



STANDING FINANCIAL INSTRUCTIONS

Reviewed and Revised - September 2016

To be reviewed date September 2018

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STANDING FINANCIAL INSTRUCTIONS

1. INTRODUCTION

1.1 General

1.1.1 These Standing Financial Instructions (SFIs) are issued in accordance with the Financial Directions issued by the Department of Health, Social Services & Public Safety (DHSSPS) under the provisions of Governance, Resources and Accounts Act (NI) 2001 and the Audit and Accountability (NI) Order 2003, for the regulation of the conduct of NIPEC in relation to all financial matters. They shall have effect as if incorporated in the Standing Orders (SOs) of NIPEC.

1.1.2 These Standing Financial Instructions detail the financial responsibilities, policies and procedures adopted by NIPEC. They are designed to ensure that NIPEC's financial transactions are carried out in accordance with the law and with Government policy in order to achieve probity, accuracy, economy, efficiency and effectiveness. They should be used in conjunction with the Schedule of Decisions Reserved to the council and the Scheme of Delegation adopted by NIPEC.

1.1.3 These Standing Financial Instructions identify the financial responsibilities which apply to everyone working for NIPEC. They do not provide detailed procedural advice and should be read in conjunction with the detailed departmental and financial procedure notes. All financial procedures must be approved by the Head of Corporate Services (ref para 1.2.6).

1.1.4 Should any difficulties arise regarding the interpretation or application of any of the Standing Financial Instructions then the advice of the Head of Corporate Services **must be sought before acting**. The user of these Standing Financial Instructions should also be familiar with and comply with the provisions of NIPEC's Standing Orders.

1.1.5 The failure to comply with Standing Financial Instructions and Standing Orders can in certain circumstances be regarded as a disciplinary matter that could result in dismissal.

1.1.6 Overriding Standing Financial Instructions

If for any reason these Standing Financial Instructions are not complied with, full details and any justification for non-compliance along with the circumstances surrounding the non-compliance shall be reported to the next formal meeting of the Audit & Risk Committee for referring action or ratification. All members of the council and staff have a duty to disclose any non-compliance with these Standing Financial Instructions to the Head of Corporate Services as soon as possible.

1.2 Responsibilities and Delegation

1.2.1 The Council of NIPEC (Council)

The council exercises financial supervision and control by:

- (a) formulating the financial strategy;
- (b) requiring the submission and approval of budgets within approved allocations/overall income;
- (c) defining and approving essential features in respect of important procedures and financial systems (including the need to obtain value for money); and
- (d) defining specific responsibilities placed on members of the council and employees as indicated in the Schemes of Delegation documents.

1.2.2 NIPEC has resolved that certain powers and decisions may only be exercised by the Council in formal session. These are set out in the 'Matters Reserved to the Council' document within Standing Orders.

1.2.3 NIPEC will delegate responsibility for the performance of its functions in accordance with Standing Orders and the Schemes of Delegation documents adopted by NIPEC.

1.2.4 The Chief Executive and Head of Corporate Services (ref para 1.2.6)

The Chief Executive and Head of Corporate Services will, as far as possible, delegate their detailed responsibilities, but they remain accountable for financial control.

Within the Standing Financial Instructions, it is acknowledged that the Chief Executive is ultimately accountable to the Council, and as Accounting Officer, to the Minister for Health Social Services and Public Safety (HSSPS), for ensuring that the Council meets its obligation to perform its functions within the available financial resources. The Chief Executive has overall executive responsibility for NIPEC's activities; is responsible to the Chairman and the Council for ensuring that its financial obligations and targets are met and has overall responsibility for NIPEC's system of internal control.

1.2.5 It is a duty of the Chief Executive to ensure that Members of the council and employees and all new appointees are notified of, and put in a position to understand their responsibilities within these Instructions.

1.2.6 The Head of Corporate Services

NIPEC employs the services of the BSO, Finance Department to assist in delivering Financial Management, Accounts and Financial Assurance services through the Head of Corporate Services (ref para 1.2.4).

The BSO, Finance Department is responsible for:

- (a) implementing NIPEC's financial policies and for co-ordinating any corrective action necessary to further these policies;
- (b) maintaining and advising NIPEC on an effective system of internal financial control including ensuring that detailed financial procedures and systems

incorporating the principles of separation of duties and internal checks are prepared, documented and maintained to supplement these instructions;

- (c) ensuring that BSO maintains sufficient records to show and explain NIPEC's transactions, in order to disclose, with reasonable accuracy, the financial position of NIPEC at any time; and

Without prejudice to any other functions of NIPEC, and employees of NIPEC, the duties of the Head of Corporate Services include:

- (a) the provision of financial advice to other members of the council and employees;
- (b) the design, implementation and supervision of systems of internal financial control; and
- (c) the preparation and maintenance of such accounts, certificates, estimates, records and reports as NIPEC may require for the purpose of carrying out its statutory duties.

1.2.7 Business Services Organisation

The DHSSPS has directed that a range of transactional financial services will be outsourced and delivered by the Business Services Organisation (BSO) on behalf of NIPEC namely:

- (a) Banking Services (ref section 6);
- (b) Payroll Services (ref section 11);
- (c) Payment Services (ref section 12); and
- (d) Capital Asset Register (ref section 14).

Additionally Internal Audit, Procurement, Human Resource, Information Technology, Equality & Disability, E-learning and Legal services are also delivered by the Business Services Organisation.

Where Financial services are delivered by the BSO, the Head of Corporate Services (ref para 1.2.6) will set out the arrangements within the NIPEC SLA with the BSO and monitor the delivery of these services on behalf of NIPEC. With regard to the other services provided by the BSO for NIPEC the Head of Corporate Services will also set out the arrangements for these within NIPEC SLA with the BSO and monitor the delivery of them.

1.2.8 NIPEC Council Members and Employees

All members of the Council and employees, severally and collectively, are responsible for:

- (a) the security of the property of NIPEC;

- (b) avoiding loss;
- (c) exercising economy and efficiency in the use of resources; and
- (d) conforming to the requirements of Standing Orders, Standing Financial Instructions, Financial Procedures and the Schemes of Delegation.

1.2.9 Contractors and their employees

Any contractor or employee of a contractor who is empowered by NIPEC to commit NIPEC to expenditure or who is authorised to obtain income shall be covered by these instructions. It is the responsibility of the Chief Executive to ensure that such persons are made aware of this.

1.2.10 Miscellaneous

For all members of the Council and any employees who carry out a financial function, the form in which financial records are kept and the manner in which members of the council and employees discharge their duties must be to the satisfaction of the Head of Corporate Services.

