



**NORTHERN IRELAND PRACTICE AND EDUCATION
COUNCIL FOR NURSING AND MIDWIFERY**

STANDING FINANCIAL INSTRUCTIONS

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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 (DoH) 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. **In effect these are the rules by which Council members, the Chief Executive, Senior Team and all employees of NIPEC must follow when acting on behalf of NIPEC.**

In addition, the Code of Conduct and Accountability¹ requires NIPEC to adopt Standing Financial Instructions as an integral part of Standing Orders setting out the financial responsibilities of budget-holders and individuals. It also specifies that the Council of NIPEC shall draw up a Schedule of Powers Reserved to the Council, and a Scheme of Delegation to enable responsibility to be clearly delegated to Senior Employees. The Code of Accountability further requires the establishment of Audit and Remuneration Committees with formally agreed terms of reference.

- 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). SFIs are mandatory for **Council members, the Chief Executive, Senior Team and all employees of NIPEC.**
- 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

¹ Revised Code of Conduct and Accountability for Board Members of Health and Social Care Bodies (October 2022), issued by DoH under cover of letter dated 12 October 2022

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) requiring the submission and approval of an annual financial plan within the approved opening revenue/capital allocations/ income;
- (b) defining and approving essential features in respect of important procedures and financial systems (including the need to obtain value for money);
- (c) defining specific responsibilities placed on members of the Council and employees as indicated in the Schemes of Delegation documents; and
- (d) ensuring that it receives and reviews regular information concerning the financial management of NIPEC and that it is informed on a timely basis about any concerns regarding the activities of NIPEC.

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.

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

1.2.2 The Chief Executive and Head of Corporate Services

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 (DoH). The Chief Executive is personally responsible for safeguarding the public funds for which she/he has charge; for ensuring propriety and regularity in the handling of those funds and for the day-to-day management and operations of NIPEC. 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.

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 Standing Financial Instructions.

1.2.3 The Head of Corporate Services

NIPEC employs the services of the BSO, Finance Department to support the delivery of 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 coordinating 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 and NIPEC maintain sufficient records to show and explain NIPEC's transactions, in order to disclose, with reasonable accuracy, the financial position of NIPEC at any time.

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

- (a) the provision of financial advice to 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.

1.2.4 Business Services Organisation

The DoH 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 Resources, Counter Fraud and Probity, Information Technology, Equality & Disability, E-learning (HSC

Leadership Centre) and Legal services are also delivered by the Business Services Organisation.

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

1.2.5 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 and fraud;
- (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.

1.2.6 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.

1.2.7 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 Code of Conduct and Accountability², NIPEC shall formally establish an Audit & Risk Committee, with clearly defined terms of reference and following Cabinet Office guidance and the Department of Finance Audit and Risk Assurance Committee Handbook NI (April 2018). The Audit & Risk Committee will provide an independent and objective view of internal control arrangements by a review of:

- (a) the adequacy of all risk and control related disclosure statements, in particular the Mid-Year Assurance Statement and the annual Governance Statement, together with any accompanying Head of Internal Audit

² Revised Code of Conduct and Accountability for Board Members of Health and Social Care Bodies (October 2022), issued by DoH under cover of letter dated 12 October 2022

Assurance Statement, external audit opinion or other appropriate independent assurances, prior to endorsement by Council;

- (b) the adequacy of policies for ensuring compliance with relevant regularity, legal and code of conduct requirements, including NIPEC's Standing Orders and Standing Financial Instructions;
- (c) any schedules of losses and compensations contained within NIPEC's Annual Report;
- (d) the adequacy of the policies and procedures for all work related to fraud and corruption as required by relevant legislation, regulation or guidance;
- (e) The Committee's Terms of Reference on an annual basis which is then submitted to the Council for approval. Any subsequent material changes to the Terms of Reference will be reported to the Department of Health.

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 Chair of the Audit & Risk Committee should discuss the matter initially with the Chief Executive and then, if appropriate, raise the matter at a full meeting of the Council.

2.2 **Head of Corporate Services**

2.2.1 The Head of Corporate Services is 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) ensuring that the Internal Audit function is adequate and meets the mandatory Public Sector Internal Audit Standards (PSIAS) having due regard to DoH guidance;
- (c) deciding at what stage to involve the police in cases of misappropriation and other irregularities not involving fraud or corruption;
- (d) ensuring that an annual Internal Audit report is prepared by the Head of Internal Audit for consideration by the Audit & Risk Committee;
- (e) ensuring that an annual Internal Audit strategic plan covering the coming three years is produced from which an annual operational plan is derived.

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

- (a) access to all records, documents and correspondence relating to any financial or other relevant transactions, including documents of a confidential nature;

- (b) access at all reasonable times to any land, premises or members of the Council or employee of NIPEC;
- (c) the production of any cash, stores or other property of NIPEC under a member of the Council or an employee's control; and
- (d) explanations concerning any matter under investigation.

