

# Our Statutory Framework: Standing Orders, Reservation and Delegation of Powers and Standing Financial Instructions

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# Section A: Introduction

The statutory framework sets out the rules that govern our business and finances. It comprises:

## **Governance: Standing Orders**

Our organisation's governance is defined by our Standing Orders, known as 'SOs'. These include Board appointments, Board meetings, delegation arrangements, declaration and registers of interests and codes of business conduct.

## **Powers, Roles and Responsibilities: Scheme of Reservation and Delegation**

Our Scheme of Reservation and Delegation sets out the decisions and duties which are the responsibility of our Board or delegated by the Board to Committees and Individual Roles. It includes:

- Decisions reserved to the Board
- Decisions and duties delegated by the Board to Committees
- Duties delegated by the Board to
  - Chief Executive
  - Chair of the Board
  - Director of Finance
- Financial responsibilities, duties and decisions reserved to the Board and delegated to Committees and Individual Roles.

## **Financial and Procurement Rules: Standing Financial instructions**

Our Standing Financial Instructions, known as 'SFI's, set out how we manage and govern our finances. They set out the financial responsibilities, policies and procedures that apply to everyone in the organisation. Failure to comply with our SFIs is a disciplinary matter, which could result in dismissal.

## **Scheme of Financial Delegation**

Our Scheme of Financial Delegation sets out responsibilities of all HRA colleagues for managing HRA finances including financial limits for budget holders, cash management and procurement limits

## Section B: Defining terms

At any meeting the HRA's Chair shall be the final authority on the interpretation of Standing Orders (on which they are advised by the Chief Executive).

- "Accounting Officer" means the Officer responsible and accountable for resources within the control of the Board, in accordance with the requirements of HM Treasury guidance Managing Public Money. The Accounting Officer for the Board is the Chief Executive.
- "HRA" means the Health Research Authority.
- "Board" means the Chair, Non-Executive Directors, and voting Executive Directors of the HRA collectively as a body.
- "Budget" means a resource, expressed in financial terms, proposed by the Board for the purpose of carrying out for a specific period, any or all of the functions of the Authority.
- "Budget Holder" means the director or employee with delegated authority to manage finances (Income and Expenditure) for a specific area of the organisation.
- "Chair of the Board" is the person appointed by the Secretary of State for Health under Schedule 6 of the NHS Act 2006, to lead the Board and to ensure that the Board as a whole successfully discharges its overall statutory responsibilities. The expression "the Chair of the HRA" shall be deemed to include the Vice-Chair of the HRA if the Chair is absent from the meeting or is otherwise unavailable.
- "Chief Executive" means the chief officer of the HRA.
- "Committee" means a committee or sub-committee created and appointed by the HRA.
- "Committee members" mean persons formally appointed by the Board to sit on or to chair specific committees.
- "Contracting and procuring" means the systems for obtaining the supply of goods, materials, manufactured items, services including digital services, building and engineering services, works of construction and maintenance and for disposal of surplus and obsolete assets.
- "DHSC" means the Department of Health and Social Care.
- "Director of Finance" means the chief financial officer of the HRA. The Director of Finance shall be responsible for the provision of financial advice to the HRA and to its Members and for the supervision of financial control and accounting systems. They shall be responsible along with Chief Executive for ensuring the discharge of obligations under relevant Financial Directions.
- "HRA Executive Committee" means the group which reports to the HRA Board.
- "Member" means Non Executive or voting Executive member of the Board. Member in relation to the Board does not include its Chair.



- "Nominated officer" means an officer charged with the responsibility for discharging specific tasks within Standing Orders and Standing Financial Instructions.
- "Non-Executive member" means a member of the Board appointed under paragraph 3 of Schedule A1 of the NHS Act.
- "Officer" means employee of the HRA or any other person holding a paid appointment or office with the HRA.
- "Officer member" means a member of the HRA who is also an officer, that is an Executive Director.
- "Secretary" means a person appointed to act independently of the Board to provide advice on corporate governance issues to the Board and the Chair and monitor the HRA's compliance with the law, Standing Orders, and Department of Health and Social Care guidance, also known as HRA's Company Secretary.
- "Secretary of State" means the UK Cabinet Minister responsible for the Department of Health and Social Care.
- "Senior Departmental Sponsor" means the officer appointed by the Permanent Secretary, who will act as a designated and consistent point of contact within the Department of Health and Social Care. As described in the framework agreement with the DHSC, the Senior Departmental Sponsor is the "Chief Medical Officer". Day to day contact with the Department will be through a team of officials in the Research and Development Directorate.
- "SFIs" means the HRA's Standing Financial Instructions.
- "SOs" means the HRA's Standing Orders.
- "Vice Chair" means the non-officer member appointed by the Board to take on the Chair's duties if the Chair is absent for any reason.

# Section C – Governance, Standing Orders

## 1. Introduction

### 1.1 Statutory Framework

- 1.1.1 The Health Research Authority (HRA) is a statutory body, which came into existence on 1st January 2015 by virtue of S.I 2014 No. 2473 (C111).
- 1.1.2 The HRA operates from 5 regional offices, our London office is 2nd Floor, 2 Redman Place, Stratford, London, E20 1JQ.
- 1.1.3 The HRA's functions are governed by the Care Act 2014 Chapter 23, Part 3 Health, Chapter 2 Health Research Authority.
- 1.1.4 The HRA's functions are conferred by this legislation.
- 1.1.5 The 2011 regulations require the HRA to adopt Standing Orders for the regulation of its proceedings and business. We must also adopt Standing Financial Instructions (SFIs) as an integral part of Standing Orders setting out the responsibilities of individuals.
- 1.1.6 The HRA will also be bound by such other statutes and legal provisions which govern the conduct of its affairs.

### 1.2 NHS Framework

- 1.2.1 In addition to the statutory requirements the Secretary of State through the Department of Health and Social Care issues further directions and guidance. These are normally issued under cover of a circular or letter.
- 1.2.2 The Code of Conduct for NHS Boards and the Code of Accountability for NHS Boards (revised July 2004) require that, inter alia, Boards draw up a schedule of decisions reserved to the Board and ensure that management arrangements are in place to enable responsibility to be clearly delegated to senior executives (a scheme of delegation). The code also requires the establishment of audit and remuneration committees with formally agreed terms of reference. The Codes of Conduct makes various requirements concerning possible conflicts of interest of Board members and are supported by the Nolan principles.
- 1.2.3 The Code of Practice on Openness in the NHS sets out the requirements for public access to information on the NHS.

### 1.3 Delegation of Powers

- 1.3.1 Under the Standing Orders relating to the Arrangements for the Exercise of Functions (Standing Order 5) and the Care Act 2014 Schedule 7, the HRA is

given powers to "(2) The HRA may arrange for any of its committees, sub-committees or members or any other person (other than a devolved authority) to exercise any of its functions on its behalf.". Delegated Powers are covered in the document Reservation of Powers to the Authority and Delegation of Powers. This document has effect as if incorporated into the Standing Orders, Failure to comply with Standing Orders.

1.3.2 Failure to comply with Standing Orders is a disciplinary matter that could result in dismissal.

## **1.4 Integrated Governance**

1.4.1 Boards are now encouraged to move away from silo governance and develop integrated governance that will lead to good governance and to ensure that decision-making is informed by intelligent information covering the full range of corporate, financial, information and research governance. Guidance from the Department of Health and Social Care on the move toward and implementation of integrated governance has been issued and will be incorporated in our Governance Framework (see Integrated Governance Handbook 2006). Integrated governance will better enable the Board to take a holistic view of the organisation and its capacity to meet its legal and statutory requirements and clinical, quality and financial objectives.

## **2. The HRA Board: Composition of Membership and Role of Members**

### **2.1 Composition of the Membership of the HRA Board**

2.1.1 The HRA consists of:

2.1.1.1 a Chair appointed by the Secretary of State,

2.1.1.2 at least three but no more than four other members appointed by the Secretary of State,

2.1.1.3 at least two but no more than three other members appointed by the members appointed under paragraphs (a) and (b).

2.1.2 The members appointed under sub-paragraph (1)(a) and (b)—

2.1.2.1 are not employees of the HRA, and

2.1.2.2 are referred to in this Schedule as the "Non-Executive members".

2.1.3 The members appointed under sub-paragraph (1)(c) and (d)—

2.1.3.1 are employees of the HRA, and

2.1.3.2 are referred to in this Schedule as the "Executive members".

2.1.4 The number of Non-Executive members must exceed the number of Executive members.

Non-Executive members: terms of office

- 2.1.4.1 A person holds office as a Non-Executive member of the HRA on the terms of that person's appointment.
- 2.1.4.2 A person may not be appointed as a Non-Executive member for a period of more than four years.
- 2.1.4.3 A person who ceases to be a Non-Executive member is eligible for re-appointment.
- 2.1.4.4 A person may resign from office as a Non-Executive member by giving notice to the Secretary of State.
- 2.1.4.5 The Secretary of State may remove a person from office as a Non-Executive member on any of the following grounds—
  - Incapacity
  - Misbehaviour
  - failure to carry out his or her duties as a Non-Executive member
- 2.1.4.6 The Secretary of State may suspend a person from office as a non-executive member if it appears to the Secretary of State that there are or may be grounds to remove that person from office under sub-paragraph (2.1.4.5).

## **2.2 Appointment of HRA Chair and Members**

- 2.2.1 The regulations for the appointment of the Chair and members and their terms of office are determined by the Secretary of State for Health and Social Care and are set out in the Care Act 2014 Schedule 7 the Health Research Authority. The non-officer members must be appointed by the Secretary of State.

## **2.3 Terms of Office of the Chair and Members**

- 2.3.1 The regulations setting out the period of tenure of office of the Chair and members and for the termination or suspension of office of the Chair and members are contained in the Care Act 2014 Schedule 7 The Health Research Authority.

## **2.4 Appointment and Powers of Vice-Chair**

- 2.4.1 Subject to Standing Order No. 2.4.2 below, the Chair and members of the HRA may appoint one of their numbers, who is not also an officer member, to be Vice-Chair. Any appointment may be for such period, not exceeding the remainder of their term as a member of the HRA as specified on appointment.
- 2.4.2 Any member so appointed may at any time resign from the office of Vice-Chair by giving notice in writing to the Chair or, if the office of chair is vacant, the members. The Chair and members may thereupon appoint another member as Vice-Chair in accordance with the provisions of Standing Order No. 2.4.1.
- 2.4.3 Where the Chair of the HRA has died or has ceased to hold office, or where they have been unable to perform their duties as Chair owing to illness or any

other cause, the Vice- Chair shall act as Chair until a new Chair is appointed or the existing Chair resumes their duties, as the case may be; and references to the Chair in these Standing Orders shall, so long as there is no Chair able to perform those duties, be taken to include references to the Vice-Chair.

## **2.5 Joint Members**

2.5.1 Where more than one person is appointed jointly to a post on the Board which qualifies the holder for executive Membership or in relation to which an Officer member is to be appointed, those persons shall become appointed as an Officer member jointly and shall count for the purpose of Standing Order 2.1 and 2.2 as one person.

2.5.2 Where the office of a member of the Board is shared jointly by more than one person:

2.5.2.1 either or both of those persons may attend or take part in meetings of the Board.

2.5.2.2 if both are present at a meeting, they should cast one vote if they agree.

2.5.2.3 in the case of disagreements no vote should be cast.

2.5.2.4 the presence of either or both of those persons should count as the presence of one person for the purposes of Standing Order No. 3.10 Quorum.

## **2.6 Role of Members**

The Board will function as a corporate decision-making body. Executive and non- executive members will be full and equal members. Their role as members of the Board will be to consider the key strategic and managerial issues facing the HRA in carrying out its statutory and other functions.

2.6.1 Officer Members (Executive Directors) - Executive Directors shall exercise their authority within the terms of these Standing Orders and Standing Financial Instructions and the Scheme of Delegation.

2.6.2 Chief Executive - The Chief Executive shall be responsible for the overall performance of the executive functions of the HRA. They are the Accounting Officer for the HRA and shall be responsible for ensuring the discharge of obligations under the "Directions to the Health Research Authority". As Accounting Officer the Chief Executive has the responsibilities as set out in HM Treasury guidance Managing Public Money, including ensuring that the Board acts in accordance with the legislative framework that established it and with the terms of the Framework agreement agreed between the Board and the Department of Health and Social Care. The Chief Executive is also responsible for the ensuring the discharge of the Board's obligations under any Financial Directions.

- 2.6.3 Director of Finance - The Director of Finance is responsible for the provision of financial advice to the Board and to its members, and for the supervision of financial control and accounting systems. They will be responsible along with the Chief Executive for ensuring the discharge of obligations under relevant Financial Directions.
- 2.6.4 Non-executive members - The Non-Executive Members shall not be granted nor shall they seek to exercise any individual executive powers on behalf of the HRA. They may however, exercise collective authority when acting as members of, or when chairing a committee of the HRA which has delegated powers.
- 2.6.5 Chair - The Chair shall be responsible for the operation of the Board and will chair all Board meetings when present. The Chair has certain delegated executive powers. The Chair must comply with the terms of appointment and with these Standing Orders. The Chair will take responsibility either directly or indirectly for the induction of non- executive members, their portfolio of interests and assignments and their performance. The Chair shall work in close harmony with the Chief Executive and shall ensure that key and appropriate issues are discussed by the Board in a timely manner with all the necessary information and advice being made available to the Board to inform the debate and ultimate resolutions.

## **2.7 Corporate role of the Board**

- 2.7.1 All business shall be conducted in the name of the HRA.
- 2.7.2 The powers of the HRA established under statute shall be exercised by the Board meeting in public session except as otherwise provided for in Standing Order No. 3.
- 2.7.3 The Board shall define and regularly review the functions it exercises on behalf of the Secretary of State.

## **2.8 Schedule of Matters reserved to the Board and Scheme of Delegation**

- 2.8.1 The Board has resolved that certain powers and decisions may only be exercised by the Board in formal session. These powers and decisions are set out in the 'Schedule of Matters Reserved to the Board' and shall have effect as if incorporated into the Standing Orders. Those powers which it has delegated to officers and other bodies are contained in the Scheme of Delegation.

## **2.9 Lead Roles for Board Members**

- 2.9.1 The Chair will ensure that the designation of lead roles or appointments of Board members as required by statute, the Department of Health and Social Care or other guidance will be made in accordance with that requirement.

## **3. Meetings of the HRA**

### **3.1 Calling meetings**

- 3.1.1 Ordinary meetings of the Board shall be held at such times and places as the Board may determine.
- 3.1.2 Meetings of the Board may be called by the Chair at any time.
- 3.1.3 At least one third of the total number of members (excluding the chair or any member suspended) may requisition a meeting in writing. If the Chair refuses, or fails to call a meeting within 21 days of a requisition being presented, the members signing the requisition may forthwith call a meeting.

### **3.2 Notice of Meetings and the Business to be transacted**

- 3.2.1 Before each meeting of the HRA, the Board Secretary shall send (by appropriate means including, without limitation, by email or post or via the HRA's website) a written notice of the meeting which specifies the principal business proposed to be transacted. The notice should be signed by the chair or by an officer of the HRA authorised by the chair to sign on his behalf and should, be available to members at least seven clear days before the meeting. Want of service of such a notice on any member shall not affect the validity of a meeting.
- 3.2.2 No business shall be transacted at the meeting other than that specified on the agenda, or emergency motions allowed under Standing Order 3.6.
- 3.2.3 A member desiring a matter to be included on an agenda shall make his/her request in writing to the Chair at least 15 clear days before the meeting. The request should state whether the item of business is proposed to be transacted in the presence of the public and should include appropriate supporting information. Requests made less than 15 days before a meeting may be included on the agenda at the discretion of the Chair.
- 3.2.4 Before each meeting of the Board a public notice of the time and place of the meeting, and the public part of the agenda, shall be made publicly available at least three clear days before the meeting, in accordance with the requirements of the Public Bodies (Admission to Meetings) Act 1960 Section 1 (4) (a)).

