



Shropshire, Telford  
and Wrekin



Integrated  
Care System  
Shropshire, Telford and Wrekin

# Standing Financial Instructions

FINAL 07.06.2022

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# 1. Purpose and Statutory Framework

1.1.1 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.

1.1.2 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.

1.1.3 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.

1.1.4 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.

1.1.5 Each ICB is to be 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.

1.1.6 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 for each statutory body.

1.1.7 Should any difficulties arise regarding the interpretation or application of any of these SFIs, the advice of the Accountable Officer or the Chief Finance Officer must be sought before acting.

1.1.8 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.

1.1.9 Any changes to the SFIs will require the approval of the ICB's Board.

## 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, secondees 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 Accountable Officer

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

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

3.2.3 The Accountable Officer will delegate to the Chief Finance Officer the following responsibilities 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, jointly, with system partners;

- 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 6)
- 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;
- 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;
- 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;
- 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.

## 3.3 Audit Committee

3.3.1 The board and accountable officer should be supported by an Audit Committee, which should provide proactive support to the board in 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.

# 4. Management accounting and business management

4.1.1 The Chief Finance Officer is responsible for maintaining policies and processes relating to the control, management and use of resources across the ICB.

4.1.2 The Chief Finance Officer will delegate the budgetary control responsibilities to budget holders through a formal documented process.

4.1.3 The Chief Finance Officer will ensure:

- the promotion of compliance to the SFIs through an assurance certification process;
- 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 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.

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

- 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.

4.1.5 The Chief Finance Officer and *any senior officer responsible* for finance within the ICB should also promote a culture where budget holders and decision makers consult their finance business partners in key strategic decisions that carry a financial impact.

# 5. Income, banking arrangements and debt recovery

## 5.1 Income

5.1.1 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.

5.1.2 The Chief Finance Officer is responsible for:

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

## 5.2 Banking

5.2.1 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.

5.2.2 The Chief Finance Officer will ensure that for each account there is an up to date schedule of those persons authorised to release funds from the account and that copies of such schedules are held by the bank and any third parties providing relevant financial services to the ICB.

5.2.3 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. payments made do not exceed the amount credited to an account;

- the ICB complies with any mandatory requirements or guidance as regards the level of account balances;
- the ICB meets any mandatory requirement or guidance as regards the level of cash to be used within any specified period.

## 5.3 Debt management

5.3.1 The Chief Finance Officer is responsible for the ICB debt management strategy.

5.3.2 This includes:

- a debt management strategy 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 strategy covers a minimum period of 3 years and must be reviewed and endorsed by the ICB board every 12 months to ensure relevance and provide assurance;
- accountability to the ICB 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.

# 6. Financial systems and processes

## 6.1 Provision of finance systems

6.1.1 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.

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

6.1.3 As part of the contractual arrangements for ICBs officers will be granted access where appropriate to the Integrated Single Financial Environment (“ISFE”). This is the required accounting system for use by ICBs. Access is based on single access log on to enable users to perform core accounting functions such as to transacting and coding of expenditure/income in fulfilment of their roles.

6.1.4 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 – e.g. e-invoicing
- 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 internal 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.

# 7. Procurement and purchasing

## 7.1 Principles

7.1.1 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.

7.1.2 The ICB must ensure that procurement activity is in accordance with the Public Contracts Regulations 2015 (PCR) and associated statutory requirements whilst securing value for money and sustainability.

7.1.3 The ICB must consider, as appropriate, any applicable NHS England guidance that does not conflict with the above.

7.1.4 The ICB must have a Procurement Policy which sets out all of the legislative requirements.

7.1.5 All revenue and non-pay expenditure must be approved, in accordance with these SFIs, prior to an agreement being made with a third party that enters a commitment to future expenditure.

7.1.6 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.

7.1.7 Budget holders are accountable for obtaining the necessary approvals and oversight of all expenditure incurred on the cost centres 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.

7.1.8 Undertake any contract variations or extensions in accordance with PCR 2015 and the ICB procurement policy.

7.1.9 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.

## 7.2 Tendering & Contracting

### 7.2.1 Quotations: Competitive and Non-Competitive

Quotations are required where formal tendering procedures are not adopted and where the intended expenditure or income exceeds, or is reasonably expected to exceed, £25,000 (this figure to be reviewed periodically).

