

## **APPENDIX C – STANDING ORDERS**

### **1. STATUTORY FRAMEWORK AND STATUS**

#### **1.1. Introduction**

1.1.1. These standing orders have been drawn up to regulate the proceedings of the Group so that it can fulfil its obligations, as set out largely in the 2006 Act, as amended by the 2012 Act and related regulations. They are effective from the date the Group is established.

1.1.2. The standing orders, together with the Group's scheme of reservation and delegation<sup>1</sup> and the Group's prime financial policies<sup>2</sup>, provide a procedural framework within which the Group discharges its business. They set out:

- a) the arrangements for conducting the business of the Group;
- b) the appointment of Member Representatives;
- c) the procedure to be followed at meetings of the group, the Governing Body and any committees or sub-committees of the group or the Governing Body;
- d) the process to delegate powers,
- e) the declaration of interests and standards of conduct.

These arrangements must comply, and be consistent where applicable, with requirements set out in the 2006 Act (as amended by the 2012 Act) and related regulations and take account as appropriate<sup>3</sup> of any relevant guidance.

1.1.3. The standing orders, scheme of reservation and delegation and prime financial policies have effect as if incorporated into the Group's Constitution. Group members, employees, members of the Governing Body, members of the Governing Body's committees and sub-committees, members of the Group's committees and sub-committees and persons working on behalf of the Group should be aware of the existence of these documents and, where necessary, be familiar with their detailed provisions. Failure to comply with the standing orders, scheme of reservation and delegation and prime financial policies may be regarded as a disciplinary matter that could result in dismissal.

#### **1.2. Schedule of matters reserved to the Group and the scheme of reservation and delegation**

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<sup>1</sup> See Appendix D

<sup>2</sup> See Appendix E

<sup>3</sup> Under some legislative provisions the group is obliged to have regard to particular guidance but under other circumstances guidance is issued as best practice guidance.

1.2.1. The 2006 Act (as amended by the 2012 Act) provides the Group with powers to delegate the Group's functions and those of the Governing Body to certain bodies (such as committees) and certain persons.

1.2.2. The following matters require the calling of a general meeting at which a resolution might be discussed or the circulation of a written resolution to seek such consent) without such consent:

- a) Make recommendations to the National Commissioning Governing Body for changes to the constitution of the Group;
- b) Change the nature of the business of the Group or do anything inconsistent with the mission, values and aims of the Group as set out in the Constitution;
- c) Use any other name than that specified in Clause 1.1 of the Constitution in relation to the activities of the Group;
- d) Merge, amalgamate or federate the Group with any other clinical commissioning group;
- e) Seek to remove any Member or Member Representative for any reason other than those set out at Clauses 3.2.3 and 3.3.5 of the Constitution, respectively;
- f) Reorganise the boundaries of or change the number of Locality Committees or otherwise change the organisational structure of the Group.
- g) Change the content or nature of the Memorandum of Agreement;
- h) Final approval for the appointment to the Governing Body of the Chair, the Accountable Officer and the Clinical Members.

1.2.3. These decisions and also those delegated are contained in the Group's scheme of reservation and delegation (see Appendix D).

## **2. THE CLINICAL COMMISSIONING GROUP: COMPOSITION OF MEMBERSHIP, KEY ROLES AND APPOINTMENT PROCESS**

### **2.1. Composition of membership**

2.1.1. Chapter 3 of the Group's constitution provides details of the membership of the Group (also see Appendix B).

2.1.2. Chapter 6 of the Group's constitution provides details of the governing structure used in the Group's decision-making processes, whilst Chapter 7 of the constitution outlines certain key roles and responsibilities within the Group and its Governing Body, including the role of Member Representatives (Clause 7.1 of the constitution).

## 2.2. Key Roles

- 2.2.1. Paragraph 6.6.2 of the Group's Constitution sets out the composition of the Group's Governing Body whilst Chapter 7 of the Group's constitution identifies certain key roles and responsibilities within the Group and its Governing Body. These standing orders set out how the Group appoints individuals to these key roles.
- 2.2.2. In addition to the eligibility criteria set out in relation to each of the key roles below, any individual wishing to apply for any of the key roles must also meet any additional requirements set out in the CCG Regulations for the relevant role and must not be disqualified from appointment/ election to the relevant role pursuant to the CCG Regulations.
- 2.2.3. The Chair, whose role is described at Clause 7.3 of the Group's constitution, is subject to the following appointment process:
- a) **Nominations** – the post shall be advertised to eligible members of the Governing Body
  - b) **Eligibility** – the Chair shall be GP from an eligible member of the Governing Body. A majority of Member Representatives will be required to ratify the appointment.
  - c) **Appointment process** – All applicants submit a CV, followed by an assessment centre run by an external agency with an interview including at least a GP from a member practice, a nominee of the National Commissioning Governing Body, and external human resources expertise
  - d) **Term of office** – up to 3 years;
  - e) **Eligibility for reappointment** – remains a member of the Governing Body, subject to serving a maximum term of office of 9 years;
  - f) **Grounds for removal from office** -;
    - i) The post holder joins the LMC executive committee
    - ii) Any Member Representative with the support of Member Representatives together holding at least 20% of the nominated votes allocated to Member Representatives can, at a general meeting of the Council of Members, call a motion of no confidence in the chair. If Member Representatives together holding at least 75% of the nominated votes allocated to Member Representatives approve such a motion the post holder must stand down.
    - iii) The office holder is convicted of a criminal offence carrying a custodial sentence
  - g) **Notice period** – 6 months.
- 2.2.4. The Vice Chair as referred to at Clause 7.4 of the Group's constitution, is subject to the following appointment process:

- a) **Nominations** – any eligible member of the Governing Body may nominate themselves
- b) **Eligibility** – the Vice Chair shall be an existing member of the Governing Body.
- c) **Appointment process** – Vote of the Governing Body
- d) **Term of office** – annual renewal
- e) **Eligibility for reappointment** – remains a member of the Governing Body, subject to serving a maximum term of office of 9 years;

2.2.5. The Accountable Officer (incorporating Chief Officer), whose role is described at Clause 7.5 of the Group’s Constitution, is subject to the following appointment process:

- a) **Appointment process** – when the role becomes vacant a job description and person specification will be advertised widely followed by short-listing, psychometric and other testing and an interview. The interview panel shall include at least the Chair, the Accountable Officer and a member of the NHS Commissioning Governing Body or a nominee with the appropriate expertise.
- b) **Term of office** – this role is that of an employee and so there is no term of office
- c) **Grounds for removal from office** –
  - i) If, in the view of the Chair, the individual’s performance is not satisfactory under the Group’s capability policy
  - ii) The office holder is convicted of a criminal offence carrying a custodial sentence or is found guilty of gross misconduct as set out in the Group’s disciplinary policy
- d) **Notice period** – 6 months.

2.2.6. The Clinical Members of the Governing Body are subject to the following appointment process:

- a) **Eligibility** – A Clinical Member shall be either:
  - i) A Partner or salaried GP in a Group member practice
  - ii) Another practising primary care clinician
  - iii) Shall not be a member of the executive of any local representative committee
  - iv) Shall not be an employee of any NHS or private sector healthcare provider in Greater Manchester or Lancashire.
- b) **Nominations and Appointment process** – the following process shall be undertaken should a vacancy arise

- i) The job description will be advertised to all Member practice partners and salaried GPs
  - ii) Any such person may be nominated in writing to the Accountable Officer by two persons who are Member practice partners or salaried GPs. Those nominating the relevant individual must be from two different Member practices and shall not be from the same Member practice as the nominee
  - iii) Any such nominee shall submit an application form to an externally appointed assessment Governing Body. The assessment Governing Body shall not include any person who is an employee of the Group or a member of the Governing Body of the Group. The membership of the assessment Governing Body shall be approved by the Governing Body of the Group as competent to fulfil the function required of it.
  - iv) The assessment Governing Body shall assess and interview each candidate and make recommendations to the Group on the nominees' suitability
  - v) The Group shall in a process overseen by the LMC:
    - If there is only one recommended candidates to fill the post, by a vote approve or reject the recommendation by a simple majority;
    - If there are more than one recommended candidate, by a vote choose the person to fulfil the post. The candidate with the largest number of votes shall be appointed to the office.
  - vi) If the post cannot be filled from among the local GP community the Governing Body may extend the advertisement of the post to other local practicing primary care clinicians and follow the process described in b i) – b v) above.
- c) **Term of office** – up to 5 years
- d) **Eligibility for reappointment** – still meets the requirements set out at 2.2.6a, subject to serving a maximum term of office of 9 years
- e) **Grounds for removal from office** –
- i) The post holder joins the LMC executive committee
  - ii) Any Member representative with the support of Member Representatives together holding at least 20% of the nominated votes allocated to Member Representatives can at a general meeting call a motion of no confidence in a Clinical Member. If at Member Representatives together holding at least 75% of the nominated votes allocated to Member Representatives approve such a motion the post holder must stand down
  - iii) The office holder is convicted of a criminal offence carrying a custodial sentence
- f) **Notice period** – 6 months.

2.2.7. The Chief Finance Officer, whose role is described at Clause 7.6 of the Group's constitution, is subject to the following appointment process:

- a) **Eligibility** – is a qualified chartered accountant and meets the full person specification set out in the role job description
- b) **Appointment process** – when the role becomes vacant a job description and person specification will be advertised widely followed by short-listing, psychometric and other testing and an interview. The interview panel shall include at least the Chair, the Accountable Officer and a member of the NHS Commissioning Governing Body or a nominee with the appropriate expertise.
- c) **Term of office** – this role is that of an employee so there is no term of office
- d) **Grounds for removal from office** –
  - i) If in the view of the Chair and Accountable Officer the individual's performance is not satisfactory under the Group's capability policy
  - ii) The policy holder is for any reason removed from the Institute of Chartered Accountants
  - iii) The office holder is convicted of a criminal offence carrying a custodial sentence or is found guilty of gross misconduct as set out in the Group's disciplinary policy
- e) **Notice period** – 6 months.

