

Governing Body In Common

Date of Meeting	19 July 2017	Paper Number	3.3
Title	Prime Financial Policies & Scheme of Delegation		
Sponsoring Director (name and job title)	Nigel Foster, Director of Finance & Performance		
Sponsoring Clinical / Lay Lead (name and job title)	Arthur Ferry, Audit Committee Chair		
Author(s)	Debbie Fraser		
Purpose	To highlight the changes and seek approval for the revised Prime Financial Policies & Financial Scheme of Delegation.		
The Governing Body is required to (please tick)			
Approve	<input checked="" type="checkbox"/>	Receive	<input type="checkbox"/>
Discuss	<input type="checkbox"/>	Note	<input type="checkbox"/>
Risk and Assurance (outline the key risks / where to find mitigation plan in the attached paper and any assurances obtained)	Failure to comply with the CCG Prime Financial Policies can result in the risk of legal challenge, reputational damage and loss of value for money.		
Legal implications/regulatory requirements	Potential breach of EU tendering requirements, information governance rules and our terms of authorisation as a CCG		
Public Sector Equality Duty	n/a		
Links to the NHS Constitution (relevant patient/staff rights)	n/a		
Strategic Fit	n/a		
Commercial and Financial Implications (Identify how the proposal impacts on existing contract arrangements and have these been incorporated? Include date Deputy CFO has signed off the affordability and has this been incorporated within the financial plan. Include details of funding source(s)	Failure to comply with the CCG Prime Financial Policies can result in loss of value for money.		
Quality Focus (Identify how this proposal impacts on the quality of services received by patients and/or the achievement of key performance targets Include date the Director of Nursing has signed off the quality implications)	n/a Date Director of Nursing sign off.....		

<p>Clinical Engagement <i>Outline the clinical engagement that has been undertaken</i></p>	n/a
<p>Consultation, public engagement & partnership working implications/impact</p>	n/a
<p>NHS Outcomes <i>Please indicate (highlight) which Domain this paper sits within by highlighting or ticking below: Please note there may be more than one Domain.</i></p>	<p>Domain 1 Preventing people from dying prematurely;</p> <p>Domain 2 Enhancing quality of life for people with long-term conditions;</p> <p>Domain 3 Helping people to recover from episodes of ill health or following injury;</p> <p>Domain 4 Ensuring that people have a positive experience of care; and</p> <p>Domain 5 Treating and caring for people in a safe environment; and protecting them from avoidable harm.</p>
<p><u>Executive Summary</u></p> <p>The Prime Financial Policies are part of the CCGs' control environment for managing the organisation's financial affairs. They contribute to good corporate governance, internal control and managing risks. They enable sound administration; lessen the risk of irregularities and support commissioning and delivery of effective, efficient and economical services. They also help the Accountable Officer and Chief Finance Officer to effectively perform their responsibilities. They should be used in conjunction with the scheme of reservation and delegation found in the CCGs' Constitutions.</p> <p>The general format of the Prime Financial Policies is based on a national template provided when CCGs were first established, but the content has (where appropriate) been tailored to meet local requirements.</p> <p>The changes within the SFIS and SOD are highlighted in yellow and relate to:-</p> <ol style="list-style-type: none"> 1. Update the Single Tender Waiver form to use for all CCGs. 2. Additional wording under section 11 BUSINESS CASE APPROVAL (Revenue) to reflect the delegation required for budgets or funding for NHSE:- <ol style="list-style-type: none"> a. Delegate from the BP&CC committee to the Urgent and Emergency Board and the CAMHS Transformation Boards the ability to authorise expenditure of the associated budgets or funding from NHSE specifically linked to the delivery of the NHSE assured plans for UEC and CAMHS transformation. These boards will report routinely into BP&CC on their use of the funding and provide assurance on its impact on achieving the targets for improvement as detailed in the plans. b. Delegate authority from the BP&CC committee to STP Leadership Group and associated sub-groups the ability to authorise expenditure of the associated budgets or funding from NHSE specifically linked to the delivery STP 	

transformation plans. These groups will report routinely into BP&CC on their use of the funding and provide assurance on its impact on achieving the targets for improvement as detailed in the plans.

Recommendation(s)

The Governing Body is asked to **approve** the updated Prime Financial Policies and Financial Scheme of Delegation, following the recommendation from the Joint Audit Committee which took place on the 29th June 2017.

PRIME FINANCIAL POLICIES

Policy Reference Information	
Author / Lead Manager	Debbie Fraser Associate Director of Finance
Responsible Director	Nigel Foster Director of Finance & Performance
Policy reference no	Prime Policies
Version no	0006
Approved	Audit Committee: 29 th June 2017 Joint Governing Body:
Reviewed	22 June 2017
Date of next review	February 2018
Status	Applicable to all CCGs affairs

Related Policies and Strategies	
Reference no	Clinical Commissioning Group's Constitution, incorporating the Standing Orders (SOs).

Consultation		
Name	Job Title	Date and signed (record involvement and any amendments)
Mrs D Fraser	Deputy Chief Finance Officer	6/11/2015

Version History and Control			
Date	Version	Author	Summary of Changes
2012	0001		CCG Formation
20/11/2014	0002	Mr N Foster, Mrs D Fraser, Mr K Goater (CSU)	Key changes and additions to policies
6/11/2015	0003	Mr K Goater	Key changes and additions to policies and delegated financial limits.
2/9/2016	0004	Mr J Pettit	Amendment to business case approvals for Business Planning &

			Development Committee, and new delegated limits for high cost placements.
03/02/2017	0005	Mrs D Fraser	Key changes and additions for Primary Care Co-Commissioning
22/06/2017	0005	Mrs D Fraser	Key changes to the single tender Waiver form and to include delegation from the Business Planning and Clinical Commissioning Committees to the two Boards; CAMHS Transformation Board and the Urgent and Emergency Board. A&E

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Attachment A - Single Tender Action - Waiver of Competitive Purchase

1. INTRODUCTION

General

- 1.1. These prime financial policies and supporting detailed financial policies shall have effect as if incorporated into the Clinical Commissioning Group's constitution.
- 1.2. The prime financial policies are part of the Clinical Commissioning Group's control environment for managing the organisation's financial affairs. They contribute to good corporate governance, internal control and managing risks. They enable sound administration; lessen the risk of irregularities and support commissioning and delivery of effective, efficient and economical services. They also help the Accountable Officer and Chief Finance Officer to effectively perform their responsibilities. They should be used in conjunction with the scheme of reservation and delegation found in the CCG Constitution.
- 1.3. In support of these prime financial policies, the Clinical Commissioning Group has prepared more detailed policies, which are reviewed by the Audit Committee prior to recommendation for approval by the Governing Body. These are known as *detailed financial policies*. The CCG refers to these prime and detailed financial policies together as the Clinical Commissioning Group's financial policies.
- 1.4. These prime financial policies identify the financial responsibilities which apply to everyone working for the CCG and its constituent organisations. They do not provide detailed procedural advice and should be read in conjunction with the detailed financial policies. The Governing Body is responsible for approving all detailed financial policies.
- 1.5. A list of the CCG's detailed financial policies will be published and maintained on the CCG's website at [www.\[insert each CCGs website address\]](http://www.[insert each CCGs website address]) and the CCG intranet.
- 1.6. Should any difficulties arise regarding the interpretation or application of any of the prime financial policies then the advice of the Chief Finance Officer must be sought before acting. The user of these prime financial policies should also be familiar with and comply with the provisions of the CCG's constitution, standing orders and scheme of reservation and delegation.
- 1.7. Failure to comply with prime financial policies and standing orders can in certain circumstances be regarded as a disciplinary matter that could result in dismissal.

Overriding Prime Financial Policies

- 1.8. If for any reason these prime financial policies 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 Governing Body's audit committee for referring action or ratification. All of the CCG's members and employees have a duty to disclose any non-compliance with these prime financial policies to the Chief Finance Officer as soon as possible.

Responsibilities and delegation

- 1.9. The roles and responsibilities of CCG's members, employees, members of the Governing Body, members of the Governing Body's committees and sub-committees, members of the CCG's committee and sub-committee (if any) and persons working on behalf of the CCG are set out in the constitution.
- 1.10. The financial decisions delegated by members of the CCG are set out in the CCG's financial scheme of delegation (FSoD) included in Appendix 1.
- 1.11. All members of the Governing Body and employees, severally and collectively, are responsible for:
- a) The security of the property of the CCG;
 - b) Avoiding loss;
 - c) Exercising economy and efficiency in the use of resources; and
 - d) Conforming to the requirements of the Standing Orders, Prime Financial Policies, Financial Procedures and the Scheme of Delegation.
- 1.12. For all members of the Governing Body and any employees who carry out a financial function, the form in which financial records are kept and the manner in which members of the Governing Body and employees discharge their duties must be to the satisfaction of the Chief Finance Officer.

