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

Board of Directors

For Approval

14 April 2021

BOD 27/2021 (Agenda item: 17)

Standing Financial Instructions

Executive Summary

Following a review of the Trust's updated SFI's these were recommended for approval by the Audit Committee on the 24th February 2021.

Prior to their approval for recommendation, the Trust SFIs were last presented to the Audit Committee in February 2020. That paper identified the proposed changes identified to date and invited comments from Audit Committee members and outlined the next steps to finalise the review (mainly in relation to approval limits at Appendix 1). However, due to the impact of COVID and changes to the national financial regime during FY21, it was not possible to conclude the review until now.

This paper summarises all the recommended changes and seeks their formal approval 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

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

Review Process

As previously reported to the Audit Committee, a detailed review of SFIs has been undertaken to ensure that the Trust is operating within a robust financial control framework.

An initial review was undertaken within Finance to update the SFIs for references to statutory and other external guidance documentation, to update references to specific post holders and to provide a general update where necessary to enhance clarity. Updates and clarification were requested in relation to specific areas from relevant lead officers, as set out at Appendix 1, including:

- Director of Estates and Facilities
- Director of Strategy and Chief Information Officer
- Director of Human Resources
- Director of Corporate Affairs and Company Secretary
- Procurement
- Head of R&D
- OPS General Manager and Chief Pharmacist
- Local Counter Fraud Specialist

Summary of key changes

Responses were received from all of the identified lead officers and the key recommended changes to the SFIs are summarised below and in more detail at appendix 2.

Please note that the revisions summarised below and in Appendix 2 are clearly marked to identify the revisions previously reported to the Audit Committee in February 2020 from the additional revisions now being recommended. The revisions previously reported have been reviewed to ensure they remain relevant and valid.

1. Previously reported revisions - February 2020:

- Updated references to external organisations and guidance
- Updated references in relation to counter fraud
- Change of Executive Director lead responsibilities due to removal of Chief Operating Officer post
- Minor changes of wording to provide additional clarification

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- Addition of new section for e-tendering requirements
- Appendix 1 minor updates for Executive Director post titles

2. Additional revisions – February 2021

- Appendix 1 – approval limits updated
- Section 7, Tendering and Contracting – additional changes to reflect BREXIT

1. Previously reported revisions - February 2020

Most of the proposed changes relate to updated references to external organisations/guidance and changes to post titles e.g. following the removal of the Chief Operating Officer post.

In addition, minor changes to wording have been made to correct grammatical errors, and to provide additional clarification to aid the interpretation/application of the SFIs and assist with tighter control.

Section 7, Tendering and Contracting Procedure - the most significant change proposed to the SFIs are in this section and relate to the addition of a new sub-section (7.6.4) in relation to the requirements of e-tendering.

Section 10, Non-Pay Expenditure, will also be reviewed following the conclusion of the P2P review and updated to reflect any required changes.

Appendix 1, Financial Approval Limits, had previously been updated to reflect changes to Executive Director post titles and some changes to column headings to provide further clarification.

2. Additional revisions - February 2021

Section 7, Tendering and Contracting - revisions required following BREXIT.

Section 10.6, Non-pay Expenditure - revisions required following BREXIT.

Appendix 1 - in addition to the changes outlined above, a review of approval limits has now been undertaken and the following revisions are proposed to approval requirements:

- Officer titles – updated for current jobs titles and to provide clarification;
- Ordering of goods and services – mid-range approval limits revised so that they are aligned with budget and single action tender waiver limits: £2.5k increased to £5k and £10k increased to £25k. The lower limit of £500 will remain but the user list will be 'cleansed'. Limits above £25k are unchanged;

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- Estates revenue orders – approval limits revised to replace the previous £15k and £25k limits with a £50k limit;
- OPS and CPSU drug orders – previous column headed 'Pharmacy drug orders' has been split between OPS and CPSU to provide further clarification and the £200k approval limit has been revised to £150k to align with general limits;
- Estates capital orders – updated for team and job titles and two lower limits of £25k and £75 introduced (previous lowest limit was £300k);
- Bank cheque signatories – deleted as cheques are now issued pre-signed and no longer manually signed. All individual invoices/payments are approved in accordance with the limits set out in Appendix 1 and, in addition, payment runs are authorised by two designated members of staff;
- Tender quotations – updated references following BREXIT for tenders above £25k
- R&D Authorisation Process (page 3) - updated job title and column headings changed from 'EBITDA' to 'Overheads' with thresholds changed from 5% to 10% to provide further clarification and align with Investment Policy;

Recommendation

The Board of Directors are asked to approve the updated SFIs.

