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| **Agenda item:** | **11** |
| **Attachment:** | **E** |

**HRA BOARD COVER SHEET**

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| **Date of Meeting:** | 13th September 2017 |

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| **Title of Paper:** | HRA delegated authorities and standing financial instructions review following 24 months of operation as a non-departmental public body |
| **Purpose of Paper:** | To provide the Board with the outcome of our review of the HRA delegated authorities and standing financial instructions together with recommendations for changes to the current framework. These proposals have been discussed and reviewed by Audit Committee and have been amended to reflect these discussions.  |
| **Reason for Submission:** | For the Board to discuss and approve these revised proposals.  |
| **Details:** | The HRA delegated authorities have been in operation since the HRA was legally constituted as a non-departmental public body in January 2015. As part of good corporate governance we have performed a review of their operation following the first 24 months of their implementation. Our review suggests that for the most part the delegated authorities and standing financial instructions are fit for purpose and meet the needs of the HRA. In a couple of areas, the review has recommended some changes in order to enhance the control environment and reflect the scale and activities of the HRA. These changes are as follows:* Contracts requiring Board approval be reduced from the current level of £1m to £250k.
* The Chair of the Board’s signature on contracts is required for all contracts greater than £250k (currently £500k).
* Where specific Department of Health and / or Treasury requirements are needed for example ICT procurement, these are reflected in our delegated authorities and associated SFIs and Board approval is required where stated (for example, all communications and marketing expenditure over £100k needs Board approval).
* Audit and Risk Committee continue to review all signed contracts greater than £100k as this is considered a valuable control.
* Minor changes have also been suggested in relation to the tiers of management (reducing these to 4 from 10) to simplify the framework and better reflect actual operational activities in place.
* We have also added more details in relation to HRA recruitment panel which provides the control framework (delegated from the chief executive) over the staff establishment.

The corresponding impact on the SOs and SFIs is an update to the following section below to correspond with the delegated authorities proposals. All other sections remain substantially the same apart from some small cosmetic changes. 17.8 Authorisation of Tenders and Competitive Quotations17.8.1 Providing all the conditions and circumstances set out in these Standing Financial Instructions have been fully complied with and ALB Delegations from DH considered, the signing of contracts is delegated to the following in all cases the Authority’s designated Procurement Officer must record the signing of the contract and its details in the contracts register:* Director of Finance up to £50,000
* Chief Executive up to £250,000
* Chair up to £1,000,000 (following Board approval)
* Department of Health Senior Sponsor approval is required via a business case over £1,000,000 plus approval of the Board

17.8.2 These levels of authorisation may be varied or changed and need to be read in conjunction with the Authority’s Scheme of Delegation.The full document (100+ pages) is available for Board members to review if required. Please contact S Tebbutt if you would like the complete document.  |
| **Time required for item** | 10 |
| **Suitable for wider circulation?** | Yes |

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| **Recommendation / Proposed Actions:** | **To Approve** | **X** |
| **To Note** |  |
| **For Discussion** | **X** |
| **Name:** | Karen Williams |
| **Job Title:** | Director of Finance, Procurement and Estates |
| **Date:** | 4th September 2017 |