

## Local Health Boards

### Review of NHS Wales Local Health Board Model Standing Financial Instructions – Table of Amendments, Cross Reference to Legislation and Confirmation of Sections which are not for variation by NHS Body

#### Local Health Boards

Previous Paragraph Reference	New Paragraph Reference	Section Heading	Reason for Amendment (if applicable)	Cross reference to legislation
1.1.1	1.1.1	Introduction - General	Explicit cross reference to Schedule 2.1 of SOs	N/A
1.2.1	1.2.1	Overriding Standing Financial Instructions	Deleted [ ] as Audit Committee is named in SOs	N/A
2.1.1	2.1.1	The Board	Wording expanded to be more explicit about approving plans etc.	N/A
2.1.2	2.1.2	The Board	Clarifying arrangements for delegation, that is those matters not reserved to Board	N/A
3.1.1	3.1.1	Audit Committee	Deleted [ ] as Audit Committee is named in SOs. Also hyperlink to NHS Wales Audit Committee Handbook inserted	N/A
3.2.1	3.2.1	Chief Executive	Section updated to latest Public Sector Internal Audit Standards & hyperlink inserted	N/A
3.3.1	3.3.1	Internal Audit	Section updated to latest Public Sector Internal Audit Standards	N/A
3.4.4	3.4.3	External Audit	Section deleted as Audit Wales produce an annual audit plan for audited bodies, an audit strategy is not used.	N/A
	3.4.8 & 3.4.9	External Audit	New paragraphs added - from the 2018 HEIW SFI. To ensure consistency, where appropriate, across LHB, NHS Trusts and HEIW SFIs	N/A
3.4.10	3.4.11	External Audit	Reference included for "Structured Assessments"	N/A
3.5.2	3.5.2	Fraud and Corruption	Section corrected to link Local Counter Fraud Specialist (LCFS) requirement to Directions to NHS bodies on Counter Fraud Measures 2005 - not Counter Fraud manual	N/A
3.5.3	3.5.3	Fraud and Corruption	Section updated to latest name for NHS Counter Fraud Authority NHSCFA	N/A

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3.5.4	3.5.4	Fraud and Corruption	explicit reference to "proactive and reactive" counter fraud work	N/A
3.5.5	3.5.5	Fraud and Corruption	section updated to latest requirement to participate in National Fraud Initiative(NFI)	N/A
4 & 5	4	Allocations & Financial Duty & Integrated Planning Chapters	Major rewrite and merging of 2 chapters into 1. This has now been restructured around the 2 statutory financial duties for LHBs - this is then consistent with how this is set out in legislation, in WG circulars on Financial Duties and in the NHS Planning Framework. The last SFI update in 2014 amended existing chapters to reflect NHS Finance (Wales) Act 2014 requirements - opportunity now taken for a more comprehensive rewrite & to ensure consistency in wording and message with relevant circulars & directions issued since 2014.	NHS Finance (Wales) Act 2014
	4.1	Financial Duties	Cross referencing chapter to NHS Finance (Wales) Act 2014 legislation and Financial Duties circular - including hyperlink	NHS Finance (Wales) Act 2014
	4.2	First Financial Duty	more narrative on the First Financial Duty - aligned with wording in Financial Duties circular	N/A
	4.3	Second Financial Duty	Significantly more narrative and explicit requirements on the Second Financial Duty - aligned with NHS Planning Framework & hyperlink to the latest NHS Planning Framework. This reflects the importance of IMTPs for Boards and requirements for the organisations.	N/A
	4.3.3	Second Financial Duty	Clarity & context for IMTPs to demonstrate meeting Well-being of Future Generations Act requirements on well-being objectives, Well-being Goals, five ways of working and prevention.	Well Being and Future Generations Act (2015)
	4.3.6, 4.3.7 & 4.3.8	Second Financial Duty	More narrative on following NHS Planning Framework, CEO & Board responsibilities for IMTP	
6	5	Financial Management & Budgetary Control	Chapter heading and contents updated in language to be consistent with that used in NHS financial management and reporting. "Budgetary Control" in the way wording was used and structured was more 1980s and 1990s style.	N/A

