

# Joint Cluster Board – Open Session

**Date: Wednesday 27<sup>th</sup> May 2026**

**Time: 12.00 – 13.45**

**Location: St Michael's Centre, North Rd, Stoke Gifford, Bristol BS34 8PD**

<b>Agenda Number:</b>	8	
<b>Title:</b>	Update to the Standing Financial Instructions for the cluster	
<b>Confidential Papers</b>	<b>Commercially Sensitive</b>	No
	<b>Legally Sensitive</b>	No
	<b>Contains Patient Identifiable data</b>	No
	<b>Financially Sensitive</b>	No
	<b>Time Sensitive – not for public release at this time</b>	No
	<b>Other (Please state)</b>	No
<b>Purpose: <u>Decision</u></b>		
<b>Key Points for Discussion:</b>		
<p>The Joint Cluster Board approved a set of Standing Financial Instructions at the beginning of April 2026. The attached update includes some minor changes linked to procurement and tidying up of some areas.</p> <p>It must be noted that with the ICB workforce undergoing organisational change, it has not always been possible to stipulate roles that will have responsibilities or approval rights. It is therefore proposed that a review of these documents is proposed before the end of 2026 once the organisational structures and governance are more established.</p>		
<b>Recommendations:</b>	The Joint Cluster Board is asked to agree the SFIs on behalf of both Gloucestershire and BNSSG ICBs	
<b>Previously Considered By and feedback:</b>	Through the Transition Working Group, the executive team have been engaged in the development of these documents which use existing documents as their foundation.	
<b>Management of Declared Interest:</b>	None identified associated with the development of the documents	

<b>Risk and Assurance:</b>	There is a risk to the organisation if the ICB and its constituent governance structures do not fulfil their statutory and mandatory requirements. The document mitigate this risk by setting out arrangements.
<b>Patient and Public Involvement:</b>	There has been no wider public engagement in the development of this document.
<b>Financial / Resource Implications:</b>	Nil
<b>Legal, Procurement, Policy and Regulatory Requirements:</b>	The document has been developed with reference to existing materials and support the ICBs meet their constitutional requirements
<b>How does this impact on health inequalities, equality and diversity and population health?</b>	Nil
<b>ICS Green Plan and the Carbon Net Zero target?</b>	Nil
<b>Communications and Engagement:</b>	The documents will be published on both websites as part of the Governance Handbooks
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<b>Sponsoring Director:</b>	Cath Leech, Chief Finance and Corporate Services Officer

To support the clustering arrangements between Gloucestershire ICB and BNSSG ICB, these Standing Financial Instructions (SFI) have been produced to allow effective working arrangements between the organisations. Recognising the need for both ICBs to maintain their sovereignty until they are permitted by NHS England to merge, this document will need to be agreed by both individual Boards.

This document is supported by policies in both ICBs which are referred to and will be combined once organisational changes have been completed and individuals are aligned to new teams and ways of working.

# BNSSG and Gloucestershire Integrated Care Boards

## Standing Financial Instructions

Version 0.5

26 March 2026



Gloucestershire

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Agreed by ICB Boards  
XXXXX

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# 1. Purpose and statutory framework

- 1.1.1 These Standing Financial Instructions (SFIs) shall have effect as if incorporated into the Integrated Care Board's (ICB) constitution and Governance Handbook. In accordance with the National Health Service Act 2006, as amended by the Health and Care Act 2022, the ICB must publish its constitution.
- 1.1.2 In accordance with the Act as amended, NHS England is mandated to publish guidance for ICBs, to which each ICB must have regard, in order to discharge their duties.
- 1.1.3 The purpose of this governance document is to ensure that the ICB fulfils its statutory duty to carry out its functions effectively, efficiently, and economically. The SFIs are part of the ICB's control environment for managing the organisation's financial affairs as they are designed to ensure regularity and propriety of financial transactions.
- 1.1.4 SFIs define the purpose, responsibilities, legal framework and operating environment of the ICB. They enable sound administration, lessen the risk of irregularities and support commissioning and delivery of effective, efficient, and economical services.
- 1.1.5 The ICB is established under Chapter A3 of Part 2 of the National Health Service Act 2006, as inserted by the Health and Care Act 2022 and has the general function of arranging for the provision of services for the purposes of the health services in England in accordance with the Act.
- 1.1.6 Each ICB is established by order made by NHS England for an area within England, the order establishing an ICB makes provision for the constitution of the ICB.
- 1.1.7 All members of the ICB, its Board, and all other officers should be aware of the existence of these documents and be familiar with their detailed provisions. The ICB SFIs will be made available to all officers on the intranet and internet website.
- 1.1.8 Should any difficulties arise regarding the interpretation or application of any of these SFIs, the advice of the Chief Executive Officer or the Chief Finance Officer must be sought before acting.
- 1.1.9 Failure to comply with the SFIs may result in disciplinary action in accordance with the ICBs applicable disciplinary policy and procedure in operation at that time.

## 2. Scope

- 2.1.1 All officers of the ICB, without exception, are within the scope of the SFIs without limitation. The term officer includes, permanent employees, fixed term contract employees, secondees, agency and contract workers.
- 2.1.2 Within this document, words imparting any gender include any other gender. Words in the singular include the plural and words in the plural include the singular.
- 2.1.3 Any reference to an enactment is a reference to that enactment as amended.
- 2.1.4 Unless a contrary intention is evident, or the context requires otherwise, words or expressions contained in this document, will have the same meaning as set out in the applicable Act.

# 3. Roles and Responsibilities

## 3.1 Staff

3.1.1 All ICB officers are severally and collectively, responsible to their respective employer(s) for:

- abiding by all conditions of any delegated authority;
- the security of the statutory organisations property and avoiding all forms of loss;
- ensuring integrity, accuracy, probity, and value for money in the use of resources; and
- conforming to the requirements of these SFIs

3.2.1. For any and all Directors and employees who carry out a financial function, the form in which financial records are kept and the manner in which directors and employees discharge their duties must be to the satisfaction of the Chief Finance Officer

## 3.2 Chief Executive

3.2.1 The ICB constitution provides for the appointment of the Chief Executive Officer by the ICB chair. The Chief Executive Officer is the Chief Executive for the ICB and is personally accountable to NHS England for the stewardship of the ICB's allocated resources.

3.2.2 The Chief Finance Officer reports directly to the ICB Chief Executive Officer and is professionally accountable to the NHS England regional finance director.

3.2.3 The Chief Executive Officer and Chief Finance Officer will, as far as possible, delegate their detailed responsibilities, but they remain accountable for financial control.

3.2.4 The Chief Executive Officer will delegate to the Chief Finance Officer the following responsibilities (see also section 4 – Annual Reporting and accounts) in relation to the ICB:

- preparation and audit of annual accounts;
- adherence to the directions from NHS England in relation to accounts preparation;
- ensuring that the allocated annual revenue and capital resource limits are not exceeded;
- ensuring that there is an effective financial control framework in place to support accurate financial reporting, safeguard assets and minimise risk of financial loss;
- meeting statutory requirements relating to taxation;
- ensuring that there are suitable financial systems in place (see Section 5 – Financial Systems and Processes),
- meets the financial targets set for it by NHS England;
- use of incidental powers such as management of ICB assets, entering commercial agreements;
- the Governance statement and annual accounts & reports are signed;
- ensuring planned budgets are approved by the relevant Board; developing the funding strategy for the ICB to support the board in achieving ICB objectives, including consideration of place-based budgets;
- making use of benchmarking to make sure that funds are deployed as effectively as possible;
- ensuring that sufficient records are maintained to show and explain the ICB's transactions, in order to disclose, with reasonable accuracy, the financial position of the ICB at any time;
- executive members (partner members and non-executive members) and other officers are notified of and understand their responsibilities within the SFIs;
- specific responsibilities and delegation of authority to specific job titles are confirmed;
- provision of financial leadership and financial performance of the ICB;
- identification of key financial risks and issues relating to robust financial performance and leadership and working with relevant providers and partners to enable solutions; and

- the Chief Finance Officer will support a strong culture of public accountability, probity, and governance, ensuring that appropriate and compliant structures, systems, and process are in place to minimise risk.
- ensuring money drawn from the Department of Health against the financing requirement arising from the Resource Limit is required for approved expenditure only and is drawn down only at the time of need, following best practice as set out in 'Cash Management in the NHS'.

### 3.3 Audit Committee

3.3.1 The ICB Board (Board) and Chief Executive should be supported by an Audit Committee, which should provide proactive support to the Board, fulfilment of its terms of reference, and advising on:

- the management of key risks;
- the strategic processes for risk;
- the operation of internal controls;
- control and governance and the governance statement;
- the accounting policies, the accounts, and the annual report of the ICB;
- the process for reviewing of the accounts prior to submission for audit, management's letter of representation to the external auditors; and the planned activity and results of both internal and external audit.
- Agree Prepare Standing Financial Instructions (SFIs)

### 3.4 Finance Committee (or equivalent)

3.4.1 The ICB Board (Board) and Chief Executive should be supported by a Finance Committee. The Finance Committee shall support the Board through fulfilment of its TORs and its purpose;

- To contribute to the overall delivery of the ICB's objectives by providing oversight and assurance to the Board in the development and delivery of a robust, viable and sustainable system financial strategy and operational plan. This includes:
  - financial performance of the ICB
- Providing financial advice to the Integrated Care Board to enable the development of a financially sustainable Strategy;

- Develop financial strategy and plan for the ICB with due regard for the Strategy of the Integrated Care System Partnership Board and associated Health & Wellbeing Boards.

3.4.2 The Board has delegated authority to the Finance Committee (or equivalent) as described in the Reservation and Delegation Scheme:

- Strategy and Planning
  - Recommend annual, medium-term and Long-Term financial plans to the Board.
  - Recommend the approach for resource allocation to the Board.
- Regulation and Control
  - Oversight of procurement exercises in line with section 8 and make change recommendations to the Board.

# 4. Annual reporting and accounts

## 4.1 Reporting

4.1.1 The Chief Executive Officer, on behalf of the Board will ensure the ICB, in each financial year, prepares a report on how it has discharged its functions in the previous financial year.