2.2.8. The GP Locality Chairs are subject to the following appointment process:

- a) **Nominations** – any eligible person shall be entitled to put their name forward with the support of at least one other Member Representative. Such nominations must be received at least 7 days before the next Locality Committee meeting for the relevant locality.
- b) **Eligibility** – a GP Locality Chair must:
  - i) Be a partner or salaried doctor in a Group Member practice within the said locality; and
  - ii) Be a Member Representative of a Member practice
  - iii) Not be a member of the LMC Executive Committee
  - iv) Not be a Clinical Member, the Chair of the Governing Body, or the Accountable Officer of the Group
- c) **Appointment process** – GP Locality Chairs shall be elected by Member Representatives at a Locality Committee meeting for their respective locality in a process overseen by the LMC. Each Member Representative shall be able to vote in accordance with the number of votes set out at Clause 3.3 of the Constitution. If there is only one candidate a simple consensus of the meeting shall suffice. If there is more than one candidate the process for election described previously shall be undertaken.
- d) **Term of office** – up to 3 years;

- e) **Eligibility for reappointment** – the criteria described at b) above and re-election as described at c) above, subject to serving a maximum term of office of 9 years;
- f) **Grounds for removal from office** – the post-holder can be removed under the following circumstances:
  - i) The post holder is no longer a partner or salaried GP in a Member Practice in the relevant locality
  - ii) The post holder joins the LMC executive committee
  - iii) Any Member Representative from the relevant locality with the support of Member Representatives together holding at least 20% of the nominated votes allocated to Member Representatives in that locality can at a Locality Committee meeting call a motion of no confidence in the GP Locality Chair. If Member Representatives together holding at least 75% of the nominated votes allocated to Member Representatives in relevant locality approve such a motion the post holder must stand down.
  - iv) The office holder is convicted of a criminal offence carrying a custodial sentence
- g) **Notice period** – 3 months.

2.2.9. The Lay Members, are subject to the following appointment process:

- a) **Eligibility** – Lay members shall meet the requirements set out in the role function and specification
- b) **Appointment process** – when the role becomes vacant a job description and person specification will be advertised widely followed by short-listing, psychometric and other testing and an interview. The interview panel shall include at least the Chair of the Governing Body, the Chair of the governing body of a neighbouring clinical commissioning group and a member of the NHS Commissioning Governing Body or a nominee with the appropriate expertise.
- c) **Term of office** – the office holders will be appointed to the office for a period of up to 3 years
- d) **Eligibility for reappointment** – the criteria described at 2.2.10 a) are still applicable, subject to serving a maximum term of office of 9 years
- e) **Grounds for removal from office** –
  - i) The office holder takes up employment in the NHS
  - ii) The office holder fails to attend 75% or more of Governing Body meetings
  - iii) The office holder is convicted of a criminal offence carrying a custodial sentence
- f) **Notice period** – there will be a three month notice period

2.2.10. The Nurse Member is subject to the following appointment process:

- a) **Eligibility** – the Nurse Member must:
  - i) Be currently registered
  - ii) Have experience of working at Governing Body or senior committee level
  - iii) Not be an employee or member (including shareholder of) or a partner in any of the following:
    - A Member practice or any other person who is a provider of primary medical services for the purposes of Chapter A2 of the 2006 Act;
    - a body which provides any service as part of the health service to a person for whom the Group has responsibility pursuant to arrangements made by the Group in exercise of its functions (except in the circumstances set out Regulation 12 (2) of the CCG Regulations).
    - Any NHS or private sector healthcare provider in Greater Manchester or Lancashire
- b) **Appointment process** – when the role becomes vacant a job description and person specification will be advertised widely followed by short-listing, psychometric and other testing and an interview. The interview panel shall include at least the Chair of the Governing Body, a GP Locality Chair, and if the Chair of the Governing Body is not a lay member then one of the Governing Body lay members.
- c) **Term of office** – the nurse office will be appointed for a period of up to 3 years
- d) **Eligibility for reappointment** – the criteria described at 2.2.10 a) are still applicable, subject to serving a maximum term of office of 9 years
- e) **Grounds for removal from office** – the following are grounds for removal from office
  - i) The post holder's employment changes such that they are in breach of section a) iii) above or the post holder is otherwise in breach of section a) iii) above
  - ii) Removal from the NMC register
  - iii) The office holder fails to attend 75% or more Governing Body meetings
  - iv) The Governing Body passes a vote of no confidence by a majority of 75% of the members
  - v) The office holder is convicted of a criminal offence carrying a custodial sentence
- f) **Notice period** – there will be a three month notice period

2.2.11. The Secondary Care Specialist Doctor is subject to the following appointment process:



- a) **Eligibility** – the Doctor must:
- i) Be a registered medical practitioner who is or has been at any time in the period of ten years ending with the date of the individual's appointment to the Governing Body an individual who fulfils or fulfilled all the following three conditions:
    - their name is included in the specialist register kept by the GMC under Section 34D of the Medical Act 1983 or is eligible to be included in the register by virtue of the scheme referred to in subsection (2)(b) of that section;
    - the individual holds a post as an NHS consultant or in a medical specialty in the armed forces;
    - the individual's name is not included in the General Practitioner Register kept by the General Medical Council under Section 34C of the Medical Act 1983.
  - ii) Be practising in a hospital setting
  - iii) Have experience of working at Governing Body or senior committee level
  - iv) Not be an employee or member (including shareholder of) or a partner in of any of the following:
    - A Member practice or any other person who is a provider of primary medical services for the purposes of Chapter A2 of the 2006 Act;
    - a body which provides any service as part of the health service to a person for whom the Group is responsible pursuant to arrangements made by the Group in exercise of its functions (except in the circumstances set out Regulation 12 (2) of the CCG Regulations).
    - any NHS or private sector healthcare provider in Greater Manchester or Lancashire
- b) **Appointment process** – when the role becomes vacant a job description and person specification will be advertised widely followed by short-listing, psychometric and other testing and an interview. The interview panel shall include at least the Chair of the Governing Body, a GP Locality Chair, and if the Chair of the Governing Body is not a lay member then one of the Governing Body lay members.
- c) **Term of office** – the doctor office will be appointed for a period of up to 3 years
- d) **Eligibility for reappointment** – the criteria described at 2.2.10 a) are still applicable, subject to serving a maximum term of office of 9 years
- e) **Grounds for removal from office** – the following are grounds for removal from office
- i) The post holders employment changes such that they are in breach of section a) iv) above or they are otherwise in breach of section a) iv) above
  - ii) The post holder fails to attend 75% or more Governing Body meetings
  - iii) The Governing Body pass a vote of no confidence by a majority of 75% of the members

iv) The office holder is convicted of a criminal offence carrying a custodial sentence

f) **Notice period** – there will be a three month notice period

2.2.12. The roles and responsibilities of each of these key roles are set out either in Clause 6.5.2 or Chapter 7 of the Group's constitution.

### **3. MEETINGS OF THE GOVERNING BODY AND ITS COMMITTEES AND SUB-COMMITTEES**

#### **3.1. Calling Governing Body Meetings**

- 3.1.1. The date, time and venue of all Governing Body meetings will be made public with at least seven days notice on the Group's website. The notice shall include the agenda and subject to Standing Order 3.8.8 below, all papers related to the agenda shall be similarly made available to the public and the Members one week before the meeting.
- 3.1.2. The Governing Body shall meet in public no less than 8 times per year and no more than three months apart.
- 3.1.3. It shall be normal practice of the Governing Body to hold meetings in accessible premises in each locality once per year.
- 3.1.4. Notice of Governing Body meetings must be given to each member of the Governing Body in writing and all papers related to the agenda shall be sent to the members of the Governing Body no later than one week before the meeting.
- 3.1.5. The accidental omission to effectively serve notice on all members does not affect the validity of the meeting, or any business conducted at it.
- 3.1.6. The agenda will be agreed between the Accountable Officer and the Chair of the Governing Body.
- 3.1.7. The Chair of the Governing Body will determine those items that need to be discussed in private in line with statute and national guidance for example matters of staff discipline, or where patient or commercial confidentiality is likely to be breached. A note of the items (without content) to be discussed in such a way shall normally be published in the agenda. A full list of such items shall be published at the Annual General Meeting.
- 3.1.8. Any papers relating to items that are to be discussed in private by the Governing Body shall not be made public.

#### **3.2. Attendance and Speaking at Governing Body Meetings**

- 3.2.1. Members of the public and Member Representatives will be allowed to ask questions at Governing Body meetings but will not be allowed to contribute to the discussion unless expressly invited to do so by the Chair.
- 3.2.2. The Governing Body may co-opt such other person(s) to attend all or any of its meetings, or part(s) of a meeting, in order to assist in its decision making and in its discharge of its functions as it sees fit. Any such person may speak and participate in debate but may not vote.

### **3.3. Quorum and Chairing of Governing Body Meetings**

- 3.3.1. The quorum of the Governing Body shall be 9 members, at least 5 of whom are practising clinicians.
- 3.3.2. The Governing Body shall normally look to make decisions by consensus. However should the need for a vote arise the following rules shall apply:
- a) If the numbers of votes of those attending for or against a proposal are equal, the Chair of the Governing Body or other person chairing the meeting has a casting vote.
  - b) Any decision of the Governing Body must be decided by a majority decision of those present and eligible to vote.
  - c) Should a vote be taken the outcome of the vote, and any dissenting views, must be recorded in the minutes of the meeting.
- 3.3.3. At any meeting of Governing Body the Chair if present, shall preside. If the Chair is absent from the meeting, the Deputy Chair, if any and if present, shall preside.
- 3.3.4. If the Chair is absent temporarily on the grounds of a declared conflict of interest the Deputy Chair, if present, shall preside. If both the Chair and Deputy Chair are absent, or are disqualified from participating, or there is neither a Chair nor Deputy Chair, a member of the Governing Body, shall be chosen by the members present, or by a majority of them, and shall preside.