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Previous Paragraph Reference	New Paragraph Reference	Section Heading	Reason for Amendment (if applicable)	Cross reference to legislation
	5.1	Budget Setting	Section updated and enhanced to include specific reference to Board approved plans and business cases, Well-being of Future Generations Act etc.	Well Being and Future Generations Act (2015)
	5.2	Budgetary Delegation	Tidy up of section to include relevant delegation requirements from Chief Executive to budget holders & letters of accountability	N/A
	5.3	Financial Management, Reporting and Budgetary Control	Section updated and enhanced to reflect current Financial Management rather than just Budgetary Control. The section has more details on financial management reporting including NHS Finance Academy best practice guide to Board financial reporting	N/A
	5.5.	Reporting to Welsh Government - Monitoring Returns	Hyperlink to financial monitoring returns circular inserted	N/A
7	6	Annual Accounts	Minor changes to chapter - mainly cross referencing Welsh Government's Manual for Accounts requirements	N/A
8		Shared and Hosted Services Arrangements	Chapter deleted as this is fully covered in Standing Orders Chapter 4 "NHS Wales Shared Services Partnership"	N/A
9	7	Banking Arrangements	Chapter updated to reflect requirement, not option, to use Government Banking Service and also to update to reflect best banking arrangements practice	N/A
10	8 & 9	Income, Fees and Charges and Security of Cash, Cheques and other Negotiable Instruments	Chapter split into two for clarity - one on <b>cash, and handling of cash</b> , and one on <b>income and debt recovery</b> . Previous chapter too mixed up.	N/A
	8.1	General	Section has been updated and enhanced - specifically around use of payment cards	N/A
	9.4	Income Due and Debt Recovery	Explicit reference now included for role of budget holders to inform on income due and on any salary & expenses overpayments	N/A

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Previous Paragraph Reference	New Paragraph Reference	Section Heading	Reason for Amendment (if applicable)	Cross reference to legislation
14	10	Non-Pay Expenditure	Non-Pay Expenditure chapter brought forward to chapter 10 (just before the Procurement chapter). This aligns with Procure To Pay (P2P) process for non pay goods and services - that is the authority to initiate expenditure just before the requisitioning & procuring of those goods and service.	N/A
	10.2	Director of Finance's responsibilities	Elements of responsibility taken out as responsibilities for national systems & national processes now lie with NWSSP	
	10.4	Departures from SFI's	New section - similar section applies in WG SFIs	N/A
11	11 & 13	Grant Funding, Procurement and Contracting for Goods and Services	Grant Funding section transferred to its own separate chapter 13	N/A
11.1, 11.2 & 11.3	13.2, 13.3 & 13.4	Grant Funding	Grant Funding paragraph transfers from Chapter 11 to 13	N/A
11	11	Procurement and Contracting for Goods and Services	Chapter rewritten to align with the arrangements in NHS Wales, including clarifying responsibilities of both LHBs and also NWSSP Procurement. Procurement chapter has been reordered so that sections are in line with Procurement Manual, specifically the Procure To Pay (P2P) process.	N/A

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	11.1	Procurement Services	New section to clarify responsibilities of both LHBs and also NWSSP Procurement. Also noting that "procurement" also refers to local procurement - for example pharmacy and works who undertake procurement on a devolved basis	N/A
11.4	11.2	Policies and procedures	Reference to Procurement Manual included. Procurement Manual now replaces Supplementary Guidance as Schedule 1 of the SFIs - thereby formally adopted and incorporated within the SFIs. Further specific clarification of responsibilities of both LHBs and also NWSSP Procurement	N/A
11.5	11.3	Procurement Principles	Reference made to the primary regulations/guidance the updated - "The Public Contract Regulations (2015, No. 102) and Wales Procurement Policy Statement (WPPS)	The Public Contract Regulations (2015, No. 102)
11.6	11.4	Procurement Regulations and Legislation Governing Public Procurement	Reference made to latest relevant legislation & regulations - "The Public Contract Regulations (2015, No. 102), Well Being and Future Generations Act (2015) as well as other relevant legislation and regulation, e.g. Welsh language (Wales) Measure 2011. Reference to EU Directives removed, focus on PCR (adopted in UK Law)	The Public Contract Regulations (2015, No. 102) and Well Being and Future Generations Act (2015)
11.9	11.5	Procurement Procedures	Responsibility for setting and maintaining and making procedures available with NWSSP. Responsibility for following with HB.	N/A

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Previous Paragraph Reference	New Paragraph Reference	Section Heading	Reason for Amendment (if applicable)	Cross reference to legislation
11.9	11.6	Procurement Consent	WG Consent moved to a section on its own. Reference made to requirements for LHB to provide a contract summary to Welsh Government for contracts between £500,000 and £1 million prior to the contract being let. Additional sentence to note consent requirements apply to goods and services procured through public sector contract frameworks.	N/A
11.7 & 11.8	11.7	Sustainable Procurement	Section inserted to emphasise requirement for Sustainable Development & Wellbeing goals. New paragraph detailing requirement to consider the Welsh Government Guidance on Ethical Procurement and the new Code of Practice on ethical employment in supply chains	N/A
11.9	11.9 & 11.10	Planning Procurements & Procurement Process	Procurement Procedures section improved, updated and enhanced into two sections 11.9 Planning Procurements & 11.10 Procurement Process - as recommended by NWSSP Procurement professional colleagues	N/A
	11.11	Procurement Thresholds	Additional narrative on application of thresholds now included	N/A
	11.12	Designing Competitions	New section - as recommended by NWSSP Procurement. Details on budget holder responsibilities, performance measures and criteria	N/A
	11.13	Single Quotation or Single Tender Application	New section - as recommended by NWSSP Procurement. Detailing the exceptionality, steps required, authorisation and reporting requirements etc.	N/A
	11.14	Disposals	New small section - as recommended by NWSSP Procurement.	N/A
	11.15	Evaluation, Approval and Award	New section on Evaluation, Approval and Award which is aligned with detail contained in Procurement Manual.	N/A
	11.16	Contract Management	Additional bullet points added on obligations/actions	N/A

