

NHS Berkshire West CCG

Financial Procedures Handbook

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Financial Procedures Handbook

Introduction

The Financial Procedures which follow cover the normal financial aspects of the running of NHS West Berkshire CCG.

It should be noted that these Financial Procedures:

1. Supplement the Prime Financial Policies (which are included within the CCG constitution).
2. Make reference to a number of very detailed procedures developed by either the CCG or by South Central and West (CSU) on behalf of the CCG or by NHS Shared Business Services (NHS SBS). Links to these documents may be found in the Annexes to this document and are referenced throughout the Financial Procedures as and when appropriate.
3. These procedures do not cover the CCG wider role in the financial management and performance management of the Foundation Trusts and other healthcare providers from which healthcare services are commissioned.

Review and Update of Financial Procedures

These Financial Procedures are subject to regular review and approval by the CCG Audit Committee and any significant amendments may require approval by the CCG Commissioning Committee and individual CCG Governing Body before they are promulgated with staff.

Failure to comply with Financial Procedures is a serious matter and could lead to disciplinary action being taken.

Version	Considered by	Action	Date
1.0	CSU	Amended	23-09-2013
1.1	Finance Team	Amended	16-10-2013
1.2	Audit Committee	Approved	17-10-2013
1.3	Deputy CFO	Minor corrections Circulated to directors and Finance Team	14-11-2013
2.0	CFO	Amended	11-09-2014
2.1	Audit Committee	Annual Review	25-09-2014
3.1	Deputy CFO	Minor amendments plus merger of consultancy procedure	17-09-2015
4.1	Audit Committee	Limits and approvals for delegated co-commissioning	24-03-2016
5.0	Finance Team Audit Committee	Amended post-merger of 4 legacy CCG Added financial procedure for use of purchasing cards Revised level of authority payment of invoices	08-08-18

1. Procurement of Goods and Services

1.1 Payment Methods

- 1.1.1 There are two main payment methods available to the CCG:
- Raising a requisition leading to the issuing of an official purchase order which is then receipted and matched to the relevant supplier invoice when it arrives. This is generally used for one off items of expenditure and items to be charged against running costs e.g. office equipment, stationery, meeting room bookings etc.
 - Non-purchase order invoices linked to scheduled payments required for agreed contracts. This usually relates to contracts with providers for the delivery of healthcare, but may also relate to other corporate contracts with NHS bodies e.g. with NHS South, Central and West Commissioning Support Unit (CSU) and with non NHS bodies e.g. the internal and external auditors.
- 1.1.2 Occasionally, the CCG make payment by direct debit where there is a requirement to do so e.g. for payments to the NHS Resolution Authority.
- 1.1.3 Very occasionally, the CCG will make a manual payment to an individual and this usually relates to travel and other out of pocket expenses of individuals working on behalf of the CCG in voluntary roles i.e. not employed by the CCG. These are small value payments.
- 1.1.4 Also very occasionally, the CCG may make a manual payment to an individual in relation to a retrospective review of funding for Continuing Healthcare. In these cases, the value of the payment may be significant.
- 1.1.5 Monthly GMS and PMS GP payment schedules are submitted to Primary Care Support England (PCSE/Capita) for processing via the NHAIS system. The GMS schedule covers items such as rent and rates payments as well as additional agreed payments under the Statement of Financial Entitlements (SFE). The PMS schedule includes contract payments based on practice list sizes as well as additional agreed payments under the SFE. The GMS payment schedule is submitted to PCSE via email on the 3rd of the month and the PMS payment schedule is submitted on the 6th of the month. The payment schedules are either prepared by the CCG Finance Assistant and then reviewed and forwarded to PCSE by email by the CCG Senior Finance Manager, or they are prepared by the CCG Senior Finance Manager and then reviewed and forwarded to PCSE by email by either the Chief Finance Officer or the Deputy Chief Finance Officer. This ensures that there is a segregation of duties between those creating the payments and those authorising the payments to be made via PCSE.
- 1.1.6 The Finance Assistant and the Senior Finance Manager both have authorisation limits of up to £10m for the GP Payment Schedules, both the Chief Finance Officer and Deputy Finance Officer have unlimited authorisation limits for the GP Payment Schedules.
- 1.1.7 The CCG has developed a contingency in the event that Primary Care Support England (PCSE) is not able to generate payments to GP practices in a given month via the NHAIS system. The CCG has created an electronic file that contains the necessary data to be sent to the CSU as a "ready to pay file". Each GP practice will be paid a lump sum amount to ensure that they receive a payment in the event of an issue at PCSE and to maintain practice cash flows. The lump sum amounts are calculated based on the main payment due to practices in a month (contract, QOF, rent) based on the current payment data (such as weighted list sizes) and the figures are updated every 6 months to ensure that they are

reflective of the current level of payments made to individual practices. The payments will be made by the CSU outside of the NHAIS system and made on the current agreed dates of 15th of the month (PMS) and 25th of the month (GMS). Any reconciling amounts owed or to be recovered will be processed when the NHAIS system is fully operational

- 1.1.8 The CCG also has the “ready to pay file” option within SBS and this is being used to pay GP Practices. It involves the uploading of a file populated with supplier details to the SBS system. The values are pre-authorised by a CCG Senior Finance Manager and the CCG Deputy Chief Finance Officer and actioned by CSU staff.
- 1.1.9 It is vital that processes are in place within CCG operational teams and CSU to ensure that officers are aware of their responsibilities and the limits of their authority and that control is exercised before commitments are entered into.
- 1.1.10 There are limits on the levels of commitments and payments that officers can enter into and this is based on the CCG scheme of delegation. Levels of delegated authority for individuals are reflected in the NHS SBS finance system in respect of approval limits. Details can be found at Annex E: Scheme of Delegation
- 1.1.11 Petty Cash is available in several locations for the purchase of low value items, generally below £50 per transaction. In exceptional circumstances, expenditure over £50 may be reimbursed through Petty Cash but it requires approval of a Deputy Chief Finance Officer or the Chief Finance Officer. In summary, the process requires individuals to use their own cash to purchase items and then they are reimbursed from the Petty Cash Float(s) on production of a valid receipt. Cash advances can be made from the float in exceptional circumstances. Detailed procedures are available and there is a link attached at Annex A: CSU Procedures.
- 1.1.12 The CCG also hold two procurement cards for use in exceptional circumstances where other payment methods are not possible e.g. online purchasing.
- 1.1.13 A claim for reimbursement of expenditure on travel incurred by staff on behalf of the CCG can be made through payroll using the online expenses system. Subsistence allowances may also be claimed using the same processes. The CCG has a detailed travel and other expenses policy, a link to which can be found at Annex C: CCG Detailed Procedures and Other Documents.
- 1.1.14 Particular care must be taken when engaging an individual to provide services. HM Revenue and Customs (HMRC) will hold the CCG responsible for any unpaid tax or National Insurance Contributions (NI) if the CCG engages and pays an individual, which they would consider to be an employee, without deducting the requisite tax and NI. The rules around this are quite involved and any manager anticipating engaging an individual to provide paid work to the CCG must use the HMRC Employment Status Indicator tool found at:
<http://www.hmrc.gov.uk/calcs/esi.htm>
- 1.1.15 This will ask a series of questions in order to determine the tax status of the individual. If the Test determines that the individual would be deemed an employee, then any payment would need to be made via Payroll or the proposed relationship needs to be changed.
- 1.1.16 If the individual is not deemed to be an employee then that individual is responsible for paying the requisite tax and NI themselves. Managers should print out and retain the result of the tool for possible future inspection by HMRC. Please note that any declaration by the individual being engaged that they will be responsible for their own tax and NI is not sufficient unless supported by written documentary evidence from HMRC indicating their tax status.

1.1.17 When engaging individuals, managers should also be aware of the Department of Health letter of 20 August 2012 regarding Implementing the Recommendations of the HMT Review of Tax Arrangements (Gateway reference: 17993) in which the NHS Chief Executive outlined the recommendations of the review which concluded that:

- Board members and senior officials with significant financial responsibility should be on the organisation's payroll, unless there are exceptional circumstances; and
- Engagements of more than six months in duration, for more than a daily rate of £220, should include contractual provisions that allow the department to seek assurance regarding the income tax and NI obligations of the engagee – and to terminate the contract if that assurance is not provided

1.2 Authority Levels

1.2.1 Section 17 of the CCG Prime Financial Policies relates to Non-Pay Expenditure and outlines the obligations in respect of seeking value for money, appropriate delegation to budget managers, the development of a scheme of delegation, prompt payment and appropriate supporting systems to enable verification, recording and payment of all amounts payable.

1.2.2 Section 13 of the CCG Prime Financial Policies relates to Tendering and Contracting Procedures and outlines the obligations around legally compliant purchasing, seeking value for money for all goods and services and compliance with NHS and other public sector regulations around procurement and the law.

1.2.3 Managers who hold or manage a budget can authorise orders and invoices for payment up to the level specified in the CCG Scheme of Delegation (included at Annex E).

1.2.4 For expenditure up to £10,000, it is good practice to obtain competitive quotes where applicable, but there is no formal requirement to do so. Where quotes have been obtained these should be attached to the electronic requisition to enable the CSU buyers to confirm that due process has been followed.

1.2.5 The CCG should use the agreed Decision Making Process for Small Investments for programme related investments below £50,000 in value. A link to this document is provided in Annex C.

1.2.6 It is possible for the Chief Officer and other Executive Directors to authorise orders up to the value of £50,000 if they have obtained at least three written quotations.

1.2.7 In exceptional circumstances, if three quotations cannot be obtained, for whatever reason, then 2 Executive Directors should authorise the order.

1.2.8 The Chief Finance Officer must authorise single/double quotation orders above £10,000 and a Waiver of Competitive Purchase form must be completed and authorised. A link to the form can be found at Annex C.

1.2.9 Individual Executive Directors can place orders up to the value of their delegated authority following a competitive tender.

