

## Standing Financial Instructions

<b>CATEGORY:</b>	Policy (Reserved)
<b>CLASSIFICATION:</b>	Governance
<b>PURPOSE</b>	To advise all budget holders of their financial responsibilities. They must be used in conjunction with the 'Scheme of Delegation' adopted by the Trust.
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## 1. Introduction

### 1.1 General

- 1.1.1 These Standing Financial Instructions (SFIs) shall have effect as if incorporated into the Standing Orders of the Trust.
- 1.1.2 These SFIs detail the financial responsibilities, policies and procedures to be adopted by the Trust. They are designed to ensure that its financial transactions are carried out in accordance with the law and Government policy in order to achieve probity, accuracy, economy, efficiency and effectiveness. They must be used in conjunction with the 'Scheme of Delegation' approved by the Chief Executive.
- 1.1.3 These SFIs identify the financial responsibilities which apply to everyone working for the Trust and its constituent organisations including Trading Units. They do not provide detailed procedural advice. These statements must therefore be read in conjunction with the detailed departmental and financial procedure notes. All financial procedures shall be approved by the Chief Financial Officer.
- 1.1.4 Where any difficulties arise regarding the interpretation or application of any of the SFIs then the advice of the Chief Financial Officer **MUST BE SOUGHT BEFORE ACTING**. The user of these SFIs must also be familiar with and comply with the provisions of the Trust.
- 1.1.5 **Failure to comply with SFIs is a disciplinary matter which could result in dismissal.**

### 1.2 Definitions

- 1.2.1 Any expression to which a meaning is given in Health and Social Care Acts, or in the Financial Directions made under the Acts, shall have the same meaning in these instructions; and
- i. "Trust" means University Hospitals Birmingham NHS Foundation Trust;
  - ii. "Board of Directors" means the Board of Directors as constituted in accordance with the constitution of the Trust;
  - iii. "Council of Governors" means the Council of Governors as constituted in accordance with the constitution of the Trust;
  - iv. "Budget" means a resource, expressed in financial terms, proposed by the Board of Directors for the purpose of

- carrying out, for a specific period, any or all of the functions of the Trust;
- v. "Budget Holder" means the director or employee with delegated authority to manage finances (Income and Expenditure) for a specific area of the organisation;
  - vi. "Chief Executive" means the accountable officer of the Trust;
  - vii. "Chief Financial Officer" means the senior financial officer of the Trust;
  - viii. "Legal Advisors" means a properly qualified person appointed by the Trust to provide legal advice;
  - ix. "NHS Improvement" means the body corporate known as the Independent Regulator of NHS Foundation Trusts;
  - x. "The Chair" is the chair of the Trust.

1.2.2 Wherever the title Chief Executive, Chief Financial Officer or other nominated officer is used in these instructions, it shall be deemed to include such other director or employees who have been duly authorised to act on their behalf.

1.2.3 Wherever the term "employee" is used, and where the context permits, it shall be deemed to include employees of third parties contracted to the Trust when acting on behalf of the Trust.

### 1.3 Responsibilities and Delegation

1.3.1 The Board of Directors exercises financial supervision and control by:

- a) Formulating the financial strategy;
- b) Approving the annual financial plan (budget) of the Trust;
- c) Defining and approving essential features in respect of important procedures and financial systems (including the need to obtain value for money); and
- d) Defining specific responsibilities placed on directors and employees as indicated in the 'Scheme of Delegation' document.

1.3.2 The Board of Directors has resolved that certain powers and decisions may only be exercised by it in formal session. These are set out in the Corporate Governance Policy.

1.3.3 It is acknowledged that the Chief Executive is ultimately accountable to the Board of Directors and, as Accounting Officer to Parliament, for ensuring that the Board of Directors meets its obligation to perform functions within the available financial

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

1.3.4 Officers may delegate any of their detailed responsibilities set out herein, but they remain accountable to the Board for the exercise of that accountability.

1.3.5 It is a duty of the Chief Executive to ensure that existing directors and employees and all new appointees are notified of and understand their responsibilities within these instructions.

1.3.6 The Chief Financial Officer is responsible for:

- a) Implementing the Trust's financial policies and for co-ordinating 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 and its Board of Directors and employees; and
- e) 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.

1.3.7 All directors, governors and employees, severally and collectively, are responsible for:

- a) The security of the property of the Trust;
- b) Avoiding loss;

- c) Exercising economy and efficiency in the use of resources; and
- d) Conforming to the requirements of NHS Improvement, the Trust's Licence, the Constitution, the Corporate Governance Policy, Standing Orders, these Standing Financial Instructions, Financial Procedures and the 'Scheme of Accountability and Delegation' document.

1.3.8 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.

1.3.9 For any and all directors and employees who carry out a financial function, the form in which financial records are kept and the manner in which directors and employees discharge their duties must be to the satisfaction of the Chief Financial Officer.

## **2. Audit**

### **2.1 Audit Committee**

2.1.1 In accordance with Standing Orders, the Board of Directors shall formally establish an Audit Committee, with clearly defined and approved terms of reference which shall include the appointing of the internal auditors. This Committee will, amongst its other duties, provide an independent and objective view of internal control, including financial control.

2.1.2 Where the Audit Committee feel there is evidence of ultra vires transactions, evidence of improper acts, or if there are other important matters that the Committee wish to raise, the chair of the Audit Committee will raise the matter at a full meeting of the Board of Directors.

### **2.2 Fraud and Corruption**

2.2.1 Compliance with the Secretary of State directions on fraud and corruption is not obligatory for foundation trusts, but the Chief Executive and the Chief Financial Officer shall apply best practice taking into account the Secretary of State's directions.

2.2.2 The Chief Financial Officer is responsible for deciding at what stage to involve the police in cases of misappropriation and other

financial irregularities in consultation with the Chair, Chief Executive and Director of Corporate Affairs.