2. AUDIT

2.1 Audit & Risk Committee

2.1.1 In accordance with Standing Orders and the Cabinet Office's guidance on Codes of Practice for Public Bodies (FD/DFP 03/06), NIPEC shall formally establish an Audit & Risk Committee, with clearly defined terms of reference and following guidance from the NHS Audit Committee Handbook (DAO (DFP) 07/07) which will provide an independent and objective view of internal control by:

- (a) overseeing Internal and External Audit services and the adequacy of management response to audit findings;
- (b) reviewing financial and information systems and monitoring the integrity of the financial statements and reviewing significant financial reporting judgments;
- (c) review the establishment and maintenance of an effective system of integrated governance, risk management and internal control, across the whole of the organisation's activities (both clinical and non-clinical), that supports the achievement of the organisation's objectives;
- (d) monitoring compliance with Standing Orders and Standing Financial Instructions;
- (e) reviewing schedules of losses and compensations and making recommendations to the council;
- (f) reviewing schedules of debtors/creditors balances over 6 months and £1,000 old and explanations/action plans;

- (g) reviewing the information prepared to support the Assurance framework process prepared on behalf of the council and advising the council accordingly; and
- (h) ensuring there is an effective Counter Fraud strategy in place/operation which is in line with DFP's guide "Managing the Risk of Fraud"

2.1.2 Where the Audit & Risk Committee considers there is evidence of ultra vires transactions, evidence of improper acts, or if there are other important matters that the Committee wishes to raise, the Chairman of the Audit & Risk Committee should raise the matter at a full meeting of the council. Exceptionally, the matter may need to be referred to the DoH (to the Head of Corporate Services (ref. Para 1.2.6) in the first instance). All incidents of fraud must be reported consistent with DoH policy.

2.1.3 It is the responsibility of the Head of Corporate Services to ensure an adequate internal audit service is provided and the Audit & Risk Committee shall be involved in the selection process when/if an internal audit service provider is changed.

2.2 **Head of Corporate Services and Chief Executive**

2.2.1 The Head of Corporate Services is also responsible for:

- (a) ensuring there are arrangements to review, evaluate and report on the effectiveness of internal financial control including the establishment of an effective Internal Audit function;
- (b) deciding at what stage to involve the police in cases of misappropriation and other irregularities not involving fraud or corruption;

2.2.2 The Head of Corporate Services or designated auditors are entitled without necessarily giving prior notice to require and receive;

- (c) access to all records, documents and correspondence relating to any financial or other relevant transactions, including documents of a confidential nature;
- (d) access at all reasonable times to any land, premises or members of the council or employee of NIPEC;
- (e) the production of any cash, stores or other property of NIPEC under a member of the council or an employee's control; and
- (f) explanations concerning any matter under investigation.

2.2.3 The Chief Executive is responsible for ensuring there are arrangements to review, evaluate and report on the effectiveness of internal control, excluding internal financial control.

2.2.4 Jointly the Head of Corporate Services and the Chief Executive are responsible for:

- (a) ensuring that the Internal Audit is adequate and meets the Public Sector Internal Audit Standards (PSIAS) in addition that it complies with circular HSS(F) 21/03 detailing Internal Audit arrangements between a sponsoring Department and its Non Departmental Public Bodies and circular HSS(F) 13/2007 on the model HPSS Financial Governance Documents.
- (b) ensuring that an annual internal audit report is prepared for the consideration of the Audit & Risk Committee and NIPEC Council.

The report must cover:

- a clear opinion on the effectiveness of internal control in accordance with current assurance framework guidance issued by the DoH including for example compliance with control criteria and standards;
- major internal financial control weaknesses discovered;
- progress on the implementation of internal audit recommendations;
- progress against plan over the previous year;
- strategic audit plan covering the coming three years; and
- a detailed plan for the coming year.

2.3 **Role of Internal Audit**

2.3.1 Internal Audit will review, appraise and report upon:

- (a) the extent of compliance with and the financial effect of relevant established policies, plans and procedures;
- (b) the adequacy and application of financial and other related management controls;
- (c) the suitability of financial and other related management data;
- (d) the extent to which NIPEC's assets and interests are accounted for and safeguarded from loss of any kind, arising from:
 - fraud and other offences;
 - waste, extravagance, inefficient administration; and
 - poor value for money or other causes.
- (e) Internal Audit shall also independently verify the Assurance Framework statements in accordance with guidance from the DoH.

- 2.3.2 Whenever any matter arises which involves, or is thought to involve, irregularities concerning cash, stores, or other property or any suspected irregularity in the exercise of any function of a pecuniary nature, the Head of Corporate Services must be notified immediately.
- 2.3.3 The Chief Internal Auditor or named representative will normally attend Audit & Risk Committee meetings and has a right of access to all Audit & Risk Committee members, the Chairman and Chief Executive of NIPEC.
- 2.3.4 The Chief Internal Auditor shall be accountable to the Head of Corporate Services. The reporting system for Internal Audit shall be agreed between the Head of Corporate Services (ref para 1.2.6), the Audit & Risk Committee and the Chief Internal Auditor. The agreement shall be in writing and shall comply with the guidance on reporting contained in the Public Sector Internal Audit Standards (PSIAS). The reporting system shall be reviewed at least every 3 years.

The reporting system for Internal Audit shall be as follows:

- (a) An urgent interim report is to be made orally or in writing to alert management to the need to take immediate action to correct a serious weakness in performance or control or whether there are reasonable grounds for suspicion of malpractice;
- (b) Interim reports may also be made where it is necessary to make a significant change in the scope of the assignment or where it is desirable to inform management of progress;
- (c) At the end of the audit a meeting will be arranged between Internal Audit, and the appropriate Manager from the area being audited to review the report. The Head of Corporate Services will attend in all audits relating to finance;
- (d) On completion of an audit a draft report will be sent by the Chief Internal Auditor to the Head of Corporate Services, and the Manager with direct responsibility for the areas being audited and who has the authority to take action on audit recommendations;
- (e) The Head of Corporate Services with input from the Manager who has authority to take action on the recommendations will draft an appropriate and acceptable management response to address or reject the recommendations;
- (f) This management response will be sent to the Chief Executive for review and onward transmission to the Chief Internal Auditor to enable a final report to be issued;
- (g) The final report will be issued to the Chief Executive, the Head of Corporate Services;
- (h) An action plan will be prepared and issued to all relevant parties. This action plan will include deadlines for action to be taken and review dates to ensure action has been taken. Action plans will be held on file for review and presentation to the Audit & Risk Committee; and

- (i) The final internal audit reports with management responses must be submitted to the Audit & Risk Committee for consideration.
- (j) Revised descriptors have been issued as per circular guidance (HSC(F) 32/2013) ,which should be used to describe internal audit findings and when providing their overall opinion at Year-end. The descriptors are Substantial, Satisfactory, Limited and Unacceptable.