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	11.17	Extending & Varying Contracts	New section - as recommended by NWSSP Procurement. Detailing when varying is applicable, limits, process and risks etc.	N/A
14.2	11.18	Transactional Processes - Requisitioning	Clarified as part of the core transactional processes and separated to provide greater emphasis i.e. supportive of No PO No Pay Policy. Also supported by Finance Academy Transactional Process Manual	N/A
	11.19	No Purchase Order, No Pay	New section to ensure compliance with 'No Purchase Order, No Pay' policy	
	12.1	Health Care Agreements	Health Care Agreements set in the context of LHB commissioning services internally, from its own LHB provided services, and externally, from other LHBs, Trusts and other providers. Aligns with LHB statutory responsibility for resident population.	N/A
	12.3	Reports to Board on Health Care Agreements	Links reporting to Board reports on overall commissioning and financial performance.	N/A
	13.1	Grant Funding - Legal Advice	New section emphasising need, under Grant Funding, to seek legal advice and to follow grants toolkit.	N/A
	14.1.5	Remuneration and Terms of Service Committee	New paragraph defining role for Committee on redundancy cases, Voluntary Early Release applications as well as any novel employment and pay cases, such as compromise agreements and non-disclosure agreements	N/A
	14.3.1	Staff Appointments	New paragraph linking staff appointment to authorisation in accordance with Scheme of Delegation	N/A
	14.4.2	Pay Rates and Terms and Conditions	New paragraph on pay for board members, and other senior employees- linking to paragraphs 14.1.2 and 14.1.3	N/A
	14.5.1	Payroll	Defining payroll service from NHS Wales Shared Services Partnership	N/A
	14.5.2	Payroll	Explicit reference to comply with HMRC, Pensions Agency and other regulations etc	N/A
	14.5.3	Payroll	Reference to Service Level Agreement, not contract, for payroll service from NHS Wales Shared Services Partnership	N/A

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Previous Paragraph Reference	New Paragraph Reference	Section Heading	Reason for Amendment (if applicable)	Cross reference to legislation
	15.1, 15.2 & 15.3	Capital Plan, Capital Investment, Fixed Asset Registers and Security of Assets	Additional sections added to the chapter on Capital Plan(15.1), Capital Investment Decisions(15.2) and Capital Projects(15.3). These comprehensive additions include aligning with IMTP, NHS Wales Infrastructure Investment Guidance and Better Business Cases (including hyperlinks to both)	N/A
	15.4	Capital Investment Procedures and Responsibilities	Explicit reference for CEO responsibility to ensure Capital Plan approved by Board, and for Directors of Planning and Finance to issue detailed procedures.	N/A
	15.4.8	Capital Procedures and Responsibilities	Reference included to application of Welsh Government Project Bank Accounts policy on capital schemes greater than £2m	N/A
	15.5	Capital Financing with the Private Sector	Reference made to the new Mutual Investment Model within this section.	N/A
	15.6	Asset Registers	Responsibilities explicitly identified and updated in this section	N/A
	16.2.3	Control of Stores, Stocktaking, condemnations and disposal	Director of Finance responsibilities paragraph expanded	N/A
	17	Disposals and Condemnations, Losses and Special Payments	Chapter updated to reflect current names for Welsh Government, the Health & Social Services Group etc. Also emphasised that disposals and condemnation applied to assets and goods, not just assets.	N/A
	18	Informatics and Digital	Chapter updated to reflect current landscape, and naming convention, from "Information Management and Technology" to "Digital, Data and Technology". Chapter more focused on informatics, and the governance thereof, rather than IM&T (in the traditional sense of IT etc)	N/A



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	18.2	Responsibilities and duties of the responsible Director	References updated to include Network and Information Systems Regulations 2018, General Data Protection Regulations and any relevant domestic law considerations via the Data Protection Act 2018.	Network and Information Systems Regulations 2018, Data Protection Act 2018
	20	Funds Held on Trust (Charitable Funds)	Minor wording changes - reflect they are called both Funds Held on Trust & Charitable Funds. Added reference to Annual Accounts requirement	N/A
	21	Retention of Records	References updated to Data Protection Act 2018.	Data Protection Act 2018
	Schedule 1	General Consent to Enter Individual Contracts	Letter of 30 November 2020 added	