4.1.2 An annual report must, in particular, explain how the ICB has:

- discharged its duties in relating to improving quality of services, reducing inequalities, the triple aim and public involvement;
- review the extent to which the Board has exercised its functions in accordance with its published 5 year forward plan and capital resource use plan; and
- review any steps that the Board has taken to implement any joint local health and wellbeing strategy.

4.1.3 The Chief Finance Officer will ensure, on behalf of the Chief Executive and Board that the ICB is in a position to produce its required monthly reporting, annual report, and accounts.

4.1.4 NHS England will give annual directions to the ICB as to the form and content of an annual report.

4.1.5 The ICB must give a copy of its annual report to NHS England by the date specified by NHS England in a direction and publish the report.

## 4.2 Internal audit

The Chief Executive Officer, as the Chief Executive, is responsible for ensuring there is appropriate internal audit provision in the ICB. For operational purposes, this responsibility is delegated to the Chief Finance Officer to ensure that:

- all internal audit services provided under arrangements proposed by the Chief Finance Officer are approved by the Audit Committee, on behalf of the Board;
- the ICB internal audit annual audit plan, must be endorsed by the ICB Chief Executive, Audit Committee and Board;
- the head of internal audit must provide an annual opinion on the overall adequacy and effectiveness of the Board's framework of governance, risk

management and internal control as they operated during the year, based on a systematic review and evaluation;

- the head of internal audit should attend Audit Committee meetings and have a right of access to all audit and risk assurance committee members, the Chair and Chief Executive of the ICB.
- the appropriate and effective financial control arrangements are in place for the ICB and that accepted internal and external audit recommendations are actioned in a timely manner.
- Reporting for Internal Audit shall be agreed between the Chief Finance Officer, the Audit Committee and the Head of Internal Audit; and shall comply with the guidance on reporting contained in the NHS Internal Audit Standards.

## 4.3 External audit

The Chief Finance Officer is responsible for:

- liaising with external audit colleagues to ensure timely delivery of financial statements for audit and publication in accordance with statutory, regulatory requirements;
- ensuring that the ICB appoints an auditor in accordance with the Local Audit and Accountability Act 2014; in particular, the ICB must appoint a local auditor to audit its accounts for a financial year not later than 31 December in the preceding financial year; the ICB must appoint a local auditor at least once every 5 years and
- ensuring that the appropriate and effective financial control arrangements are in place for the ICB and that accepted external audit recommendations are actioned in a timely manner.

# 5. Financial systems and processes

## 5.1 Provision of finance systems

5.1.1 To be read in conjunction with section 16 – Digital.

5.1.2 The Chief Finance Officer is responsible for ensuring systems and processes are designed and maintained for the recording and verification of finance transactions such as payments and receivables for the ICB.

5.1.3 The systems and processes will ensure, that payment for goods and services is made in accordance with the provisions of these SFIs, related procurement guidance and prompt payment practice.

5.1.4 The required accounting system for use by ICBs is the Integrated Single Financial Environment (“ISFE2”).

5.1.5 Access will be granted to ICB employees to enable users to perform core accounting functions such as to transacting and coding of expenditure/income in fulfilment of their roles.

5.1.6 The Chief Finance Officer will, in relation to financial systems:

- promote awareness and understanding of financial systems, value for money and commercial issues;
- ensure that transacting is carried out efficiently in line with current best practice;
- ensure that the ICB meets the required financial and governance reporting requirements as a statutory body by the effective use of finance systems;
- enable the prevention and the detection of inaccuracies and fraud, and the reconstitution of any lost records;
- ensure that the financial transactions of the authority are recorded as soon as, and as accurately as, reasonably practicable;
- ensure publication and implementation of all ICB business rules and ensure that the finance team is appropriately resourced to deliver all statutory functions of the ICB;
- ensure that risk is appropriately managed;
- ensure identification of the duties of officers dealing with financial transactions and division of responsibilities of those officers;

- ensure the ICB has suitable financial and other software to enable it to comply with these policies and any consolidation requirements of the ICB;
- ensure that contracts for computer services for financial applications with another health organisation or any other agency shall clearly define the responsibility of all parties for the security, privacy, accuracy, completeness, and timeliness of data during processing, transmission and storage. The contract should also ensure rights of access for audit purposes; and
- where another health organisation or any other agency provides a computer service for financial applications, the Chief Finance Officer shall periodically seek assurances that adequate controls are in operation.

# 6. Planning, Budgets and Budgetary Control

## 6.1 Planning

- 6.1.1 The Chief Executive Officer will compile and submit to the Board an Annual Operating Plan which take into account financial targets and forecast limits of available resources.
- 6.1.2 The annual plan will be developed in line with the ICS's Medium-Term plan and the NHS Long term plan objectives and will:
- a. be in accordance with the aims and objectives set out in the ICB's strategy;
  - b. ensure the achievement of the ICB statutory duty to breakeven;
  - c. a statement of the significant assumptions on which the plan is based
  - d. details of major changes in workload, delivery of services or resources required to achieve the plan
  - e. identify potential risks.
- 6.1.3 The approved annual plan will be the basis for setting the detailed budget plan and delegated budgets to approved budget holders.
- 6.1.4 The Chief Finance Officer will ensure that financial performance is monitored against budget and plan and communicated to appropriate Boards and Committees.
- 6.1.5 All budget holders must provide information as required by the Chief Finance Officer to enable budgets to be compiled.

## 6.2 Allocations

- 6.2.1. The Chief Finance Officer of the ICB will:
- periodically review the basis and assumptions used by NHS England for distributing allocations and ensure that these are reasonable and realistic and secure the ICB's entitlement to funds;
  - prior to the start of each financial year submit to the ICB Board for approval a report showing the total allocations received and their proposed distribution including any sums to be held in reserve; and

regularly update the ICB Board on significant changes to the initial allocation and the uses of such funds

## 6.3 Budgetary control and reporting

6.3.1. The Chief Executive Officer may delegate the management of a budget to permit the performance of a defined range of activities. This delegation must be in writing and be accompanied by a clear definition of:

- the amount of the budget;
- the purpose(s) of each budget heading;
- individual and group responsibilities;
- authority to exercise virement;
- achievement of planned levels of service;
- the provision of regular report

6.3.2. The Chief Executive Officer and delegated budget holders must not exceed the budgetary total or virement limits set by the Board.

6.3.3. Any budgeted funds not required for their designated purpose(s) revert to the immediate control of the Chief Executive Officer, subject to any authorised use of virement.

6.3.4. Non-recurring budgets should not be used to finance recurring expenditure without the authority in writing of the Chief Executive Officer, as advised by the Chief Finance Officer.

6.3.5. The Chief Finance Officer is

- responsible for maintaining policies and processes relating to the control, management and use of resources across the ICB;
- will delegate the budgetary control responsibilities to budget holders through a formal documented process.

6.3.6 The Chief Finance Officer will ensure:

- the promotion of compliance to the SFIs through a financial governance framework;
- the promotion of long-term financial health for the NHS system (including ICS);
- budget holders are accountable for obtaining the necessary approvals and oversight of all expenditure incurred on the cost centres and subjective code combinations they are responsible for;

- the improvement of financial literacy of budget holders with the appropriate level of expertise and systems training;
- that the budget holders are supported in proportion to the operational risk; and
- the implementation of financial and resources plans that support the NHS Long term plan objectives.

6.3.7 In addition, the Chief Finance Officer should have financial leadership responsibility for the following statutory duties:

- that of the ICB, in conjunction with its partner NHS trusts and NHS foundation trusts, to exercise its functions with a view to ensuring that, in respect of each financial year,
  - local capital resource use does not exceed the limit specified in a direction by NHS England;
  - local revenue resource use does not exceed the limit specified in a direction by NHS England.
- the duty of the ICB to perform its functions as to secure that its expenditure does not exceed the aggregate of its allotment from NHS England and its other income; and
- the duty of the ICB, in conjunction with its partner trusts, to seek to achieve any joint financial objectives set by NHS England for the ICB and its partner trusts.

6.3.8 The Chief Finance Officer and other Chief Officers should also promote a culture where budget holders and decision makers consult their Finance Business Partner in key strategic decisions that carry a financial impact.

## 6.4 Budget holder responsibilities

6.4.1 Each Budget Holder is responsible for ensuring that:

- a. they sign off their budget, as approved through the approved annual plan, at the start of the year and engage with relevant finance teams, and provide accurate forecasts of out-turn during the course of the year;
- b. the amount provided in the approved budget is not used in whole or in part for any purpose other than that specifically authorised, subject to the rules of virement;
- c. no permanent employees are appointed without the approval of the Chief Executive Officer other than those provided for within the available resources and manpower establishment as approved by the Board;

- d. a. any likely controllable overspending or reduction of income which cannot be met by virement is not incurred without the prior consent of the following delegated officers - acting within their duties and with due regard to the breakeven statutory duty - within the limits set out below:

Role	Programme budgets	Admin (running cost) budgets
Associate Director of Finance	>£0	>£0
Director of Operational Finance	£250,000-£500,000	£10,000 - £200,000
Chief Finance Officer	£500,000 - £2,500,000	£200,000 - £500,000
CFO and CEO	>£2,500,000	>£500,000

*To be escalated to Board on a case by case basis, following oversight by Board committees with specific responsibility for the assurance of the service being commissioned.*

- e. Full variance analysis from budgeted plan and corrective actions must be provided;
- f. they participate in finance training to develop the skills and knowledge necessary to discharge their financial management duties;
- g. they use the ICB's finance systems as required;
- h. where matters of financial control risk are identified, they are communicated to the ICB finance team as a matter of urgency;
- i. they are accountable for their budgets and financial performance, even where contracts are negotiated on behalf of the ICB by another institution;
- j. they take responsibility for ensuring that new members of staff are paid the correct salary and for making sure that final payments to and from employees are correct;
- k. ensuring that the prices paid for goods are correct, represent value for money, that procedures are followed to prevent fraud and that all invoices are appropriately authorised and that the goods and services received are correct;
- l. aware of the ICB's medium term plan and the impact of in year commitments on future years' planning assumptions
- m. they are available to work with the auditors and respond to questions or recommendations.