### 2.3 The Chief Financial Officer

The Chief Financial Officer, Director of Corporate Affairs, designated auditors, Local Counter Fraud Specialist and Local Security Management Specialist 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, officer or employee of the Trust;
- c) The production of any cash, stores or other property of the Trust under an employee's control; and
- d) Explanations concerning any matter under investigation.

### 2.4 Internal Audit

2.4.1 Internal Audit will review, appraise and report upon:

- a) The extent of compliance with, and the effect of, relevant established policies, plans and procedures;
- b) The adequacy and application of financial and other management controls;
- c) The suitability of financial and other management data; and
- d) The extent to which the Trust's assets and interests are accounted for and safeguarded from loss of any kind, arising from;
  - i. fraud and other offences;
  - ii. waste, extravagance, inefficient administration;
  - iii. poor value for money or other causes.

2.4.2 The Head of the Internal Audit service provider will attend Audit Committee and will provide an update report on progress made and any issues noted at each committee meeting, including but not limited to:

- a) an Annual Plan of risks identified and work to be performed and fee, including:
  - i. a strategic audit plan covering the coming three years; and
  - ii. a detailed plan for the coming year.
- b) an Annual Head of Internal Audit Report that supports the year end sign off process. The report must cover:
  - i. A clear statement on the effectiveness of internal control;
  - ii. Major internal control weaknesses if any discovered;
  - iii. Progress on the implementation of internal audit recommendations; and
  - iv. Progress against plan over the previous year.

2.4.3 The Director of Corporate Affairs is responsible for:

- a) Ensuring there are arrangements to review, evaluate and report on the effectiveness of internal control including the establishment of an effective internal audit function;
- b) Ensuring that the internal audit is adequate to ensure effective control;

2.4.4 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 Chief Financial Officer must be notified immediately.

2.4.5 The internal audit provider 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.

## 2.5 External Audit

2.5.1 The external auditor is appointed, following a formal procurement process, by the Council of Governors.

2.5.2 It is for the Council of Governors to appoint or remove the external auditors, at a general meeting of the Council of Governors, having due regard to recommendations from the Audit Committee.



- 2.5.3 The Trust must ensure that the external auditor meets the criteria in NHSI's Audit Code for NHS Foundation Trusts, at the date of appointment and on an on-going basis throughout the term of its appointment.
- 2.5.4 The Audit Committee will review the terms of engagement and the external audit fee each year to ensure value for money in service provision.
- 2.5.5 In accordance with NHS Improvement's Audit Code for NHS Foundation Trusts, the External Auditor responsibilities are as follows:
- a) To satisfy itself that the annual accounts for the Trust comply with the guidance for NHS Foundation Trusts provided by NHSI and other relevant authorities, and other financial reporting regulations and guidance in force at the time of reporting, including International Financial Reporting Standards (IFRS);
  - b) To satisfy itself that proper arrangements have been made for securing economy, efficiency and effectiveness in the use of resources;
  - c) To comply with the standards, procedures and techniques to be adopted within the Audit Code for Foundation Trusts;
  - d) to comply with the auditing regulations and guidance in force at the time of reporting, including International Standards of Auditing (ISA);
  - e) to consider the issue of a public interest report;
  - f) to certify the completion of the audit; and
  - g) to express an opinion on the accounts;
- 2.5.6 The External Auditor will ensure that there is a minimum of duplication of effort between itself, Internal Audit and other relevant regulators e.g. NHSI, Care Quality Commission. The auditors will discharge this responsibility by:
- a) reviewing the statements made by the Chief Executive as part of the Statement on Internal Control and making a negative statement within the audit opinion if the Statement on Internal Control is not consistent with their knowledge of the Trust;

- b) reviewing the results of the work of relevant assurers, for example the Care Quality Commission, to determine if the results of the work have an impact on their responsibilities; and
- c) undertaking any other work that they feel necessary to discharge their responsibilities.

2.5.7 The Trust will provide the external auditor with every facility and all information which they may reasonably require for the purpose of its function.

2.5.8 The Head of External Audit will attend Audit Committee and provide an update report at each committee meeting including but not limited to:

- a) Annual plan of risks identified, work to be performed and fee;
- b) Progress reports necessary to keep the committee informed about technical reporting changes the Trust is implementing or considering; and
- c) An annual ISA 260 Report that explains how the external auditor has arrived at its audit opinion and point out any control weaknesses or accounting errors that it has identified during the course of the audit that are significant enough to be brought to the attention of the Audit Committee.

2.5.9 Prior approval must be sought from the Council of Governors, following a recommendation from the Audit Committee, for each discrete piece of additional work awarded to the external auditors for a value in excess of £25,000. Competitive tendering is not required and the Chief Financial Officer is required to authorise expenditure. Further detailed guidance is contained in the 'Policy for Approval of Additional Services by the Trust's External Auditors' approved by the Council of Governors and the Audit Committee.

### **3. Business Planning, Budgets, Budgetary Control and Monitoring**

#### **3.1 Preparation and Approval of Annual Plan and Budgets**

3.1.1 Prior to the start of the financial year, the Finance Director will, on behalf of the Chief Executive will compile and submit to the Board of Directors an Annual Plan which takes into account

financial targets and forecast limits of available resources. The Annual Plan will contain:

- a) A statement of significant assumptions on which the plan is based;
- b) Details of major changes in workload, delivery of services or resources required to achieve the plan;
- c) A summary Financial Plan; and
- d) Such other requirements as may be determined by the Independent Regulator for Foundation Trusts.

3.1.2 The Council of Governors shall be consulted regarding the Annual Plan.

3.1.3 The Chief Financial Officer will, as soon as possible after the approval of the Annual Plan, on behalf of the Chief Executive, prepare and issue annual budgets for the Trust. Such a budget will:

- a) Be in accordance with the aims and objectives set out in the Annual Plan;
- b) Accord with workload and manpower plans;
- c) Be produced following discussion with appropriate budget holders;
- d) Be prepared within the limits of available funds; and
- e) Identify potential risks.