2.3 **Role of Internal Audit**

2.3.1 Internal Audit will review, appraise and report upon:

- (a) the extent of compliance with finance policies and procedures established by NIPEC and the extent of compliance with DoH guidance, laws, and regulations, including reporting requirements;
- (b) the adequacy and effectiveness of the systems of financial, operational and management controls and their operation in practice in relation to identified business risks;
- (c) the suitability, accuracy, reliability and integrity of financial and other related management information;
- (d) the extent to which NIPEC's assets and interests are acquired economically, accounted for and safeguarded from loss of any kind;
- (e) the adequacy of follow up action taken by management taken by management in response to Internal Audit recommendations;
- (f) the integrity of processes and systems to ensure that controls offer adequate protection against error, fraud and loss of all kinds.

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 financial nature, the Head of Corporate Services must be notified immediately.

2.3.3 The Head of Internal Audit 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 Head of Internal Audit shall be accountable to the Audit & Risk Committee.

2.4 **External Audit**

2.4.1 The Comptroller and Auditor General (C&AG) for Northern Ireland is the appointed External Auditor of NIPEC. He/She may outsource the delivery of the external audit programme to an appropriately qualified third party organisation.

- 2.4.2 If there are any problems relating to the service provided by an outsourced External Auditor, then this should be raised initially with the External Auditor and referred on to the NI Audit Office if the issue cannot be resolved. The Chief Executive or Head of Corporate Services will notify the Council of any such instances.
- 2.4.3 Any value for money assignments carried out by the External Auditor are directed by a nominated DoH Senior Officer. The cost of such assignments is borne by DoH.

2.5 **Fraud and Corruption**

- 2.5.1 In line with their responsibilities, NIPEC's Chief Executive and Head of Corporate Services shall monitor and ensure compliance with all guidance issued by the DoH on fraud, bribery and corruption. From 28 September 2011, it is mandatory for all HSC bodies to report all incidents of suspected or actual fraud to Counter Fraud & Probity Services, Business Services Organisation.
- 2.5.2 The Chief Executive and Head of Corporate Services are responsible for:
- (a) Assessing, identifying, evaluating and responding to risks of bribery or fraud;
 - (b) Ensuring appropriate arrangements are in place for deterring, preventing, detecting and investigating fraud or bribery;
 - (c) Ensuring that NIPEC's Audit & Risk Committee formally considers the anti-fraud measures in place;
 - (d) Reporting immediately all suspected or proven frauds, including attempted fraud, to the Business Services' Organisation's Counter Fraud & Probity Services Unit;
 - (e) Complying with all guidance issued by DoH;
 - (f) Developing an anti-fraud policy and fraud response plan which is updated at least every five years and sent to Counter Fraud and Probity Services Unit at BSO for review.
- 2.5.3 The Chief Executive and Head of Corporate Services shall nominate a suitable person to carry out the duties of the Fraud Liaison Officer, as specified by the DoH Counter Fraud Policy and Guidance.
- 2.5.4 The Fraud Liaison Officer will provide written reports, as appropriate, 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 their 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 to operate within the revenue and capital budgets delegated to it by the DoH. The Chief Executive has overall executive responsibility for NIPEC's activities and is responsible to NIPEC Council for ensuring that the organisation stays within these limits and that any in-year surpluses or deficits are retracted or eliminated.
- 3.1.2 NIPEC is required to work closely with the DoH to demonstrate efficient use of resources, manage cost pressures and gain approval for service developments.
- 3.1.3 NIPEC's revenue and capital expenditure form part of the DoH's Revenue Delegated Expenditure Level (DEL) and Capital DEL respectively.
- 3.2 NIPEC shall not, without prior written DoH approval, enter into any undertaking to incur expenditure which falls outside the organisation's delegations or which is not provided for in the annual financial plan as approved by DoH. This reflects the general principles set out in the Managing Public Money (NI) (MPMNI) relating to the authority for expenditure, regularity, propriety and value for money which applies to all public expenditure.
- 3.3 NIPEC must obtain the prior approval of the Department of Health for any transactions which set precedents, are novel, potentially contentious or could cause repercussions elsewhere in HSC or other public sector bodies. DoH approval must be obtained even where such transactions are within NIPEC's delegated limits.

Examples include:

- (a) Incurring expenditure for any purpose which is or might be considered novel or contentious, or which has or could have significant future cost implications;
- (b) Making any significant changes in the operation of funding of initiatives or particular schemes previously approved by the sponsor Department;
- (c) Unusual financing transactions, especially those with lasting commitments;
- (d) Making any change of policy or practice which has wider financial implications (e.g. because it might prove repercussive among other public sector bodies) or which might significantly affect the future level of the resources required.

This applies whether the expenditure relates to revenue, capital, IT, Direct Award Contracts (DAC), consultancy, gifting etc. and is irrespective of existing delegations.

4. FINANCIAL STRATEGY, BUDGETARY CONTROL AND MONITORING

4.1 Preparation and Approval of Plans and Budgets

Prior to the start of the year, the Head of Corporate Services, on behalf of the Chief Executive, will prepare and submit an opening revenue budget for approval by the Council. Such a budget will:

- (a) be in accordance with NIPEC aims and objectives set out in any Business Plan;
- (b) accord with workload and manpower plans;
- (c) be prepared within the limits of available funds and where applicable, any control either approved or for approval by DoH; and
- (d) identify potential risks.