### **3.3 Agenda and Supporting Papers**

3.3.1 The Agenda will be sent to members 7 days before the meeting and supporting papers, whenever possible, shall accompany the agenda, but will certainly be despatched no later than three clear days before the meeting, save in emergency.

### **3.4 Notice of Motion**

3.4.1 Subject to the provision of Standing Orders 3.6 'Motions: Procedure at and during a meeting' and 3.7 'Motions to rescind a resolution', a member of the Board wishing to move a motion shall send a written notice to the Chief Executive who will ensure that it is brought to the immediate attention of the Chair.

3.4.2 The notice shall be delivered at least 15 clear days before the meeting. The Chief Executive shall include in the agenda for the meeting all notices so received that are in order and permissible under governing regulations. This Standing Order shall not prevent any motion being withdrawn or moved without notice on any business mentioned on the agenda for the meeting.

### **3.5 Emergency Motions**

3.5.1 Subject to the agreement of the Chair, and subject also to the provision of Standing Order 3.6 'Motions: Procedure at and during a meeting', a member of the Board may give written notice of an emergency motion after the issue of the notice of meeting and agenda, up to one hour before the time fixed for the meeting. The notice shall state the grounds of urgency. If in order, by agreement, it shall be declared to the HRA Board at the commencement of the business of the meeting as an additional item included in the agenda. The Chair's decision to include the item shall be final.

### **3.6 Motions: Procedure at and during a meeting**

3.6.1 Who may propose - A motion may be proposed by the Chair of the meeting or any member present. It shall be seconded by another member.

3.6.2 Contents of motions - The Chair may exclude from the debate at their discretion any such motion of which notice was not given on the notice summoning the meeting other than a motion relating to:

- the reception of a report.
- consideration of any item of business before the HRA Board.
- the accuracy of minutes.
- that the Board proceed to next business.
- that the Board adjourn.
- that the question be now put.



3.6.3 Amendments to motions - A motion for amendment shall not be discussed unless it has been proposed and seconded.  
Amendments to motions shall be moved relevant to the motion and shall not have the effect of negating the motion before the Board.  
If there are a number of amendments, they shall be considered one at a time. When a motion has been amended, the amended motion shall become the substantive motion before the meeting, upon which any further amendment may be moved.

#### 3.6.4 Rights of reply to motions

3.6.4.1 Amendments - The mover of an amendment may reply to the debate on their amendment immediately prior to the mover of the original motion, who shall have the right of reply at the close of debate on the amendment but may not otherwise speak on it.

3.6.4.2 Substantive/original motion - The member who proposed the substantive motion shall have a right of reply at the close of any debate on the motion.

3.6.5 Withdrawing a motion - A motion, or an amendment to a motion, may be withdrawn.

3.6.6 Motions once under debate - When a motion is under debate, no motion may be moved other than:

- an amendment to the motion.
- the adjournment of the discussion, or the meeting.
- that the meeting proceed to the next business.
- that the question should be now put.
- the appointment of an 'ad hoc' committee to deal with a specific item of business.
- that a member/director be not further heard.
- a motion under Section I (2) or Section I (8) of the Public Bodies (Admissions to Meetings) Act 1960 resolving to exclude the public, including the press (see Standing Order 3.17).

In those cases where the motion is either that the meeting proceeds to the 'next business' or 'that the question be now put' in the interests of objectivity these should only be put forward by a Member of the Board who has not taken part in the debate and who is eligible to vote.

If a motion to proceed to the next business or that the question be now put, is carried, the Chair should give the mover of the substantive motion under debate a right of reply, if not already exercised. The matter should then be put to the vote.

### 3.7 Motion to Rescind a Resolution

3.7.1 Notice of motion to rescind any resolution (or the general substance of any resolution) which has been passed within the preceding six calendar months shall bear the signature of the member who gives it and also the signature of three other members, and before considering any such motion of which notice

shall have been given, the HRA Board may refer the matter to any appropriate Committee or the Chief Executive for recommendation.

- 3.7.2 When any such motion has been dealt with by the HRA Board it shall not be competent for any director/member other than the Chair to propose a motion to the same effect within six months. This Standing Order shall not apply to motions moved in pursuance of a report or recommendations of a Committee or the Chief Executive.

### **3.8 Chair of meeting**

- 3.8.1 At any meeting of the HRA Board the Chair, if present, must preside. If the Chair is absent from the meeting, the Vice-Chair (if the Board has appointed one), if present, shall preside.

- 3.8.2 If the Chair and Vice-Chair are absent, such member (who is not also an Officer Member of the HRA) as the members present shall choose who shall preside.

### **3.9 Chair's ruling**

- 3.9.1 The decision of the Chair of the meeting on questions of order, relevancy and regularity (including procedure on handling motions) and their interpretation of the Standing Orders and Standing Financial Instructions, at the meeting, shall be final.

### **3.10 Quorum**

- 3.10.1 No business shall be transacted at a meeting unless at least four members are present, three of whom must be a non-executive member.

- 3.10.2 An Officer in attendance for an Executive Director (Officer Member) but without formal acting up status will not count towards the quorum.

- 3.10.3 If the Chair or member has been disqualified from participating in the discussion on any matter and/or from voting on any resolution by reason of a declaration of a conflict of interest (see SO No.7) that person shall no longer count towards the quorum. If a quorum is then not available for the discussion and/or the passing of a resolution on any matter, that matter may not be discussed further or voted upon at that meeting. Such a position shall be recorded in the minutes of the meeting. The meeting must then proceed to the next business.

### **3.11 Voting**

- 3.11.1 Save as provided in Standing Orders 3.12 - Suspension of Standing Orders and 3.13 - Variation and Amendment of Standing Orders, every question put to a vote at a meeting shall be determined by a majority of the votes of

members present and voting on the question. In the case of an equal vote, the person presiding (i.e.: the Chair of the meeting shall have a second, and casting vote.

3.11.2 At the discretion of the Chair, all questions put to the vote shall be determined by oral expression or by a show of hands (and if any person is attending by telephone, teleconference or video or computer link such person shall cast their vote verbally and such vote will be recorded in the minutes), unless the Chair directs otherwise or it is proposed, seconded and carried that a vote be taken by paper ballot (in which case any person attending by telephone, teleconference or video or computer link shall cast their vote verbally)

3.11.3 If at least one third of the members present so request, the voting on any question may be recorded so as to show how each member present voted or did not vote (except when conducted by paper ballot).

3.11.4 If a member so requests, their vote shall be recorded by name.

3.11.5 The Board may agree that its Members can participate in its meetings by telephone, teleconference, and video or computer link. Participation in a meeting in this manner shall be deemed to constitute a presence in person at the meeting.

3.11.6 A manager who has been formally appointed to act up for an Officer Member during a period of incapacity or temporarily to fill an Executive Director vacancy shall be entitled to exercise the voting rights of the Officer Member.

3.11.7 A manager attending the HRA Board meeting to represent an Officer Member during a period of incapacity or temporary absence without formal acting up status may not exercise the voting rights of the Officer Member. An Officer's status when attending a meeting shall be recorded in the minutes.

3.11.8 For the voting rules relating to joint members see Standing Order 2.5.

### **3.12 Suspension of Standing Orders**

3.12.1 Except where this would contravene any statutory provision or any direction made by the Secretary of State or the rules relating to the Quorum (SO 3.11), any one or more of the Standing Orders may be suspended at any meeting, provided that at least two-thirds of the whole number of the members of the Board are present (including at least one Member who is an Officer Member of the HRA and one Member who is not) and that at least two-thirds of those members present signify their agreement to such suspension. The reason for the suspension shall be recorded in the HRA Board's minutes.

3.12.2 A separate record of matters discussed during the suspension of Standing Orders shall be made and shall be available to the board.

3.12.3 No formal business may be transacted while Standing Orders are suspended.

3.12.4 The Audit Committee shall review every decision to suspend Standing Orders.

### **3.13 Variation and Amendment of Standing Orders**

3.13.1 These Standing Orders shall not be varied except in the following circumstances:

- upon a notice of motion under Standing Order 3.5.
- upon a recommendation of the Chair or Chief Executive included on the agenda for the meeting.
- that two-thirds of the Board Members are present at the meeting where the variation or amendment is being discussed, and that at least half of the HRA's non-Officer members vote in favour of the amendment.
- providing that any variation or amendment does not contravene a statutory provision or direction made by the Secretary of State.

### **3.14 Record of Attendance**

3.14.1 The names of the Chair and members present at a meeting must be recorded in the minutes.

### **3.15 Minutes**

3.15.1 The minutes of the proceedings of a meeting must be drawn up and submitted for agreement at the next ensuing meeting where they shall be signed by the person presiding at that next meeting.

3.15.2 No discussion shall take place upon the minutes except upon their accuracy.

### **3.16 Admission of Public and the Press**

3.16.1 Admission and exclusion on grounds of confidentiality of business to be transacted.

The public and representatives of the press may attend all meetings of the HRA, but shall be required to withdraw upon the HRA Board resolving as follows:

'that representatives of the press, and other members of the public, be excluded from the remainder of this meeting having regard to the confidential nature of the business to be transacted, publicity on which would be prejudicial to the public interest', Section 1 (2), Public Bodies (Admission to Meetings) Act 1960

3.16.2 General disturbances

The Chair or the person presiding over the meeting shall give such directions as they think fit with regard to the arrangements for meetings and accommodation of the public and representatives of the press such as to ensure that the HRA's business shall be conducted without interruption and disruption and, without prejudice to the power to exclude on grounds of the confidential nature of the business to be transacted, the public will be required to withdraw upon the HRA Board resolving as follows:

'That in the interests of public order the meeting adjourn for (the period to be specified) to enable the HRA Board to complete its business without the presence of the public'. Section 1(8) Public Bodies (Admissions to Meetings) Act 1960.

### 3.16.3 Business proposed to be transacted when the press and public have been excluded from a meeting

Matters to be dealt with by the HRA Board following the exclusion of representatives of the press, and other members of the public, as provided in (1) and (2) above, shall be confidential to the Members of the Board.

Members and Officers or any employee of the HRA in attendance shall not reveal or disclose the contents of papers marked 'In Confidence' or minutes headed 'Items Taken in Private' outside of the HRA, without the express permission of the HRA. This prohibition shall apply equally to the content of any discussion during the Board meeting which may take place on such reports or papers.

### 3.16.4 Use of Mechanical or Electrical Equipment for Recording or Transmission of Meetings

Nothing in these Standing Orders shall be construed as permitting the introduction by the public, or press representatives, of recording, transmitting, video or similar apparatus into meetings of the HRA or Committee thereof. Such permission shall be granted only upon resolution of the HRA.

## **3.17 Observers at HRA meetings**

### 3.17.1 The HRA will decide what arrangements and terms and conditions it feels are appropriate to offer in extending an invitation to observers to attend and address any of the HRA Board's meetings and may change, alter or vary these terms and conditions as it deems fit.

## **4. Appointment of Committees and Sub-Committees**

### **4.1 Appointment of Committees**

- 4.1.1 Subject to such directions as may be given by the Secretary of State for Health, the HRA Board may, and if so directed by the Secretary of State must, appoint committees of the HRA which may consist wholly or partly of members of the HRA or wholly of persons who are not members of the HRA.
- 4.1.2 The HRA shall determine the membership and terms of reference of committees and sub-committees and shall receive and consider reports of such committees.

### **4.2 Applicability of Standing Orders and Standing Financial Instructions to Committees**

- 4.2.1 The Standing Orders and Standing Financial Instructions of the HRA, as far as they are applicable, shall as appropriate apply to meetings of any committees established by the HRA. In which case the term “Chair” is to be read as a reference to the Chair of other committee as the context permits, and the term “member” is to be read as a reference to a member of other committee also as the context permits. (There is no requirement to hold meetings of committees established by the HRA in public.)

### **4.3 Terms of Reference**

- 4.3.1 Each such committee shall have such terms of reference and powers and be subject to such conditions (as to reporting back to the Board), as the Board shall decide and shall be in accordance with any legislation and regulation or direction issued by the Secretary of State. Such terms of reference shall have effect as if incorporated into the Standing Orders.

### **4.4 Delegation of powers by Committees to Sub-Committees**

- 4.4.1 Where committees are authorised to establish sub-committees they may not delegate executive powers to the sub-committee unless expressly authorised by the HRA Board.

### **4.5 Approval of Appointments to Committees**

- 4.5.1 The Board shall approve the appointments to each of the committees which it has formally constituted. Where the Board determines, and regulations permit, that persons, who are neither members nor officers, shall be appointed to a committee the terms of such appointment shall be within the powers of the Board as defined by the Secretary of State. The Board shall define the powers of such appointees and shall agree allowances, including reimbursement for loss of earnings, and/or expenses in accordance where appropriate with national guidance.

## **4.6 Committees established by the HRA Board**

4.6.1 Audit and Risk Committee - The purpose of the Audit and Risk Committee is to provide the Board with an independent and objective review on its financial systems, financial information, governance arrangements and compliance with laws, guidance, and regulations governing the NHS. The Terms of Reference will be approved by the Board and reviewed on a periodic basis. Three non-executive director are appointed as members of the Committee with up to two independent members.

4.6.2 Pay and Remuneration Committee - The purpose of the Committee in is to advise the HRA Board about appropriate remuneration and terms of service for the Chief Executive and the Directors covered by Very Senior Managers Terms and Conditions including:

4.6.2.1 all aspects of salary (including any performance-related elements/bonuses).

4.6.2.2 provisions for other benefits, including pensions and cars.

4.6.2.3 arrangements for termination of employment and other contractual terms.

All non-executive directors are members of the Pay and Remuneration Committee.

4.6.3 Community Committee - The Community Committee was established in 2023 to provide the Board with independent advice to support the HRA's strategy to make it easy to do research that people can trust. The membership of the Community Committee is made up of individuals who are representative of the HRA's community. Three members of the HRA Board including at least one non-executive director and one executive director will attend.

4.6.4 Other Committees - The Board may also establish such other committees as required to discharge the HRA's responsibilities.

## **5. Arrangements for the Exercise of the HRA Functions by Delegation**

### **5.1 Delegation of Functions to Committees, Officers or other bodies**

5.1.1 Subject to such directions as may be given by the Secretary of State, the Board may make arrangements for the exercise, on behalf of the Board, of any of its functions by a committee, sub-committee appointed by virtue of Standing Order No. 4, or by an officer of the HRA, or by another body as defined in Standing Order 5.4 below, in each case subject to such restrictions and conditions as the HRA thinks fit.

### **5.2 Emergency Powers and urgent decisions**

5.2.1 The powers which the Board has reserved to itself within these Standing Orders (see Standing Order 2.8) may in emergency or for an urgent decision be exercised by the Chair and the Chief Executive after having consulted at

least one other non-officer members . The exercise of such powers shall be reported to the next formal meeting of the HRA Board in public session for formal ratification.

### **5.3 Delegation to Committees**

5.3.1 The Board shall agree from time to time to the delegation of executive powers to be exercised by other committees, or sub-committees, which it has formally constituted in accordance with directions issued by the Secretary of State. The constitution and terms of reference of these committees, or sub-committees, and their specific executive powers shall be approved by the Board.