1.2.10 Formal tendering is not required where any of the following apply;

- Expenditure is expected to be under £50k;
- The supply is covered by an existing contract with specific time and cost parameters;
- Where a Framework Agreement is available (CSU Procurement will advise on appropriate framework agreements);
- Where a consortium arrangement is in place and a lead organisation has been appointed to carry out tender activity on behalf of the consortium members.

- 1.2.11 Any order above £5m requires Governing Body approval following a competitive tender exercise where appropriate.
- 1.2.12 There are limited circumstances under which a single tender action would be appropriate. Further details are given in section 1.4.
- 1.2.13 In all cases, any order placed must be affordable within the manager's existing budget.

1.3 Public Sector Procurement Thresholds

- 1.3.1 All European Union public sectors purchasing over a certain value (see below) must be advertised in the Official Journal of the European Union (OJEU) and is therefore subject to full formal competitive tender.
- 1.3.2 It is important that managers work with Finance and Procurement staff to undertake early costing of larger scale projects. This will help determine whether or not the public sector procurement thresholds are likely to be exceeded.
- 1.3.3 The need to advertise in OJEU may also apply where the CCG plans to let a number of small contracts in the same category of work, if the total value of those contracts exceeds the threshold.
- 1.3.4 As an organisation listed in Schedule 1 of the Public Contracts Regulation 2006, the CCG OJEU public sector procurement thresholds are set out below:

Category	£
Supplies	£111,676
Services	£111,676
Works	£4,322,012

- 1.3.5 The thresholds are net of VAT.

1.4 The use of Waivers of Competitive Purchase (for orders above £50,000) or where three quotations are not obtained (for orders between £10,000 and £50,000)

- 1.4.1 There are very limited circumstances where the normal requirement to conduct a formal tender exercise or obtain three quotations is allowed to be waived and a single tender or less than 3 quotes are permitted. Such circumstances may include:
 - The Chief Officer, in very exceptional circumstances, decides that formal tendering procedures would not be practicable or the estimated expenditure/income would not warrant formal tendering procedures. The process described below at 1.4.3 will still apply in these circumstances;
 - The timescale genuinely precludes competitive tendering. Failure to plan the work properly is not a justification for a single tender;
 - The specialist expertise required is available from only one source;
 - The task is essential to complete a project and it arises as a consequence of a recently completed assignment and engaging different consultants for the new task would be inappropriate;
 - There are clear benefits to be gained from maintaining continuity with an earlier or parallel project. However, in such cases the benefits of such continuity must outweigh any potential financial advantage to be gained by competitive tendering.
- 1.4.2 The limited application of the Waiver rule should not be used to avoid competition. It is essential that the principle of obtaining the best value for money from having competition

is the norm. It is still possible to have competition without going through a full tender exercise. For instance, if a piece of Management Consultancy work is required quickly a number of firms could be approached to bid for the work. Firms are accustomed to responding rapidly to such requests and this should not unreasonably delay the work required. In particular, further work should not be awarded to a consultant originally appointed through a competitive procedure, for administrative convenience.

- 1.4.3 In each case where single tender action is being considered and before any arrangements are entered into, the Chief Finance Officer must be contacted for their agreement. The approval of the Chief Officer should be obtained for this course of action and this should be recorded by completing a Waiver of Competitive Purchase Form before any arrangement is entered into or commitment made. This will include a clear reference to the relevant reason for the exemption from those detailed in section 1.4.1. The completed original Waiver form should be given to the Head of Corporate of the CCG to be added to the Waivers file. It should also be attached to the electronic requisition to enable the CSU buyers to ensure that due process has been followed.
- 1.4.4 A schedule of all waivers issued since the last Audit Committee, along with supporting information, will be presented to each Audit Committee meeting.
- 1.4.5 Forms will be issued by the Chief Finance Officer or Deputy Chief Finance Officer as appropriate. A link to the template is attached at Annex C for information only.

1.5 Authorisation Process

- 1.5.1 The CCG maintains an Authorisation Framework which consists of the requests to set up or make changes to users Authorisation Limits within the NHS SBS Finance system.
- 1.5.2 Line managers decide on individuals' levels of authority and this is authorised by Directors on the relevant form, which is also authorised by the Chief Finance Officer or Deputy Chief Finance Officer and forwarded to CSU for action.
- 1.5.3 The NHS SBS finance system will be maintained and all changes notified promptly to the CSU using the relevant procedure for the Set-up, Amendment and Delegation of Users (a link to which is provided at Annex A). It is permissible for a Deputy Chief Finance Officer to amend the authorisation forms to reflect changes in structure or changes to post holders higher in the authorisation hierarchy for instance where the limits authorised exceed amounts in the Scheme of Delegation.
- 1.5.4 In any case, the level authority given to individuals to raise requisitions and orders and approve invoices will not exceed the level of authority assigned to their role as laid out in the Scheme of Delegation at Annex E of this document.

1.6 Placing Orders

- 1.6.1 CCG staff have authority to raise requisitions which lead to the generation of orders within the NHS SBS Finance System. These are generally used for non-health related goods and services, particularly relating to CCG running costs e.g. stationery, room bookings, etc. When goods are receipted and invoices submitted by suppliers the NHS SBS system performs a "three way match" and appropriate invoices are approved for payment subject to various price and quantity tolerances.
- 1.6.2 For some purchasing of goods or services an official order is inappropriate. This includes the on-going supply of health services where an alternative form of contract confirmation document exists or where other adequate forms of contract are in place. Any invoices

related to alternative forms of contract will be sent directly to NHS SBS by the supplier and forwarded to the relevant budget holder by the Invoice Query Manager within the CSU or as a result of non-purchase rules established within the system. Budget holders will then check, code and approve invoices as appropriate. Invoices will be escalated to managers with higher levels of authority as appropriate.

- 1.6.3 Orders must not be split or otherwise placed in a manner devised so as to avoid the financial thresholds.
- 1.6.4 Goods should not be taken on trial or loan in circumstances that would commit the CCG to a future uncompetitive purchase.

1.7 Approving Invoices

- 1.7.1 All invoices are processed through the NHS SBS system. The system operates as follows:
 - All supplier invoices must be submitted to NHS SBS at the following address:

**Phoenix House
Topcliffe Lane
Wakefield
West Yorkshire
WF3 1WE**

The first two lines of the address should be added as follows:

NHS Berkshire West CCG

15A Payables M465

- Invoices must be sent in hard copy by the supplier/provider or electronically through Tradeshift (except where an NHS organisation also uses the system and submits invoices via an electronic interface).
 - Invoices are scanned onto the system by NHS SBS.
 - Various rules are applied to Purchase Order and Non Purchase Order invoices to direct them to the correct person for checking and coding.
 - The flow of other Non Purchase Order invoices to the appropriate CSU or CCG staff is managed by the Invoice Query Manager employed by the CSU.
 - For Purchase Order invoices, the 3 way matching process occurs.
 - For Non Purchase Order invoices, checking, coding and authorising occurs.
 - Invoices are paid in terms of the order or in line with the Better Payment Practice Code.
- 1.7.2 If an invoice is not authorised within a certain time the invoice is automatically escalated to the budget holders line manager/"Supervisor" in the NHS SBS finance system.
 - 1.7.3 Where an approved invoice exceeds budget holder's limit the system automatically escalates to the Supervisor.
 - 1.7.4 Full details of NHS SBS processes in respect of Accounts Payable can be found in the relevant Solution Design Document (available on request from the CCG Finance team). The Solution Design Documents available are listed at Annex B.
 - 1.7.5 If the invoice is incorrect, the budget holder should contact the supplier as necessary to arrange for correction. Correction will normally be achieved by way of a credit note to cancel or reduce the amount to be paid. Where a supplier refuses to send a credit note, the CSU should be contacted for advice on how to clear the entry from the CCGs ledger.

- 1.7.6 If an invoice is not for a budget holder and they know who it is for they should return to the Invoice Query Manager with a note. This will help the Invoice Query Manager build up their knowledge regarding roles and responsibilities within the CSU and CCG.
- 1.7.7 In exceptional circumstances invoices may be forwarded on to other budget holders e.g. if urgent approval and payment is required.
- 1.7.8 If the invoice is not for a budget holder and they don't know who it is for, it should be returned as "not for my budget". In this case the invoice will be returned to the Invoice Query Manager.
- 1.7.9 There are a number of other options if a budget holder is unable to process an invoice whereby the invoice is returned to the central team at NHS SBS. These appear as options within the finance system:
- Not an invoice
 - Supplier will not supply invoice or credit note
 - Duplicate invoice
 - Illegible invoice
 - PID data on invoice
 - Scan error – invoice details do not match invoice image
 - Supplier has missed Purchase Order Invoice
 - Not addressed to this Trust
- If one of these options is selected, then the invoice will be returned to the central team at NHS SBS so that they can investigate the issue. In all cases, a note should be added to give additional information regarding the issue.
- 1.7.10 The above processes also apply to credit notes. It is best practice to approve an invoice and related credit note at the same time and makes notes on the system to help finance staff link the two documents.

1.8 Coding Invoices

- 1.8.1 Anyone who places an order or authorises an invoice is responsible for ensuring that the appropriate financial code is used.
- 1.8.2 The account code consists of the following elements:
- Entity code (the organisational code followed by N)
 - Cost Centre (from the NHS Chart of Accounts for the CCG)
 - Subjective (from the NHS Chart of Accounts)
 - Analysis 1 (specific codes for use by the CCG)
 - Analysis 2 (NHS and other Suppliers)
 - Analysis 3 (Commissioners and payroll statistics)
- 1.8.3 The coding of invoices is very important as it records how the CCG funding is being used. It is therefore important for budgetary control and it is also important to assist with the agreement of balances between NHS organisations to ensure that there is no omission or duplication in the whole NHS England accounts.
- 1.8.4 **All invoices should be coded at the earliest opportunity, even if they have been put on hold pending resolution of a query or submission of a credit note.**
- 1.8.5 CCG's use the Chart of Accounts for their specific CCG. The cost centres and subjective codes are standard across all CCGs to facilitate consolidation of the NHS England Accounts.