6.4.2 The Executive Team is responsible for identifying and implementing cost improvements and income generation initiatives in accordance with the requirements of the Annual Plan and a balanced budget.

## 6.5 Virement

6.5.1 A virement is the discretionary transfer of budgetary provision between budget holders, services, programmes or expenditure categories that has not previously been approved through:

- the Annual Operating Plan;
- approved business cases;
- approved financial recovery plans;
- approved reserves deployment;
- NHS England allocation adjustments; or
- other approved planning or reporting processes.

6.5.2 The following shall not constitute virements for the purposes of delegated approval limits:

- allocation adjustments notified by NHS England;
- reserve releases approved through the financial planning process or in-year financial recovery process;
- technical accounting adjustments required for statutory reporting, ISFE reporting or compliance with accounting standards;
- transfers required to reflect centrally managed budgets, pay awards, prescribing allocations, contingency deployment or other non-discretionary adjustments;
- budget realignments required to reflect changes in organisational structures, operational responsibility or portfolio ownership;
- adjustments required to accurately reflect expenditure, income or commitments to the appropriate budget holder or cost centre; and
- any other technical budget movements authorised by the Chief Finance Officer for the purposes of effective financial management and reporting.

6.5.3 The Chief Finance Officer shall maintain appropriate records of all budget virements, and budget realignments undertaken during the financial year.

6.5.4 The Chief Finance Officer shall report material in-year budget realignments, reserve deployments and virements to the Finance Committee as part of routine financial reporting.

6.5.5 Virements must not:

- create recurring commitments from non-recurring resources without appropriate approval;
- adversely impact delivery of statutory financial duties;
- circumvent procurement, business case or approval processes; or
- be used to artificially avoid escalation thresholds set out within these Standing Financial Instructions.

6.5.6 Delegated limits for discretionary virements are:

Delegated Officer	Value
Budget Holder	Up to £10k
Deputy Chief Officer	£10k to £25k
Chief Officer for their Directorate	£25k to £250k
Chief Finance Officer	£250k to £500k
Chief Executive Officer and Chief Officer	£500k to £1m
Board	Over £1m

6.5.7 The Chief Finance Officer may approve, and action technical and non-discretionary budget movements of any value where required to:

- implement NHS England allocation changes;
- support statutory financial reporting;
- support month-end or year-end accounting processes;
- reflect approved reserve deployment;
- support financial recovery actions already approved through governance processes; or
- ensure the effective operational management of the ICB's financial position.

6.5.8 All material recurring virements impacting future financial years shall be reported to the Finance Committee and reflected within the Medium-Term Financial Plan as appropriate.

## 6.6 Reserves

6.6.1 Reserves cover all expenditure budgets not currently allocated to a budget holder and are held centrally.

## 6.7 Capital expenditure

6.7.1 The general rules applying to delegation and reporting shall also apply to capital expenditure.

## 6.8 Monitoring returns

6.8.1 The Chief Finance Officer is responsible for ensuring that the appropriate monitoring forms are submitted to the ICB's designated external regulators.

# 7. Income, banking arrangements and debt recovery

## 7.1 Income

7.1.1 An ICB has power to do anything specified in section 7(2)(a), (b) and (e) to (h) of the Health and Medicines Act 1988 for the purpose of making additional income available for improving the health service.

7.1.2 The Chief Finance Officer is responsible for:

- ensuring order to bank practices are designed and operated to support, efficient, accurate and timely invoicing and receipting of cash. The processes and procedures should be standardised and consistent across the NHS system by working with the Shared Services provider; and
- ensuring the debt management procedures reflects the debt management objectives of the ICB and the prevailing risks.

7.1.3 The ICB shall follow the Department of Health and Social Care costing manual in setting prices for NHS service agreements.

7.1.4 The Chief Finance Officer is responsible for approving and regularly reviewing the level of all fees and charges other than those determined by the Department of Health and Social Care or by Statute. Independent professional advice on matters of valuation shall be taken as necessary.

7.1.5 All employees must inform the management accounts team promptly of money due arising from transactions which they initiate/deal with, including all contracts, leases, tenancy agreements, private patient undertakings and other transactions.

## 7.2 Banking

7.2.1 The Chief Finance Officer is responsible for ensuring the ICB complies with any directions issued by the Secretary of State with regards to the use of specified banking facilities for any specified purposes.

7.2.2 The Chief Finance Officer will ensure that:

- the ICB holds the minimum number of bank accounts required to run the organisation effectively. These should be raised through the government banking services contract; and

- the ICB has effective cash management policies and procedures in place.

## 7.3 Debt management

7.3.1 The Chief Finance Officer is responsible for the ICB debt management policies and procedures.

7.3.2 This includes:

- debt management policies and procedures that covers end-to-end debt management from debt creation to collection or write-off in accordance with the losses and special payment procedures;
- ensuring the debt management policies and procedures covers a minimum period of 3 years and must be reviewed 12 months to ensure relevance and provide assurance;
- accountability to the Board that debt is being managed effectively;
- accountabilities and responsibilities are defined with regards to debt management to budget holders; and
- responsibility to appoint a senior officer responsible for day-to-day management of debt.
- The Chief Finance Officer is responsible for the appropriate recovery action on all outstanding debts.
- Income not received should be dealt with in accordance with losses procedures.
- Overpayments should be detected (or preferably prevented) and recovery initiated.

## 7.4 Security of cash

7.4.1 The Chief Finance Officer is responsible for:

- a. approving the means of officially acknowledging or recording monies received or receivable;
- b. the provision of adequate facilities and systems for employees whose duties include collecting and holding cash, including the provision of safes or lockable cash boxes, the procedures for keys, and for coin operated machines;
- c. prescribing systems and procedures for handling cash and negotiable securities on behalf of the ICB.

- 7.4.2 Official money shall not under any circumstances be used for the encashment of private cheques or IOUs.
- 7.4.3 Any cheques, postal orders, cash etc., shall be banked intact. Disbursements shall not be made from cash received.
- 7.4.4 The holders of safe keys shall not accept unofficial funds for depositing in their safes unless such deposits are in special sealed envelopes or locked containers. It shall be made clear to the depositors that the ICB is not to be held liable for any loss, and written indemnities must be obtained from the organisation or individuals absolving the ICB from responsibility for any loss.

# 8. Procurement and purchasing

## 8.1 Principles

- 8.1.1 The Chief Strategic Commissioning Office with support as relevant from the Chief Finance Officer will take a lead role on behalf of the ICB to ensure that there are appropriate and effective financial, contracting, monitoring and performance arrangements in place to ensure the delivery of effective health services and will ensure that appropriate procurement policies and arrangements are in place.
- 8.1.2 The ICB must ensure that procurement activity is in accordance with the legislation and regulation as described in the ICB's procurement policies for healthcare and goods and services and associated statutory requirements whilst securing value for money and sustainability. The Procurement policy can be found on the ICB's website and the [intranet](#).
- 8.1.3 The ICB shall undertake any contract variations or extensions in accordance with Public Contracts Regulation 2015 (goods and services) which are amended by The Public Procurement (Amendment etc.) (EU Exit) Regulations 2020 ('PPAR 2020'), the Procurement Act 2023 and Procurement Regulations 2024 and/or The Health Care Services (Provider Selection Regime) Regulations 2023 and the ICB procurement policy
- 8.1.4 The ICB must consider, as appropriate, any applicable NHS England guidance that does not conflict with the above.
- 8.1.5 All revenue and non-pay expenditure must be approved, in accordance with the ICB business case policy, prior to an agreement being made with a third party that enters a commitment to future expenditure.
- 8.1.6 All officers must ensure that any conflicts of interest are identified, declared and appropriately mitigated or resolved in accordance with the ICB standards of business conduct policy.
- 8.1.7 Budget holders are accountable for obtaining the necessary approvals and oversight of all expenditure incurred on the cost centres and subjective code combinations they are responsible for. This includes obtaining the necessary internal and external approvals which vary based on the type of spend, prior to procuring the goods, services or works.
- 8.1.8 The award of grant agreements must be in accordance with NHS England guidance and model agreement as referenced in section 13.4.

8.1.9 Retrospective expenditure approval should not be permitted. Any such retrospective breaches require approval from any committee responsible for approvals before the liability is settled. Such breaches must be reported to the Audit Committee.

8.1.10 The ICB will consider obtaining expert support as appropriate to ensure compliance when engaging in tendering procedures.

## 8.2 Authorisation to procure

8.2.1 Providing all the conditions and circumstances set out in these Standing Financial Instructions and the relevant procurement policy have been fully complied with thresholds for the formal **authorisation to procure** for tenders and competitive quotations or commission pilot schemes are based on the type of procurement:

- Commissioning of Health Care Services (8.2.5)
- Commissioning of packages of care (8.2.6)
- Non-health care procurements - running costs (8.2.7)
- Non- health care procurements – excluding running costs (8.2.8)

8.2.2 Delegated limits for procurement and contract approval shall apply to both:

- the total contract lifecycle value (excluding recoverable VAT); and
- the maximum annual financial commitment in any single financial year (excluding recoverable VAT).

Where either threshold is exceeded, the higher approval level shall apply.