5.3.2 When the Board is not meeting as the HRA in public session it shall operate as a committee and may only exercise such powers as may have been delegated to it by the HRA in public session.

### **5.4 Delegation to Officers**

5.4.1 Those functions of the HRA which have not been retained as reserved by the Board or delegated to other committee or sub-committee shall be exercised on behalf of the HRA by the Chief Executive. The Chief Executive shall determine which functions they will perform personally and shall nominate officers to undertake the remaining functions for which they will still retain accountability to the HRA.

5.4.2 The Chief Executive shall prepare a Scheme of Delegation identifying their proposals which shall be considered and approved by the Board. The Chief Executive may periodically propose amendment to the Scheme of Delegation which shall be considered and approved by the Board.

5.4.3 Nothing in the Scheme of Delegation shall impair the discharge of the direct accountability to the Board of the Director of Finance to provide information and advise the Board in accordance with statutory or Department of Health and Social Care requirements. Outside these statutory requirements the roles of the Director of Finance shall be accountable to the Chief Executive for operational matters.

### **5.5 Schedule of Matters Reserved to the HRA and Scheme of Delegation of powers**

5.5.1 The arrangements made by the Board as set out in the "Schedule of Matters Reserved to the Board" and "Scheme of Delegation" of powers shall have effect as if incorporated in these Standing Orders.



## **5.6 Duty to report non-compliance with Standing Orders and Standing Financial Instructions**

5.6.1 If for any reason these Standing Orders are not complied with, full details of the non-compliance and any justification for non-compliance and the circumstances around the non-compliance, shall be reported to the next formal meeting of the Board for action or ratification. All members of the HRA Board and staff have a duty to disclose any non-compliance with these Standing Orders to the Chief Executive as soon as possible.

## **6. Overlap with other HRA Policy Statements / Procedures, Regulations and the Standing Financial Instructions**

### **6.1 Policy statements: general principles**

6.1.1 The HRA Board delegates to the Chief Executive the agreement and approval of Policy statements/ procedures which will apply to all or specific groups of staff employed by the HRA. The decisions to approve such policies and procedures will be reported to the Board and will be deemed where appropriate to be an integral part of the HRA's Standing Orders and Standing Financial Instructions.

### **6.2 Specific Policy Statements**

6.2.1 Notwithstanding the application of S.O. No. 6.1 above, these Standing Orders and Standing Financial Instructions must be read in conjunction with the following Policy statements:

- the HRA's code of conduct for all staff.
- BPI Code of Professional Conduct relating to hospitality / gifts from pharmaceutical/external industry.
- the staff Disciplinary and Appeals Procedures adopted by the HRA both of which shall have effect as if incorporated in these Standing Orders.

### **6.3 Standing Financial Instructions**

6.3.1 Standing Financial Instructions adopted by the HRA Board in accordance with the Financial Regulations shall have effect as if incorporated in these Standing Orders.

### **6.4 Specific Guidance**

6.4.1 Notwithstanding the application of S.O. No. 6.1 above, these Standing Orders and Standing Financial Instructions must be read in conjunction with guidance issued by the Secretary of State for Health and applicable legislation including the Cabinet Office [functional standards](#).

## **7. Duties and Obligations of Board Members / Directors and Senior Managers under these Standing Orders**

### **7.1 Declaration of Interests**

7.1.1 Requirements for Declaring Interests and applicability to Board Members - The NHS Code of Accountability requires HRA Board Members to declare interests which are relevant and material to the NHS Board of which they are a member. All existing Board Members should declare such interests. Any Board Members appointed subsequently should do so on appointment.

7.1.2 Interests which are relevant and material - Interests which should be regarded as "relevant and material" are:

- 7.1.2.1 Directorships, including non-executive directorships held in private companies or PLCs (with the exception of those of dormant companies).
- 7.1.2.2 Ownership or part-ownership of private companies, businesses or consultancies likely or possibly seeking to do business with the HRA.
- 7.1.2.3 Majority or controlling share-holdings in organisations likely or possibly seeking to do business with the HRA.
- 7.1.2.4 A position of authority in a charity or voluntary organisation in the field of health and social care.
- 7.1.2.5 Any connection with a voluntary or other organisation contracting for HRA services.
- 7.1.2.6 Research funding/grants that may be received by an individual or their department.
- 7.1.2.7 Interests in pooled funds that are under separate management.
- 7.1.2.8 Any connection with an organisation, entity or company considering entering into or having entered into a financial arrangement with the HRA, including but not limited to lenders or banks.

Any Member of the HRA Board who comes to know that the HRA has entered into or proposes to enter into a contract in which they or any person connected with them (as defined in Standing Order 7.3 below and elsewhere) has any pecuniary interest, direct or indirect, the Board Member shall declare their interest by giving notice in writing of such fact to the HRA as soon as practicable.

7.1.3 Advice on Interests - If Board Members have any doubt about the relevance of an interest, this should be discussed with the Chair or the HRA's Board Secretary.

Financial Reporting Standard No 8 (issued by the Accounting Standards Board) specifies that influence rather than the immediacy of the relationship is more important in assessing the relevance of an interest. The interests of partners in professional partnerships including general practitioners should also be considered.

- 7.1.4 Recording of Interests in HRA Board minutes - At the time Board members' interests are declared, they should be recorded in the HRA Board minutes.

Any changes in interests should be declared at the next HRA Board meeting following the change occurring and recorded in the minutes of that meeting.

- 7.1.5 Publication of Declared Interests in Annual Report - Board members' directorships of companies likely or possibly seeking to do business with the HRA should be published in the HRA's annual report. The information should be kept up to date for inclusion in succeeding annual reports.

- 7.1.6 Conflicts of Interest which arise during the course of a meeting - During the course of an HRA Board meeting, if a conflict of interest is established, the Member concerned should withdraw from the meeting and play no part in the relevant discussion or decision. (See overlap with SO 7.3).

## **7.2 Register of Interests**

- 7.2.1 The Chief Executive will ensure that a Register of Interests is established to record formally declarations of interests of Board Members. In particular the Register will include details of all directorships and other relevant and material interests (as defined in SO 7.1.2) which have been declared by both executive HRA Board Members.

- 7.2.2 These details will be kept up to date by means of an annual review of the Register in which any changes to interests declared during the preceding twelve months will be incorporated.

- 7.2.3 The Register will be available to the public and the Chief Executive will take reasonable steps to bring the existence of the Register to the attention of interested parties and to publicise arrangements for viewing it.

## **7.3 Exclusion of Chair and Members in proceedings on account of pecuniary interest**

- 7.3.1 Definition of terms used in interpreting 'Pecuniary' interest - For the sake of clarity, the following definition of terms is to be used in interpreting this Standing Order:

- 7.3.1.1 "person connected with a member" shall include a spouse (as defined below) and any other person with whom the member has a personal or professional relationship, including but not limited to a family member, friend or acquaintance.
- 7.3.1.2 "spouse" shall include any person who lives with another person in the same household (and any pecuniary interest of one spouse shall, if known to the other spouse, be deemed to be an interest of that other spouse).
- 7.3.1.3 "contract" shall include any proposed contract or other course of dealing.
- 7.3.1.4 " securities" means.

- Shares or debentures, whether or not constituting a charge on the assets of a company or other body, or rights or interest in any share or debenture, or
  - Rights (whether actual or contingent) in respect of money lent to, or deposited with, any industrial or provident society; and
- 7.3.1.5 “ shares” means shares in the share capital of a company or other body or the stock of a company or other body.
- 7.3.1.6 “ Pecuniary interest” - Subject to the exceptions set out in this Standing Order, a person shall be treated as having an indirect pecuniary interest in a contract, proposed contract or other matter if:-
- the member, or a nominee of theirs, is a member of a company or other body (not being a public body), with which the contract is made, or is proposed to be made or which has a direct pecuniary interest in the same; or
  - the member is a partner associate or employee of any person with whom the contract is made or is proposed to be made or who has a direct pecuniary interest in the same.
- 7.3.1.7 Exception to Pecuniary interests - A member shall not be regarded as having a pecuniary interest in any contract, if:-
- if the member or any person connected with them has no beneficial interest in any securities of a company of which he or such person appears as a member or.
  - any interest in any company, body or person with which the member or any person connected with them, is connected is so remote or insignificant that it cannot reasonably be regarded as likely to influence the member in the consideration or discussion of, or voting on any question with respect to that contract, proposed contract or other matter.

Where a member

- has an indirect pecuniary interest in a contract, proposed contract or other matter by reason only of a beneficial interest in securities of a company or other body; and
- those total nominal value of those securities do not exceed £5,000 or one per cent of the total nominal value of the issued share capital of the company or body, whichever is the less; and
- if the share capital is more than one class, the total nominal value of shares of any one class in which the member has a beneficial interest does not exceed one-per cent of the total share capital of that class,

This standing order does not prohibit the member from taking part in the consideration or discussion of the contract, proposed contract or other matter, or

from voting on any question with respect to it but in such circumstances the member must none the less disclose/declare their interest in accordance with Standing Order 7.1.2 (ii).

### 7.3.2 Exclusion in proceedings of the HRA Board

- 7.3.2.1 Subject to the following provisions of this Standing Order, if a Chair or member of the HRA Board has any pecuniary interest, direct or indirect, in any contract, proposed contract or other matter and is present at a meeting of the HRA Board at which the contract, proposed contract or other matter is the subject of consideration, they shall at the meeting and as soon as practicable after its commencement disclose the interest and must not take part in the consideration or discussion of the contract, proposed contract or other matter or vote on any question with respect to it.
- 7.3.2.2 The Secretary of State may, subject to such conditions as they may think fit to impose, remove any disability imposed by this Standing Order in any case in which it appears to them in the interests of the Health Research Authority that the disability should be removed. (See SO No. 7.3.3 on the 'Waiver' which has been approved by the Secretary of State for Health and Social Care).
- 7.3.2.3 The HRA Board may exclude the Chair or a Member of the Board from a meeting of the Board while any contract, proposed contract or other matter in which they have a pecuniary interest, direct or indirect, is under consideration
- 7.3.2.4 Any remuneration, compensation or allowance payable to a Member by virtue of paragraph 2 of schedule 6 to the Act (pay and allowances) is not to be treated as a pecuniary interest for the purpose of this Standing Order.
- 7.3.2.5 This Standing Order applies to a committee or sub-committee as it applies to the HRA and applies to a member of any such committee or sub-committee (whether or not they are also a member of the HRA) as it applies to a Member of the HRA.

## 7.4 Standards of Business Conduct

7.4.1 HRA Policy and National Guidance - All HRA staff and Members of the HRA must comply with the HRA's Code of Conduct and Conflicts of Interest Policy. All staff are also expected to comply with ABPI Code of Professional Conduct relating to hospitality/gifts from pharmaceutical/external industry (see SO 6.2).

### 7.4.2 Interest of Officers in Contracts

- 7.4.2.1 Any officer or employee of the HRA who comes to know that the HRA has entered into or proposes to enter into a contract in which they or any person connected with them (as defined in SO 7.3) has any pecuniary interest, direct or indirect, the Officer shall declare their interest by giving notice in writing of such fact to the Chief Executive as soon as practicable.

- 7.4.2.2 An Officer should also declare to the Chief Executive any other employment or business or other relationship of his, or of a cohabiting spouse, that conflicts, or might reasonably be predicted could conflict with the interests of the HRA.
- 7.4.2.3 The HRA will require interests, employment or relationships so declared to be entered in a register of interests of staff.
- 7.4.3 Canvassing of and Recommendations by Members in Relation to Appointments.
- 7.4.3.1 Canvassing of members of the HRA or of any Committee of the HRA directly or indirectly for any appointment under the HRA shall disqualify the candidate for such appointment. The contents of this paragraph of the Standing Order shall be included in application forms or otherwise brought to the attention of candidates.
- 7.4.3.2 Members of the HRA shall not solicit for any person any appointment under the HRA or recommend any person for such appointment; but this paragraph of this Standing Order shall not preclude a member from giving written testimonial of a candidate's ability, experience or character for submission to the HRA.
- 7.4.4 Relatives of Members or Officers.
- 7.4.4.1 Candidates for any staff appointment under the HRA shall, when making an application, disclose in writing to the HRA whether they are related to any member or the holder of any office under the HRA. Failure to disclose such a relationship shall disqualify a candidate and, if appointed, render them liable to instant dismissal.
- 7.4.4.2 Every member and officer of the HRA shall disclose to the HRA Board any relationship between them self and a candidate of whose candidature that member or officer is aware. It shall be the duty of the Chief Executive to report to the HRA Board any such disclosure made.
- 7.4.4.3 On appointment, members (and prior to acceptance of an appointment in the case of Executive Directors) should disclose to the HRA whether they are related to any other member or holder of any office under the HRA.
- 7.4.4.4 Where the relationship to a member of the HRA is disclosed, the Standing Order headed 'Exclusion of members" in proceedings on account of pecuniary interest' (SO 7) shall apply.

## **8. Custody of Seal, Sealing of Documents and Signature of Documents**

### **8.1 Custody of Seal**

- 8.1.1 The application of the HRA's seal must be authenticated by the signature of a member of the HRA or a person who has been authorised (whether generally or specifically) for the purpose. (Until such time the seal is acquired, The Department of Health and Social Care Seal can be used).

## **8.2 Sealing of Documents**

- 8.2.1 A document purporting to be duly executed under the HRA's seal or to be signed on its behalf must be received in evidence and, unless the contrary is proved, taken to be so executed or signed.

But this paragraph does not apply in relation to a document which is, or is to be, signed in accordance with the law of Scotland.

## **8.3 Register of Sealing**

- 8.3.1 The Chief Executive shall keep a register in which he, or another manager of the HRA authorised by them, shall enter a record of the sealing of every document. A report of all sealings will be presented to the Board at least quarterly. The report shall contain details to include the seal number, description of the document and the date sealed.

## **8.4 Signature of documents**

- 8.4.1 Where any document will be a necessary step in legal proceedings on behalf of the HRA, it shall, unless any enactment otherwise requires or authorises, be signed by the Chief Executive or any Executive Director.

In land transactions, the approval of the Department of Health and Social Care will always be required and advice must be obtained from the Director of Finance for all property related transactions. The signing of certain supporting documents will be delegated to Managers and set out clearly in the Scheme of Delegation but will not include the main or principal documents effecting the transfer (e.g. sale/purchase agreement, lease, contracts for construction works and main warranty agreements or any document which is required to be executed as a deed

## **9. Miscellaneous**

### **9.1 Standing Orders to be given to Officers and Members**

- 9.1.1 The Chief Executive will ensure that existing Members and Officers and new appointees are notified of and understand their responsibilities within SOs and SFIs. Updated copies shall be made available electronically to all staff.