- 1.8.6 Combinations of the various segments of the account code only exist if they have been validated. CCG budget managers can ask for new account code combinations to be validated as and when they are required.
- 1.8.7 It is important to use the correct organisation analysis 2 codes (A2 codes) for all bodies if they exist as aids analysis but compulsory for NHS bodies to help facilitate consolidation and agreement of balances.

1.9 VAT

- 1.9.1 NHS bodies are able to reclaim VAT on certain services that have been contracted out, but which could have been provided in-house e.g. training, IT support, consultancy, etc. The CSU and NHS SBS will work together to ensure that VAT is recovered where possible. The CSU will seek advice from CCG managers as necessary where clarity is required from an invoice in order to determine the correct VAT treatment.

1.10 Better Payments Practice Code

- 1.10.1 The CCG are required to pay non-NHS creditors in accordance with the CBI Better Payments Practice Code. The target is to pay 95% (in terms of volume and value) of non-NHS trade creditors within 30 days of receipt of goods or a valid invoice (whichever is the later) unless other payment terms have been agreed with the supplier.
- 1.10.2 In order to meet this target, managers must authorise invoices promptly. The NHS SBS Finance System will automatically escalate invoices to the budget holder's supervisor on the system if not authorised within 7 days.
- 1.10.3 If there is an issue with an invoice which might take some time to resolve, the invoice should be put on hold until the problem is resolved. This should not be used as a means of avoiding onward escalation unless there is a known reason for not authorising the invoice.

1.11 Payments to NHS Providers

- 1.11.1 Monthly payments to the CCG main NHS Providers will normally be made in line with 1/12th of agreed contract value on 15th of the month. This requires invoices to be checked, coded and authorised 2 working days before the payment run and in accordance with the timetable published by NHS SBS. The CSU has a policy on Service Level Agreement (SLA) Payments which applies and which can be accessed via a link in Annex B of this document.

1.12 Prepayments

- 1.12.1 Prepayments are normally permitted where this is standard commercial practice, but otherwise only in exceptional circumstances. For example a prepayment to an NHS Foundation Trust may be necessary if it is experiencing acute cash flow issues. Any such prepayment would be undertaken with guidance from NHS England and Monitor and would normally be expected to be a short term measure whilst alternative arrangements for financing the provider's working capital requirements were agreed. The justification for such a prepayment would be that it would be in the public interest to protect essential services. Such prepayments must be discussed with the Chief Finance Officer in the first instance.

1.13 Leases

1.13.1 Before entering into a new lease or extending an existing lease, a copy of the documentation must be forwarded to the Chief Finance Officer who will determine whether it is an operating or finance lease and ensure the correct accounting treatment is applied. Value for Money will also be considered at this stage as will any requirements to seek approval from NHS England in the case of leases relating to property. An appropriate procurement process should be followed to select a supplier.

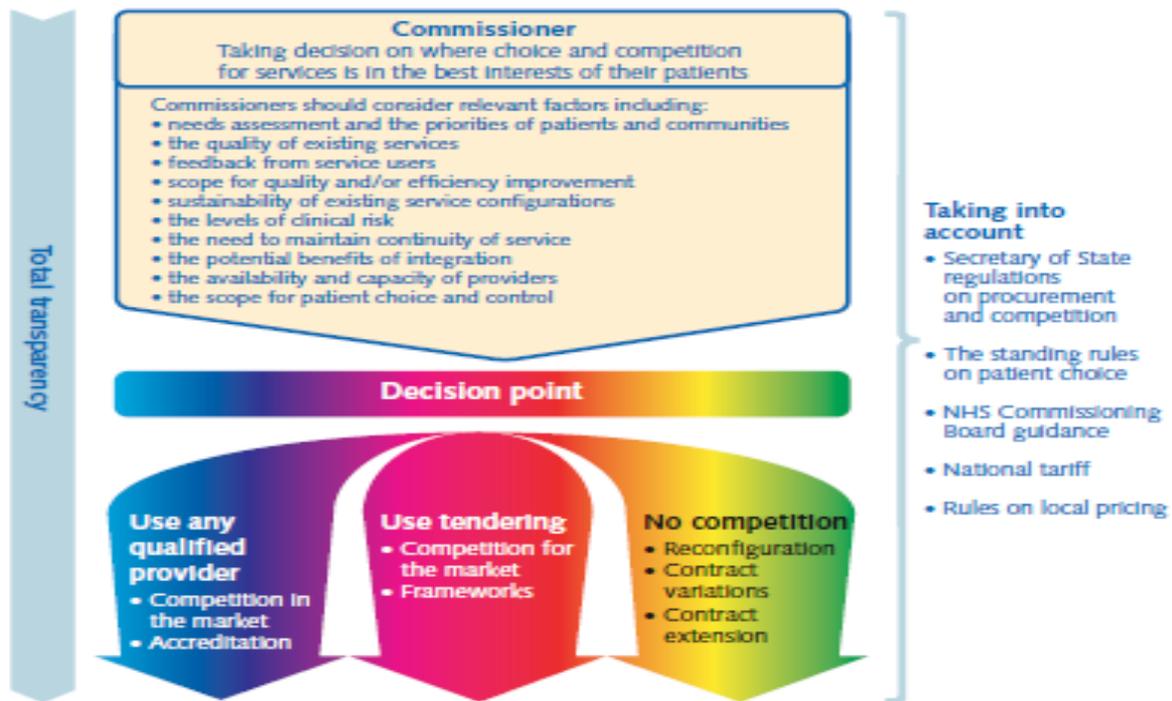
1.14 Urgent Payments

- 1.14.1 If an urgent payment by cheque or CHAPS or RFT is required the Deputy CFO or Senior Finance Manager should be contacted.
- 1.14.2 Appropriate authorisation of invoice by the relevant budget holder will be required.
- 1.14.3 Any urgent payments to staff must be initiated by the Payroll Services Department.
- 1.14.4 The process is described in more detail in the CSU Manual and Urgent Payment Procedure, a link to which can be found at Annex B.

2. Tendering and Contracting

2.1 Introduction

- 2.1.1 This Financial Procedure should be read in conjunction with the CCG Prime Financial Policy 13: Tendering and Contracting Procedure.
- 2.1.2 It will normally be necessary to undertake formal competitive tendering where the value of goods or services to be procured, is in excess of £50,000.
- 2.1.3 The CCG receive support with the procurement of health and other services from the CSU Procurement Team.
- 2.1.4 The criteria for evaluation of tenders and the decisions that are taken as a result may be subject to challenge by Audit, the Governing Body or any of the organisations which have submitted a tender; or any other organisation that considers that it has been denied the opportunity to bid for the contract, or the European Commission (where the value exceeds Public Procurement Thresholds). Therefore, any advice given by CSU Procurement must be followed to ensure that decision making is objective.
- 2.1.5 In order to provide evidence, all paper work relating to any tender exercise must be retained. All tendering is now carried out electronically using an approved eTendering system which also acts as the tender register and record of tenders submitted. The system is managed by CSU Procurement.
- 2.1.6 As part of the annual strategic planning process, the CCG will work with the CSU Procurement Team to agree a programme of areas where procurement is needed to secure new services or improve quality of existing services.
- 2.1.7 Following the development of the programme, the CCG will work with the CSU to determine the correct procurement route which could include the use of a framework agreement, the Any Qualified Provider (AQP) process, full tendering, contract extension, etc. The diagram below provides an overview of decision making and potential options around choice and competition.



2.2 **Business Case Development:** In order to determine the requirements in respect of quotations and tenders, it is necessary to estimate the value of the contract. Production of a fully worked business case commensurate with the value of the contract is essential. This can then be discussed with the CSU Procurement team to determine the appropriate process for procuring goods and services.

2.3 **Advertising in the Official Journal of the European Union (OJEU):** CSU Procurement will work with the CCG in cases where it is identified that it is appropriate for the contract to be advertised in OJEU through either the nature of the contract or because it is likely that the contract will attract cross-border interest.

2.4 The CCG Financial Procedure for the **Selection, Appointment and Management of External Consultants (see paragraph 10 of this document)**, specifically outlines the CCG approach to tendering in this area but the requirements therein relating to the production of business cases, project management and post project appraisals apply equally to all projects and large procurements.

3. Pay and Expenses

3.1 General

- 3.1.1 Payroll and Pension services are provided to the CCG by Royal Berkshire NHS Foundation Trust.
- 3.1.2 Human Resources services are provided to the CCG by ConsultHR (part of South Central and West Commissioning Support Unit).
- 3.1.3 ConsultHR is responsible for managing the contract with Royal Berkshire NHS Foundation Trust and holds detailed procedures and forms on the ConsultHR website. These have been adopted by the CCG and are reviewed on a regular basis.

<http://10.162.216.140/ConsultHR/Pages/default.aspx>

3.2 Important Information for Staff

- 3.2.1 All staff will be paid monthly in arrears.
- 3.2.2 Any amendments to payroll or travel and other expense claims must reach payroll by the cut off dates advised in order to be included on that month's payroll.
- 3.2.3 All amendments should be made in liaison with ConsultHR and authorising managers should take into account the additional time that it will take to do this.
- 3.2.4 Details of key dates for payroll will be circulated at the beginning of each year and are available from ConsultHR and from Payroll Services.

3.3 Important Information for Line Managers

- 3.3.1 Any forms relating to recruitment, appointment, variation or termination must be approved by one of the managers on the authorised signatory list and by a member of CCG finance team – CFO or Deputy.
- 3.3.2 Any new posts must be approved by the CCG Clinical Commissioning Committee prior to the commencement of the recruitment process and the full year effect of the post must be affordable within the CCG running cost allocation and individual department budgets. The CCG establishment is agreed by the Clinical Commissioning Committee each year.
- 3.3.3 The use of agency or other interim staff to fill vacancies must be supported by a business case and agreed by the Chief Finance Officer and/or the Chief Officer in all cases and in advance of engaging interim staff.
- 3.3.4 CCG finance staff will query any variations against pay budgets with the budget holder concerned.
- 3.3.5 Line managers are responsible for ensuring that ConsultHR is informed of any staff leaving the employment of the CCG and that all relevant documentation is completed in a timely way and authorised by an appropriate member of the signatory panel. Failure to complete this documentation may result in an overpayment and a potential loss to the CCG.

