

Staffordshire and Stoke on Trent Integrated Care Board

Standing Financial Instructions

Version 1.2, 22 June 2022

Contents

1. Purpose and statutory framework.....	3
2. Scope	4
3. Roles and Responsibilities.....	5
3.1 Staff	5
3.2 Accountable Officer.....	5
3.3 Audit committee	6
4. Management accounting and business management	8
5. Income, banking arrangements and debt recovery.....	10
5.1 Income	10
5.2 Banking.....	10
5.3 Debt management	11
6. Financial systems and processes.....	12
6.1 Provision of finance systems.....	12
7. Procurement and purchasing.....	14
7.1 Principles	14
8. Staff costs and staff related non pay expenditure.....	15
8.1 Chief People Officer	15
9. Annual reporting and Accounts.....	16
9.2 Internal audit	16
9.3 External Audit.....	17
10. Losses and special payments.....	18
11. Fraud, bribery and corruption (Economic crime).....	19
12. Capital Investments & security of assets and Grants.....	20
12.2 Grants	21
13. Legal and insurance	22

1. Purpose and statutory framework

1.1.1 These Standing Financial Instructions (SFIs) shall have effect as if incorporated into the Staffordshire and Stoke-on-Trent Integrated Care Board's (SSOT ICB) constitution. In accordance with the National Health Service Act 2006, as amended by the Health and Care Act 2022, Staffordshire and Stoke-on-Trent Integrated Care Board 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 Staffordshire and Stoke-on-Trent Integrated Care Board fulfils its statutory duty to carry out its functions effectively, efficiently, and economically. The SFIs are part of the Staffordshire and Stoke-on-Trent Integrated Care Board'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 Staffordshire and Stoke-on-Trent Integrated Care Board. They enable sound administration, lessen the risk of irregularities and support commissioning and delivery of effective, efficient, and economical services.

1.1.5 Staffordshire and Stoke-on-Trent Integrated Care Board 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 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.

1.1.7 All members of Staffordshire and Stoke-on-Trent Integrated Care Board (its board) and all other Officers should be aware of the existence of these documents and be familiar with their detailed provisions. The Staffordshire and Stoke-on-Trent Integrated Care Board SFIs will be made available to all Officers on the intranet and internet website for each statutory body.

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 Staffordshire and Stoke-on-Trent Integrated Care Board applicable disciplinary policy and procedure in operation at that time.

2. Scope

2.1.1 All officers of the Staffordshire and Stoke-on-Trent Integrated Care Board, 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 Staffordshire and Stoke-on-Trent Integrated Care Board 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 Staffordshire and Stoke-on-Trent Integrated Care Board constitution provides for the appointment of the Chief Executive Officer by the Staffordshire and Stoke-on-Trent Integrated Care Board Chair. The Chief Executive Officer is the Accountable Officer for the Staffordshire and Stoke-on-Trent Integrated Care Board and is personally accountable to NHS England for the stewardship of Staffordshire and Stoke-on-Trent Integrated Care Boards allocated resources.

3.2.2 The Chief Finance Officer reports directly to the Staffordshire and Stoke-on-Trent Integrated Care Board Chief Executive Officer and is professionally accountable to the NHS England regional Finance director

3.2.3 The Chief Executive Officer will delegate to the Chief Finance Officer the following responsibilities in relation to the Staffordshire and Stoke-on-Trent Integrated Care Board:

- 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 Staffordshire and Stoke-on-Trent Integrated Care Board 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 Staffordshire and Stoke-on-Trent Integrated Care Board 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 Staffordshire and Stoke-on-Trent Integrated Care Board;
- 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 Chief Executive Officer should be supported by an audit and risk assurance 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 Staffordshire and Stoke-on-Trent Integrated Care Board;
- 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 Staffordshire and Stoke-on-Trent Integrated Care Board.