4.1.2 The Head of Corporate Services shall monitor financial performance against budget and plan, review them on a monthly basis, and report to the Council.

4.1.3 The Chief Executive and Head of Corporate Services must ensure that the necessary business case preparation and approvals have been obtained **before** committing to new recurrent expenditure. Failure to obtain the required approvals will mean that the expenditure has been incurred without the required authority and is therefore deemed to be irregular. This could lead to the qualification of the audit opinion in NIPEC's annual financial statement. Reference should be made to the latest DoH guidance on business cases and the NI Guide on Expenditure Appraisal and Evaluation and the delegations issued by the DoH in circulars. NIPEC will take advice from BSO Finance or DoH Finance before committing to any proposed recurrent investment.

4.2 **Budgetary Delegation within NIPEC**

4.2.1 The Chief Executive delegates the management of budgets to permit the performance of a defined range of activities. This delegation must 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 from revenue to revenue or from capital to capital (no virement of budget is permitted 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 Revenue Resource limit set by the DoH.

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 the purpose provided, they must be returned to the Department for potential redistribution.

4.3 **Budgetary Control and Reporting within NIPEC**

4.3.1 The Head of Corporate Services will devise and maintain systems of budgetary control and provide a financial report for each meeting of the Council to meet their information needs.

The system of budgetary control to be maintained will include:

- (a) the production and issue of timely, accurate and clear advice and financial reports to the Chief Executive and individual budget holders where applicable;
- (b) investigation and reporting of variances from financial and manpower budgets; and
- (d) monitoring of management action to correct variances.

4.3.2 Individual Budget Holders are responsible for ensuring that:

- (a) any likely material overspend or reduction of income which cannot be met by a solution is not incurred without the prior consent of the Chief Executive or Head of Corporate Services;
- (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; and
- (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 **Monitoring Returns**

4.4.1 The Head of Corporate Services 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 will prepare the Annual Report & Accounts on behalf of NIPEC. The Annual Report & Accounts will be subject to audit by the NI Audit Office and presented to a public Council meeting before being laid before the NI Assembly. Following this they will be published on NIPEC's website.

The Head of Corporate Services will work with BSO Finance on behalf of NIPEC to:

- (a) prepare financial returns in accordance with the accounting policies and guidance given by the DoH, the Department of Finance's Financial Reporting Manual (FReM), and relevant Financial Reporting Standards;
- (b) prepare and submit, as a single document, NIPEC's audited Annual Report and Accounts to the DoH certified in accordance with their annual timetable and guidelines.

5.2 NIPEC's Annual Report and Accounts must be audited by the NI Audit Office Comptroller and Auditor General an auditor appointed before being laid before the NI Assembly. The document must comply with the DoH Manual for Accounts, the FReM and any other relevant guidance.

6. BANK ACCOUNTS

6.1 General

6.1.1 The Head of Corporate Services is responsible for clarifying of roles and responsibilities within the BSO SLA in respect of managing NIPEC's banking arrangements. The Head of Corporate Services is also responsible for advising NIPEC Council 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. The Chief Executive is responsible for ensuring that NIPEC's banking arrangements are in accordance with the requirements outlined in Managing Public Money N. Ireland.

6.1.2 The Council shall ratify any change in the banking arrangements.

6.2 Banking Procedures

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

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

6.3 Bank Account

6.3.1 The Director of Finance of the Business Services Organisation is responsible for:

- (a) bank accounts including the use of electronic banking;
- (b) ensuring payments made from bank accounts do not exceed the amount credited to the account except where arrangements have been made;

- (c) that NIPEC's banking arrangements are kept separate and distinct from those of any other body or organisation;
- (d) record keeping, including bank reconciliation, payments and receipts; and
- (d) 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 Director of Finance of the Business Services Organisation is responsible for designing, maintaining and ensuring compliance with systems for the proper recording, invoicing, debt management and coding of all monies due to NIPEC.
- 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 The Head of Corporate Services is responsible for ensuring that agreed systems are in place via the Business Services' Organisation's Accounts Receivable Service Level Agreement. They will also seek an annual assurance from BSO on the reliability of information processed via this SLA and that the BSO controls and processes are subject to an annual internal audit.

7.2 Fees and Charges

- 7.2.1 The Head of Corporate Services is responsible for approving 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. Independent professional advice should be sought as necessary.
- 7.2.2 All employees must inform the Head of Corporate Services promptly of money due to NIPEC arising from transactions which they initiate/deal with, including all contracts and other transactions.

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 dealt with in accordance with the DoH guidance on losses and special payments.

7.3.3 Appropriate controls should be put in place to prevent overpayments and measures put in place to detect overpayments. Where overpayments are detected, recovery must be initiated in line with DoH guidance, BSO Payroll Shared Services and NIPEC policies.

7.4 Security of Cash, Cheques and other Negotiable Instruments

7.4.1 The Director of Finance (Business Services Organisation) and Head of Corporate Services 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.

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. PROCUREMENT 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 all relevant legislation, NI Procurement Policy, these Standing Orders and Standing Financial Instructions (except where Standing Order No. 5.2.19 Suspension of Standing Orders is applied). No member of staff should enter into a contract without receiving prior advice and guidance from the Head of Corporate Services or a Centre of Procurement Expertise e.g. BSO PaLS.