3.4 Travel Expenses

- 3.4.1 CCG staff use an online expenses system to submit claims for the reimbursement of travel expenses. Care must be taken to ensure that the policy on travel and other expenses is followed. A link to the Policy is included at Annex C of this document.
- 3.4.2 All claims for travel by public transport should be supported by appropriate receipts.
- 3.4.3 All claims must be appropriately authorised.
- 3.4.4 Payment of expenses will be made along with monthly salary payments.
- 3.4.5 Claims should be submitted monthly or as frequently as is practical but not more than 3 months after the date of travel. Failure to submit claims within a reasonable time may result in a loss of entitlement if sufficient proof of the claim cannot be provided.
- 3.4.6 Details of rates for reimbursement of travel costs can be found in the Travel and Other Expenses Policy.

3.5 Other Expenses

- 3.5.1 Travel and subsistence forms should not be used for recovery of other non-travel expenditure by the employee without the express authority of the Chief Finance Officer. The Petty Cash system should be used for the reimbursement of expenditure up to £50 or for larger amounts a duly completed and authorised manual payment form should be completed which will be paid by Payable Order.

4. Income

4.1 Income and Allocations

- 4.1.1 This procedure relates to miscellaneous income from other bodies (NHS or non-NHS). It is not concerned with the allocations from NHS England which cover most of the CCG programme and running costs. The largest part of miscellaneous income will be for rebates and events held by the CCG e.g. training events.
- 4.1.2 There will be little miscellaneous income due to the CCG, as it is essentially a management body and not a provider of services.
- 4.1.3 Any staff receiving cash or cheques from a third party must pass this to the financial accounts department within the CSU as soon as possible to comply with Prime Financial Policy 12 on Income, Fees and Charges and Security of Cash, Cheques and Other Negotiable Instruments. This requires the prompt recording, invoicing and collection of all monies due.

4.2 Requesting an Invoice

- 4.2.1 All invoices are raised by CSU and NHS SBS on behalf of the CCG.
- 4.2.2 The manager requiring an invoice to be raised, should complete a Sales Order Requisition Form and send it to the CCG finance team for checking and authorising. It will then be sent to the CSU for processing.
- 4.2.3 Back-up information explaining the reason for the invoice, should be provided to finance to help with any queries raised.
- 4.2.4 The CSU has a procedure relating to Billing, Invoicing and Credit Control and a link to this is provided at Annex B. The procedure includes the Sales Order Requisition Form.

4.3 Raising an Invoice and Collecting Cash

- 4.3.1 NHS SBS will raise the invoice, send it out and the payment will be received into the CCG bank account.
- 4.3.2 Income will be credited to the relevant budget when the invoice is raised.
- 4.3.3 In the event of the invoice not being paid, CSU will follow their normal procedures for credit control a link to which is provided in Annex B. NHS SBS also undertake routine debt management on behalf of the CSU and CCG. If the debt remains outstanding for an extended period of time then the individual who asked for the invoice to be raised may be asked to expedite payment.

4.4 Requesting a Credit Note

- 4.4.1 The originator of the invoice can request a credit note for all or part of the invoice value by completing a Credit Note Requisition and sending it to the CCG finance team for checking and forwarding to CSU. The form can be found in Billing, Invoicing and Credit Control Procedure at Annex B.
- 4.4.2 Credit note requests should be accompanied by supporting documentation and the reference number of the invoice against which the credit is to be set.

5. Budgetary Control

5.1 Introduction

- 5.1.1 As outlined in Prime Financial Policy 4 – Expenditure Control, each CCG is required by statutory provisions to ensure that its expenditure does not exceed the aggregate of allotments from NHS England and any other sums it has received and is legally allowed to spend.
- 5.1.2 Each year the CCG will agree a financial plan with NHS England and this will include an agreed level of surplus to which they will be held to account to deliver by the South Central Area Team.
- 5.1.3 Prior to the start of each financial year the Chief Finance Officer will submit a report to the CCG Governing Body and the Council of Members, summarising the anticipated allocations and the proposed use of those including details of assumptions, reserves and the level of surplus to be delivered.
- 5.1.4 Any significant changes to allocations will be reported to the Governing Body at the earliest opportunity.

5.2 Annual Budget Setting

- 5.2.1 All budgets under the control of the CCG will be set in liaison with the relevant Executive Director and budget manager using a participative budgeting approach within the resources available and will be subject to approval by the Finance Committee and CCG Governing Body at a summarised level and before the start of the year.
- 5.2.2 Although the previous year's final budgets may form the starting point for agreeing the following year's budgets, all budgets will be critically examined to ensure they are still appropriate, adequate and affordable.
- 5.2.3 Budgets will be reviewed in the context of the CCG strategy and annual plan.

5.3 Specific Allocations

- 5.3.1 The CCG receive notification of any specific in year allocations via NHS England.
- 5.3.2 It is expected that the CCG receive a monthly resource allocation report from NHS England and that this is checked and reconciled to budget on a regular basis by CSU staff in liaison with the CCG.
- 5.3.3 The CCG Governing Body will receive a regular report on the in- year financial position. This will include:
 - A summary of the programme and running costs allocations that are managed by the CCG.
 - The plan for using the allocations (the budget)
 - Progress against the plan (actuals)
 - Analysis of significant variances between actuals and budget
 - Key messages including performance against QIPP and overall plan, linked back to activity (where this is a driver of cost).
- 5.3.4 The process for agreeing how new allocations are to be used is for the responsible Executive Director to agree with the Chief Finance Officer and ideally should include the presentation of a proposal to the other Directors including the CCG Chair at the Joint QIPP and Finance Committee and then at the relevant Governing Body meeting.
- 5.3.5 Once the use of the allocation has been approved, the budget will be released to an existing cost centre from where its use will be monitored.

- 5.3.6 It is important to monitor the use of such allocations closely as it may be necessary to demonstrate to NHS England that specific allocations have been used for the purposes for which they are intended and the Governing Body will be interested in understanding how such funding has been used to deliver specific outcomes.

5.4 Budgetary Control and Virement

- 5.4.1 A Budget is an annual sum of money identified for a defined purpose within which expenditure has to be managed. Normally budgets are held at an Executive Director level and the Executive Director will be the responsible budget holder, even if they ask a member of their team to act as budget manager for the purposes of day-to-day management and monitoring of all or part of the budget.
- 5.4.2 Executive Directors are expected to stay within their overall budgets unless they have explicit agreement from the Chief Officer (which would normally be actioned by giving additional budget from reserves or linked to a new allocation).
- 5.4.3 The budget setting process aims to ensure that all budget holders receive realistic budgets at the start of the year in order that the CCG commissioning plan may be achieved. There will be in-year changes and this is where virement can be used. Virement means moving budget between different budget lines without changing the “bottom line” total budgets for the CCG.
- 5.4.4 There are occasions when virement is appropriate. These include;
- Adjustments to reflect changes that could not have been foreseen at the start of the year;
 - Where planned actions by managers mean that resources previously allocated for one purpose are no longer required for that purpose, but are required to be spent in year to meet overall control totals.
- 5.4.5 Equally, there are occasions when virement is not generally appropriate:
- Smoothing budget statements to mask underlying issues.
 - Using fortuitous underspends to support pressures in other areas.
- 5.4.6 The distinction between recurrent and non-recurrent budget should be carefully observed. It is not permissible to use non-recurrent budgets for recurrent purposes.

5.5 Virement Rules and Process

- 5.5.1 The rules and processes that apply in the approval of budget virement are as follows. Virement is not normally permitted;
- From non-recurrent to recurrent expenditure;
 - Where it would be in breach of the rules on specific allocations;
 - Where it would increase running costs (unless approved by the Chief Officer);
 - Where the transfer would commit the CCG to additional recurrent expenditure in excess of commitment agreed within the CCG plans;
 - Where the transfer would adversely impact on decisions already taken, because of cost pressures elsewhere, to require a saving to be secured before the expenditure commitment is made.
- 5.5.2 Where expenditure is being planned and the source of funding is virement from another budget, then prior approval should be secured before the expenditure commitment is made.

5.5.3 Where a virement has been identified, the budget holder should liaise with the CCG Finance team who will follow the CSU Budget Virement process (link to document in Annex B). Appropriate authorisation in accordance with the following paragraphs should be obtained prior to submitting the completed form to CSU Finance.

5.5.4 For all other virement between budgets the following authorisation limits will apply:

Financial Limits	Authorisation Required
Up to £5,000	Budget Managers
£5,001 to £50,000	Individual Executive Directors
£50,001 to £100,000	Chief Finance Officer
£100,001 to £200,000	Chief Officer
Over £200,000	Organisational Leadership Team

5.5.5 All virements across directorates or budget managers need the signed approval of both parties. The Chief Finance Officer can authorise virement on behalf of the Chief Officer or Organisational Leadership Team in the case of urgent need. Any virement over £500,000 needs to be specifically reported to the Governing Body at the first reasonable opportunity.

5.5.6 Transactions must not be broken down in order to avoid the rules on delegated financial limits. Where a series of related transactions occur within a 12 month period which together exceed a delegated limit, approval at the next level must be sought.

5.5.7 For the avoidance of doubt, the prescribed virement process and form should be used when;

- Money is being moved between different budget managers after the original allocation of budgets
- Money authorised to be spent for a specific purpose is intended to be used for some other purpose.

5.6 Budgetary Reporting

5.6.1 The CCG finance staff will work with the CSU Management Accounts team to maintain the CCG budgets on the NHS SBS system.

5.6.2 Standard monthly reports for each cost centre actual and budgeted expenditure on a current month and year to date basis can be found in the Management Information Reporting tool provided by NHS SBS. It is the budget manager’s responsibility to access these reports and investigate variances recorded therein. The reports allow managers to “drilldown” to individual invoices including electronic images of the invoices. Monthly budget holder reports and staff cost reports will also be circulated to CCG staff as appropriate.

5.6.3 The reports available in Management Information also include the CCG forecast outturn position against each budget. These are updated on a monthly basis following a monthly review meeting between CSU Management Accountants and CCG Finance Staff and discussion with operational managers. Directors and budget managers will be asked to work with the finance team to produce forecasts of expenditure during the year.

