

Standing Financial Instructions, Standing Orders and Scheme of Delegation

Trust Board	Item: 22
Date: 27th November 2019	Enclosure: R
Purpose of the Report: To seek the Board's approval for amended Standing Financial Instructions and Standing Orders, which will then be incorporated into the Scheme of Delegation.	
For: Information <input type="checkbox"/> Assurance <input type="checkbox"/> Discussion and input <input type="checkbox"/> Decision/approval <input checked="" type="checkbox"/>	
Sponsor (Executive Lead):	Susan Simpson, Director of Corporate Governance Tracey Cotterill, Interim Director of Finance
Author:	<i>Susan Simpson</i>
Author Contact Details:	Susan.simpson19@nhs.net
Risk Implications – Link to Assurance Framework or Corporate Risk Register:	Key documents in the framework of governance for the Trust
Legal / Regulatory / Reputation Implications:	References regulatory framework for NHS finance, counter fraud and estates
Link to Relevant CQC Domain: Safe <input type="checkbox"/> Effective <input type="checkbox"/> Caring <input type="checkbox"/> Responsive <input type="checkbox"/> Well Led <input checked="" type="checkbox"/>	
Link to Relevant Corporate Objective:	All
Document Previously Considered By:	Audit Committee, 19 th September 2019
Recommendations: The Audit Committee has recommended the Trust Board to approve the revisions made to the Standing Financial Instructions and Standing Orders as summarised overleaf. Once approved, the Scheme of Delegation (Reservation of Powers to the Board and Delegation of Powers) will be amended to reflect the changes.	

Standing Financial Instructions, Standing Orders and Scheme of Delegation

Review of Standing Financial Instructions - September 2019

The changes made are summarised in the table below.

Page	Paragraph	Change	Rationale
All	All references	Monitor changed to NHS Improvement (NHSI)	Updated terminology
All	All references	NHS Protect changed to NHS Counter Fraud Authority	Updated terminology
6	1.2.3.1.5	Add 'including the prevention and detection of fraudulent activities'	For clarity
8	2.1.1.1	Add 'and Counter Fraud'	Clearer definition of Audit Committee role
9	2.2.1.3	Amended	Previous paragraph referred only to involvement of the police, whereas other sanctions and redress may be more appropriate.
11	2.5.3	Added reference to NHS Counter Fraud Authority and Standards for Providers	Updated terminology
11	2.6.4	Reporting lines for the Local Security Management Specialist amended.	Updated to reflect current arrangements and terminology
11	2.6.5	Committee name amended	Updated terminology
15	5.2.1.4	Add 'All bank accounts created for any Trust activity can only be opened with the approval of the Trust's Director of Finance'.	For clarity
15	5.2.1.7	Add 'New direct debits and standing orders require the approval of the Director of Finance'.	For clarity
16 and 50	6.3.4 and Appendix 2	Add 'Any debt write off is to be approved by the Finance & Investment Committee. This does not include instances where credit notes are raised to reverse invoices raised erroneously. Appendix 2 provides further details of credit note authorization'. Appendix 2 is new.	For clarity
17	7.1.1	Add 'and concessions'.	Tighter definition of types of contracts covered by Standing Orders and SFIs.
17	7.2.1	Amended	Reference to Public Contract Regulations included.

Page	Paragraph	Change	Rationale
17-18	7.3.1	Amended	Reference to latest Department of Health guidance and criteria included.
18	7.4.1.1.2	Amended	For clarity
18	7.4.2.1	Add 'contract value is greater than the current EU procurement threshold for social and specific services, or for below-threshold contracts where the'	More specific on when Standing Orders and SFIs apply to formal competitive tendering applies.
18	7.4.3.2.4	Add 'and where such agreements allow for the direct award of the contract'.	Tighter definition regarding waiver of formal tendering procedures.
19	7.4.3.5	Add 'The exception is when an order is a call-off from a Framework Agreement, in which case a waiver is required for all purchases over £50k'.	Tighter definition regarding waiver of formal tendering procedures.
19	7.4.3.6	Amended	Clearer definition of Audit Committee role regarding waivers.
20	7.5.1.2	New paragraph	For clarity
23	7.5.7.3	Amended	Updated to reflect current arrangements and terminology
24	7.6.2.2	Amended	Updated to reflect current arrangements and terminology
25	7.9.2	Amended	Cross-referenced rather than amount specified separately.
26	7.11.3	Add ' and the basis on which a contract award decision was made. Any variation from this must be approved by the Chief Executive or their nominated Officer.	For clarity
26	7.11.5	New paragraph	To specify the Procurement Team's responsibility for maintaining a central register of all Trust contracts.
28	8.1.1	Add 'All income contracts and provider to provider agreements should only be signed by the Director of Finance or the Chief Executive'	For clarity
32	10.2.1	New paragraph	To reflect current arrangements and terminology
33	10.2.4.1.1	Add 'A prepayment cannot be made more than 12 months in advance under any circumstances'.	For clarity

Page	Paragraph	Change	Rationale
40	14.2.6	Added Chief Pharmacist in section on control of stores.	To reflect current arrangements and terminology
41	15.2.3	Removal of need to inform NHS Protect of all frauds.	To reflect current arrangements
49	Appendix 1	Revised capital and revenue delegation limits.	As approved by the Trust Board
53-54	Appendix 3	Purchasing Department replaced by Procurement Department	To reflect current terminology
54	Appendix 3	New bullet point added	Updated regulation reference and includes EU procurement threshold.

The Committee also considered an amendment regarding levels of approval for writing off bad debt. Currently approval of the Trust Board is sought for single debts over £50,000 (5.2.6). The Audit Committee recommended approval of the following amendment:

Amount of debt for write off	To be approved by:
Up to £100,000	Chief Executive and Director of Finance
£100,000 - £249,999	Finance & Investment Committee
£250,000 and over	Trust Board

Review of Standing Orders - September 2019

The changes made are summarised in the table below.

Page	Paragraph	Change	Rationale
1		Date of current and next review.	To enable retention of change history.
7		Add definition of Director and change definition of Executive Director	Acknowledges that the Board now has non-voting directors. Clarifying the difference then differentiates in the remaining text between non-voting directors who are members of the Board and officers with the title 'director' who are not members of the Board.
7		Change definition of Non-Executive Director	Clarifies that all NEDs are voting members of the Board.
15	2.12.6	Remove post title and related designated post with 'acting up status'	Brings the Executive Director list up to date.
18	3.2.2	Allows an Executive Director to nominate a deputy to attend any Committee or Joint Committee on their behalf.	Amendment gives greater flexibility where joint committees are created with other health bodies.
27		Monitoring table updated	