Author and title: Paul Dodd, Deputy Director of Finance

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

Review of SFIs: Section Leads

Section	Description	Lead
All	General review, update references to guidance, post holders etc	Paul Dodd
1	Policy (terminology, responsibilities and delegation)	Kerry Rogers
2.1	Audit Committee	Hannah Smith
2.2	Director of Finance	Mike McEnaney
2.3	Internal Audit	PWC
2.4	External Audit	GT
2.5	Fraud & Corruption	TIAA
2.6	Security Management	Claire Dalley
3	Business Planning, Budgets and Budgetary Control	Alison Gordon
4	Annual Accounts and reports	Michael Williams
5	Treasury Management	Michael Williams
6	Income, Fees & Charges and Security of Cash, Cheques	Michael Williams
7	Tendering and Contracting Procedure	Darren Lewis
8	Contracting for Provision of Services	Mike McEnaney
9	Terms of Service and Payment of Directors and Employees	Tim Boylin
10	Non-Pay Expenditure	Paul Dodd
11	External Borrowing and Investments	Michael Williams
12.1/2	Capital Investment, Private Finance	Paul Dodd
12.3	Asset Registers	Michael Williams
12.4	Security of Assets	Michael Williams
13	Stores and Receipt of Goods	Michael Williams
14	Disposals, Condemnations, Losses and Special Payments	Michael Williams
15	Financial Information, Communication and Technology	Martyn Ward
16	Patients' Property	Michael Williams
17	Funds held on Trust	Julie Pink
18	Acceptance of Gifts by Staff and Standards of Business Conduct	Kerry Rogers
19	Retention of Documents	Paul Dodd
20	Risk Management & Insurance	Kerry Rogers
App 1	Financial Approval Limits	DoF/DDoF, Michael Williams, Adrian Craft, Alison Gordon, Martyn Ward, Claire Dalley, Mark Byrne, Michael Marvin
App 1	R&D Approval Limits	Bill Wells

Previously Reported Revisions - February 2020

Section	Description	Key Revisions
Various	Grammar & typographical errors	Minor corrections
Various	Updated references to external bodies	Such as NHSE/I and DHSC
Blue 2	Legal & Policy Framework	Updated reference to NHSE/I and annex 9 of the Constitution
1.3.1	Responsibilities and Delegation	Change of wording to provide additional clarification
2.3	Internal Audit	Minor wording changes to provide additional clarification
2.4.4	External Audit	Board of Governors changed to Council of Governance
2.5	Fraud & Corruption	Updated references to Trust's Counter Fraud Plan and NHS model contract (2.5.1) and Counter Fraud Authority (2.5.3)
2.6	Security Management	Updated reference to NHS Secretary of State for Health and Social Care
3	Business Planning, Budgets and Budgetary Control	Change of Executive lead due to removal of Chief Operating Officer Post (3.3.2 & 3.4.4) and minor wording changes to provide additional clarification
4	Annual Accounts and Reports	Updated references from Independent Regulator to NHSE/I
7	Tendering and Contracting Procedure	Updated references to external guidance (7.4, 7.6.1, 7.11) New section added for requirements of e-tendering (7.6.4, 7.6.5) Various changes to wording to provide additional clarification and enhanced control (7.5.3, 7.5.5b, 7.6.6)
9	Terms of Service and Payment of Directors and Employees	Change of Executive lead due to removal of Chief Operating Officer post (9.3.3)
14	Losses & Special Payments	Minor wording changes to provide additional clarification
15	Financial Information Systems	Minor wording changes to provide additional clarification
16	Patients' Property	Change of Executive Lead due to removal of Chief Operating Officer Post (16.3)
20	Risk Management	Updated references to Risk Management Policy & Strategy (20.1.1) and NHSR (20.3.2.3)
20.4	Insurance	Change of Executive lead (20.4.1) and change of wording to provide additional clarification (20.4.2)
Appendix 1	Column headings Officer titles Definitions (below table)	Updated to provide additional clarification Updated for removal of COO post and to provide clarification Wording changed to reflect Executive Director post titles

Additional Revisions - February 2021

Section	Description	Key Revisions
2.5	Fraud & Corruption	Updated references for Government Counter Fraud Standards
7	Tendering and Contracting Procedure	Updated references following BREXIT
10.6	Non-pay Expenditure	Updated references following BREXIT
Appendix 1	Officer titles Ordering of goods and services Estates revenue orders OPS and CPSU Estates capital orders Bank cheque signatories Tenders quotations R&D Authorisation (page 3)	Updated for current job titles and to provide further clarification Revised mid-range limits so that they are aligned with budget limits and single action tender waiver limits: £2.5k increased to £5k and £10k increased to £25k. The lower limit of £500 will remain but the user list will be 'cleansed'. Limits above £25k are unchanged Approval limits revised to replace the previous £15k and £25k limits with a £50k limit Previously combined 'Pharmacy drug orders' column split between OPS and CPSU for clarification and £200k approval limit reduced to £150k to align with general approval limits Team and job titles updated and two lower limits of £25k and £75k introduced (previous lowest limit was £300k) Deleted as cheques are now issued pre-signed and no longer manually signed. All individual invoices/payments are approved in accordance with the limits set out in Appendix 1 and, in addition, payment runs are authorised by two designated members of staff; Updated references following BREXIT for tenders above £25k Updated job titles, column headings changed from 'EBITDA' to 'Overheads' with thresholds changed from 5% to 10% to provide more clarification and align with Investment Policy