- 5.6.4 The CCG finance staff and CSU Management Accountants will help directors and their staff investigate significant variances and correct errors.
- 5.6.5 Reasons for significant variances will be recorded and reported to CCG Governing Body.

5.7 Accruals

- 5.7.1 The NHS SBS system automatically produces accruals on the system for all invoices which have been received, but not paid. Un-coded invoices are automatically posted to I&E suspense account and the CSU management accounts will re-code these invoices to correct expenditure lines. Accruals will also be made for goods received, not invoiced. Any additional accruals shall be input into the ledger in the period between soft close (when all interface files have been processed) and final close (final closure of the ledger for the month). The CSU Management Accounts team lead this process.
- 5.7.2 Particular care is necessary to ensure that all accruals with NHS organisations include the relevant Analysis 2 codes for NHS bodies and have been agreed with the counterparty, which will show an equal and opposite entry. This will aid with consolidation of accounts by NHS England.

5.8 Year-end procedures

- 5.8.1 The CCG finance team in liaison with the CSU and NHS SBS is responsible for co-ordinating year end procedures, to ensure that all income and expenditure is fully and correctly accounted for in the annual accounts.
- 5.8.2 the CCG Deputy Chief Finance Officer and the CSU will work together to establish a timetable that will ensure that final accounts are submitted to the Audit Commission and NHS England in accordance with all statutory obligations, relevant accounting standards and accounting best practice in the form and content required.
- 5.8.3 The Deputy Chief Finance Officer is responsible for ensuring that the accounts are delivered to and reviewed by relevant staff. Any amendments or additions to the accounts will be processed according to the timetable that has been set.
- 5.8.4 The Deputy Chief Finance Officer will work with CSU staff, CCG staff and NHS SBS to ensure that the CCG Auditor is supplied with good quality working papers to support the statements, notes and narrative sections of the accounts.
- 5.8.5 Draft accounts will be presented to the Audit Committee for review prior to submission to NHS England and the External Auditor. The audited accounts will be presented to the Audit Committee for approval prior to the submission to NHS England by the External Auditor.

6. Standards of Business Conduct Policy

- 6.1 The CCG has a Code of Business Conduct Policy which includes the issue of gifts, hospitality and commercial sponsorship.
- 6.2 As outlined in the National Health Service (NHS) Codes of Conduct and Accountability (as revised in July 2004), public service values must be at the heart of the NHS and high standards of corporate and personal conduct, based on the recognition that patients come first, have been a requirement throughout the NHS since its creation more than 65 years ago.
- 6.3 The purpose of CCG Standards of Business Conduct Policy is to set out clearly the expectation that the Council of Members, the Primary Care Committee, the Governing Body and its

delegated committees, the Operational Leadership Team and members of staff of the CCG will uphold at all times the nationally recognised high standard of corporate and personal conduct.

6.4 A link to the CCG Standards of Business Conduct Policy can be found in the table in Annex C of this document.

7. Hospitality, Foreign Travel, Gifts and Commercial Sponsorship

7.1 Acceptability

7.1.1 The Overriding Consideration

- A gift, hospitality or commercial sponsorship may not be accepted by a Governing Body Member or member of staff in any case where it is offered in return for a Director or employee doing something or showing preference in an official capacity.
- In any case where there is doubt, the safest course of action is to decline the hospitality or gift.

7.1.2 Practical Guidelines for “Acceptability”

- **Hospitality:** This is defined as meals, refreshments, travel, accommodation and other expenses in relation to attendance at meetings, conferences, education and training events etc. These may be accepted where they are moderate and in keeping with what is normal in business relationships and where, as far as it can reasonably be assessed by the potential receiver, will not be deemed by others to influence a business decision. Offers of travel to suppliers’ premises, perhaps with substantial hospitality should be viewed with great care and in case of doubt, declined or unless (in exceptional circumstances) the permission of the Executive Director is obtained before acceptance. In all cases, these are to be declared. Established “custom and practice” may not necessarily afford protection in individual future cases. The ability of the recipient to provide a similar level of hospitality in return may be relevant to any assessment.
- **Non-consumables/tangibles:** This includes gifts e.g. seasonal calendars, diaries, pens, etc. up to an apparent value of £25.00. Items of greater apparent value of between £25.00 and £75 may be accepted and must be declared. These may be accepted but again with the proviso of deemed influence still kept in mind. Over a value of £75 should be declined unless (in exceptional circumstances) senior approval is given

7.1.3 Management Approval and Further Advice

- All staff involved or potentially involved must discuss cases of individual doubt or difficulty which may call for judgement and experience, with their Director, the Head of Corporate Affairs and Governance or the Chair of a Committee or Governing Body upon a declaration.
- When making a declaration of hospitality, gifts or commercial sponsorship received the employee should include details of the donor’s name, the value of the gift and the date received. Similarly these details should be included when making any request to accept overseas travel or accommodation

7.1.4 Particular examples are given here as a guideline

Example	Acceptable?	Reason
A working lunch with 1 or 2 non-alcoholic drinks.	Yes	If a "one off"
An evening meal	Yes	If a "one off"
Moderate inland travel costs	Yes	If no holiday elements
Overseas travel and accommodation	Yes	Only by special prior approval of the Chief Officer or in the case of the Chief Officer (the Chairman of the CCG) and in line with the CCG Overseas Travel Policy.

7.1.5 The hospitality and gifts register will be reviewed by the Audit Committee yearly or as appropriate.

7.1.6 Gift Vouchers and Equivalent

This is only permitted if:

- The recipient is not an employee
- The value is £50 or less
- It is authorised by a budget holder
- It is approved by the Chief Finance Officer

7.2 Hospitality Offered by the CCG to others

7.2.1 Introduction

The use of public funds for hospitality and entertainment should be carefully considered. Governing Body, PCCC members and CCG staff need to be confident that such expenditure can be justified to the public and auditors. Inappropriate or excessive spending can cause lasting damage to the public reputation of the CCG.

7.2.2 The following checklist should be used as a reminder before ordering hospitality.

General

- Hospitality, paid for from CCG allocations is not the "norm" when conducting business; it should be provided **only when necessary**.
- It is not justifiable to provide hospitality solely to reciprocate hospitality received on some previous occasion;
- Hospitality should not be extended to spouses of staff or guests unless the circumstances fully justify this and it is authorised by the Chief Officer.
- Refreshments should not normally be provided at management/staff meetings. However, it is reasonable to provide a light buffet type meal using the CCG preferred catering suppliers at meetings held during the hours 12:00 and 14:00 where the meeting spans this whole period or at meetings held in the evening where it is anticipated that people will be coming straight from their normal place of work. The arrangement of such meetings should be kept to a minimum and be arranged only when necessary. Working-lunches should not be provided at the end of a morning meeting or before the commencement of an afternoon one unless the timing of the meeting is such that participants, who may have travelled a considerable distance from their normal base, would have no other reasonable opportunity to obtain their own lunch.

- Similarly it is permissible to provide a light lunch at all day events.

Drinks at meetings

- The provision of normal beverages at meeting using the facilities provided is acceptable.
- The provision of alcoholic drinks at public expense cannot be justified; therefore drinks should be non-alcoholic.

7.3 Commercial Sponsorship and Joint Working Arrangements

7.3.1 Sponsorship of NHS events by external parties offering to meet some or part of the costs of running an event for the benefit of NHS staff and patients is valued. The CCG must ensure that proper safeguards are in place to prevent conflicts occurring with all guidance adhered to with principles and rules maintained in accordance with NHS England guidance. Permission at Senior level should be obtained before accepting any commercial sponsorship.

Do Not:

- Accept any gifts, inducements or inappropriate hospitality;
- Abuse your past or present official position to obtain preferential rates for private deals;
- Unfairly advantage one competitor over another or show favouritism in awarding contracts;
- Misuse or make available official “commercial in confidence” information.

8. Cash and Treasury Management

8.1 Introduction

- 8.1.1 All bank transactions for the CCG go through the account specified by the Government Banking Service (GBS).
- 8.1.2 Signatories for the bank accounts are approved by the CCG Chief Finance Officer.
- 8.1.3 Banking arrangements are approved by the CCG Audit Committee in line with Prime Financial Policy 11 – Bank Accounts.

8.2 Banking

- 8.2.1 The CCG is responsible for not exceeding its cash limit.
- 8.2.2 It is important that cash is not drawn down from NHS England in advance of need as CCG may be penalised for holding excess cash balances. If NHS England issues guidance on how much cash CCG are allowed to retain at the end of each month, the CCG will work with CSU colleagues to achieve the required percentage.
- 8.2.3 The use of payments by CHAPS is expensive and is monitored by the Department of Health and must be kept to a minimum.
- 8.2.4 CSU working with NHS SBS manages most of the banking and cash management requirements of the CCG. This includes:
- Drawing down agreed amounts of cash required monthly on behalf of the CCG, within its overall NHS cash allocation.
 - Reconciling the Nat West account at month end.

- Assisting the CCG to manage its cash flow on a monthly and annual basis, so that cash balances are maintained at an acceptable level and within the cash limit. The CSU Cash Flow Forecasting Procedure which can be found by accessing the link in Annex B of this document provides details of this process.
 - Day to day liaison with Nat West.
- 8.2.5 It is the CCG responsibility to ensure that the CSU and NHS SBS are aware of its:
- Cash limit
 - Level of miscellaneous income and expected timing of receipt
 - The profile of expenditure during the year
 - Any significant in year changes to any of the above.
- 8.2.6 The CCG and the CSU will work together to model the profile of the expenditure and miscellaneous income over the forthcoming year and therefore determine the CCG cash requirements.
- 8.2.7 Due to the danger of money laundering the CCG has a policy of not accepting cash payments of £10,000 or more for any single transaction.

