

Trust Board Meeting – 01 October 2015

Title of the paper:	Review of Standing Financial Instructions, Scheme of Delegation and Standing Orders	
Agenda item:	14	
Lead Executive:	Don Richards, Chief Financial Officer	
Author:	Onali Mohamedali, Interim Financial Controller	
Trust objective:	Tick as appropriate: <input type="checkbox"/> Achieving continuous improvement in the quality of patient care that we provide and the delivery of service performance across all areas; <input type="checkbox"/> Setting out our future clinical strategy through clinical leadership in partnership and with whole system working; <input checked="" type="checkbox"/> Creating a clear and credible long term financial strategy.	
Purpose:	To agree the changes to the SFIs, SO and Scheme of Delegation and adopt them.	
Please add which panel and/or group that the paper has been previously discussed at prior to TLEC		
	Panel	Group
Name:		
Date:		
Benefits to patients and patient safety implications		
Risk implications for the Trust Current controls in place maybe in breach of current governance documents	Mitigating actions (controls) Yearly review of the governance documents.	
Links to Board Assurance Framework, CQC outcomes, statutory requirements A statutory duty to deliver financial breakeven taking one year with the next.		
Legal implications (if applicable)		
Financial implications (if applicable)		
Recommendations (delete as appropriate) The Audit Committee recommends Board approve to the governance documents outlined in the paper.		

Trust Board Meeting - 1 October 2015

Review of Standing Financial Instructions, Standing Orders and Scheme of Delegation

Presented by: Don Richards, Chief Financial Officer

1. Introduction

- 1.1 The Trust's standing financial instructions (SFIs), standing orders (SO) and scheme of delegation (SoD) are core governance documents and as such it is important they reflect current practice.
- 1.2 The update on SFIs has been detailed in section 3 and SOs update summarised in section 4. Revised details of delegated limits are attached as Annex A.

2. Process

- 2.1 In view of the Trust's current financial position the Chief Financial Officer was keen to ensure that the new version of the SFIs, incorporates more completely, the explicit description of financial controls agreed by the Trust Executive, which also now include directions issued by DH under cover of 2 June 2015 letter from the Director General David Williams. The document agreed by the Executive will be referred to as the Improved Controls paper for ease.
- 2.2 The process took care to consult with the Email Estates, Procurement and Senior Finance Team members to discuss requirements to changes to the SFIs and Scheme of Delegation. There were no significant changes required from the end users.

3. Standing Financial Instructions

- 3.1 The SFIs have been reviewed and updated as follows:

a. SFI 2

Section 2.2.6 now reflects the delegated limits as per the improved controls paper agreed by the Trust Executive and assured by the Finance Committee.

b. SFI 5

The security of cash, cheques and other negotiable instruments under section 5.4.5 has been amended to reflect the current practices.

c. SFI 7

Section 7.3.1 is amended to include controls on consultant recruitments and interim staff engagement with significant financial responsibilities as specified in the improved controls paper.

d. SFI 8

In section 8.1.7 clarity has been added to reflect segregation of duties between managers requisitioning goods or services and the managers authorising.

In section 8.1.8 delegated limits have been changed such that only executive directors are able to sign contracts and licences.

Any Executive Director can sign up to £250,000 and only the Chief Financial Officer or Chief Executive up to £1M, and contracts over £1M by the Trust Board.

In section 8.1.11 has been added as required in the improved controls paper.

e. SFI 10

This has been re-written to add controls and delegated limits as specified in the Improved Controls paper. ***Very minor cosmetic changes were discussed at the Audit Committee in August 2015 and these will be included before the SFIs are made available to end users.***

f. SFI 11

Section 11.1.2 has been updated to reflect the delegated authority set for the newly formed Capital Finance Planning Group.

g. Schedule A

The signatory list has been updated to reflect the current practice in place as agreed with the Chief Executive.

4. Standing Orders

4.1 The SOs have been reviewed and updated in line with national guidance and best practice as follows:

a. The numbering system has been reviewed and updated in line with other Trust policies.

b. SO 2.1.7

Advice added on how to obtain advice on the interpretation and application of the SOs.

c. SO 2.1.9

Advice added on how to report non-compliance of the SOs.

d. SO 2.2

A section has been included on the Trust's responsibilities with regard to equality and diversity.

- e. **SO 3.1**
Reference has been added regarding the management of charitable funds received by the Trust.
- f. **SO 3.2**
Updated to take into account the change to the regulation from the Membership, Procedure and Administration Arrangements Regulation to the Establishment Order and Membership and Procedure Regulations.
- g. **SO 3.2**
Updated to take into account the change to the appointment of the Chairman and Non-Executive Directors from the NHS Appointments Commission to the NHS Trust Development Authority.
- h. **SO 4.18**
Information on the Trust's responsibilities regarding holding an Annual General Meeting.
- i. **SO 5.3**
The confidentiality responsibilities of Board and Committee members.
- j. **SO 6.1.2**
Updated the reference from Section 16B of the NHS Act 1977 to Paragraph 18 of Schedule 4 of the NHS Act 2006.
- k. **SO 7.4.1**
Added information that the Standing Orders should be read in conjunction with The NHS Constitution for England 2013.
- l. **SO 8.1.2**
Clarity added on what declarations of interests are expected to be declared.
- m. **SO 9.5.3**
Cross referenced the Trust's arrangements for contract and procurement.

5. Delegated Limits Update

The limits on the plan overspend has been changed to include Trust Executive Committee to approve overspend between £150,000 and £1,000,000. The rest of the delegated limits remain unchanged.

6. Recommendation

- 6.1 The Audit Committee recommends Board approval to the updated Standing Financial Instructions, Standing Orders and Reservation of Powers and Scheme of Delegation.

Don Richards

24 September 2015

Annex A

Approval of Business Cases

Delegation	Limit
Trust Executive Committee (for revenue expenditure) and Capital Finance Planning Group (for capital expenditure)	Up to £150,000
Trust Executive Committee	More than £150,000 up to £1,000,000
Trust Board (Revenue)	Over £1,000,000 ¹
Trust Board (Capital)	Over £1,000,000 up to £5,000,000
Trust Development Authority (Capital)	Over £5,000,000

Tender / Quotation waiver

Revenue Spend	Trust Money
Head of Procurement (Hertfordshire NHS Procurement)	£0 - £50,000
Chief Executive or Chief Financial Officer	£50,000 - £100,000
Chief Executive and Chief Financial Officer Collectively	£100,000 - £250,000
Board/Chairman	Above £250,000

Authorisation of requisition for goods/services

Employee	Limit
Budget holder	£25,000
Associate Directors / Divisional Directors / Divisional Managers / Deputy Directors / Heads and Deputy Heads of Departments	£100,000
Executive Director	£250,000
Chief Executive / Chief Financial Officer	£1,000,000
Board	Above £1,000,000

Authorisation of invoices for payment

Revenue

Employee	Limit
Employee delegated by budget holder	£1,000
Budget holder	£25,000
Associate Directors / Divisional Directors / Divisional Managers / Deputy Directors / Heads and Deputy Heads of Departments	£100,000
Chief Executive / Chief Financial Officer / Deputy Chief Financial Officer / Financial Controller	£2,000,000
Chief Executive / Chief Financial Officer Collectively	Above £2,000,000

Capital

Employee	Limit
Project Manager	£100,000
Chief Executive / Director / Project Director / Deputy Chief Financial Officer	£1,000,000
Chief Executive / Chief Financial Officer Collectively	Above £1,000,000

¹ The Trust Board's objectives ensure that agreement supports the delivery of the approved Annual Plan.