### **3.4. Minutes**

- 3.4.1. The minutes of the proceedings of a meeting shall be drawn up and submitted for agreement at the next meeting where they shall be signed by the person presiding at it as a true record.
- 3.4.2. No discussion shall take place upon the minutes except upon their accuracy or where the person presiding at the meeting considers discussion appropriate.

### **3.5. Petitions**

- 3.5.1. Where a petition has been received by the Group, the Chair of the Governing Body shall include the petition as an item for the agenda of the next meeting of the Governing Body.

### **3.6. Committees and Sub-Committees of the Governing Body**

- 3.6.1. The Governing Body may arrange for any of its functions to be exercised on its behalf by any member of the Governing Body, any member of the Group who is an individual and not a member of the Governing Body, any employee or any

committee or sub-committee of the Governing Body as it thinks fit, but the terms of any such delegation are set out in the Scheme of Delegation which are publically available; or by a specific instruction recorded in the minutes.

- 3.6.2. At any meeting of a committee or sub-committee of the Governing Body, the chair of the relevant committee or sub-committee, if any and if present, shall preside. Any such committee shall have terms of reference and have at least one member of the Governing Body in attendance to be quorate. If the chair is absent from the meeting, the deputy chair, if any and if present, shall preside.
- 3.6.3. If the chair is absent temporarily on the grounds of a declared conflict of interest the deputy chair, if present, shall preside. If both the chair and deputy chair are absent, or are disqualified from participating, or there is neither a chair or deputy a member of the committee or sub-committee respectively shall be chosen by the members present, or by a majority of them, and shall preside.
- 3.6.4. For any meetings of the Governing Body's committees and sub-committee, the details of the process for holding a vote and all other matters set out in 4.1-4.4 above are set out in the appropriate terms of reference.
- 3.6.5. Unless they are a member of a committee or sub-committee of the Governing Body, no member of the public or press, or of any other individual who is not a Member Representative shall attend committees or sub-committees except by the express permission of the chair of that committee or sub-committee

## **4. RECORD KEEPING**

- 4.1.1. The Governing Body must keep and publish (excluding in relation to those meetings or parts of meetings of the Governing Body from which the public are excluded pursuant to the Constitution):
- a) Minutes of all
    - i) Annual General Meetings and General Meetings of the Council of Members;
    - ii) Meetings of the Governing Body and any committee or sub-committee carrying out functions or powers on its behalf, including:
      - The names of persons present at the meeting;
      - The decisions made at the meeting;
      - Where appropriate the reasons for the decision.
  - b) A register of all Members and Member Representatives.
  - c) Any such minutes shall be made available or copied on request to any Member.
  - d) Any such minutes agreed at the subsequent meeting shall be sufficient evidence without further proof of the facts stated in such minutes.

- e) No discussion shall take place on the minutes of any meeting.

## **5. EMERGENCY POWERS AND URGENT DECISIONS**

- 5.1.1. The Group will delegate responsibility for emergency powers and urgent decisions to a group of at least four members of the Governing Body that must include at least one from each of the following pairs of members:
- 5.1.2.
  - a) The Chair or Deputy-Chair of the Governing Body
  - b) The Accountable Officer or another Clinical Member of the Governing Body
  - c) The Chief Operating Officer or the Chief Finance Officer
- 5.1.3. The Chair or the Deputy-Chair of the Governing Body will convene the group either in person or by a virtual means.
- 5.1.4. The Chair or Deputy-Chair of the Governing Body will determine what constitutes an emergency or urgent decision
- 5.1.5. All such decisions will be reported to the Governing Body at its next meeting within the Chair's report with an explanation of:
  - a) What the decision was
  - b) Why it was deemed an emergency or urgent decision,
  - c) Who was in the group convened to make the decision
- 5.1.6. A record of matters discussed during the meeting shall be kept. These records shall be made available to the Governing Body's Audit Committee for review of the reasonableness of the decision to take such action.

## **6. SUSPENSION OF STANDING ORDERS**

- 6.1.1. Except where it would contravene any statutory provision or any direction made by the Secretary of State for Health or the NHS Commissioning Governing Body, any part of these standing orders may be suspended at any meeting of the Governing Body, provided all members present are in agreement.
- 6.1.2. A decision to suspend standing orders together with the reasons for doing so shall be recorded in the minutes of the meeting.
- 6.1.3. A separate record of matters discussed during the suspension shall be kept. These records shall be made available to the Governing Body's audit committee for review of the reasonableness of the decision to suspend standing orders.

## **7. APPOINTMENT OF COMMITTEES AND SUB-COMMITTEES**

### **7.1. Appointment of committees and sub-committees**

- 7.1.1. The Group may appoint committees and sub-committees of the Group, subject to any regulations made by the Secretary of State<sup>4</sup>, and make provision for the appointment of committees and sub-committees of its Governing Body. Where such committees and sub-committees of the Group, or committees and sub-committees of its governing body, are appointed they are included in Chapter 6 of the Group's constitution.
- 7.1.2. Other than where there are statutory requirements, such as in relation to the Governing Body's audit committee or remuneration committee, the Group shall determine the membership and terms of reference of committees and sub-committees and shall, if it requires, receive and consider reports of such committees at the next appropriate meeting of the Group.
- 7.1.3. The provisions of these standing orders shall apply where relevant to the operation of the Governing Body, the Governing Body's committees and sub-committee and all committees and sub-committees unless stated otherwise in the committee or sub-committee's terms of reference.

## **7.2. Terms of Reference**

- 7.2.1. Terms of reference shall have effect as if incorporated into the constitution and shall be added to this document as an appendix.

## **7.3. Delegation of Powers by Committees to Sub-committees**

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

## **7.4. Approval of Appointments to Committees and Sub-Committees**

- 7.4.1. The Group shall approve the appointments to each of the committees and sub-committees which it has formally constituted including those of the Governing Body. The Group shall agree such travelling or other allowances as it considers appropriate.

## **8. DUTY TO REPORT NON-COMPLIANCE WITH STANDING ORDERS AND PRIME FINANCIAL POLICIES**

- 8.1. 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 Governing Body for action or ratification. All members of the Group and staff

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<sup>4</sup> See section 14N of the 2006 Act, inserted by section 25 of the 2012 Act

have a duty to disclose any non-compliance with these standing orders to the accountable officer as soon as possible.

## **9. USE OF SEAL AND AUTHORISATION OF DOCUMENTS**

### **9.1. The Group's seal**

9.1.1. The Group may have a seal for executing documents where necessary. The following individuals or officers are authorised to authenticate its use by their signature subject to the Scheme of Delegation:

- a) the accountable officer;
- b) the chair of the Governing Body;
- c) the chief finance officer;

### **9.2. Execution of a document by signature**

9.2.1. The following individuals are authorised to execute a document on behalf of the group by their signature.

- a) the accountable officer
- b) the chair of the Governing Body
- c) the chief finance officer

## **10. OVERLAP WITH OTHER CLINICAL COMMISSIONING GROUP POLICY STATEMENTS / PROCEDURES AND REGULATIONS**

### **10.1. Policy statements: general principles**

10.1.1 The Group will from time to time agree and approve policy statements / procedures which will apply to all or specific groups of staff employed the Group. The decisions to approve such policies and procedures will be recorded in appropriate minutes of the meeting



## **APPENDIX D – SCHEME OF RESERVATION & DELEGATION**

1. **SCHEDULE OF MATTERS RESERVED TO THE CLINICAL COMMISSIONING GROUP AND SCHEME OF DELEGATION**
- 1.1. The arrangements made by the group as set out in this scheme of reservation and delegation of decisions shall have effect as if incorporated in the group's constitution.
- 1.2. The clinical commissioning group remains accountable for all of its functions, including those that it has delegated.

### **SCHEME OF RESERVATION AND DELEGATION FOR NHS BURY CLINICAL COMMISSIONING GROUP**

*The following abbreviations apply:*

AO	<i>The Accountable Officer</i>
COO	<i>Chief Operating Officer</i>
CFO	<i>Chief Finance Officer</i>

*Committees referred to below are:*

*The CCG Governing Body  
National Commissioning Governing Body (NCB)  
Commissioning Support Service (CSS)  
CCG Audit Committee  
CCG Remuneration and Terms of Service Committee*



<p><b>DECISIONS RESERVED TO THE CLINICAL COMMISSIONING GROUP (“The Group”)</b></p> <p><b>General Enabling Provision</b></p> <p>1. The Group may determine any matter, for which it has statutory authority if it wishes in full session within its statutory powers. It may also delegate authority to exercise any of its functions to:</p> <ul style="list-style-type: none"> <li>• Any of its members</li> <li>• Its Governing Body</li> <li>• Employees</li> <li>• Any committee or sub-committee it chooses to establish</li> <li>• Any member of the Governing Body who is not a member but who is specified in either 6.6.2 (d) or 6.6.2 (i) of the Constitution</li> </ul>
<p><b>Regulations and Control</b></p> <p>2. Matters requiring the prior consent of a special resolution of the Group and no action can be taken by the CCG Governing Body (except the calling of a General Meeting at which such a resolution might be discussed or circulation of a written resolution to seek such consent]) without such consent:</p> <ul style="list-style-type: none"> <li>a) Make recommendations to the National Commissioning Governing Body for changes to the constitution of the group with the exception of: <ul style="list-style-type: none"> <li>i) specific changes required by regulation as set out at clause 1.4.1</li> </ul> </li> <li>b) Change the nature of the business of the CCG or do anything inconsistent with the Objects; or</li> <li>c) Use any other name than that specified in Clause 2 in relation to the activities of the CCG;</li> <li>d) Merge amalgamate or federate the CCG with any other CCG; or</li> <li>e) Remove any Member or Member Representative for any reason other than those set out at Clauses 3.2.3 and 3.3.5;</li> <li>f) Reorganise the boundaries of or change the number of Locality Committees</li> </ul>
<p>3. Approve Standing Orders (SOs), a schedule of matters reserved to the Governing Body and Standing Financial Instructions for the regulation of its proceedings and business.</p>
<p>4. Suspend Standing Orders</p>
<p>5. Vary or amend the Standing Orders</p>
<p>6. Approve a scheme of delegation of powers from the Governing Body to its Committees</p>
<p>7. Establish terms of reference and reporting arrangements of all committees and sub-committees that are established by the CCG Group.</p>
<p><b>Strategy, Strategic Plan and Budgets</b></p>
<p>8. Define the strategic aims and objectives of the CCG</p>
<p>9. Work with the NHS National Commissioning Governing Body on how it might structure its local interfaces for primary care commissioning, oversight and support of clinical commissioning, and regional and national specialist commissioning</p>
<p>10. Approve proposals for ensuring quality and developing clinical governance in services commissioned by the CCG or provided by their constituent practices having regard to any guidance issued by the Secretary of State.</p>