8.2.3 Officers with delegated responsibility include their delegated deputies.

### Commissioning of Health Care Services

8.2.4 To be read in conjunction with section 8.13 - Healthcare Service Agreements and the procurement policies.

8.2.5 The formal authorisation to procure is delegated as follows:

Approval level	Annual value	Total lifecycle value
Deputy Director	£100k	<£400k
Lead Chief Officer	<£1m	<£4m
Chief Finance Officer <b>or</b> Chief Executive Officer	<£5m	<£20m
ICB Board following oversight by the relevant Board committees with a specific responsibility for the service being contracted.	>£5m	>£20m

## Commissioning of packages of care

8.2.6 The Chief Nursing Officer will develop a commissioning policy for individual funded care packages. The formal authorisation to procure is delegated as follows (values represent annual costs of packages of care) and will follow an escalation process:

### BNSSG ICB:

£130k	Designated budget holder <i>(level 1 and 2 of policy)</i>
>£130k and <£260k	As above plus Complex Care panel <i>(level 3)</i>
>£260k and <£520k	As above plus High-cost panel <i>(level 4)</i>
>£520k and <£750k	As above plus Chief Nursing Officer <i>(level 5)</i>
£750k and <£1m	As above plus Chief Finance Officer <b>or</b> Chief Executive Officer
>£1m	Specially convened panel including Chief Nursing Officer, Chief Finance Officer, <u>Chief Executive</u> <i>(level 5)</i>

### Chief Finance Officer Gloucestershire ICB

<£520k	Risk and Scrutiny Panel for health funded packages of care. For joint funded packages of care, the Multi Agency Panel for adults and Placement & Budget Exceptions and Governance Panel (PBENG) for children's packages of care
>£520k and <£750k	As above plus Chief Nursing Officer
>£750k and <£1m	As above plus High-cost panel <i>(level 4)</i>
>£520k and <£750k	As above plus Chief Finance Officer or Chief Executive Officer
£750k and <£1m	As above plus Chief Finance Officer <b>or</b> Chief Executive Officer
>£1m	Specially convened panel including Chief Nursing Officer, Chief Finance Officer, Chief Executive

8.2.7 Care packages must be reviewed on an annual basis and subject to the same authorisation process.

### Non-healthcare procurement – running costs

8.2.8 The formal authorisation to procure is delegated as follows:

Approval level	Annual value	Total lifecycle value
Deputy Director	£50k	<£200k
Lead Chief Officer	<£500k	<£2m
Chief Finance Officer <b>or</b> Chief Executive Officer	<£1m	<£4m
ICB Board following oversight by the relevant Board committees with a specific responsibility for the service being contracted.	>£1m	>£4m

### Non-healthcare procurement – excluding running costs

8.2.9 The formal authorisation to procure is delegated as follows:

Approval level	Annual value	Total lifecycle value
Deputy Director	£100k	<£400k
Lead Chief Officer	<£1m	<£4m
Chief Finance Officer <b>or</b> Chief Executive Officer	<£5m	<£20m
ICB Board following oversight by the relevant Board committees with a specific responsibility for the service being contracted.	>£5m	>£20m

## 8.3 Route to procurement

8.3.1 The ICBs' procurement policies associated procurement procedures available on the intranet set out the route to procurement in line with current legislation and regulations. The delivery of all healthcare and goods and services, including transformation and pilot schemes, will be contracted through the following routes;

- Quotations: Competitive and non-competitive (8.4)
- Competitive tendering (8.5)

- By exception, waiving of quotations and competitive tendering (8.6) including undertaking a non-compliant procurement process (8.5.6)

## 8.4 Quotations: Competitive and non-competitive

8.4.1 For **Healthcare** the Provider Selection Regime **does not** have a financial threshold and therefore when securing healthcare services formal tendering procedures are to be adopted. The ICB recognises the need to be proportionate when securing healthcare services and therefore when not following the Provider Selection Regimes legislated processes, all non-compliant requests **must** be reviewed by the Director of Strategic Commissioning and the relevant senior procurement lead accompanied by a non-compliant request form and a completed procurement complexity framework which is located on the intranet.

8.4.2 For **non-healthcare** quotations are required where formal tendering procedures are not adopted and where the intended expenditure or income exceeds or is reasonably expected to exceed £5k but not exceed the Public Contract Regulation threshold level over the **lifetime of the contract**.

### 8.4.3 Competitive Quotations

- Quotations should be obtained from at least 3 firms/individuals based on specifications or terms of reference prepared by, or on behalf of, the ICB;
- Quotations should be in writing;
- All quotations should be treated as confidential, should be retained for inspection and used to populate the contract register (see section 8.10.2);
- Those with delegated authority should evaluate the quotation and select the quote which gives the best value for money. If this is not the lowest quotation for a payment made by the ICB, or the highest for a payment received by the ICB, then the choice made and the reasons why should be recorded in a permanent record.
- For **non-healthcare quotations** the competitive quotations should be used to raise a procurement order through the financial system.

8.4.4 No quotation shall be accepted which will commit expenditure in excess of that which has been allocated by the ICB (8.2) and which is not in accordance with Standing Financial Instructions except with the authorisation of either the Chief Executive Officer or Chief Finance Officer.

### 8.4.5 Non-Competitive Quotations

Non-competitive quotations in writing may be obtained in the following circumstances:

- the supply of proprietary or other goods of a special character and the rendering of services of a special character, for which it is not, in the opinion

of the Responsible Officer, possible or desirable to obtain competitive quotations;

- b. the supply of goods or manufactured articles of any kind which are required quickly and are not obtainable under existing contracts;
- c. where the goods or services are for building and engineering maintenance the responsible works manager must certify that the first two conditions of this SFI applies.

8.4.6 Where three quotes cannot be obtained or non-competitive quotations applied a Single Tender Waiver document must be completed following the process as set out in section 8.6.

## 8.5 Competitive tendering

### 8.5.1 **Non-healthcare** related services

The ICB shall ensure that competitive tenders are invited for non-healthcare related contracts where the intended expenditure or income exceeds, or is reasonably expected to exceed the Public Contract Regulation threshold level over the lifetime of the contract, including:

- the supply of goods, materials and manufactured articles;
- services including all forms of management consultancy services (other than specialised services sought from or provided by the Department of Health and Social Care);
- the design, construction and maintenance of building and engineering works (including construction and maintenance of grounds and gardens); for disposals.

## 8.5.2 Health Care Services

To be read in conjunction with section 8.13 - Healthcare Service Agreements and the latest version of the relevant procurement policy available on the intranet.

8.5.3 Where the ICB elects to invite tenders for the supply of healthcare services the ICB Constitution and these Standing Financial Instructions shall apply as far as they are applicable to the tendering procedure.

## 8.5.4

8.5.5 Where competitive tendering has not been applied a non-compliant request form and procurement complexity framework must be completed and taken through the procurement oversight group for consideration and support. If a Single Tender Waiver document is needed it must be completed following the process as set out in section 8.6.

8.5.6 Where the Provider Selection Regime is not followed a non-compliant request form and a procurement complexity framework must be completed. All healthcare non-compliant commissions/procurements must be overseen / supported by the procurement oversight group.

## 8.6 Waiving of tendering procedures

8.6.1 Formal tendering procedures may be waived in the following circumstances:

- a. in very exceptional circumstances where the Chief Executive Officer decides that formal tendering procedures would not be practicable or the estimated expenditure or income would not warrant formal tendering procedures;
- b. where the requirement is covered by an existing contract, including any optional extension periods;
- c. where the Cabinet Office framework agreements are in place and have been approved by the Board;
- d. where a consortium arrangement is in place and a lead organisation has been appointed to carry out tendering activity on behalf of the consortium members;
- e. where the timescale genuinely precludes competitive tendering, but failure to plan the work properly would not be regarded as a justification for a single tender;
- f. where specialist expertise is required and is available from only one source;
- g. where specialist activities covered under a grant agreement are available from only one voluntary community and social enterprise organisation;

- h. when the task is essential to complete the project, and arises as a consequence of a recently completed assignment and engaging different consultants for the new task would be inappropriate;
- i. there is a clear benefit to be gained from maintaining continuity with an earlier project. However, in such cases the benefits of such continuity must outweigh any potential financial advantage to be gained by competitive tendering;
- j. for the provision of legal advice and services providing that any legal firm or partnership commissioned by the ICB is regulated by the Law Society for England and Wales for the conduct of their business (or by the Bar Council for England and Wales in relation to the obtaining of Counsel's opinion) and are generally recognised as having sufficient expertise in the area of work for which they are commissioned;
- k. where allowed and provided for in the Capital Investment Manual.

8.6.2 The waiving of competitive tendering procedures should not be used to avoid competition or for administrative convenience or to award further work to a consultant originally appointed through a competitive procedure.

Where it is decided that competitive tendering is not applicable and should be waived, the fact of the waiver and the reasons should be documented and recorded in an appropriate ICB record and reported to the Audit, and Risk Committee at each meeting.

8.6.3 Fair and Adequate Competition. Where the exceptions set out in 8.5.4 apply, the ICB shall ensure that Invitations To Tender (ITT) are sent to a sufficient number of firms/individuals to provide fair and adequate competition as appropriate, and in no case less than three firms/individuals, having regard to their capacity to supply the goods or materials or to undertake the services or works required.

8.6.4 List of approved firms. The ICB shall ensure that the firms/individuals invited to tender (and where appropriate, quote) are among those on appropriate frameworks or that are otherwise confirmed as qualified. Where in the opinion of the Chief Finance Officer it is desirable to seek tenders from firms not on the approved lists, the reason shall be recorded in writing to the Chief Executive Officer.

8.6.5 Items which subsequently breach thresholds after original approval. Items estimated to be below the limits set in these SFIs for which formal tendering procedures are not used which subsequently prove to have a value above such limits shall be reported to the Chief Executive Officer and be recorded in an appropriate ICB record.

8.6.6 Where tendering procedures have been waived or are non-compliant a single tender waiver form or a non-compliant request form as appropriate needs to be completed (available from the intranet) and signed as noted below and attached to the requisition, before being reported to the Audit Committee.

Approval level	Annual value	Total lifecycle value
Deputy Director	£100k	<£400k
Lead Chief Officer	<£1m	<£4m
Chief Finance Officer <u>or</u> Chief Executive Officer	<£5m	<£20m
ICB Board following oversight by the relevant Board committees with a specific responsibility for the service being contracted.	>£5m	>£20m

- >£5k and <£100k      Lead Chief Officer and CFO or deputy CFO
- >£100k and <£1m      As above plus Chief Finance Officer and Chief Executive Officer
- >£1m                      As above plus Chief Executive Officer
- >£5m                      As above plus ICB Board

## 8.7 Disposals (cross reference to SFI 14.2)

8.7.1 Where competitive tendering or quotation procedures shall not apply to the disposal of:

- a. any matter in respect of which a fair price can be obtained only by negotiation or sale by auction as determined (or pre-determined in a reserve) by the Chief Executive Officer or their nominated officer;
- b. obsolete or condemned articles and stores, which may be disposed of in accordance with the supplies policy of the ICB;
- c. items to be disposed of with an estimated sale value of less than £1,000;
- d. items arising from works of construction, demolition or site clearance, which should be dealt with in accordance with the relevant contract;
- e. land or buildings concerning which Department of Health and Social Care guidance has been issued but subject to compliance with such guidance.

