

Board of Directors

Item 5.6

Subject: Revisions to Scheme of Reservation and Delegation (SORD)
Date of Meeting: 31st January 2024
Presented by: Karen Edge, Chief Finance Officer
Purpose of Report: To approve

BAF Reference	Impact on BAF
BAF 5	Following approval by the Audit Committee, a number of changes are proposed to the Scheme of Reservation and Delegation (SORD).

Level of assurance (please tick one) <i>To be used when the content of the report provides evidence of assurance</i>					
<input checked="" type="checkbox"/>	Acceptable assurance Controls are suitably designed, with evidence of them being consistently applied and effective in practice	<input type="checkbox"/>	Partial assurance Controls are still maturing – evidence shows that further action is required to improve their effectiveness	<input type="checkbox"/>	Low assurance Evidence indicates poor effectiveness of controls

1. Executive Summary

The internal audit review of the Trust's key finance systems identified that the staff associated with procurement and IT are no longer employed directly by the Trust, but continue to play a role in financial transactions. The SORD had not been adequately amended to incorporate the controls in place around delegation of procurement limits for partner organisations. The SORD has been amended to explicitly include reference to procurement and IT staff to ensure such staff can carry out their duties within the framework of the SORD and governance arrangements in place.

In addition, section 3 of the SORD has also been amended. This section details the roles and functions of the various sub-committees of the Board. Following a change to the Terms of Reference of the Quality Committee, this change has now been reflected in the SORD.

These changes have been reviewed and recommended by the Audit Committee.

The Board of Directors is asked to APPROVE the changes to the SORD.

2. SORD Revisions

MIAA carried out a review of the Trust's Key Finance Systems. This identified that teams now hosted by other Trusts (procurement and IT) still have access to financial systems and continue to carry out important functions related to financial transactions. These teams TUPE transferred to other NHS Trusts in recent years as part of a strategic direction to partnership working. Staff in these teams continue to access the financial system to allow them to carry out their duties. However, the SORD had not been amended to include provision for these staff (now no longer employed directly by the Trust) to continue to have delegation limits for procurement and financial transactions.

It is proposed that the following statement be added to the SORD to ensure this captures the arrangements in place. This is added to the section entitled Table B – Delegated Financial Limits.

“To enhance collaboration and streamline procurement processes, the scheme of delegation now includes provision for the delegation of procurement and financial approval limits to Health Procurement Liverpool and relevant IT colleagues to enable them to fulfil their duties. The staff in these teams are hosted by The Walton Centre and Alder Hey respectively. Delegations to partner organisations should be carried out in accordance with established criteria, ensuring alignment with the Trust's existing delegated financial limits.”

In addition, section 3 of the SORD has also been amended. This section details the roles and functions of the various sub-committees of the Board. The following statement was removed from the Quality Committee, following its removal from the Quality Committee's Terms of Reference.

“Receive assurance that the R&D agenda is implemented throughout the Trust”

3. Conclusion

With the transfer of procurement and IT staff to other NHS Trusts, it is required to amend the SORD to ensure that the controls in place for procurement and financial approval limits are adequately documented.

The SORD has also been amended to reflect the change to the Quality Committee's Terms of Reference.

4. Recommendation

Following Audit Committee recommendation, the Board of Directors is asked to approve the revisions to the SORD.