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WALES

Bwrdd Iechyd Prifysgol
Abertawe Bro Morgannwg
University Health Board



Meeting Date	15th November 2018	Agenda Item	3b
Report Title	Financial Control Procedures Update		
Report Author	Andrew Biston, Head of Accounting & Financial Governance		
Report Sponsor	Lynne Hamilton, Director of Finance		
Presented by	Andrew Biston, Head of Accounting & Financial Governance		
Freedom of Information	Open		
Purpose of the Report	To provide the Audit Committee with an update on progress in completing the annual update of financial control procedures (FCP)'s.		
Key Issues	<p>Of the 15 FCP's which require review:</p> <ul style="list-style-type: none"> • 3 reviews have been completed and the updated procedure uploaded to the intranet. • 8 reviews have been completed and the updated procedure is ready to be uploaded to the intranet • 3 reviews have been completed and returned for finalisation to the Head of Accounting before upload to the intranet in early November • 1 review has been extended to Quarter 3 to be completed by the end of December due to issues raised at the Nursing & Midwifery Board. 		
Specific Action Required <i>(please ✓ one only)</i>	Information	Discussion	Assurance
	√		
Recommendations	<p>Members are asked to:</p> <ul style="list-style-type: none"> • NOTE the progress made in completing the annual review of financial control procedures (FCP)'s. 		

1. INTRODUCTION

- 1.1. As part of the financial governance agenda, an annual review 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.

2. BACKGROUND

- 2.1. An annual review plan is in place for the update of FCP's. The responsibility for ensuring that FCP's are updated in accordance with this review plan rests with the Assistant Director of Finance, (Accounting & Governance) who ensures that the FCP's 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 majority of the FCP's are reviewed and updated during quarters 2 and 3 of the financial year (July to December) to avoid the year end accounts build up, accounts preparation and accounts audit periods.
- 2.2. Due to the long term sickness of the Assistant Director of Finance which commenced in October 2017, the FCP review was not completed during 2017/18 with Audit Committee agreement in January 2018 that the review would recommence following completion of the 2017/18 year end accounts process. This paper provided an update on progress in completing the review of FCP's.
- 2.3. The review process commenced at the start of quarter 2 following completion of the audit of the 2017/18 year end accounts. A number of procedures which were reviewed in quarter 2 have had to be re-reviewed and updated for recent developments with issues such as the introduction of the All Wales Purchase Order Compliance (No PO/No Pay) Policy, revised IMTP guidance and recommendations arising from internal audits resulting in a number of FCP's having to be further updated following the completion of the initial review. The detailed review plan is attached as **Appendix A** to this report. Of the 15 FCP's which require review:
 - 3 reviews have been completed and the updated procedure uploaded to the intranet.
 - 8 reviews have been completed and the updated procedure is ready to be upload to the intranet
 - 3 reviews have been completed and returned for finalisation to the Head of Accounting before upload to the intranet in early November
 - 1 review has been extended to Quarter 3 to be completed by the end of December due to issues raised at the Nursing & Midwifery Board.

3. GOVERNANCE AND RISK ISSUES

- 3.1. The regular updating of FCP's is a key requirement of sound financial governance and ensures that FCP's 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 FCP's 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 FCP's.

4. RECOMMENDATIONS

- 4.1. The Audit Committee is asked to note the update on progress in completing the annual update of financial control procedures.

