

BOARD MEETING

18TH MARCH 2014

Title of Report:	Revised Corporate Governance Manual (comprising Standing Orders, Standing Financial Instructions and Scheme of Delegation)
Author:	Ade Olarinde, Chief Finance Officer Andrew Stride, Head of Corporate Governance
Presented by:	Femi Otukoya, Head of Finance Andrew Stride, Head of Corporate Governance
Committees previous consulted:	Audit Committee on 18th March 2014; Finance & Performance Committe on 19th March 2014
Executive Summary:	<p><u>Background</u></p> <p>The CCG is currently operating under a version of the Corporate Governance Manual (comprising Standing Orders - SO, Standing Financial Instructions – SFIs, and Scheme of Delegation – SOD) which was approved by the Shadow CCG Board in March 2013, immediately prior to the CCG becoming a statutory body on 1st April 2013.</p> <p>It is best practice in any event to review these documents on an annual basis but it is particularly important to do so on this occasion given that the current version includes out-of-date references to the NHS infrastructure prior to the implementation of the Health and Social Care Act 2012 (e.g., references to PCTs, shadow boards and structure of governance and accountability). A review of the Corporate Governance Manual was also recommended by the CCG’s internal auditors in several of their reports during 2013/14.</p> <p><u>Summary of Proposed Changes</u></p> <p>The majority of changes arise from the change of status of the CCG from a committee of the South Essex PCT Cluster Board to a statutory body and changes in the roles and responsibilities of senior officers.</p> <p>The attention of members is drawn to the Detailed Scheme of Delegation (pages 54-61). This document has been extensively revised in order to make it more transparent and user-friendly by delegation responsibilities to different specific “levels” within the organisation, in terms of the Board, committees and groups of officers.</p> <p>Members should note that whilst the format of the Scheme of Delegation has changed significantly from the current version, the only proposed change to the degrees of delegation relates to an increase in the delegated limit of the executive officers (Accountable Officer, Chief Operating Officer,</p>

Chief Finance Officer & Executive Nurse) from £100,000 at present to £250,000. This is in line with other local CCGs and reflects the view taken by the Shadow CCG Board in March 2013 that the delegated limit should be lower in the first year whilst the organisation properly established its system of internal control.

It is also important to note that there is no proposal to delegate authority to the Commissioning Support Unit (CSU) to approve expenditure. This reflects the operational reality within which the CCG and the CSU have operated during 2013/14. Whilst CSU officers of various levels of seniority will continue to be able to validate invoices, payments etc, all payments will require the approval of the CCG before they are made.

Members of the Board should also note that the Finance & Performance Committee requested one amendment to section 20.4.2, to read as follows (amendment shown in yellow :

“The Chief Finance Officer will issue instructions regarding:

- a) verification and documentation of data;
- b) the timetable for receipt and preparation of payroll data and the payment of employees and allowances (including Board member GPs as from 2014-15).“

This is to reflect the fact that GP Board Members will be remunerated via payroll with effect from 1st April 2014. The amendment will be made to the document before it is issued.

Recommendation to the Committee:	The Board is asked to approve the revised Standing Orders, Standing Financial Instructions and Scheme of Delegation for NHS Thurrock CCG.
Financial Implications:	N/A
Fit with CCG strategy/objectives:	It is a requirement of the CCG’s Constitution and the Department of Health that the organisation has a robust Corporate Governance Manual as a key element of its system of internal control.
Risks identified:	N/A
Resource Implications:	N/A
Evaluation Criteria:	The ongoing appropriateness of the Corporate Governance Manual will be reviewed throughout the year.
Evaluation Date:	The Corporate Governance Manual will be due for review again towards the end of the 2014/15 year.