Contractors and their employees

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

Amendment of Prime Financial Policies

- 1.14. To ensure that these prime financial policies remain up-to-date and relevant, the Chief Finance Officer will review them at least annually. Following consultation with the Accountable Officer and scrutiny by the Governing Body's audit committee, the Chief Finance Officer will recommend amendments, as fitting, to the Governing Body for approval.

2. INTERNAL CONTROL

POLICY – the CCG will put in place a suitable control environment and effective internal controls that provide reasonable assurance of effective and efficient operations, financial stewardship, probity and compliance with laws and policies

- 2.1. The Governing Body is required to establish an audit committee with terms of reference agreed by the Governing Body (see page 54 of the CCG's constitution for the Terms of Reference for the Joint Federated Audit Committee).
- 2.2. The Accountable Officer has overall responsibility for the CCG's systems of

internal control.

2.3. The Chief Finance Officer will ensure that:

- a) financial policies are considered for review and update annually;
- b) a system is in place for proper checking and reporting of all breaches of financial policies; and
- c) a proper procedure is in place for regular checking of the adequacy and effectiveness of the control environment;

3. **AUDIT**

POLICY – the CCG will keep an effective and independent internal audit function and fully comply with the requirements of external audit and other statutory reviews

3.1. In line with the terms of reference for the Governing Body's audit committee, the person appointed by the CCG to be responsible for internal audit and the external auditor will have direct and unrestricted access to audit committee members and the chair of the Governing Body, Accountable Officer and Chief Finance Officer for any significant issues arising from audit work that management cannot resolve, and for all cases of fraud or serious irregularity.

3.2. The person appointed by the CCG to be responsible for internal audit and the external auditor will have access to the audit committee and the Accountable Officer to review audit issues as appropriate. All audit committee members, the chair of the Governing Body and the Accountable Officer will have direct and unrestricted access to the head of internal audit and external auditors.

3.3. The Chief Finance Officer will ensure that the CCG has a professional and technically competent internal audit function; and the Governing Body's audit committee approves any changes to the provision or delivery of assurance services to the CCG.

3.4. Internal Audit will review, appraise and report upon policies, procedures and operations in place to:

- a) identify, assess and manage the risks to achieving the organisation's objectives;
- b) establish and monitor the achievement of the organisations objectives;
- c) ensure the economical, effective and efficient use of resources;
- d) ensure compliance with established policies (including behavioural and ethical expectations), procedures, laws and regulations;
- e) safeguard the organisation's assets and interests from losses of all kinds, including those arising from fraud, irregularity or corruption;
- f) ensure the integrity and reliability of information, accounts and data,

including internal and external reporting and accountability processes.

- 3.5. The Head of Internal Audit will provide to the Audit Committee;
- a) A risk-based plan of internal audit work, agreed with management and approved by the Audit Committee, based upon the management's Assurance Framework that will enable the auditors to collect sufficient evidence to give an opinion on the adequacy and effective operation of the organisation;
 - b) Regular updates on the progress against plan;
 - c) Reports of management's progress on the implementation of action agreed as a result of internal audit findings;
 - d) An annual opinion, based upon and limited to the work performed, on the overall adequacy and effectiveness of the organisation's risk management, control and governance processes (i.e. the organisation's system of internal control). This opinion is used by the Governing Body to inform the Annual Governance Statement;
 - e) Additional reports as requested by the Audit Committee.
- 3.6. The Head of Internal Audit will normally attend Audit Committee meetings and has a right of access to all Audit Committee members, the Chair and Chief Officer of the CCG.
- 3.7. The Head of Internal Audit reports to the Audit Committee. The reporting system for Internal Audit shall be agreed between the Chief Finance Officer, the Audit Committee and the Head of Internal Audit. The agreement shall be in writing and shall comply with the guidance on reporting contained in the NHS Internal Audit Standards. The reporting system shall be reviewed at least every three years.
- 3.8. The appointment and termination of the Head of Internal Audit and/or the Internal Audit Service must be approved by the Audit Committee.
- 3.9. The CCG will have an External Auditor. The Audit 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.

4. **FRAUD AND CORRUPTION**

POLICY – the CCG requires all staff to always act honestly and with integrity to safeguard the public resources they are responsible for. The CCG will not tolerate any fraud perpetrated against it and will actively chase any loss suffered

- 4.1. In line with their responsibilities, the Accountable Officer and Chief Finance Officer shall monitor and ensure compliance with Directions issued by the Secretary of State for Health on fraud and corruption.
- 4.2. The Governing Body's audit committee will satisfy itself that the CCG has adequate arrangements in place for countering fraud and shall review the outcomes of counter fraud work. It shall also approve the counter fraud work

programme.

- 4.3. The Governing Body's audit committee will ensure that the CCG has arrangements in place to work effectively with NHS Protect.
- 4.4. The Chief Finance Officer shall nominate a suitable person to carry out the duties of the Local Counter Fraud Specialist (LCFS).
- 4.5. The LCFS shall report to the CCG Chief Finance Officer and shall work with staff in NHS Protect and the Operational Fraud Team (OFT) in accordance with the NHS Counter Fraud and Corruption Manual.
- 4.6. The LCFS will provide a written report, at least annually, on counter fraud work within the CCG.

5. SECURITY MANAGEMENT

POLICY – the CCG will put in place effective security arrangements for the protection of staff, visitors and property they are responsible for.

- 5.1. In line with their responsibilities, the Accountable Officer will monitor and ensure compliance with Directions issued by the Secretary of State for Health on NHS security management.
- 5.2. The Accountable Officer shall nominate a suitable person to carry out the duties of the Local Security Management Specialist (LSMS) as specified by the Secretary of State for Health guidance on NHS Security Management.
- 5.3. The Accountable Officer has overall responsibility for controlling and coordinating security. However, key tasks are delegated to the appointed Local Security Management Specialist.

6. EXPENDITURE CONTROL

POLICY – the CCG is required, by statute, to contain expenditure within available resources

- 6.1. The CCG is required by statutory provisions¹ to ensure that its expenditure does not exceed the aggregate of allotments from NHS England and any other sums it has received and is legally allowed to spend.
- 6.2. The Accountable Officer has overall executive responsibility for ensuring that the CCG complies with certain of its statutory obligations, including its financial and accounting obligations, and that it exercises its functions effectively, efficiently and economically and in a way which provides good value for money.
- 6.3. The Chief Finance Officer will:
 - a) provide reports in the form required by the NHS England;

¹ See section 223H of the 2006 Act, inserted by section 27 of the 2012 Act

- b) ensure money drawn from the NHS England is required for approved expenditure only is drawn down only at the time of need and follows best practice;
- c) be responsible for ensuring that an adequate system of monitoring financial performance is in place to enable the CCG to fulfil its statutory responsibility not to exceed its expenditure limits, as set by direction of the NHS England;

7. ALLOTMENTS²

POLICY – the CCG is required, by statute, to contain expenditure within available resources

7.1. The CCG's Chief Finance Officer will:

- a) periodically review the basis and assumptions used by the NHS England for distributing allotments and ensure that these are reasonable and realistic and secure the CCG's entitlement to funds;
- b) prior to the start of each financial year submit to the Governing Body for approval a report showing the total allocations received and their proposed distribution including any sums to be held in reserve; and
- c) regularly update the Governing Body on significant changes to the initial allocation and the uses of such funds;

8. COMMISSIONING STRATEGY, BUDGETS, BUDGETARY CONTROL AND MONITORING

POLICY – the CCG will produce and publish an annual commissioning plan³ that explains how it proposes to discharge its financial duties. The CCG will support this with comprehensive medium term financial plans and annual budgets

8.1. The Accountable Officer will ensure that a commissioning strategy is compiled and submitted to the Governing Body which takes into account financial targets and forecast limits of available resources. The Strategy will contain the following:

- a) a statement of the significant assumptions on which the Strategy is based;
- b) details of major changes in workload, delivery of services or resources, and Quality Innovation Productivity and Prevention (QIPP) savings required to achieve the plan;

8.2. Prior to the start of the financial year the Chief Finance Officer will, on behalf of the Accountable Officer, prepare and submit budgets for approval by Governing Body. Such budgets will:

- a) be in accordance with the aims and objectives set out in the Strategy;

² See section 223(G) of the 2006 Act, inserted by section 27 of the 2012 Act.

³ See section 14Z11 of the 2006 Act, inserted by section 26 of the 2012 Act.

- b) accord with workload and manpower plans;
- c) be produced following discussion with appropriate Budget Holders;
- d) be prepared within the limits of available funds;
- e) identify potential risks, including any associated with the non-delivery of QIPP savings;

8.3. The Chief Finance Officer shall monitor financial performance against budget and plan including QIPP programmes, periodically review them, and report to the Governing Body. This report should include explanations for variances. These variances must be based on any significant departures from agreed financial plans or budgets.