<b>DECISIONS RESERVED TO THE CCG GOVERNING BODY (“The Governing Body”)</b>
<b>General Enabling Provision</b>
1. The Governing Body may determine any matter for which it has been given delegated authority by the CCG
<b>Regulations and Control</b>
2. Require and receive the declaration of Governing Body members’ interests, which may conflict, with those of the CCG and, taking account of any waiver, which the Secretary of State for Health may have made in any case, determining the extent to which that member may remain involved with the matter under consideration.
3. Require and receive the declaration of officers’ interests that may conflict with those of the CCG.
4. Approve arrangements for dealing with complaints
5. Determine the organisation structures, processes and procedures to facilitate the discharge of business by the CCG and to agree modifications thereto.
6. Receive reports from committees, including those that the CCG are required by the Secretary of State or other regulation to establish, and to action appropriately.
7. Confirm the recommendations of the CCG Governing Body’s committees where the committees do not have executive powers.
8. Approve arrangements relating to the discharge of the CCG’s responsibilities as corporate trustee for funds held on trust.
9. Authorise use of the seal
10. Discipline members of the CCG Governing Body or employees who are in breach of statutory requirements or SOs.
11. Approve any urgent decisions taken by the Chair of the Governing Body and AO for ratifications by the CCG Governing Body in public session as define in Section 2.14 of the Constitution.
<b>Appointments/ Dismissal</b>
12. Appoint the Vice Chair(s) of the Governing Body
13. Appoint and dissolve committees and individual members that are directly accountable to the CCG Governing Body with the approval of the National Commissioning Governing Body.
14. Approve proposals of the Remuneration Committee regarding directors and senior employees, and those of the AO for staff not covered by the Remuneration Committee.
15. Appoint, appraise, discipline and dismiss officer members.
16. Confirm appointment of members of any committee of CCG Governing Body as representatives on outside bodies.
<b>Strategy, Strategic Plan and Budgets</b>
17. Identify the key strategic risks, evaluate them and ensure adequate responses are in place and are monitored.
18. Sustain commissioning expertise through transition and enable it to be formed into effective commissioning support arrangements from which consortia can choose.
19. Take on responsibility for integrated plans and the QIPP plan implementation
20. Approve plans in respect of the application of available financial resources to support the agreed Strategic Plan
21. Agree policies and procedures for the management of risk.
22. Approve Outline and Final Business Cases for Investment
23. Approve budgets.
24. Approve, annually, the CCG’s proposed organisational development proposals.
25. Approve contracts to provide Primary Care Services, or for the CCG to have contracts with Primary Care Providers to provide services to some or all of the CCG’s population
26. Approve the opening of bank accounts.

27. Approve proposals in individual cases for the write off of losses or making of special payments above the limits of delegation of the COO and CFO (for losses and special payments)
28. Approve individual compensation payments, subject to Department of Health guidance.
29. Approve proposals for action on litigation against, or on behalf of, the CCG.
<b>Audit</b>
30. Receive reports of the Audit Committee, Quality and Risk Committee (to include organisational risk, equality and diversity and CAS alerts, health, safety and scrutiny and take appropriate action.
31. Approve the appointment (and, where necessary, dismissal) of External Auditors and advise the Audit Commission on the appointment (and, where necessary, change/removal) of external Auditors including arrangements for the separate audit of funds held on trust.
32. Receive the annual management letter from the Internal Auditors, taking account of the advice, where appropriate, of the Audit Committee
33. Receive an annual report from the professional lead Internal Auditor and agree action on recommendations, where appropriate, of the Audit Committee
<b>Annual Reports and Accounts</b>
34. Approval of Annual Report and Annual Accounts
35. Approval of the Annual Report and Accounts for Funds held on Trust
36. Approval of the Annual Report of the Director of Public Health.
<b>Monitoring</b>
37. Receipt of such reports as the Governing Body sees fit from its committees in respect of its exercise of powers delegate.

## DECISIONS/DUTIES DELEGATED BY THE CCG GOVERNING BODY TO COMMITTEES

REF	COMMITTEE	DECISIONS/DUTIES DELEGATED BY THE CCG GOVERNING BODY TO COMMITTEES AND TO ITS SUB-COMMITTEES
	<b>Governing Body</b>	The body appointed under section 14L of the NHS Act 2006 (as inserted by section 25 of the 2012 Act), with the main function of ensuring that a clinical commissioning group has made appropriate arrangements for ensuring that it complies with its obligations under section 14Q under the NHS Act 2006 (as inserted by section 26 of the 2012 Act), and such generally accepted principles of good governance as are relevant to it.
	<b>Audit Committee</b>	<p>The Committee will:</p> <ul style="list-style-type: none"> <li>i) Advise the Governing Body on internal and external audit services</li> <li>ii) Advise on the establishment and maintenance of effective systems of integrated governance, risk management and internal control, across the whole of the organisation's activities (both clinical and non-clinical), that supports the achievement of the organisation's objectives</li> <li>iii) Monitor compliance with Standing Orders and Standing Financial Instructions</li> <li>iv) Review schedules of losses and compensations and make recommendations to the CCG Governing Body</li> <li>v) Review the annual financial accounts prior to submission to the National Commissioning Governing Body.</li> </ul>
	<b>Remuneration &amp; Terms of Service Committee</b>	<p>The Committee will:</p> <ul style="list-style-type: none"> <li>i) Determine appropriate remuneration and terms of service for the AO, COO and other Executive Directors and other senior employees on VSM pay scales and Agenda for Change band 9 and above, including: <ul style="list-style-type: none"> <li>• All aspects of salary (including any performance-related elements/bonuses)</li> <li>• Provisions for other benefits, including pensions and cars</li> <li>• Arrangements for termination of employment and other contractual terms.</li> </ul> </li> <li>ii) Determine remuneration and terms of service of relevant senior employees to ensure they are fairly rewarded for their individual contribution – having proper regard to the organisation's circumstances and performance, and to the provisions of any national arrangements for such staff.</li> <li>iii) Calculate and scrutinise termination payments taking account of such national guidance as is appropriate, advise on, and oversee appropriate contractual arrangements for such staff.</li> <li>iv) The minutes of the Remuneration Committee shall be formally recorded and submitted to the CCG Governing Body.</li> </ul>

REF	COMMITTEE	DECISIONS/DUTIES DELEGATED BY THE CCG GOVERNING BODY TO COMMITTEES AND TO ITS SUB-COMMITTEES
	<b>Quality and Risk Committee</b>	<p>The committee is accountable to the group's governing body for monitoring the quality and performance of commissioned services and initiating performance interventions. The governing body has conferred or delegated the following functions, connected with the governing body's main function, to its Quality and Risk Committee:</p> <ul style="list-style-type: none"> <li>i) Monitor quality and performance of all commissioned providers</li> <li>ii) Routine monitoring and oversight of Children's and Vulnerable Adult protection policies</li> <li>iii) Instigate performance intervention in line with the Quality strategy and contract clauses</li> <li>iv) Identify major quality improvement requirements and escalate</li> <li>v) Developing policies and strategies related to its area of responsibility</li> </ul>
	<b>Clinical Cabinet</b>	<p>The committee is accountable to the group's governing body to set the Clinical Strategy and ensure that NHS Bury Clinical Commissioning Group remains in financial balance, whilst commissioning high quality services and ensure appropriate links to the wider Primary Care Regulatory function. e.g. NHS Commissioning Board</p> <p>The governing body has conferred or delegated the following functions, connected with the governing body's main function, to its Clinical Policy Committee:</p> <ul style="list-style-type: none"> <li>i) Setting Clinical and Effective use of Resources policies for the group including prescribing policies</li> <li>ii) Managing exceptionality</li> <li>iii) Advising the Governing Body on latest clinical evidence in decision making</li> <li>iv) Prioritising clinical policy implementation</li> <li>v) Providing advice on setting quality standards including CQUIN</li> <li>vi) Promoting research and the use of research evidence</li> </ul>
	<b>Patient Cabinet</b>	<p>The committee is accountable to the group's governing body and will:</p> <ul style="list-style-type: none"> <li>i) Contribute to the identification and appraisal of opportunities to effect change across the health and social care economy</li> <li>ii) Contribute to CCG discussions about prioritising resources to meet the needs of local people</li> <li>iii) Identify and review the potential implications for Bury people of CCG plans</li> <li>iv) Communicate the strategic direction &amp; vision of the CCG throughout the members' networks</li> <li>v) Receive and advise on issues regarding public engagement raised by the CCG Governing Body or other decision making bodies</li> <li>v) Receive, appraise and comment on reports detailing the patient experience of commissioned services</li> </ul>