8.2 **Northern Ireland Public Procurement Policy, EU Directives Governing Public Procurement, DoH Mini-Code Guidance and DoH HSC(F) Circulars**

Northern Ireland Public Procurement Policy 2002 (as amended), Procurement Guidance Notes and any other guidelines issued by DoH or DoF Central Procurement Directorate (CPD) prescribing procedures for awarding all forms of contracts shall have effect as if incorporated in these Standing Orders and Standing Financial Instructions. NIPEC shall ensure that it complies with any relevant and applicable UK and EU or other international procurement rules and within its delegated limits.

8.3 **Scope of Procurement**

8.3.1 As per the Northern Ireland Public Procurement Policy 2002 (as amended), Public Procurement is defined as “the process of acquisition, usually by means of a contractual arrangement after public competition, of goods, services, works and other supplies by the public service.”

8.3.2 These Standing Financial Instructions encompass the procurement of any works, goods, services and personnel from any external supplier in the market place awarded through Direct Award Contract, Quotations, Tenders or Open Competition.

8.3.3 It does not cover:

- The supply of services provided internally from within the Trust or from HSC organisations;
- Expenditure which is regulated by Departmental directive or others, such as business rates and water and sewerage.

8.4 **Procurement through a Centre of Procurement Expertise (CoPE)**

8.4.1 NIPEC’s procurement activity will be carried out under the influence of a COPE by means of an SLA. The relevant CoPEs are:

- Business Services Organisation Procurement and Logistics Service (BSO PaLS) for goods and services; and
- Central Procurement Directorate Health Projects (CPD HP) for construction works/services.

8.4.2 The Chief Executive and Head of Corporate Services are responsible for ensuring the following are in place within CoPEs for goods, services and ICT systems:

- (a) Clear and appropriately detailed specifications for all purchases;
- (b) The purchase of all works, goods, services and personnel conform to an appropriate method of procurement;

- (c) tenders and contract awards are evaluated through the use of pre-determined criteria that ensure the delivery of best value, where best value is defined as *“the most advantageous combination of cost, quality and sustainability to meet customer requirements”*;
- (d) All contracts for goods, works, personnel, ICT systems and services are managed and regularly monitored and reviewed;
- (e) Up-to-date legislation and guidance relevant to the management of purchasing is used; and
- (f) The service is subject to audit to ensure that an appropriate and effective system of managing purchasing is in place and the necessary levels of controls and monitoring are implemented.

8.4.3 If another CoPE or equivalent is to be used for a specific project, this should be consented to in advance by either BSO PALS or CPD HP depending on the subject matter.

8.5 Procurement Arrangements

8.5.1 General

The Chief Executive and Head of Corporate Services will ensure that NIPEC has appropriate systems in place for controlling the risks associated with purchasing activities. These include:

- (a) Establishing and documenting accountability, ensuring appropriate top-level commitment;
- (b) Demonstrating legal compliance;
- (c) Pursuing best practice and demonstrating best value for money;
- (d) Managing effective relationships with key suppliers, customers and other stakeholders;
- (e) Following DoH Policies and Guidance on procurement;
- (f) Managing contracts and contractor performance;
- (g) Monitoring and review of overall performance management; and
- (h) Internal Audit of contract management activities within NIPEC.

8.5.2 Duties of Managers and Officers

- (a) Managers and officers acting on behalf of NIPEC must ensure that they comply fully with guidance on procurement (including Direct Award Contracts) and contract management.

- (b) Prior to participation in a tender evaluation process, those Officers participating in the evaluation will be required to complete a Declaration of Objectivity and Interests.
- (c) Officers participating in an evaluation must accept tenders from suppliers who provide the lowest cost or best value for money overall. This is defined as the most advantageous combination of costs, quality and sustainability to meet NIPEC requirements. In this context, cost means consideration of the whole life cost; quality means meeting a specification which is fit for purpose and sufficient to meet requirements; and sustainability means economic, social and environmental benefits. Finding value for money involves an appropriate allocation of risk.

8.6 **Competition**

- 8.6.1 Competition promotes economy, efficiency and effectiveness in public expenditure. Works, goods, personnel and services should be acquired through public competition unless there are convincing reasons to the contrary, and where appropriate should comply with EU (where applicable) and domestic advertising rules and policy. The form of competition chosen should be appropriate to the value and complexity of the goods and services to be acquired.
- 8.6.2 Contracts shall be placed on a competitive basis and tenders accepted from suppliers who provide the lowest cost or best value for money overall.
- 8.6.3 Where a contract is awarded to an economic operator without competition, this is deemed a Direct Award Contract (DAC). In light of their exceptional nature, all DACs should be dealt with in accordance with the advice, requirements and delegations set out in DoH and DoF guidance and in accordance with the SLA or any formal general guidance on direct awards given by the relevant CoPE (in addition to complying with any other applicable delegations not arising as a result of DAC status e.g. capital or IT delegations).