# Section D – Powers, Roles and Responsibilities: Scheme of Reservation and Delegation

## Decisions Reserved to the Board

The Board	Decisions Reserved to the Board
The Board	<p><b>General Enabling Provision</b></p> <p>The Board may determine any matter, for which it has delegated or statutory authority, it wishes in full session within its statutory powers.</p>
The Board	<p><b>Regulations and Control</b></p> <ol style="list-style-type: none"> <li>1. Approve Standing Orders (SOs), a schedule of decisions reserved to the Board and Standing Financial Instructions (SFIs) and a Scheme of Delegation for the regulation of its proceedings and business.</li> <li>2. Suspend Standing Orders.</li> <li>3. Vary or amend the Standing Orders.</li> <li>4. Ratify any urgent decisions taken by the Chair and Chief Executive in public session in accordance with SO 5.2.</li> <li>5. Approve a Scheme of Delegation of Powers from the Board to committees.</li> </ol>



The Board	Decisions Reserved to the Board
	<p>6. Require and receive the declaration of Board members' interests which may conflict with those of the HRA and determining the extent to which that member may remain involved with the matter under consideration.</p> <p>7. Require and receive the declaration of officers' interests which may conflict with those of the HRA.</p> <p>8. Approve arrangements for dealing with complaints.</p> <p>9. Adopt the organisation structures, processes and procedures to facilitate the discharge of business by the HRA and to agree modifications thereto.</p> <p>10. Receive reports from committees including those which the HRA is required by the Secretary of State or other regulation to establish and to take appropriate action thereon.</p> <p>11. Confirm the recommendations of the HRA's committees where the committees do not have Executive powers.</p> <p>12. Establish terms of reference and reporting arrangements of all committees and sub-committees which are established by the Board.</p> <p>13. Authorise request to use the DHSC seal.</p> <p>14. Ratify or otherwise of instances of failure to comply with Standing Orders brought to the Chief Executive's attention in accordance with SO 5.6.</p> <p>15. Discipline of members of the Board or employees who are in breach of statutory requirements or SOs.</p>
The Board	<b>Appointments/ Dismissal</b>

The Board	Decisions Reserved to the Board
	<ol style="list-style-type: none"> <li>1. Appoint the Vice Chair of the board.</li> <li>2. Appoint and dismiss committees (and individual members) which are directly accountable to the Board.</li> <li>3. Confirm appointment of members of any committee of the HRA as representatives on outside bodies.</li> </ol>
The Board	<p><b>Strategy, Plans and Budgets</b></p> <ol style="list-style-type: none"> <li>1. Define the strategic aims and objectives of the HRA, subject to DHSC approval.</li> <li>2. Approve the business plan, subject to DHSC approval.</li> <li>3. Approve the HRA's policies and procedures for the management of risk.</li> <li>4. Approve outline and final business cases &gt; £250,000.</li> <li>5. Approve annual budget and longer-term financial plans within resource limits.</li> <li>6. Ratify proposals for acquisition, disposal or change of use of land and/or buildings.</li> <li>7. Approve Private Finance Initiative (PFI) proposals.</li> <li>8. Approve the opening of bank accounts (with Department of Health and Social Care agreement).</li> <li>9. Approve proposals in individual cases for the write off of losses or making of special payments above the limits of delegation to the Chief Executive and Director of Finance (for losses and special payments) previously approved by the Board, subject to the need to obtain DHSC approval.</li> </ol>

<b>The Board</b>	<b>Decisions Reserved to the Board</b>
	<p>10. Approve individual compensation payments, subject to the need to gain DHSC and / or HM Treasury approval as set out in Cabinet Office and DHSC spend controls.</p> <p>11. Approve proposals for action on litigation against or on behalf of the HRA.</p>
The Board	<p><b>Policy Determination</b></p> <p>1. Approve policies as set out in the SOs and SFIs including HR policies incorporating the arrangements for the appointment, removal and remuneration of staff.</p>
The Board	<p><b>Audit</b></p> <p>1. To receive reports of the Audit and Risk Committee meetings and take appropriate action.</p> <p>2. Receive the annual management letter from the External Auditor and agreement of Board's proposed action, taking account of the advice, where appropriate, of the Audit and Risk Committee.</p>
The Board	<p><b>Annual Reports and Accounts</b></p> <p>1. Receipt and approval of the HRA's Annual Report and Annual Accounts as prepared by the Chief Executive and Director of Finance following review by the Audit &amp; Risk Committee.</p>
The Board	<p><b>Monitoring</b></p> <p>1. Receive of such reports as the Board sees fit from committees in respect of their exercise of powers delegated.</p>

<b>The Board</b>	<b>Decisions Reserved to the Board</b>
	<p>2. Continuous appraisal of the affairs of the HRA by means of the provision to the Board as the Board may require from directors, committees, and officers of the HRA as set out in management policy statements. All monitoring returns required by the Department of Health and Social Care shall be reported, at least in summary, to the Board.</p> <p>3. Receive reports from Director of Finance on financial performance against budget and Resource Limits.</p>

## Decisions / Duties Delegated by the Board to Committees

Committee	Decisions / Duties Delegated by the Board to Committees
<p>Audit and Risk Committee</p> <p>Ref: Audit Committee Handbook Section 3 and Corporate Governance Manual section 1.4 SFI 11.1.1</p>	<p>The Committee will:</p> <ol style="list-style-type: none"> <li>1. advise the Board on Internal and External Audit Services.</li> <li>2. review the establishment and maintenance of an effective system of integrated governance, risk management and internal control, across the whole of the HRA's activities (both clinical and non-clinical), that supports the achievement of the HRA's objectives and make recommendations to the Board.</li> <li>3. monitor compliance with Standing Orders and Standing Financial Instructions and make recommendations to the Board.</li> <li>4. review schedules of losses and compensations and make recommendations to the Board.</li> <li>5. review the accounting policies, annual accounts and annual report and make recommendations to the Board.</li> <li>6. report in writing to the Board.</li> </ol>
<p>Remuneration Committee</p> <p>Ref: Corporate Governance Manual section 1.5 SFI 18.1.2</p>	<p>The Committee will:</p> <ol style="list-style-type: none"> <li>1. advise the Board about appropriate remuneration and terms of service for the Chief Executive, other Executive Directors and those on Very Senior Manages Terms and Conditions of Service including:             <ol style="list-style-type: none"> <li>a) all aspects of salary (including any performance-related elements/bonuses).</li> </ol> </li> </ol>

Committee	Decisions / Duties Delegated by the Board to Committees
	<p>b) provisions for other benefits, including pensions and cars.</p> <p>c) arrangements for termination of employment and other contractual terms.</p> <p>d) make recommendations to the Board on the remuneration and terms of service of the Chief Executive, other Executive Directors and those on Very Senior Managers Terms and Conditions of Service to ensure they are fairly rewarded for their individual contribution to the HRA - having proper regard to the HRA's circumstances and performance and to the provisions of any national arrangements for such staff.</p> <p>e) 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.</p> <p>f) the Committee shall report in writing to the Board the basis for its recommendations.</p>
Community Committee	<p>The Committee will be responsible for:</p> <p>1. Reviewing and providing advice to the HRA Board from the perspective of the Community regarding key strategic documents and HRA policy decisions which impact on how the HRA operates.</p> <p style="padding-left: 40px;">This will include:</p> <ul style="list-style-type: none"> <li>• The review of, and input into, HRA strategy documents, business plans and other key documents prior to sign off by HRA Board</li> </ul>

Committee	Decisions / Duties Delegated by the Board to Committees
	<ul style="list-style-type: none"> <li>• The review of quarterly performance indicators to monitor progress on objectives relevant to the Committee.</li> </ul> <p>2. Providing advice to the HRA Board regarding any issues, developments, proposals or policies which may impact on our community. This will include:</p> <ul style="list-style-type: none"> <li>• The identification of ways to better support the HRA Community through reviewing the management response to the two-yearly Community survey.</li> <li>• Identifying ways to attract new members to the HRA and monitoring progress.</li> <li>• Provide advice and input into policies relating to our community.</li> <li>• 4.1.2.4. Discuss and input into actions for work that has a cross-organisational impact on our community (e.g. organisational development, Learning &amp; Development, cultural work, Equality, Diversity &amp; Inclusivity, etc).</li> <li>• 4.1.2.5. Considering relevant risks and issues which impact on the HRA Community.</li> <li>• Providing feedback to the HRA regarding individuals' experience of being a part of the HRA's Community.</li> <li>• Providing feedback for other projects and business areas where the work is relevant to the Community.</li> </ul>

## Specific Scheme of Delegation To Chief Executive, Chair and Director of Finance

Ref.	Delegated to	Duties Delegated
	Chief Executive	Accountable to Parliament and the Board for stewardship of HRA resources.
	CE and Director of Finance	Ensure the accounts of the HRA are prepared under principles and in a format directed by SofS. Accounts must disclose a true and fair view of the HRA's income and expenditure and its state of affairs.
	Chief Executive	Sign the accounts on behalf of the Board
	Chief Executive	<p>Ensure a signed statement is included with the Accounts outlining the Chief Executive's responsibilities as the Accounting Officer.</p> <p>Sign a statement in the Accounts outlining responsibilities in respect of Internal Control.</p>
	Chief Executive	<p>Ensure effective management systems that safeguard public funds and assist HRA Chair to implement requirements of corporate governance including ensuring managers:</p> <ul style="list-style-type: none"> <li>• have a clear view of their objectives and the means to assess achievements in relation to those objectives.</li> <li>• be assigned well defined responsibilities for making best use of resources.</li> <li>• have the information, training and access to the expert advice they need to exercise their responsibilities effectively.</li> </ul>
	Chief Executive	Implement requirements of corporate governance.
	Chief Executive	Achieve value for money from the resources available to the HRA and avoid waste and extravagance in the organisation's activities.



Ref.	Delegated to	Duties Delegated
		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).
	Director of Finance	Operational responsibility for effective and sound financial management and information.
	Chief Executive	Primary duty to see that Director of Finance discharges this function.
	Chief Executive	Ensuring that expenditure by the HRA complies with Parliamentary requirements.
	Chief Executive	To ensure that the HRA maintains an effective system of policies and reviews and updates these policies on a regular basis. To report to the Board on at least an annual basis on the policies in operation and the dates of their review. On consideration of this report the Board to resolve which policies they wish to approve prior to them being adopted by the HRA.
	Chief Executive	To ensure personal compliance with The Codes of Conduct and Accountability issued to NHS Boards by the Secretary of State and to ensure compliance by other Directors and staff.
	Chief Executive and Director of Finance	Chief Executive, supported by Director of Finance, to ensure appropriate advice is given to the Board on all matters of probity, regularity, prudent and economical administration, efficiency and effectiveness.
	Chief Executive	If CE considers the Board or Chair is doing something which might infringe probity or regularity, they should set this out in writing to the Board and they should ask the

Ref.	Delegated to	Duties Delegated
		Audit and Risk Committee to inquire and if necessary, refer the matter to the Department of Health and Social Care.
	Chief Executive	If the Board is contemplating a course of action which 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. If the outcome is that the CE is over-ruled it is normally sufficient to ensure that their advice and the overruling of it are clearly apparent from the papers. Exceptionally, the CE should inform the DHSC. In such cases 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	The Board	Approve procedure for declaration of hospitality and sponsorship.
1.3.1.8	The Board	Ensure proper and widely publicised procedures for voicing complaints, concerns about maladministration, breaches of Code of Conduct, and other ethical concerns.
1.3.1.9 & 1.3.2.2	The Board	Subscribe to Code of Conduct.
1.3.2.4	The Board	Board members share corporate responsibility for all decisions of the Board.
1.3.2.4	Chief Executive	The Chief Executive is responsible for monitoring the executive management of the organisation and is responsible to the SofS for the discharge of those responsibilities.
1.3.2.4	The Board	<p>The Board has Five key functions for which it is held accountable by the Department of Health and Social Care on behalf of the Secretary of State:</p> <ol style="list-style-type: none"> <li>1. to ensure effective financial stewardship through value for money, financial control and financial planning and strategy.</li> <li>2. to ensure that high standards of corporate governance and personal behaviour are maintained in the conduct of the business of the whole organisation.</li> <li>3. to appoint, appraise and remunerate senior executives; on the recommendation of the Chief Executive and Executive Committee, to ratify the strategic direction of the organisation within the overall policies and priorities of the Government, define its annual and longer-term objectives and agree plans to achieve them.</li> </ol>

Ref.	Delegated to	Authorities / Duties Delegated
		<ol style="list-style-type: none"> <li>4. to oversee the delivery of planned results by monitoring performance against objectives and ensuring corrective action is taken when necessary.</li> <li>5. to ensure an effective dialogue with the stakeholders on their plans and performance and that these are responsive to the community's needs.</li> </ol>
	The Board	<p>It is the Board's duty to:</p> <ol style="list-style-type: none"> <li>1. act within statutory financial and other constraints.</li> <li>2. be clear what decisions and information are appropriate to the Board and draw up Standing Orders, a Schedule of Decisions Reserved to the Board and Standing Financial Instructions to reflect these.</li> <li>3. 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.</li> <li>4. establish performance and quality measures that maintain the effective use of resources and provide value for money.</li> <li>5. specify its requirements in organising and presenting financial and other information succinctly and efficiently to ensure the Board can fully undertake its responsibilities.</li> <li>6. 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.</li> </ol>

Ref.	Delegated to	Authorities / Duties Delegated
1.3.2.5	Chair	<p>It is the Chair' role to:</p> <ol style="list-style-type: none"> <li>1. provide leadership to the Board.</li> <li>2. enable all Board members to make a full contribution to the Board's affairs and ensure that the Board acts as a team.</li> <li>3. ensure that key and appropriate issues are discussed by the Board in a timely manner.</li> <li>4. ensure the Board has adequate support and is provided efficiently with all the necessary data on which to base informed decisions.</li> <li>5. appoint non-executive Board members to an Audit and Risk Committee of the main Board.</li> <li>6. appraise the Board members and advise the DHSC Senior Sponsor and Secretary of State on their performance.</li> </ol>
1.3.2.5	Chief Executive	<p>The Chief Executive is accountable to the Chair and Non-Executive members of the Board for ensuring that the Board's 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>

Ref.	Delegated to	Authorities / Duties Delegated
		The other duties of the Chief Executive as Accountable Officer are laid out in the Accounting Officer letter of appointment.
1.3.2.6	Non-Executive Members	Non-Executive Directors are appointed by the Secretary of State to bring independent judgement to bear on issues of strategy, performance, key appointments and accountability through the Department of Health and Social Care to Ministers and to the local community.
1.3.2.8	The Board and Executive Committee	Declaration of conflict of interests.
1.3.2.9	The Board	Arms-Length Body's Boards must comply with legislation and guidance issued by the Department of Health and Social Care 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 Scheme of Delegation

<b>SO Ref</b>	<b>Delegated to</b>	<b>Authorities / Duties Delegated</b>
Section A	Chair	Final authority in interpretation of SOs.
2.4	The Board	Appointment of Vice Chair
2.6	Chair	Call meetings.
3.8	Chair	Chair all Board meetings and associated responsibilities.
3.9	Chair	Give final ruling in questions of order, relevancy and regularity of meetings.
3.11	Chair	Having a second or casting vote
3.12	The Board	Suspension of Standing Orders.
3.12	Audit and Risk Committee	Audit and Risk Committee to review every decision to suspend Standing Orders (power to suspend Standing Orders is reserved to the Board).
3.13	The Board	Variation or amendment of Standing Orders.
4.5	The Board	The Board shall approve the appointments to each of the committees which it has formally constituted.
5.3	The Board	Formal delegation of powers to committees, sub-committees or joint committees and approval of their constitution and terms of reference. (Constitution and terms of reference of sub committees may be approved by the Chief Executive.)

<b>SO Ref</b>	<b>Delegated to</b>	<b>Authorities / Duties Delegated</b>
5.4.2	Chief Executive	The Chief Executive shall prepare a Scheme of Delegation identifying their proposals which shall be considered and approved by the Board, subject to any amendment agreed during the discussion.
5.6	All members of staff	Disclosure of non-compliance with Standing Orders to the Chief Executive as soon as possible.
7.1	The Board	Declare relevant and material interests.
7.2	Chief Executive	Maintain Register(s) of Interests.
7.5.1	All members of staff	Disclose relationship between self and candidate for staff appointment. (CE to report the disclosure to the Board.)
8.1/8.3	Chief Executive	Maintain a register of sealing.
8.4	The Board	Approve and sign all documents which will be necessary in legal proceedings.