## SCHEME OF DELEGATION DERIVED FROM THE ACCOUNTABLE OFFICER MEMORANDUM

AO REF	DELEGATED TO	DELEGATED TO	DUTIES DELEGATED
10	AO		Accountable through NHS Accountable Officer Memorandum to Parliament for stewardship of the CCG's resources
12	AO & CFO		Ensure the accounts of the CCG are prepared under principles and in a format directed by the Secretary of State. Accounts must disclose a true and fair view of the CCG's income and expenditure and its state of affairs. AO and CFO to sign the accounts on behalf of the CCG Governing Body
13	AO		Sign a statement outlining responsibilities in respect of Internal Control.
15&16	AO	CFO	Ensure effective management systems that safeguard public funds and assist Chair of the Governing Body to implement requirements of integrated governance including ensuring managers: <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>
15	Governing Body Chair		Implement requirements of corporate governance
18	AO	CFO	Achieve value for money from the resources available to the CCG and avoid waste and extravagance in the organisation's activities.  Follow through the implementation of any recommendations affecting good practice as set out in reports from such bodies as the Audit Commission and the National Audit Office (NAO).  Use to best effect the funds available for healthcare, developing services and promoting health to meet the needs of the local population.
20	CFO		Operational responsibility for effective and sound financial management and information.
20	AO	CFO	Primary duty to see that CFO discharges this function
21	AO	CFO	Ensuring that expenditure by the CCG complies with Parliamentary requirements



AO REF	DELEGATED TO	DELEGATED TO	DUTIES DELEGATED
22	AO	COO/CFO	The Codes of Conduct and Accountability incorporated in the Corporate Governance Framework issued to NHS Governing Bodies by the Secretary of State are fundamental in exercising their responsibilities for regularity and probity. As a CCG Governing Body member, they have explicitly subscribed to the Codes and should promote observance by all staff
23	AO	COO	COO supported by the CFO, to ensure appropriate advice is given to the CCG Governing Body and relevant committees on all matters of probity regularity, prudent and economical administration, efficiency and effectiveness.
24	AO	COO	If the COO considers that any CCG Governing Body member is doing something that might infringe probity or regularity, he/she should set this out in writing to the Chair of the Governing Body and the CCG Governing Body. If the matter is unresolved, he/she should ask the Audit Committee to inquire and if necessary the National Commissioning Governing Body and Department of Health.
26	AO	COO	If the CCG Governing Body is contemplating a course of action that raises an issue not of formal propriety or regularity but affects the AO/COO responsibility for value for money, the AO/COO must draw the relevant factors to the attention of the CCG Governing Body. If the outcome is that the AO/COO is overruled it is normally sufficient to ensure that the AO/COO's advice and the overruling of it are clearly apparent from the papers (exceptionally, the AO/COO must inform NCB and DH. In such cases, and in those described in reference 24, the CE/COO should as a member of the CCG Governing Body vote against the course of action rather than merely abstain from voting.

## SCHEME OF DELEGATION DERIVED FROM THE CODES OF CONDUCT AND ACCOUNTABILITY

COC REF	DELEGATED TO	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
1.3.1.7	CCG Governing Body		Approve the policy on Standards of Business Conduct and Commercial Sponsorship
1.3.1.8	CCG Governing Body		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 And 1.3.1.2.2	All CCG Governing Body members		Subscribe to Code of Conduct
1.3.2.4	CCG Governing Body		Governing Body members share corporate responsibility for all decisions of the CCG Governing Body.
1.3.2.4	Chair of the Governing Body & Non-Officer members		Chair and non-officer members are responsible for monitoring the executive management of the CCG and are responsible to the Secretary of State for the discharge of those responsibilities
1.3.2.4	CCG Governing Body		<p>The CCG Governing Body has six key functions for which it is held accountable by the Department of Health 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 integrated 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.</li> <li>4. Under the guidance of the CCG Group and National Commissioning Governing Body, to approve the strategic direction of the organisation within the overall policies and priorities of the Government and the NHS, define its annual and longer-term objectives and agree plans to achieve them.</li> <li>5. To oversee the delivery of planned results by monitoring performance against objectives and ensuring corrective action is taken when necessary.</li> <li>6. To ensure that the organisation engages with its local community on its plans and performance and that these are responsive to the community's needs.</li> </ol>

COC REF	DELEGATED TO	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
1.3.2.4	CCG Governing Body		<p>It is the Governing Body'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 Governing Body and draw up Standing Orders, a Schedule of Decisions Reserved to the Governing Body 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 Governing Body can fully undertake its responsibilities;</li> <li>7. Establish Audit and Remuneration Committees based on formally agreed terms of reference, which set out the membership of the sub-committee, the limit to their powers and the arrangements for reporting to the main Governing Body.</li> </ol>
1.3.2.5	Governing Body Chair		<p>It is the Chairman's role to:</p> <ol style="list-style-type: none"> <li>1. Provide leadership to the Governing Body</li> <li>2. Enable all Governing Body members to make a full contribution to the CCG's affairs and ensure that the Governing Body acts as a team;</li> <li>3. Ensure that key and appropriate issues are discussed by the Governing Body in a timely manner;</li> <li>4. Ensure the Governing Body has adequate support and is provided efficiently with all the necessary data on which to base informed decisions;</li> <li>5. Appoint non-executive Governing Body members to an Audit Committee.</li> </ol>

<b>COC REF</b>	<b>DELEGATED TO</b>	<b>DELEGATED TO</b>	<b>AUTHORITIES/DUTIES DELEGATED</b>
1.3.2.5	AO	COO	<p>The AO/COO is accountable to the AO, Chair of the Governing Body and lay members for ensuring that its decisions are implemented, that the CCG works effectively, in accordance with Government policy and public service values and for the maintenance of proper financial stewardship.</p> <p>The AO/COO should be allowed full scope, within clearly defined delegated powers, for action in fulfilling the decisions of the Governing Body.</p> <p>The other duties of the AO as Accountable Officer are laid out in the Accountable Officer Memorandum.</p>
1.3.2.5	CCG Non-Officer Governing Body members		CCG Non Officer Governing Body members are appointed to bring independent judgement to bear on issues of strategy, performance, key appointments and accountability through the Department of Health to Ministers and to the local community.
1.3.2.8	Chair of the Governing Body & members		Declaration of conflict of interests.
1.3.2.9	Governing Body		The Governing Body must comply with legislation and guidance issued by the Department of Health on behalf of the Secretary of State, respect agreements entered into by themselves or on their behalf and establish terms and conditions of service that are fair to the staff and represent good value for public money.

**SCHEME OF DELEGATION DERIVED FROM STANDING ORDERS, CCG's CORPORATE GOVERNANCE DOCUMENTS,**

<b>SO REF</b>	<b>DELEGATED TO</b>	<b>DELEGATED TO</b>	<b>AUTHORITIES/DUTIES DELEGATED</b>
1.4.1	Chair of the Governing Body	AO/COO	Duty of AO/COO to ensure that all existing Directors and officers and all new appointees are notified of and understand responsibilities within SOs and SFIs.
2.1.2	Governing Body		Appointment of Governing Body Vice-Chairman
4.2.3	Chair of the Governing Body		Calling Governing Body meetings
4.5	Chair of the Governing Body		Chair all Governing Body meetings and associated responsibilities
4.8	Chair of the Governing Body		Give final ruling in questions of order, relevancy and regularity of meetings
4.9	Chair of the Governing Body		Having a second or casting vote in Governing Body when required.
4.12	CCG Group		Suspension of Standing Orders
4.12	Audit Committee		Audit Committee to review every decision to suspend Standing Orders (power to suspend Standing Orders is reserved to the Governing Body as above)
4.13	CCG Group		Variation or amendment of Standing Orders
6.1.6	Governing Body		The Governing Body shall approve the appointments to each of the committees which it has formally constituted

SO REF	DELEGATED TO	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
5.3	Chair of the Governing Body & AO		The powers, which the CCG Governing Body has retained, to itself within these Standing Orders may in emergency be exercised by the Chair and AO after having consulted at least two non officer members.
6.1	CCG Governing Body		Formal delegation of powers to other committees, sub-committees or joint committees and approval of their constitution and terms of reference. (The AO may approve Constitution and terms of reference of sub-committees)
5.5	AO	COO	The AO/COO shall prepare a Scheme of Delegation identifying his/her proposals*, which shall be considered and approved by the Governing Body subject to any amendment agreed during the discussion.
5.6	All		Disclosure of non-compliance with Standing Orders to the Accountable Officer as soon as possible
7.1	CCG Governing Body		Declare relevant and material interests.
7.2	AO	COO	Maintain Register(s) of Interests
7.1	Chair of a meeting		Making a declaration on a declared interest
9.1	All staff		Comply with national guidance contained in HSG 1993/5 "Standards of Business Conduct for NHS Staff" and the Code of Conduct for NHS Managers 2002
9.4	All		Disclosure of relationship between self and candidate for staff appointment (CE/COO to report the disclosure to the CCG/Governing Body)
10.1,10.4	AO	COO	Keep seal in safe place and maintain a register of sealing
10.3	CFO		Signature on any building, engineering, property or capital document before sealing
10.5	AO	COO	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 CCG's Scheme of Delegation document, which shall be maintained by the CFO and made available for review by the Governing Body

**SCHEME OF DELEGATION DERIVED FROM STANDING FINANCIAL INSTRUCTIONS, CCG's CORPORATE GOVERNANCE DOCUMENTS,**

<b>SFI REF</b>	<b>DELEGATED TO</b>	<b>DELEGATED TO</b>	<b>AUTHORITIES/DUTIES DELEGATED</b>
1.1.3	CFO		Approval of all financial procedures
1.1.4	CFO		Advice on interpretation or application of SFIs
1.1.4	All Staff		Have a duty to disclose any non-compliance with these Standing Financial Instructions to the Chief Finance Officer as soon as possible
1.3.3	AO		Responsible as the Accountable Officer to ensure financial targets and obligations are met and have overall responsibility for the System of Internal Control
1.3.4	AO & CFO	COO	The AO and CFO are accountable for financial control but will, as far as possible, delegate their detailed responsibilities to the COO
1.3.5	AO	COO	To ensure all Governing Body members, officers and employees, present and future, are notified of and understand Standing Financial Instructions
1.3.6	CFO		Responsible for: 1. Implementing CCG financial policies and co-ordinating corrective action; 2. Maintaining an effective system of financial control including ensuring detailed financial procedures and systems are prepared and documented; 3. Ensuring that sufficient records are maintained to explain the CCG's transactions and financial position; 4. Providing financial advice to members of Governing Body and staff 5. Maintaining such accounts, certificates etc. as required for the CCG to carry out its statutory duties; 6. The design, implementation and supervision of systems of internal control
1.3.7	All Staff		Responsible for security of the CCG's property, avoiding loss, exercising economy and efficiency in using resources and conforming to Standing Orders, Standing Financial Instructions and financial procedures
1.3.8	AO	COO	Ensure that any contractor or employees of a contractor who is empowered by the CCG to commit the CCG to expenditure or who is authorised to obtain income are made aware of these instructions and their requirement to comply.
2.1	Audit Committee		Provide independent and objective view on internal control and probity.
2.1.3	Chair of the Governing Body		Raise the matter at the Governing Body meeting where Chair of Audit Committee considers there is evidence of ultra vires transactions or improper acts.