2.4 External Audit

- 2.4.1 The Northern Ireland Comptroller and Auditor General is the appointed External Auditor of NIPEC, who may outsource the External Audit programme to appropriately qualified private sector organisations. The External Auditor is paid for by the NIAO.
- 2.4.2 If there are any problems relating to the service provided by an outsourced External Auditor, then this should be raised with the External Auditor and referred on to the NIAO if the issue cannot be resolved. The Head of Corporate Services (ref para 1.2.6) will notify the Council of any such instances.
- 2.4.3 Value for Money Audit work is directed by the nominated DoH Senior Officer. NIPEC shall be funded for 100% of each study done in NIPEC and of any later work to follow-up completed studies.

2.5 Fraud and Corruption

- 2.5.1 In line with their responsibilities, NIPEC's Chief Executive and Head of Corporate Services (ref para 1.2.6) shall monitor and ensure compliance with directions issued by the DoH Counter Fraud Policy Unit on fraud and corruption.
- 2.5.2 The Head of Corporate Services shall nominate a Fraud Liaison Officer, as specified by the DoH Counter Fraud Policy and Guidance, to provide specialist advice and support to the Chief Executive and the Head of Corporate Services of NIPEC in fulfilling these duties.
- 2.5.3 The Fraud Liaison Officer of NIPEC shall periodically report to NIPEC's Head of Corporate Services and shall work, on behalf of NIPEC, with staff in the Counter Fraud and Regional Counter Fraud Unit at the BSO and the Regional Counter Fraud Policy Unit in accordance with the DoH Counter Fraud Policy.
- 2.5.4 The Fraud Liaison Officer will provide as appropriate written reports to NIPEC's Audit & Risk Committee, on counter fraud work within and on behalf of NIPEC.

2.6 Security Management

- 2.6.1 In line with his responsibilities, NIPEC's Chief Executive will monitor and ensure compliance with any directions issued by the Minister on HSC security management.

3. RESOURCE LIMIT CONTROL

3.1 Resource Limit Control

3.1.1 NIPEC is required by statutory provisions not to exceed Cash and Resource Limits, with a further requirement to declare all in-year easements to the DoH. The Chief Executive has overall executive responsibility for NIPEC's activities and is responsible to NIPEC for ensuring that it stays within these limits and any in-year or cumulative deficits are eliminated.

3.1.2 The definition of use of resources is set out in RAB directions on use of resources which are available in the DoH Finance Manual.

3.1.3 Any sums received on behalf of the Minister for HSSPS are treated as sums received by NIPEC.

3.1.4 The Head of Corporate Services (ref para 1.2.6) with the assistance of the BSO Finance will:

(a) provide monthly reports in the form required by the DoH;

(b) ensure money drawn from the DoH against Cash limit, by the BSO on NIPEC's behalf, is required for approved expenditure only, and is drawn only at the time of need, follows best practice as set out in 'Cash Management in the NHS';

(c) be responsible for ensuring that an adequate system of monitoring financial performance is in place to enable NIPEC to fulfill its statutory responsibility not to exceed its Annual Revenue and Capital Resource Limits and Cash limit; and

(d) be responsible for advising the Chief Executive on any operational financial risk for the register and ensure that the Chief Executive and NIPEC's Senior Management Team are advised of potential financial problems to ensure timely action is taken so that Departmental Expenditure limits are not breached.

3.1.5 NIPEC's Senior Management Team shall ensure that adequate information is provided in a timely way to the Head of Corporate Services (ref para 1.2.6) to enable reliable financial projections to be made, and necessary advice provided to the Chief Executive on any financial risk to the break-even position.

3.2 Promoting Financial Stability

3.2.1 NIPEC has an obligation, with all other HSC Organisations, to contain expenditure within the resources available. Deficits should not be allowed to develop, and where they do threaten to arise, NIPEC must ensure that appropriate contingency and/or recovery arrangements are put in place.

3.2.2 The principles set out in circular HSS(F) 29/2000, "Promoting Financial Stability within HPSS Organisations" must be adhered to. In particular, no service developments should be initiated without the prior securing of recurrent funding from the DoH.

4. FINANCIAL STRATEGY, BUDGETARY CONTROL AND MONITORING

4.1 Preparation and Approval of Plans and Budgets.

Prior to the start of the financial year the Head of Corporate Services (ref para 1.2.6) will, on behalf of the Chief Executive, prepare and submit budgets for approval by the Council. Such budgets will:

- (a) be in accordance with NIPEC aims and objectives set out in its Corporate Strategy and Business Plans;
- (b) accord with workload and manpower plans;
- (c) be prepared within the limits of available funds; and
- (d) identify potential risks.

4.1.2 The Head of Corporate Services shall monitor financial performance against budget and plan, periodically review them, and report to the council.

4.1.3 The Chief Executive must ensure that the necessary Business Case preparation and approvals, for expenditure decisions, have been obtained at Departmental level **before** committing to recurrent revenue expenditure for a new service or to support any other proposed investment e.g. ICT. Failure to obtain the required approvals will mean that the expenditure has been incurred without the required authority and is a serious matter. The latest guidance on proportionate effort in respect of completing business cases is (HSC (F) 46/2013) and the NI Guide on Expenditure Appraisal and Evaluation.

4.2 Budgetary Delegating within NIPEC

4.2.1 The Chief Executive may delegate the management of a budget to permit the performance of a defined range of activities. This delegation must be in writing and be accompanied by a clear definition of:

- (a) the amount of the budget;
- (b) the purpose(s) of each budget heading;
- (c) individual and group responsibilities;
- (d) authority to exercise virement only within total Revenue or total Capital (non virement between revenue and capital);
- (e) achievement of planned levels of service;
- (f) the provision of regular reports; and
- (g) processes for securing management approval, authorisation and performance reporting.

- 4.2.2 The Chief Executive and delegated budget holders must not exceed the budgetary total or virement limits set by the Council.
- 4.2.3 Any budgeted funds not required for their designated purpose(s) revert to the immediate control of the Chief Executive, subject to any authorised use of virement. Where DoH resources allocated for a particular purpose are not required or not required in full, for that purpose, they must be returned to the Department for potential redistribution.
- 4.2.4 Non-recurring budgets should not be used to finance recurring expenditure without the authority in writing of the Chief Executive, as advised by the Head of Corporate Services (ref para 1.2.6).