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



## Scheme of Delegation from Standing Financial Instructions

<b>SFI Ref.</b>	<b>Delegated to</b>	<b>Authorities / Duties Delegated</b>
10.1.3	Director of Finance	Approval of all financial procedures.
10.1.4	Director of Finance	Advice on interpretation or application of SFIs.
10.1.6	All Board members and employees	Have a duty to disclose any non-compliance with these Standing Financial Instructions to the Director of Finance as soon as possible.
10.2.1	The Board	<p>Exercises financial supervision and control by:</p> <ul style="list-style-type: none"> <li>• Considering and agreeing (if appropriate) the financial strategy proposed by the Executive Committee</li> <li>• Considering and approving (if appropriate) HRA budgets within approved resource limits / overall income</li> <li>• Considering and approving (if appropriate) essential features of important procedures and financial systems (including the need to obtain value for money)</li> <li>• Defining specific responsibilities placed on Board members and employees as indicated in the Scheme of Delegation</li> </ul>
10.2.4	Chief Executive	Responsible as the Accounting Officer to ensure financial targets and obligations are met and have overall responsibility for the System of Internal Control.
10.2.4	Chief Executive and Director of Finance	Accountable for financial control but will, as far as possible, delegate their detailed responsibilities.

<b>SFI Ref.</b>	<b>Delegated to</b>	<b>Authorities / Duties Delegated</b>
10.2.5	Chief Executive	To ensure all Board members, officers and employees, present and future, are notified of and understand Standing Financial Instructions.
10.2.6	Director of Finance	Overall responsibility for financial management including the system of internal control and input to policies, plans and advice to the Board.
10.2.7	All Board members and employees	Responsible for security of the HRA's property, avoiding loss, exercising economy and efficiency in using resources and conforming to Standing Orders, Standing Financial Instructions, Financial Procedures and the Scheme of Delegation.
10.2.8	Any Director or Officer	Ensure that any contractor or employee of a contractor who is empowered by the HRA to commit the HRA to expenditure or who is authorised to obtain income are made aware of these instructions and their requirement to comply.
11.1.1	Audit and Risk Committee	The Committee has defined terms of reference and follows guidance from the <a href="#">HM Treasury Audit Committee Handbook (2016)</a> .
11.1.2	Chair of Audit and Risk Committee	Raise the matter in writing to the Board where Audit and Risk Committee considers there is evidence of ultra vires transactions or improper acts or optionally refer to the DHSC Senior Sponsor.
11.1.3 & 11.2.1	Director of Finance	Ensure an adequate Internal Audit Service, for which The Director is accountable, is provided (and involve the Audit and Risk Committee in the selection process when/if an Internal Audit Service provider is changed).
11.2.1	Director of Finance	Decide at what stage to involve police in cases of misappropriation and other irregularities not involving fraud or corruption.

<b>SFI Ref.</b>	<b>Delegated to</b>	<b>Authorities / Duties Delegated</b>
11.3	Head of Internal Audit	Review, appraise and report in accordance with Public Sector Internal Audit Standards and best practice.
11.4.2	Audit and Risk Committee	Ensure cost-effective External Audit.
11.5	Chief Executive and Director of Finance	Monitor and ensure compliance with Secretary of State Directions on fraud and corruption and mandatory standards.
11.6	Chief Executive	Monitor and ensure compliance with Directions issued by the Secretary of State for Health and Social Care on cyber security management.
12.1	Chief Executive	Overall responsibility for Resource and Cash Limit Control.
12.1.4	Director of Finance	Ensure compliance with DHSC requirements; ensure money drawn from DHSC is for approved expenditure only at time of need and ensuring adequate system of monitoring.
13.1.1	Director of Finance	Submit to the HRA Board a report showing the Resource Limits received and their proposed distribution including any sums to be held in reserve.
13.2.1	Chief Executive	Compile and submit to the Board an annual Business Plan which takes into account financial targets and forecast limits of available resources. The plan will contain: a statement of the significant assumptions on which the plan is based, including details of major changes in workload, delivery of services or resources required to achieve the plan.
13.2.2 13.2.3	Director of Finance	Submit budgets to the Board for approval.

SFI Ref.	Delegated to	Authorities / Duties Delegated
		Monitor performance against budget; submit to the Board financial estimates and forecasts.
13.2.5	Director of Finance	Ensure adequate training is delivered on an on-going basis to budget holders.
13.3.1	Chief Executive	Delegate budget to budget holders.
13.3.2	Chief Executive and Budget Holders	Must not exceed the budgetary total or virement limits set by the Board.
13.4.1	Director of Finance	Devise and maintain systems of budgetary control.
13.4.2	Budget Holders	<p>Ensure that:</p> <ol style="list-style-type: none"> <li>1. no overspend or reduction of income that cannot be met from virement is incurred without prior consent of the Board.</li> <li>2. approved budget is not used for any other than specified purpose subject to rules of virement.</li> <li>3. no permanent employees are appointed without the approval of the Chief Executive other than those provided for within the available resources and workforce establishment as approved by the Board.</li> <li>4. all expenditure complies with spend controls. Advice should be sought from HR, Commercial, Digital Finance and Communications teams for these categories of expenditure.</li> </ol>
13.4.3	Chief Executive	Identify and implement cost improvements and income generation activities in line with Financial and Business Plans.

<b>SFI Ref.</b>	<b>Delegated to</b>	<b>Authorities / Duties Delegated</b>
13.6	Chief Executive	Submit monitoring returns.
14.1	Director of Finance	Preparation of annual accounts and reports.
15	Director of Finance	Managing banking arrangements, including provision of banking services, operation of accounts, preparation of instructions and list of cheque signatories.  (Board approves arrangements.)
16.	Director of Finance	Income systems, including system design, prompt banking, review and approval of fees and charges, debt recovery arrangements, design and control of receipts, provision of adequate facilities and systems for employees whose duties include collecting or holding cash.
16.2.2	All employees	Duty to inform Director of Finance of money due from transactions which they initiate/deal with.
17.	Chief Executive	Procurement and contracting procedure.
17.4.1	Budget Holders	Accountable for obtaining the necessary approvals and oversight of all expenditure they are responsible for.
17.4.3	Chief Executive and Director of Finance	Waive formal tendering procedures.
17.4.3	Chief Executive	Report waivers of tendering procedures to the Audit Committee.
17.5.1	Chief Executive and Director of Finance	Where one tender is received will assess for value for money and fair price.

<b>SFI Ref.</b>	<b>Delegated to</b>	<b>Authorities / Duties Delegated</b>
17.5.2	Chief Executive / Director of Finance  Chief Executive	Decision regarding late tenders.  No tender / quotation shall be accepted which will commit expenditure in excess of that which has been allocated by the HRA and which is not in accordance with these Instructions except with the authorisation of the Chief Executive.
17.8	Chief Executive	The Chief Executive shall nominate an officer who shall oversee and manage each contract on behalf of the HRA.
17.9	Chief Executive	The Chief Executive shall nominate officers with delegated authority to enter into contracts of employment, regarding staff, HRA staff or temporary staff service contracts.
17.11	Chief Executive	The Chief Executive shall be responsible for ensuring that best value for money can be demonstrated for all services provided on an in-house basis.
18.1.1	The Board	Establish a Pay and Remuneration Committee.
18.1.2	Pay and 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 HRA's circumstances and any national agreements.  Monitor and evaluate the performance of individual senior employees.  Advise on and oversee appropriate contractual arrangements for such staff, including proper calculation and scrutiny of termination payments.

<b>SFI Ref.</b>	<b>Delegated to</b>	<b>Authorities / Duties Delegated</b>
18.1.3	Pay and Remuneration Committee	Report in writing to the Board its advice and its bases about remuneration and terms of service of directors and senior employees.
18.1.4	Chief Executive	Advise the Board on the remuneration and terms of service for staff not covered by the Pay and Remuneration Committee.
18.1.4	The 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.
18.2.2	Chief Executive	Approval of variation to funded establishment of any department.
18.3	Chief Executive	Staff, including HRA staff, appointments and re-grading.
18.4.1 and 18.4.2	Director of Finance	Payroll: <ol style="list-style-type: none"> <li>1. specifying timetables for submission of properly authorised time records and other notifications.</li> <li>2. final determination of pay and allowances.</li> <li>3. making payments on agreed dates.</li> <li>4. agreeing method of payment.</li> <li>5. issuing instructions.</li> </ol>
18.4.3	Nominated managers	Submit time records in line with timetable where required.

SFI Ref.	Delegated to	Authorities / Duties Delegated
		Complete time records and other notifications in required form. Submitting termination forms in prescribed form and on time.
18.4.4	Director of Finance	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.
18.5	Nominated Officer	<p>Ensure that all employees are issued with a Contract of Employment in a form approved by the Board and which complies with employment legislation.</p> <p>Deal with variations to, or termination of, contracts of employment.</p>
19.1	Chief Executive	Determine, and set out, level of delegation of non-pay expenditure to budget managers, including a list of managers authorised to place requisitions, the maximum level of each requisition and the system for authorisation above that level.
19.1.3	Chief Executive	Set out procedures on the seeking of professional advice regarding the supply of goods and services.
19.2.1	Requisitioner	In choosing the item to be supplied (or the service to be performed) shall always obtain the best value for money for the HRA. In so doing, the advice of the HRA's adviser on supply shall be sought.
19.2.3	Director of Finance	1. 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.



SFI Ref.	Delegated to	Authorities / Duties Delegated
		<ol style="list-style-type: none"> <li>2. Prepare procedural instructions [where not already provided in the Scheme of Delegation or procedure notes for budget holders] on the obtaining of goods, works and services incorporating the thresholds.</li> <li>3. Be responsible for the prompt payment of all properly authorised accounts and claims.</li> <li>4. Be responsible for designing and maintaining a system of verification, recording and payment of all amounts payable.</li> <li>5. 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.</li> <li>6. Instructions to employees regarding the handling and payment of accounts within the finance team.</li> <li>7. Be responsible for ensuring that payment for goods and services is only made once the goods and services are received.</li> </ol>
19.2.4	Appropriate Director	Make a written case to support the need for a prepayment.
19.2.4	Director of Finance	Approve proposed prepayment arrangements.
19.2.4	Budget Holder	Ensure that all items due under a prepayment contract are received (and immediately inform DoF if problems are encountered).
19.2.5	Chief Executive	Authorise who may use and approve purchase orders.

<b>SFI Ref.</b>	<b>Delegated to</b>	<b>Authorities / Duties Delegated</b>
19.2.6	Managers and Officers	Ensure that they comply fully with the guidance and limits specified by the Director of Finance.
20.1.1 and 20.1.2	Chief Executive	Capital investment programme:  <ol style="list-style-type: none"> <li>1. ensure that there is adequate appraisal and approval process for determining capital expenditure priorities and the effect that each has on plans.</li> <li>2. responsible for the management of capital schemes and for ensuring that they are delivered on time and within cost.</li> <li>3. ensure that capital investment is not undertaken without availability of resources to finance all revenue consequences.</li> <li>4. ensure that a business case is produced for each proposal in line with HMT The Green Book guidance.</li> </ol>
20.1.2	Director of Finance	Certify professionally the costs and revenue consequences detailed in the business case for capital investment.
20.1.3	Chief Executive	Issue procedures for management of contracts involving stage payments.
20.1.4	Director of Finance	Assess the requirement for the operation of the construction industry taxation deduction scheme.
20.1.5	Director of Finance	Issue procedures for the regular reporting of expenditure and commitment against authorised capital expenditure.

<b>SFI Ref.</b>	<b>Delegated to</b>	<b>Authorities / Duties Delegated</b>
20.1.6	Chief Executive	Issue manager responsible for any capital scheme with authority to commit expenditure, authority to proceed to tender and approval to accept a successful tender.  Issue a scheme of delegation for capital investment management.
20.1.7	Director of Finance	Issue procedures governing financial management, including variation to contract, of capital investment projects and valuation for accounting purposes.
20.2.1	Chief Executive	Maintenance of asset registers (on advice from Director of Finance).
20.2.5	Director of Finance	Approve procedures for reconciling balances on fixed assets accounts in ledgers against balances on fixed asset registers.
20.2.8	Director of Finance	Calculate and pay capital charges in accordance with Department of Health and Social Care requirements.
20.3.1	Chief Executive	Overall responsibility for fixed assets.
20.3.2	Director of Finance	Approval of fixed asset control procedures.
20.3.4	All Senior Staff	Responsibility for security of HRA assets including notifying discrepancies to Director of Finance, and reporting losses in accordance with HRA procedure.
21.2.1	Chief Executive	Delegate overall responsibility for control of stores (subject to Director of Finance responsibility for systems of control). Further delegation for day to day responsibility subject to such delegation being recorded.
21.2.1	Director of Finance	Responsible for systems of control over stores and receipt of goods.

<b>SFI Ref.</b>	<b>Delegated to</b>	<b>Authorities / Duties Delegated</b>
21.2.2	Nominated Officers	Security arrangements and custody of keys.
21.2.3	Director of Finance	Set out procedures and systems to regulate the stores.
21.2.4	Director of Finance	Agree stocktaking arrangements.
21.2.5	Director of Finance	Approve alternative arrangements where a complete system of stores control is not justified.
21.2.6	Director of Finance	Approve system for review of slow moving and obsolete items and for condemnation, disposal and replacement of all unserviceable items.
21.2.6	Nominated Officers	Operate system for slow moving and obsolete stock, and report to Director of Finance evidence of significant overstocking.
21.3.1	Chief Executive	Identify persons authorised to requisition and accept goods.
22.1.1	Director of Finance	Prepare detailed procedures for disposal of assets including condemnations and ensure that these are notified to managers.
22.2.1	Director of Finance	Prepare procedures for recording and accounting for losses and special payments and informing police in cases of suspected arson or theft.
22.2.2	All	Discovery or suspicion of loss of any kind must be reported immediately to either Head of Department or nominated officer. The Head of Department / nominated officer should then inform the Chief Executive and Director of Finance.

<b>SFI Ref.</b>	<b>Delegated to</b>	<b>Authorities / Duties Delegated</b>
22.2.2	Director of Finance	Where a criminal offence is suspected Director of Finance must inform the police if theft or arson is involved. In cases of fraud and corruption Director of Finance must inform DHSC Anti-Fraud Unit in line with Government functional standards.
22.2.2	Director of Finance	Notify DHSC Counter-Fraud Authority and External Audit of all frauds.
22.2.3	Director of Finance	Notify Board and External Auditor of losses caused by theft, arson, neglect of duty or gross carelessness (unless trivial).
22.2.4	The Board	Approve write off of losses (within limits delegated by DHSC).
22.2.6	Director of Finance	Consider whether any insurance claim can be made.
22.2.7	Director of Finance	Maintain losses and special payments register.
23.1.1	Director of Finance	Responsible for accuracy and security of computerised financial data.
23.1.2	Director of Finance	Be satisfied 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.
23.1.3	Chief Executive	Shall publish and maintain a Freedom of Information Scheme.
23.2 and 23.4	Director of Finance	Ensure that contracts with other bodies for the provision of digital 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.