8.7 **Authorisation of Tenders and Competitive Quotations**

- 8.7.1 Providing all the conditions and circumstances set out in these Standing Financial Instructions have been fully complied with, formal authorisation and awarding of a contract may be decided in accordance with the limits set out in the Trust's Scheme of Delegated Authority document (SoDA).
- 8.7.2 Where the contract to be awarded is a regional contract then the Chief Executive shall nominate in advance an employee(s) to participate in the tender evaluation and adjudicate the contract on behalf of NIPEC. In doing so the Chief Executive shall delegate authority to that officer(s) to award the contract on behalf of NIPEC.
- 8.7.3 Items to be procured which are originally estimated to be below the limits set in the Scheme of Delegated Authority for which formal tendering procedures are used which subsequently prove to have a value above such limits shall be reported to the Chief Executive.

8.7.4 No quotation shall be accepted which will commit expenditure in excess of that which has been allocated by NIPEC and which is not in accordance with these Standing Financial Instructions unless prior authorisation has been obtained from the Chief Executive.

8.8 **Shared Services**

Active engagement should be undertaken with the BSO to continue improving, enhancing and extracting value from existing and new services with consideration to consolidating services through shared service provisioning.

NIPEC should always use the BSO in the first instance where it can provide the relevant service. Where it is not possible to avail of BSO services then use of an alternative provider must be formally appraised via a business case.

9. **TERMS OF SERVICE, ALLOWANCES AND PAYMENT TO STAFF AND COUNCIL MEMBERS**

9.1 **Remuneration Committee**

9.1.1 In accordance with Standing Orders, the Council shall establish a Remuneration Committee, with clearly defined terms of reference specifying which posts fall within its area of responsibility, its composition and the arrangements for reporting.

9.1.2 The role of the Committee is:

- (a) To advise the Council on performance, development and appropriate remuneration and terms of service for the Chief Executive, guided by DoH policy and best practice;
- (b) Provide advice to the Board on remuneration including all aspects of salary as well as arrangements for termination of employment and other contractual terms;
- (c) To ensure robust objectives, performance measures and evaluation processes are in place within NIPEC in respect of the Chief Executive;
- (d) To monitor and evaluate the performance and development of the Chief Executive;
- (e) To make such recommendations to the Council on succession planning and on the remuneration, allowances and terms of service of the Chief Executive;
- (f) To ensure that the Chief Executive is rewarded for their individual contribution to the organisation having proper regard to the organisation's circumstances and performance and to the provision of national arrangements including DoH NI Arrangements;
- (g) To oversee appropriate contractual arrangements for the Chief Executive including the proper calculation and scrutiny of termination payments taking

account of relevant guidance as appropriate and advise the Board accordingly.

- 9.1.3 The Remuneration Committee shall report verbally to Council the basis for its recommendations. Council members shall use the report as the basis of their decisions, but remain accountable for taking decisions on the remuneration and terms of service of the Chief Executive in matters not already directed by the DoH. Any change to the remuneration of Senior Executives will be in line with guidance provided in relevant circulars from the DoH or with the prior approval of the Permanent Secretary of the DoH where the circumstances are out with the terms of extant circulars. Minutes of the Council's meetings should record such decisions.
- 9.1.4 Recruitment exercises to fill permanent senior executive vacancies or new senior executive posts in the Trust should proceed only on approval of the Permanent Secretary of the DoH. Interim appointments of less than twelve months' duration will be progressed in line with extant guidance from DoH.
- 9.1.5 NIPEC Council will consider and need to approve proposals presented by the Remuneration Committee for setting the pay, terms and conditions of service for any employees or officers not covered by DoH direction.

9.2 **Funded Staffing Establishment**

- 9.2.1 The workforce plans incorporated within the annual budget will form the funded establishment.
- 9.2.2 The Head of Corporate Services will ensure that the funded establishment of NIPEC is not exceeded without prior authority of the Chief Executive.

9.3 **Staff Appointments**

- 9.3.1 No employee may engage, re-engage or regrade employees, either on a permanent or temporary basis, or hire agency staff, or (either to vacancies or new posts), re-grade employees, or agree to changes in any aspect of remuneration unless expressly authorised to do so by the Chief Executive.
- 9.3.2 NIPEC will administer Agenda for Change Terms and Conditions as adopted by DoH.
- 9.3.3 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.
- 9.3.4 Any proposal by NIPEC to move from existing pension arrangements, or to pay redundancy, or compensation for loss of office, requires the approval of the DoH and DoF. Proposals on severance payments must comply with MPMNI and any related DoF/DoH guidance.

