

AGENDA ITEM

2.1.5

AUDIT & RISK COMMITTEE

MODEL STANDING FINANCIAL INSTRUCTIONS

Date of meeting

04/10/2021

FOI Status

Open/Public

If closed please indicate reason

Not Applicable - Public Report

Prepared by

Owen James – Head of Corporate Finance

Presented by

Sally May – Director of Finance

Approving Executive Sponsor

Executive Director of Finance

Report purpose

ENDORSE FOR BOARD APPROVAL

Engagement (internal/external) undertaken to date (including receipt/consideration at Committee/group)

Committee/Group/Individuals

Date

Outcome

The Model Standing Financial Instructions are issued by Welsh Ministers to NHS Trusts using powers of direction provided in section 19 (1) of the National Health Service (Wales) Act 2006.

N/A

ENDORSED FOR APPROVAL

All documents have recently been reviewed by officials in association with representatives of the Board Secretaries and Directors of Finance Peer Groups.



ACRONYMS

SFI	STANDING FINANCIAL INSTRUCTIONS
CTMUHB	CWM TAFF MORGANNWG UNIVERSITY HEALTH BOARD

1. SITUATION/BACKGROUND

- 1.1 The purpose of this paper is to bring to the attention of the Audit & Risk Committee the revised Model Standing Financial Instructions and recommend that they are adopted and incorporated into Cwm Taf Morgannwg UHB Standing Financial Instructions (SFIs).
- 1.2 In accordance with the SFIs, all Health Board members and officers must be made aware of these Standing Financial Instructions and, where appropriate, should be familiar with their detailed content.
- 1.3 The Model Standing Financial Instructions are issued by Welsh Ministers to Local Health Boards using powers of direction provided in section 12 (3) of the National Health Service (Wales) Act 2006. Local Health Boards (LHBs) in Wales must agree Standing Financial Instructions (SFIs) for the regulation of their financial proceedings and business. They shall have effect as if incorporated in the Standing Orders (SOs) (incorporated as Schedule 2.1 of SOs).
- 1.4 The SFIs detail the financial responsibilities, policies and procedures adopted by Cwm Taff Morgannwg UHB. They are designed to ensure that the Health Board's financial transactions are carried out in accordance with the law and with Welsh Government policy in order to achieve probity, accuracy, economy, efficiency, effectiveness and sustainability. They should be used in conjunction with the Schedule of decisions reserved to the Board and the Scheme of delegation adopted by the LHB.
- 1.5 The SFIs identify the financial responsibilities which apply to everyone working for the Health Board and its hosted organisations. They do not provide detailed procedural advice and should be read in conjunction with the detailed departmental and Financial Control Procedure notes. All financial procedures must be approved by the Director of Finance and Audit & Risk Committee.
- 1.6 The full suite of model Standing Orders (SOs), Standing Financial Instructions (SFIs) and associated documents for Local Health Boards and NHS Trusts were most recently issued in March 2014. The main amendments actioned in that update covered changes in the statutory financial duties as per the NHS Finance (Wales) Act 2014. However, there is a requirement to keep the SFIs under review to ensure they remain accurate and current.

2. SPECIFIC MATTERS FOR CONSIDERATION BY THIS MEETING (ASSESSMENT)

- 2.1 Directors of Finance initiated work, via the Director of Finance (DoF) Governance Sub Group, to review and update the Model SFIs. DoFs recognised that the SFIs had not been updated for some time, with specific concerns that the procurement section did not reflect latest legislation, regulations and procurement processes and practice. The DoF Sub Group included input from finance and procurement staff, Board Secretaries and Welsh Government (WG) officials.
- 2.2 A detailed breakdown of the amendments has been provided in appendix A and an updated version of the reviewed Model SFIs is provided in appendix B.
- 2.3 A full review of Financial Control Procedures will be carried out by Finance to ensure that the requirements of the revised Model SFIs are reflected in these procedures.

3. KEY RISKS/MATTERS FOR ESCALATION TO BOARD/COMMITTEE

- 3.1 Audit & Risk Committee are asked to endorse the Board to approve:
- the adoption of the latest review of the Model Standing Financial Instructions into Cwm Taf Morgannwg UHB Standing Financial Instructions.

4. IMPACT ASSESSMENT

Quality/Safety/Patient Experience implications	There are no specific quality and safety implications related to the activity outlined in this report.
Related Health and Care standard(s)	Governance, Leadership and Accountability
	If more than one Healthcare Standard applies please list below:

Equality Impact Assessment (EIA) completed - Please note EIAs are required for <u>all</u> new, changed or withdrawn policies and services.	No (Include further detail below) No change or withdrawal of policy or services.
Legal implications / impact	There are no specific legal implications related to the activity outlined in this report.
Resource (Capital/Revenue £/Workforce) implications / Impact	There is no direct impact on resources as a result of the activity outlined in this report.
Link to Strategic Well-being Objectives	Ensure sustainability in all that we do, economically, environmentally and socially

5. RECOMMENDATION

5.1 The Audit & Risk Committee are asked to **endorse the Board to approve:**

- the adoption of the latest review of the Model Standing Financial Instructions into Cwm Taf Morgannwg UHB Standing Financial Instructions.