## 8.8 Personnel, agency, or temporary staff contracts

8.8.1 The Chief Executive Officer shall ensure compliance with instructions issued by Department of Health and Social Care and NHS England. The Chief Executive Officer shall nominate officers with delegated authority to enter into contracts of employment, regarding staff, agency staff or temporary staff service contracts and put in place any necessary arrangements in relation to vacancy control before recruitment and to manage risks associated with organisational change.

8.8.2 Where a role is as a Board Member or senior official, these must be in line with the 2012 HMT Review of Tax Arrangements for Public Sector Appointees, the HMT guidance “Managing Public Money” instructions from the Department of Health and Social Care for the reimbursement of Board members and senior officials, and the ICB Constitution.

8.8.3 Board appointments will be made in accordance with the Fit and Proper Person (FPP) test requirements.

## 8.9 Authorisation of contracts and grants

8.9.1 Providing all the conditions and circumstances set out in these Standing Financial Instructions have been fully complied with the formal authorisation and awarding of a contract or grant agreement is delegated to the following staff within +/- 10 percent of the authorised tender value as follows (excluding recoverable VAT):

Approval level	Annual value	Total lifecycle value
Designated Budget Holders with Associate Director of Finance	£100k	<£400k
Lead Chief Officer	<£1m	<£4m
Chief Finance Officer <u>or</u> Chief Executive Officer	<£5m	<£20m
ICB Board	>£5m	>£20m

8.9.2 All tenders that will be, or are forecast to be, greater than, the authorised tender value by +/- 10 percent or exceed the designated budget holder shall be escalated to the next level.

## 8.10 Signing of contracts and grant agreements

8.10.1 Providing all the conditions and circumstances set out in these Standing Financial Instructions, including the authorisation and awarding of contracts and grant agreements in section 8, have been fully complied with the formal signing of a contract is delegated as follows:

Approval level	Annual value	Total lifecycle value
Designated Budget Holders with Associate Director of Finance	£100k	<£400k
Lead Chief Officer	<£1m	<£4m
Chief Finance Officer <b>or</b> Chief Executive Officer	<£500m	<£2,000m
Chief Finance Officer <b>and</b> Chief Executive Officer	>£500m	>£2,000m

8.10.2 All signed contracts and grant agreements must be recorded in the ICB's contracts register in line with the ICB contract management Standard operating procedure.

## 8.11 Contract variations

8.11.1 All contract variations and all supporting documents must be signed by the delegated officer roles who signed the original contract or the budget holder with appropriate level of sign-off for the size of the variation from which the variation is being funded (for example, service-level variations within an overarching contract with an NHS Provider system partner).

## 8.12 Compliance requirements for all contracts and grant agreements

8.12.1 The Board and delegated officers may only enter into contracts or grant agreements on behalf of the ICB within the statutory powers delegated to it by the Secretary of State and shall comply with:

- the ICB's Constitution and Standing Financial Instructions;
- directives and other statutory provisions, so long as they continue to apply as a matter of law;
- such as part of the NHS Act 2006 the NHS Standard Contract Conditions, section 75 agreements, General Medical Services and Alternative Primary Medical Services as are applicable;
- Care Quality Commission guidance;

- e. contracts with foundation trusts must be in a form compliant with appropriate NHS guidance;
- f. where appropriate contracts shall be in or embody the same terms and conditions of contract as was the basis on which tenders or quotations were invited;
- g. in all contracts and grant agreements made by the ICB, the Board shall endeavour to obtain best value for money by use of all systems in place. The Chief Executive Officer shall nominate an officer who shall oversee and manage each contract and grant agreement on behalf of the ICB.

## 8.13 Healthcare Service Agreements (cross reference with SFI 8.2.4 and 8.5.2)

8.13.1 Service agreements with NHS providers for the supply of healthcare services shall be drawn up in accordance with current legislation and guidance and administered by the ICB. Service agreements are not contracts in law and are not enforceable by the courts. However, a contract with a Foundation Trust, being a Performance Based Contracts, is a legal document and is enforceable in law.

8.13.2 The Chief Executive Officer shall nominate officers to commission service agreements with providers of healthcare in line with a commissioning plan approved by the Board.

# 9. Contracting/Tendering Procedure

## 9.1 Invitation to tender

9.1.1 Invitation to tender should be undertaken in conjunction with the procurement team and the relevant legislation, as referenced in section 8.1.

9.1.2 Where e-tendering is not used, all invitations to tender shall state the date and time as being the latest time for the receipt of tenders.

9.1.3 All invitations to tender shall state that no tender will be accepted unless

- submitted in a plain sealed package or envelope bearing a pre-printed label supplied by the ICB (or the word "tender" followed by the subject to which it related) and by the latest date and time for the receipt of such tender addressed to the Chief Executive Officer or nominated manager;
- that tender envelopes/ packages shall not bear any names or marks indicating the sender. The use of courier/postal services must not identify the sender on the envelope or on any receipt so required by the deliverer.

9.1.4 Where an e-tendering software package is used the supplier's response will be completed on-line and uploaded to a secure mailbox until the opening time.

9.1.5 Every tender for goods, materials, services or disposals shall embody such elements of the NHS Standard Contract Conditions as are applicable. This will also include services procured collaboratively with local authorities and other partners. Recognising services may be contracted under a local authority's contract.

9.1.6 Every tender must have given, or give a written undertaking, not to engage in collusive tendering or other restrictive practices.

## 9.2 Receipt and safe custody of tenders

9.2.1 The Chief Executive Officer or their nominated representative will be responsible for the receipt, endorsement and safe custody of tenders received until the time appointed for their opening.

9.2.2 The date and time of receipt of each tender shall be endorsed on the tender envelope/package.

9.2.3 An audit log within the e-tendering system will record the date and time the offer documents are received.

## 9.3 Opening tenders and register of tenders

9.3.1 Where e-tendering is **not** used:

- a. As soon as practicable after the date and time stated as being the latest time for the receipt of tenders, they shall be opened by two senior officers/managers designated by the Chief Executive Officer and not from the originating department.
- b. The originating department will be taken to mean the department sponsoring or commissioning the tender.
- c. A member of the ICB Executive team will be required to be one of the two approved persons present for the opening of tenders estimated above £500k (contract life cycle). The rules relating to the opening of tenders will need to be read in conjunction with any delegated authority set out in the ICB's Scheme of Reservation and Delegation.
- d. The involvement of finance staff in the preparation of a tender proposal will not preclude the Chief Finance Officer or any approved senior manager from the finance team from serving as one of the two senior managers to open tenders.
- e. The Executive team will be authorised to open tenders regardless of whether they are from the originating department provided that the other authorised person opening the tenders with them is not from the originating department.
- f. The ICB's Company Secretary or equivalent role will count as a director for the purposes of opening tenders.
- g. Every tender received shall be marked with the date of opening and initialled by those present at the opening. Where an electronic tendering package is used the details of the persons opening the documents will be recorded in the audit trail together with the date and time of the document opening.
- h. A register shall be maintained by the Chief Executive Officer, or a person authorised by them, to show for each set of competitive tender invitations dispatched:
  - the name of all firms or individuals invited;
  - the names of firms or individuals from which tenders have been received;
  - the date the tenders were received and opened;
  - the persons present at the opening;
  - the price shown on each tender;

- a note where price alterations have been made on the tender and suitably initialled.

Each entry to this register shall be signed by those present. A note shall be made in the register if any one tender price has had so many alterations that it cannot be easily read or understood.

Incomplete tenders, i.e., those from which information necessary for the adjudication of the tender is missing, and amended tenders i.e., those amended by the tenderer upon their own initiative either orally or in writing after the due time for receipt, but prior to the opening of other tenders, should be dealt with in the same way as late tenders (section 9.5 below).

## 9.4 Admissibility

9.4.1 If for any reason the designated officers are of the opinion that the tenders received are not strictly competitive (for example, because their numbers are insufficient or any are amended, incomplete or qualified) no contract shall be awarded without the approval of the Chief Executive Officer.

9.4.2 Where only one tender is sought and/or received, the Chief Executive Officer and Chief Finance Officer shall, as far practicable, ensure that the price to be paid is fair and reasonable and will ensure value for money for the ICB.

## 9.5 Late tenders

9.5.1 Tenders received after the due time and date, but prior to the opening of the other tenders, may be considered only if the Chief Executive Officer or nominated officer decides that there are exceptional circumstances i.e. dispatched in good time but delayed through no fault of the tenderer.

9.5.2 Only in the most exceptional circumstances will a tender be considered which is received after the opening of the other tenders and only then if the tenders that have been duly opened have not left the custody of the Chief Executive Officer or their nominated officer or if the process of evaluation and adjudication has not started.

9.5.3 While decisions as to the admissibility of late, incomplete or amended tenders are under consideration, the tender documents shall be kept strictly confidential, recorded, and held in safe custody by the Chief Executive Officer or their nominated officer.

9.5.4 Accepted late tenders will be reported to the Board.

## 9.6 Acceptance of formal tenders

9.6.1 Any discussions with a tenderer which are deemed necessary to clarify technical aspects of their tender before the award of a contract will not disqualify the tender.

9.6.2 The most economically advantageous tender, if payment is to be made by the ICB, or the highest, if payment is to be received by the ICB, shall be accepted unless there are good and sufficient reasons to the contrary. Such reasons shall be set out in either the contract file, or other appropriate record. It is accepted that for professional services such as management consultancy, the lowest price does not always represent the best value for money. Other factors affecting the success of a project will be included in the criteria section of the invitation to tenders and may include:

- experience and qualifications of team members;
- understanding of client's needs;
- feasibility and credibility of proposed approach;
- ability to complete the project on time.

9.6.3 Where other factors are taken into account in selecting a tenderer, these must be clearly recorded and documented in the contract file, and the reason(s) for not accepting the lowest tender clearly stated.