SFI REF	DELEGATED TO	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
2.2.1	CFO		Ensure an adequate internal audit service, for which the CFO is accountable and responsible, is provided (and involve the Audit Committee in the selection process when/if an internal audit service provider is changed).  Ensure the annual audit report is prepared for consideration by the Audit Committee.
2.2.1	CFO		Decide at what stage to involve police in cases of misappropriation and other irregularities not involving fraud or corruption
2.3	Head of Internal Audit		Review, appraise and report in accordance with NHS Internal Audit standards and best practice.
2.4.1	Audit Committee		Ensure cost-effective external Audit.
2.5.1	AO & CFO		Monitor and ensure compliance with Secretary of State directions on fraud and corruption including the appointment of the Local Counter Fraud Specialist
2.6.1	AO	CFO	Monitor and ensure compliance with Directions issued by the Secretary of State for Health on NHS security management including appointment of the Local Security Management Specialist
3.1	AO	CFO	Has overall responsibility for the CCG's activities and ensuring the CCG stays within its resource limit. The AO remains accountable.
3.4	CFO		Will provide monthly reports to the Secretary of State, ensure cash drawn down is for approved expenditure and timely and follows best practice in cash management.
3.4	CFO		Ensure monitoring systems are in place to enable the CCG not to exceed its limits
4.1	CFO		Periodically review assumptions, submit a report to the Governing Body annually showing total allocations received and their proposed distribution
4.1	CFO		Regularly update the Governing Body on significant changes to the initial allocation and the uses of such funds.
4.2.1	AO	COO	Compile and submit to the Governing Body a Strategic Plan that takes into account financial targets and forecast limits of available resources. The plan will contain: <ul style="list-style-type: none"> <li>• A statement of the significant assumptions on which the plan is based;</li> <li>• Details of major changes in workload, delivery of services or resources required to achieve the plan</li> </ul>
4.2.2 & 4.2.3	CFO		Submit budgets to the Governing Body for approval. Monitor performance against budget; submit to the Governing Body financial estimates and forecasts
4.2.6	CFO		Ensure adequate training is delivered on an ongoing basis to budget holders
4.3.1	AO	COO	Delegate budget to budget holders
4.3.2	AO and budget holders	COO and budget holders	Must not exceed the budgetary total or virement limits set by the Governing Body
4.4.1	CFO		Devise and maintain systems of budgetary control



SFI REF	DELEGATED TO	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
4.4.2	CCG Budget Holders		Ensure that: 1. no overspend or reduction of income that cannot be met from virement is incurred without prior consent of the Governing Body.  2. approved budget is not used for any other than specified purpose subject to rules of virement;  3. No permanent employees are appointed without the approval of the AO/COO other than those provided for within available resources and work force establishment
4.4.3	AO	COO	Identify and implement best value schemes and income generation activities in line with the Strategic Plan
4.6.1	AO		Submit monitoring returns
5.1	CFO	CFO	Preparation of annual accounts and reports
6.1.1	CFO	CFO	Managing banking arrangements, including provision of banking services, operation of accounts, preparation of instructions and a list of cheque signatories (Governing Body approves arrangements)
6.4.2	CFO	CFO	Review the banking arrangements of the CCG at regular intervals to ensure they reflect best practice and represent best value for money Ensure competitive tenders are sought at least every five years
7.1	CFO	CFO	Income systems, including system design, prompt banking, review and approval of fees and charges, debt recovery arrangements, design and control of receipts, provision of adequate facilities and systems for employees whose duties include collecting or holding cash.
7.2.3	All		Duty to inform CFO of money due from transactions which they initiate/deal with
17	AO		Tendering and contracting procedure
17.5.5	AO	CFO	Waive formal tendering procedures
17.5.5	AO	CFO	Report waivers of tendering procedures to the Audit Committee.
17.7.6	AO		Responsible for the receipt, endorsement and safe custody of tenders received
17.7.7	AO		Shall maintain a register to show each set of competitive tender invitations despatched
17.7.9	AO & CFO		Where one tender is received will assess for value for money and fair price
17.7.10	AO		Responsible for treatment of 'late tenders'
17.7.12	AO		Shall nominate an officer to oversee and manage a contract for in house services awarded on behalf of the CCG
17.9.2	AO		Evaluate each quotation received applying evaluation criteria
17.9.4	AO or CFO		No quotation shall be accepted which will commit expenditure in excess of that which has been allocated by the CCG and which is not in accordance with these Instructions except with the authorisation of the AO/CFO
17.11.1	AO or CFO		Accept tenders obtained contrary to SFIs
12.2	CFO		The CFO shall demonstrate that the use of private finance represents value for money and genuinely transfers risk to the private sector
17.12.6	AO		The AO shall nominate an officer who shall oversee and manage each contract on behalf of the CCG
17.12.5	AO		The AO shall nominate officers with delegated authority to enter into contracts of employment, regarding staff, agency staff or temporary staff service contracts (eg NHS Professionals)
8.2.2	AO		The AO shall nominate officers to commission service agreements with providers of healthcare in line with a

			commissioning plan approved by the Governing Body
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SFI REF	DELEGATED TO	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
17.5.4	AO		The AO shall be responsible for ensuring that best value for money can be demonstrated for all services provided on an in-house basis
8.1.1	AO		Must ensure the CCG enters into suitable contracts with service providers for the provision of services
8.2.4	AO		As the Accountable Officer , ensure that regular reports are provided to the Governing Body detailing actual and forecast expenditure against contracts
8.2.2	AO		As the Accountable Officer, ensure secondary services are commissioned in line with the strategic plan and reach the required standards
8.2.5	AO		As the Accountable Officer, ensure that all agreements for provision of services with non-NHS providers achieve quality and are cost effective
8.2.6	CFO		Will maintain a system of control to ensure effective accounting of expenditure against contracts
8.2.7	CFO		Must account for Out of Area Treatments/Non Contract Activity in accordance with national guidelines.
9.1.1	CCG Governing Body		Establish a Remuneration & Terms of Service Committee.
9.1.2	Remuneration Committee		Approve on behalf of the CCG Governing Body, the remuneration and terms of service of the AO, COO, other officer members and senior employees to ensure they are fairly rewarded having proper regard to the CCG's circumstances and any national agreements. Monitor and evaluate the performance of individual senior employees. Oversee appropriate contractual arrangements for such staff, including proper calculation and scrutiny of termination payments.
9.3.2	CCG Governing Body		Approve proposals presented by the AO for settling of remuneration and conditions of service for those employees and officers not covered by the Remuneration Committee.
9.2.2	AO	COO	Approval of variation to funded establishment of any department
9.3.1	AO	COO	Approval of appointment of staff, including agency staff, appointments and re-grading within approved budget and funded establishment
9.4.1	COO	CFO	Payroll: <ul style="list-style-type: none"> <li>• Specifying timetables for submission of properly authorised time records and other notifications;</li> <li>• Making payments on agreed dates;</li> <li>• Agreeing method of payment</li> <li>• Issuing instructions (as listed in SFI 9.4.1)</li> </ul>
9.4.3	Nominated Managers		Submit time records in line with timetable; <p>Complete time records and other notifications in required form; Submitting termination forms in prescribed form and on time</p>
9.4.4	CFO/ COO		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 arrangement is made for the collection of payroll deductions and payment of these to appropriate bodies.