#### **7.2.1.1 Competitive Quotations**

a) Competitive quotations must be obtained in line with the limits stated in the ICB's financial scheme of delegation.

b) Quotations should be in writing unless it is impractical to do so in which case they may be obtained by telephone or electronically. Confirmation of telephone or electronic quotations should be obtained in writing without delay, and the reasons why the non-written quotation was obtained should be set out in a permanent record.

c) All quotations should be treated as confidential and should be retained for inspection.

d) The quotations should be evaluated and the one selected should provide the best value for money. If this is not the lowest quotation, then the choice made and the reasons why should be recorded in a permanent record, and pre-approved by the Chief Finance Officer.

#### **7.2.1.2 Non- competitive Quotations**

Non-competitive quotations in writing (i.e. from a limited range of providers) may be obtained in the following circumstances:

a) 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 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.

No quotation shall be accepted which will commit expenditure in excess of that which has been allocated by the ICB and which is not in accordance with SFIs except with the authorisation of the Chief Finance Officer.

## 7.2.2 Formal Competitive Tendering

The ICB shall ensure that competitive tenders are invited for:

- The supply of goods and materials;
- The rendering of services including all forms of management consultancy services (other than specialised services sought from or provided by the DH); for special arrangements governing the engagement of management consultants;
- For the design, construction and maintenance of building and engineering works (including construction and maintenance of grounds and gardens).

### **7.2.2.1 Healthcare Services**

Where the ICB elects to invite tenders for the supply of healthcare services, these SFIs shall apply as far as they are applicable to the tendering procedure.

### **7.2.2.2 Exceptions and Instances where Formal Tendering need not be applied**

Formal tendering procedures need not be applied where:

- a) The estimated expenditure or income does not, or is not reasonably expected to exceed £75,000 for the life of the contract. (this figure to be reviewed periodically); or
- b) Where the supply is proposed under special arrangements negotiated by the DH in which event the said special arrangements must be complied with.

### **7.2.2.3 Formal tendering procedures may be waived in the following circumstances:**

- a) In exceptional circumstances where the Accountable Officer decides that formal tendering procedures would not be practicable or the estimated expenditure or income would not warrant formal tendering procedures, and the circumstances are detailed in an appropriate ICB record;
- b) Where the requirement is covered by an existing contract;
- c) Where Crown Commercial Services framework agreements (or alternative framework agreements) are in place;

- 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) 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;
- h) There is a clear benefit to be gained from maintaining continuity with an earlier project. However in such cases the benefits of continuity must outweigh any potential financial advantage to be gained by competitive tendering;
- i) 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 or England and Wales in relation to the obtaining of Counsel's opinion) and is generally recognised as having sufficient expertise in the area of work for which they are commissioned. The Chief Finance Officer shall ensure that any fees paid are reasonable and within commonly accepted rates for the costing of such work;

The waiving of competitive quotations or tendering procedures must not be used to avoid competition, nor for administrative convenience, nor simply to award further work to a consultant originally appointed through a competitive procedure.

Where it is decided that competitive quotations or tendering is not applicable and may be waived, the fact of the waiver and the reasons, should be documented and recorded in an appropriate ICB record which must receive prior authorisation from the Accountable Officer or Chief Finance Officer. All waivers will be reported to the Audit Committee and will be subject to scrutiny

### 7.2.3 Fair and Open Competition

The ICB shall ensure that it complies with the Procurement Regulations which are based on the principles of fairness, equal treatment, non-discrimination, and transparency. Tenders will be advertised in line with these principles to ensure fair and open competition.

#### 7.2.4 List of Approved Firms

The Accountable Officer or Chief Finance Officer shall ensure that normally the firms/ individuals invited to tender (and where appropriate, quote) are among those on approved lists. 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 Accountable Officer.

#### 7.2.5 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, but which subsequently prove to have a value above such limits, shall be reported to the Accountable Officer and must be considered in line with the Public Contract Regulations, Reg 72. Modifications which could be deemed a substantial change are required to be re-tendered.

#### 7.2.6 Confidentiality of information received

The ICB has policies and procedures in place to meet its information governance, data security and protection obligations and to enable the ICB to fulfil its information governance responsibilities. These policies provide a framework to bring together all of the requirements, standards and best practice that apply to the handling of confidential, business sensitive and personal information and include; Data Protection; Data Quality; Records Management; Access to Information; Freedom of Information and IT/Network Security.