9.6.4 No tender shall be accepted which will commit expenditure in excess of that which has been allocated by the ICB (section 8.2) and which is not in accordance with these instructions except with the authorisation of the Chief Executive Officer.

9.6.5 The use of these procedures must demonstrate that the award of the contract was:

- not in excess of the going market rate / price current at the time the contract was awarded;
- that best value for money was achieved.

9.6.6 All tenders should be treated as confidential and should be retained for inspection.

## 9.7 Tender reports to the ICB Board

9.7.1 Reports to the Board will be made on an exceptional circumstance basis only.

# 10. Staff costs and staff related non pay expenditure

## 10.1 Remuneration and terms of service

10.1.1 In accordance with ICB Constitution the Board shall establish a Remuneration and Terms of Service Committee, with clearly defined terms of reference, specifying which posts fall within its area of responsibility, its composition, and the arrangements for reporting. (See NHS guidance contained in the [Higgs report](#)).

10.1.2 The Committee will operate within the scheme of delegation agreed and agreed terms of reference:

## 10.2 Funded establishment

10.2.1 The staffing plans incorporated within the annual budget will form the funded establishment.

10.2.2 The funded establishment of any department may not be varied without the approval of the Chief Executive Officer or their nominated deputy.

## 10.3 Staff appointments

10.3.1 No officer or member of the Board or employee may engage, re-engage, or re-grade employees, either on a permanent or temporary nature, or hire agency staff, or agree to changes in any aspect of remuneration:

- a. Without approval from the ICB vacancy control panel, and
- b. unless it's within the limit of their approved budget and funded establishment.

10.3.2 The Joint Remuneration Committee will approve policies presented by the Chief People Officer for the determination of commencing pay rates, condition of service, etc. for employees.

## 10.4 Processing payroll

10.4.1 The Chief Finance Officer is responsible for:

- a. agreeing with HR policies for the final determination of pay;

- b. making payment on agreed dates;
- c. agreeing methods of payment;

10.4.2 The Chief Finance Officer will ensure that the payroll system has adequate internal controls and suitable arrangements for processing deductions and exceptional payments. The Chief Finance Officer will issue instructions regarding authority to release payroll data under the provisions of the Data Protection Act;

10.4.3 Appropriately nominated managers have delegated responsibility for:

- a. submitting time records, and other notifications in accordance with agreed timetables;
- b. completing time records and other notifications in accordance with the Chief Finance Officer's instructions;
- c. submitting termination forms in the prescribed format immediately upon knowing the effective date of an employee's or officer's resignation, termination or retirement. Where an employee fails to report for duty or to fulfil obligations in circumstances that suggest they have left without notice, the Chief Finance Officer must be informed immediately;

## 10.5 Contracts of employment

10.5.1 The Board shall delegate responsibility to the relevant Chief Officer for:

- a. ensuring that all employees are issued with a contract of employment in a form approved by the Board and which complies with employment legislation; and
- b. dealing with variations to, or termination of, contracts of employment. This includes cases subject to disciplinary rules and procedure and where suspension is under review in line with the delegation of authority as detailed in the Disciplinary policy. Where necessary, the Remuneration Committee will be involved.

# 11. Non pay expenditure

## 11.1 Delegation of Authority

11.1.1 The Board will approve the level of non-pay expenditure on an annual basis, and the Chief Finance Officer will determine the level of delegation to budget managers.

11.1.2 The Chief Finance Officer will set out:

- (a) the authorised managers who are authorised to place requisitions for the supply of goods and services;
- (b) the maximum level of each requisition and the system for authorisation above that level.

11.1.3 The Chief Finance Officer shall set out procedures on the seeking of professional advice regarding the supply of goods and services in accordance with NHS England guidance.

## 11.2 Choice, Requisitioning, Ordering, Receipt and Payment for Goods *(see overlay with SFI 8 and 9)*

### 11.2.1 Requisitioning

Providing all the conditions and circumstances set out in these Standing Financial Instructions have been fully complied the requisitioner, in choosing the item to be supplied (or the service to be performed) shall always obtain the best value for money for the ICB (please refer to section 8 for thresholds, tendering, quotations, contracts and waivers and section 9 for tendering procedures).

11.2.2 In so doing, the requisitioner will seek expert from the lead in the ICB. Where this advice is not acceptable to the requisitioner the Chief Finance Officer or the Chief Executive Officer shall be consulted, in line with section 9.6.4.

### 11.2.3 System of Payment and Payment Verification

The Chief Finance Officer shall be responsible for the prompt payment of accounts and claims. Payment of contract invoices shall be in accordance with contract terms, or otherwise, in accordance with national guidance.

The operational Scheme of Reservation and Delegation sets out levels of delegated authority for payment authorisation in the following instances:

- a. Budget already approved by the Board e.g. payments to NHS bodies arising from agreement of NHS Contracts.

- b. Payments to NHS bodies where there is no contract in place.

#### 11.2.4 The Chief Finance Officer will:

- a. prepare procedural instructions or guidance within the Scheme of Delegation on the obtaining of goods, works and services incorporating the thresholds;
- b. be responsible for the prompt payment of all properly authorised accounts and claims;
- c. be responsible for designing and maintaining a system of verification, recording and payment of all amounts payable;
- d. be responsible for ensuring that payment for goods and services is only made once the goods and services are received. The only exceptions are set out in 11.2.5 below.

#### 11.2.5 Duties of Managers and Officers

Managers and officers must ensure that they comply with all the conditions and circumstances set out in these Standing Financial Instructions (specifically the delegations and processes set out in sections 8 and 9) no requisition/order is placed for any item or items for which there is no budget provision unless authorised by the Chief Finance Officer on behalf of the Chief Executive Officer;

- a. all goods, services, or works are ordered via the Oracle I-Procurement Purchase to Pay system or on an official order except works and services executed in accordance with a contract and purchases from petty cash or cash equivalent;
- b. verbal orders must only be issued by exception - by an employee designated by the Chief Executive Officer and only in cases of emergency or urgent necessity. These must be confirmed by an official order and clearly marked "Confirmation Order";
- c. orders are not split or otherwise placed in a manner devised so as to avoid the financial thresholds;
  - goods are not taken on trial or loan in circumstances that could commit the ICB to a future uncompetitive purchase;
  - changes to the list of members/employees and officers authorised to certify invoices are notified to the Chief Finance Officer;
- d. where consultancy advice is being obtained, the procurement of such advice must be in accordance with guidance issued by NHS England SW Region and the Department of Health and Social Care;
- e. no order shall be issued for any item or items to any firm which has made an offer of gifts, reward or benefit to the Chief Executive Officer or employees, other than:

- isolated gifts of a trivial character or inexpensive seasonal gifts, such as calendars;
- conventional hospitality, such as lunches in the course of working visits.

This provision needs to be read in conjunction with Section 6 of the ICB Constitution and the principles outlined in the national guidance contained in HSG 93(5) “Standards of Business Conduct for NHS Staff”; the Code of Conduct for NHS Managers 2002; and the ABPI Code of Professional Conduct relating to hospitality/gifts from pharmaceutical/external industry; the Bribery Act 2010 and the relevant ICB policies.

- f. purchases from petty cash are restricted in value and by type of purchase in accordance with instructions issued by the Chief Finance Officer;
- g. petty cash records are maintained in a form as determined by the Chief Finance Officer.

#### 11.2.6 Prepayments

Prepayments are only permitted where exceptional circumstances apply. In such instances:

- a. the financial advantages outweigh the disadvantages. Prepayments will constitute payments made in advance for periods greater than one month;
- b. the appropriate officer member of the ICB must provide, in the form of a written report, a case setting out all relevant circumstances of the purchase. The report must set out the effects on the ICB if the supplier is at some time during the course of the prepayment agreement unable to meet its commitments;
- c. the Chief Finance Officer will need to be satisfied with the proposed arrangements before contractual arrangements proceed (taking into account the EU public procurement rules, so long as they continue to apply as a matter of law, where the contract is above a stipulated financial threshold);
- d. the budget holder is responsible for ensuring that all items due under a prepayment contract are received and they must immediately inform the appropriate Chief Officer or Chief Executive Officer if problems are encountered.

The finance team will assess all prepayments and take a judgement on monthly adjustments based on a de minimis value of £100k.

#### 11.2.7 Official Orders

Official orders must be made via the Oracle I-Procurement Purchase to Pay system. Where paper-based ordering systems are retained, they must:

- be consecutively numbered;
- be in a form approved by the Chief Finance Officer;
- state the ICB's terms and conditions of trade;

- only be issued to, and used by, those duly authorised by the Chief Finance Officer.

## 11.3 Joint Finance Arrangements with Local Authorities and Voluntary Bodies

11.3.1 Payments to local authorities and voluntary organisations made under the powers of section 75 or 256 of the NHS Act 2006, as amended, shall comply with procedures laid down by the Chief Finance Officer which shall be in accordance with that Act.

11.3.2 Section 75 and 256 agreements are authorised by the Chief Finance Officer.

# 12. Research and development

## 12.1 Objective

12.1.1 To provide specific instruction to research and development and reference to general financial instructions and processes governing this area.

## 12.2 General

12.2.1 The undertaking of commercial or NIHR-funded research and disbursement of by associated Research Capability Funding by ICB employees (substantive or honorary) shall be strictly in accordance with the ICB's policies and strategies on research management and governance and shall be subject to approval accordingly.

12.2.2 The Standing Financial Instructions apply equally when undertaking externally funded research activity within the ICB, particularly:

- Section 6 Planning, Budgets and Budgetary Control
- Section 7 Income, banking arrangements and debt recovery
- Section 8 Procurement and purchasing
- Section 9 Contract Tendering Procedure
- Section 10 Staff costs and staff related non pay expenditure
- Section 11 Non pay expenditure
- Section 14 Fraud, bribery and corruption
- Section 16 Gifts and donations
- Section 17 Retention of Documents
- Section 18 Risk Management, legal and insurance.

12.2.3 The principles governing probity and public accountability shall apply equally to work undertaken through externally funded research.