8.4. All Budget Holders must provide information as required by the Chief Finance Officer to enable Budgets to be compiled.

8.5. The Chief Finance Officer has a responsibility to ensure that adequate training is delivered on an on-going basis to Budget Holders to help them manage successfully.

8.6. The Accountable Officer is responsible for ensuring that information relating to the CCG's accounts or to its income or expenditure, or its use of resources is provided to the NHS England as requested.

8.7. The Governing Body will approve consultation arrangements for the CCG's commissioning plan⁴.

Budgetary Delegation

8.8. The Accountable Officer will delegate the management of a budget, as per the Detailed Scheme of Delegation, to permit the performance of a defined range of activities. This delegation must be in writing and be accompanied by a clear definition of:

- a) the amount of the budget;
- b) the purpose(s) of each budget heading;
- c) individual and CCG responsibilities;
- d) authority to exercise virement;
- e) achievement of planned levels of service;
- f) the provision of regular reports;
- g) responsibility for delivery of QIPP;

8.9. The Accountable Officer and delegated Budget Holders must not exceed the budgetary total or virement limits set by the Governing Body.

⁴ See section 14Z13 of the 2006 Act, inserted by section 26 of the 2012 Act

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

8.11. Non-recurring Budgets should not be used to finance recurring expenditure without the authority in writing of the Accountable Officer, as advised by the Chief Finance Officer.

Budgetary Control and Reporting

8.12. The Chief Finance Officer will devise and maintain systems of budgetary control. These will include:

- a) regular financial reports to the Governing Body and CCG Operational Leadership Team in a form approved by the Governing Body containing:
 - i) income and expenditure to date showing trends and forecast year-end position;
 - ii) capital project spend and projected outturn against plan;
 - iii) explanations of any material variances from plan;
 - iv) details of any corrective action where necessary and the Accountable Officer's and/or Chief Finance Officer's view of whether such actions are sufficient to correct the situation;
 - v) progress of delivery of financial targets in QIPP plans and projects;
 - vi) other financial information on a quarterly basis, including aged debtors and creditors and the balance sheet;
- b) the issue of timely, accurate and comprehensible advice and financial reports to each Budget Holder, covering the areas for which they are responsible;
- c) investigation and reporting of variances from financial, QIPP saving targets, workload and manpower Budgets;
- d) monitoring of management action to correct variances including QIPP savings targets;
- e) arrangements for the authorisation of budget transfers;

8.13. Each Budget Holder is responsible for ensuring that:

- a) any likely overspending or reduction of income which cannot be met by virement is not incurred without the prior consent of the Governing Body;
- b) the amount provided in the approved budget is not used in whole or in part for any purpose other than that specifically authorised, subject to the rules of virement;
- c) no permanent employees are appointed without the approval of the Accountable Officer or Chief Finance Officer other than those provided for within the available resources and manpower establishment as approved by the Governing Body;

- d) QIPP savings targets are met, and if achievement is deemed to be unlikely or high risk, this is brought to the attention of the Chief Officer including any proposed corrective action;

8.14. The Accountable Officer is responsible for identifying and implementing QIPP savings in accordance with the requirements of the Commissioning Strategy and a balanced budget.

Capital Expenditure

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

Monitoring Returns

8.16. The Accountable Officer is responsible for ensuring that the appropriate monitoring forms are submitted to the NHS England.

9. ANNUAL ACCOUNTS AND REPORTS

POLICY – the CCG will produce and submit to the NHS England accounts and reports in accordance with all statutory obligations⁵, relevant accounting standards and accounting best practice in the form and content and at the time required by the NHS England

9.1. The Chief Finance Officer will ensure the CCG:

- a) prepares a timetable for producing the annual report and accounts and agrees it with external auditors and the Governing Body;
- b) prepares the accounts according to the timetable approved by the Governing Body;
- c) complies with statutory requirements and relevant directions for the publication of annual report;
- d) considers the external auditor's management letter and fully address all issues within agreed timescales; and
- e) publishes the external auditor's management letter on the CCG's website;

9.2. The audited accounts will be presented to a public meeting and be made available to the public.

9.3. The CCG will publish an Annual report that accords with national guidance and present it at a public meeting.

⁵ See paragraph 17 of Schedule 1A of the 2006 Act, as inserted by Schedule 2 of the 2012 Act.

10. INFORMATION TECHNOLOGY

POLICY – the CCG will ensure the accuracy and security of the CCG's computerised financial data

10.1. The Chief Finance Officer is responsible for the accuracy and security of the CCG's computerised financial data and shall

- a) devise and implement any necessary procedures to ensure adequate (reasonable) protection of the CCG's data, programs and computer hardware from accidental or intentional disclosure to unauthorised persons, deletion or modification, theft or damage, having due regard for the Data Protection Act 1998;
- b) ensure that adequate (reasonable) controls exist over data entry, processing, storage, transmission and output to ensure security, privacy, accuracy, completeness, and timeliness of the data, as well as the efficient and effective operation of the system;
- c) ensure that adequate controls exist such that the computer operation is separated from development, maintenance and amendment;
- d) ensure that an adequate management (audit) trail exists through the computerised system and that such computer audit reviews as the Chief Finance Officer may consider necessary are being carried out;

10.2. In addition, the Chief Finance Officer shall ensure that new financial systems and amendments to current financial systems are developed in a controlled manner and thoroughly tested prior to implementation. Where this is undertaken by another organisation, assurances of adequacy must be obtained from them prior to implementation.

11. ACCOUNTING SYSTEMS

POLICY – the CCG will run an accounting system that creates management and financial accounts

11.1. The Chief Finance Officer will ensure:

- a) the CCG has suitable financial and other software to enable it to comply with these policies and any consolidation requirements of the NHS England;
- b) that contracts for computer services for financial applications with another health organisation or any other agency shall clearly define the responsibility of all parties for the security, privacy, accuracy, completeness, and timeliness of data during processing, transmission and storage. The contract should also ensure rights of access for audit purposes.

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

12. BANK ACCOUNTS

POLICY – the CCG will keep enough liquidity to meet its current commitments

- 12.1. All NHS bodies are required to have Government Banking Services (GBS) accounts for the receipt of NHS England funds and the settlement of transactions with other GBS users. Cash should not leave the GBS accounts earlier than needed to settle transactions with individuals and private companies.
- 12.2. The CCG should not be making prepayments other than in exceptional circumstances, and creditors should be paid in accordance with the Prompt Payment Code. This should ensure that payments are timely but that cash does not leave the GBS accounts before it is due.
- 12.3. The CCG has a duty not to exceed its maximum cash drawdown limit as set by NHS England.
- 12.4. The Chief Finance Officer will:
- review the banking arrangements of the CCG at regular intervals to ensure they are in accordance with Secretary of State directions⁶, best practice and represent best value for money;
 - manage the CCG's banking arrangements and advise the CCG on the provision of banking services and operation of accounts;
 - prepare detailed instructions on the operation of bank accounts.
- 12.5. The Audit Committee shall approve the banking arrangements.
13. **INCOME, FEES AND CHARGES AND SECURITY OF CASH, CHEQUES AND OTHER NEGOTIABLE INSTRUMENTS.**

POLICY – the CCG will

- operate a sound system for prompt recording, invoicing and collection of all monies due
- seek to maximise its potential to raise additional income only to the extent that it does not interfere with the performance of the CCG or its functions⁷
- ensure its power to make grants and loans is used to discharge its functions effectively⁸

- 13.1. The Chief Financial Officer is responsible for:
- designing, maintaining and ensuring compliance with systems for the proper recording, invoicing, and collection and coding of all monies due;
 - establishing and maintaining systems and procedures for the secure handling of cash and other negotiable instruments;

⁶ See section 223H(3) of the NHS Act 2006, inserted by section 27 of the 2012 Act

⁷ See section 14Z5 of the 2006 Act, inserted by section 26 of the 2012 Act.

⁸ See section 14Z6 of the 2006 Act, inserted by section 26 of the 2012 Act.

- c) approving and regularly reviewing the level of all fees and charges other than those determined by the NHS England or by statute. Independent professional advice on matters of valuation shall be taken as necessary;
- d) for developing effective arrangements for making grants or loans.

13.2. All officers must inform the Chief Finance Officer promptly of money due arising from transactions which they initiate/deal with, including all contracts and other transactions.