4.3 **Budgetary Control and Reporting within NIPEC**

4.3.1 The Head of Corporate Services (ref para 1.2.6) will devise and maintain systems of budgetary control. These will include:

- (a) regular financial reports to the council in a form approved by the council containing:
- income and expenditure to date showing trends and forecast year-end position;
 - capital project spend and projected outturn against plan;
 - explanations of any material variances from plan;
 - details of any corrective action where necessary and the Chief Executive's and Director of Finance's views of whether such actions are sufficient to correct the situation.
- (b) the issue of timely, accurate and comprehensible advice and financial reports to each budget holder, covering the areas for which they are responsible;
- (c) investigation and reporting of variances from financial, workload and manpower budgets;
- (d) monitoring of management action to correct variances;

4.3.2 Each Budget Holder is responsible for ensuring that:

- (a) any likely overspending or reduction of income which cannot be met by virement is not incurred without the prior consent of the council or its delegated representative;
- (b) the amount provided in the approved budget is not used in whole or in part for any purpose other than that specifically authorised subject to the rules of virement;
- (c) no permanent employees are appointed without the approval of the Chief Executive;

4.3.3 The Chief Executive is responsible for identifying and implementing cost improvements and income generation initiatives in accordance with the requirements of the annual business plan and a balanced budget.

4.4 **Capital Expenditure**

4.4.1 The general rules applying to delegation and reporting shall also apply to capital expenditure. The particular applications relating to capital are contained in SFI 14 together with the provisions of the Capital Accounting Manual(Ref HSC (F) 63/2012)

4.5 **Monitoring Returns**

4.5.1 The Chief Executive is responsible for ensuring that the appropriate monitoring forms are submitted to the requisite monitoring organisation.

5. **ANNUAL ACCOUNTS AND REPORTS**

5.1 The Head of Corporate Services (ref para 1.2.6) with the assistance of the BSO, Finance will on behalf of NIPEC:

- (a) prepare financial returns in accordance with the accounting policies and guidance given by the DoH and the Treasury, NIPEC's accounting policies, and generally accepted accounting practice;
- (b) prepare and submit annual financial reports to the DoH certified in accordance with current guidelines; and
- (c) submit financial returns to the DoH for each financial year in accordance with the timetable prescribed by the DHSSPS.

5.2 NIPEC's annual accounts and annual report must be audited by an auditor appointed by the NIAO. NIPEC's audited annual accounts and annual report must be presented to a public council meeting and made available to the public after laying before the NI Assembly. This document must comply with the DoH manual for Accounts.

6. **BANK ACCOUNTS**

6.1 **General**

6.1.1 The Head of Corporate Services(ref para 1.2.6) is responsible for setting clarity of roles and responsibilities within the BSO SLA in respect of managing NIPEC's banking arrangements, and for advising NIPEC on the provision of banking services and operation of accounts. This advice will take into account guidance/directions issued from time to time by the DoH.

6.1.2 The council shall approve the banking arrangements.

6.2 **Banking Procedures**

6.2.1 The Head of Corporate Services (ref para 1.2.6) with the BSO Director of Finance, is responsible for ensuring that there are detailed instructions to on the operation of the NIPEC bank account which must include:

- (a) the conditions under which the bank account is to be operated;
- (b) those authorised to sign cheques or other orders drawn on NIPEC's accounts; and

6.3 **Bank Account**

6.3.1 The Head of Corporate Services with the assistance of the BSO, Director of Finance is responsible for:

- (a) ensuring payments made from bank accounts do not exceed the amount credited to the account except where arrangements have been made;
- (b) that NIPEC's banking arrangements are kept separate and distinct from those of any other body or organisation; and
- (c) monitoring compliance with DoH guidance on the level of cleared funds.

6.4 **Tendering and Review**

6.4.1 NIPEC should avail of the regional banking contract in which competitive tenders for the HSC banking business are sought by the Department at

least every 5 years or extended period as agreed by the Department. The results of the tendering exercise should be reported to the Council.

7. **INCOME, FEES AND CHARGES AND SECURITY OF CASH, CHEQUES AND OTHER NEGOTIABLE INSTRUMENTS**

7.1 **Income Systems**

7.1.1 The Head of Corporate Services with the assistance of the BSO, Finance is responsible for designing, maintaining and ensuring compliance with systems for the proper recording, invoicing, collection and coding of all monies due, including HSC transactions.

7.1.2 The Director of Finance of the Business Services Organisation is also responsible for ensuring that the BSO complies with the prompt banking of all monies received.

7.1.3 Performance against 7.1.1 and 7.1.2 will be monitored by the Head of Corporate Services (ref para 1.2.6) and set out within the SLA with the BSO.

7.2 Fees and Charges

- 7.2.1 The Head of Corporate Services (ref para 1.2.6) is responsible for approving and regularly reviewing the level of all fees and charges other than those determined by the DoH or by Statute. Independent professional advice on matters of valuation shall be taken as necessary. Where sponsorship income (including items in kind such as subsidised goods or loans of equipment) is considered the guidance in the DoH's Commercial Sponsorship - Ethical standards in the HSC shall be followed.
- 7.2.2 All employees must inform the Head of Corporate Services promptly of money due arising from transactions which they initiate/deal with.

7.3 Debt Recovery

- 7.3.1 The Head of Corporate Services is responsible for ensuring the Business Services Organisation completes the appropriate recovery action on all outstanding debts.
- 7.3.2 Income not received should be advised to the Head of Corporate Services (ref para 1.2.6) and be dealt with in accordance with losses procedures and guidance issued by DHSSPS circular HSC (F) 50/2012.
- 7.3.3 Overpayments should be detected (or preferably prevented) and recovery initiated.

7.4 Security of Cash, Cheques and other Negotiable Instruments

- 7.4.1 The Head of Corporate Services together with the Director of Finance of the Business Services Organisation are responsible for:
- (a) approving the form of all receipt books, agreement forms, or other means either electronic or manual means of officially acknowledging or recording monies received or receivable;
 - (b) ordering and securely controlling any such stationery;
 - (c) the provision of adequate facilities and systems for employees whose duties include collecting and holding cash, including the provision of safes or lockable cash boxes, the procedures for keys; and
 - (d) prescribing systems and procedures for handling cash and negotiable securities on behalf of NIPEC.
- 7.4.2 Public Funds shall not under any circumstances be used for the encashment of private cheques or IOUs.
- 7.4.3 All cheques, postal orders, cash etc., shall be banked intact. Disbursements shall not be made from cash received, except under arrangements approved by the Head of Corporate Services (ref para 1.2.6).

- 7.4.4 The holders of safe keys shall not accept unofficial funds for depositing in their safes unless such deposits are in special sealed envelopes or locked containers. It shall be made clear to the depositors that NIPEC is not to be held liable for any loss, and written indemnities must be obtained from the organisation or individuals absolving NIPEC from responsibility for any loss.
- 7.4.5 Any shortfall in cash, cheques or other negotiable instruments must be reported to the Head of Corporate Services or Fraud Liaison Officer as soon as it is discovered.

8. TENDERING AND CONTRACTING PROCEDURE

8.1 Duty to comply with Standing Orders and Standing Financial Instructions

The procedure for making all contracts by or on behalf of NIPEC shall comply with these Standing Orders and Standing Financial Instructions (except where Standing Order No. 5.2.19 Suspension of Standing Orders is applied).