## 12.3 Research Applications

12.3.1 All applications for research funding and disbursement of Research Capability Funding, including entering into RCF Collaboration Agreements require approval from the Chief Finance Officer or a designated deputy. This applies to applications to both NHS funders and to non-NHS organisations, such as charitable bodies and research councils.

12.3.2 All other documents\* relating to research will require approval from the Chief Medical Officer or a designated deputy, once all the necessary checks have been carried out, including finance checks where applicable, and advice from the appropriate advisory body and the relevant ICB Committee.

*\*other documents include research contracts with funding bodies, grant collaboration agreements, commercial research contracts, site agreements, sub-contracts with participating organisations, contract variations and contract amendments.*

## 12.4 Intellectual Property

12.4.1 The agreement covering any undertaking of research shall recognise the ICB's policies governing Intellectual Property rights. Where there is any lack of clarity this shall be resolved prior to undertaking the project.

# 13. Capital Investments, security of assets and grants

## 13.1 Capital investment

13.1.1 The Chief Finance Officer is responsible for:

- ensuring that at the commencement of each financial year, the ICB and its partner NHS trusts and NHS foundation trusts prepare a plan setting out their planned capital resource use;
- ensuring that the ICB and its partner NHS trusts and NHS foundation trusts exercise their functions with a view to ensuring that, in respect of each financial year local capital resource use does not exceed the limit specified in a direction by NHS England;
- ensuring that there is an effective appraisal and approval process in place for determining capital expenditure priorities and the effect of each proposal upon business plans;
- ensuring that there are processes in place for the management of all stages of ICB capital schemes, that will ensure schemes are delivered on time and to cost;
- ensuring that capital investment is not authorised without evidence of availability of resources to finance all revenue consequences; and
- for every ICB capital expenditure proposal, the Chief Finance Officer is responsible for ensuring there are processes in place to ensure that a business case is produced.
- the accountability of ICB property assets and for managing property.

13.1.2 The ICB shall ensure there is a property governance and management framework, which

- confirms the ICB asset portfolio supports its business objectives; and
- complies with NHS England policies and directives and with this standard.

13.1.3 Capital commitments typically cover land, buildings, equipment, capital grants to third parties and IT, including:

- authority to spend capital or make a capital grant;
- authority to enter into leasing arrangements.

13.1.4 Advice should be sought from the Chief Finance Officer or nominated officer if there is any doubt as to whether any proposal is a capital commitment requiring formal approval.

13.1.5 The approval of a capital programme shall not constitute approval for expenditure on any scheme. Providing all the conditions and circumstances set out in these Standing Financial Instructions have been fully complied with approval of capital schemes may be given by the following staff to the total value of (contract life cycle excl. VAT):

- <£500k Chief Finance Officer.
- >£500k and <£5m Chief Executive Officer and the Chief Finance Officer.
- >£5m the Board.

13.1.6 Disposals of surplus assets should be made in accordance with published guidance and should be supported by a business case which should contain an appraisal of the options and benefits of the disposal in the context of the wider public sector and to secure value for money. (see section 14.2 ).

## 13.2 Asset registers

13.2.1 The Chief Executive Officer is responsible for the maintenance of registers of assets, taking account of the advice of the Chief Finance Officer concerning the form of any register and the method of updating, and arranging for a physical check of assets against the asset register to be conducted once a year.

13.2.2 The ICB shall maintain an asset register recording fixed assets. The minimum data set to be held within these registers shall be as specified in the Capital Accounting Manual as issued by the Department of Health and Social Care.

13.2.3 Additions to the fixed asset register must be clearly identified to an appropriate budget holder and be validated by reference to:

- a. properly authorised and approved agreements, architect's certificates, supplier's invoices and other documentary evidence in respect of purchases from third parties;
- b. stores, requisitions and wages records for own materials and labour including appropriate overheads;
- c. lease agreements in respect of assets held under a finance lease and capitalised.

- 13.2.4 Where capital assets are sold, scrapped, lost or otherwise disposed of, their value must be removed from the accounting records and each disposal must be validated by reference to authorisation documents and invoices (where appropriate).
- 13.2.5 The Chief Finance Officer shall approve procedures for reconciling balances on fixed assets accounts in ledgers against balances on fixed asset registers.
- 13.2.6 The value of each asset shall be depreciated using methods and rates as specified in the Capital Accounting Manual issued by the Department of Health and Social Care.

### 13.3 Security of assets

- 13.3.1 The overall control of fixed assets is the responsibility of the Chief Finance Officer.
- 13.3.2 Asset control procedures (including fixed assets, cash, cheques and negotiable instruments, and also including donated assets) must be approved by the Chief Finance Officer. This procedure shall make provision for:
- a. recording managerial responsibility for each asset;
  - b. identification of additions and disposals;
  - c. identification of all repairs and maintenance expenses;
  - d. physical security of assets;
  - e. periodic verification of the existence of, condition of, and title to, assets recorded;
  - f. identification and reporting of all costs associated with the retention of an asset;
  - g. reporting
  - h. Line managers are responsible for arranging the return of assets from individuals at the end of their engagement or employment with the ICB, this includes taking the necessary steps to secure information assets and restrict unauthorised access

13.3.3 . All discrepancies revealed by verification of physical assets to fixed asset register shall be notified to the Chief Finance Officer.

13.3.4 Whilst each employee and officer have a responsibility for the security of property of the ICB, it is the responsibility of the Board and senior employees in all disciplines to apply such appropriate routine security practices in relation to NHS property as may be determined by the Board. Any breach of agreed security practices must be reported in accordance with agreed procedures.

13.3.5 Any damage to the ICB's premises and equipment, or any loss of equipment, stores or supplies must be reported in accordance with the procedure for reporting losses.

13.3.6 Where practical, assets should be marked as ICB property.

## 13.4 Grant agreements

13.4.1 The Chief Finance Officer is responsible for providing robust management, governance and assurance to the ICB with regards to the use of specific powers under which it can make capital or revenue grants available to;

- any of its partner NHS trusts or NHS foundation trusts; and
- to a Local Authority or voluntary organisation, by way of a grant or loan.

- 13.4.2 The ICB can award grant funding to a voluntary organisation where the ICB supports the activities of that organisation because they complement the services that the ICB commissions (for example, grant funding to contribute to a hospice) or align to the ICB's statutory functions and strategies.
- 13.4.3 By awarding a grant agreement the ICB is not commissioning services from the organisation but supporting the activities of that organisation: the grant agreement is not a contract for services, and so grant funding does not oblige the recipient to provide services to the ICB and the ICB cannot, through grant funding, compel a body to provide services.
- 13.4.4 A grant agreement should not be granted on an unconditional basis. The ICB must be assured that any funding will be used strictly for the purposes for which it was given, and that the activities provided by the recipient to those who benefit from its activities are appropriate to receive public funds and is an economic and effective use of resources.
- 13.4.5 The overall responsibility of the grant agreement is delegated to approved budget holders (section 6). The delegated budget holder must ensure grant agreements are established in line with NHS England guidance on the use of model grant agreements as set out in the ICB's Grant Agreement arrangements.

# 14. Losses, special payments and disposals

## 14.1 Losses and Special Payments

- 14.1.1 HM Treasury approval is required if a transaction exceeds the delegated authority, or if transactions will set a precedent, are novel, contentious or could cause repercussions elsewhere in the public sector.
- 14.1.2 The Chief Finance Officer will support a strong culture of public accountability, probity, and governance, ensuring that appropriate and compliant structures, systems, and process are in place to minimise risks from losses and special payments.
- 14.1.3 The ICB must act in accordance with the guidance and delegated limits in relation to losses and special payments, as set out in NHS England guidance.
- 14.1.4 NHS England has the statutory power to require an integrated care board to provide NHS England with information. The information, is not limited to losses and special payments, must be provided in such form, and at such time or within such period, as NHS England may require.
- 14.1.5 As part of the compliance and control procedures, ICBs must submit an annual assurance statement confirming the following:
- details of all exit packages (including special severance payments) that have been agreed and/or made during the year;
  - that NHS England and HMT approvals have been obtained before any offers, whether verbally or in writing, are made; and
  - adherence to the special severance payments guidance as published by NHS England.
- 14.1.6 All losses and special payments (including special severance payments) must be reported to the ICB Audit Committee and NHS England noting that ICBs do not have a delegated limit to approve special payments.

- 14.1.7 For detailed operational guidance on losses and special payments, please refer to the ICB losses and special payment guide.
- 14.1.8 Any employee or officer discovering or suspecting a loss of any kind must either immediately inform their Chief Officer who must immediately inform the Chief Executive Officer and the Chief Finance Officer or inform an officer charged with responsibility for responding to concerns involving loss. This officer will then appropriately inform the Chief Finance Officer and/or Chief Executive Officer.
- 14.1.9 Where a criminal offence is suspected, the Chief Finance Officer must immediately inform the police if theft or arson is involved. In cases of fraud and corruption or of anomalies which may indicate fraud or corruption, the Chief Finance Officer must inform the relevant LCFS and Operational Fraud Team (OFT) in accordance with Secretary of State for Health and Social Care's Directions.

## 14.2 Disposals

- 14.2.1 The Chief Finance Officer must prepare detailed procedures for the disposal of assets including condemnations and ensure that these are notified to managers.
- 14.2.2 When it is decided to dispose of a ICB asset, their Chief Officer or authorised deputy will determine and advise the Chief Finance Officer of the estimated market value of the item, taking account of professional advice where appropriate.
- 14.2.3 All unserviceable articles shall be condemned or otherwise disposed of by those duly authorised for that purpose by the Chief Finance Officer.
- 14.2.4 The Condemning Officer shall satisfy themselves as to whether there is evidence of negligence in use and shall report any such evidence to the Chief Finance Officer who will take the appropriate action.
- 14.2.5 All property or land disposals will require approval by the Board

# 15. Fraud, bribery and corruption (Economic crime)

## 15.1 Overview

15.1.1 The ICB is committed to identifying, investigating and preventing economic crime.

15.1.2 The ICB Chief Finance Officer is responsible for ensuring appropriate arrangements are in place to provide adequate counter fraud provision which should include reporting requirements to the Board and audit committee, and defined roles and accountabilities for those involved as part of the process of providing assurance to the Board. These arrangements should comply with the NHS Requirements the [Government Functional Standard 013 Counter Fraud](#) as issued by NHS Counter Fraud Authority and any guidance issued by NHS England and NHS Improvement.