3.1.4 The Chief Financial Officer shall monitor financial performance against the Financial Plan, budgets and business plans, periodically review them and report to the Board of Directors.

3.1.5 All budget holders must provide information as required by the Chief Financial Officer to enable budgets to be compiled.

3.1.6 The Chief Financial Officer has a responsibility to ensure that adequate training is delivered on an on-going basis to budget holders to help them manage successfully.

### 3.2 Budgetary Delegation

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

- a) The amount of the budget;
- b) The purpose(s) of each budget heading;
- c) Individual responsibilities and group objectives;
- d) Clear definition of planned levels of service; and
- e) The provision of regular reports.

3.2.2 Delegated budget holders must not exceed the budgetary total or virement limits set out in the Scheme of Delegation.

3.2.3 Any budgeted funds not required for their designated purpose(s) revert to the immediate control of the Chief Executive, subject to the budget manual.

3.2.4 Non-recurring budgets must not be used to finance recurring expenditure without the authority in writing of the Chief Executive or delegated officer.

### 3.3 Budgetary Control and reporting

3.3.1 The Chief Financial Officer will devise, implement and maintain systems of budgetary control. These will include:

- a) Monthly financial reports to the Board of Directors in a form approved by the Board of Directors;
- b) The issue of timely, accurate, comprehensive and understandable advice and financial reports to each budget holder, covering the areas for which they are responsible;
- c) Investigation and reporting of variances from financial, workload and manpower budgets;
- d) Monitoring of management action to correct variances; and
- e) Arrangements for the authorisation of budget transfers.

3.3.2 Each budget holder is responsible for ensuring that:

- a) any likely overspending or reduction of income which cannot be met by virement is not incurred;
- 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 new permanent employment posts are appointed to without the approval of the Chief Executive or delegated officer other than those provided for in the budgeted establishment as approved by the Board of Directors; and
- d) they identify and implement cost improvements and income generation initiatives in accordance with the requirements of the Annual Business Plan and a balanced budget.

### 3.4 Capital Expenditure

3.4.1 Expenditure on property, plant and equipment, and 'intangible assets' for the Trust must follow the correct delegation and reporting lines specifically designed for approval of capital expenditure detailed in the Corporate Governance Policy and the Scheme of Delegation. Accounting for capital expenditure must comply with the current International Financial Reporting Standard(s) as endorsed by the European Union and noted in NHSI's Annual Reporting Manual.

3.4.2 Capital expenditure must not be funded from revenue budgets. Capital budgets are incorporated into the annual Capital Programme budget approved by the Board (see 11.1).

### 3.5 Performance Monitoring

3.5.1 The Chief Executive is responsible for ensuring that the appropriate performance monitoring requirements are submitted to the Board of Directors and to NHS Improvement (the Annual Plan).

3.5.2 The internal monitoring of the Trust's overall, divisional and departmental business plans will take place through regular performance reviews with the Chief Executive and the Executive Team.

## 4. Annual Report and Accounts

### 4.1 Annual Accounts

4.1.1 The Trust (through its Chief Executive and accountable officer) shall prepare in respect of each Financial Year the annual report and accounts in such form as NHS Improvement may with the approval of the Treasury direct.

4.1.2 In preparing its annual accounts, the Trust shall comply with any directions given by NHS Improvement with the approval of the Treasury as to:

- a) The methods and principles according to which the accounts are to be prepared; and
- b) The information to be given in the accounts.

4.1.3 The Trust shall:

- a) Lay a copy of the annual report and accounts, and any report of the auditor on them, before Parliament; and
- b) Once it has done so:
  - i. Send copies of those documents to NHS Improvement in accordance with the timetable prescribed by NHS Improvement; and
  - ii. Present copies of those documents to the Council of Governors at a general meeting of the Trust.

### 4.2 Annual report and Forward Plans

The Trust shall prepare annual reports and send them to NHS Improvement. The reports are to give:

4.2.1 Information on the strategy of the organisation, both clinical and financial; and

4.2.2 Any other information NHS Improvement requires.

4.3 The Trust shall comply with any decision NHS Improvement makes as to:

4.3.1 The form of the reports.

4.3.2 When the reports are to be sent to NHS Improvement.

4.3.3 The periods to which the reports are to relate.

4.4 The Trust shall give information as to its forward planning in respect of each financial year to NHS Improvement. This information shall be prepared by the Board of Directors, who must have regard to the views of the Council of Governors.

4.5 The annual report shall also be held at the Trust headquarters for public inspection and shall be made available via the Trust's website.

4.6 The Trust's annual accounts, any report of the auditor on them and annual report must be presented to the Council of Governors at a public meeting together with, where applicable, summary financial statements.

## **5. Bank and Government Banking Service Accounts**

### **5.1 General**

5.1.1 The Chief Financial Officer is responsible for managing the Trust's banking arrangements and for advising the Trust on obtaining banking services and operation of accounts.

5.1.2 The Board of Directors shall approve the banking arrangements, other than those made in accordance with the Treasury Management Policy.

### **5.2 Bank and Government Banking Service (GBS) Accounts**

The Chief Financial Officer is responsible for:

- a) Commercial bank accounts and Government Banking Service (GBS) accounts;
- b) Reporting to the Board of Directors all arrangements made with the Trust's bankers for accounts to be overdrawn (see 10.1); and
- c) Approving the use of the Working Capital facility (see 10.1).

### **5.3 Banking Procedures**

5.3.1 The Chief Financial Officer will prepare detailed instructions on the operation of commercial bank and GBS accounts which must include:

- a) The conditions under which each commercial bank and GBS account is to be operated;

- b) The limit to be applied to any overdraft; and
- c) Those able to authorise drawn on the Trust's accounts.

