

Meeting of Lanarkshire
NHS Board: 29. 03. 2017

Lanarkshire NHS Board
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SUBJECT: STANDING FINANCIAL INSTRUCTIONS & SCHEME OF DELEGATION

1. PURPOSE

This paper is coming to the Board:

For approval	<input checked="" type="checkbox"/>	For endorsement	<input type="checkbox"/>	To note	<input type="checkbox"/>
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The Standing Financial Instructions (SFIs) and the Scheme of Delegation require to be updated in line with the policy review date of April 2017. The Board is requested to give final approval to the revisions made.

2. ROUTE TO THE BOARD

This paper has been:

Prepared	<input type="checkbox"/>	Reviewed	<input type="checkbox"/>	Endorsed	<input checked="" type="checkbox"/>
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By the following Committee: Audit Committee

3. SUMMARY OF KEY ISSUES

The SFIs and the Scheme of Delegation were reviewed and updated in great detail last year with all changes approved by the Board. This has resulted in only minor changes being required as part of this year's review.

The main proposed changes are as follows –

1. Scheme of Delegation 7.6 and 7.7 – Purchase Order/Invoice Financial Approval Limits

The financial approval limits for purchase orders and invoices has been updated on the basis that the reinforcing of these limits across the organisation has led to far greater awareness of the SFIs and responsibilities of authorisers.

However, it has highlighted that the financial levels would benefit from being reset to ensure that services are not delayed and approvals can be actioned by a larger group of senior individuals.

This will also help to facilitate the introduction of no purchase order no payment that will provide robust controls in relation to committing expenditure, but will increase the volume of approvals that would be required by those above the £20,000 approval limit.

This change will help to ease the above while still ensuring that an appropriate senior individual is approving the commitment.

2. Scheme of Delegation 7.2 and SFIs 10.11 – Single Tender Waivers

As reported to the audit committee, the controls have been amended to now require 2 director’s signatures.

3. SFIs 17 - Acceptance of Financial Assistance, Gifts, Hospitality and Declarations of Interest

There has been considerable work on raising awareness around the receipt of gifts, hospitality, and staff interests recently. In light of this it is proposed that greater detail is provided in the SFIs to ensure staff are fully aware of the requirement to be above reproach in this area.

4. SFIs 10 – Non Pay Expenditure

In line with a review of procurement processes, this section has been amended regarding updated legislation and more prescriptive guidance around procurement policies.

5. Scheme of Delegation 5.11 – Approval of Retrospective Pay Adjustments

This has been added to the Scheme of Delegation if any issues around staff requiring significant historic payments arise.

6. SFIs 4.3.10 & 7.2 & 7.4 – Health and Social Care Integration

At the time of revising the SFIs last year, there remained some uncertainties over title of certain IJB documents. This has now been finalised and updated as appropriate.

7. SFIs 10.72 – Off Payroll Workers IR35

The rules on off payroll workers e.g. contractors paid through personal service companies (PSC), are changing on 6 April 2017, and the SFIs have been updated in line with this.

4. STRATEGIC CONTEXT

This paper links to the following:

Corporate objectives	<input checked="" type="checkbox"/>	LDP	<input type="checkbox"/>	Government policy	<input type="checkbox"/>
Government directive	<input type="checkbox"/>	Statutory requirement	<input type="checkbox"/>	AHF/local policy	<input type="checkbox"/>
Urgent operational issue	<input type="checkbox"/>	Other	<input type="checkbox"/>		

The SFI's are issued for the regulation of the conduct of the Board, its directors, officers and agents in relation to all financial matters. They shall have effect as if incorporated in the Standing Orders of the Board. They do not provide detailed procedural advice and should be read in conjunction with the detailed departmental and financial procedure notes. All financial procedures must be approved by the Director of Finance.

The scheme of delegation establishes the delegated authority leads and responsibilities for Board decisions and governance frameworks.

5. CONTRIBUTION TO QUALITY

This paper aligns to the following elements of safety and quality improvement:

Three Quality Ambitions:

Safe	<input type="checkbox"/>	Effective	<input checked="" type="checkbox"/>	Person Centred	<input type="checkbox"/>
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Six Quality Outcomes:

Everyone has the best start in life and is able to live longer healthier lives; (Effective)	<input type="checkbox"/>
People are able to live well at home or in the community; (Person Centred)	<input type="checkbox"/>
Everyone has a positive experience of healthcare; (Person Centred)	<input type="checkbox"/>
Staff feel supported and engaged; (Effective)	<input type="checkbox"/>
Healthcare is safe for every person, every time; (Safe)	<input type="checkbox"/>
Best use is made of available resources. (Effective)	<input checked="" type="checkbox"/>

The SFI's and Scheme of Delegation regulate the conduct of the Board, its directors, officers and agents in relation to all financial matters, while streamlining decision making.

6. MEASURES FOR IMPROVEMENT

N/A

7. FINANCIAL IMPLICATIONS

There is no cost related to the changes to these documents. However, this document should be used as an aid to stream line decision making and ensure best practice is followed when entering into financial transactions. This should ensure best value is achieved.

8. RISK ASSESSMENT/MANAGEMENT IMPLICATIONS

These documents provide guidance on the control and management of income and expenditure. Management should be aware and understand these documents and ensure that they are cascaded to all staff. By doing this, the risk of income and expenditure being misappropriated is significantly reduced.

9. FIT WITH BEST VALUE CRITERIA

This paper aligns to the following best value criteria:

Vision and leadership	<input type="checkbox"/>	Effective partnerships	<input type="checkbox"/>	Governance and accountability	<input checked="" type="checkbox"/>
Use of resources	<input checked="" type="checkbox"/>	Performance management	<input type="checkbox"/>	Equality	<input type="checkbox"/>
Sustainability	<input type="checkbox"/>				

10. EQUALITY AND DIVERSITY IMPACT ASSESSMENT

An E&D Impact Assessment has been completed

Yes
No

Work on this is being finalised but no major impact in this area is anticipated.

11. CONSULTATION AND ENGAGEMENT

A draft was submitted to the Audit Committee in March 2017 for review and comment which was endorsed.

The Head of Finance for Corporate Services has been monitoring the impact throughout the year regarding the changes that were made to both documents last year, in addition to changes in legislation and guidance. As a result of feedback from areas throughout the organisation, the changes mentioned above have been proposed.

12. ACTIONS FOR THE BOARD

The Board are asked to:

Approval	<input checked="" type="checkbox"/>	Endorsement	<input type="checkbox"/>	Identify further actions	<input type="checkbox"/>
Note	<input type="checkbox"/>	Accept the risk identified	<input type="checkbox"/>	Ask for a further report	

13. FURTHER INFORMATION

For further information about any aspect of this paper, please contact Gordon Smith, Head of Finance – Corporate Services. Telephone: 01698 855503

Laura Ace
Director of Finance