#### 7.2.7 Invitation to Tender

- a) All invitations to tender shall state the date and time as being the latest time for the receipt of tenders;
- b) In line with Public Contract Regulations, Reg 22, all tenders must be conducted through the eTendering System unless there are exceptional circumstances, (eg: risk of breach of security). The opening and recording of these tenders will be managed by the authorised user and retained on the portal as a fully auditable record.
- c) Every tender for goods, materials, services or disposals shall embody such of the NHS Standard Contract Conditions as are applicable. Every tenderer must give a written undertaking not to engage in collusive tendering or other restrictive practice.

### **7.2.7.1 Receipt of Safe Custody Tenders**

Formal competitive tenders are date and time stamped at the point of submission via the eTendering System and cannot be accessed until the closing date has passed. An electronic process for the acceptance/rejection of tenders is undertaken by the Procurement Lead in liaison with the Commissioner.

### **7.2.7.2 Accessing Tenders**

After the stated closure date the Procurement Lead accesses the tenders via the eTendering System. The Procurement Lead must remain impartial throughout the tender process and any issues that may occur, (e.g.: a late tender), must be discussed with the Commissioner and escalated to the identified SRO for decision making.

### **7.2.7.3 Admissibility**

- a) 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 Accountable Officer.
- b) Where only one tender is sought and/ or received, the Chief Finance Officer shall be advised and, as far practicable, he/she shall ensure that the price to be paid is fair and reasonable and will ensure value for money for the ICB.
- c) Where examination of tenders reveals errors which would affect the tender price, the tenderer is to be given details of the errors and afforded the opportunity of confirming or withdrawing the offer.

### **7.2.7.4 Late Tenders**

- a) Tenders received after the due time and date, but prior to the opening of the other tenders, may be considered only if the Accountable Officer or his/her nominated officer decides that there are clear exceptional circumstances i.e. delayed through no fault of the tenderer. In these circumstances the Procurement Lead and ICB's SRO should escalate the matter to the Accountable Officer prior to releasing the tenders for evaluation.
- b) The Accountable Officer or nominated officer shall decide whether such tenders are admissible or whether re- tendering is desirable. Re-tendering may be limited to those tenders reasonably in the field of consideration in the original competition.

c) While decisions as to the admissibility of late, incomplete or amended tenders are under consideration and while re-tenders are being obtained, the tender documents shall be kept securely on the eTendering System and not accessed until a decision has been made.

#### **7.2.7.5 Acceptance of Formal Tenders**

- a) Any discussions with a tenderer which are deemed necessary to clarify technical aspects of his tender before the award of a contract will not disqualify the tender. Information provided by a tenderer under these circumstances shall not be acted upon by the ICB until it has been confirmed in writing by the tenderer.
- b) Tenders must be evaluated on the basis of Most Economically Advantages Solution (MEAT) and not awarded solely on the lowest price, (in accordance with PCR15 Regulation 67).
- c) No tender shall be accepted which will commit expenditure in excess of that which has been allocated by the ICB and which is not in accordance with these SFIs except with the authorisation of the Accountable Officer.
- d) 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;
  - Achieved the best value for money.
- e) All tenders shall be treated as confidential and shall be retained for inspection.

#### **7.2.7.6 Exceptions of Using Approved Contractors**

If, in the opinion of the Accountable Officer and the Chief Finance Officer, it is impractical to use a potential contractor from the list of approved firms/individuals (for example where specialist services or skills are required and there are insufficient suitable potential contractors on the list), or where a list for whatever reason has not been prepared, the Accountable Officer should be satisfied that appropriate checks are carried out as to the technical and financial capability of those firms that are invited to tender or quote.

#### **7.2.7.7 Authorisation of Tenders and Competitive Quotations**

Providing all the conditions and circumstances set out in these SFIs have been fully complied with, and the intended expenditures or income falls within the relevant budget, formal authorisation and awarding of a contract may be made within the limits laid down in the ICB's Financial Scheme of Delegation. A list will be

maintained of Board members/employees able to authorise invoices and their delegated limits. The Scheme of Delegation is attached at Appendix 1.

Signing and, where appropriate, sealing of contracts and other documents shall be in accordance with the section in the Standing Orders.

#### **7.2.7.8 Instances where Formal Competitive Tendering and Competitive Quotation is not required**

Where competitive tendering or a competitive quotation is not required, the ICB shall use an external procurement service for procurement of all goods and services unless the Accountable Officer or Chief Finance Officer deem it inappropriate, in which case the Chief Finance Officer shall determine an alternative procurement process. The decision to use alternative sources must be documented and reported to the Audit Committee.