5.3.2 The Chief Financial Officer must advise the Trust's bankers in writing of the conditions under which each account will be operated.

#### 5.4 Tendering and Review

5.4.1 The Chief Financial Officer will review the banking arrangements of the Trust at regular intervals to ensure that they reflect best practice and represent best value for money by periodically seeking competitive tenders for the Trust's banking business.

5.4.2 Competitive tenders must be sought at least every 5 years. The results of the tendering exercise must then be reported to the Board of Directors.

### **6. Income, Security of Cash, Cheques and Other Negotiable Instruments**

#### 6.1 Income Systems

6.1.1 The Chief Financial Officer is responsible for designing, maintaining and ensuring compliance with systems for the proper recording, invoicing, collection and coding of all monies due.

6.1.2 The Chief Financial Officer is also responsible for the prompt banking of all monies received.

6.1.3 The Trust shall follow the 'Payments by Results' financial regime determined by the Department of Health.

6.1.4 The Chief Financial Officer is responsible for approving and regularly reviewing the level of all fees and charges other than those determined by the Department of Health. Independent professional advice on matters of valuation shall be taken as necessary.

6.1.5 All employees must inform the Chief Financial Officer promptly of money due arising from transactions which they initiate/deal with, including all contracts and leases.

#### 6.2 Debt recovery

6.2.1 The Chief Financial Officer is responsible for the appropriate recovery action on all outstanding debts.



6.2.2 Income not received will be dealt with in accordance with losses procedures and statutory accounting procedures.

6.2.3 Overpayments must be detected (or preferably prevented) and recovery initiated.

### 6.3 Security of cash, cheques and other negotiable instruments

6.3.1 The Chief Financial Officer is responsible for:

- a) Approving the form of all receipt books, agreement forms, or other means of officially acknowledging or recording monies received or receivable;
- b) Ordering and securely controlling any such stationery;
- c) The provision of adequate facilities and systems for employees whose duties include collecting and holding cash, such as provision of safes or lockable cash boxes, the procedures for keys, and for coin operated machines; and
- d) Prescribing systems and procedures for handling cash and negotiable securities on behalf of the Trust.

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

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

6.3.4 The holders of safe keys shall not accept unofficial funds for depositing in their safes unless such deposits are in special sealed envelopes or locked containers. It shall be 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. **Contracting for Provision of Services**

7.1 The Chief Executive is responsible for negotiating healthcare contracts for the provision of services to patients in accordance with the Annual Plan. In carrying out these functions, the Chief Executive will take into account the advice of the Chief Financial Officer regarding:

7.1.1 costing and pricing of services;

- 7.1.2 payment terms and conditions;
- 7.1.3 amendments to contracts and extra-contractual arrangements;  
and
- 7.1.4 payment by results.
- 7.2 Contracts must be so devised as to minimise risk whilst maximising the Trust's opportunity to generate income.
- 7.3 Prices must match national tariff where appropriate and locally agreed prices where applicable.
- 7.4 The Chief Financial Officer shall produce regular reports detailing actual and forecast income (linked to activity) with a detailed assessment of the impact of the variable elements of income.
- 7.5 The Chief Financial Officer shall oversee and approve cash flow forecasts and the collection of cash. The NHS Improvement Annual Plan incorporates a cash flow forecast.

## **8. Appointment and Payment of Directors and Employees**

### **8.1 Funded Establishment**

- 8.1.1 The manpower plans incorporated within the annual budget will form the funded establishment.
- 8.1.2 The funded establishment of any department may not be varied without the approval of the Chief Executive or his/her nominated representative.

### **8.2 Staff Appointments**

- 8.2.1 No director or employee may engage, re-engage, or regrade employees, either on a permanent or temporary nature, or hire agency staff, or agree to changes in any aspect of remuneration unless authorised to do so by the Chief Executive or his/her nominated representative within their approved budget and funded establishment.
- 8.2.2 The determination of commencing pay rates and other terms and condition of service for employees shall be in accordance with Trust policies and procedures.

### **8.3 Processing of Payroll**

- 8.3.1 The Chief Financial Officer is responsible for:

- a) Specifying timetables for submission of properly authorised time records and other notifications;
- b) The final determination of pay;
- c) Making payment on agreed dates; and
- d) Appropriate (contracted) terms and conditions.

8.3.2 The Chief Financial Officer will issue instructions regarding:

- a) Verification and documentation of data;
- b) The timetable for receipt and preparation of payroll data and the payment of employees;
- c) Security and confidentiality of payroll information; and
- d) Authority to release payroll data under the provisions of the Data Protection Act.

8.3.3 The Chief Financial Officer is responsible for:

- a) Agreeing method of payment; and
- b) Ensuring that pay information is accurately reflected in the financial records of the Trust.

8.3.4 The Chief Financial Officer Finance Director will issue instructions regarding:

- a) Maintenance of subsidiary records for superannuation, income tax, social security and other authorised deductions from pay;
- b) Checks to be applied to completed payroll before and after payment;
- c) Methods of payment available to various categories of employee;
- d) Procedures for payment by cheque, bank credit, or cash to employees;
- e) Procedures for the recall of cheques and bank credits;
- f) Pay advances and their recovery;

- g) Maintenance of regular and independent reconciliation of pay control accounts;
- h) A system to ensure the recovery from leavers of sums of money and property due by them to the Trust; and
- i) Separating of duties of preparing records and handling cash.

8.3.5 Appropriately nominated managers have delegated responsibility for:

- a) Submitting time records, and other notifications in accordance with agreed timetables;
- b) Completing time records and other notifications in accordance with the Chief Financial Officer's instructions and in the form prescribed by the Chief Financial Officer; and
- c) Submitting termination forms in the prescribed form immediately upon knowing the effective date of any employee's resignation, termination or retirement. Where an employee fails to report for duty in circumstances that suggest they have left without notice, the Chief Financial Officer must be informed immediately.