9.4 **Payroll Processing**

- 9.4.1 The processing of NIPEC's payroll is outsourced to the Business Services Organisation. The Chief Executive and Head of Corporate Services will ensure that there is an appropriate Service Level Agreement and monitoring arrangement in place with the BSO to ensure that NIPEC's responsibilities with regard to payroll processing are addressed, that proper controls are in place and are operating effectively.
- 9.4.2 The Chief Executive and Head of Corporate Services will seek an annual assurance statement from the BSO Head of Internal Audit on the reliability of the information processed by BSO for accounting purposes on behalf of NIPEC.
- 9.4.3 The Chief Executive and Head of Corporate Services will ensure that the BSO systems, controls and processes are subject to internal audit on an annual basis and that the Trust is made aware of any assurance levels that are categorised as less than satisfactory.
- 9.4.4 The Head of Corporate Services is responsible for:
- (a) specifying timetables for submission of properly authorised time records and other notifications;
 - (b) the payroll processing of pay and allowances, including travel and subsistence;
 - (c) making arrangements for ensuring payment on agreed dates; and
 - (d) agreeing method of payment.
- 9.4.5 The Head of Corporate Services will agree and ensure the issue of instructions, including those to be issued by the BSO where appropriate, regarding:
- (a) verification and documentation of data;
 - (b) the timetable for receipt and preparation of payroll data and the payment of pay and allowances, including travel and subsistence, to employees and non-executive appointees;
 - (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 UK Data Protection regulations;
 - (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;

- (l) 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.

9.4.6 Appropriately nominated managers have delegated responsibility for:

- (a) approving and submitting manual or electronic time records, and other notifications in accordance with agreed timetables and in a form prescribed by the BSO Payroll Service;
- (b) approving and submitting manual or electronic termination / contract amendment forms in the prescribed form immediately upon knowing the effective date of an employee's or officer's resignation, termination, retirement or other contractual change. Where an employee fails to report for duty or to fulfil obligations in circumstances that suggest they have left without notice, the Head of Corporate Services must be informed immediately to take a decision on whether to terminate future payments;
- (c) Approving and submitting manual or electronic claims for reimbursement of travel and subsistence expenses or other allowances in the prescribed form and in accordance with agreed timetables.

9.4.7 Regardless of the arrangements for providing the payroll service, the Head of Corporate Services shall ensure that the chosen method is supported by 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.

9.5 **Remuneration for Chair and Non-Executive Directors**

NIPEC will pay the Chairman and Non-Executive Directors of Council in accordance with the instructions issued by the Minister for Health, in line with DoH guidance.

9.6 **Contracts of Employment**

9.6.1 The Council shall delegate responsibility to the Chief Executive 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.

10. NON-PAY EXPENDITURE

10.1 Delegation of Authority

- 10.1.1 NIPEC Council delegates to the Chief Executive the setting of financial limits to which employees of NIPEC may procure and award contracts for works, goods, services, or personnel OR authorise payment of expenditure on behalf of NIPEC. This will be formalised through a Scheme of Delegated Authority (SoDA) which is to be reviewed by the Chief Executive at least once per year. NIPEC Council shall approve any increase to the financial limits the Chief Executive.
- 10.1.2 Non-pay expenditure should be committed in accordance with the Northern Ireland Public Procurement Policy, Procurement Guidance Notes, DoH circulars and other relevant guidance.
- 10.1.3 The processing of the majority of NIPEC's payments is outsourced to the Business Services Organisation. The Chief Executive and Head of Corporate Services will ensure that there is an appropriate Service Level Agreement and monitoring arrangements in place with the BSO to ensure NIPEC's responsibilities with regard to the processing of payments (non-payroll) are addressed and that proper controls are in place and operating effectively.
- 10.1.4 The Chief Executive and Head of Corporate Services will seek an annual assurance from the BSO Head of Internal Audit on the reliability of the information processed by BSO for accounting purposes on behalf of NIPEC.
- 10.1.5 The Chief Executive and Head of Corporate Services will ensure that the BSO systems, controls and processes are subject to internal audit on an annual basis and that the Trust is made aware of any assurance levels that are categorised as less than satisfactory.
- 10.1.6 The Chief Executive and Head of Corporate Services will ensure that NIPEC receives regular reports in an agreed format in relation to all areas of payments that are managed by BSO on NIPEC's behalf.
- 10.1.7 The Head of Corporate Services shall:
- (a) Inform relevant employees should there be a material change in the procurement limits above which quotations (competitive or otherwise), DACS or formal tenders must be obtained;
 - (b) prepare procedural instructions or guidance that reflect the process of obtaining goods, works, personnel and services;
 - (c) be responsible for the prompt payment of all properly authorised invoices and claims in accordance with applicable terms, MPMNI and any guidance issued by DoH;
 - (d) be responsible for maintaining a finance and procurement system of verifying, recording and paying all amounts due;

(e) Ensuring employees are trained in the process for requesting payments of invoices/accounts by the BSO Accounts Payable team.

10.1.8 Employees responsible for ordering goods or services are responsible for ensuring that:

(a) goods procured with a Purchase Order have been duly received, examined and are in accordance with specification and the prices are correct;

(b) work done 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;

(c) 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;

(d) where appropriate, the expenditure is in accordance with regulations including taxation and all necessary authorisations have been obtained;

(e) the invoice is arithmetically correct;

(f) the invoice is in order for payment.

10.2 **Choice, Requisitioning, Ordering, Receipt and Payment for Goods and Services**

10.2.1 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 relation to procurement thresholds. Purchases above £30,000 require the advice of a CoPE. Where this advice is not acceptable to the requisitioner the Head of Corporate Services shall be consulted. Requisitions should be placed using the procurement system for goods and services.

10.2.2 Official Orders

Official Orders, either manual or electronic must only be issued to, and used by, those duly authorised to do so as outlined in NIPEC's Scheme of Delegated Authority.