#### **7.2.7.9 Compliance Requirements for All Contracts**

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

- a) The CCG's Constitution and SFIs;
- b) Public Contract Regulations 2015 and other statutory provisions;
- c) Any relevant directions including specific DH guidance, and guidance on the Procurement and Management of Consultants;
- d) The NHS Standard Contract Conditions as are applicable;
- e) Contracts with Foundation Trusts which must be in a form compliant with appropriate NHS guidance;
- f) Where appropriate, contracts which shall be in, or embody, the same terms and conditions of contract as was the bases on which tenders or quotations were invited;
- g) Contracts made by the ICB, and where, within all, the Board shall endeavour to obtain best value for money by use of all systems in place. The Accountable Officer shall nominate an officer who shall oversee and manage each contract on behalf of the ICB.
- h) Payments should not be made to suppliers in advance of the service/product being delivered. In exceptional circumstances, and where a special case can be made to issue a prepayment, this must be approved in advance by the Accountable Officer and Chief Finance Officer.

i) The contract will apportion responsibility for handling a particular risk to the party or parties in the best position to influence the event and financial arrangements should reflect this. In this way the ICB can jointly manage risk with all interested parties.

#### **7.2.7.10 Adoption of the Tendering Process Conducted by another Organisation**

The ICB may, on the express approval of the Accountable Officer or the Chief Finance Officer, adopt the tendering process of another organisation provided that organisation is either:

- a) NHSE/I, CCG, FT or other NHS Trust; or
- b) LIFT Company;
- c) A partner organisation where the basis of partnership is a Section 75 agreement and provided specifically that:
  - I. Such process has not proceeded to contract stage; and
  - II. The process would satisfy the ICB's own Constitution and SFIs with regard to procedure and competition; and
  - III. The CCG's authorisation limits for acceptance of tenders and letting of contracts are observed.

In all such instances, the Board shall be informed by formal report at its next scheduled meeting.

# 8. Staff costs and staff related non pay expenditure

## 8.1 Chief People Officer

8.1.1 The Chief People Officer (CPO), or the person assuming these responsibilities in the ICB, will lead the development and delivery of the long-term people strategy of the ICB ensuring this reflects and integrates the strategies of all relevant partner organisations within the ICS.

8.1.2 Operationally the CPO will be responsible for;

- defining and delivering the organisation's overall human resources strategy and objectives; and
- overseeing delivery of human resource services to ICB employees.

8.1.3 The CPO will ensure that the payroll system has adequate internal controls and suitable arrangements for processing deductions and exceptional payments.

8.1.4 Where a third-party payroll provider is engaged, the CPO shall closely manage this supplier through effective contract management.

8.1.5 The CPO is responsible for management and governance frameworks that support the ICB employees' life cycle.

8.1.6 Any remuneration, fees and allowances paid to ICB members will be in accordance with decisions taken by the ICB's Remuneration Committee, having received written recommendations from the ICB's CPO.

8.1.7 Decisions regarding remuneration, fees and allowances for employees and individuals providing services to the ICB other than ICB members will be taken by the Remuneration Committee.

8.1.8 All appointments of staff including the engagement of agency workers or contractors, must be done so in line with the detailed scheme of delegation and in line with the ICB's Establishment Control Policy.

8.1.9 Nobody will re-band any posts, either on a permanent or temporary basis, or implement changes to any aspect of employees' remuneration or reimbursement unless they have been specifically authorised to do so under the detailed scheme of delegation and in line with the ICB's Establishment Control Policy.

8.1.10 The remuneration of any and all individuals providing services to the ICB will be via the payroll system unless other arrangements have been explicitly authorised by the Chief Finance Officer.

8.1.11 The Chief Finance Officer has overall responsibility for:

- specifying timetables for the submission of properly authorised time records and expense claims;
- payments being made on agreed dates;
- maintenance of subsidiary records for superannuation, income tax, social security and other authorised deductions from pay;
- checks to be applied to completed payroll before and after payment.

8.1.12 Budget holders are responsible for submitting properly authorised time records and expense claims in line with the agreed timetables and submitting termination forms immediately upon knowing the effective leaving date of an employee. If an employee or individual providing services to the ICB behaves in any manner suggesting that they have left without notice, the Chief Finance Officer must be informed immediately.

8.1.13 The CPO will ensure that the payroll system has adequate internal controls and suitable arrangements for processing deductions and exceptional payments.

8.1.14 The Chief Finance Officer will implement a system to ensure the recovery from those leaving the employment of the ICB of any sums due or property belonging to the ICB.

