HOLDERS</p> <p>3</p> <p>May 200*</p>	<ul style="list-style-type: none"> • items of expenditure within budgets held by the postholder for the purpose of healthcare (other than individual contracts outside existing service agreements) • virement from and between agreed service agreements held by the postholder for the purpose of healthcare and for changes to services within agreed agreements <ul style="list-style-type: none"> - individually - jointly with Director of Finance • Approval of individual contracts outside service agreements and within available budgets by the postholder <ul style="list-style-type: none"> - Individually - Jointly with Director of Finance • items of expenditure within approved non-healthcare budgets held by them as authorised budget holders • virement between approved non healthcare budgets held by them as authorised budget holders (except net transfers into budgets relating to management costs) – maximum amount applied to cumulative virement in year • net virement into budgets relating to management costs • Pay to non pay and non pay to pay budget virements to be countersigned by Chief Executive or Director of Finance 	<p>No limit</p> <p>\$100,000</p> <p>\$200,000</p> <p>\$100,000</p> <p>No limit</p> <p>\$30,000</p> <p>\$10,000</p> <p>NIL</p>

Officer	Description	Maximum Amount \$
ASSISTANT DIRECTOR OF FINANCE (PERFORMANCE AND CONTROL) 4	<ul style="list-style-type: none">As Director of Finance, when acting in his absence	See 2 above

<p>ASSISTANT DIRECTORS AS BUDGET MANAGERS</p> <p>5</p>	<ul style="list-style-type: none"> • regular payments made against formal service agreements within budgets managed by the post holder • items of expenditure within budgets managed by the post holder for purpose of healthcare • approval of individual contracts outside of existing service agreements and within available budgets managed by the post holder • virement from and between agreed service agreements and budgets managed by postholder for provision of healthcare and for changes to services within agreements • approval of individual contracts outside existing service agreements and within agreed budgets managed by postholder 	<p>¼ contract value</p> <p>\$30,000</p> <p>\$30,000</p> <p>\$30,000</p> <p>\$25,000</p>
<p>OTHER BUDGET MANAGERS</p> <p>6</p>	<ul style="list-style-type: none"> • Items of expenditure from approved budgets managed by the post holder as budget holder. • Virement between approved budgets managed by the post holder as budget holder (except net transfers into budgets relating to management costs) – maximum amount applied to cumulative virement in year. • Net virement into budgets relating to management costs • Pay to non pay and non pay to pay budget virements to be countersigned by Chief 	<p>\$20,000</p> <p>\$10,000</p> <p>NIL</p>

	Executive of Director of Finance and Performance	
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NOTE – Maximum amount relates to per occasion, unless otherwise stated.

May 200*