

Meeting:	NHS Grampian Board
Meeting date:	11 April 2024
Item Number:	10
Title:	Revision to the Standing Financial Instructions and Schedule of Reserved Decisions
Responsible Executive:	Alex Stephen, Director of Finance
Report Author:	Julie Anderson, Assistant Director of Finance

The following documents are available on request and will be published following approval:

- SORD Change Summary
- SORD Consultation Draft
- SFI Key Changes Summary
- SFI Consultation Draft

1 Purpose and recommendations

This is presented to the Board for:

- Assurance
- Decision
- **Assurance** –To review and scrutinise the information provided in this paper and confirm that it provides assurance that improvements to the processes are being made and appropriate evidence of these has been provided to the Board’s satisfaction.

Decision –Approval of the revised Schedule of Reserved Decisions and Standing Financial Instructions.

This report relates to:

- Legal requirement
- Local policy

This aligns to the following NHS Scotland quality ambitions:

- Effective

2 Report summary

2.1 Situation

The Audit and Risk Committee (ARC) have scrutinised and reviewed proposed amendment to the NHS Grampian's Standing Financial Instructions (SFI) and Schedule of Reserved Decisions (SORD) and commend them to the Board for approval.

The SFIs and SORD have had a significant update, to ensure that they remain relevant, are useable and support the Board in meeting its strategic objectives under the Plan for the Future and comply with requirements as set out in legislation and issued directives.

2.2 Background

The Board of NHS Grampian on 6 August 2020 considered and approved an update to the Standing Financial Instructions (SFIs), Schedule of Reserved Decisions (SORD) and Standing Orders (SOs).

The Schedule of Reserved Decisions confirm the arrangements for maintenance and review of these documents. The Board Secretary (SOs, SORD) and Director of Finance (SFIs) are responsible for maintenance with the Audit and Risk Committee providing advice to the Board prior to any revisions being approved.

Standing Orders regulate the conduct and proceedings of the Board and its Committees. [DL\(2019\)24](#) was issued on 13 December 2019 by the Scottish Government Health and Social Care Directorate instructing Boards to use the new model standing orders template to replace existing standing orders already in place. A modified version of the model template was considered and adopted by the Board of NHS Grampian on 6 August 2020 and no requirement to update, at this time, has been identified.

The Schedule of Reserved Decisions (SORD) is a corporate governance protocol that provides a high level summary of delegated responsibilities within NHS Grampian. The SORD complements the Operational Scheme of Delegation that details all officers within NHS Grampian who have delegated authority according to the standard categories that have been agreed on a NHS Grampian basis. It is intended that the SORD is a key reference document for senior personnel in relation to their delegated duties and delegated authority levels. It also details the decision-making powers of the Board and the responsibilities of committees that report into the Board. The Board Secretary is the officer responsible for the SORD.

The Standing Financial Instructions (SFIs) detail the financial responsibilities, policies and procedures to be adopted by NHS Grampian. They ensure that the Board's

financial transactions are carried out in accordance with the law and government policy in order to achieve probity, accuracy, economy, efficiency and effectiveness. The SFIs identify the financial responsibilities that apply to everyone working for NHS Grampian.

A comprehensive review of the SORD and SFI has been undertaken.

2.3 Assessment

The Audit and Risk Committee considered the revised SFIs and SORD alongside schedules of amendments on 12 March 2024 and recommend for approval.

Each of these documents has undergone a process of review to enhance usability, ensure it is consistent with current operating environment and responsive to emerging developments. Input has been secured from topic specialists. Wide ranging consultation with stakeholders has included those with specific roles defined by these documents. Key areas of change are highlighted below:

Schedule of Reserved Decisions

There are a number of minor changes to the document which have been made and are embedded throughout to enhance usability and remove obsolescence these include for example the incorporation of guidance notes and definition and inclusion of a matrix table to allow for ease of identification of key officers, employees or standing committees delegated authorities or transaction limits.

Key changes that the Committee was asked to consider included:

1. Financial Uplifts: for a range of capital limits both for decisions reserved for the Board and those delegated to others, to reflect the uplift in capital approval limits delegated to the Board from the Scottish Government Health and Social Care Directorate per DL(2019)05 letter and also the time value of money.
2. Realignment of responsibilities and limits from the Director of Finance to the Director of Infrastructure for the following reserved matters enable them to discharge their responsibilities including as Chair of the Asset Management Group.
3. Alignment of responsibilities to the Medical Director for Risk management responsibilities and data protection legislation and requirements.
4. Creation of delegated authorities for Senior Responsible Officer (SRO), for Major Capital Projects.