8.3.6 Regardless of the arrangements for providing the payroll service, the Chief Financial Officer shall ensure that the chosen method is supported by 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.

#### 8.4 Contracts of Employment

The Executive Director of Workforce & Innovation is responsible for:

- a) Ensuring that all employees are issued with a Contract of Employment in a form approved by the Trust and which complies with employment legislation;
- b) Dealing with variations to, or termination of, contracts of employment; and
- c) maintaining a full minimum data set for each employee or contract worker e.g. name, start date, ethnic origin (where supplied), address, age, sex etc.

## 9. Non Pay Expenditure

### 9.1 Delegation of Authority

9.1.1 The Chief Executive will determine the level of delegation to budget managers.

9.1.2 The Chief Executive will set out in the Scheme of Delegation or otherwise:

- a) The list of managers who are authorised to place requisitions for the supply of goods and services;
- b) The maximum level of each requisition and the system for authorisation above that level; and
- c) Where a grant is to be received for non-recurring revenue expenditure, the total amount of the grant, not the annual amount, shall determine the authorisation level.

9.1.3 The Chief Financial Officer shall ensure that any procedures and requirements issued by grant making bodies shall be disseminated to all staff and relevant third parties.

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

### 9.2 Choice, Requisitioning, ordering, receipt and payment for Goods and Services

9.2.1 The requisitioner, in choosing the item to be supplied (or the provider to perform the service) shall always endeavour to obtain the best value for the Trust. In so doing, the advice of the Trust's adviser on supply shall be sought. Where this advice is not acceptable to the requisitioner, the Chief Financial Officer (and/or the Chief Executive) shall be consulted.

9.2.2 The Chief Financial Officer will:

- a) Advise as to the thresholds above which quotations (competitive or otherwise) or formal tenders should be obtained; and, once approved, those thresholds shall be incorporated in the Trust's Procurement Policy/the Scheme of Delegation and regularly reviewed;
- b) Prepare and approve procedural instructions (where not already provided in or under the Trust's Procurement Policy/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 accounts payable. The system shall provide for:
  - i. A list of directors/employees (including specimens of their signatures) authorised to approve orders (and in emergency to certify invoices).
  - ii. Certification that:
    - goods have been duly received, examined and are in accordance with specification and the prices are correct;
    - work done or services rendered have been satisfactorily carried out in accordance with the order, and, where applicable, the materials used are of the requisite standard and the charges are correct;
    - in the case of contracts based on the measurement of time, 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;
    - where appropriate, the expenditure is in accordance with regulations and all necessary authorisations have been obtained;
    - the account is arithmetically correct; and
    - the account is in order for payment.
  - iii. A timetable and system for submission to the Chief Financial Officer of accounts for payment; provision shall be made for the early submission of accounts subject to cash discounts or otherwise requiring early payment.
  - iv. Instructions to employees regarding the handling and payment of accounts within the Finance Department.

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

9.2.3 Prepayments are only permitted where exceptional circumstances apply. In such instances:

- a) Prepayments are only permitted where the financial advantages outweigh the disadvantages;
- b) the appropriate Board Director 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 any time during the term of the prepayment agreement, unable to meet its commitments;
- c) the Chief Financial Officer will need to be satisfied with the proposed arrangements before contractual arrangements proceed (taking into account the EU public procurement rules where the contract is above a stipulated financial threshold); and
- d) the budget holder is responsible for ensuring that all items due under a prepayment contract are received and he/she must immediately inform the appropriate Executive Director or Chief Executive if problems are encountered.

9.2.4 Official Orders must:

- a) must be uniquely identified by use of an internally approved process;
- b) must be in a form approved by the Chief Financial Officer;
- c) must state the Trust's terms and conditions of trade (unless e-mailed or faxed when the Trust's terms and conditions that were issued to the supplier when being placed on the approved supplier list will apply);
- d) must only be issued to, and used by, those duly authorised by the Chief Executive; and
- e) may be transmitted by a system of Electronic Data Interchange (EDI) approved by the Chief Financial Officer.

9.2.5 All staff must ensure that they comply fully with the guidance and limits specified by the Chief Financial Officer and that:

- a) all contracts (other than for a simple purchase permitted within the 'Scheme of Delegation' document or delegated budget), leases, tenancy agreements and other commitments which may result in a liability are notified to the Chief Financial Officer and the Director of Corporate Affairs in advance of any commitment being made;
- b) contracts above specified thresholds are advertised and awarded in accordance with EU and GATT rules on public procurement;
- c) no order shall be issued for any item or items to any firm which has made an offer of gifts, reward or benefit to directors or employees, other than:
  - i. isolated gifts of a trivial character or inexpensive seasonal gifts, such as calendars;
  - ii. conventional hospitality, such as lunches in the course of working visits;
- d) no requisition/order is placed for any item or items for which there is no budget provision unless authorised by the Chief Financial Officer on behalf of the Chief Executive;
- e) all goods, services, or works are ordered on an official order except works and services executed in accordance with a contract and purchases from petty cash;
- f) verbal orders are not issued except in cases of emergency or urgent necessity, within levels of delegation and only by an employee designated by the Chief Executive. Such orders must be confirmed immediately by an official order clearly marked 'Confirmation Order';
- g) orders are not split or otherwise placed in a manner devised so as to avoid the financial thresholds, delegated limits or rules on virement;
- h) goods are not taken on trial or loan in circumstances that could commit the Trust to a future uncompetitive purchase;
- i) changes to the list of directors/employees authorised to approve orders and to certify invoices are notified to the Chief Financial Officer;



- j) purchases from petty cash are restricted in value to less than £50 and by type of purchase in accordance with instructions issued by the Chief Financial Officer; and
- k) petty cash records are maintained in a form as determined by the Chief Financial Officer.