13.3. All CCG Debt recovery adheres to the NHS Shared Business Services' SBS Debt Management Policy Document.

13.4. All officers must inform the Chief Finance Officer in advance of bidding for external funding.

14. TENDERING AND CONTRACTING PROCEDURE

POLICY – the CCG:

- will ensure proper competition that is legally compliant within all purchasing to ensure we incur only budgeted, approved and necessary spending
- will seek value for money for all goods and services
- shall ensure that competitive tenders are invited for
 - the supply of goods, materials and manufactured articles;
 - the supply of healthcare services, in line with the procurement policy;
 - the rendering of services including all forms of management consultancy services (other than specialised services sought from or provided by the NHS England); and
 - for the design, construction and maintenance of building and engineering works (including construction and maintenance of grounds and gardens) for disposals

14.1. The CCG shall ensure that the firms / individuals invited to tender (and where appropriate, quote) are among those on approved lists or where necessary a framework agreement. Where in the opinion of the Chief Finance Officer it is desirable to seek tenders from firms not on the approved lists, the reason shall be recorded in writing to the Accountable Officer or the CCG's Governing Body.

14.2. The approval of the award of any contract will be given in accordance with the CCG's detailed operational scheme of delegation.

14.3. The Governing Body may only negotiate contracts on behalf of the CCG, and the CCG may only enter into contracts, within the statutory framework set up by the 2006 Act, as amended by the 2012 Act. Such contracts shall comply with:

- a) the CCG's standing orders;
- b) the Public Contracts Regulation 2006, any successor legislation and any other applicable law; and
- c) take into account as appropriate any applicable NHS England or the Independent Regulator of NHS Foundation Trusts (Monitor) guidance that

does not conflict with (b) above.

- 14.4. In all contracts entered into, the CCG shall endeavour to obtain best value for money. The Accountable Officer shall nominate an individual who shall oversee and manage each contract on behalf of the CCG.
- 14.5. The procedure for making all contracts by or on behalf of the CCG shall comply with Standing Orders and these Prime Financial Policies.
- 14.6. The CCG shall comply as far as is practicable with the requirements of the Department of Health "Capital Investment Manual" and "Estate code" in respect of capital investment and estate and property transactions.
- 14.7. At all times CCG and CSU Officers should follow the Procurement Policy, detailed process manuals, and comply with relevant Procurement legislation.

Formal Competitive Tendering – general applicability

- 14.8. The CCG shall ensure that competitive tenders are invited for:
- a) the supply of goods, materials and manufactured articles;
 - b) the supply of healthcare services, in line with the procurement policy;
 - c) the rendering of services including all forms of management consultancy services (other than specialised services sought from or provided by NHS England);
 - d) for the design, construction and maintenance of building and engineering works;
- 14.9. Unless expressly detailed otherwise in this policy, there is a requirement for a formal tendering process to be undergone in all circumstances where the value of goods and services to be procured exceed, or can reasonably be expected to exceed £50,000, including a fully compliant EU procurement process where the value will exceed the EU procurement threshold (currently £111,676 ex-VAT) for supply and service contracts/ design contests by entities listed in Schedule 1 of PCR 2006 (including NHS bodies). For works (building) contracts only, the EU procurement threshold is currently £4,322,012.

Exceptions and instances where formal tendering need not be applied

- 14.10. Formal tender for the procurement of services is always required except in the following circumstances:
- a) The procurement of Health Services as described in the Health and Social Care Act 2012.
 - b) When the value of goods and services to be procured does not exceed £50,000 and is above £10,000. In this circumstance the procuring Officer should obtain a minimum of three written quotes, unless any of the exceptions below apply.
 - c) No formal process is required for goods and services to be procured below

the value of £10,000.

- d) The requirement to tender can be waived in the following circumstances:
- i) where the requirement is covered by an existing contract;
 - ii) where framework agreements are in place and have been approved by the Governing Body;
 - iii) where a consortium arrangement is in place and a lead organisation has been appointed to carry out tendering activity on behalf of the consortium members;
 - iv) where the timescale genuinely precludes competitive tendering but failure to plan the work properly would not be regarded as a justification for a single tender;
 - v) where specialist expertise is required and is available from only one source;
 - vi) when the task is essential to complete a project, and arises as a consequence of a recently completed assignment and engaging different providers for the new task would be inappropriate;
 - vii) where there is a clear benefit to be gained from maintaining continuity with an earlier project. However in such cases the benefits of such continuity must outweigh any potential financial advantage to be gained by competitive tendering;
 - viii) where in the case of healthcare services, it is in the best interests of patients to operate a pilot for the purposes of determining and evaluating a new service model. Pilots should operate for the minimum time possible to develop and evaluate the service model, be cost effective, and there should be a clear procurement plan for the end of the pilot period;
 - ix) for the provision of legal advice and services providing that any legal firm or partnership commissioned by the CCG is regulated by the Solicitors Regulatory Authority for the conduct of their business (or by the Bar Council for England and Wales in relation to the obtaining of counsel's opinion) and are generally recognised as having sufficient expertise in the area of work for which they are commissioned. The Chief Finance Officer will ensure that any fees paid are reasonable and within commonly accepted rates for the costing of such work.
 - x) where allowed and provided for in the Capital Investment Manual.

14.11. The waiving of competitive tendering procedures should not be used to avoid competition or for administrative convenience or to award further work to a consultant originally appointed through a competitive procedure.

14.12. Where it is decided that competitive tendering is not applicable and should be waived, the fact of the waiver and the reasons should be documented and recorded in an appropriate CCG record. If a CCG or CSU officer wishes to apply for a single tender waiver then the form attached as "Attachment A" must be submitted to the CFO for approval prior to the procurement exercise commencing, clearly stating the justification for waiver under this policy.

14.13. A summary of all waivers will be reported to the Audit Committee at each meeting.

15. COMMISSIONING

POLICY – working in partnership with relevant national and local stakeholders, the CCG will commission certain health services to meet the reasonable requirements of the persons for whom it has responsibility

- 15.1. The CCG will coordinate its work with NHS England, other clinical commissioning groups, local providers of services, local authority(ies), including through Health & Wellbeing Boards, patients and their carers and the voluntary sector and others as appropriate to develop robust commissioning plans.
- 15.2. The Accountable Officer will establish arrangements to ensure that regular reports are provided to the Governing Body detailing actual and forecast expenditure and activity for each contract.
- 15.3. The Chief Finance Officer will maintain a system of financial monitoring to ensure the effective accounting of expenditure under contracts. This should provide a suitable audit trail for all payments made under the contracts whilst maintaining patient confidentiality.

Joint Commissioning Arrangements

- 15.4. Where the CCG enters into arrangements with NHS England, other clinical commissioning groups or local authority(ies) to jointly commission services (as may be permissible under the relevant legislation) the Chief Finance Officer will maintain a system of financial monitoring to ensure:
- a) CCG financial contributions to any shared or pooled budgets are spent in accordance with the terms of the arrangements
 - b) Expenditure and reporting complies with statutory requirements and any other relevant directions

16. RISK MANAGEMENT AND INSURANCE

POLICY – the CCG will put arrangements in place for evaluation and management of its risks

- 16.1. The Accountable Officer will ensure that the CCG has effective arrangements in place to manage risk, which must be approved and monitored by the Governing Body. This will be achieved through the maintenance of a Risk Management Strategy, Board Assurance Framework and Corporate Risk Register.
- 16.2. The CCG has a risk management framework which aims to identify and minimise risks to the CCG of failing to meet its strategic objectives as set out in its commissioning strategy; ensure that risks to the quality, improvement and delivery of patient services and patient care are identified and minimised within agreed practical and financial limits; protect patients, staff and third parties from avoidable risks; minimise risk to the CCGs assets within agreed practical and financial limits; raise staff awareness of and use of risk management techniques; and provide compliance with national standards – clinical, financial and organisational.

16.3. The framework clearly describes the system of internal control and how the CCG through its governance structure, policies and processes will ensure that risks are identified, evaluated and mitigated. The framework sets how assurances will be received from committees / groups who have delegated authority to discharge the duties of the CCG (Governing Body, Operational Leadership Team, Audit and Remuneration Committees etc). The Governing Body has overall responsibility for managing risk associated with the CCG's activities. It will receive regular assurance that the key risks which potentially threaten the organisation's strategic objectives are being well managed and mitigated via the Governing Body Assurance Framework and Corporate Risk Register. The Governing Body will produce an annual statement of internal control (or annual governance statement) that it is doing its "reasonable best" to manage the CCG's affairs efficiently and effectively through the implementation of internal controls and the effective management of risk.

16.4. The Governing Body shall decide if the CCG will insure through the risk pooling schemes administered by the NHS Litigation Authority or self-insure for some or all of the risks covered by the risk pooling schemes. Where the Governing Body decides to use the risk pooling schemes administered by the NHS Litigation Authority, the Chief Finance Officer shall ensure that the arrangements entered into are appropriate and complementary to the risk management programme. The Chief Finance Officer shall ensure that documented procedures cover these arrangements.