<b>SFI Ref.</b>	<b>Delegated to</b>	<b>Authorities / Duties Delegated</b>
		Seek periodic assurances from the provider that adequate controls are in operation.
23.3	Chief Executive	Ensure that risks to the HRA from use of IT are identified and considered and that disaster recovery plans are in place.
23.4	Director of Finance	Where digital systems have an impact on corporate financial systems satisfy them self that: <ol style="list-style-type: none"> <li>1. systems acquisition, development and maintenance are in line with corporate policies.</li> <li>2. data assembled for processing by financial systems is adequate, accurate, complete and timely, and that a management rail exists.</li> <li>3. Director of Finance and staff have access to such data.</li> <li>4. Such computer audit reviews are being carried out as are considered necessary.</li> </ol>
24.	Director of Finance	Ensure all staff are made aware of the HRA policy on the acceptance of gifts and other benefits in kind by staff.
25.	Chief Executive	Retention of document procedures in accordance with 'Records Management Code of Practice for Health and Social Care 2016.
26.1	Chief Executive	Ensure the HRA has a risk management programme.
26.1	The Board	Approve and monitor risk management programme.

<b>SFI Ref.</b>	<b>Delegated to</b>	<b>Authorities / Duties Delegated</b>
26.2	Chief Executive	Decide whether the HRA will use the risk pooling schemes administered by the NHS Resolution and the equivalent bodies in the Devolved Administrations or self-insure for some or all of the risks (where discretion is allowed). Decisions to self-insure should be reported to the Board and reviewed annually.

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

# Section E – Financial and Procurement Rules: Standing Financial Instructions

## 10. Introduction

### 10.1 General

- 10.1.1 These Standing Financial Instructions (SFIs) are issued in accordance with the Financial Directions issued by the Secretary of State for the regulation of the conduct of the HRA in relation to all financial matters. They shall have effect as if incorporated in the Standing Orders (SOs) of the HRA.
- 10.1.2 These SFIs detail the financial responsibilities, policies and procedures adopted by the HRA. They are designed to ensure that the HRA's financial transactions are carried out in accordance with the law and with Government policy in order to achieve probity, accuracy, economy, efficiency and effectiveness. They should be used in conjunction with the Schedule of Decisions Reserved to the Board and the Scheme of Delegation adopted by the HRA.
- 10.1.3 These SFIs identify the financial responsibilities which apply to everyone working for the HRA. They do not provide detailed procedural advice and should be read in conjunction with our financial policies and procedures and DHSC and HM Treasury spend controls. All financial procedures and guidance must be approved by the Director of Finance.
- 10.1.4 Should any difficulties arise regarding the interpretation or application of any of the SFIs then the advice of the Director of Finance must be sought before acting. The user of these Standing Financial Instructions should also be familiar with and comply with the provisions of the HRA's SOs.
- 10.1.5 Failure to comply with SFIs and SOs can in certain circumstances be regarded as a disciplinary matter that could result in dismissal.
- 10.1.6 If for any reason these SFIs are not complied with full details of the non-compliance and any justification for non-compliance and the circumstances around the non-compliance shall be reported to the next formal meeting of the Audit and Risk Committee for referring action or ratification. All members of the Board and staff have a duty to disclose any non-compliance with these SFIs to the Director of Finance as soon as possible.



## **10.2 Responsibilities and delegation**

10.2.1 The Board exercises financial supervision and control by:

- 10.2.1.1 considering and agreeing if appropriate the financial strategy proposed by the Executive Committee.
- 10.2.1.2 considering and approving if appropriate HRAs budgets within approved resource limits/overall income.
- 10.2.1.3 considering and approving if appropriate essential features of important procedures and financial systems (including the need to obtain value for money).
- 10.2.1.4 defining specific responsibilities placed on members of the Board and employees as indicated in the Scheme of Delegation.

10.2.2 The HRA has resolved that certain powers and decisions may only be exercised by the Board in formal session. These are set out in “Decisions Reserved to the Board”.

10.2.3 The HRA will delegate responsibility for the performance of its functions in accordance with Standing Orders and the Scheme of Delegation.

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

Within the SFIs, the Chief Executive is ultimately accountable to the Board, and as Accounting Officer, to the Secretary of State, for ensuring that the HRA meets its obligation to perform its functions within the available financial resources. The Chief Executive has overall responsibility for the performance of HRA’s activities including its financial obligations and targets and has overall responsibility for the HRA’s system of internal control.

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

10.2.6 The Director of Finance has overall responsibility for financial management including the system of financial control and input to policies, plans and advice to the Board.

10.2.7 All members of the Board and employees, severally and collectively, are responsible for:

- 10.2.7.1 the security of the property of the HRA.
- 10.2.7.2 avoiding loss.
- 10.2.7.3 exercising economy and efficiency in the use of resources.
- 10.2.7.4 conforming to the requirements of Standing Orders, Standing Financial Instructions, Financial Procedures and the Scheme of Delegation.

10.2.8 Any contractor or employee of a contractor who is empowered by the HRA to commit the HRA to expenditure shall be covered by these Instructions. It is the responsibility of any Director or Officer to ensure that such persons are made aware of this.

10.2.9 For all members of the Board and any employees who carry out a financial function, the form in which financial records are kept and the way members of the Board and employees discharge their duties must be determined by the Director of Finance.

## **11. Audit**

### **11.1 Audit and Risk Committee**

11.1.1 The Board has established an Audit and Risk Committee, to support them in their responsibilities relating to risk, control and governance by reviewing the comprehensiveness, reliability and integrity of assurances in relation to the financial statements and the system of internal control. The Committee has defined terms of reference and follows guidance from the [HM Treasury Audit Committee Handbook \(2016\)](#).

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

11.1.3 It is the responsibility of the HRA's Director of Finance to ensure an adequate internal audit service is provided.

### **11.2 Director of Finance**

11.2.1 The Director of Finance is responsible for:

11.2.1.1 ensuring there are arrangements to review, evaluate and report on the effectiveness of internal financial control including the establishment of an effective Internal Audit function.

11.2.1.2 ensuring that the Internal Audit is adequate and meets the NHS mandatory audit standards.

11.2.1.3 deciding at what stage to involve the police in cases of misappropriation and other irregularities not involving fraud or corruption.

11.2.1.4 ensuring that an annual internal audit report is prepared for the consideration of the Audit and Risk Committee. The report must cover:

- a clear opinion on the overall adequacy and effectiveness of the HRA's framework of governance, risk management and control, in an economical, efficient and timely manner.

- major internal financial control weaknesses discovered.
- progress on the implementation of internal audit recommendations.
- progress against plan over the previous year.
- strategic audit plan covering the coming three years.
- a detailed plan for the coming year.

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

- 11.2.2.1 access to all records, documents and correspondence relating to any financial or other relevant transactions, including documents of a confidential nature.
- 11.2.2.2 access at all reasonable times to any land, premises or members of the Board employee of the HRA.
- 11.2.2.3 the production of any cash, stores or other property of the HRA under a member of the Board or an employee's control.
- 11.2.2.4 explanations concerning any matter under investigation.

### **11.3 Role of Internal Audit**

11.3.1 The HRA shall appoint a Head of Internal Audit who will have overall responsibility for the internal audit function. The internal audit function will review, appraise and report upon:

- 11.3.1.1 the extent of compliance with, and the financial effect of, relevant established policies, plans and procedures.
- 11.3.1.2 the adequacy and application of financial and other related management controls.
- 11.3.1.3 the suitability of financial and other related management data.
- 11.3.1.4 the extent to which the HRA's assets and interests are accounted for and safeguarded from loss of any kind, arising from:
  - fraud and other offences.
  - waste, extravagance, inefficient administration.
  - poor value for money or other causes.
- 11.3.1.5 the adequacy of follow-up actions to internal audit reports.
- 11.3.1.6 Internal Audit may also independently verify the Assurance Framework statements in accordance with guidance from DHSC.

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

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

11.3.4 The Head of Internal Audit shall be accountable to the Director of Finance. The Head of Internal Audit can, however, raise any concerns with the Chief

Executive as Accounting Officer in order to maintain independence of the internal audit function.

#### **11.4 External Audit**

11.4.1 External audit services are provided by the National Audit Office, on behalf of the Comptroller and Auditor General.

11.4.2 The Audit and Risk Committee must ensure a cost-efficient service. If there are any problems relating to the service provided by the External Auditor, then this should be raised with the External Auditor and referred to the Audit and Risk Committee if they cannot be resolved.

#### **11.5 Counter Fraud, Bribery and Corruption (Economic Crime)**

11.5.1 In line with their responsibilities, the HRA Chief Executive and Director of Finance shall monitor and ensure compliance with Directions issued by the Secretary of State for Health and Social Care and [mandatory standards](#) (Government Functional Standard GovS 013: Counter Fraud).

11.5.2 The HRA shall nominate a suitable person to carry out Counter Fraud, Bribery and Corruption functions as determined by relevant guidance and will provide a written report, at least annually, on counter fraud work within the HRA. This report shall be presented to the Audit and Risk Committee.

11.5.3 The specialist shall report to the HRA Director of Finance.

11.5.4 Quarterly reporting should be put in place to give assurance over compliance.

#### **11.6 Cyber Security Management**

11.6.1 In line with their responsibilities, the HRA Chief Executive will monitor and ensure compliance with guidance issued by the Secretary of State for Health and Social Care and [mandatory standards](#) (Government Functional Standard GovS 007: Security).

11.6.2 The HRA shall nominate a suitable person to carry out the functions of Security Management as determined by relevant guidance on security management.

11.6.3 The Chief Executive has overall responsibility for controlling and coordinating security. However, key tasks are delegated to the relevant Director.

## **12. Resource Limit Control**

### **12.1 Resource Limit Control**

12.1.1 The HRA is required by statutory provisions not to exceed Cash and Resource Limits. The Chief Executive has overall executive responsibility for the HRA's activities and is responsible to the HRA for ensuring that it stays within these limits.

12.1.2 The Director of Finance will:

- 12.1.2.1 provide reports in the form required by the Secretary of State and requested by DHSC.
- 12.1.2.2 provider regular financial reports in the form agreed by the Board.
- 12.1.2.3 ensure money drawn from DHSC against Cash limit is required for approved expenditure only, and is drawn only at the time of need, follows Government Accounting best practice.
- 12.1.2.4 be responsible for ensuring that an adequate system of monitoring financial performance is in place to enable the HRA to fulfil its statutory responsibility not to exceed its Annual Revenue and Capital Resource Limits and Cash limit.

## **13. Funding, Business Plans, Budgetary Control and Monitoring**

### **13.1 Funding**

13.1.1 The Director of Finance will:

- 13.1.1.1 prior to the start of each financial year submit to the HRA Board a report showing the Funding received and the proposed distribution including any sums to be held in reserve.
- 13.1.1.2 regularly update the HRA Board on significant changes to Funding and the uses of such funds.

### **13.2 Preparation and Approval of Business Plans and Budgets**

13.2.1 The Chief Executive will compile and submit to the Board a Business Plan which takes into account financial targets and forecast limits of available resources. The Business Plan will contain:

- 13.2.1.1 a statement of the significant assumptions on which the plan is based.
- 13.2.1.2 details of major changes in workload, delivery of services and resources required to achieve the plan.

13.2.2 As soon as is practicable and ideally prior to the start of the financial year the Director of Finance will, on behalf of the Chief Executive, prepare and submit budgets for approval by the Board. Such budgets will:

- 13.2.2.1 be in accordance with the aims and objectives set out in the Business Plan.
- 13.2.2.2 accord with workload and workforce plans.
- 13.2.2.3 be produced following discussion with appropriate budget holders.

13.2.2.4 be prepared within the limits of available funds.

13.2.2.5 identify potential risks.

13.2.3 The Director of Finance shall monitor financial performance against budget and plan, periodically review them, and report to the Board.

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

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

### **13.3 Delegated budgets**

13.3.1 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:

13.3.1.1 the amount of the budget.

13.3.1.2 the purpose(s) of each budget heading.

13.3.1.3 individual and group responsibilities.

13.3.1.4 authority to exercise virement.

13.3.1.5 achievement of planned levels of service.

13.3.1.6 the provision of regular reports.

13.3.2 The Chief Executive and delegated budget holders must not exceed the budgetary total or virement limits set by the Board.

13.3.3 Any budgeted funds not required for their designated purpose(s) revert to the immediate control of the Chief Executive, subject to any authorised use of virement.

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

### **13.4 Budgetary Control and Reporting**

13.4.1 The Director of Finance will devise and maintain systems of budgetary control. These will include:

13.4.1.1 regular financial reports to the Board, in a form approved by the Board containing:

- income and expenditure to date showing trends and forecast year-end position.
- movements in cash and capital.
- capital spend and projected outturn against plan.
- explanations of any material variances from plan.

- details of any corrective action where necessary and the Chief Executive's and/or Director of Finance's view of whether such actions are sufficient to correct the situation
  - 13.4.1.2 the issue of timely, accurate and comprehensible advice and financial reports to each budget holder, covering the areas for which they are responsible.
  - 13.4.1.3 investigation and reporting of variances from financial, workload and workforce budgets.
  - 13.4.1.4 monitoring of management action to correct variances.
  - 13.4.1.5 arrangements for the authorisation of budget transfers.
- 13.4.2 Each Budget Holder is responsible for ensuring that:
- 13.4.2.1 any likely overspending or reduction of income which cannot be met by virement is not incurred without the prior consent of the Board.
  - 13.4.2.2 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.
  - 13.4.2.3 no permanent employees are appointed without the approval of the Chief Executive other than those provided for within the available resources and workforce establishment as approved by the Board.
  - 13.4.2.4 all expenditure complies with spend controls. Advice should be sought from HR, Commercial, Digital, Finance and Communications teams for these categories of expenditure.
- 13.4.3 The Chief Executive is responsible for identifying and implementing cost improvements and income generation initiatives in accordance with the requirements of the Business Plan and a balanced budget.

## **13.5 Capital Expenditure**

- 13.5.1 The general rules applying to delegation and reporting shall also apply to capital expenditure. (Applications relating to capital are contained in SFI 21).

## **13.6 Monitoring Returns**

- 13.6.1 The Chief Executive is responsible for ensuring that the appropriate monitoring forms are submitted to the requisite monitoring organisation.

# **14. Annual Report and Accounts**

## **14.1 Annual Report and Accounts**

- 14.1.1 The Director of Finance, on behalf of the Chief executive as Accounting Officer and the HRA, will:
  - 14.1.1.1 prepare the Annual Report and Accounts, signed by the Accounting Officer and certified by the Comptroller and Auditor General and any other financial returns in accordance with the accounting policies and guidance given by DHSC, HM Treasury and the HRA's accounting policies.

14.1.1.2 make sure the Annual Report and Accounts are laid before Parliament, in accordance with the Accounts Direction and the timetable set out by DHSC.

## **15. Bank and Government Banking Service (GBS)**

### **15.1 General**

15.1.1 The Director of Finance is responsible for managing the HRA's banking arrangements and for advising the HRA on the provision of banking services and operation of accounts. This advice will take into account guidance issued by DHSC and HM Treasury's Managing Public Money.

15.1.2 The Board shall approve the banking arrangements.

### **15.2 Bank and Government Banking Services (GBS) accounts**

15.2.1 The Director of Finance is responsible for:

15.2.1.1 bank accounts and GBS accounts.

15.2.1.2 ensuring payments made from GBS accounts do not exceed the amount credited to the account except where arrangements have been made.

15.2.1.3 reporting to the Board all arrangements made with the HRA's bankers for accounts to be overdrawn.

15.2.1.4 monitoring compliance with DHSC guidance on the level of cleared funds.

### **15.3 Banking Procedures**

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

15.3.1.1 the conditions under which each bank and GBS account is to be operated, which shall include provision for all CHAPS, Payable Order Schedules and foreign currency transactions to be approved by two authorised signatories.

15.3.1.2 those authorised to sign cheques or other orders drawn on the HRA's accounts.