9.2.6 The Chief Financial Officer shall ensure that the arrangements for financial control and financial audit of building and engineering contracts and property transactions take into account the guidance contained within CONCODE and ESTATECODE. The technical audit of these contracts shall be the responsibility of the relevant Director.

## **10. External Borrowing, Public Dividend Capital and Cash Investments**

### **10.1 External Borrowing**

10.1.1 The Trust must comply with the Prudential Borrowing Code (PBC), determined by NHS Improvement and laid before Parliament, for the total amount of borrowing.

10.1.2 The Trust may borrow money for the purposes of or in connection with its functions.

10.1.3 The total amount of the Trust's borrowing is subject to the limit imposed by its licence and NHS Improvement's prudential borrowing limit.

10.1.4 The limit is reviewed annually by NHS Improvement.

10.1.5 Any application for a loan or overdraft or the use of any Working Capital Facility will only be made by the Chief Financial Officer or by an employee so delegated by him/her.

10.1.6 The Chief Financial Officer must prepare detailed procedural instructions concerning applications for loans and overdrafts.

10.1.7 All short term borrowings must be kept to the minimum period of time possible, consistent with the overall cash flow position. Any short term borrowing requirement in excess of one month must be authorised by the Chief Financial Officer.

10.1.8 All long term borrowing must be consistent with the plans outlined in the current Business Plan approved by the Board of Directors.

## 10.2 Public Dividend Capital

10.2.1 The amount that was the public dividend capital immediately prior to becoming a Foundation Trust continues as the public dividend capital of the Trust.

10.2.2 The dividend paid by the Trust is to be the same as that payable by NHS trusts in England in pursuance of section 9(7) of the 1990 Act (dividend on public dividend capital) and must be authorised by the Chief Financial Officer.

10.2.3 Any increases or repayments of public dividend capital are to be approved by the Board of Directors.

10.2.4 It is the responsibility of the Chief Financial Officer to ensure that any amount paid to the Secretary of State by the Trust by way of repayment of public dividend capital is paid into the Consolidated Fund.

## 10.3 Investments of Surplus Cash

10.3.1 The Trust may invest money (other than money held by it as trustee) for the purposes of or in connection with its functions.

10.3.2 The investment may include investment by:

- a) Forming, or participating in forming, bodies corporate;
- b) Otherwise acquiring membership of bodies corporate.

10.3.3 The Trust may give financial assistance (whether by way of loan, guarantee or otherwise) to any person for the purposes of or in connection with its functions.

10.3.4 The Trust may not undertake any money investment which contains financial risk to the Trust falling outside the parameters set out in the Trust's relevant policies (the Treasury Management Policy). All investments must be authorised by the Chief Financial Officer or by a delegated officer and are subject to review and monitoring by the Investment Committee.

10.3.5 The Trust's Treasury Management Policy will be formulated by the Chief Financial Officer and approved by the Board of Directors. This policy will be within the parameters of a 2005 Monitor policy entitled 'Managing Operating Cash in the NHS Foundation Trusts'.

10.3.6 The Chief Financial Officer shall provide updates on investment

activity provided to the Board of Directors at least annually.

## 11. Capital Investment and Grant Submissions

### 11.1 Capital Investment

#### 11.1.1 The Chief Financial Officer:

- a) shall ensure that there is an adequate appraisal and approval process in place for determining capital expenditure priorities and the effect of each proposal upon business plans;
- b) shall perform an annual review of capital requirements across the Trust and submit a capital expenditure programme for inclusion within the Annual Plan;
- c) shall, on approval of the Annual Plan, issue;
  - i. Authority to commit expenditure; and
  - ii. Relevant accounting information to enable the register to purchase the capital and accurately record the cost.
- d) Shall provide regular updates to the Board on the progress against the capital programme and any issues therein;
- e) is responsible for the management of all stages of capital schemes and for ensuring that schemes are delivered on time and to cost; and
- f) shall ensure that capital investment is not undertaken without the availability of resources to finance all revenue consequences, including capital charges.

11.1.2 For every capital expenditure proposal, the Chief Executive shall ensure that a business case, prepared to a standard format , is produced for:

- a) All schemes with a value of over £5,000;
- b) Replacement equipment over £100,000;
- c) All new equipment (including IT hardware) with a value over £5,000; and

- d) Approval of business cases shall be in accordance with the Corporate Governance Policy and the Chief Executive's Scheme of Delegation.

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

11.1.4 The Chief Financial Officer shall issue procedures for the regular reporting of expenditure and commitment against authorised expenditure.

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

11.1.6 The Chief Executive shall issue to the manager responsible for any scheme:

- a) specific authority to commit expenditure;
- b) authority to proceed to tender;
- c) approval to accept a successful tender.

11.1.7 The Chief Executive will issue a Scheme of Delegation for capital investment management in accordance with the Trust's Standing Orders and taking into account Estatecode guidance.

11.1.8 The Chief Financial Officer, taking due account of the Scheme of Delegation document, shall issue procedures governing the financial management, including variations to contract, of capital investment projects and valuation for accounting purposes.

## 11.2 Grants Application Process

When the Trust proposes to use grants to finance capital investment, the following procedures shall apply:

- a) A full business case to the standard format approved by the Board of Directors must be submitted to the Board of Directors before an application for a capital grant of more than £2,000,000 is submitted. The business case will identify all revenue consequences and the funding sources; and
- b) Whilst it is recognised that notification of grant offers may become available with a strictly limited response time and between Board of Directors meetings, formal application

will require Chair and Chief Executive approval on the advice of the Chief Financial Officer.

