

Meeting:	Shetland NHS Board
Date:	14 December 2021
Report Title:	Corporate Governance Handbook: Section 5 Scheme of Delegation
Reference Number:	Board Paper 2021/22/54
Author / Executive Lead/ Job Title:	Colin Marsland, Director of Finance

Decisions / Action required:

The Board is asked to approve the revised scheme of delegation for budget holders that forms section 5 of the board's corporate handbook.

High Level Summary:

The scheme of delegation should be reviewed annually to ensure that proper controls are in place that reflect the management structure of the organisation and allow appropriate delegation of financial resources in-line with approved budgets.

The current scheme of delegation was agreed at the Board Meeting on 15 December 2020.

Corporate Priorities and Strategic Aims:

This report address the Board's performance in addressing two key Board Corporate Objectives:

- To provide best value for resources and deliver financial balance
- To ensure sufficient organizational capacity, capability and resilience

Key Issues:

The Endowment Committee consider their scheme of delegation on 26 October 2021 and proposed some minor changes to their scheme of delegation.

The Audit Committee consider their scheme of delegation on 30 November 2021 and approved the proposed changes to their scheme of delegation.

The Boards scheme of delegation has a number changes made to the financial level to managers which reflects inflation and service needs.

The most significant change is due to SIC invoicing practices that has caused the limit in the scheme of delegation to be breached resulting in the exception notifications sent to Chair of Board and Audit Committee. Invoices authorised against this limit must have a delegated resource agreed to match the reason for the invoice.

Implications :		
Service Users, Patients and Communities:		
Human Resources and Organisational Development:		
Equality, Diversity and Human Rights:		
Partnership Working		
Legal:		
Finance:	Ensures the resources of the Board are appropriately controlled and allocated in line with our objectives.	
Assets and Property:		
Environmental:		
Risk Management:		
Policy and Delegated Authority:		
Previously considered by:	Endowment Committee Audit Committee	26 October 2021 30 November 2021
“Exempt / private” item	Not applicable	

Notes:

1. All expenditure must be within approved annual budget limits.
 2. Delegated authority does not negate the need to follow Standing Financial Instructions regarding tender processes, use of national contracts etc (see Standing Financial Instructions on the intranet) Limits for officers can be varied in-year with the agreement of Director of Finance and Chief Executive (then ratified by the Board annually)
 3. All delegated staff can nominate a deputy to approve *PECOS orders whilst they are on leave. *(Professional Electronic Commerce Online System).
 4. If an invoice is received out with the Director of Finance and Chief Executive standard delegated limit they can in exceptional circumstances jointly authorise the invoice up to their combined delegated limit value but must also inform and advise both the Chair of the Board and Chair of the Audit committee of the proposed action and the reason why this payment was considered an exceptional case.
 5. Values can be temporary adjusted during the year to reflect changes in circumstances but formal approval of these changes should be sought at next Audit Committee Meeting.
- ** All endowment expenditure must be in line with the wishes of the donor or the aims of the endowment fund. CEO and DoF will have additional authority to counter-sign up to £15k for single items that match a specific donation. The Transport & Purchasing Manager (or any other supplies officer as nominated by him or the Director of Finance) will have authority to process orders on behalf of the officers listed above.
- *** Highland and Island Travel Scheme (HITS) and Staff Travel Debit/Credit Reimbursement invoice or Direct Invoices from transport supplier only.

Last Reviewed: Endowments 26/10/2021	DELEGATED LIMIT OF AUTHORITY FOR INDIVIDUAL INVOICES																
	ENDOWMENT FUNDS (see ** below)																
	General Endowment £	GBH General / Equipment Fund £	Other Hospital Funds Not Specified £	Other Non Hospital Funds not Specified £	GBH Cancer £	Gilbert Halcrow Memorial Fund £	Cancer £	Daniel Sinclair Hospital £	Daniel Sinclair Comm £	John Sinclair £	Comm Nursing £	Brae Garden Fund £	Health Education £	Ward 3, Ronas, Renal and A&E £	Ward 1, Theatres, Resus and OPD £	Maternity and Child Health £	MRI Scanner Appeal (note b addition) £
Chief Exec.(or nominated deputy as approved by Chair)	2,000	2,000	2,000	2,000	2,000	0	2,000	2,000	2,000	5,000	2,000	2,000	1,000	2,000	2,000	2,000	5,000
Director of Finance	10,000	10,000	10,000	5,000	5,000	5,000	2,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	10,000
Director of Community Health and Social Care	0	0	0	5,000	2,000	6,000	2,000	0	2,000	2,000	2,000	2,000	2,000	0	0	0	0
Director of Nursing, Acute and Specialist Services	0	5,000	5,000	0	2,000	0	2,000	2,000	0	5,000	0	0	0	2,000	2,000	2,000	5,000
Chief Nurse Community	0	0	0	0	0	0	0	0	2,000	0	2,000	2,000	0	0	0	0	0
Head of Talent Development & Culture (See note a)	1,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Elective Services Manager: Acute and Specialist Services	0	1,000	0	0	2,000	0	0	2,000	0	0	0	0	0	2,000	2,000	0	0
Chief Nursing Acute and Specialist Services	0	1,000	0	0	2,000	0	0	2,000	0	0	0	0	0	2,000	2,000	0	0
Child Health Manager	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,000	0

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Note a: Head of Talent Development & Culture, scheme of delegation within the General Fund is solely relates to the budget delegated to the staff travel scholarship fund.

Note b: Director of Finance and Chief Executive shall be granted delegated authority to approve the preferred tender option for the purchase of the MRI Scanner within the resource envelope of this specific fund.