10.2.3 System of Payment and Payment Verification

The Head of Corporate Services is responsible for the prompt payment of valid invoices and claims once appropriately authorised. Payment of contract invoices shall be in accordance with contract terms, or otherwise, in accordance with Government Accounting Guidance.

10.2.4 Prepayments

Prepayments are only permitted where exceptional circumstances apply and require the approval of the Chief Executive or Head of Corporate Services. This excludes normal regular expenditure such as rates, telephone rentals or other rental agreements. Occasions where advance payments are acceptable, with examples, are listed within MPMNI. In such instances:

- (a) Prepayments are only permitted where the financial advantages outweigh the disadvantages;
- (b) The appropriate officer 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 / Domestic UK public procurement rules where applicable); and
- (e) 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 or Head of Corporate Services if problems are encountered.

10.2.5 Lending, Guarantees, Indemnities & Letters of Comfort

NIPEC shall not, without the consent of DoH, lend money, give any guarantees, indemnities or letters of comfort.

10.3 **Timeliness in payment of Invoices**

10.3.1 NIPEC will pay all properly authorised invoices within 30 calendar days of receipt on an undisputed invoice.

10.3.2 NIPEC shall comply with the requirements of the Late Payment of Commercial Debts and Interest Act in relation to the payment of compensation and costs associated with late payment of suppliers.

10.3.3 Responsibility for approving such payments shall be delegated to the Head of Corporate Services by the Chief Executive and this shall be recorded in the Scheme of Delegated Authority.

10.3.4 NIPEC should pay suppliers, whenever possible, within 10 working days. The Head of Corporate Services shall ensure that all appropriate steps are taken to approve and release invoices for payment without unnecessary delay.

11. **CAPITAL INVESTMENT, ASSET REGISTERS AND SECURITY OF ASSETS**

11.1 **Capital Investment**

11.1.1 The Chief Executive:

- (a) shall ensure that there is an adequate economic appraisal of capital expenditure proposals in line with the NI Guide to Better Business Cases, HM Treasury guidance and DoH circulars;
- (b) shall ensure that there is an approval process in place for determining capital expenditure priorities;
- (c) is responsible for the management of all steps of capital schemes and for ensuring that schemes are delivered on time and to cost; and
- (d) shall ensure that the capital investment is not undertaken without confirmation of purchaser(s) support and the availability of resources to finance all revenue consequences.

11.1.2 For every capital expenditure proposal (including ICT) the Chief Executive shall ensure:

- (a) that a business case (in line with DoH guidance) 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 including post-project evaluation;
- (b) that the Head of Corporate Services and/or BSO Finance has certified professionally to the costs and revenue consequences detailed in the business case;
- (c) that DoH approval is obtained for projects costing more than NIPEC's delegated limit for capital or ICT schemes.

11.2 **Asset Registers**

11.2.1 The Chief Executive is responsible for the maintenance of registers of assets, taking account of the advice of the Head of Corporate Services 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 on a regular basis.

11.2.2 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* and any other DoH guidance.

11.2.3 Additions to the 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 on NIPEC's Statement of Financial Position and capitalised.

11.2.4 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 guidance on limiting the holdings of land and buildings to the minimum required for the performance of present and clearly foreseen responsibilities as per DoH guidance.

11.2.5 The Director of Finance of the BSO shall approve procedures for reconciling balances on fixed assets accounts in ledgers against balances on fixed asset registers.

11.2.6 The value of each asset shall be indexed to current values in accordance with methods specified in the *Capital Accounting Manual* issued by the DoH.

11.2.7 The value of each asset shall be depreciated and/or impaired using methods and rates as specified in the *Capital Accounting Manual* issued by the DoH.

11.3 **Security of Assets**

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

11.3.2 Asset control procedures (including fixed assets, cash, cheques and negotiable instruments and donated assets) must be approved by the Head of Corporate Services. 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) identification and reporting of all costs associated with the retention of the asset; and
- (g) reporting, recording and safekeeping of cash, cheques, and negotiable instruments.

- 11.3.3 All discrepancies revealed by verification of physical assets to fixed asset register shall be notified to the Head of Corporate Services.
- 11.3.4 Whilst each employee and officer has a responsibility for the security of the property of NIPEC, it is the responsibility of senior employees to apply such appropriate routine security practices in relation to HSC property. Any breach of agreed security practices must be reported in accordance with agreed procedures.
- 11.3.5 Any damage to NIPEC's premises, equipment, or any loss of equipment, stores or supplies must be dealt with in accordance with the procedure for reporting losses.
- 11.3.6 Where practical, assets should be marked as NIPEC property.

12. STORES AND RECEIPT OF GOODS

12.1 General Position

- 12.1.1 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 realisable value in accordance with relevant DoH circulars and any other relevant guidance.

12.2 Control of Stores

- 12.2.1 Overall responsibility for the control of stores shall be delegated to the Head of Corporate Services by the Chief Executive. The day-to-day responsibility may be delegated to departmental employees.
- 12.2.2 Stocktaking arrangements shall be agreed with the Head of Corporate Services and there shall be a physical check at least once per year.
- 12.2.3 The designated officer shall be 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. They shall also shall report to the Head of Corporate Services any evidence of significant overstocking and of any negligence or malpractice.