9. Financial Procedure for the use of Purchasing Cards

9.1 Introduction

- 9.1.1 The Barclaycard VISA Purchasing Card has been introduced as an alternative method of purchasing low value goods and services on behalf of the CCGs. Is it used like any other credit card and is widely accepted within the UK. Any establishment displaying the VISA symbol will accept the card.
- 9.1.2 The reason it has been introduced is to enable the immediate purchase of low value items where it would not be cost effective to use other payment methods or where a low value item is to be purchased at short notice. In addition there are a limited number of cases where suppliers may only accept payment by debit or credit cards.
- 9.1.3 Purchasing Cards will be allocated to cardholders and will be issued in their name. This means that the cardholder is responsible and accountable for the Purchasing Card and it should be used only by the cardholder. Purchases will be checked and overseen by line managers and the Deputy Chief Finance Officer.

9.2 Overview of the Purchasing Card Process

- 9.2.1 Within the parameters set for individual cardholders, the Purchasing Card transaction is conducted by telephone, email, fax, internet or point of sale.
- 9.2.2 The cardholder must maintain a log of all transaction (see Annex 3), which they will reconcile with their monthly statement.
- 9.2.3 The supplier is paid by the card provider. The Purchasing Card Administrator will receive a monthly electronic transactions file from Barclaycard detailing transactions made by each cardholder in the previous month. This enables CSU finance to record the transactions and allocate the costs accordingly, without the need for invoices. Payment to Barclaycard will be made by direct debit monthly payment.

9.3 Directions for Card Use

- 9.3.1 The cardholder may only use the card for business purposes.

- 9.3.2 Each cardholder is issued with a copy of these procedures and the limits within which they can operate. Every card has a maximum transaction limit and an expenditure limit and these limits may not be breached.
- 9.3.3 If the total value of a purchase is in excess of the transaction limit, then another purchasing method must be used. Transactions must not be split to bring them in line with the transaction limit.
- 9.3.4 Any cardholder who feels that their transaction or expenditure limit needs to be reviewed should contact the Purchasing Card Administrator.
- 9.3.5 The following categories of purchase should **not** be made using a Purchasing Card:
- Cash;
 - From suppliers with whom the cardholder has a personal connection;
 - Amending or extending an existing order or contract (other than an order or contract placed using the purchasing card);
 - Travel and subsistence (this should be claimed using the online expenses system). Note: with prior agreement of the line manager the card may be used for booking public transport or hotels for staff attending training courses;
 - Stationery (which should be purchased via the CCGs' stationery supplier);
 - Printed Stationery (which should be purchased via the CCG's printed stationery supplier);
 - Goods or services which may have significant Health and Safety considerations; and
 - Any computer or other IT hardware or software, which should be purchased via the CSU.

If line manager or finance authorisation is required for any purchases this should be sought in writing.

9.4 Cardholder Responsibility

- 9.4.1 The card provided to an individual is for their sole use and should not be lent to anyone else for use or given to anyone else for safekeeping. It is the cardholder's responsibility to ensure that the card is retained in a secure location. All transactions will be assumed to have been incurred by the cardholder.
- 9.4.2 The card must only be used to purchase goods and services on behalf of the CCGs.
- 9.4.3 Any deliberate misuse of cards will be treated as theft and/or fraud and may lead to disciplinary action. Additionally the value of any purchases deemed not to be for the benefit of the CCGs, will be recovered from cardholder's pay.
- 9.4.4 Purchasing cards are embossed with individual cardholders' names, however the liability is in the name of the CCG and there is no impact on personal credit status.

9.5 Card Administrator

- 9.5.1 The Purchasing Card Administrator will maintain a register of all cardholders, card locations and relevant transaction and monthly credit limits.
- 9.5.2 The Purchasing Card Administrator will liaise with the card provider on all matters regarding card administration.
- 9.5.3 On receipt of a purchasing card, the cardholder must sign it immediately.
- 9.5.4 Details of a cardholder's individual transactions will be available from the VISA statement and the transaction log.
- 9.5.5 Any changes to name, department, job or location should be notified to the Purchasing Card Administrator by the cardholder at the earliest opportunity.

- 9.5.6 When a cardholder leaves their employment with the CCGs' it is their responsibility to return the purchasing card to their line manager. The card will then be returned to the Purchasing Card Administrator and cancelled.
- 9.5.7 Contact details for the Purchasing Card Administrator can be found at Annex 1.

9.6 Loss of Theft of Purchasing Card

In the event of loss or theft of a Purchasing Card, the cardholder must

- a) inform Barclaycard immediately by calling 0844 822 2140 8am to 8pm weekdays
- b) complete the Loss/Theft Incident Report (see Annex 2) and forward this to the Purchasing Card Administrator. If this is not submitted, a replacement card will not be issued.

9.7 How to use a Purchasing Card

9.7.1 Purchasing Cards may be used for the following:

- Telephone ordering – obtain an order reference number from the supplier and give a customer reference number if required. Telephone orders should be delivered to the CCGs' premises and not to the cardholder's private address.
- Point of Sale i.e. personally visiting the supplier's premises and signing for goods. A receipt should be obtained and kept with the transaction log.
- Purchasing over the internet.
- Ordering by fax.
- Mail order, where an application form can be completed with details for a card payment e.g. for subscriptions

9.7.2 How to place an order using the Purchasing Card

- Ensure that the value of the goods or supplies being purchased (including VAT and carriage) is within the card transaction and expenditure limits.
- Determine whether the supplier will accept payment by VISA.
- Order goods and/or services from the supplier quoting:
 - a) The full card number
 - b) The card expiry date
 - c) The last three digits on the security code
 - d) Full delivery address and location e.g. CCG Admin Office, 57-59 Bath Road, Reading, RG30 2BA
 - e) Clear description of the goods and/or services required
- Obtain confirmation from the supplier that they will mark the invoice/advice note "paid by VISA" and that this will be sent to the cardholder directly i.e. not to the accounts payable department at CSU or SBS. It is important to do this to ensure that the invoice is not paid twice.
- Update the transactions log with purchase details and attach the invoices.
- The invoices are an important document to retain, not least because they will be required to enable the CCG to reclaim an VAT under the contracted out services rules.

9.8 Completion of the Transaction Log

9.8.1 Complete all fields

9.8.2 The Customer Reference Number is your own initials and a sequential number.

9.9 Electronic VAT Reporting

- 9.9.1 HM Revenue and Customs approves Purchasing Card VISA statements (produced by the Card Provider) as evidence for VAT reclaim. Suppliers who are able to transmit VAT electronic data within the card transaction no longer need to supply traditional paper VAT invoices. Unless you request one of the paper alternatives, no paper evidence will be automatically produced by the supplier.
- 9.9.2 However, cardholders have a responsibility to ensure that all relevant VAT documentation is received from suppliers. When placing an order with a supplier, cardholders must ask whether they are electronic VAT capable and if they are, you should request:
- A priced delivery note or
 - An itemised receipt
- 9.9.3 In order for the cardholder to reconcile monthly expenditure, it is recommended that you confirm with suppliers that they will be providing one of the above paper documents for each of the orders place with them and that these will be sent to the card holder.
- 9.9.4 If they are not able to transmit electronic VAT data you must ensure that a traditional paper invoice marked "Paid by VISA" is sent to the cardholder as this will be required as evidence for VAT reclaim.
- 9.9.5 For transactions where electronic VAT data has been transmitted a # symbol will appear on the monthly statement next to the relevant transaction.

9.10 Monthly Reconciliation/Purchasing Card Statement

- 9.10.1 On receipt of the monthly statement, cardholders should check that all details are correct and match them with their transaction log.
- 9.10.2 Any discrepancies should be raised and rectified with the supplier by the cardholder. Where refunds are agreed, these should be noted on the transaction log.
- 9.10.3 If it is not possible to resolve a query with a supplier, the cardholder should contact CSU procurement in the first instance.
- 9.10.4 Any disputes should be marked clearly on the transactions log.
- 9.10.5 If there are any items on the transaction log that do not appear on the statement, they should appear on the following month's statement so should be transferred to the transactions log for the following month.
- 9.10.6 The transaction log must reconcile to the statement and then be signed and submitted along with any invoices, delivery notes and receipts within five working days of the receipt of the statement to the CCG Senior Finance Manager.
- 9.10.7 The Purchasing Card Administrator will receive an electronic transaction file from Barclaycard and will work with the CSU to allocate all costs to the appropriate cost centre and subjective code based on the detailed transaction files provided by cardholders.

9.11 Dealing with Problems with the Supply of Goods and Services

- 9.11.1 If there is a problem with the quality of goods/services supplied, the cardholder must contact the supplier immediately to request a refund or if appropriate, a replacement or alternative.
- 9.11.2 If the supplier agrees to issue a refund, the cardholder should update the transaction log with the credit and ensure receipt of a credit note and that the credit is on the next statement.

- 9.11.3 If there is an incorrect entry on a statement, the cardholder should contact the supplier for an explanation and/or an adjustment.
- 9.11.4 If a cardholder is billed for goods that have not been received, then the supplier should be contacted to confirm that goods have been dispatched. **Please note that it is a VISA regulation that the transaction will not be processed until goods are dispatched.**
- 9.11.5 Any other discrepancies should be discussed with the CSU procurement department.

9.12 Security Precautions for online purchasing

- 9.12.1 It is advisable to use the latest version of the browser and set it to the highest level of security notification.
- 9.12.2 Use only reputable websites or look for the hallmark TrustUK that endorses those with secure connections.
- 9.12.3 Your browser should tell you when you are about to download a page that is using Secure Socket Layers (SSL) by displaying a locked padlock icon in the bottom right hand corner of the web browser window. If the padlock is missing or broken, the website is not secure and you should abort the purchase.
- 9.12.4 Cardholders should not disclose their purchasing card PIN to anyone and never send it over the internet.
- 9.12.5 The cardholder should ascertain the main features of goods or services before committing to a purchase. This includes the supplier's name and address and contact details, along with delivery date, price, Terms and Conditions.
- 9.12.6 All printouts, emails, references numbers, booking references, etc. should be retained.
- 9.12.7 Cardholders should always use their work email address in reference to online purchases.
- 9.12.8 Cardholders should ensure that they are aware of any payment commitments and be clear as to whether there is a single payment or a series of payments.
- 9.12.9 If in doubt, cardholders should use another procurement method or discuss with the CSU Procurement Team.