Insurance arrangements with Commercial Insurers

16.5. There is a general prohibition on entering into insurance arrangements with commercial insurers. There are, however, three exceptions when CCGs may enter into insurance arrangements with commercial insurers. The exceptions are:

- a) for insuring motor vehicles owned by the CCG including insuring third party liability arising from their use;
- b) where the CCG is involved with a consortium in a Private Finance Initiative contract and the other consortium members require that commercial insurance arrangements are entered into;
- c) where income generation activities take place. Income generation activities should normally be insured against all risks using commercial insurance. If the income generation activity is also an activity normally carried out by the CCG for a NHS purpose the activity may be covered in the risk pool. Confirmation of coverage in the risk pool must be obtained from the Litigation Authority.

17. PAYROLL

POLICY – the CCG will put arrangements in place for an effective payroll service

17.1. The Chief Finance Officer will ensure that the payroll service selected:

- a) is supported by appropriate (i.e. contracted) terms and conditions;

- b) has adequate internal controls and audit review processes;
- c) has suitable arrangements for the collection of payroll deductions and payment of these to appropriate bodies.

17.2. In addition, the Chief Finance Officer shall set out comprehensive procedures for the effective processing of payroll, including a requirement to maintain an authorised signatory list detailing those officers with delegated authority to approve payroll related transactions on behalf of the CCG.

17.3. Where another health organisation or any other agency provides a payroll service, the Chief Finance Officer shall at least annually seek assurances that adequate controls are in operation.

18. PERMANENT, TEMPORARY OR AGENCY STAFF CONTRACTS

POLICY – the CCG will put arrangements in place for effective workforce establishment and agency staffing control processes

18.1. The Accountable Officer shall nominate officers with delegated authority to enter into contracts of employment regarding permanent staff, consultancy staff or agency interim staff service contracts.

Funded Establishment

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

18.3. The funded establishment of any department may not be varied without the approval of the Accountable Officer. It will not require Governing Body approval, as long as it remains within the overall annual budget.

Consultancy and Interim Staff

18.4. The Chief Finance Officer shall set out comprehensive procedures for the engagement of Management Consultancy support and Interim Staff.

19. NON-PAY EXPENDITURE

POLICY – the CCG will seek to obtain the best value for money goods and services received

19.1. The Governing Body will approve the level of non-pay expenditure on an annual basis and the Accountable Officer will determine the level of delegation to budget managers through the detailed operational scheme of delegation.

19.2. The Accountable Officer will set out the:

- a) list of managers who are authorised to place requisitions for the supply of goods and services;

- b) maximum level of each requisition and the system for authorisation above that level;
- c) procedures on the seeking of professional advice regarding the supply of goods and services;

Requisitioning

- 19.3.** 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 CCG. In so doing, the advice of the CCG's adviser on supply (CSU Procurement Manager) shall be sought. Where this advice is not acceptable to the requisitioner, the Chief Finance Officer (and/or the Accountable Officer) shall be consulted.

Official Purchase Orders

- 19.4.** Official Purchase Orders must:
- a) be consecutively numbered;
 - b) be in a form approved by the Chief Finance Officer;
 - c) state the CCG's terms and conditions of trade;
 - d) only be issued to, and used by, those duly authorised by the Accountable Officer;

System of Payment and Payment Verification

- 19.5.** The Chief Finance Officer 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, targets or best practice.
- 19.6.** The Chief Finance Officer will:
- a) advise the Governing Body on 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 the financial schedule of reservation delegation;
 - b) be responsible for the prompt payment of all properly authorised accounts and claims;
 - c) be responsible for designing and maintaining a system of verification, recording and payment of all amounts payable;
 - d) 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 paragraph below 19.7 "Prepayments";

Prepayments

- 19.7.** Prepayments are normally permitted where it is standard commercial practice

and a contractual obligation exists to do so, but otherwise only in exceptional circumstances. An example of an exceptional circumstance could be a prepayment to an NHS Foundation Trust which may be necessary if it is experiencing serious cash flow issues. Any such prepayment would be undertaken with guidance from NHS England and Monitor, and would normally be expected to be a short term measure whilst alternative arrangements for financing the provider's working capital requirements were agreed. The justification for such a prepayment would be that it is in the public interest to protect essential services. Such prepayments must be discussed with the Chief Finance Officer in the first instance.

20. PAYMENTS TO INDEPENDENT CONTRACTORS

POLICY – the CCG will put arrangements in place for an effective payment service to Independent Contractors

20.1. The CCG will approve additions to, and deletions from, approved lists of contractors, taking into account the health needs of the local population, and the access to existing services. All applications and resignations received shall be dealt with equitably, within any time limits laid down in the contractors NHS terms and conditions of service.

20.2. The Accountable Officer shall:

- a) ensure that lists of all contractors, for which the CCG is responsible, are maintained in an up to date condition;
- b) ensure that systems are in place to deal with applications, resignations, inspection of premises, etc, within the appropriate contractor's terms and conditions of service;

20.3. The Chief Finance Officer shall:

- a) ensure that contractors who are included on a Clinical commissioning group's approved lists receive payments;
- b) maintain a system of payments such that all valid contractors' claims are paid promptly and correctly, and are supported by the appropriate documentation and signatures;
- c) ensure that regular independent verification of claims is undertaken, to confirm that:
 - i) rules have been correctly and consistently applied;
 - ii) overpayments are detected (or preferably prevented) and recovery initiated;
 - iii) suspicions of possible fraud are identified and subsequently dealt with in line with the Secretary of State for Health's Directions on the management of fraud and corruption;
- d) ensure that arrangements are in place to identify contractors receiving exceptionally high, low or no payments, and highlight these for further investigation; and

- e) ensure that a prompt response is made to any query raised by either the Prescription Pricing Division of the NHS Business Services Authority, regarding claims from contractors submitted directly to them;

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

POLICY – the CCG will put arrangements in place to manage capital investment, manage private financing, maintain an asset register recording fixed assets and put in place policies to secure the safe storage of the CCG's fixed assets

- 21.1. As part of the financial planning process before the start of each financial year, CCGs are required to detail their capital plans which will then be either approved or rejected by NHS England. It is expected that the CCG will not be making material capital investments themselves.
- 21.2. For any capital plans which are approved, CCGs will then receive a capital resource limit and will have a statutory duty not to exceed this limit as set by NHS England.
- 21.3. The overall control of fixed assets is the responsibility of the Accountable Officer. The Accountable Officer will:
 - a) 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;
 - b) be responsible for the management of all stages of capital schemes and for ensuring that schemes are delivered on time and to cost;
 - c) shall ensure that the capital investment is not undertaken without confirmation of purchaser(s) support and the availability of resources to Finance all revenue consequences, including capital charges;
 - d) be responsible for the maintenance of registers of assets, taking account of the advice of the Chief Finance Officer concerning the form of any register and the method of updating, and arranging for a physical check of assets against the asset register to be conducted once a year. The fixed asset register supports the Annual Accounts and is therefore subject to audit.
- 21.4. The CCG should normally test for PFI when considering capital procurement. When the CCG proposes to use finance which is to be provided other than through its Allocations, the following procedures shall apply:
 - a) the Chief Finance Officer shall demonstrate that the use of private finance represents value for money and genuinely transfers significant risk to the private sector;
 - b) where the sum involved exceeds delegated limits, the business case must be referred to NHS England or in line with any current guidelines;
 - c) the proposal must be specifically agreed by the Governing Body;

- 21.5.** The Chief Finance Officer will prepare detailed procedures for:
- a) the regular reporting of expenditure and commitment against authorised expenditure;
 - b) the disposals of assets;
 - c) ensuring where practical, assets are marked as CCG property;

- 21.6.** All discrepancies revealed by verification of physical assets to the fixed asset register shall be notified to the Chief Finance Officer.

22. DISPOSALS AND CONDEMNATIONS, LOSSES AND SPECIAL PAYMENTS

POLICY – the CCG is required to have effective arrangements to manage assets and their disposal. They are also required to record and report upon losses and Special Payments.

Disposals and Condemnations

- 22.1.** It is acknowledged that the CCG has very few fixed assets, with no land, buildings or vehicles transferred to the CCG from closing organisations so the disposal of any fixed assets should be minimal. However, the Chief Finance Officer will prepare detailed procedures for the disposal of assets including condemnations, and ensure that these are notified to managers.
- 22.2.** When it is decided to dispose of a CCG asset, the Head of Service or authorised deputy will determine and advise the Chief Finance Officer of the estimated market value of the item, taking account of professional advice where appropriate.
- 22.3.** All unserviceable articles shall be:
- a) condemned or otherwise disposed of by an employee authorised for that purpose by the Chief Finance Officer;
 - b) recorded by the Condemning Officer in a form approved by the Chief Finance Officer which will indicate whether the articles are to be converted, destroyed or otherwise disposed of. All entries shall be confirmed by the countersignature of a second employee authorised for the purpose by the Chief Finance Officer.
- 22.4.** The Condemning Officer shall satisfy himself as to whether or not there is evidence of negligence in use and shall report any such evidence to the Chief Finance Officer who will take the appropriate action.