9.5.1	Nominated Managers		Ensure that all employees are issued with a Contract of Employment in a form approved by the Governing Body and which complies with employment legislation. Deal with variations to, or termination of, contracts of employment
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SFI REF	DELEGATED TO	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
10.1.1	CCG Governing Body		The CCG Governing Body will approve the level of non-pay expenditure on an annual basis
10.1.2	AO	COO	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.
10.1.2	AO	COO	Set out procedures on the seeking of professional advice regarding the supply of goods and services.
10.2.1	Requisitioner		In choosing, the item to be supplied (or the service to be performed) shall always obtain the best value for money for the CCG. In so doing, the advice of the CCG s' Procurement Managers shall be sought
10.2.2	CFO		Shall be responsible for the prompt payment of accounts and claims.
10.2.3	CFO		<ul style="list-style-type: none"> <li>• Advise the Governing Body 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.</li> <li>• 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>• Be responsible for the prompt payment of all properly authorised accounts and claims;</li> <li>• Be responsible for designing and maintain a system of verification, recording and payments of all amounts payable;</li> <li>• Be responsible for ensuring that payment for goods and services is only made once the goods and services are received</li> </ul>
10.2.4	CCG Governing Body Member		Make a written case to the CFO to support the need for a pre-payment
10.2.4	CFO		Approved proposed pre-payment arrangements
10.2.4	Budget Holder		Ensure that all items due under a prepayment contract are received (and immediately inform CFO if problems are encountered)
10.2.5	AO		Authorise who may use and be issued with official orders
10.2.6	AO		Ensure that managers and officers comply fully with the guidance and limits specified by the CFO

SFI REF	DELEGATED TO	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
10.3.1	CFO		Lay down procedures for payments to local authorities and voluntary organisations made under the powers of section s75 of the Health Act 2006.
12.1.1 & 12.1.2	AO	CFO	Capital investment programme:  1. ensure that there is adequate appraisal and approval process for determining capital expenditure priorities and the effect that each has on plans  2. responsible for the management of capital schemes and for ensuring that they are delivered on time and within cost  3. ensure that capital investment is not undertaken without availability of resources to finance all revenue consequences  4. ensure that a business case is produced for each proposal
12.1.2	CFO		Certify professionally the costs and revenue consequences detailed in the business case for capital investment
12.1.3	AO		Issue procedures for management of contracts involving stage payments
12.1.3	CFO		Issue procedures for the regular reporting of expenditure and commitment against authorised capital expenditure.
12.1.4	AO		Shall issue to the manager responsible for any scheme specific authority to commit expenditure, proceed to tender and accept a successful tender
12.1.4	AO		Issue a scheme of delegation for capital investment management in accordance with Estate code and Standing Orders
12.1.5	CFO		Issue procedure governing financial management, including variation to contract, of capital investment projects and valuation for accounting purposes
12.2	CFO		Demonstrate that the use of private finance represents value for money and genuinely transfers significant risk to the private sector.
12.2	CCG Governing Body		Proposal to use PFI must be specifically agreed by the CCG Governing Body.
12.3.1	AO		Maintenance of asset registers (on advice of CFO).
12.3.5	CFO		Approve procedures for reconciling balances on fixed asset accounts in ledgers against balances on fixed asset registers
12.4.1	AO		Overall responsibility for fixed assets.
12.4.1	CFO		Approval of fixed asset control procedures
12.4.3 & 12.4.4	CCG Governing Body and Senior Staff		Responsibility for security of CCG assets including notifying discrepancies to CFO and reporting losses in accordance with CCG procedure
12.1.3	CFO		Responsible for systems of control over stores and receipt of goods

SFI REF	DELEGATED TO	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
13.1.4	Nominated Officers		Security arrangements and custody of keys
13.1.5	CFO		Set out procedures and systems to regulate the stores
13.1.5	CFO		Agree stocktaking arrangements
13.1.6	CFO		Approve alternative arrangements where a complete system of stores control is not justified
13.1.7	CFO		Approve system for review of slow moving and obsolete items and for condemnation, disposal and replacement of all unserviceable items
13.1.7	Nominated Officers		Operate system for slow moving and obsolete stock and report to CFO evidence of significant overstocking
14.1.1	CFO		Prepare detailed procedures for disposal of assets including condemnations and ensure these are notified to managers.
14.2.1	CFO		Prepare procedures for recording and accounting for losses and special payments
14.2.2	All Staff		Discovery or suspicion of loss of any kind must be reported immediately to either head of department or nominated officer. The head of department/nominated officer should then inform the AO and CFO.
14.2.2	CFO		Where a criminal offence is suspected the CFO must inform the police if theft or arson is involved. In cases of fraud and corruption, the CFO must inform the relevant Local Counter Fraud Specialist (LCFS) and NHS Protect in line with SOFS directions.
14.2.3	CFO		Notify NHS Protect, LCFS and External Audit of all Frauds
14.2.4	CFO		Notify Governing Body, and External Auditor of losses caused by theft, arson, neglect of duty or gross carelessness (unless trivial)
14.2.4	CCG Governing Body		Approve write off of losses (within limits delegated by DH)
14.2.6	CFO		Consider whether any insurance claim can be made
14.2.7	CFO		Maintain losses and special payments register
15.1.1	CFO		Responsible for accuracy and security of computerised financial data
15.2.1	CFO		Satisfy him/herself that new financial systems and amendments to current financial systems are developed in a controlled manner and thoroughly tested prior to implementation. Where this is undertaken by another organisation, assurances of adequacy must be obtained from them prior to implementation.
15.1.3	COO		Shall publish and maintain a Freedom of Information Scheme
15.2.1	Relevant Officers		Send proposals for general computer systems to CFO
15.3.2	CFO		Ensure that contracts with other bodies for the provision of computer services for financial applications clearly define responsibility of all parties for security, privacy, accuracy, completeness and timeliness of data during processing, transmission and storage, and allow for audit review. Seek periodic assurances from the provider that adequate controls are in operation.

SFI REF	DELEGATED TO	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
22.2	AO	COO	Responsible for ensuring patients and guardians are informed about patients' money and property procedures on admission.
22.3	CFO		Provide detailed written instructions on the collection, custody, investment, recording, safekeeping and disposal of patients' property (including instructions on the disposal of the property of deceased patients and of patients transferred to other premises) for all staff whose duty is to administer, in any way, the property of patients
16.1	CFO		Shall ensure that each trust fund, which the CCG is responsible for managing, is managed appropriately.
18	CFO		Ensure all staff are made aware of the CCG policy on the acceptance of gifts and other benefits in kind by staff
19.2	AO		Ensure lists of all contractors are maintained up to date and systems are in place to deal with applications, resignations, inspection of premises etc. within contractors' terms of service
19.3	CFO		Ensure only contracts included on the CCG lists receive payments; maintain a system of control to ensure prompt and accurate payments and validation of same.
20.2	AO	COO	Retention of document procedures in accordance with Department of Health guidance
21.1	AO	COO	Risk management programme
21.1	CCG Governing Body		Approve and monitor risk management programme
21.2	CCG Governing Body		Decide whether the CCG will use the risk pooling schemes administered by the NHS Litigation Authority or self-insure for some or all of the risks (where discretion is allowed. Decisions to self-insure should be reviewed annually.
21.3.2	CFO		Where the CCG decides to use the risk pooling schemes administered by the NHS Litigation Authority the CFO shall ensure that the arrangements entered into are appropriate and complementary to the risk management programme. The CFO shall ensure that documented procedures cover these arrangements. Where the Governing Body decides not to use the risk pooling schemes administered by the NHS Litigation Authority for any one or other of the risks covered by the schemes, the CFO shall ensure that the Governing Body is informed of the nature and extent of the risks that are self insured as a result of this decision. The CFO will draw up formal documented procedures for the management of any claims arising from third parties and payments in respect of losses that will not be reimbursed.

Nominated officers and the areas for which they are responsible should be incorporated into the CCG's Scheme of Delegation Document.

SFI references relate to current NHS Bury SFIs (Greater Manchester model).

## SCHEME OF DELEGATION AND RESERVATION, OPERATIONAL ARRANGEMENTS

Operational decisions, authorities and duties delegated to Officers of each CCG.

Level 1 = Accountable Officer

Level 2 = CCG Governing Body

Level 3 = Chief Operating Officer/Chief Finance Officer

Level 4 = Budget Holders, in accordance with specific levels of authority granted to individuals

Ref:	Authorities/duties delegated	Delegated to (Level)	Approval Range	Notes/details to further guidance
1	Payroll – staff appointments, authorisation of contracts and terminations	1 3	Level 3 and above Level 4 and below	Further guidance set out in Standing Financial Instructions and Financial Procedures
2	Timesheets, special duty, other additional payments, travel	1 3 4	Level 2 and 3 Level 4 Level 5	
3	Approval of business cases (healthcare and non healthcare) for both investment and disinvestment	2 1 and CFO 4	> £5m £2.5m to £5m  < £2.5m	
4	Petty Cash reimbursement general	3-4	≤ £30	See Petty Cash Procedures
5	Charitable funds	1 and CFO 3 and CFO	≥ £25k ≤ £25k	
	Training Courses and agency staff invoices	1 and/or CFO 3 and/or CFO	≥ £100k ≤ £100k	See individual procedures
7	Consultancy	1 3	≥ £100k ≤ £100k	
8	Contract signing and variations to healthcare and non healthcare contracts	3	All contracts	
9	Removal expenses		As per CCG Removal Policy	
10	Losses and special payments	1 2	< £50k < £1k (for ex gratia payments to patients and staff for loss of personal effects only)	For sums over £50,000 or in the case of all extra statutory or extra regulation payments approval of the NHS Executive will be required. All losses and special payments to be approved by the CCG Audit Committee
11	Establishment control	3-4	Any changes	
12	Virements between budgets – revenue only	4	As per the CCG virement policy	A virement policy will detail the criteria to be met before virements are made.

Ref:	Authorities/duties delegated	Delegated to (Level)	Approval Range	Notes/details to further guidance
13	Management of Assets	1-4	Responsibility delegated	Responsibility will be delegated for making sufficient appropriate arrangements for the management of land, buildings and other assets in accordance with the local Scheme of Management.
14	Litigation –agreement on settlement	1 or CFO 3	≥ £250k ≤ £250k	All claims will be dealt with in accordance with NHSE Guidance on claims Management Best Practice
15	Disciplinary and dismissal	1  3 and 4	Level 2 and 3 officers All other staff	See detailed Disciplinary Policy
16	Lease Cars	CFO	For all levels of staff	All new requests for lease cars must receive CFO approval
17	Complaints	1/3	Final sign off of complaint response letter	According to agreed complaints policy
18	Banking arrangements	CFO		
19	Signing and sealing of documents	3		See Standing Financial Instructions. All sealing must be entered in the Register
20	National Commissioning Governing Body budgets managed on their behalf by the CCG	4		The individuals will be accountable to the NCB for this budget.