15.3.1.3 those authorised to approve transactions electronically.

15.3.2 The Director of Finance must advise the HRA's bankers in writing of the conditions under which each account will be operated.

## **16. Income, Fees, Security of Cash, Cheques and other Negotiable Instruments**

### **16.1 Income Systems**

16.1.1 The Director of Finance is responsible for designing, maintaining and ensuring compliance with systems for the proper recording, invoicing, collection and coding of all monies due.



16.1.2 The Director of Finance is also responsible for the prompt banking of all monies received.

## **16.2 Fees and Charges**

16.2.1 The Director of Finance is responsible for approving and regularly reviewing the level of all fees and charges other than those determined by the Department of Health and Social Care or by Statute.

16.2.2 All employees must inform the Director of Finance promptly of money due arising from transactions which they initiate/deal with, including all contracts, leases, tenancy agreements, private patient undertakings and other transactions.

## **16.3 Debt Recovery**

16.3.1 The Director of Finance is responsible for the appropriate recovery action on all outstanding debts.

16.3.2 Income not received should be dealt with in accordance with losses procedures.

16.3.3 Overpayments should be detected (or preferably prevented) and recovery initiated.

## **16.4 Security of Cash, Cheques and other Negotiable Instruments**

16.4.1 The Director of Finance is responsible for:

16.4.1.1 approving the form of all receipt books, agreement forms, or other means of officially acknowledging or recording monies received or receivable.

16.4.1.2 ordering and securely controlling any such stationery.

16.4.1.3 the provision of adequate facilities and systems for employees whose duties include collecting and holding cash, including the provision of safes or lockable cash boxes, the procedures for keys, and for coin operated machines.

16.4.1.4 prescribing systems and procedures for handling cash and negotiable securities on behalf of the HRA.

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

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

16.4.4 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 made clear to the depositors that the HRA is not to be

held liable for any loss, and written indemnities must be obtained from the organisation or individuals absolving the HRA from responsibility for any loss.

## **17. Procurement and Contracting Procedure**

As a public sector body, the HRA must ensure that all procurement and contracting activity meets the requirements of legislation and policy – notably Public Contracts Regulations, DHSC and Cabinet Office guidance. It must also ensure that goods and services are procured to deliver best value for taxpayers. The HRA Commercial Policy and Procedures sets out how the HRA achieves this.

### **17.1 Compliance requirements for all contracts**

17.1.1 The HRA will only enter into contracts within the statutory powers delegated to it by the Secretary of State and must comply with:

17.1.1.1 with these Standing Orders and Standing Financial Instructions

17.1.1.2 [Public Procurement Regulations 2015 until superseded by Procurement Act 2023](#).

17.1.1.3 Any relevant directions including Government Functional Standard [GovS 004: Property](#) and [GovS 008: Commercial](#)

17.1.1.4 HM Treasury and Cabinet Office spend controls.  
[DHSC ALB schedule of delegations](#)

17.1.2 Spend control limits cover all new projects and proposals / announcements, even when part of a larger programme or payment that was provided as part of the spending review or another HMT approval (unless specifically in writing). This also includes renewal of existing projects / programmes where significant changes are being proposed.

17.1.3 Where appropriate contracts shall be in or embody the same terms and conditions of contract as was the basis on which tenders or quotations were invited.

### **17.2 Estates expenditure**

17.2.1 The HRA will comply as far as is practicable with the requirements of the Government Estates Strategy in respect of capital investment and property transactions. Projects will be subject to the approval of the Government Property Agency.

### **17.3 Overarching principles**

17.3.1 In all commercial activity the HRA is committed to ensuring:

17.3.1.1 Open, fair and transparent and legally compliant processes.

- 17.3.1.2 Commercial objectives are aligned to government and HRA organisational objectives.
- 17.3.1.3 Value for money is obtained.
- 17.3.1.4 Social value is considered in all procurement activity.
- 17.3.1.5 All commercial activities are carried out in such a way that promotes trust between the HRA, its suppliers and the public.
- 17.3.1.6 Proportionate governance and controls are applied relative to commercial risk.
- 17.3.1.7 Appropriate measures are implemented to guard against corruption and fraud.
- 17.3.1.8 Continuous improvement is achieved, including through capability building and lessons learned.

## **17.4 General principles**

- 17.4.1 Budget holders are accountable for obtaining the necessary approvals and oversight of all expenditure they are responsible for.
- 17.4.2 Advance payments, other than those arising in the normal course of business e.g. rent / accommodation, should be exceptional and only considered if a good value for money case can be made. They lead to higher financing costs and are therefore considered novel and contentious requiring HM Treasury approval.
- 17.4.3 Single tender actions (STA) should be avoided and only utilised in line with the Scheme of Financial Delegation and Commercial Policy and Procedure. The total number and value of STAs shall be reported to the next Audit and Risk Committee.
- 17.4.4 Segregation of duties is a key internal control to reduce the risk of fraud and corruption. Staff and in particular Budget Holders and the Commercial Team should ensure there is appropriate segregation of duties maintained throughout the Commercial Lifecycle including ensuring that no one person should:
  - 17.4.4.1 Both specify technical requirements and select the bidders.
  - 17.4.4.2 Both select and approve the supplier and contract award.
  - 17.4.4.3 Both request and authorise payments to the supplier.

## **17.5 Commercial Policy and Procedure**

The Director of Finance is responsible for designing, maintaining and ensuring compliance with commercial policy and procedure.

### **17.5.1 Admissibility**

- 17.5.1.1 If for any reason the designated officers are of the opinion that the tenders received are not strictly competitive (for example, because their numbers are insufficient or any are amended, incomplete or qualified) no contract shall be awarded without the approval of the Chief Executive.

17.5.1.2 Where only one tender is sought and/or received, the Chief Executive and Director of Finance shall, as far practicable, ensure that the price to be paid is fair and reasonable and will ensure value for money for the HRA.

#### 17.5.2 Late tenders

Tenders received after the due time and date, but prior to the opening of the other tenders, may be considered only if the Chief Executive or his Director of Finance decides that there are exceptional circumstances i.e. despatched in good time but delayed through no fault of the tenderer.

#### 17.5.3 Tender reports to the HRA Board and Audit and Risk Committee

Reports to the HRA Board will be made on an exceptional circumstance basis only. All contracts agreed over £100,000 will be reported to the Audit and Risk Committee retrospectively.

### 17.6 Procurement Thresholds

Threshold	Procurement Process
Exclusive of VAT where applicable	(subject to additional Cabinet Office controls and ALB delegated authority)
Below £5,000	One written quote with local record of due diligence and reported to the Commercial Team
£5,000 up to £24,999	Three written quotes / proposals or framework call-off Commercial Team to provide advice and guidance or managed process by agreement
£25,000 and above	Framework call-off, formal tender, or formal tender in accordance with PCR 20154. Managed by Commercial Team

### 17.7 Authorisation of Tenders and Competitive Quotations

17.7.1 Providing all the conditions and circumstances set out in these Standing Financial Instructions have been fully complied with and ALB Delegations from DHSC considered, the signing of contracts is delegated to the following and in all cases the Head of Commercial, Procurement and Contracts must record the signing of the contract and its details in the contracts register:

17.7.1.1 Director of Finance up to £75,000

17.7.1.2 Chief Executive up to £250,000

17.7.1.3 Chair over £250,000 (following Board approval).

17.7.1.4 Department of Health and Social Care Senior Sponsor approval is required via a business case over £1,000,000 plus approval of the Board.

17.7.2 These levels of authorisation may be varied or changed by the HRA Board, recorded in their minutes and need to be read in conjunction with the HRA's Scheme of Delegation.

## **17.8 Compliance requirements for all contracts**

17.8.1 In all contracts made by the HRA, the Board shall endeavour to obtain best value for money by use of all systems in place. The Chief Executive shall nominate an officer who shall oversee and manage each contract on behalf of the HRA.

## **17.9 Personnel and HRA or Temporary Staff Contracts**

17.9.1 The Chief Executive shall nominate officers with delegated authority to enter into contracts of employment, regarding staff, HRA staff or temporary staff service contracts.

## **17.10 Disposals (See overlap with SFI No. 23)**

17.10.1 Procurement and contracting procedures shall not apply to the disposal of:

17.10.1.1 any matter in respect of which a fair price can be obtained only by negotiation or sale by auction as determined (or pre-determined in a reserve) by the Chief Executive or their nominated officer.

17.10.1.2 obsolete or condemned articles and stores.

17.10.1.3 items to be disposed of with an estimated sale value of less than £1,000, this figure to be reviewed on a periodic basis.

17.10.1.4 items arising from works of construction, demolition or site clearance, which should be dealt with in accordance with the relevant contract.

17.10.1.5 land or buildings concerning which DHSC guidance has been issued but subject to compliance with such guidance.

## **17.11 In-house Services**

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

## **18. Terms of Service, Allowances and Payments of HRA Board Members and Employees**

### **18.1 Remuneration and Terms of Service (see overlap with SO No. 4)**

18.1.1 In accordance with Standing Orders the Board shall establish a Pay and Remuneration Committee, with clearly defined terms of reference, specifying which posts fall within its area of responsibility, its composition, and the arrangements for reporting. (See NHS guidance contained in the Higgs report.)

18.1.2 The Committee will:

- 18.1.2.1 advise the Board about appropriate remuneration and terms of service for the Chief Executive, other officer members employed by the HRA and other senior employees including:
- 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.
- 18.1.2.2 make such recommendations to the Board on the remuneration and terms of service of officer members of the Board (and other senior employees) to ensure they are fairly rewarded for their individual contribution to the HRA, having proper regard to the HRA's circumstances and performance and to the provisions of any national arrangements for such members and staff where appropriate.
- 18.1.2.3 monitor and evaluate the performance of individual officer members of and other senior employees.
- 18.1.2.4 advise on and oversee appropriate contractual arrangements for such staff including the proper calculation and scrutiny of termination payments taking account of such national guidance as is appropriate.

18.1.3 The Committee shall report in writing to the Board the basis for its recommendations. The Board shall use the report as the basis for their decisions but remain accountable for taking decisions on the remuneration and terms of service of officer members. Minutes of the Board's meetings should record such decisions.

18.1.4 The Board will consider and need to approve proposals presented by the Chief Executive for the setting of remuneration and conditions of service for those employees and officers not covered by the Committee.

18.1.5 The HRA will pay allowances to the Chair and non-officer members of the Board in accordance with instructions issued by the Secretary of State for Health and Social Care.

## **18.2 Funded Establishment**

18.2.1 The workforce plans incorporated within the annual budget will form the funded establishment.

18.2.2 The funded establishment of any department may not be varied without the approval of the Chief Executive.

## **18.3 Staff Appointments**

18.3.1 No officer or Member of the HRA Board or employee may engage, re-engage, or re-grade employees, either on a permanent or temporary nature, or hire HRA staff, or agree to changes in any aspect of remuneration:

18.3.1.1 unless authorised to do so by the Chief Executive.

18.3.1.2 within the limit of their approved budget and funded establishment.

18.3.2 The Board will approve procedures presented by the Chief Executive for the determination of commencing pay rates, condition of service, etc., for employees.

## **18.4 Processing Payroll**

18.4.1 The Director of Finance is responsible for:

18.4.1.1 (a) specifying timetables for submission of properly authorised time records and other notifications.

18.4.1.2 the final determination of pay and allowances.

18.4.1.3 making payment on agreed dates.

18.4.1.4 agreeing method of payment.

18.4.2 The Director of Finance will issue instructions regarding:

18.4.2.1 verification and documentation of data.

18.4.2.2 the timetable for receipt and preparation of payroll data and the payment of employees and allowances.

18.4.2.3 maintenance of subsidiary records for pension, income tax, social security and other authorised deductions from pay.

18.4.2.4 security and confidentiality of payroll information.

18.4.2.5 checks to be applied to completed payroll before and after payment.

18.4.2.6 authority to release payroll data under the provisions of the Data Protection Act.

18.4.2.7 methods of payment available to various categories of employee and officers.

18.4.2.8 procedures for payment by bank credit to employees and officers.

18.4.2.9 procedures for the recall of bank credits.

18.4.2.10 pay advances and their recovery.

18.4.2.11 maintenance of regular and independent reconciliation of pay control accounts.

18.4.2.12 separation of duties of preparing records and handling cash.

18.4.2.13 a system to ensure the recovery from those leaving the employment of the HRA of sums of money and property due by them to the HRA.

18.4.3 Appropriately nominated managers have delegated responsibility for:

18.4.3.1 submitting time records, and other notifications in accordance with agreed timetables where appropriate.

18.4.3.2 completing time records and other notifications in accordance with the Director of Finance's instructions and in the form prescribed by the Director of Finance where appropriate.

18.4.3.3 submitting termination forms in the prescribed form immediately upon knowing the effective date of an employee's or officer's resignation, termination or retirement. Where an employee fails to report for duty or to fulfil obligations in circumstances that suggest they have left without notice, the Director of Finance must be informed immediately.

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

## **18.5 Contracts or Employment**

18.5.1 The Board shall delegate responsibility to an officer for:

18.5.1.1 ensuring that all employees are issued with a Contract of Employment in a form approved by the Board and which complies with employment legislation.

18.5.1.2 dealing with variations to, or termination of, contracts of employment.

## **19. Non-Payroll Expenditure**

### **19.1 Delegation of Authority**

19.1.1 The Board will approve the level of non-pay expenditure on an annual basis and the Chief Executive will determine the level of delegation to budget managers.

19.1.2 The Chief Executive will set out:

19.1.2.1 the list of managers who are authorised to place requisitions for the supply of goods and services.

19.1.2.2 the maximum level of each requisition and the system for authorisation above that level.

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

### **19.2 Choice, Requisitioning, Ordering, Receipt and Payment for Goods and Services (see overlap with Standing Financial Instruction No. 17)**

#### **19.2.1 Requisitioning**

The requisitioner, in choosing the item to be supplied (or the service to be performed) shall always obtain the best value for money for the HRA. In so doing, the advice of The Commercial Team shall be sought.

#### **19.2.2 System of Payment and Payment Verification**

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

19.2.3 The Director of Finance will:

19.2.3.1 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 Standing Financial Instructions and regularly reviewed.
- 19.2.3.2 prepare procedural instructions or guidance within the Scheme of Delegation on the obtaining of goods, works and services incorporating the thresholds.
- 19.2.3.3 be responsible for the prompt payment of all properly authorised accounts and claims.
- 19.2.3.4 be responsible for designing and maintaining a system of verification, recording and payment of all amounts payable. The system shall provide for:
- A list of Board members/employees (including specimens of their signatures) authorised to certify invoices.
  - 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.
    - the account is in order for payment.
  - 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.
  - Instructions to employees regarding the handling and payment of accounts within the Finance Department.
- 19.2.3.5 be responsible for ensuring that payment for goods and services is only made once the goods and services are received. The only exceptions are set out in SFI No. 19.2.4 below.

#### 19.2.4 Prepayments

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

- 19.2.4.1 Prepayments are only permitted where the financial advantages outweigh the disadvantages (i.e. cash flows must be discounted to NPV using the National Loans Fund (NLF) rate plus 2%).

- 19.2.4.2 The appropriate officer member 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 HRA if the supplier is at some time during the course of the prepayment agreement unable to meet his commitments.
- 19.2.4.3 The Director of Finance will need to be satisfied with the proposed arrangements before contractual arrangements proceed (taking into account public procurement rules where the contract is above a stipulated financial threshold).
- 19.2.4.4 The Budget Holder is responsible for ensuring that all items due under a prepayment contract are received and they must immediately inform the appropriate Director or Chief Executive if problems are encountered.