8.2 Northern Ireland Public Procurement Policy, EU Directives Governing Public Procurement and DoH Mini-Code Guidance.

Northern Ireland Public Procurement Policy, Directives by the Council of the European Union and Guidance on procurement matters promulgated by the DoH prescribing procedures for awarding all forms of contracts shall have effect as if incorporated in these Standing Orders and Standing Financial Instructions.

8.3 Capital Investment Manual and other DoH Guidance

NIPEC shall comply as far as is practicable with the requirements of the DoH "Capital Investment Manual", CONCODE and liaise with Health Estates department in respect of capital investment and estate and property transactions. In the case of external management consultancy contracts NIPEC shall comply with DoH guidance on the Use of Professional Services as set out in HSC (F) 25/2012 and HSC (F) 47/2012.

8.4 Formal Competitive Tendering

8.4 .1 General Applicability

NIPEC shall ensure that competitive tenders are invited for:

- (a) the supply of goods, materials and manufactured articles;
- (b) the rendering of services including all forms of management consultancy services (other than specialised services sought from or provided by the DoH); and
- (c) for the design, construction and maintenance of building and engineering works and for disposals.

8.4.2 **Exceptions and instances where formal tendering need not be applied (HSC (F) 05/2012)**

It is always advised to seek clarification with BSO PALs prior to placing an order however;

Formal publicly advertised tendering procedures **need not be applied** (ref Standing Orders Administrative Scheme of Delegation 3.4.7) where:

- (a) the estimated expenditure or income does not, or is not reasonably expected to, exceed **£30,000**; or
- (b) where the supply is proposed under special arrangements negotiated by the DoH in which event the said special arrangements must be complied with;
- (c) regarding disposals as set out in Standing Financial Instructions No.16;

8.4.3 **Direct Award Contracts (DAC) encompassing Single Tender Actions / Waiving of Competition above £5,000**

Guidance has been issued from DoH in the form of circular HSC(F) 05/2012 stating that any proposal which will not be subject to competition must be forwarded to NIPEC's Centre of Procurement Expertise (COPE), which is BSO PALs for goods and services, for advice and agreement before it may be approved by the Chief Executive. This requirement is regardless of whether the actual purchasing is being conducted by PALs.

8.4.4 The case setting out why the Single Tender Action (DAC) is required must be presented by management to BSO PALs. After review PALs will provide a Red, Amber, Green (RAG) rating, this will then be considered by the Chief Executive for approval. It should be noted that procurement may not proceed until the Chief Executive has formally approved.

8.4.5 In addition this process also covers procurement with sole suppliers and contract extensions which are outside the options originally specified in the original contract.

8.4.5 Clear documented evidence must be retained and this should be forwarded to the Head of Corporate Services or central retention, as well as reported to the Audit & Risk Committee.

8.4.6 The Regulatory Framework surrounding public procurement allows, in certain circumstances, single tender actions. Please refer to Public Contracts Regulations 2006 and amending regulations 2009 and 2011 circular HSC(F) 05/2012. The exceptions quoted are within a very few, narrowly defined parameters.

8.5 **Building and Engineering Construction Works**

Competitive Tendering cannot be waived for building and engineering construction works and maintenance DoH approval.

8.6 **Items which subsequently breach thresholds after original approval**

Items estimated to be below the limits set in this Standing Financial Instruction for which formal tendering procedures are not used which subsequently prove to have a value above such limits shall be reported to the Chief Executive (or appropriate delegated council Officer) and be recorded in an appropriate NIPEC record.

8.7 Compliance requirements for all contracts

The council may only enter into contracts on behalf of NIPEC within the statutory powers delegated to it by the Minister for HSSPS and shall comply with:

- (a) NIPEC's Standing Orders and Standing Financial Instructions;
- (b) EU Directives and other statutory provisions including N.I. Procurement Policy and DHSS&PS Guidance;
- (c) any relevant directions including the Capital Accounting Manual and guidance on the Procurement and Management of Consultants;
- (d) such of the HSC Standard Contract Conditions as are applicable;
- (e) contracts with HSC Trusts must be in a form compliant with appropriate DoH guidance;
- (f) where appropriate contracts shall be in or embody the same terms and conditions of contract as was the basis on which tenders or quotations were invited; and
- (g) in all contracts made by the Trust, the council shall endeavour to obtain best value for money by use of all systems in place. The Chief Executive shall nominate an officer who shall oversee and manage each contract on behalf of NIPEC.

8.8 Agency Personnel (also refer to 11.3 on staff appointments)

The Chief Executive shall nominate officers with relevant delegated budgetary authority to enter into contracts of employment with agency staff for temporary cover.

These engagements should follow the process set out by the Director of Human Resources (BSO) and unless a Single Tender Action is approved in advance by the Chief Executive, be within the terms of the current contract, (please also refer to SFI 11.3 regarding appointments prior to engaging staff).

8.9 Disposals

Competitive Tendering or Quotation procedures shall not apply to the disposal of:

- (a) any matter in respect of which a fair price can be obtained only by negotiation or sale by auction as determined (or pre-determined in a reserve) by the Chief Executive or his/her nominated officer;

- (b) obsolete or condemned articles and stores, which may be disposed of in accordance with the supplies policy of NIPEC;
- (c) items to be disposed of with an estimated sale value of less than £1,000, this figure to be reviewed on a periodic basis;
- (d) items arising from works of construction, which should be dealt with in accordance with the relevant contract.

9. Reports to council on SLAs and Contracts

The Chief Executive, as the Accounting Officer, will need to ensure that regular reports are provided to the council detailing actual and forecast expenditure against SLA's and Contracts with the independent sector.

10. Role of Head of Corporate Services (ref para 1.2.6)

A system of financial monitoring must be maintained by the Head of Corporate Services to ensure the effective accounting of expenditure under the SLA s and Contracts. This should provide a suitable audit trail for all payments made under the agreements.

11. TERMS OF SERVICE, ALLOWANCES AND PAYMENT OF MEMBERS OF NIPEC COUNCIL AND EMPLOYEES OF NIPEC

11.1 Remuneration and Terms of Service (see overlap with SO No. 5)

11.1.1 In accordance with Standing Orders the Council shall establish a Remuneration Committee, with clearly defined terms of reference.

11.1.2 The Committee will **(in areas not already specified by the Department)**:

- (a) advise the Council about appropriate remuneration and terms of service for the Chief Executive including:
 - all aspects of salary (including any performance-related elements/bonuses); and
 - arrangements for termination of employment and other contractual terms.

11.1.3 The Council is accountable for taking decisions on the remuneration and terms of service of officer members in matters not already directed by the Department. Minutes of the council's meetings should record such decisions;

11.1.4 NIPEC will pay allowances to the Chairman and non-executive members of the council in accordance with instructions issued by the Minister and in line with DoH circular guidance HSC(F) 10/2014.

