

## Board of Directors' Meeting 8 December 2020

<b>Agenda item</b>	212/20		
<b>Report</b>	Amendment to Standing Financial Instructions		
<b>Executive Lead</b>	Interim Director of Finance		
	<b>Link to strategic pillar:</b>		<b>Link to CQC domain:</b>
	Our patients and community		Safe
	Our people		Effective
	Our service delivery		Caring
	Our partners		Responsive
	Our governance	√	Well Led
	<b>Report recommendations:</b>		<b>Link to BAF / risk:</b>
	For assurance		
	For decision / approval	√	<b>Link to risk register:</b>
	For review / discussion		
	For noting		
	For information		
For consent			
<b>Presented to:</b>	Audit and Risk Assurance Committee on 3 December 2020 where the amendment was supported		
<b>Dependent upon</b> (if applicable):			
<b>Executive summary:</b>	<p>The response to the COVID-19 emergency situation requires NHS organisation to operate in a different way to 'business as usual' practice.</p> <p>Following a recommendation by NHSE/I that each organisation undertakes an urgent review of governance to ensure that decisions to commit resources in response to COVID-19- are robust, the Trust's internal auditors, Mersey Internal Audit Agency (MIAA) undertook a review of the Trust's controls to identify any gaps or areas for further consideration. The findings of this review were presented to the Audit and Risk Assurance Committee meeting on 3<sup>rd</sup> December 2020. Overall the self-assessment confirmed that the Trust has considered many of the governance risks in light of COVID-19 and a COVID-19 risk has been added to the Trust's Board Assurance Framework.</p> <p>There was however one gap identified which requires an amendment to the Standing Financial Instructions (SFIs) which allows for the acceptance of authorisation by e-mail, which has not been previously accepted practice, but has been introduced as a result of COVID-19. An amendment has been made to note 7 of Appendix A of the SFIs which can be found attached to this paper,</p>		

	<p>noting that in order to respond to the needs of the business the approval limits set out in the SFIs will apply virtually as well as a physical signature.</p> <p>As the SFIs were last reviewed and approved by the Trust Board in May 2020, approval is sought from the Board of Directors to include this change as an amendment to the SFIs until the next formal review takes place in 2021.</p>
<b>Appendices</b>	Appendix A: Authorisation Levels

## APPENDIX A

### Authorisation Limits

PERSONNEL	CHEQUES/ BACS/ CHAPS	CAPITAL EXPENDITURE Note 1/3	REVENUE EXPENDITURE/BUDGET VIREMENT Note 2/3	ASSET DISPOSALS
BOARD (AS GROUP)	See Bank Mandate	Up to £5,000,000 Note 3	More than £500,000 up to £5,000,000	Up to £1,000,000
CHIEF EXECUTIVE		Up to £500,000	Up to £500,000	Up to £100,000
FINANCE DIRECTOR		Up to £250,000	Up to £250,000	Up to £100,000
EXECUTIVE DIRECTORS AND OTHER DIRECTORS AS DESIGNATED BY CHIEF EXECUTIVE		Nil	Up to £50,000	Up to £5,000
ASSOCIATE DIRECTOR OF ESTATES		Up to £50,000 Note 6	Up to £25,000	Up to £5,000
ASSISTANT CHIEF OPERATING OFFICER/CARE GROUP DIRECTOR		Nil	Up to £25,000	Up to £5,000
ESTATES HEADS OF SERVICE		Up to £10,000 Note 6	Up to £10,000	Up to £5,000
CENTRE MANAGERS /CARE GROUP HEAD OF NURSING/HEADS OF SERVICE		Nil	Up to £10,000	Up to £5,000
ASSISTANT CENTRE MANAGERS/MATRONS/ASSISTANT HEADS OF SERVICE		Nil	Up to £5,000	Nil
WARD MANAGER AND OPERATIONAL MANAGER		Nil	Up to £1,000	Nil

### CHARITABLE FUNDS

Personnel	Value
Fund Manager	Expenditure up to £2,000
Fund Manager and Care Group Manager	Expenditure between £2,000 and £5,000
Fund Manager and Care Group Manager and include 2 signatures from the CFC one of which must be a Director	Expenditure greater than £5,000
Requested by Fund Manager and Care Group Manager and authorised by the CFC to include Finance Director and one other Director	Expenditure greater than £10,000

#### Notes:

1. NHS Trusts reporting a year end deficit in its most recent audited accounts, forecasting an outturn deficit for the financial year or with an in-year deficit should note that at the discretion of the appropriate NHSEI Director of Delivery and Development or the NHSEI Director of Finance, a NHS Trusts delegated limits can be lowered. Where this is the case all schemes over £500k in value will need agreement to proceed from the relevant Director of Delivery and Development. Where this applies NHS Trusts will be notified in writing by the NHSEI.

2. Any single transaction, where contracts have been placed for services such as utilities or existing and routine expenditure or call off orders that have followed a compliant procurement route, the authorisation process shall follow the principles detailed within the Trust's Budgetary Control Policy.

3. Limits apply to business cases, budget virements, purchase orders and requisitions, within resource of the annual plan.

4.

<b>Financial value of the capital investment or property transaction</b>	<b>Approving person/committee/ board</b>	<b>Key stage documentation</b>	<b>Indicative review timescale for each stage</b>
Up to £5 million	Trust Board	In accordance with the Trust's internal governance process however, NHSEI will expect Trust's to adopt the best practice approach	Not applicable
Between £5 million and £30 million	NHSEI Executive Director of Resources/Deputy Chief Executive or NHSEI Director of Finance and DH	OBC and FBC required (SOC also required if DH finance required)	8 weeks
Between £30 million and £50 million	NHSEI Resources Committee and DH	SOC, OBC and FBC required (or SOC, ABC, CBC or LIFT stage 1 and 2 equivalent for PFI/PF2 or LIFT)	8-12 weeks
Over £50 million	NHSEI Resources Committee, NHSEI Board, NHSEI Capital and Cash Central Review, DH and HMT	SOC, OBC and FBC required (or SOC, ABC, CBC or LIFT stage 1 and 2 equivalent for PFI/PF2 or LIFT)	Minimum 8-12 weeks (for NHSEI approval stage only)

5. All values are inclusive of the current rate of Value Added Tax.

6. Authorisation limit applicable only where it is within the agreed capital plan. Any reactive/emergency work undertaken and approved from a contingency must be notified to the Finance Director.

7. Authorisation limits can apply under virtual signature during exceptional circumstances in order for the business to respond in a timely way.