Losses and Special Payments

- 22.5.** The Chief Finance Officer will prepare procedural instructions on the recording of and accounting for condemnations, losses, and special payments.

- 22.6.** Any employee or officer discovering or suspecting a loss of any kind must either immediately inform their Head of Department, who must immediately inform the Accountable Officer and the Chief Finance Officer or inform an officer charged with responsibility for responding to concerns involving loss. This officer will then appropriately inform the Chief Finance Officer and/or Accountable Officer. Where a criminal offence is suspected, the Chief Finance Officer must immediately inform the police if theft or arson is involved. In cases of fraud and corruption or of anomalies which may indicate fraud or corruption, the Chief Finance Officer must inform the relevant Local Counter Fraud Officer and Operational Fraud Team (OFT) in accordance with Secretary of State for Health's Directions.

Suspected fraud

- 22.7.** The Chief Finance Officer must notify NHS Protect and the External Auditor of all frauds.
- 22.8.** For losses apparently caused by theft, arson, neglect of duty or gross carelessness, except if trivial, the Chief Finance Officer must immediately notify:
- a) the Governing Body; and
 - b) the External Auditor;
- 22.9.** Within limits delegated to it by NHS England, the Governing Body shall approve the writing-off of losses.
- 22.10.** The Chief Finance Officer shall be authorised to take any necessary steps to safeguard the CCG's interests in bankruptcies and company liquidations.
- 22.11.** For any loss, the Chief Finance Officer should consider whether any insurance claim can be made.
- 22.12.** The Chief Finance Officer shall maintain a Losses and Special Payments Register in which write-off action is recorded.
- 22.13.** No special payments exceeding delegated limits shall be made without the prior approval of the NHS England.
- 22.14.** All losses and special payments must be reported to the Audit Committee at every meeting.

23. RETENTION OF RECORDS

POLICY – the CCG will put arrangements in place to retain all records in accordance with NHS Code of Practice Records Management 2006 and other relevant notified guidance

- 23.1.** The Accountable Officer shall nominate an individual to act as the CCG's Caldicott Guardian who will:
- a) be responsible for maintaining all records required to be retained in accordance with NHS Code of Practice Records Management 2006 and other relevant notified guidance;

- b) ensure that arrangements are in place for effective responses to Freedom of Information requests as required by the relevant legislation;
- c) publish and maintain a Freedom of Information Publication Scheme;
- d) be responsible for ensuring that the CCG maintains compliance with all other relevant legislation including the Data Protection Act 1998;

23.2. The Chief financial Officer will act as the CCG's Senior Information Risk Owner (SIRO).

23.3. Information governance policies to facilitate the above will be approved by the Governing Body and the CCG will use the NHS Information Governance Toolkit to assess its performance in this area.

23.4. The Accountable Officer shall ensure that relevant records shall only be destroyed at the express instigation of the Accountable Officer. Detail shall be maintained of records so destroyed.

24. TRUST FUNDS AND TRUSTEES

POLICY – the CCG will put arrangements in place to provide for the appointment of trustees if the CCG holds property on trust

24.1. The CCG has responsibilities as a corporate trustee for the management of funds it holds on trust, and must comply with Charities Commission latest guidance and best practice.

24.2. The Chief Finance Officer shall ensure that each trust fund which the CCG is responsible for managing is managed appropriately with regard to its purpose and to its requirements.

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

POLICY – the CCG is required to have effective arrangements to manage acceptance of gifts and benefits in kind by staff as per the Standards of Business Conduct Policy and the Conflict of Interest Policy

25.1. The Accountable Officer shall ensure that all staff are made aware of the CCG Standards of Business Conduct policy and the Conflict of Interest policy, which cover acceptance of gifts and other benefits in kind by staff. These policies follow the guidance contained in the Department of Health circular HSG (93) 5 'Standards of Business Conduct for NHS Staff'; the Code of Conduct for NHS Managers 2002; and the ABPI Code of Professional Conduct relating to hospitality/gifts from pharmaceutical/external industry.

26. PRIMARY CARE CO-COMMISSIONING

POLICY – the CCG will

- Ensure that any decisions in respect of the Delegated Functions are only taken as laid out in Table 1 – Financial Limits within the Scheme of Delegation.

26.1. NHS England may, from time to time, update Table 1 by sending a notice to the CCG of amendments to Table 1.

Single Tender Action - Waiver of Competitive Purchase

This form must be used if three quotes are not obtained for orders between £10,001 and £50,000 or if a full tender exercise is not conducted for orders over £50,001. No orders can be placed until approval has been granted.

Request to Chief Finance Officer (CFO) or Accountable Officer (AO) for Approval

ORIGINATOR OF REQUEST			
DATE OF REQUEST			
DIRECTORATE			
CCG MAKING THE PURCHASE: (Delete as necessary)			
B&A CCG / Slough CCG / WAM CCG / ALL CCGS			
COST CENTRE			SUBJECTIVE
B&A CCG:-	Slough CCG:-	WAM CCG:-	
PROPOSED TRANSACTION and SUPPLIER			
<i>Supplier Name and Address:</i>			
<i>Total Value of Order: £</i>			
Bracknell and Ascot CCG:	Slough CCG	Windsor, Ascot and Maidenhead CCG:	
£	£	£	
DESCRIPTION OF GOODS / SERVICES BEING PROCURED			
JUSTIFICATION FOR REQUEST FOR WAIVER OF COMPETITIVE PURCHASE (Including full explanation and supporting documentation, to be provided by the originator)			
POTENTIAL OR ACTUAL CONFLICTS OF INTEREST			

Originator's signature.....
Date.....
Waiver approved by.....(CFO/AO)
Date.....
WAIVER NUMBER (Completed by PA to CFO/AO)
<i>CCG followed by number</i>
ENCLOSURES / ATTACHMENTS

Extract from CCG Prime Financial Policies

Formal tender for the procurement of services is always required except in the following circumstances:

- b) The procurement of Health Services as described in the Health and Social Care Act 2012.
- c) When the value of goods and services to be procured does not exceed £50,000 and is above £10,000. In this circumstance the procuring Officer should obtain a minimum of three written quotes, unless any of the exceptions below apply.
- d) No formal process is required for goods and services to be procured below the value of £10,000.
- e) The requirement to tender can be waived in the following circumstances:
 - i) where the requirement is covered by an existing contract;
 - ii) where framework agreements are in place and have been approved by the Governing Body;
 - iii) where a consortium arrangement is in place and a lead organisation has been appointed to carry out tendering activity on behalf of the consortium members;
 - iv) where the timescale genuinely precludes competitive tendering but failure to plan the work properly would not be regarded as a justification for a single tender;
 - v) where specialist expertise is required and is available from only one source;
 - vi) when the task is essential to complete a project, and arises as a consequence of a recently completed assignment and engaging different providers for the new task would be inappropriate;
 - vii) where there is a clear benefit to be gained from maintaining continuity with an earlier project. However in such cases the benefits of such continuity must outweigh any potential financial advantage to be gained by competitive tendering;
 - viii) where, in the case of healthcare services, it is in the best interests of patients to operate a pilot for the purposes of determining and evaluating a new service model. Pilots should operate for the minimum time possible to develop and evaluate the service model, be cost effective, and there should be a clear procurement plan for the end of the pilot period;
 - ix) for the provision of legal advice and services providing that any legal firm or partnership commissioned by the CCG is regulated by the Solicitors Regulatory Authority for the conduct of their business (or by the Bar Council for England and Wales in relation to the obtaining of counsel's opinion) and are generally recognised as having sufficient expertise in the area of work for which they are commissioned. The Chief Finance Officer will ensure that any fees paid are reasonable and within commonly accepted rates for the costing of such work.
 - x) where allowed and provided for in the Capital Investment Manual.

The waiving of competitive tendering procedures should not be used to avoid competition or for administrative convenience or to award further work to a consultant originally appointed through a competitive procedure. Where it is decided that competitive tendering is not applicable and should be waived, the fact of the waiver and the reasons should be documented and recorded in an appropriate CCG record...(the form) must be submitted to the CFO or AO for approval prior to the procurement exercise commencing, clearly stating the justification for waiver under this policy. A summary of all waivers will be reported to the Audit Committee at each meeting.

BERKSHIRE EAST CCG FINANCIAL SCHEME OF DELEGATION (FSoD) – AUTHORITY LIMITS

The Financial Scheme of Delegation (FSoD) lays down financial limits to the authority of CCG and CSU employees and others to commit or approve expenditure on behalf of the CCG.

