



Report to:	Integrated Care Board
Date of Meeting:	1 July 2022
Subject:	ICB Standing Financial Instructions
Director Sponsor:	Executive Director of Finance and Investment
Author:	Executive Director of Finance and Investment

STATUS OF THE REPORT: *(Please click on the appropriate box)*

Approve Discuss Assurance Information A Regulatory Requirement

SUMMARY OF REPORT:

The report presents the Standing Financial Instructions (SFI's) for the Integrated Care Board.

The purpose of these SFIs 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

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.

SFIs contain reference to Losses and Special Payments. These are transactions which require HM Treasury approval if they exceed the delegated authority, or if transactions will set a precedent, are novel, contentious or could cause repercussions elsewhere in the public sector. For detailed operational guidance on losses and special payments refer to the ICB Losses and Special Payment guide which includes delegated limits.

RECOMMENDATIONS:

Members are asked to approve the ICB Standing Financial Instructions.

ICB STRATEGIC OBJECTIVE *(please click on the boxes of the relevant strategic objective(s))*

Realising our vision	<input type="checkbox"/>
Improving outcomes in population health and healthcare	<input type="checkbox"/>

Supporting broader social and economic development	<input type="checkbox"/>
Tackling inequalities in outcomes experience and access	<input type="checkbox"/>
Delivering our operational plan 2022/23	<input checked="" type="checkbox"/>
Developing our ICS	<input checked="" type="checkbox"/>

IMPLICATIONS <i>(Please state N/A against any domain where none are identified)</i>	
Finance	Adoption of the Standing Financial Instructions supports sound financial governance and decision-making.
Quality	Adoption of Standing Financial Instructions supports the maintenance of effective quality governance.
HR	Failure to adhere to the requirements set out within the Standing Financial Instructions could result in formal action against officers of the ICB without exception.
Legal / Regulatory	Adoption of the Standing Financial Instructions supports the maintenance of a robust governance regime that meets the statutory and regulatory requirements of the ICB.
Data Protection / IG	N/A
Health inequality / equality	N/A
Conflict of Interest Aspects	Standing Financial Instructions fulfil the dual role of protecting our interests and protecting Officers from possible accusation that they have acted less than properly (provided that Officers have followed the correct procedures outlined in the relevant document). SFIs should be read in conjunction with the ICB Conflicts of Interest Policy.
Sustainability	N/A

<p>ASSESSED RISK:</p> <p>Risk Failure to adopt and apply the Standing Financial Instructions by ICB officers, third parties and those associated with the work of the ICB could result in the risk of unsafe, ineffective and inefficient decision-making. This, in turn, could render the ICB vulnerable to legal, regulatory or reputational challenge.</p> <p>Mitigation Developed in accordance with NHS England requirements and built upon on existing frameworks with which most ICB staff will be familiar, the documents are subject to a planned programme of promotion and awareness raising from the day of ICB establishment onwards.</p>

MONITORING AND ASSURANCE:

The effective operation of the Standing Financial Instructions will be monitored through the business of the Audit Committee, whose terms of reference include the requirements to monitor the application of the ICB's risk and control framework.

The ICB internal audit programme will provide regular assurance with respect to the effective operation of the ICB governance regime.

ENGAGEMENT:

The suite of documents have been subject to comprehensive engagement with subject matter experts and senior executive leads and directors within the ICB. They have been updated in the light of their comments and to reflect the emerging thinking of the ICB as its systems and processes have developed.

REPORT EXEMPT FROM PUBLIC DISCLOSURE

No Yes

If yes, please detail the specific grounds for exemption

ICB STANDING FINANCIAL INSTRUCTIONS

1. INTRODUCTION

- 1.1. NHS Humber and North Yorkshire Integrated Care Board (the ICB) is required to maintain a safe and effective governance regime as a statutory and publicly accountable NHS body. This is achieved, in part, through the development and maintenance of a comprehensive set of governance policies, processes and procedures.
- 1.2. Standing Financial Instructions (SFIs), including reference to the Losses and Special Payments guidance, represents the board-level establishment of a robust governance and compliance regime for financial decisions within the ICB.

2. BACKGROUND

- 2.1. The ICB has established a governance task and finish group as one of the core work programmes for the planning and preparation of formal establishment. This group has led on the co-ordination and development of the draft suite of governance policies, procedures and processes.
- 2.2. Whilst drawing on the collective experience long-established systems maintained by the predecessor Clinical Commissioning Groups, the documents have equal regard to the purpose and new requirements of the Health and Care Act 2022.

3. ASSESSMENT

- 3.1. The SFIs are presented for Members' approval.
- 3.2. Whilst the Chief Executive is the Accountable Officer for the ICB and is personally accountable to NHS England for the stewardship of ICB allocated resources the SFIs specify the responsibilities delegated to the Executive Director of Finance and Investment. These include but are not limited to
 - preparation and audit of annual accounts;
 - ensuring allocated resource limits are not exceeded
 - ensuring that there is an effective financial control framework in place
 - meeting the financial targets set for the ICB by NHS England
 - developing the funding strategy for the ICB to support achievement of 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
- supporting 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. The SFIs will be reviewed annually and in the light of staff and partner feedback, as well as with regard to any adverse findings from the ICB internal audit programme.

4. CONCLUSION

4.1. The adoption and application of the SFIs represent an important and initial phase of the maintenance of a robust governance regime. The documents have been prepared with due regard to the advice of NHS England

4.2. Further elements, such as the terms of reference for ICB committees will be brought for approval at subsequent board meetings.

5. RECOMMENDATIONS

5.1. It is recommended that Members approve the following ICB Standing Financial Instructions