Annex 1: Contact Details

Purchasing Card Administrator

Deputy Chief Finance Officer (this will be changed if the scheme is rolled out widely)

57-59 Bath Road

Reading

RG30 2BA

01189822886

CSU Finance

CSCSU.financesupport@nhs.net

CSU Procurement

cscsu.purchasing@nhs.net

Barclaycard Commercial

Helpline – all enquiries including reporting lost or stolen cards

0844 822 2140 8am to 8pm weekdays

Annex 2: Notification of Loss/Theft of Purchasing Card

Cardholder Name:

Contact Number:

Card Number:

Has your Purchasing Card been lost or stolen?

LOST / STOLEN

Please state the date and time your Purchasing Card was last used?

Date:

Time:

Location:

Please give a brief report of the circumstances that would assist in dealing with lost/stolen Purchasing Card.

Date Reported to the Card Provider:

Name of contact at the Card Provider:

Date Reported to Purchasing Card Administrator:

This form should be sent to the Purchasing Card Administrator as confirmation of your telephone call to the Card Provider.

10. Security and Disposal of Authority Assets

10.1 Introduction

- 10.1.1 It is the duty of the Chief Officer as Accountable Officer and the Chief Finance Officer, to ensure that there is effective internal control of assets within the CCG.
- 10.1.2 The control and security of assets is outlined in the Prime Financial Policies Section 18: Capital Investment, Fixed Asset Registers and Security of Assets.

10.2 Procedure

- 10.2.1 Where assets are sold, scrapped, lost or otherwise disposed of, their value must be removed from the accounting records, if the asset is recorded as a capital asset, and the physical inventory of the organisation.
- 10.2.2 The removal of assets procedure is dependent on three factors;
- Whether the item is a non-capitalised inventory item
 - Whether the item is a capital asset
 - Whether the item is an IT asset or item

10.3 Non Capitalised Inventory Item Disposal

- 10.3.1 A non-capitalised inventory item is one which is not part of the capital asset base of the organisation, i.e. is not recorded on the CCG balance sheet. Certain conditions need to be met to capitalise an asset, mainly relating to the value and useful economic life of the asset. If there is any uncertainty regarding whether the asset has been capitalised individuals should contact the CSU Financial Accounts team. In reality, as the CCG do not own property or deliver services, capital assets will not generally arise.
- 10.3.2 If an inventory item is to be disposed of, individual budget managers, within whose department the item is based, should notify the Deputy Chief Finance Officer by email about the need to dispose of the asset. Identifying why the item needs to be disposed of e.g. broken, obsolete or no longer required. A disposal form should be completed.
- 10.3.3 CCG Finance will either sanction disposal of the item or try to re-deploy the item elsewhere in the organisation, adjusting the inventory listing as necessary.
- 10.3.4 If the item cannot be redeployed the Head of Corporate Affairs can ask for sealed bids from staff to purchase the item, the item will go to the highest bidder. The income received will form part of the budget of the disposing department and go towards replacement equipment if necessary. Any income should follow the income procedures in terms of receipting, etc.
- 10.3.5 If the item is subject to a maintenance agreement, this should be noted and any contracts amended.
- 10.3.6 All disposals should be made in line with current waste disposal regulations and any costs relating to disposal will have to be covered by the budget holder.

10.4 Disposal of a capital asset (not land or buildings)

- 10.4.1 If the asset to be disposed of is a capital asset on the Capital Asset Register, the request to dispose of the asset must be made to the Chief Finance Officer, by the budget holder of the item.
- 10.4.2 The budget holder, in collaboration with the Head of Corporate Affairs, will try and redeploy the asset elsewhere in the organisation.
- 10.4.3 The Chief Finance Officer will certify the request for disposal taking necessary advice on the status of the asset.
- 10.4.4 When the asset is disposed of, the CCG Finance team will adjust the asset register and account for any income or cost associated with the disposal, and reflect it appropriately in the accounts. This will ensure any profit or loss on disposal and the consequential accounting disclosure is made correctly.

10.5 Disposal of IT Assets

- 10.5.1 The Deputy Chief Finance Officer will determine whether the items to be disposed of are currently on the capital asset register.
- 10.5.2 Any IT equipment for removal, which cannot be redeployed, must be certified by the CSU IT team as being obsolete, defective or beyond economic repair.
- 10.5.3 The CSU IT team will ensure software is removed and any hard disks wiped entirely clean so that retrieval of data is not possible or the hard drive physically destroyed.
- 10.5.4 As electrical equipment it cannot be offered to staff for sale.
- 10.5.5 Any costs associated with disposal will be charged to the budget holder responsible for the asset.
- 10.5.6 On disposal, the IT inventory and the capital asset register if appropriate will be amended.

11. Consultancy Selection, Appointment and Management of External Consultants

11.1 Introduction

11.1.1 The employment of external consultants to cover specific areas of expertise for short term requirements is sometimes necessary and desirable. It is important that the CCG procures and manages consultants in an efficient and cost effective manner that demonstrates proper stewardship of allocations whilst not placing disproportionate burdens on management resources. In order to achieve this, the following process should be followed:

- Identify at the outset, the requirement to use external consultancy;
- Accurately specify the job that needs to be done;
- Follow the correct procurement procedure;
- Ensure that value for money can be demonstrated;
- Make sure that the consultants selected, deliver the product or solution that has been specified;
- Ensure that an adequate budget has been identified and its use has been agreed at Executive Director level as necessary;

Failure to comply with these procedures will be treated very seriously.

11.2 Is the use of External Consultants essential?

11.2.1 It is important that there is a clear understanding of the tasks that need to be accomplished and an accurate assessment made of the costs to be incurred before going through the procurement process and certainly before any appointment is made.

- 11.2.2 Consideration should be given as to whether the identified tasks can be achieved by using in-house resources or by offering the opportunity for secondments from other local organisations.
- 11.2.3 It is important to make the distinction between short term filling of vacancies using staff from agencies or consultancy firms versus engagement of specialist to work on specific projects, outside of the CCG normal funded establishment. Although the use of temporary staff to fill vacancies is not discouraged, managers should be aware that the employment of such staff attracts a financial premium. Managers should always ensure that their overall pay budget is not exceeded. It is not expected that consultants would be used to cover routine work.
- 11.2.4 These procedures apply to short term commercial consultancy services only and not arrangements with voluntary or other public sector bodies. Longer term use, over a year, of outside firms, for instance internal audit services, will always be managed by the Finance Department and fully involve the Audit Committee at appropriate stages.
- 11.2.5 The CCG use of consultancy and/or the use of the Waiver facility will be reviewed by the Audit Committee and individuals may be asked to justify their use of external consultants or the Waiver process in person to the Committee. Consultancy budgets will be reviewed each year in light of any consultancy requirements that may have been identified as part of the strategic planning cycle.
- 11.2.6 If consultants are required, then a clear, concise document is required, which addresses the following points:
- What level of skill and seniority is required?
 - Has an objective estimate been prepared of the likely number of days that this assignment will take to complete?
 - Has an estimate been made of the likely cost of the assignment?
 - Is there sufficient budget available?
 - Has the assignment been authorised by someone with the appropriate level of delegated financial authority?
 - What benefits are to be obtained as a result of the assignment and how can these be quantified?
- 11.2.7 Who is responsible for realising the benefits and monitoring progress?

11.3 The Need for Competition and Financial Limits

- 11.3.1 Details of financial limits for procuring goods and services can be found in section 1 of these financial procedures and in the CCG Scheme of Delegation. It is important to obtain realistic estimates prior to requesting sanction to proceed so that the correct procedure can be followed.
- 11.3.2 The level of approval required to proceed will be dependent on the financial value of the project.
- 11.3.3 Competitive tendering allows the comparison of offerings from a number of sources both in terms of cost and quality. Following the competitive process will provide a documented record of the procedures that have been followed and justification of the final decision.
- 11.3.4 There are limited circumstances under which a single tender would be appropriate. If single tender action is being considered, the Chief Finance Officer must be contacted before any arrangements are entered into. Even if a full tender exercise is not possible it is essential that there is competition in the procurement process. A number of firms (at least three if

the value of the work is likely to exceed £10,000) should be invited to bid for any piece of work on the basis of a succinct written brief. Firms are used to responding rapidly in these circumstances and the value of the competitive process outweighs any slight delay.

11.4 Specification and Terms of Reference

11.4.1 Formal specifications and terms of reference are valuable to both parties and include;

An introduction to describe the CCG work and management structure and a broad overview of the assignment to give the tendering organisation a feel for the working environment and culture plus an indication of the level and type of assistance required. Followed by a detailed specification in terms of:

- The work required
- Skills necessary
- Deliverables
- Who the consultants will work with
- Overall and specific project plan and timescale
- Input expected of consultants
- The final product

11.4.2 This should not be open ended. A lack of clarity may lead to poor value for money and problems in evaluating the work produced.

11.4.3 Required qualifications and level of expertise should be explicitly stated and not varied unless there are good reasons for doing so.

11.4.4 Deliverables should be detailed including a detailed specification of what output is expected, project milestones where appropriate, format and level of detail of any report expected.

11.4.5 Location of work is required in order for the tendering consultants to price its proposal.

11.4.6 Project control and accountability. Details should be included of the proposed project management methodology to be adopted e.g. PRINCE, the person to whom the individual consultants will be responsible together with any local regulations that consultants will have to abide by. Details of the overall project management structure should also be included.

11.4.7 Invoices and expenses. Include details of how invoices should be submitted and broken down along with payment terms. The level of expenses applicable should also be stated here.

11.4.8 The intended evaluation method should also be stated and this should include the percentages weighting to be awarded to approach, quality, price, etc.

11.4.9 Where possible the maximum budget for the work should be quoted.

11.5 Tendering

11.5.1 The assessment of the likely cost of a particular project will determine whether or not it is necessary to seek quotes or undertake a formal tender exercise. Details of financial limits can be found in section 1, along with an outline of the requirements to undertake competitive tendering. Greater detail regarding the tendering process can be found in section 2. If a tendering exercise is required, the CCG finance team should be contacted and they will liaise with the CSU Procurement team.