12.3 Goods supplied by Centres of Procurement Expertise

- 12.3.1 For goods supplied via BSO PALs central warehouses, the Chief Executive shall delegate to officers the requisitioning and acceptance of goods from PaLS. The delegated officers shall check receipt against the delivery note and order and liaise directly with the supplier regarding any shortage or discrepancies. No payment will be made to the supplier until the matter is rectified.

13. DISPOSALS AND CONDEMNATIONS, LOSSES AND SPECIAL PAYMENTS

13.1 Disposals and Condemnations

13.1.1 Procedures

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

13.1.2 All unserviceable articles shall be:

- (a) condemned or otherwise disposed of by an employee authorised for that purpose by the Chief Executive;
- (b) recorded which will indicate whether the articles are to be converted, destroyed or otherwise disposed of.

13.1.3 Individuals are responsible for ensuring that all data held on assets for disposal is deleted.

13.2 Losses and Special Payments

13.2.1 Procedures

The Head of Corporate Services will record for accounting purposes condemnations, losses, and special payments, in line with DoH guidance.

13.2.2 Any employee or officer discovering or suspecting a loss of any kind must immediately inform the Head of Corporate Services who must immediately inform the Chief Executive.

Where a criminal offence is suspected, the Head of Corporate Services must immediately be informed in addition to the police if theft or arson is involved. In cases of suspected fraud and corruption, NIPEC's Fraud Liaison Officer, upon receipt of advice from the BSO Counter Fraud & Probity Service, will determine when to inform the PSNI.

13.2.3 The Head of Corporate Services must notify the BSO Counter Fraud & Probity Services on discovery of a loss or suspected loss of public funds or property as a result of fraud, misappropriation or malicious damage.

13.2.4 Within limits delegated to it by the DoH, the Council shall approve the writing-off of losses.

13.2.5 The Head of Corporate Services with the support of the BSO Director of Finance shall be authorised to take any necessary steps to safeguard NIPEC's interests in bankruptcies and company liquidations.

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

- 13.2.7 The Head of Corporate Services shall maintain a Losses and Special Payments Register in which write-off action is recorded.
- 13.2.8 No special payments exceeding delegated limits shall be made without the prior approval of the DoH.
- 13.2.9 All losses and special payments must be reported to the Audit & Risk Committee at least once per annum.

14. INFORMATION TECHNOLOGY

14.1 Responsibilities and duties of the Head of Corporate Services

The Head of Corporate Services who is responsible for the accuracy and security of the computerised financial data of NIPEC 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 UK Data Protection legislation;
- (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; and
- (d) ensure that an adequate management (audit) trail exists through the computerised system and that such computer audit reviews are being carried out.

- 14.1.2 The Head of Corporate Services 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.

14.2 Contracts for Computer Services with other Organisations

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 other organisations (e.g. BSO) provides a computer service for financial applications, the Head of Corporate Services shall periodically seek assurances that adequate controls are in operation.

14.3 Risk Assessment

The Head of Corporate Services shall ensure that risks to NIPEC arising from the use of ICT 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.

14.4 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 ensure 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;
- (d) such computer audit reviews considered necessary are being carried out.

15. ACCEPTANCE OF GIFTS BY STAFF

The Head of Corporate services shall ensure that all staff are made aware of NIPEC's policy on acceptance of gifts, hospitality and other benefits in kind by staff. This policy follows DoH guidance and is set out in more detail in NIPEC's Standing Orders.

The Council secretary shall ensure a written record is maintained of any such gifts or non-financial donations and of their estimated value and whether they are retained or returned.

16. RETENTION OF FINANCIAL RECORDS

16.1 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.

16.2 The records held in archives shall be capable of retrieval by authorised persons.

16.3 Records held in accordance with DoH guidance shall only be destroyed in accordance with the provisions of GMGR. Detail shall be maintained of records so destroyed.

17. RISK MANAGEMENT AND INSURANCE

17.1 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 Audit & Risk Committee on behalf of Council. This programme of risk management, in accordance with the relevant aspects of best practice in corporate governance, will ensure arrangements for the management of risks in NIPEC and will include the development of a risk management strategy in accordance with DoH guidance and Managing Public Money NI.

17.1.1 The programme of risk management shall include:

- (a) a process for identifying and quantifying risks and potential liabilities which may threaten objectives;
- (b) developing among all levels of staff, a positive attitude towards the identification, management and 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; and
- (g) ongoing arrangements to review the risk management programme and to assess the effectiveness of existing arrangements.

17.1.2 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 within the Mid-Year Assurance Statement and Governance Statement for which the Head of Corporate Services is responsible for producing.

17.2 **Insurance arrangements with commercial insurers**

20.2.1 There is a general prohibition on entering into insurance arrangements with commercial insurers other than insurance which is a statutory obligation or which is permitted under Managing Public Money NI.

However, there is an exception when HSC organisations may enter into insurance arrangements with commercial insurers i.e. when **income generation activities** take place.

In any case of doubt concerning NIPEC's powers to enter into commercial insurance arrangements the Chief Executive should consult the DoH.