

**Report to the  
Oxford Health NHS Foundation Trust**

**Board of Directors**

**For Approval**

**28 June 2017**

**Standing Financial Instructions**

**Executive Summary**

This paper summarises the approach taken to review the Trust's Standing Financial Instructions (SFIs), highlights the key changes proposed to the SFIs and confirms the Audit Committee recommendation that the revised SFIs are approved by the Board of Directors.

**Governance Route/Approval Process**

The Trust's governance framework requires any revisions to SFIs to be agreed by the Audit Committee who will recommend approval to the Board of Directors.

**Strategic Objectives**

This report relates to and provides assurance against the following Strategic Objective of the Trust:

2) Delivering Operational Excellence

(Goals: our services will be effective and efficient; information will be translated into knowledge; and our planned surplus will be delivered)

**Review Process**

## ***PUBLIC***

A review of the Trust's SFIs has been undertaken to ensure that the Trust is operating within a robust financial control framework.

An initial review was undertaken within the Finance Directorate to update the SFIs for references to statutory and other external guidance documentation, to update references to specific post holders, to review approval limits, and to provide a general update to enhance clarity.

Updates and points of clarification were requested in relation to specific areas from relevant lead officers, including:

- Director of Estates and Facilities
- Chief Information Officer
- Director of Human Resources
- Director of Corporate Affairs and Trust Secretary
- Local Counter Fraud Specialist
- Head of Information Governance
- Security Management Specialist
- Procurement

A paper was submitted to the Audit Committee on 22 May 2017 which summarised the approach taken to review the Trust's SFIs and highlighted the changes being proposed. The paper invited comments from Audit Committee members on the proposals and set out the steps to obtain Board approval.

The proposed changes to the SFIs have also been circulated to the Executive Team and were discussed by the Executive Team on 12 June.

No comments have been received from Audit Committee members or the Executive Team and one minor change has been made to the draft SFIs that were submitted to the Audit Committee on 22 May 2017 (sections 20.2-20.4: change of name from NHS Litigation Authority to NHS Resolution).

The proposed revised SFIs were re-circulated to Audit Committee members on 13 June who have confirmed that the revised SFIs can be recommended to the Board of Directors for approval.

### **Summary of key changes**

The proposed changes to the SFIs are shown on the attached version using 'track changes'.

## **PUBLIC**

The key revisions proposed are summarised below and set out in more detail at appendix 1 to this paper.

- Updated references for Monitor to NHSI
- Updated references to latest Audit Code
- Updated references in relation to counter fraud
- Change of Executive Director lead responsibilities
- Changed references to Remuneration Committee
- Reference to External Audit 70% cap on non-audit work
- Requirements strengthened in relation to purchase orders and requisitions
- Revised approval limits for disposals, losses & special payments and cheque signatories
- Introduction of approval limits for Research & Development

### **Recommendation**

The Board of Directors is asked to approve the revised SFIs.

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**Lead Executive Director:** Mike McEnaney, Director of Finance

1. *A risk assessment has been undertaken around the legal issues that this report presents and there are no issues that need to be referred to the Trust Solicitors.*
2. *This report satisfies or provides assurance and evidence against the requirements of the following Terms of Reference of the Committee:*
  - *to review the establishment and maintenance of an effective system of integrated governance, risk management and internal control (clinical and non-clinical activities) that supports the achievement of the Trust's objectives;*
  - *to ensure that there is an effective Internal Audit function;*
  - *to review the work and findings of the External Auditor and consider the implications and management's response to their work;*
  - *to ensure that the systems for financial reporting to the Board, including those of budgetary control, are subject to review as to completeness and accuracy of the information provided to the Board.*

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Appendix 1

<b>Section</b>	<b>Description</b>	<b>Key revisions</b>
Various	Monitor references	Changed to NHS Improvement
Various	Audit Code references	Changed to NAO Code of Audit Practice
Various	Counter Fraud references	Updated to reflect latest references and guidance (paragraphs 1.3.9, 2.3.3, 6.3.3, 7.1.4, 18.1)
2.4.7	External Audit	New wording added to state that non-audit work cannot exceed 70% of audit fees in any year
7.14.1	Disposals	Limit increased to £5,000 in line with capitalisation threshold
9.1.1	Remuneration Committee	Change of committee title
9.1.4	Remuneration Committee	Addition of committee title
9.2.1	Funded establishment	Revised wording referencing Budgetary Control policy, in relation to enhanced establishment controls to be introduced
10.2.2	Non-pay requisitions	New paragraph added to emphasise staff responsibility when approving requisitions
10.5.1	Purchase orders	Additional wording added to emphasise the requirement for purchase orders
15.8	Freedom of Information	Change of responsible Executive Director
19.2	Retention of documents	Change of responsible Executive Director
20.2-4	Insurance	Change of name from NHS Litigation Authority to NHS Resolution
App1	Losses & special payments Cheque signatory Pharmacy (OPS) Contract signature  Research & Development Definitions (below table)	Increased limits Increased limit Wording changed to provide clarity on staff roles Wording changed to provide clarity that limits cover expenditure as well as income contracts New table included defining approval limits for grant applications Wording changed to reflect current job titles