## **12. Property, Plant and Equipment & Intangible Asset Registers and Security of Assets**

### **12.1 Asset Register**

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

12.1.2 The Trust shall maintain an Asset Register recording property, plant and equipment & intangible assets. The minimum data set to be held within these registers shall provide the information required to comply with the relevant International Financial Reporting Standard(s) and HM Treasury requirements.

12.1.3 Additions to the property, plant and equipment & intangible asset register must be clearly identified, comply with capital accounting standards, the capital accounting manual 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 under a finance lease and capitalised.

12.1.4 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).

12.1.5 The Chief Financial Officer shall approve procedures for reconciling balances on capital assets accounts in ledgers against balances on capital asset registers.

12.1.6 The fair value of each property asset shall be valued annually by an external professionally qualified valuer, in accordance with HM Treasury requirements. Plant, equipment and intangible assets are valued at amortised cost where this is not materially different from fair value.

12.1.7 The value of each asset shall be depreciated on a straight line basis over its estimated useful economic life.

12.1.8 Property must be designated protected or non-protected.

## 12.2 Security of Assets

12.2.1 The overall control of property, plant and equipment and intangible assets is the responsibility of the Chief Executive.

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

- a) Recording managerial responsibility for each asset;
- b) identification of additions and disposals;
- c) physical security of assets;
- d) periodic verification of the existence of, condition of, and title to, assets recorded;
- e) identification and reporting of all costs associated with the retention of an asset; and
- f) reporting, recording and safekeeping of cash, cheques, and negotiable instruments.

12.2.3 All discrepancies revealed by verification of physical assets to capital asset register shall be notified to the Chief Financial Officer.

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

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

12.2.6 Where practical, assets will be marked as Trust property.

### **13. Stores and Receipt of Goods**

- 13.1 Stores, defined in terms of controlled stores and departmental stores (for immediate use) must be:
- a) kept to a minimum;
  - b) subjected to annual stocktake; and
  - c) valued at the lower of cost or net realisable value.
- 13.2 Subject to the responsibility of the Chief Financial Officer 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 to departmental employees and stores managers/keepers, subject to such delegation being entered in a record available to the Chief Financial Officer. The control of Pharmaceutical stocks shall be the responsibility of a designated Chief Pharmacist ; the control of the warehouse shall be the responsibility of a designated manager.
- 13.3 The responsibility for security arrangements and the custody of keys for all stores and locations shall be clearly defined in writing by the designated Manager/Chief Pharmacist. Wherever practicable, stocks shall be marked as Trust property.
- 13.4 The Chief Financial Officer shall set out procedures and systems to regulate the stores including records for receipt of goods, issues, and returns to stores, and losses.
- 13.5 Stocktaking arrangements shall be agreed with the Chief Financial Officer and there shall be a physical check covering all items in store at least once a year. Trust stock held centrally in a warehouse will be subject to a continuous stocktaking process based on volume, value and frequency of use.
- 13.6 Where a complete system of stores control is not justified, alternative arrangements shall require the approval of the Chief Financial Officer.
- 13.7 The designated Manager/Chief Pharmacist shall be responsible for a system approved by the Chief Financial Officer 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 Chief Financial Officer any evidence of significant overstocking and of any negligence or malpractice (see also section 14, 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.

13.8 For goods supplied via the NHS Supplies Authority central warehouses, the Chief Executive shall identify those authorised to requisition and accept goods from the store. The authorised person shall check receipt against the delivery note before forwarding this to the Chief Financial Officer who shall satisfy himself that the goods have been received before accepting the recharge.

#### 13.9 Consignment Stock

13.9.1 Consignment stocks are those items that remain the property of the supplier until used, but that are available on site for practical reasons.

13.9.2 Any consignment stock held must have been approved in accordance with the delegation of authority, and must be kept to an agreed minimum level. Consignment stock held must not be included in the Trust Stocks values, but separate detailed records must be kept. It is the responsibility of the Divisional Director for each area to ensure that SFI 13.9 is followed.

### **14. Disposals and Condemnations, Losses and Special Payments**

#### 14.1 Disposals and Condemnations

The Head of Department shall satisfy himself as to whether or not there is evidence of negligence in use and shall report any such evidence to the Chief Financial Officer who will take the appropriate action.

#### 14.2 Losses and Special Payments

14.2.1 The Chief Financial Officer must prepare procedural instructions on the recording of and accounting for condemnations, losses, and special payments. The Chief Financial Officer must also ensure that there is compliance with SFI 2.2 -Fraud and Corruption.

14.2.2 Any employee discovering or suspecting a loss of any kind must either immediately inform their head of department, who must immediately inform the Chief Executive and the Chief Financial Officer or inform the Local Counter Fraud Specialist who will then appropriately inform the Chief Financial Officer and/or Chief Executive. Where a criminal offence is suspected, the Chief Financial Officer must immediately inform the police if theft or arson is involved. If the case involves suspicion of fraud, then the particular circumstances of the case will determine when the police are notified.

14.2.3 For losses apparently caused by theft, fraud, arson, neglect of



duty or gross carelessness, except if the value is less than £50,000, the Chief Financial Officer must immediately notify:

- a) the Board of Directors, and
- b) the External Auditor.

14.2.4 The Chief Financial Officer shall be authorised to take any necessary steps to safeguard the Trust's interests in bankruptcies and company liquidations.

14.2.5 The Chief Financial Officer shall maintain a Losses and Special Payments Register in which write-off action is recorded. A report shall be presented to the Audit Committee on an annual basis.

## **15. Financial Information Systems**

15.1 The Chief Financial Officer, who is responsible for the accuracy and security of the computerised financial data of the Trust, shall:

15.1.1 devise and implement any necessary procedures to ensure adequate (reasonable) protection of the Trust's data, programs and computer hardware for which he/she is responsible from accidental or intentional disclosure to unauthorised persons, deletion or modification, theft or damage, having due regard for the Data Protection Act, Human Rights Act and the Freedom of Information Act;

15.1.2 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;

15.1.3 ensure that adequate controls exist such that the computer operation is separated from development, maintenance and amendment; and

15.1.4 ensure that an adequate management (audit) trail exists through the computerised system and that such computer audit reviews as he/she may consider necessary are being carried out.