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 Staffordshire and Stoke-on-Trent Integrated Care Board 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 Staffordshire and Stoke-on-Trent Integrated Care Board, 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 Staffordshire and Stoke-on-Trent Integrated Care Board 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 Staffordshire and Stoke-on-Trent Integrated Care Board 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 Staffordshire and Stoke-on-Trent Integrated Care Board and the prevailing risks;

5.2 Banking

5.2.1 The Chief Finance Officer (CFO) is responsible for ensuring Staffordshire and Stoke-on-Trent Integrated Care Board 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:

- Staffordshire and Stoke-on-Trent Integrated Care Board holds the minimum number of bank accounts required to run the organisation effectively. These should be raised through the government banking services contract; and
- Staffordshire and Stoke-on-Trent Integrated Care Board has effective cash management policies and procedures in place.

5.3 Debt management

5.3.1 The Chief Finance Officer is responsible for Staffordshire and Stoke-on-Trent Integrated Care Board's 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 Staffordshire and Stoke-on-Trent Integrated Care Board every 12 months to ensure relevance and provide assurance;
- accountability to Staffordshire and Stoke-on-Trent Integrated Care Board's 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 Staffordshire and Stoke-on-Trent Integrated Care Board.

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 Staffordshire and Stoke-on-Trent Integrated Care Board 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 of Staffordshire and Stoke-on-Trent Integrated Care Board business rules and ensure that the internal finance team is appropriately resourced to deliver all statutory functions of the Staffordshire and Stoke-on-Trent Integrated Care Board;
- 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 that Staffordshire and Stoke-on-Trent Integrated Care Board 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 Staffordshire and Stoke-on-Trent Integrated Care Board 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 Staffordshire and Stoke-on-Trent Integrated Care Board 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 Staffordshire and Stoke-on-Trent Integrated Care Board must consider, as appropriate, any applicable NHS England guidance that does not conflict with the above.

7.1.4 The Staffordshire and Stoke-on-Trent Procurement Policy outlines the tendering policies and rules which shall be applied where Staffordshire and Stoke-on-Trent Integrated Care Board wishes to obtain goods, services or works from a third-party external to the ICB. These policies and rules will be regularly updated by the Chief Financial Officer and approved by the Board.

7.1.5 All revenue and non-pay expenditure must be approved, in accordance with Staffordshire and Stoke-on-Trent Integrated Care Board's business case policy, 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 Staffordshire and Stoke-on-Trent Integrated Care Board's 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 Staffordshire and Stoke-on-Trent Integrated Care Board's 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 and risk assurance committee.

8. Staff costs and staff related non pay expenditure

8.1 Chief People Officer

8.1.1 The Chief People Officer [CPO] will lead the development and delivery of the long-term people strategy of Staffordshire and Stoke-on-Trent Integrated Care Board 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 Staffordshire and Stoke-on-Trent Integrated Care Board 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 Staffordshire and Stoke-on-Trent Integrated Care Board employees' life cycle.

9. Annual reporting and Accounts

9.1.1 The Chief Finance Officer will ensure, on behalf of the Chief Executive Officer and Staffordshire and Stoke-on-Trent Integrated Care Board, that:

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

9.1.2 An annual report must, in particular, explain how Staffordshire and Stoke-on-Trent Integrated Care Board 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.

9.1.3 NHS England may give directions to Staffordshire and Stoke-on-Trent Integrated Care Board as to the form and content of an annual report.

