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Bwrdd Iechyd Prifysgol
Bae Abertawe
Swansea Bay University
Health Board



Meeting Date	17 November 2022	Agenda Item	4.2
Report Title	Financial Control Procedure Review Plan		
Report Author	Andrew Biston, Assistant Director of Finance (Accounting and Governance)		
Report Sponsor	Darren Griffiths, Director of Finance and Performance		
Presented by	Andrew Biston, Assistant Director of Finance (Accounting and Governance)		
Freedom of Information	Open		
Purpose of the Report	To provide the Audit Committee with an update on progress in completing the update of financial control procedures (FCP)'s.		
Key Issues	<ul style="list-style-type: none"> ➤ Due to the focus on updating Finance Departmental desk instructions and standard operating procedures during the 2021/22 financial year, the full review of financial control procedures (FCP)'s was not completed in 2021/22. ➤ For 2022/23, of the nine reviews scheduled for Quarter 3, one has been completed, six have commenced and 2 will be reviewed during November 2022 and December 2022. ➤ Six reviews are scheduled for Quarter 4. Of these, four will be sent for review in November 2022 and December 2022. ➤ One requires further Welsh Government guidance on the requirements under IFRS 16 in order for this to be included in the FCP, this further guidance expected in December 2022. ➤ The remaining FCP requires identification of a Nursing lead and contact is to be made with the Director of Nursing to determine the most appropriate lead. 		
Specific Action Required (please choose one only)	Information	Discussion	Assurance
	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Recommendations	Members are asked to: <ul style="list-style-type: none"> • Note the financial control procedure review plan for 2022/23 		

FINANCIAL CONTROL PROCEDURES REVIEW PLAN

1. INTRODUCTION

- 1.1. As part of the financial governance agenda, a regular review (usually annually) of financial control procedures (FCP)'s should be undertaken to ensure that the FCP's are fit for purpose, reflect the latest procedures in place across the health board and are updated to incorporate any recommendations made as a result of internal and external audits of the health board.
- 1.2. In undertaking the review, notice needs to be taken of any changes to both the model Health Board Standing Financial Instructions (SFI's), issued by Welsh Government and adopted by the health board and any local additions to the SFI's to enhance the controls.
- 1.3. The NHS Wales Finance Academy has also commenced a review of the financial control procedures across Wales with the aim of ensuring that there is consistency in the content and format of the procedures. Whilst this group is unlikely to make recommendations as to the way forward before the local procedures are reviewed, it is intended that any emerging themes will be built into the procedures when available.

2. BACKGROUND

- 2.1. The Assistant Director of Finance (Accounting & Governance) is tasked with ensuring that the FCPs are reviewed and updated by key staff across the health board with the knowledge of the areas covered by the FCP's. The review plan requires that the FCPs are reviewed and updated during Quarters 2, 3 and 4 of the financial year (July to March) to avoid the year end accounts preparation and audit periods.
- 2.2. During the 2021/22 financial year to provide additional support to the Assistant Director of Finance (Accounting & Governance), a financial governance work stream was set up under the Finance Department's Delivering and Developing an Excellent Finance Function and People Group Project. This work stream as well as assisting in the review of the FCP's, also looked at desk top procedures and standard operating procedures flowing from the procedures.
- 2.3. As the financial governance work stream undertook its work it became clear that the main priority given the staff changes within Finance and the change in the structure that the need for updated and more detailed desk instructions was the priority for 2021/22. Focussing on updating these documents has supported the handover and training plans for Finance staff and provided more detailed procedures as part of the Finance business continuity plan.
- 2.4. Focussing on these documents has delayed reviews of some of the FCP's during 2021/22 as can be seen from the table attached at **Appendix A** which gives the details of the last formal review date for each of the FCP's. As a result, there is a need to review all the FCP's during the remaining 2 Quarters of the 2022/23 financial year.

2.5. The review process for 2022/23 has commenced and the detailed review plan is attached as **Appendix A** to this report. In total there are 15 FCP's which require review:

- Of the nine reviews scheduled for Quarter 3, one has been completed, six have commenced and 2 will be reviewed during November 2022 and December 2022
- Six reviews are scheduled for Quarter 4. Of these, four will be sent for review in November 2022 and December 2022. One requires further Welsh Government guidance on the requirements under IFRS 16 in order for this to be included in the FCP, this further guidance expected in December 2022
- The remaining FCP requires identification of a Nursing lead and contact is to be made with the Director of Nursing to determine the most appropriate lead

3. GOVERNANCE AND RISK ISSUES

3.1. The regular updating of FCPs is a key requirement of sound financial governance and ensures that FCPs reflect the latest procedures in place across the health board and incorporate the recommendations arising from both internal and external audits. The risk of out of date FCPs places the individuals and the organisation at risk from changes in process and procedures and from adverse audit comment where procedures are being followed which are not detailed within FCPs.

4. RECOMMENDATIONS

Members are asked to:

- **Note** the financial control procedure review plan for 2022/23

Governance and Assurance		
Link to Enabling Objectives <i>(please choose)</i>	Supporting better health and wellbeing by actively promoting and empowering people to live well in resilient communities	
	Partnerships for Improving Health and Wellbeing	<input type="checkbox"/>
	Co-Production and Health Literacy	<input type="checkbox"/>
	Digitally Enabled Health and Wellbeing	<input type="checkbox"/>
	Deliver better care through excellent health and care services achieving the outcomes that matter most to people	
	Best Value Outcomes and High Quality Care	<input checked="" type="checkbox"/>
	Partnerships for Care	<input type="checkbox"/>
	Excellent Staff	<input checked="" type="checkbox"/>
	Digitally Enabled Care	<input type="checkbox"/>
	Outstanding Research, Innovation, Education and Learning	<input type="checkbox"/>
Health and Care Standards		
<i>(please choose)</i>	Staying Healthy	<input checked="" type="checkbox"/>
	Safe Care	<input checked="" type="checkbox"/>
	Effective Care	<input checked="" type="checkbox"/>
	Dignified Care	<input checked="" type="checkbox"/>
	Timely Care	<input checked="" type="checkbox"/>
	Individual Care	<input checked="" type="checkbox"/>
	Staff and Resources	<input checked="" type="checkbox"/>
Quality, Safety and Patient Experience		
Financial Control Procedures govern the way in which the Health Board operates and ensures that staff are operating in accordance with the principles of sound financial governance. Such procedures support the delivery of quality and safe services as well as ensuring that staff complying with the procedures are protected in the undertaking of their day to day activities.		
Financial Implications		
There are no direct financial implications associated with this report, although there may be financial implications of non-compliance with the financial control procedures, which will need to be assessed at the time that the non-compliance is identified.		
Legal Implications (including equality and diversity assessment)		
Financial Control Procedures are derived from Standing Financial Instructions and Standing Orders with the legal basis of the Standing Orders being enshrined in the NHS Wales Act.		
Staffing Implications		
There are no direct staffing implications associated with this report.		
Long Term Implications (including the impact of the Well-being of Future Generations (Wales) Act 2015)		
The key issue for the "The Well-being of Future Generations (Wales) Act 2015, 5 ways of working is that financial procedures are in place to minimise the risk of incidents which cause harm/loss through a governance and prevention element		

which aims to prevent problems occurring or getting worse and to help the health board as a public body meet their objectives by doing no harm.

Report History

This is an annual report to the Audit Committee in line with the agreed work plan, the previous report being presented to Audit Committee in November 2021.

Appendices

Appendix A provides the detailed Financial Control Procedures Review Plan for 2022/23.