#### 19.2.5 Duties of Managers and Officers

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

- 19.2.5.1 all contracts (except as otherwise provided for in the Scheme of Delegation), leases, tenancy agreements and other commitments which may result in a liability are notified to the Director of Finance in advance of any commitment being made.
- 19.2.5.2 contracts above specified thresholds are advertised and awarded in accordance with public procurement regulation.
- 19.2.5.3 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:
- isolated gifts of a trivial character or inexpensive seasonal gifts, such as calendars.
  - conventional hospitality, such as lunches in the course of working visits.
- 19.2.5.4 no requisition/order is placed for any item or items for which there is no budget provision unless authorised by the Director of Finance on behalf of the Chief Executive.
- 19.2.5.5 all goods, services, or works are ordered using a purchase order unless an agreed exception.
- 19.2.5.6 verbal orders must not be issued.
- 19.2.5.7 orders are not split or otherwise placed in a manner devised so as to avoid the financial thresholds.
- 19.2.5.8 goods are not taken on trial or loan in circumstances that could commit the HRA to a future uncompetitive purchase.
- 19.2.5.9 changes to the list of members/employees and officers authorised to certify invoices are notified to the Director of Finance.

## **20. Capital Investment, Private Financing, Fixed Asset Registers and Security of Assets**

### **20.1 Capital Investment**

20.1.1 The Chief Executive:

- 20.1.1.1 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 plans.
- 20.1.1.2 is responsible for the management of all stages of capital schemes and for ensuring that schemes are delivered on time and to cost.
- 20.1.1.3 shall ensure that the capital investment is not undertaken without there being a confirmed Capital Resource Limit to cover the scheme to completion, and that all revenue consequences, including Capital Charges, are included in the Revenue Budget.

20.1.2 For every capital expenditure proposal the Chief Executive shall ensure:

- 20.1.2.1 that a business case (in line with the guidance HMT The Green Book) is produced.
- 20.1.2.2 that the Director of Finance has certified professionally to the costs and revenue consequences detailed in the business case.

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

20.1.4 The Director of Finance shall assess on an annual basis the requirement for the operation of the construction industry tax deduction scheme in accordance with HM Revenue and Customs guidance.

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

20.1.6 The approval of a capital programme shall not constitute approval for expenditure on any scheme. The Chief Executive shall issue to the manager responsible for any scheme.

- 20.1.6.1 specific authorities to commit expenditure.
- 20.1.6.2 authority to proceed to tender.
- 20.1.6.3 approval to accept a successful tender.

The Chief Executive will issue a scheme of delegation for capital investment management in accordance with Spend Controls, ALB Delegations and the HRA's Standing Orders.

20.1.7 The Director of Finance shall issue procedures governing the financial management, including variations to contract, of capital investment projects and valuation for accounting purposes. These procedures shall fully take into account government spend controls and ALB delegations.

## **20.2 Asset Registers**

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

20.2.2 An asset register recording fixed assets shall be maintained. The minimum data set to be held within these registers shall be as specified in the Capital Accounting Manual as issued by the Department of Health and Social Care.

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

20.2.3.1 properly authorised and approved agreements, architect's certificates, supplier's invoices and other documentary evidence in respect of purchases from third parties.

20.2.3.2 stores, requisitions and wages records for own materials and labour including appropriate overheads.

20.2.3.3 lease agreements in respect of assets held under a finance lease and capitalised.

20.2.4 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).

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

20.2.6 The value of each asset shall be indexed to current values in accordance with methods specified in the Capital Accounting Manual issued by the Department of Health and Social Care.

20.2.7 The value of each asset shall be depreciated using methods and rates as specified in the Capital Accounting Manual issued by the Department of Health and Social Care.

20.2.8 The Director of Finance of the HRA shall calculate and pay capital charges as specified in the Capital Accounting Manual issued by the Department of Health and Social Care.

## **20.3 Security of Assets**

20.3.1 The overall control of fixed assets is the responsibility of the Chief Executive.

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

20.3.2.1 recording managerial responsibility for each asset.

20.3.2.2 identification of additions and disposals.

20.3.2.3 identification of all repairs and maintenance expenses.

20.3.2.4 physical security of assets.

20.3.2.5 periodic verification of the existence of, condition of, and title to, assets recorded.

20.3.2.6 identification and reporting of all costs associated with the retention of an asset.

20.3.2.7 reporting, recording and safekeeping of cash, cheques, and negotiable instruments.

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

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

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

20.3.6 Where practical, assets should be marked as HRA property.

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

### **21.1 General position**

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

21.1.1.1 kept to a minimum.

21.1.1.2 subjected to annual stock.

21.1.1.3 valued at the lower of cost and net realisable value.

### **21.2 Control of Stores, Stocktaking, condemnations and disposal**

21.2.1 Subject to the responsibility of the Director of Finance for the systems of control, overall responsibility for the control of stores shall be delegated to an employee by the Chief Executive. The day-to-day responsibility may be delegated by them to departmental employees and stores managers/keepers,

subject to such delegation being entered in a record available to the Director of Finance.

- 21.2.2 The responsibility for security arrangements and the custody of keys for any stores and locations shall be clearly defined in writing by the designated manager/officer. Wherever practicable, stocks should be marked as HRA property.
- 21.2.3 The Director of Finance shall set out procedures and systems to regulate the stores including records for receipt of goods, issues, and returns to stores, and losses.
- 21.2.4 Stocktaking arrangements shall be agreed with the Director of Finance and there shall be a physical check covering all items in store at least once a year.
- 21.2.5 Where a complete system of stores control is not justified, alternative arrangements shall require the approval of the Director of Finance.
- 21.2.6 The designated Manager/officer shall be responsible for a system approved by the Director of Finance for a review of slow moving and obsolete items and for condemnation, disposal, and replacement of all unserviceable articles. The designated Officer shall report to the Director of Finance any evidence of significant overstocking and of any negligence or malpractice (see also overlap with SFI No. 22 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.

## **22. Disposals, Losses and Special Payments**

### **22.1 Disposals**

#### 22.1.1 Procedures

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

22.1.2 When it is decided to dispose of an HRA asset, the Head of Department or authorised deputy will determine and advise the Director of Finance of the estimated market value of the item, taking account of professional advice where appropriate.

22.1.3 All unserviceable articles shall be:

22.1.3.1 disposed of by an employee authorised for that purpose by the Director of Finance and reported as a loss if appropriate.

### **22.2 Losses and Special Payments**

#### 22.2.1 Procedures

The Director of Finance must prepare procedural instructions on the recording of and accounting for losses, and special payments.

22.2.2 For significant losses over £75k apparently caused by theft, arson, neglect of duty or gross carelessness, the Director of Finance must immediately notify:

22.2.2.1 the Board.

22.2.2.2 the External Auditor.

22.2.3 The Director of Finance shall be authorised to take any necessary steps to safeguard the HRA's interests in bankruptcies and company liquidations.

22.2.4 For any loss, the Director of Finance should consider whether any insurance claim can be made.

22.2.5 The Director of Finance shall maintain a Losses and Special Payments Register in which write-off action is recorded.

22.2.6 No special payments exceeding delegated limits shall be made without the prior approval of DHSC.

22.2.7 All losses > £500 and special payments must be reported to the Audit Committee at every meeting.

## **23. Information Technology**

### **23.1 Responsibilities and duties of the Director of Finance with respect to financial data.**

23.1.1 The Director of Finance who is responsible for the accuracy and security of the computerised financial data of the HRA, shall:

23.1.1.1 devise and implement any necessary procedures to ensure adequate (reasonable) protection of the HRA's data, programs and computer hardware for which the Director is responsible from accidental or intentional disclosure to unauthorised persons, deletion or modification, theft or damage, having due regard for the Data Protection Act and General Data Protection Regulation.

23.1.1.2 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.

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

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

23.1.2 The Director of Finance will ensure that new financial systems and amendments to current financial systems are developed in a controlled manner and thoroughly tested prior to implementation. Where this is

undertaken by another organisation, assurances of adequacy must be obtained from them prior to implementation.

23.1.3 The Chief Executive shall publish and maintain a Freedom of Information (FOI) Publication Scheme, or adopt a model Publication Scheme approved by the Information Commissioner. A Publication Scheme is a complete guide to the information routinely published by a public authority. It describes the classes or types of information about our HRA that we make publicly available.

## **23.2 Contracts for Digital Services with other health bodies or outside agencies**

23.2.1 The Director of Finance shall ensure that subject to meeting any government efficiency controls, contracts for digital services for financial applications with another health organisation or any other Authority shall clearly define the responsibility of all parties for the security, privacy, accuracy, completeness, and timeliness of data during processing, transmission and storage. The contract should also ensure rights of access for audit purposes.

Where another health organisation or any other Authority provides a digital service for financial applications, the Director of Finance shall periodically seek assurances that adequate controls are in operation.

## **23.3 Risk Assessment**

23.3.1 The Chief Executive shall ensure that risks to the HRA arising from the use of IT are effectively identified and considered and appropriate action taken to mitigate or control risk. This shall include the preparation and testing of appropriate disaster recovery plans.

## **23.4 Requirements for Digital Systems which have an impact on corporate financial systems**

23.4.1 Where digital systems have an impact on corporate financial systems the Director of Finance shall need to be satisfied that:

23.4.1.1 systems acquisition, development and maintenance are in line with corporate policies such as a Digital Strategy.

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

23.4.1.3 Director of Finance staff have access to such data.

23.4.1.4 such digital audit reviews as are considered necessary are being carried out.



## **24. Acceptance of Gifts by Staff and Link to Standards of Business Conduct (see overlap with SO No. 6)**

24.1.1 The Director of Finance shall ensure that all staff are made aware of the HRA policy on acceptance of gifts and other benefits in kind by staff. This policy builds on the principles detailed in the in the Conflicts of interest in the NHS – Guidance for Staff and Organisations guidance; and the ABPI Code of Professional Conduct relating to hospitality/gifts from pharmaceutical/external industry and is also deemed to be an integral part of these Standing Orders and Standing Financial Instructions (see overlap with SO No. 6).

## **25. Records Retention**

25.1.1 The Chief Executive shall be responsible for maintaining archives for all records required to be retained in accordance with Department of Health and Social Care guidelines.

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

25.1.3 Records held in accordance with Department of Health and Social Care guidance shall only be destroyed at the express instigation of the Chief Executive. Detail shall be maintained of records so destroyed.

## **26. Risk Management and Insurance**

### **26.1 Programme of Risk Management**

26.1.1 The Chief Executive shall ensure that the HRA has a programme of risk management, in accordance with current DHSC assurance framework requirements, which must be approved and monitored by the Board.

26.1.2 The programme of risk management shall include:

26.1.2.1 a process for identifying and quantifying risks and potential liabilities.

26.1.2.2 engendering among all levels of staff a positive attitude towards the control of risk.

26.1.2.3 management processes to ensure all significant risks and potential liabilities are addressed including effective systems of internal control, cost effective insurance cover, and decisions on the acceptable level of retained risk.

26.1.2.4 contingency plans to offset the impact of adverse events.

26.1.2.5 audit arrangements including internal audit, clinical audit, health and safety review.

26.1.2.6 a clear indication of which risks shall be insured.

26.1.2.7 arrangements to review the risk management programme.

The existence, integration and evaluation of the above elements will assist in providing a basis to make a statement on the effectiveness of Internal Control

(Statement of Internal Control) within the Annual Report and Accounts as required by current DHSC guidance.

## **26.2 Insurance: Risk Pooling Schemes administered by NHS Resolution**

26.2.1 The Chief Executive shall decide if the HRA will insure through the risk pooling schemes administered by the NHS Resolution and the equivalent bodies for the Devolved Administrations or self-insure for some or all of the risks covered by the risk pooling schemes. If the Chief Executive decides not to use the risk pooling schemes for any of the risk areas (clinical, property and employers/third party liability) covered by the scheme this decision shall be reported to the Board and reviewed annually.

## **26.3 Insurance arrangements with commercial insurers**

26.3.1 There is a general prohibition on entering into insurance arrangements with commercial insurers. There are, however, four exceptions when HRA's may enter into insurance arrangements with commercial insurers. The exceptions are:

26.3.1.1 The HRA may enter commercial arrangements for insuring motor vehicles owned by the HRA including insuring third party liability arising from their use.

26.3.1.2 where the HRA is involved with a consortium in a Private Finance Initiative contract and the other consortium members require that commercial insurance arrangements are entered into.

26.3.1.3 where income generation activities take place. Income generation activities should normally be insured against all risks using commercial insurance.

26.3.1.4 To provide travel insurance for staff where travel outside the EU is necessary and has been agreed by the line manager and potential medical costs would therefore not be covered by reciprocal arrangements.

## **26.4 Arrangements to be followed by the Chief Executive in agreeing Insurance cover**

26.4.1 Where the Chief Executive decides to use the risk pooling schemes administered by the NHS Resolution 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.

Where the Chief Executive decides not to use the risk pooling schemes administered by the NHS Resolution for 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 which will not be reimbursed.

All the risk pooling schemes require Scheme members to make some contribution to the settlement of claims (the “deductible”). The Director Finance should ensure documented procedures also cover the management of claims and payments below the deductible in each case.

## Document Control

### Change Record

Version Status	Date of Change	Reason for Change
Draft V0.1 to 0.6	November 2011	Establishment of HRA
Draft V0.7	December 2011	Approved by board but subject to some minor amendments
Draft V2.0	January 2012	Approved by board and audit committee
Draft V3.0	October 2012	Updated to reflect board appointments
Final 4.0	October 2012	Issued for publication
Draft V5.0	October 2013	Revision of quorum of board in response to audit recommendation
Draft V 6.0	January 2015	Revision for NDPB status change.
Draft v6.1	December 2015	Minor review and update
Draft V7	July 2017	Minor review to reflect changes to delegated authorities
Draft V8	January 2020	Review to ensure up to date and reflect recent organisational changes and wider government landscape
Version 8.1	February 2021	Updated to meet web accessibility requirements and update to new HRA London address. No other content changes.
Version 9.2	March 2024	Updated to reflect changes:  Alignment to government functional standards; revised procurement legislation; changes to scheme of delegation; reference to government spend controls; commercial policy and procedure

## Reviewers

Name	Position	Version Reviewed
Debbie Corrigan, Vanessa Perry, SMG, Board	Approved at Board on 1 December 2011 after review by SMG and others with request for further assessment	Version 0.7
Audit Committee and HRA Board	Presented for review to audit committee and board 25th October 2012. No comments	Version 3.0
Executive Management Team and	Presented for review of amendments Board meeting 22 October 2014	Version 5.0
Executive Management Team and HRA Board	Presented for review of amendments Board meeting 22 October 2014	Version 6.0
Audit and Risk Committee	Presented for review on 2 <sup>nd</sup> August 2017	Version 7.0
Audit & Risk Committee	2020/02/03	Version 8.0
Audit and Risk Committee	8 <sup>th</sup> February 2023	Version 9.2

## Distribution of Approved Versions

<b>Name of Person/Group</b>	<b>Position</b>	<b>Version Released</b>
Debbie Corrigan		Version 0.7
Debbie Corrigan	Interim Director of Finance	Version 4.0 FINAL
Finance, Board Secretary, Website	Director of Finance	Version 5.0 FINAL
Finance, Board Secretary, Website	Director of Finance	Version 6.1 FINAL
S Tebbutt	Head of Corporate Governance & Risk	Version 8.0 FINAL
S Tebbutt	Head of Corporate Governance & Risk	Version 8.1 FINAL
S Tebbutt	Company Secretary	Version 9.2