9.1.4 Staffordshire and Stoke-on-Trent Integrated Care Board 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.

9.2 Internal audit

The Chief Executive Officer, as the Accountable Officer, is responsible for ensuring there is appropriate internal audit provision in Staffordshire and Stoke-on-Trent Integrated Care Board. 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 Staffordshire and Stoke-on-Trent Integrated Care Board's Board;

- Staffordshire and Stoke-on-Trent Integrated Care Board must have an internal audit charter. The internal audit charter must be prepared in accordance with the Public Sector Internal Audit Standards (PSIAS);
- Staffordshire and Stoke-on-Trent Integrated Care Board's internal audit charter and annual audit plan, must be endorsed by Staffordshire and Stoke-on-Trent Integrated Care Board's Chief Executive Officer, Audit Committee and Board;
- the Head of Internal Audit must provide an annual opinion on the overall adequacy and effectiveness of Staffordshire and Stoke-on-Trent Integrated Care 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 Chief Executive Officer of Staffordshire and Stoke-on-Trent Integrated Care Board;
- the appropriate and effective financial control arrangements are in place for Staffordshire and Stoke-on-Trent Integrated Care Board and that accepted internal and external audit recommendations are actioned in a timely manner.

9.3 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 Staffordshire and Stoke-on-Trent Integrated Care Board appoints an auditor in accordance with the Local Audit and Accountability Act 2014; in particular, Staffordshire and Stoke-on-Trent Integrated Care Board must appoint a local auditor to audit its accounts for a financial year not later than 31 December in the preceding financial year; Staffordshire and Stoke-on-Trent Integrated Care Board 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 Staffordshire and Stoke-on-Trent Integrated Care Board and that accepted external audit recommendations are actioned in a timely manner.

10. Losses and special payments

10.1.1 HM Treasury (HMT) 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.

10.1.2 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.

10.1.3 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.

10.1.4 ICBs will work with NHS England teams to ensure there is assurance over all exit packages which may include special severance payments. ICBs have no delegated authority for special severance payments and will refer to the guidance on that to obtain the approval of such payments.

10.1.5 All losses and special payments (including special severance payments) must be reported to Staffordshire and Stoke-on-Trent Integrated Care Board Audit Committee and NHS England noting that Staffordshire and Stoke-on-Trent Integrated Care Board do not have a delegated limit to approve losses or special payments.

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

11. Fraud, bribery and corruption (Economic crime)

Staffordshire and Stoke-on-Trent Integrated Care Board is committed to identifying, investigating and preventing economic crime.

Staffordshire and Stoke-on-Trent Integrated Care Board's 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. Capital Investments & security of assets and Grants

12.1.1 The Chief Finance Officer is responsible for:

- ensuring that at the commencement of each financial year, Staffordshire and Stoke-on-Trent Integrated Care Board and its partner NHS trusts and NHS foundation trusts prepare a plan setting out their planned capital resource use;
- ensuring that Staffordshire and Stoke-on-Trent Integrated Care Board 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 Staffordshire and Stoke-on-Trent Integrated Care Board has a documented property transfer scheme for the transfer of property, rights or liabilities from Staffordshire and Stoke-on-Trent Integrated Care Board'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.

12.1.2 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.

12.1.3 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.

12.1.4 For operational purposes, Staffordshire and Stoke-on-Trent Integrated Care Board shall have nominated senior officers accountable for Staffordshire and Stoke-on-Trent Integrated Care Board's property assets and for managing property.

12.1.5 Staffordshire and Stoke-on-Trent Integrated Care Board shall have a defined and established property governance and management framework, which should:

- ensure Staffordshire and Stoke-on-Trent Integrated Care Board's asset portfolio supports its business objectives; and
- comply with NHS England policies and directives and with this standard.

12.1.6 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.

12.2 Grants

12.2.1 The Chief Finance Officer is responsible for providing robust management, governance and assurance to the Staffordshire and Stoke-on-Trent Integrated Care Board 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.

12.2.2 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.

13. Legal and insurance

13.1.1 This section applies to any legal cases threatened or instituted by or against Staffordshire and Stoke-on-Trent Integrated Care Board. Staffordshire and Stoke-on-Trent Integrated Care Board 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 Staffordshire and Stoke-on-Trent Integrated Care Board's revenue resources in relation to settling legal matters.

13.1.2 Staffordshire and Stoke-on-Trent Integrated Care Board 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 Officer.