15.2 The Chief Financial Officer shall satisfy him/herself 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 will be obtained from them prior to implementation.

15.3 The Chief Financial Officer shall ensure that contracts for computer

services for financial applications with any organisation or agency shall clearly define the responsibility of all parties for the security, privacy, accuracy, completeness, and timeliness of data during processing, transmission and storage. The contract must also ensure rights of access for audit purposes.

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

15.5 Where computer systems have an impact on corporate financial systems the Chief Financial Officer shall satisfy him/herself that:

15.5.1 the acquisition, development and maintenance of such systems are in line with appropriate corporate policies such as an Information Technology Strategy;

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

15.5.3 Finance staff have access to such data; and

15.5.4 such computer audit reviews as are considered necessary are being carried out.

## **16. Patients' Property**

16.1 The Trust has a responsibility to provide safe custody for money and other personal property (hereafter referred to as 'property') handed in by patients, in the possession of unconscious or confused patients, or found in the possession of patients dying in hospital or dead on arrival.

16.2 The Executive Chief Nurse is responsible for ensuring that patients or their guardians, as appropriate, are informed before or at admission by:

16.2.1 notices and information booklets,

16.2.2 hospital admission documentation and property records, the oral advice of administrative and nursing staff responsible for admissions,

that the Trust will not accept responsibility or liability for patients' property brought into Trust premises, unless it is handed in for safe custody and a copy of an official patients' property record is obtained as a receipt.

- 16.3 The Executive Chief Nurse must provide detailed written instructions on the collection, custody, investment, recording, safekeeping, and disposal of patients' property (including instructions on the disposal of the property of deceased patients and of patients transferred to other premises) for all staff whose duty is to administer, in any way, the property of patients (see Patient Property Policy).
- 16.4 Where NHS Improvement's instructions require the opening of separate accounts for patients' money, these shall be opened and operated under arrangements agreed by the Chief Financial Officer.
- 16.5 In all cases where property of a deceased patient is of a total value in excess of £5,000 (or such other amount as may be prescribed by any amendment to the Administration of Estates, Small Payments, Act 1965), the production of Probate or Letters of Administration shall be required before any of the property is released. Where the total value of property is £5,000 or less, forms of indemnity shall be obtained.
- 16.6 Staff must be informed, on appointment, by the appropriate departmental or senior manager of their responsibilities and duties for the administration of the property of patients.
- 16.7 Where patients' property or income is received for specific purposes and held for safekeeping, the property or income shall be used only for that purpose, unless any variation is approved by the donor or patient in writing.

## **17. Retention of Documents**

- 17.1 The Chief Financial Officer and all staff shall ensure that all financial records are retained in accordance with the requirements of the Trust's Record Management and Information Lifecycle Policy and taking into account the guidance contained in Records Management Code of Practice for Health and Social Care (2016).
- 17.2 Documents held under SFI 17.1 above shall only be destroyed in accordance with Trust policy and records shall be maintained of documents so destroyed.

## **18. Insurance**

- 18.1 The Director of Corporate Affairs shall ensure all appropriate insurance policies are in place.
- 18.2 The Board of Directors shall decide if the Trust shall purchase liability insurance from commercial insurers or self-insure for some or all of the risks covered by the risk pooling schemes administered by the NHS Litigation Authority, If the Board of Directors decides not to use the risk

pooling schemes for any of the risk areas (clinical, property and employers/third party liability) covered by the schemes, this decision shall be reviewed annually.

18.3 Where the Board of Directors decides to use the risk pooling schemes administered by the NHS Litigation Authority or purchase liability insurance from commercial insurers, the Director of Corporate Affairs, with support from the Finance Director, shall ensure that the arrangements entered into are appropriate and complementary to the risk management programme.

18.4 The Director of Corporate Affairs shall ensure that documented procedures cover these arrangements.

## 19. Hospitality and Gifts (Receiving)

19.1 A Policy regarding hospitality, gifts (receiving) (and sponsorship shall be approved by the Board of Directors which shall comply with the following:

19.1.1 **Improper gifts and hospitality** — A Director or Employee of the Trust shall not in any circumstances solicit, proposition or agree to receive from any third party any form of gift, hospitality or other benefit in return for doing or not doing anything in relation to the discharge of their duties and responsibilities on behalf of the Trust or for showing or not showing any favour in relation to such duties and responsibilities.

19.1.2 **Other gifts and hospitality** — It is accepted that in some circumstances (outside of the circumstances mentioned in 19.1 above), it may be perfectly appropriate for a Director or Employee of the Trust to agree to receive modest gifts and/or hospitality from third parties. The test that needs to be applied in all such situations is whether a fair minded member of the public, knowing the facts of the matter, would see anything improper or suspicious in the receipt of the gift and/or hospitality.

19.1.3 **Registration of gifts and hospitality with a value greater than £25** — If a Director or Employee of the Trust proposes to accept a gift or hospitality (of the type mentioned in 19.1.2 above) which can reasonably be regarded as having a monetary value of more than £25, then the Director or Employee

- a) must first obtain approval as set out in the Policy; and
- b) assuming such approval is obtained, must then provide the Director of Corporate Affairs with details of the gift and/or hospitality, so that such details may be entered in the

Trust's Register. New entries in this Register are reported on a regular basis to the Trust's Audit Committee.

**20. Hospitality and Gifts (Giving)**

A Directors' Expenses Policy shall be approved by the Board of Directors regarding Hospitality and Gifts (Giving).