11.2 **Funded Establishment**

11.2.1 The manpower plans incorporated within the annual budget will form the funded establishment.

11.2.2 The Head of Corporate Services will ensure that the funded establishment is not exceeded without prior authority of the Chief Executive.

11.3 **Staff Appointments (also ref 8.8 Agency Staffing)**

11.3.1 No officer, Member of the Council or NIPEC employee may engage new staff (either to vacancies or new posts), re-grade employees, or agree to changes in any aspect of remuneration, or hire agency staff (ref 8.8) either on a permanent or temporary basis:

(a) unless expressly authorised to do so by the Chief Executive or his/her nominated officer; and

(b) The Head of Corporate Services shall raise any issues regarding non-approval with the Chief Executive.

(c) the introduction of electronic recruitment and approval processes shall not remove the requirements of 11.3.1 a – c.

11.3.2 In accordance with DoH & HMRC guidance, staff will ensure that all individuals appointed to deliver services for NIPEC, regardless of type or duration of their appointment, are engaged using correct procedures. This covers staff directly recruited, employment agency appointments & other self-employed appointees, in accordance with DHSSPS circular reference HSC(F) 21/2014.

11.4 **Processing Payroll**

11.4.1 The Head of Shared Services of the Business Services Organisation is responsible for:

(a) specifying timetables for submission of properly authorised time records and other notifications either manually or electronically;

(b) making payment on agreed dates.

11.4.2 The Head of Shared Services, BSO will ensure the issue of instructions by the BSO regarding:

(a) verification and documentation of data;

(b) the timetable for receipt and preparation of payroll data and the payment of employees and allowances;

(c) maintenance of subsidiary records for superannuation, income tax, social security and other authorised deductions from pay;

(d) security and confidentiality of payroll information;

- (e) checks to be applied to completed payroll before and after payment;
- (f) authority to release payroll data under the provisions of the Data Protection Act;
- (g) methods of payment available to various categories of employee and officers;
- (h) procedures for payment by cheque, bank credit, or cash to employees and officers;
- (I) procedures for the recall of cheques and bank credits;
- (j) pay advances and their recovery;
- (k) maintenance of regular and independent reconciliation of pay control accounts;
- (l) separation of duties of preparing records; and
- (m) a system to ensure the recovery from those leaving the employment of NIPEC of sums of money and property due by them to NIPEC.

11.4.3 Appropriately nominated managers have delegated responsibility for:

- (a) submitting manual or electronic time records, and other notifications in accordance with agreed timetables;
- (b) completing time records and other notifications in accordance with the instructions and in the form prescribed by the Head of Shared Services of the BSO; and
- (c) submitting manual or electronic termination forms in the prescribed form immediately upon knowing the effective date of an employee's or officer's resignation, termination or retirement. Where an employee fails to report for duty or to fulfill obligations in circumstances that suggest they have left without notice, the Head of Corporate Services must be informed immediately.

11.4.4 Regardless of the arrangements for providing the payroll service, the Director of Finance of the BSO, shall ensure that the chosen method is supported by appropriate (contracted) terms and conditions, adequate internal controls and audit review procedures and that suitable arrangement are made for the collection of payroll deductions and payment of these to appropriate bodies.

11.4.5 Payroll processing performance will be monitored by the Head of Corporate Services (ref para 1.2.6) and set out within the SLA with the BSO.

11.5 **Contracts of Employment**

The DHSSPS has directed that the processing of NIPEC payroll be outsourced to the Business Services Organisation.

- 11.5.1 The Council shall delegate responsibility to a nominated BSO officer (HR Director) for:
- (a) ensuring that all employees are issued with a Contract of Employment in a form approved by the Council and which complies with employment legislation;
 - (b) dealing with variations to, or termination of, contracts of employment.

The Head of Corporate services will ensure that there is an appropriate Service Level Agreement with the BSO and monitoring arrangements in place to ensure proper control systems are in place and operating effectively.

12. NON-PAY EXPENDITURE (Procurement and Programme)

12.1 Delegation of Authority

12.1.1 The Council will approve the level of non-pay expenditure on an annual basis and the Chief Executive will determine the level of delegation to managers.

12.1.2 The Chief Executive will set out:

- (a) the list of managers who are authorised to place electronic requisitions for the supply of goods and services;
- (b) the maximum level of each electronic requisition and the system for authorisation above that level.

12.1.3 The Chief Executive shall set out procedures on the seeking of professional advice regarding the supply of goods and services.

12.2 Choice, Requisitioning, Ordering, Receipt and Payment for Goods and Services (see overlap with Standing Financial Instruction No. 8)

12.2.1 Requisitioning

The requisitioner, in choosing the item to be supplied (or the service to be performed) shall always obtain the best value for money for NIPEC. In so doing, the advice of NIPEC's Centre of Procurement Expertise (BSO PALs) shall be sought. Requisitions should be placed using the E-Procurement system

12.2.2 System of Payment and Payment Verification

The Head of Shared Services of the BSO shall be responsible for the prompt payment of accounts and claims once appropriately authorised by NIPEC officers. Payment of contract invoices shall be in accordance with contract terms, or otherwise, in accordance with Public Sector Prompt Payment Policy.

12.2.3 The Head of Corporate Services will through a Service Level Agreement and monitoring arrangements with the BSO:

- (a) advise the Council regarding the setting of thresholds above which quotations (competitive or otherwise) or formal tenders must be obtained; and, once approved, the thresholds should be incorporated in Standing Orders and Standing Financial Instructions and regularly reviewed;
- (b) prepare procedural instructions or guidance within the Scheme of Delegation on the obtaining of goods, works and services incorporating the thresholds;
- (c) be responsible for the prompt payment of all properly authorised accounts and claims;
- (d) be responsible for designing and maintaining a system of verification, recording and payment of all amounts payable. The system shall provide for:
- An electronic approval framework for the electronic authorising of invoices and requisitions/orders.
 - A list of Council employees (including specimens of their signatures) authorised to approve expenditure.
 - Certification either manually or electronically that:
 - Goods have been duly received, examined and are in accordance with specification and the prices are correct;
 - Work completed or services rendered have been satisfactorily carried out in accordance with the order, and, where applicable, the materials used are of the requisite standard and the charges are correct;
 - In the case of contracts based on the measurement of time, materials or expenses, the time charged is in accordance with the time sheets, the rates of labour are in accordance with the appropriate rates, the materials have been checked as regards quantity, quality, and price and the charges for the use of vehicles, plant and machinery have been examined;
 - Where appropriate, the expenditure is in accordance with regulations and all necessary authorisations have been obtained;
 - The account is arithmetically correct; and
 - The account is in order for payment.
 - Instructions to employees regarding the handling and payment of accounts within the BSO Finance Department.
- (e) be responsible for ensuring that payment for goods and services is only made once the goods and services are received. The only exceptions are set out in SFI No. 12.2.4 below.