## APPENDIX E – PRIME FINANCIAL POLICIES

### 1. INTRODUCTION

#### 1.1. General

- 1.1.1. These prime financial policies and supporting detailed financial policies shall have effect as if incorporated into the Group's Constitution.
- 1.1.2. The prime financial policies are part of the 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 at Appendix D.
- 1.1.3. In support of these prime financial policies, the Group has prepared more detailed policies, approved by the Chief Finance Officer known as *detailed financial policies*. The Group refers to these prime and detailed financial policies together as the Group's financial policies.
- 1.1.4. These prime financial policies identify the financial responsibilities which apply to everyone working for the Group and its constituent organisations. They do not provide detailed procedural advice and should be read in conjunction with the detailed financial policies. The Chief Finance Officer is responsible for approving all detailed financial policies.
- 1.1.5. A list of the Group's detailed financial policies will be published and maintained on the Group's website.
- 1.1.6. 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 Group's constitution, standing orders and scheme of reservation and delegation.
- 1.1.7. 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.

#### 1.2. Overriding Prime Financial Policies

- 1.2.1. 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 Group'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.

### 1.3. **Responsibilities and delegation**

1.3.1. The roles and responsibilities of Group's Members, employees, members of the Governing Body, members of the Governing Body's committees and sub-committees, members of the Group's committee and sub-committee (if any) and persons working on behalf of the Group are set out in chapters 6 and 7 of this constitution.

1.3.2. The financial decisions delegated by Members of the Group are set out in the Group's scheme of reservation and delegation (see Appendix D).

### 1.4. **Contractors and their employees**

1.4.1. Any contractor or employee of a contractor who is empowered by the Group to commit the Group 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.

### 1.5. **Amendment of Prime Financial Policies**

1.5.1. 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. As these prime financial policies are an integral part of the Group's constitution, any amendment will not come into force until the Group applies to the NHS Commissioning Governing Body and that application is granted.

## 2. **INTERNAL CONTROL**

**POLICY** – the Group 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.

2.2. The accountable officer has overall responsibility for the Group'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 Group 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 Audit Committee the person appointed by the Group to be responsible for internal audit and the Audit Commission appointed 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 Group 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:
  - a) the Group has a professional and technically competent internal audit function; and
  - b) the Governing Body's Audit Committee approves any changes to the provision or delivery of assurance services to the Group.

### 4. FRAUD AND CORRUPTION

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

- 4.1. The Governing Body's audit committee will satisfy itself that the Group 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.
- 4.2. The Governing Body's audit committee will ensure that the Group has arrangements in place to work effectively with NHS Protect.

## **5. EXPENDITURE CONTROL**

- 5.1. The Group is required by statutory provisions<sup>5</sup> to ensure that its expenditure does not exceed the aggregate of allotments from the NHS Commissioning Governing Body and any other sums it has received and is legally allowed to spend.
- 5.2. The accountable officer has overall executive responsibility for ensuring that the Group 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.
- 5.3. The chief finance officer will:
- a) provide reports in the form required by the NHS Commissioning Governing Body;
  - b) ensure money drawn from the NHS Commissioning Governing Body 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 Group to fulfil its statutory responsibility not to exceed its expenditure limits, as set by direction of the NHS Commissioning Governing Body.

## **6. ALLOTMENTS<sup>6</sup>**

- 6.1. The Group's chief finance officer will:
- a) periodically review the basis and assumptions used by the NHS Commissioning Governing Body for distributing allotments and ensure that these are reasonable and realistic and secure the Group'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.

## **7. COMMISSIONING STRATEGY, BUDGETS, BUDGETARY CONTROL AND MONITORING**

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<sup>5</sup> See section 223H of the 2006 Act, inserted by section 27 of the 2012 Act

<sup>6</sup> See section 223(G) of the 2006 Act, inserted by section 27 of the 2012 Act.

**POLICY** – the Group will produce and publish an annual commissioning plan<sup>7</sup> that explains how it proposes to discharge its financial duties. The Group will support this with comprehensive medium term financial plans and annual budgets

- 7.1. The accountable officer will compile and submit to the Governing Body a commissioning strategy which takes into account financial targets and forecast limits of available resources.
- 7.2. 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 the Governing Body.
- 7.3. The chief financial officer shall monitor financial performance against budget and plan, 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.
- 7.4. The accountable officer is responsible for ensuring that information relating to the Group's accounts or to its income or expenditure, or its use of resources is provided to the NHS Commissioning Governing Body as requested.
- 7.5. The Accountable Officer will approve consultation arrangements for the Group's commissioning plan<sup>8</sup>.

## **8. ANNUAL ACCOUNTS AND REPORTS**

**POLICY** – the Group will produce and submit to the NHS Commissioning Governing Body accounts and reports in accordance with all statutory obligations<sup>9</sup>, relevant accounting standards and accounting best practice in the form and content and at the time required by the NHS Commissioning Governing Body

- 8.1. The chief finance officer will ensure the Group:
  - a) prepares a timetable for producing the annual report and accounts and agrees it with external auditors and the Audit Committee
  - b) prepares the accounts according to the timetable approved by the Audit Committee
  - c) complies with statutory requirements and relevant directions for the publication of annual report;

<sup>7</sup> See section 14Z11 of the 2006 Act, inserted by section 26 of the 2012 Act.

<sup>8</sup> See section 14Z13 of the 2006 Act, inserted by section 26 of the 2012 Act

<sup>9</sup> See paragraph 17 of Schedule 1A of the 2006 Act, as inserted by Schedule 2 of the 2012 Act.

- 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 Group's website

## 9. INFORMATION TECHNOLOGY

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

- 9.1. The chief finance officer is responsible for the accuracy and security of the Group's computerised financial data and shall
- a) devise and implement any necessary procedures to ensure adequate (reasonable) protection of the Group'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.
- 9.2. 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.

## 10. ACCOUNTING SYSTEMS

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

- 10.1. The chief finance officer will ensure:
- a) the Group has suitable financial and other software to enable it to comply with these policies and any consolidation requirements of the NHS Commissioning Governing Body;

- 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, relevance and timeliness of data during processing, transmission and storage. The contract should also ensure rights of access for audit purposes.

10.2. 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.

## 11. BANK ACCOUNTS

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

11.1. The chief finance officer will:

- a) review the banking arrangements of the Group at regular intervals to ensure they are in accordance with Secretary of State directions<sup>10</sup>, best practice and represent best value for money;
- b) manage the Group's banking arrangements and advise the Group on the provision of banking services and operation of accounts;
- c) prepare detailed instructions on the operation of bank accounts.

11.2. The Audit Committee shall approve the CCG banking arrangements as specified in their TOR.

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

**POLICY** – the Group 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 Group or its functions<sup>11</sup>
- ensure its power to make grants and loans is used to discharge its functions effectively<sup>12</sup>

12.1. The Chief Financial Officer is responsible for:

<sup>10</sup> See section 223H(3) of the NHS Act 2006, inserted by section 27 of the 2012 Act

<sup>11</sup> See section 14Z5 of the 2006 Act, inserted by section 26 of the 2012 Act.

<sup>12</sup> See section 14Z6 of the 2006 Act, inserted by section 26 of the 2012 Act.

- a) designing, maintaining and ensuring compliance with systems for the proper recording, invoicing, and collection and coding of all monies due;
- b) establishing and maintaining systems and procedures for the secure handling of cash and other negotiable instruments;
- c) approving and regularly reviewing the level of all fees and charges other than those determined by the NHS Commissioning Governing Body 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. TENDERING AND CONTRACTING PROCEDURE

**POLICY – the Group:**

- will ensure proper competition that is legally compliant within all purchasing to ensure 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 rendering of services including all forms of management consultancy services (other than specialised services sought from or provided by the Department of Health); and
  - for the design, construction and maintenance of building and engineering works (including construction and maintenance of grounds and gardens) for disposals

- 13.1. The Group 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 Group's Governing Body
- 13.2. The Governing Body may only negotiate contracts on behalf of the Group, and the Group 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 Group'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 Commissioning Governing Body or the Independent Regulator of NHS Foundation Trusts (Monitor) guidance that does not conflict with (b) above.



- 13.3. In all contracts entered into, the Group 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 Group.

## 14. COMMISSIONING

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

- 14.1. The Group will coordinate its work with the NHS Commissioning Governing Body, other clinical commissioning Groups, local providers of services, local authority(ies), including through Health & Wellbeing Governing Bodies, patients and their carers and the voluntary sector and others as appropriate to develop robust commissioning plans.
- 14.2. 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.
- 14.3. 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.

## 15. RISK MANAGEMENT AND INSURANCE

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

- 15.1. The Accountable Officer will ensure that
- a) That an Assurance Framework meeting best practice standards is reviewed at least annually by the Governing Body
  - b) That the Group keeps an active risk register which is reviewed at least quarterly by the Audit Committee
  - c) That a Risk Management Strategy is in place that describes how risks are identified, graded, escalated and how the assurance framework is populated

## 16. PAYROLL

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

- 16.1. 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.
- 16.2. In addition the chief finance officer shall set out comprehensive procedures for the effective processing of payroll

## 17. NON-PAY EXPENDITURE

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

- 17.1. 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
- 17.2. The accountable officer shall set out procedures on the seeking of professional advice regarding the supply of goods and services.
- 17.3. 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 scheme of reservation and 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.

## 18. CAPITAL INVESTMENT, FIXED ASSET REGISTERS AND SECURITY OF ASSETS

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

- 18.1. 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.

18.2. The chief finance officer will prepare detailed procedures for the disposals of assets.

## 19. RETENTION OF RECORDS

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

19.1. The Accountable Officer shall:

- 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;
- c) publish and maintain a Freedom of Information Publication Scheme.

## 20. TRUST FUNDS AND TRUSTEES

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

20.1. The chief finance officer shall ensure that each trust fund which the Group is responsible for managing is managed appropriately with regard to its purpose and to its requirements.