- 11.5.2 If a formal tendering exercise is required, consultants should be asked to supply their response in a prescribed format. The format of the responses will assist with the evaluation of tender responses. Areas to include as a minimum are:
- A description of the consultancy's approach
 - The level of consultancy proposed for the assignment e.g. numbers employed, duration of the projected, identification of skills required.
 - Total cost of the assignment and the basis on which it has been calculated (including day rates of each consultant; number of days input; VAT and expenses);
 - Copies of the CYs of the staff proposed and, if more than one consultant is proposed, the amount of time being given by each consultant.
- 11.5.3 Whenever possible, the CCG will make use of the framework agreements available to select consultants via a further competition and ensure that the management costs of running a procurement exercise are minimised. Again, advice will be sought from the CSU Procurement team in all cases.

11.6 Form of Contract and Contract Conditions

- 11.6.1 The CCG has a template contract for the use of external consultants. This template should form the basis of any contract with external consultants.
- 11.6.2 The contract includes the standard NHS Conditions of Contract for Consultancy, which should not be altered. Any variation required can be documented in an Annex to the contract following discussion with the CCG Finance team and CSU Procurement.
- 11.6.3 The Manager responsible for engaging the consultant should complete the specification and prices sections of the contract. The template includes a number of areas that may need to be considered, when drawing up the specification.
- 11.6.4 It is recommended that any Project Initiation Documents, Project Briefs, etc. are attached as annexes.
- 11.6.5 A copy of the signed contract should be given to the CCG Deputy Chief Finance Officer to file in the contracts file along with a copy of the official order.
- 11.6.6 The PA to the CFO will keep a log recording all such contracts.

11.7 Project Management and Financial Control

- 11.7.1 A Project Manager should be identified with responsibility for ensuring that the project achieves its objectives on time, to the agreed quality standards and within the agreed budget. This task is a responsibility that cannot be left with the consultant. The role of the Project Manager may well duplicate some of the consultants' own management functions, but the importance of maintaining independent control cannot be overemphasised. Project management cannot be divorced from financial control.
- 11.7.2 The project manager should set up and maintain a contract file which includes:
- Terms of Reference/Consultant Briefs;
 - Evaluation criteria;
 - Details of the short listing and final selection process;
 - Copies of all the consultants proposals;
 - The contract between the Authority and the consultant plus any variations;
 - Records of payments;
 - Implementation plans;
 - Project evaluation details.

11.8 Fees and Expenses

11.8.1 It is the responsibility of the authorised signatory of the Contract to confirm the authenticity of the fees and expenses charged to the CCG in connection with any consultancy assignment. The actual rates of expenses payable under the terms of the contract should be itemised in the contract. The contract should provide for any non-standard travel expenses to be approved in advance by the CCG Project Manager.

11.9 Evaluating the Assignment – Post Project Evaluation

11.9.1 The completion of an assignment gives both parties the opportunity to review it, to establish whether the overall objectives have been met, highlight any major concerns, and document any lessons that can be learned for the future. A review should be carried out on every project and is considered to be best practice.

11.9.2 Whether the project has delivered value for money, or has delivered what was expected of it, should be explicitly discussed at the review meeting.

11.9.3 The benefits that would be obtained as a result of carrying out the project and who would be responsible for the realisation of those benefits should have been identified at the outset. An evaluation of the benefits realisation should also be undertaken at this stage as part of the project evaluation.

11.10 Monitoring and Review

11.10.1 The Audit Committee will receive a report annually on the use of management consultancy.

11.10.2 The Manager responsible for employing the consultant should ensure that there is minimal role creep within the assignment. If it is identified that this is happening, then the Manager should consider whether it may be necessary to enter a separate engagement for Consultancy Services with the same or a different consultancy and taking account of financial limits and tendering requirements.

11.11 Engaging External Auditors to Undertake Consultancy Work

11.11.1 Any plans to engage the CCG external auditors to undertake paid consultancy work will be subject to further scrutiny.

11.11.2 Compliance with NHS England Assurance

11.11.3 NHS England will scrutinise expenditure on consultancy across all of the organisations in the group and the CCG is required to comply with any requirement and provide assurance that it has done so as requested.

Annex A: CSU Financial Procedures (links to be inserted for publication)

Procedure	Link
Petty Cash	
Month End Closedown	
SLA Payments	
Finance system user set up, amendment and deletion	
Manual urgent payment process	

Billing, Invoicing & Credit Control Incorporating Write-Offs and Bad Debt	
Balance Sheet Reconciliations	
Cash Flow Forecasting	
Journal Control	
Virements (authority)	

Annex B: NHS SBS solution Design Documents (links to be inserted for publication)

The NHS SBS Solution Design Documents describe the detailed processes operated by NHS SBS and the roles of CSU and CCG in these processes.

Document
Accounts payable
eProcurement
Accounts Receivable and Debt Management
Receipting and Cash

These large documents are available on request from the CCG finance team.

Annex C: CCG Detailed Procedures and Other Documents (links to be inserted for publication)

Document	Link
Travel and other expenses policy	
Losses and Special Payment policy and procedure	
Decision Making Process for Small Investments	
Single Tender Action - Waiver of Competitive Purchase	
Prime Financial Policies	

Annex D: Declaration of Hospitality, Gifts and Commercial Sponsorship Received

Details of Person Making Declaration			
Name:			
Position:			
Department:			
Declaration:			
<p>Having read and understood the practical guidance statement attached to this form – I now declare below details of gifts (other than low value items – less than £20.00) and <u>all</u> hospitality and commercial sponsorship received.</p> <p>Attendance at courses/conferences sponsored by commercial organisations will not affect the integrity of any future purchasing decisions made by me.</p>			
Nature of gift/hospitality/commercial sponsorship	Name of Donor	Value £	Date Received
Signature:			
Date:			

Please return this declaration to the Head of Corporate Affairs

Annex E: Scheme of Delegation

The Prime Financial Policies lay down financial limits to the authority of employees and others to approve expenditure on behalf of the CCG. No individual is authorised to approve expenditure which exceeds the total of their delegated budget, or which is not in line with the purpose and strategy of the CCG.

A breach of delegated authority limits is a disciplinary offence.

Levels of authority – commitment

A commitment relates to any agreement which creates a current or future liability for the CCG. The most common examples would be a requisition to place a purchase order, a contract or SLA agreement. Notwithstanding the financial limit any commitment of strategic significance should be either approved or noted by the Governing Body at the discretion of CCG Leads and Executives.

Authoriser	Value Limit
Governing Body	Unlimited within the budget authorised by Members
Chair, Chief Officer and Chief Finance Officer	£5 million
Nurse Director and Deputy Chief Finance Officer	£500,000
Directors of Operations, Director of Joint Commissioning, Strategy Director, Continuing Healthcare Manager	£100,000
Head of Performance, Head of Corporate Affairs, Assistant Chief Officer, Head of Medicines Optimisation	£10,000
Managers and other Staff	£1,000

Notes

- Commitment value limit relates to expenditure over the life of the commitment.
- The annual renewal of standard NHS contracts and consortium agreements do not require Governing Body approval. These types of commitment require the authorisation of the Chair and Chief Finance Officer.
- Employees are only authorised to make commitments on cost centres for which they have delegated authority, while the Chair and Executives can approve commitments across all cost centres.
- If an invoice has not been preceded by an authorised commitment then the authority limits above apply
- All Commitments for Capital Expenditure require Chief Finance Officer approval

- The category of Authoriser for individual employees or officers of the CSU will be explicitly set by the responsible Executive.

Levels of authority – payment of invoices

In addition to the limits set above, the scheme below sets out the limits for the authorisation of invoices once a commitment has been made. This will usually be via the authorisation of invoices and subsequent payment using the NHS SBS finance system.

Authoriser	Value Limit
Governing Body	n/a
Chief Officer and Chief Finance Officer	Unlimited
Deputy Chief Finance Officer	£25 million
Nurse Director	£5 million
Directors of Operations and Joint Commissioning	£1 million
Director of Strategy, Director of Primary Care and Associate Director of Medicines Optimisation	£250,000
Managers, CHC Manager and other Staff	£20,000
CSU Contract Manager - Senior	£5 million
CSU Contract Manager - Middle	£250,000
CSU Contract Manager - Junior	£25,000
CSU Service Development Manager or Other Manager – Senior	£250,000
CSU Service Development Manager or Other Manager – Middle	£25,000
CSU Service Development Manager or Other Manager – Junior	£10,000

Notes

- Governing Body do not authorise payment of invoices.
- The value limit relates to a single invoice, e.g. one month's payment under a provider contract. The splitting of invoice values to avoid the authority limit is not permitted.
- Employees are only authorised to make payments on cost centres for which they have delegated authority, while Chair and Executives can approve payments across all cost centres.
- If an invoice has not been preceded by an authorised commitment it must be treated as if it were a commitment.
- The category of Authoriser for individual employees or officers of the CSU will be explicitly set by the responsible Executive

Financial Limits and Approvals – Primary Care

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

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

Annex F: Contacts

Chief Finance Officer	57-59 Bath Road Reading RG30 2BA 01189 825490
Deputy Chief Finance Officer	57-59 Bath Road Reading RG30 2BA 01189 822886 or 01189 822883
Head of Corporate Affairs	01189 822752
CSU ConsultHR	West Swindon Health Centre Link Avenue Swindon, SN5 7DL 01793 889417 consulthr.ccsu@nhs.net
CSU Finance	57-59 Bath Road Reading RG30 2BA ccsu.financesupport@nhs.net
Royal Berkshire Hospital Payroll Services	Payroll Services Department Royal Berkshire Hospital Level 2, Princes House 73A London Road Reading RG1 5UZ 0118 322 6571
Royal Berkshire Hospital Pension Services	Payroll Services Department Royal Berkshire Hospital Level 2, Princes House 73A London Road Reading RG1 5UZ 0118 3226651
NHS SBS	Client Service Centre 0303 1231177 or use the webforms available on (http://nww.sbs.nhs.uk/).