12.2.4 Prepayments

Prepayments are only permitted where exceptional circumstances apply. In such instances:

- (a) Prepayments are only permitted where the financial advantages outweigh the disadvantages (i.e. cash flows must be discounted to NPV

using the National Loans Fund (NLF) rate plus 2%) and the intention is not to circumvent cash limits;
- (b) The appropriate officer member must provide, in the form of a written report, a case setting out all relevant circumstances of the purchase. The report must set out the effects on NIPEC if the supplier is at some time during the course of the prepayment agreement unable to meet his commitments;
- (c) The Head of Corporate services will need to be satisfied with the proposed arrangements before contractual arrangements proceed (taking into account the EU public procurement rules where the contract is above a stipulated financial threshold); and
- (d) The budget holder is responsible for ensuring that all items due under a prepayment contract are received and they must immediately inform the Chief Executive if problems are encountered. This may impact on the ability of NIPEC to deliver breakeven if the goods/services which are expected are not delivered by 31 March each financial year.

13. HSC FINANCIAL GUIDANCE

The Head of Corporate Services should ensure that members of the Council are aware of the extant finance guidance issued by DHSS&PS, (i.e. directions which NIPEC must follow regarding resource and capital allocation and funding to HSC organisations.) and that this direction and guidance is followed by NIPEC.

14. CAPITAL INVESTMENT, PRIVATE FINANCING, FIXED ASSET REGISTERS AND SECURITY OF ASSETS

14.1 Capital Investment

14.1.1 The Chief Executive:

- (a) shall ensure that there is an adequate appraisal and approval process in place for determining capital expenditure priorities and the effect of each proposal upon plans;
- (b) is responsible for the management of all stages of capital schemes and for ensuring that schemes are delivered on time and to cost;
- (c) shall ensure that the capital investment is not undertaken without confirmation of the availability of resources to finance all revenue consequences, including capital charges; and

(d) is required to seek Department approval for:

- All capital projects with expenditure of £50k and above (in accordance with the Capital Investment Manual and DHSSPS Circular HSS(F) 13/2006 and DAO(DFP) 06/05); and
- All ICT projects with expenditure of £10k and above.

14.1.2 For every capital expenditure proposal the Chief Executive shall ensure:

- (a) that a business case commensurate to the level of investment and in line with the guidance contained within the *Capital Investment Manual* is produced setting out:
- an option appraisal of potential benefits compared with known costs to determine the option with the highest ratio of benefits to costs;
 - the involvement of appropriate NIPEC personnel and external agencies;
 - appropriate project management and control arrangements;
- (b) that the Head of Corporate Services has certified professionally to the costs and revenue consequences detailed in the business case;
- (c) that all approvals for capital expenditure are in line with NIPEC's Scheme of delegated authority;
- (d) that Departmental approval is obtained for projects costing more than NIPEC's delegated limit for capital schemes currently £50k; and
- (e) schemes requiring Departmental approval are re-submitted to the Department for re-consideration if any of the conditions specified in the Capital Investment Manual apply.

14.2 **Asset Registers**

14.2.1 The Chief Executive is responsible for the maintenance of registers of assets, taking account of the advice of the Head of Corporate Services (ref para 1.2.6) 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.

14.2.2 The Director of Finance of the BSO, on behalf of NIPEC, shall maintain an asset register recording fixed assets on behalf of NIPEC. The minimum data set to be held within these registers shall be as specified in the Capital Accounting Manual as issued by the DoH.

14.2.3 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, architect's certificates, supplier's invoices and other documentary evidence in respect of purchases from third parties;
- (b) stores, requisitions and wages records for own materials and labour including appropriate overheads; and
- (c) lease agreements in respect of assets held under a finance lease and capitalised.

14.2.4 Where capital assets are sold, scrapped, lost or otherwise disposed of, their value must be removed from the accounting records and each disposal must be validated by reference to authorisation documents and invoices (where appropriate). Attention is drawn to the recent guidance on limiting the holdings of land & buildings to the minimum required for the performance of present and clearly foreseen responsibilities HSC(F) 40/2013.

14.2.5 The Director of Finance of the BSO shall reconcile balances on fixed assets accounts in ledgers against balances on fixed asset registers.

14.2.6 The value of each asset shall be indexed to current values in accordance with methods specified in the Capital Accounting Manual (HSC (F) 63/2012) issued by the DoH.

14.2.7 The value of each asset shall be depreciated using methods and rates as specified in the Capital Accounting Manual issued by the DoH.

14.3 **Security of Assets**

14.3.1 The overall control of fixed assets is the responsibility of the Chief Executive.

14.3.2 Asset control procedures (including fixed assets, cash, cheques and negotiable instruments, and also including donated assets) must be approved by the Head of Corporate Services (ref para 1.2.6). 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) reporting, recording and safekeeping of cash, cheques, and negotiable instruments.

14.3.3 All discrepancies revealed by verification of physical assets to fixed asset register shall be notified to the Head of Corporate Services.

- 14.3.4 Whilst each employee and officer has a responsibility for the security of property of NIPEC, it is the responsibility of Council members and senior employees to apply such appropriate routine security practices in relation to HPSS property as may be determined by the council. Any breach of agreed security practices must be reported in accordance with agreed procedures.
- 14.3.5 Any damage to NIPEC's premises, equipment, or any loss of equipment, stores or supplies must be reported by Council members and employees in accordance with the procedure for reporting losses.
- 14.3.6 Where practical, assets should be marked as NIPEC property.

15. STORES AND RECEIPT OF GOODS

15.1 General Position

- 15.1.1 Stores, defined in terms of controlled stores and departmental stores (for immediate use) should be:
- (a) kept to a minimum;
 - (b) subjected to annual stock take; and
 - (c) valued at the lower of cost and net realizable value.
- 15.1.2 Wherever practicable, stocks should be marked as health service property. There should also be a physical check covering all items in store at least once a year.
- 15.1.3 Where a complete system of stores control is not justified, alternative arrangements shall require the approval of the Head of Corporate Services.
- 15.1.6 The designated officer responsible for a system approved by the Head of Corporate Services for a review of slow moving and obsolete items and for condemnation, disposal, and replacement of all unserviceable articles shall report to the Head of Corporate Services any evidence of significant overstocking and of any negligence or malpractice (see also overlap with SFI No. 16 Disposals and Condemnations, Losses and Special Payments). Procedures for the disposal of obsolete stock shall follow the procedures set out for disposal of all surplus and obsolete goods.
- 15.2 **Goods supplied by Centres of Procurement Expertise (COPE) / HPSS Service Providers**
- 15.2.1 For goods supplied via COPE (BSO PALs) central warehouses, the Chief Executive shall identify those authorised electronically to requisition and accept goods from the store.