ABMU HEALTH BOARD : FCP REVIEW PLAN 2018/19

NO	TITLE	Version	Date Last Reviewed / Amended	Lead Reviewer	Planned Review Period 2018/19				Comments
					Qtr 1	Qtr 2	Qtr 3	Qtr 4	
5	Financial Planning	6.0	Oct-16	Assistant Director of Finance (Planning and Development))		√			Review Ongoing to Incorporate latest IMTP Guidance
6	Budgetary Control	9.0	Oct-16	Assistant Director of Finance (Resources)		√			Review complete - to be uploaded to intranet
9	Banking Arrangements	8.0	Feb-17	Finance Manager (Accounting & Governance)	√				Review complete - to be uploaded to intranet
10	Income, Fees & Charges & Security of Cash, Cheques & Other Negotiable Instruments	9.0	Oct-16	Finance Manager (Accounting & Governance)		√			Review complete - to be uploaded to intranet
11	Procurement & Contracting for Goods & Services	5.1	Mar-17	Head of Procurement		√			Review Ongoing
13	Pay Expenditure	6.1	Mar-17	Head of Payroll Services NWSSP and Assistant Director of HR		√			Review complete - to be uploaded to intranet
14	Non Pay Expenditure	8.0	Feb-17	Head of Accounts Payable and Enablement		√			Review complete - to be uploaded to intranet
15	Capital Investment, Fixed Asset Registers and Security of Assets	5.0	Oct-16	Head of Capital Finance		√			Update complete apart from section on scheme of delegation. To be updated to include review of delegation exercise undertaken by the Director of Corporate Governance
17	Disposals & Condemnations, Losses & Special Payments	5.0	Nov-16	Finance Manager (Accounting & Governance)	√				Completed uploaded to intranet 19/09/18
19A	Patients' Property - Acute	6.0	Oct-16	Assistant Directors of Nursing			√		Issues raised at ABMU Nursing & Midwifery Board. Revised deadline Quarter 3
19B	Patients Property - Mental Health & LD	5.0	Jul-17	Finance Manager (Accounting & Governance)		√			Update Complete - Awaiting upload to intranet
19D	Patients Property - Finance & General Controls	4.0	Feb-17	Finance Manager (Accounting & Governance)		√			Update Complete - Awaiting upload to intranet
19E	Found Property	5.0	Oct-16	Finance Manager (Accounting & Governance)		√			Update Complete - Awaiting upload to intranet
20	Funds Held on Trust	9.0	Jan-17	Head of Accounting & Governance	√				Completed uploaded to intranet 01/11/18
21	Retention of Records	6.0	Oct-16	Head of Accounting & Governance	√				Completed uploaded to intranet 19/09/18

ABMU HEALTH BOARD : FCP REVIEW PLAN 2015/16

NO	TITLE	Date Last Reviewed / Amended
5	Financial Planning	Feb-15
6	Budgetary Control	Feb-15
9	Banking Arrangements	Mar-15
10	Income, Fees & Charges & Security of Cash, Cheques & Other Negotiable Instruments	Mar-15
11	Procurement & Contracting for Goods & Services	Mar-15
13	Pay Expenditure	Jan-15
14	Non Pay Expenditure	Mar-15
15	Capital Investment, Fixed Asset Registers and Security of Assets	Apr-14
16	Stores & Receipt of Goods	Apr-13
17	Disposals & Condemnations, Losses & Special Payments	Jan-15
19A	Patients' Property - Acute	Mar-15
19B	Patients Property - Mental Health	Apr-14
19C	Patients Property - LD	Sep-14
19D	Patients Property - Finance & General Controls	Apr-14
19E	Found Property	Jan-15
20	Funds Held on Trust	Mar-15
21	Retention of Records	Feb-15

NWSSP Related	Lead Reviewer	Planned Review Period 2015/16				Status
		Qtr 1	Qtr 2	Qtr 3	Qtr 4	
-	SL		√			Version 4.0
-	PG		√			Version 7.0
-	KJ			√		Version 5.0
-	KJ		√			Version 8.0
Yes	PG		√			Version 3.0
Yes	KJ		√			Version 5.1
Yes	KJ			√		Version 6.1
-	KJ			√		Version 3.2
Yes	KJ			√		Version 2.0
-	KJ			√		Version 4.0
-	KJ		√			Version 5.0
	KJ		√			Version 3.2
	KJ		√			Version 3.0
	KJ		√			Version 2.1
	KJ			√		Version 4.0
-	KJ			√		Version 6.0
-	KJ		√			Version 5.0

Comments
Draft completed. Suggested changes ot be reviewed
Draft completed. Suggested changes ot be reviewed
Review in Progress
Completed
Draft completed. Suggested changes ot be reviewed
Already updated this year, but needs to be reviewed again after change in Travel Expenses System implemented, and also to address recommendation within IA Report "Recruiment Checks" (Finding 1).
Review in Progress
Review in Progress
Review in Progress
Completed
Completed
Draft completed. Suggested changes ot be reviewed
Draft completed. Suggested changes ot be reviewed
Draft completed. Suggested changes ot be reviewed
Completed
Review in Progress
Completed