Rules of Principle:

1. No individual is authorised to approve expenditure which exceeds the total of their delegated budget, or which is not in line with the purpose and strategy of the CCG.
2. A breach of delegated authority limits is a disciplinary offence for employees, and complying with the FSoD is a contractual requirement for the CSU.
3. A commitment relates to any agreement which creates a current or future liability for the CCG. The most common examples would be a requisition to place a purchase order, a contract or SLA agreement.
4. Notwithstanding the financial limit any commitment of strategic significance should be either approved or noted by CCG Governing bodies at the discretion of CCG Leads and Executives.
5. As a rule of principle CSU staff are not authorised to commit the CCG to a financial liability. This means that the signing of contracts and the approval of purchase orders must always be by an officer of the CCG, within his or her delegated authority. Once a commitment is approved CSU officers will operate within delegated authority limits to approve invoices.
6. Employees are only authorised to make commitments on cost centres for which they have delegated authority, while CCG Chairs and Executives can approve commitments across all cost centres within the CCG.
7. Wherever possible, commitments should be made in the form of requisitions and purchase orders on the Purchase to Pay (P2P) system.
8. If an invoice has not been preceded by an authorised commitment then delegated authority is the same as if it were a commitment.
9. CCG Governing Bodies do not authorise payment of individual invoices.
10. The value limit relates to one transaction or invoice (eg one month's payment under a provider contract). However the artificial splitting of transaction or invoice values to avoid an authority limit is not permitted.
11. All Commitments for Capital Expenditure require Chief Finance Officer (CFO) approval.
12. All values exclude VAT (unless otherwise stated).

REF	DUTIES / RESPONSIBILITIES	DELEGATED TO	FINANCIAL LIMIT
DEBTOR AND CREDITOR BALANCES			
1.	Review schedules of debtor and creditor balances that are over three months old and exceed the specified financial limit.	Audit Committee	Over £10,000
VIREMENT LIMITS			
2.	Virement for non-recurring purposes within approved revenue budgets. See Section 13 for Reserves.	AfC Band 8c and above	Up to £10,000
		Individual Directors and Deputy Chief Finance Officer	Up to £100,000
		Chief Finance Officer	Up to £250,000
		Accountable Officer	Up to £500,000
		Governing Body	Over £500,000
QUOTATION AND TENDER LIMITS			
3.	Informal Price Testing Three Quotations Competitive Tendering EU procurement threshold		Up to £10,000
			£10,001 to £50,000
			Over £50,000
		For supply and service contracts / design contests	Over £111,676 excl. VAT for Part A Services
		For works contracts only	Over £4,322,012
AUTHORISATION OF TENDERS AND QUOTATIONS			
4.	Providing all the conditions and circumstances set out in the Prime Financial Policies have been fully complied with, formal authorisation and awarding of a contract may be decided by the delegated officers in accordance with their specified financial limit.	AfC Band 7 and above	Up to £1,000
		AfC Band 8a and above	Up to £10,000
		AfC Band 8b and above	Up to £50,000
		AfC Band 8c and above	Up to £100,000
		Individual Directors and Deputy Chief Finance Officer	Up to £500,000
		CCG Chair / Accountable Officer / Chief Finance Officer	Up to £5,000,000
		CCG Governing Body	Over £5,000,000
WAIVING OF TENDER / QUOTATIONS			
5.	Delegated authority to waive tender or obtain quotations (in accordance with Standing Orders and Prime Financial Policies), or to accept a tender or quotation which is not the lowest. Tenders subject to EU tender regulations cannot be waived . All waivers are to be reported to the Audit Committee.	Accountable Officer or Chief Finance Officer	Up to £500,000
		Audit Committee	Up to £1,000,000
		CCG Governing Body	Over £1,000,000
RAISING REQUISITIONS			
6.	Authority to raise requisitions and validate goods received notes	Designated Authorised Officers	NIL

REF	DUTIES / RESPONSIBILITIES	DELEGATED TO	FINANCIAL LIMIT		
AUTHORISE REVENUE COMMITMENT – NON COMMISSIONING (Requisition, Purchase Order, Contract and SLA Approval)					
7.	<p>Delegated authority to approve revenue requisitions / expenditure generating a commitment, which relates to any agreement that creates a current or future liability for the CCG.</p> <p>These expenditure limits can only be exercised when all other relevant and applicable conditions and circumstances as set out in the Prime Financial Policies have been complied with. For example, quotations or tenders have been sought, the successful quotation or tender has been authorised by the relevant officer(s), and an approved budget is available.</p> <p>Commitment value limit relates to expenditure over the life of the commitment. Employees are only authorised to make commitments on cost centres for which they have delegated authority, while CCG Chairs and Directors can approve commitments across all cost centres.</p>	AfC Band 7 and above	Up to £1,000		
		AfC Band 8a and above	Up to £10,000		
		AfC Band 8b and above	Up to £20,000		
		AfC Band 8c and above	Up to £50,000		
		Individual Directors or Deputy Chief Finance Officer	Up to £100,000		
		Chief Finance Officer	Up to £500,000		
		Accountable Officer, following CCG Governing Body Approval	Over £500,000		
AUTHORISE REVENUE COMMITMENT – PROGRAMME COMMISSIONING FOR HEALTHCARE (Contract, SLA, Individual Funding Requests & NCAs)					
8.	<p>Delegated authority to approve revenue requisitions / expenditure generating a commitment, which relates to any agreement that creates a current or future liability for the CCG including contracts with Foundation Trusts, NHS Trusts, and partnership agreements with Local Authorities.</p> <p>Commitment value limit relates to expenditure over the life of the commitment. Employees are only authorised to make commitments on cost centres for which they have delegated authority, while CCG Chairs and Directors can approve commitments across all cost centres.</p> <p>For NCAs only: The CSU officer charged with checking NCA invoices can approve if:</p> <ul style="list-style-type: none"> • It can be confirmed that the CCG is the responsible commissioner • The pricing of the invoice is valid under PbR rules <p>If either of these checks are negative the invoice should be rejected, or a correction sought as appropriate.</p> <p>High cost placements only:</p> <ul style="list-style-type: none"> • Revenue commitment is agreed as a weekly financial limit rather than total 	AfC Band 8a and above – CCG & CSU	Up to £20,000		
		AfC Band 8b and above – CCG & CSU	Up to £50,000		
		AfC Band 8c and above – CCG & CSU	Up to £100,000		
		Individual Directors or Deputy Chief Finance Officer	Up to £250,000		
		Individual Directors and Deputy Chief Finance Officer	Up to £500,000		
		Accountable Officer or Chief Finance Officer	Up to £5,000,000		
		Accountable Officer, following CCG Governing Body Approval	Over £5,000,000		
				AfC Band 6 and above – CCG	Up to £850 per week
				AfC Band 7 and above – CCG	Up to £1,300 per week

	expenditure as the commissioner cannot estimate the likely length of most placements and therefore the total committed cost.	AfC Band 8c and above – CCG	Up to £2,000 per week
		Individual Directors or Deputy Chief Finance Officer	Up to £5,000 per week
		Individual Directors and Deputy Chief Finance Officer	Up to £10,000 per week
		Accountable Officer or Chief Finance Officer	Over £10,000 per week
REF	DUTIES / RESPONSIBILITIES	DELEGATED TO	FINANCIAL LIMIT
AUTHORISATION OF INVOICES (limits for the authorisation of invoices once a commitment has been made)			
9.	<p>Authorisation of invoices will usually be via the payment using the NHS SBS finance system. Important points to note are:</p> <ul style="list-style-type: none"> • CCG Governing Bodies do not authorise payment of invoices. • The value limit relates to a single invoice, e.g. one month's payment under a provider contract. The splitting of invoice values to avoid the authority limit is not permitted. • Employees are only authorised to make payments on cost centres for which they have delegated authority, while CCG Chairs and Directors can approve payments across all cost centres. <p>If an invoice has not been preceded by an authorised commitment it must be treated as if it were a commitment and the limits in Sections 7 and 8 above apply.</p>	AfC Band 8a and above – CCG & CSU	Up to £20,000
		AfC Band 8b and above – CCG & CSU	Up to £50,000
		AfC Band 8c and above – CCG & CSU	Up to £250,000
		Individual Directors or Deputy Chief Finance Officer	Up to £1,000,000
		Individual Directors and Deputy Chief Finance Officer	Up to £3,000,000
		Accountable Officer or Chief Finance Officer	Up to £5,000,000
		Accountable Officer and Chief Finance Officer	Over £5,000,000
HEALTHCARE AND CONSORTIUM CONTRACTS			
10.	Sign healthcare contracts and service level agreements on behalf of the CCG. The annual renewal of standard NHS contracts and consortium agreements do not require Governing Body approval. These types of commitment require the authorisation of the Accountable Officer.	Accountable Officer and Chief Finance Officer	No Limit
BUSINESS CASE APPROVAL (Revenue)			
11.	<p>Delegated authority to approve business cases relating to new investments</p> <p>Delegate authority from the BP&CC committee to the Urgent and Emergency Board and the CAMHS Transformation Boards the ability to authorise expenditure of the associated budgets or funding from NHSE specifically linked to the delivery of the NHSE assured plans for UEC and CAMHS transformation. These boards will report routinely into BP&CC on their use of the funding and provide assurance on its impact on achieving the targets for improvement as detailed in the plans.</p> <p>Delegate authority from the BP&CC committee to STP Leadership Group and associated sub-groups the ability to authorise expenditure of the associated budgets or funding from NHSE specifically linked to the delivery STP transformation plans. These</p>	Accountable Officer and Chief Finance Officer, acting jointly with CCG Chair or Vice Chair	Up to £250,000
		Business Planning and Clinical Commissioning Committee (BP&CC)	Up to £1,000,000
		CCG Governing Body	Over £1,000,000