16. DISPOSALS AND CONDEMNATIONS, LOSSES AND SPECIAL PAYMENTS

16.1 Disposals and Condemnations

16.1.1 Procedures

The Head of Corporate Services will be responsible for the disposal of assets including condemnations.

16.2 Losses and Special Payments

16.2.1 Procedures

The Head of Corporate Services (ref para 1.2.6) will record for accounting purposes condemnations, losses, and special payments, in line with the requirements of circular HSC(F) 50/2012.

16.2.2 Any employee or officer discovering or suspecting a loss of any kind must immediately inform the Head of Corporate Services (ref para 1.2.6).

Where a criminal offence is suspected, the Head of Corporate Services must immediately inform the police if theft or arson is involved. In cases of suspected fraud and corruption the officer should consult NIPEC's Fraud Response Plan for further advice.

The Head of Corporate Services, must notify the Counter Fraud and probity Service (CFPS, BSO), DoH Counter Fraud Policy Unit and the External Auditor of all frauds or thefts.

16.2.3 For losses apparently caused by theft, arson, neglect of duty or gross carelessness, except if trivial, the Head of Corporate Services must immediately notify:

(a) the Chief Executive;

(b) the Council; and

(c) the External Auditor.

16.2.4 Within limits delegated to it by the DoH, the Council shall approve the writing-off of losses (Ref HSC (F) 50/2012).

16.2.5 The Head of Corporate Services(ref para 1.2.6) shall be authorised to take any necessary steps to safeguard NIPEC's interests in bankruptcies and company liquidations.

16.2.6 For any loss, the Head of Corporate Services should consider whether any insurance claim can be made.

16.2.7 The Head of Corporate Services shall maintain a Losses and Special Payments Register in which write-off action is recorded.

- 16.2.8 No special payments exceeding delegated limits shall be made without the prior approval of the DoH.
- 16.2.9 All losses and special payments must be reported to the Audit & Risk Committee at least once per annum.

17. INFORMATION TECHNOLOGY

17.1 Responsibilities and duties of the Head of Corporate Services

The Head of Corporate Services is responsible for the security of the computerised data of NIPEC and shall:

- (a) devise and implement any necessary procedures to ensure adequate (reasonable) protection of NIPEC's data, programs and computer hardware from accidental or intentional disclosure to unauthorised persons, deletion or modification, theft or damage, having due regard for the Data Protection Act 1998;
- (b) ensure that adequate (reasonable) controls exist over data entry, processing, storage, transmission and output to ensure security, privacy, accuracy, completeness, and timeliness of the data, as well as the efficient and effective operation of the system;
- (c) ensure that adequate controls exist such that the computer operation is separated from development, maintenance and amendment.

17.1.2 The Head of Corporate Services (ref para 1.2.6) is responsible for the accuracy of financial data and shall ensure that new financial systems and amendments to current financial systems have been developed in a controlled manner and thoroughly tested prior to implementation. Where this is undertaken by another organisation, assurances of adequacy must be obtained from them prior to implementation.

17.1.3 NIPEC shall maintain a Freedom of Information (FOI) Publication Scheme, or adopt a model Publication Scheme approved by the Information Commissioner. *(A Publication Scheme is a complete guide to the information routinely published by a public authority.)* The NIPEC scheme will describe the classes or types of information about NIPEC that is made publicly available.

17.2 Contracts for Computer Services with other health bodies or outside agencies

The Head of Corporate Services shall ensure that contracts for computer services for financial applications with another health organisation (e.g. BSO) 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.

Where another health organisation (e.g. BSO) or any other agency provides a computer service for financial applications, the Head of Corporate Services shall periodically seek assurances that adequate controls are in operation.

17.3 Risk Assessment

The Head of Corporate Services shall ensure that risks to NIPEC arising from the use of IT are effectively identified and considered and appropriate action taken to mitigate or control risk. This shall include the preparation and testing of appropriate disaster recovery plans.

17.4 Requirements for Computer Systems which have an impact on corporate financial systems

Where computer systems have an impact on corporate financial systems the Head of Corporate Services shall need to be satisfied that:

- (a) systems acquisition, development and maintenance are in line with corporate policies such as an Information Technology Strategy;
- (b) data produced for use with financial systems is adequate, accurate, complete and timely, and that a management (audit) trail exists; and
- (c) such computer audit reviews as are considered necessary are being carried out.

18. ACCEPTANCE OF GIFTS BY STAFF AND LINK TO STANDARDS OF BUSINESS CONDUCT (see overlap with SO No. 6 and SFI No. 12.2.6 (d))

The Head of Corporate services shall ensure that all staff are made aware of NIPEC's policy on acceptance of gifts and other benefits in kind by staff. This policy follows the guidance contained in Doh circular guidance on gifts and hospitality, HSS(F) 49/2009 and is also deemed to be an integral part of these Standing Orders and Standing Financial Instructions.

19. RETENTION OF RECORDS

- 19.1 The Chief Executive shall be responsible for maintaining archives for all records required to be retained in accordance with DoH guidelines, Good Management, Good Records.
- 19.2 The records held in archives shall be capable of retrieval by authorised persons.
- 19.3 Records held in accordance with DoH guidance shall only be destroyed at the express instigation of the Chief Executive. Detail shall be maintained of records so destroyed.

20. RISK MANAGEMENT AND INSURANCE

20.1 Programme of Risk Management

The Chief Executive shall ensure that NIPEC has a programme of risk management, in accordance with current DoH assurance framework requirements, which must be approved and monitored by the council.

The programme of risk management shall include:

- (a) a process for identifying and quantifying risks and potential liabilities;
- (b) engendering, among all levels of staff, a positive attitude towards the control of risk;
- (c) management processes to ensure all significant risks and potential liabilities are addressed including effective systems of internal control, cost effective insurance cover, and decisions on the acceptable level of retained risk;
- (d) contingency plans to offset the impact of adverse events;
- (e) audit arrangements including; internal audit, health and safety review;
- (f) a clear indication of which risks shall be insured;
- (g) arrangements to review the risk management programme.

The existence, integration and evaluation of the above elements will assist in providing a basis to make a statement on the effectiveness of Internal Control (SIC) within the Annual Report and Accounts as required by current DoH guidance.

20.2 Insurance arrangements with commercial insurers

- 20.2.1 There is a general prohibition on entering into insurance arrangements with commercial insurers. However, there is an exception when HSC organisations may enter into insurance arrangements with commercial insurers i.e. **income generation activities** take place.

Income generation activities should normally be insured against all risks using commercial insurance. If the income generation activity is also an activity normally carried out by NIPEC for an HPSS purpose the activity may be covered in the risk pool. In any case of doubt concerning NIPEC's powers to enter into commercial insurance arrangements the Chief executive should consult the DoH.