**Appendix 1**

**Revisions to Standing Financial Instructions**

| **Section** | **Proposed change** | **Rationale** |
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| Throughout | Director of Finance, Strategy and Transformation to Director of Finance | Reflect latest terminology  |
| Throughout | Procurement policies amended to commercial policies | Reflect latest terminology |
| Budgets (SFI 33) | Clarification of the budget setting process  | General updating |
| Budget holders and contract managers (SFI 38) | New SFI added to confirm the responsibilities of budget holders and contract managers to ensure they comply with SFIs before authorising any payment for goods and services | Internal audit recommendation |
| Delegated budgets (SFI 39) | Highlights the additional spend controls for procuring consultancy, professional services, contingent labour and for some IT/digital and comms spend | Regulatory compliance |
| Budgetary control and reporting (SFI 42) | Allows for overspends or reductions in income to be managed within directorates, in line with the scheme of delegation  | Delegating authority to budget holders |
| Fees and charges (SFI 52) | Clarifies responsibility for approval of fees and charges  | General updating |
| Duty to comply with Standing Orders (SFI 62) | Reference to complying with the policy on declaring and managing interests has been included | Compliance with NICE policies |
| Formal competitive tendering (SFI 67) | Waivers due to the rationale of maintaining continuity with an earlier project must not materially alter the scope or terms of the original contract | In line with competitive tendering rules |
| Quotations and tenders (SFI 76) | In quotations, cost should normally be given a 20 to 50% weighting in comparison to the other factors being evaluated (eg quality) | Percentage cost weighting range is amended to reflect importance of quality of service  |
| Contracts (SFI 80) | Statement added that contracts must comply with Cabinet Office controls framework and the DHSC ALB schedule of delegations | Regulatory compliance |
| Contracts (SFI 82) | Added a requirement for contract managers to read and understand their responsibilities as set out within the SFIs and to have undertaken the necessary training | Internal audit recommendation |
| Contracts (SFI 83) | Clarification of the reporting route for contract management | In response to internal audit recommendation |
| Employee contracts & agency workers (SFI 84)  | Includes compliance with Cabinet Office and DHSC spend controls | Regulatory compliance |
| Consultancy and professional services spend (SFI 85 – 87)  | Inclusion of the definitions of consultancy and professional services  | For clarity on when DHSC & Cabinet Office spend controls apply |
| Employee appointments (SFI 97) | Includes reference to the organisational change policy | General updating |
| Employee contracts & agency workers (SFI 105) | Requirement for any new staff payments or allowances to be approved by the Operational Management Committee | Internal audit recommendation |
| Prepayments (SFI 114 & 115) | Clarifies the circumstances when prepayments are permitted and the process to be followed | General updating |
| Requisitioning and ordering of goods and services (SFI 118) | Places the responsibility on budget holders and contract managers to ensure goods and services are received/completed satisfactorily before payments are made | Internal audit recommendation |
| Payments to NICE independent contractors (former SFI 161 – 163) | Removal of this section as NICE does not have any independent contractors. | General updating |
|  | **Scheme of Financial Delegation** |  |
| **Section** | **Proposed change** | **Rationale** |
| Contracts and purchase orders (para 5) | Clarifies the approval levels for expenditure outside of the approved business plans and the role of the OMC and ET | Updating internal governance arrangements |
| Consultancy and professional services spend (para 7i) | Cabinet Office and DHSC guidance on spend controls updated, and the authority limits for directors, OMC and ET clarified | Regulatory compliance |
| Contingent labour spend (para 7ii) | Cabinet Office and DHSC guidance on spend controls updated, and the authority limits for directors, OMC and ET clarified | Regulatory compliance |
| Capital expenditure (para 7v) | Requires approval of the director of finance | General updating |
| Income - Fees and charges (para 10) | Updates to the approvers, and stating TA/HST fees must be changed in line with relevant Statutory Instrument and Managing Public Money | Regulatory compliance |
| Employment (para 11) | Includes approval for re-grading an existing post by the Grading Review Panel | Updating internal governance arrangements |