# 9. Non Pay Expenditure

## 9.1 Official Orders

9.1.1 Official Orders must:

- a) Be consecutively numbered;
- b) Use the form provided by SBS;
- c) Be in a form approved by the Chief Finance Officer;
- d) State the ICB's terms and conditions of trade;
- e) Only be issued to, and used by, those duly authorised by the Accountable Officer

## 9.2 Duties of Officers and Managers

9.2.1 Officers and Managers must ensure that they comply fully with the guidance and limits specified by the Chief Finance Officer and that:

- a) All contracts (except as otherwise provided for in the Scheme of Delegation), leases, tenancy agreements and other commitments which may result in a liability are notified to the Chief Finance Officer in advance of any commitment being made;
- b) Contracts above specified thresholds are advertised and awarded in accordance with rules on public procurement;
- c) Where consultancy advice is being obtained, the procurement of such advice must be in accordance with DH guidance;
- d) No order shall be issued for any item or items to any firm which has made an offer of gifts, reward or benefit to directors or members of staff other than:
  - I. Isolated gifts of a modest nature or inexpensive seasonal gifts, such as calendars;
  - II. Conventional hospitality, such as lunches in the course of working visits, (reference should always be made to the ICB's Declaration of Gifts, Hospitality and Sponsorship - Anti-Bribery Policy before accepting such items).
- e) No requisition/ order is placed for any items for which there is no budget provision unless authorised by the Chief Finance Officer on behalf of the Accountable Officer;

- f) All goods, services, or works are ordered on an official order except works and services executed in accordance with a contract, purchases from petty cash, and goods or services purchased via the ICB's approved purchasing card scheme, (see Payment Card policy);
- g) Other than for purchases made via the ICB's approved purchasing card scheme, verbal orders must only be issued in cases of emergency or urgent need, by a member of staff designated by the Accountable Officer, and only in cases of genuine emergency or urgent necessity. These must be confirmed by an official order and clearly marked "Confirmation Order";
- h) Orders are not split or otherwise placed in a manner devised so as to avoid the financial thresholds;
- i) Goods are not taken on trial or loan in circumstances that could commit the ICB to future uncompetitive purchase or other liability;
- j) Changes to the list of officers authorised to certify invoices are notified to the Chief Finance Officer;
- k) Purchases from petty cash and/or the ICB's payment card are restricted in value and by type of purchase in accordance with instructions issued by the Chief Finance Officer;
- l) Petty cash and payment card records are maintained in a form as determined by the Chief Finance Officer.

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

9.3.1 Payments to Local Authorities and Voluntary Organisations made under the powers of Sections 256 and 257 of the NHS Act 2006, shall comply with procedures laid down by the Chief Finance Officer which shall be in accordance with these Acts and the 2000 Directions of the Secretary of State.

9.3.2 The Better Care Fund (BCF), is a pooled budget with the local authority which falls under these Acts and the regulations within them. In addition, all payments in respect of the pooled budget shall be in accordance with the ICB's SFIs and the Scheme of Delegation.

# 10. Annual reporting and Accounts

10.1.1 The Chief Finance Officer will ensure, on behalf of the Accountable Officer and ICB board, that:

- the ICB is in a position to produce its required monthly reporting, annual report, and accounts, as part of the setup of the new organisation; and
- the ICB, in each financial year, prepares a report on how it has discharged its functions in the previous financial year;
- 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.

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

10.1.3 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.

## 10.2 Internal audit

The Accountable Officer 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 ICB board;
- the ICB must have an internal audit charter. The internal audit charter must be prepared in accordance with the Public Sector Internal Audit Standards (PSIAS);
- the ICB internal audit charter and annual audit plan, must be endorsed by the ICB Accountable Officer, Audit Committee and board;
- the Head of Internal Audit must provide an annual opinion on the overall adequacy and effectiveness of the ICB 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 Committee members, the Chair and Accountable Officer 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.

## 10.3 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 (ICBs will be informed of the transitional arrangements at a later date); 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.

# 11. Losses and special payments

11.1.1 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.

11.1.2 All cases relating to ICB losses and special payments must be submitted to NHS England for approval if the proposed transaction values exceed the delegated limits that are detailed below or satisfy the conditions in section 11.1.1:

EXPENDITURE TYPE	DELEGATED LIMIT
All losses	Up to £300k
Special Payments including ExtraContractual/ Statutory/ regulatory/ compensation & Ex gratia	Up to £95k
Special severance & Retention payments	£0
Consolatory payments	£500

11.1.3 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.

