

TRUST BOARD PART I – NOVEMBER 2012

Agenda Item Number: 196/12
Enclosure Number: (10)

<p>Subject:</p>	<p>Update to Standing Financial Instructions, Reservation of Powers to the Board of Directors and Delegation of Powers, and, Detailed Scheme of Delegation.</p>
<p>Prepared by: Sponsored by: Presented by:</p>	<p>Jim Yates, Financial Controller Richard Eley, Interim Director of Finance Richard Eley, Interim Director of Finance</p>
<p>Purpose of paper</p> <p><i>Why is this paper going to the Trust Board?</i></p>	<p>Requires Trust Board approval Statutory Requirement For Information / Awareness</p>
<p>Key points for Trust Board members</p> <p><i>Briefly summarise in bullet point format the main points and key issues that the Trust Board members should focus on including conclusions and proposals</i></p>	<ul style="list-style-type: none"> • Annual review of policies • Proposed updates are minor and have already been presented to and agreed by the Audit Committee.
<p>Options and decisions required</p> <p><i>Clearly identify options that are to be considered and any decisions required</i></p>	<p>Agree proposed changes</p>
<p>Next steps / future actions:</p> <p><i>Clearly identify what will follow the Trust Board's discussion</i></p>	<p>Policies will be updated</p>
<p>Consideration of legal issues (including Equality Impact Assessment)?</p>	<p>Not applicable</p>
<p>Consideration of Public and Patient Involvement and Communications Implications?</p>	<p>Not applicable</p>

Proposed update to Standing Financial Instructions, Reservation of Powers to the Board of Directors and Delegation of Powers and, Detailed Scheme of Delegation

1. Introduction

- 1.1 The Trust's," standing financial instructions" detail the financial responsibilities, policies and procedures adopted by the Trust. It is a requirement that the Trust agrees Standing Financial Instructions for the regulation of the conduct of its members and officers in relation to all Trust related financial matters.
- 1.2 The Code of Accountability for NHS Boards requires the Board of Directors to draw up a schedule of decisions reserved to it and to ensure that management arrangements are in place to allow clear delegation of other responsibilities.
- 1.3 The Reservation of Powers document sets out the powers reserved to the Board of Directors and the Scheme of Delegation.
- 1.4 The scheme of delegation sets out the maximum level of delegation authorised by the Board. Although delegation levels may not be reduced further (to a lower level in the management hierarchy) delegation levels may be increased (to a higher level in the management hierarchy) as required.
- 1.5 The financial policies were last reviewed in February 2012 and this paper proposes changes since the last review.

2 Standing Financial Instructions

- 2.1 Paragraph 7.1 – Audit Committee – update,"NHS Audit Committee Handbook (2005)" to "NHS Audit Committee Handbook (2011)".
- 2.2 Paragraph 27.1 – Risk Management - change reference to "Statement of Internal Control" (SIC) to "Governance Statement".

3 Reservation of Powers

3.1 Audit Committee

- 3.1.1 Move responsibility to "review of debtor balances >£10k and > 6 months" to Finance Committee.
- 3.1.2 Move responsibility to , "consider the Trust's financial position on a regular basis with particular regard to the achievement of its statutory break-even duty, delivering cost improvements, control of expenditure and adequacy of forecasting", to the Finance Committee.
- 3.1.3 Review and monitor, "Investment and Borrowing Policy against relevant benchmarks" add "(where appropriate)".
- 3.1.4 Update responsibility to," Audit Committee Chair" currently reads "Chair, "Raise the matter at the Board meeting where the Audit Committee considers there is evidence of ultra vires transactions or improper acts".

3.2 Chief Executive

- 3.2.1 Update," Identify persons authorised to requisition and accept goods from NHS Supplies stores" to read "... NHS Supply Chain".

4 Detailed Scheme of Delegation

4.1 Paragraph 8 – Manual or Electronic Payments

- 4.1.1 Authority delegated to – add "Head of Financial Management"

4.2 Paragraph 9 - Capital Purchases & schemes

4.2.1 Update, "All schemes are subject to satisfactory Business Case approval by the Trust Planning Committee" to, "by the appropriate Committee".

4.3 Paragraph 10 – Quotation, tendering & Contract Procedures

4.3.1 Waiving of quotations or single tender action >£100,000 - change, "ratification by Audit Committee" to, "ratification by Trust Board" – this is then consistent with the Trust's Standing Orders.

4.4 Paragraph 18 – Losses, Write off & Compensation

4.4.1 Ex-Gratia Payments (Compensation) currently – limits are <= £100 Head of Risk, Complaints and Litigation, >£100 Chief Executive. Propose additional limit of Up to £5000 Company Secretary/ Director of Finance.

4.5 Paragraph 32 – Extended Role Activities

4.5.1 Extended Nursing Role – change authority from,"Chief Operating Officer" to "Director of Nursing".

4.6 Paragraph 36 – Review of Employment Law

4.6.1 Change title from, "Director of Human Resources" to "Director of Workforce and Organisational Development".