

Meeting of Lanarkshire  
NHS Board:

27 March 2019

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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 2018. 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 checked="" type="checkbox"/>	Endorsed	<input checked="" type="checkbox"/>
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By the following Committee: Audit Committee

### 3. SUMMARY OF KEY ISSUES

Many changes are either a tidying up of language or titles. The main things to highlight are:

#### SECTION 9

- Updated to reflect eESS and GDPR

#### SECTION 10

- A new section on 'Pre Market Engagement' – this is to ensure we cover off an area which has given us cause for concern over the last year where people have inappropriately engaged with suppliers before any formal procurement process. It has obvious risks in terms of potential to distort competition and raising unrealistic expectations with suppliers and in a worst case scenario, arranging for products / services without raising a purchase order.
- Tidy up of a language in the tables that refer to the value thresholds that require different types of procurement process.

- In section 10.16 talking about waivers, the wording ‘or delegate’ after Director of Finance. This will allow delegation of approval of lower value waivers in the associated SFI Waiver Procedure which sits outside of the SFIs but which is referred to within it.
- Section 10.28 – This historic section, along verbal orders in exceptional circumstances, is being deleted. It is very rare to raise an order on the back of a verbal / oral quote and with the widespread availability of email it can’t really be justified.

Section 18 – the guidance to Boards on how and when to produce annual reports is changing so the wording has been made more generic, saying the Board shall comply with extant guidance from SGHSCD.

The Scheme of Delegation has been updated for titles changes and to reflect the fact the Director of e-Health now is a Director, reporting to the Chief Executive and carries delegated authority for certain functions in his own right.

#### 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 2019 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

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Laura Ace  
Director of Finance