11.1.4 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.

11.1.5 As part of the new 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<sup>2</sup> approvals have been obtained (in relation to non-contractual pay elements or amounts that exceed the ICB delegated limits), before any offers, whether verbally or in writing, are made; and
- adherence to the special severance payments guidance as published by NHS England.

11.1.6 The ICB Chief Financial Officer is responsible for ensuring that processes and procedures that facilitate the capturing and reporting of losses and special payments are in place and ensure that a losses and special payments register is maintained.

11.1.7 All losses and special payments must be recorded in the register and reviewed as part of the internal controls process.

11.1.8 All losses and special payments (including special severance payments), must be reported to the ICB Audit Committee.

11.1.9 For detailed operational guidance on losses and special payments, please refer to the ICB losses and special payment guide.

<sup>2</sup> This is only applicable to elements of the exit packages that are classified as non contractual

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

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

12.2 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.

12.3 Unfortunately fraud, bribery and corruption, as well as theft, does occur throughout the NHS. All employees have a duty to ensure that public funds are protected. The ICB requires all staff to always act honestly and with integrity to safeguard the public resources they are responsible for. There will be many subject areas contained within these DFPs where fraud, bribery and corruption could occur and all staff need to be aware of their responsibility to report any suspicions of economic crime if suspected. The ICB will not tolerate any fraud perpetrated against it and will actively recover any loss suffered.

12.4 If an employee or manager suspects that there has been a potential act of fraud, bribery or corruption against the ICB or the wider NHS, or has seen any suspicious acts or events, they must report the matter to the ICB's Counter Fraud Team (contact details can be found on the ICB's public website and/or intranet) or report the matter to the NHS Fraud and Corruption Reporting Line on 0800 028 4060.

12.5 Alternatively, reports can be made through the online reporting tool at <https://cfa.nhs.uk/reportfraud>. Further advice on counter fraud issues is available

from the Chief Finance Officer, deputy Chief Finance Officer/Fraud Champion and the CCG's Counter Fraud Team.

12.6 Security Management - All members of the ICB and employees (including its contractors), are responsible for the security of the property of the ICB; avoiding loss; exercising economy and efficiency in the use of resources; and conforming with the requirements of the Constitution, Standing Orders, Scheme of Delegation and Standing Financial Instructions. In line with their responsibilities, the Audit Committee will monitor and ensure compliance with NHS security management standards. The ICB shall nominate a suitable person to carry out the duties of the Security Management Specialist.

# 13. Capital Investments & security of assets and Grants

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 the ICB has a documented property transfer scheme for the transfer of property, rights or liabilities from ICB's predecessor clinical commissioning group(s);
- 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 capital schemes, that will ensure that 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 capital expenditure proposal, the Chief Finance Officer is responsible for ensuring there are processes in place to ensure that a business case is produced.

13.1.2 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.

13.1.3 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.

13.1.4 For operational purposes, the ICB shall have nominated senior officers accountable for ICB property assets and for managing property.

13.1.5 ICBs shall have a defined and established property governance and management framework, which should:

- ensure the ICB asset portfolio supports its business objectives; and
- comply with NHS England policies and directives and with this standard

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.

## 13.2 Asset Register

13.2.1 The ICB shall maintain an asset register recording fixed assets.

13.2.2 The Accountable 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.

13.2.3 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, architects certificates, supplier invoices and other documentary evidence in respect of purchases from third parties;
- b) Requisitions and 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 The Chief Finance Officer shall approve procedures for reconciling balances on fixed assets accounts in ledgers against balances on fixed asset registers.

13.2.5 The value of each asset shall be indexed to current values in accordance with methods specified in the Government Financial Reporting Manual (FReM).

13.2.6 The value of each asset shall be depreciated using methods and rates as specified in the FReM.

13.2.7 The Chief Finance Officer shall calculate and charge depreciation as specified in the FReM.

## 13.3 Security of Assets

13.3.1 The overall control of fixed assets is the responsibility of the Accountable Officer. 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; reporting, recording and safekeeping of cash, cheques, and negotiable instruments.

## 13.4 Grants

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 voluntary organisation, by way of a grant or loan.

13.4.2 All revenue grant applications should be regarded as competed as a default position, unless, there are justifiable reasons why the classification should be amended to non-competed.

# 14. Legal and insurance

14.1.1 This section applies to any legal cases threatened or instituted by or against the ICB. The ICB should have policies 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.

14.1.2 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 accountable officer.