15.1.3 The CFO shall nominate a suitable person to carry out the duties of the Local Counter Fraud Specialist (LCFS) as specified by the NHS Counter Fraud Authority guidance

## 15.2 Suspected fraud

15.2.1 The Chief Finance Officer must notify the NHS Counter Fraud Authority (NHS CFA), normally via the Local Counter Fraud Specialist (LCFS) and the External Auditor of all frauds.

15.2.2 For losses apparently caused by theft, arson, neglect of duty or gross carelessness, except if trivial, the Chief Finance Officer must immediately notify:

- a. the Board, and
- b. the External Auditor.

15.2.3 Within limits delegated to it by the Department of Health and Social Care, the Board shall approve the writing-off of losses.

15.2.4 The Chief Finance Officer shall be authorised to take any necessary steps to safeguard the ICB's interests in bankruptcies and company liquidations.

15.2.5 A Losses and Special Payments Register will be maintained in which write-off action is recorded.

15.2.6 All losses and special payments must be reported to the Audit Committee at every meeting.

## 16. Digital Financial data

### 16.1 Responsibilities and duties of the Chief Finance Officer

16.1.1 The Chief Finance Officer is responsible for the confidentiality, accuracy and security of the computerised financial data of the ICB whether this is in house or hosted in an outsourced arrangement, and shall:

- a. devise and implement any necessary procedures to ensure protection of the ICB's data, programs and computer hardware for which the Chief Finance Officer is responsible from accidental or intentional disclosure to unauthorised persons, deletion or modification, theft or damage, having due regard for the UK Data Protection legislation (Data Protection Act 2018 and UK GDPR);
- b. ensure that users are adequately trained on finance systems
- c. ensure that reasonable controls exist over data entry, processing, storage, transmission and output to ensure security, privacy, accuracy, completeness, and timeliness of the data, as well as the efficient and effective operation of the system;
- d. ensure that adequate controls exist such that the computer operation is separated from development, maintenance and amendment;
- e. ensure that an adequate management (audit) trail exists through the computerised system and that such computer audit reviews as the Chief Finance Officer may consider necessary are undertaken.

*Please also refer to section 5 – Financial systems and processes.*

16.1.2 The Chief Finance Officer shall ensure that new financial systems and amendments to current financial systems are developed in a controlled manner. Information Governance assurance is confirmed, and the system is thoroughly tested prior to implementation. Where this is undertaken by another organisation, assurances of adequacy must be obtained from them prior to implementation.

16.1.3 The Corporate Services Department shall publish and maintain a Freedom of Information (FOI) publication scheme or adopt a model publication scheme approved by the Information Commissioner. A publication scheme is a complete guide to the information routinely published by a public authority. It describes the classes or types of information about the ICB that are made publicly available.

## 16.2 Responsibilities and duties of other Chief Officers and Officers in relation to computer systems of a general application

16.2.1 In the case of computer systems which are proposed General Applications (*i.e. normally those applications which the majority of ICBs in the Region wish to sponsor jointly*) all responsible Chief Officers and employees will send to the Deputy Director responsible for Digital matters

- a. details of the outline design of the system including Information Governance and security and Data Protection Impact Assessment (DPIA) considerations;
- b. in the case of packages acquired either from a commercial organisation, from the NHS, or from another public sector organisation, the operational requirement.

## 16.3 Contracts for digital services for financial applications with other health bodies or outside agencies

16.3.1 The Chief Finance Officer shall ensure that contracts for computer services for financial applications with another health organisation or any other agency shall clearly define the responsibility of all parties for the security, privacy, accuracy, completeness, and timeliness of data during processing, transmission and storage. The contract should also ensure rights of access for audit purposes.

16.3.2 The Chief Financial Officer will ensure the necessary due diligence checks are undertaken to ensure the third-party provider is compliant with Data Protection laws and National Data Guardian standards.

16.3.3 Where another health organisation or any other agency provides a computer service for financial applications, the Chief Finance Officer shall periodically seek assurances that adequate controls are in operation.

## 16.4 Requirements for computer systems which have an impact on corporate financial systems

16.4.1 Where computer systems have an impact on corporate financial systems the Chief Finance Officer shall need to be satisfied that:

- a. systems acquisition, development and maintenance are in line with corporate policies such as an Information Technology Strategy;
- b. data produced for use with financial systems is adequate, relevant, accurate, complete and timely, and that a management (audit) trail exists;
- c. only relevant staff have access to such data;
- d. such computer audit reviews as are considered necessary are being carried out.

# 17. Gifts and donations

## 17.1 Acceptance of Gifts

17.1.1 The Chief Finance Officer shall ensure that all staff are made aware of the ICB policy on acceptance of gifts and other benefits in kind by staff which will be in line with the Bribery Act 2010.

17.1.2 This policy follows the guidance contained in the NHS England Policy for Managing Conflicts of Interest 2017; the Code of Conduct for NHS Managers 2002; and the ABPI Code of Professional Conduct relating to hospitality/gifts from pharmaceutical/external industry and is also deemed to be an integral part of these ICB Constitution and Standing Financial Instructions.

17.1.3 Further details can be found in the in the ICB's Gifts and Hospitality policies and the ICB Constitutions.

## 17.2 Granting of Gifts

17.2.1 The ICB will not present gifts to third parties without the consent of the Chief Executive Officer, as this does not fall within the functions of the ICB as set out in the ICB Constitution.

## 17.3 Donations

17.3.1 The ICB do not hold charitable funds and are therefore unable to accept monetary donations.

# 18. Retention of records

## 18.1 Overview

18.1.1 The Chief Executive Officer shall be responsible for maintaining archives for all records required to be retained in accordance with Records Management Code of Practice for Health and Social Care 2023.

18.1.2 The records held in archives shall be capable of retrieval by authorised persons.

18.1.3 Records held in accordance with NHS Code of Practice - Records Management 2006, shall only be destroyed at the express instigation of the Chief Executive Officer. Detail shall be maintained of records so destroyed

18.1.4 Further details can be found in the Records Management policies.

# 19. Risk Management, legal and insurance

## 19.1 Risk management

19.1.1 The Chief Executive Officer shall ensure that the ICB has a programme of risk management, in accordance with current Department of Health and Social Care assurance framework requirements, which must be approved and monitored by the Board. The programme of risk management shall include:

- a. process for identifying and quantifying risks and potential liabilities;
- b. engendering among all levels of staff a positive attitude towards the control of risk;
- c. management processes to ensure all significant risks and potential liabilities are addressed including effective systems of internal control, cost effective insurance cover, and decisions on the acceptable level of retained risk;
- d. contingency plans to offset the impact of adverse events;

- e. audit arrangements including; internal audit, clinical audit, health and safety review;
- f. any necessary insurance (see section 19.3);
- g. arrangements to review the risk management programme.

19.1.2 The existence, integration and evaluation of the above elements will assist in providing a basis to make a statement on the effectiveness of internal control within the Annual Report and Accounts as required by current Department of Health and Social Care guidance.

## 19.2 Legal

19.2.1 This section applies to any legal cases threatened or instituted by or against the ICB. The ICB should have arrangements and procedures detailing:

- engagement of solicitors / legal advisors;
- approval and signing of documents which will be necessary in legal proceedings; and
- Officers who can commit or spend ICB revenue resources in relation to settling legal matters.

19.2.2 Claims will be approved for defence documents and or offers of settlement in line with legal advice and NHS Resolution advice as per delegated amounts.

- Under the value of £50k the Associate Director of Corporate Governance or delegated deputy.
- Over £50k and less than £500k the Chief Finance Officer and relevant Chief Officer.
- Over the value of £500k up to £1 million the Chief Finance Officer or Chief Executive Officer.
- Over the value of £1 million the Chief Executive Officer, Chief Finance Officer and with the advice of the Chair of Audit Committee.

## 19.3 Insurance

19.3.1 The Board shall decide if the ICB will insure through the risk pooling schemes administered by the NHS Resolution or self-insure for some or all of the risks covered by the risk pooling schemes. If the Board decides not to use the risk pooling schemes for any of the risk areas (clinical, property and employers/third party liability) covered by the scheme this decision shall be reviewed annually.

19.3.2 ICBs are advised not to buy commercial insurance to protect against risk unless it is part of a risk management strategy that is approved by the Chief Executive. However, the exceptions when ICBs may enter into insurance arrangements are;

- a. insuring motor vehicles owned by the ICB including insuring third party liability arising from their use;
- b. where the ICB is involved with a consortium in a Private Finance Initiative contract and the other consortium members require that commercial insurance arrangements are entered into;
- c. where income generation activities take place. Income generation activities should normally be insured against all risks using commercial insurance. If the income generation activity is also an activity normally carried out by the ICB for a NHS purpose the activity may be covered in the risk pool. Confirmation of coverage in the risk pool must be obtained from the NHS Resolution. In any case of doubt concerning a ICB's powers to enter into commercial insurance arrangements the Chief Financial Officer should consult the Department of Health and Social Care.

- 19.3.3 Where the Board decides to use the risk pooling schemes administered by the NHS Resolution the Chief Finance Officer shall ensure that the arrangements entered into are appropriate and complementary to the risk management programme. The Chief Finance Officer shall ensure that documented procedures cover these arrangements.
- 19.3.4 Where the Board decides not to use the risk pooling schemes administered by the NHS Resolution for one or other of the risks covered by the schemes, the Chief Finance Officer shall ensure that the Board is informed of the nature and extent of the risks that are self-insured as a result of this decision. The Chief Finance Officer will draw up formal documented procedures for the management of any claims arising from third parties and payments in respect of losses which will not be reimbursed.
- 19.3.5 All the risk pooling schemes require Scheme members to make some contribution to the settlement of claims (the 'deductible'). The Chief Financial Officer should ensure documented procedures also cover the management of claims and payments below the deductible in each case.