	groups will report routinely into BP&CC on their use of the funding and provide assurance on its impact on achieving the targets for improvement as detailed in the plans		
REF	DUTIES / RESPONSIBILITES	DELEGATED TO	FINANCIAL LIMIT
BUSINESS CASE APPROVAL (Capital)			
12.	Delegated authority to approve business cases relating to new investments. As per National Guidelines issued by NHS England.	Chief Finance Officer CCG Governing Body	Up to £100,000 All capital cases within Allocation Limits
BALANCE SHEET AND RESERVES			
13.	Delegated Authority to approve balance sheet transactions and movements within the Balance Sheet	Deputy Chief Finance Officer Chief Finance Officer	Up to £1,000,000 Over £1,000,000
DISPOSALS			
14.	Competitive tendering or quotation procedures shall not apply to the disposal of items with an estimated sales value in accordance with the specified financial limit		Less than £5,000
AUTHORISE CAPITAL COMMITMENT			
15.	All Commitments for Capital Expenditure	Chief Finance Officer	Up to £500,000
		Accountable Officer, following CCG Governing Body Approval	Over £500,000
	Delegated authority to grant and terminate leases	Chief Finance Officer <u>or</u> Accountable Officer	Annual rent <£100k per annum and term of <5 years
		Chief Finance Officer <u>and</u> Accountable Officer	Annual rent >£100k per annum and term of >5 years
LOSSES AND SPECIAL PAYMENTS			
16.	(a) Delegated authority to approve losses and special payments. All losses to be notified to the Audit Committee.	Chief Finance Officer or Accountable Officer	Up to £50,000
	(b) Fruitless Payments (including abandoned Capital Schemes).	Audit Committee	Over £50,000
		Chief Finance Officer or Accountable Officer	Up to £100,000
	(c) Bad Debts and Claims Abandoned.	CCG Governing Body	Over £100,000
		Chief Finance Officer	Up to £100,000
	(d) Damage to buildings, fittings, furniture and equipment and loss of equipment and property in stores and in use due to: Culpable causes (e.g. fraud, theft, arson) or other up to £100,000.	Chief Finance Officer	Up to £100,000
(e) Compensation payments made under legal obligation.	Chief Finance Officer <u>or</u> Accountable	Up to £1,000,000	

		Officer	
	(f) Extra contractual payments to contractors up to £100,000.	Chief Finance Officer	Up to £100,000
	(g) Patients and staff for loss of personal effects.	Chief Finance Officer or Accountable Officer	Up to £5,000
	(h) For clinical negligence up to £1,000,000 (negotiated settlements)	Governing body	Up to £1,000,000
	(i) Other, except cases of maladministration where there was no financial loss by claimant.	Chief Finance Officer and Accountable Officer	Up to £50,000
	(j) Write off of Non-NHS debtors. Reported to Audit Committee for information.	Chief Finance Officer or Accountable Officer	Up to £250,000
GIFTS & HOSPITALITY			
17.	Maintain a register of declared gifts and hospitality received. Declaration required.	Head of Corporate Affairs	Items over £25
BIDS FOR EXTERNAL FUNDING			
18.	Delegated authority to submit bids for external funding NOTE: All bids requiring match-funding from the CCG must be approved by the Chief Finance Officer	Directors and Heads of Service Chief Finance Officer or Accountable Officer	Up to £100,000 Over £100,000
REF	DUTIES / RESPONSIBILITES	DELEGATED TO	FINANCIAL LIMIT
ENTRY INTO JOINT COMMISSIONING ARRANGEMENTS			
19.	Delegated authority to enter into Joint Commissioning arrangements with NHS England, other clinical commissioning groups or local authority(ies)	Chief Finance Officer and Accountable Officer CCG Governing Body	Up to £1,000,000 Over £1,000,000
RECRUITMENT OF STAFF (TEMPORARY OR PERMANENT)			
20.	Recruitment or replacement of staff within delegated budget and approved staff structure	Directors and Heads of Service	Within existing delegated budget
	Recruitment of staff above delegated budget and/or approved staff structure	Chief Finance Officer or Accountable Officer Accountable Officer and CCG Chair	Up to £100,000 Over £100,000
RELOCATION EXPENSES APPROVAL			
21.	Approval of Relocation Expenses (HMRC qualifying costs limit)	Chief Finance Officer	Up to £8,000
ENGAGEMENT OF CONSULTANCY AND AGENCY STAFF SUPPORT			
22.	Delegated authority to engage consultancy support and agency staff; amounts specified are in respect of any one individual, firm or role, and are cumulative in the case of extensions. <u>CCGs are required to obtain NHS England approval for any consultancy engagement over £50,000 (inclusive of irrecoverable VAT and other costs e.g. expenses) or for any extension to an existing contract that will result in a total contract value in excess of £50,000. The approval must be given by the relevant NHS England Director of Commissioning Operations and their Director of Finance. Any contract over £250,000 will need additional approval from Regional</u>	Directors and Deputy Chief Finance Officer Chief Finance Officer Accountable Officer and CCG Chair CCG Governing Body	Up to £25,000 Up to £150,000 Up to £500,000 Over £500,000

<p><u>Directors and Regional Directors of Finance.</u></p> <p><u>As of 1 August 2016, CCGs are also required to secure advance approval from NHS England before engaging or continuing to employ off-payroll staff who meet the following criteria:</u></p> <ul style="list-style-type: none"> • <u>Cost greater than £600 per day;</u> • <u>Are engaged for a period greater than six months; or</u> • <u>Are in roles of significant influence (e.g. Accountable Officers and directors).</u> <p><u>All CCG engagements above £600 but lower than £800 will require approval from the relevant NHS England Director of Commissioning Operations and their Director of Finance. Engagements above £800 will require additional approval from Regional Directors and Regional Directors of Finance, and any proposed engagements greater than £900 will also require the approval of the NHS England Commercial Executive Committee.</u></p> <p>All appointments must be made and managed under the HMT Guidance “Managing Public Money”</p>		
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Primary Care Co-Commissioning – Financial Limits and Approvals

Financial Limits and Approvals – Primary Care

1. The CCG shall ensure that any decisions in respect of the Delegated Functions and which exceed the financial limits set out below are only taken:
 - 1.1. by the following persons and/or individuals set out in column 2 of Table 1 below; and
 - 1.2. following the approval of NHS England (if any) as set out in column 3 of the Table 1 below.
2. NHS England may, from time to time, update Table 1 by sending a notice to the CCG of amendments to Table 1.

Table 1 – Financial Limits		
Decision	Person/Individual	NHS England Approval
General		
Taking any step or action in relation to the settlement of a Claim, where the value of the settlement exceeds £100,000	CCG Accountable Officer or Chief Finance Officer or Chair	NHS England Head of Legal Services and Local NHS England Team Director or Director of Finance
Any matter in relation to the Delegated Functions which is novel, contentious or repercussive	CCG Accountable Officer or Chief Finance Officer or Chair	Local NHS England Team Director or Director of Finance or NHS England Region Director or Director of Finance or NHS England Chief Executive or Chief Financial Officer
Revenue Contracts		
The entering into of any Primary Medical Services Contract which has or is capable of having a term which exceeds five (5) years	CCG Accountable Officer or Chief Finance Officer or Chair	Local NHS England Team Director or Director of Finance
<p>Capital</p> <p>Note: As at the date of this Agreement, the CCG will not have delegated or directed responsibility for decisions in relation to Capital expenditure (and these decisions are retained by NHS England) but the CCG may be required to carry out certain administrative services in relation to Capital expenditure under clause 13 (Financial Provisions and Liability).</p>		