5. Board Secretary inclusion of delegated authorities to assist in operational matters of the Board and support the Assistant Board Secretary in approvals pertaining to CNORIS and other financial, non-financial losses.
6. Consistent with the governance arrangements for Integration Joint Boards (IJBs) the introduction of mechanism to allow IJBs to issue formal directions to NHS Grampian Health Board in line with IJB integration schemes. These formal directions would confirm that the IJB endorses the proposed course of action and holds sufficient financial and operational resources to commit NHS Grampian to the course of action it proposes.

Standing Financial Instructions

There are a number of minor changes to the document which have been made and are embedded throughout to enhance usability and remove obsolescence these include for example implementation of gender neutral language, reordering and grouping of information within sub-headings to aid in readability and updating with links to appropriate information available on NHSG intranet.

Each section underwent a process of review to ensure it is consistent with current operating environment and responsive to emerging developments. A schedule of changes were considered by the Audit and Risk Committee and included:

1. Section 3 (previously 19) Addressing Fraud

Update current policy, fraud reporting arrangements, contacts and key roles including the Counter Fraud Service.

2. Section 9 (previously 13) Purchase of Supplies and Services

Comprehensive re-write to reflect to current Legal procurement environment as outlined in legislation and CELs, this includes deletion of text referring to EU State Aid and other obsolete references.

3. Section 10 (previously 14) Tendering Procedures

Drafting amended to reflect current tendering procedures including: clarify procurement tendering thresholds under current regulations, compliance with framework agreements and how to publish advertisements for regulated procurement activity; confirming organisational and arrangements for post tender negotiations updated to align with revisions to SORD.

4. Section 12 Subsidies & Grants

A new section which outlines the requirements, record keeping, and disclosure obligations when an individual proposes to provide financial assistance from Exchequer funds.

5. Section 15 (Previously 16) Patients' Funds and Property

Amendments to reflect current legislation references including Insertion and deletion of text in paragraphs 15.26 to uplift limit for confirmation in favour of an executor from £10,000 to £36,000 in accordance with issued guidance.

6. Section 17 (previously section 23) Condemnations, Losses and Special Payments

Additional drafting to clarify arrangements in relation to disposals and losses and delegated loss limits

7. Section 20 (previously 18) Internal and External Audit

Rewrite of section to consolidate and outline current governance arrangements, provisions and responsibilities for key officers of the Board and Audit and Risk Committee, together with current internal audit service arrangements.

8. Section 21 (previously 5) Receipt of income and security of cash and other negotiable instruments

Rewrite of section to consolidate and outline governance arrangements, provisions and responsibilities for the receipt of income and its security. It also sets out notification arrangements in relation to income generation is identified.

9. Section 22 (Previously 7,8 9) Banking, Investing and Borrowing Arrangements

Merger of smaller sections in the 2020 SFIs that are thematic in nature (Investments and borrowing arrangements). Simplification to reflect current governance structures and the role of the Government Banking service.

10. Section 24 Charitable Donations and NHS Grampian Charity Funds (Endowments)

Amendment to text throughout to reflect name change from Endowments to NHS Grampian Charity. Significant rewrite to reflect current NHS Grampian Charity arrangements, legislation for funds managed as a trust and donations received and to clarify role of NHS Grampian Health Boards SFIs for staff supporting it.

2.3.1 Quality/ Patient Care

Clearly defined governance arrangements ensure relevant efficient and effective support arrangements are in place to support patient care.

2.3.2 Workforce

The SORD and SFI set out wide ranging arrangements and policies that will impact of the workforce and also obligate the workforce to apply.

2.3.3 Financial

The SORD and SFI are designed to safeguard and control the efficient use of the Board's resources.

2.3.4 Risk Assessment/Management

Clear and up to date governance documents are a key pillar in supporting effective internal control arrangements that may arise.

2.3.5 Equality and Diversity, including health inequalities

Not applicable.

2.3.6 Other impacts

Not applicable.

2.3.7 Communication, involvement, engagement and consultation

Drafting of revisions to these documents has been informed by relevant specialists. Wide ranging consultation with relevant stakeholders including those with specific roles defined by these documents has taken place.

2.3.8 Route to the Meeting

This has been previously considered by the following committee and group as part of its development. The Committee and group has supported the development of content, and their feedback has informed the finalisation of the documents presented in this report.

- Governance Framework Oversight Board, 21 February 2024
- Audit and Risk Committee, date written 5 March 2024
- NHS Grampian Board drop in sessions on 11 March 2024 and 9 April 2024.

2.4 Recommendations

The Board is asked to:

- **Assurance** –review and scrutinise the information provided in this paper and confirm that it provides assurance that improvements to the processes are being made and appropriate evidence of these has been provided to the Board's satisfaction.
- **Decision** – approve the revised Schedule of Reserved Decisions and Standing Financial Instructions.

Additional recommendation to be added if appropriate:

- **Future reporting** – to request that updates on these documents are reported annually to this Board.