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Bwrdd Iechyd Prifysgol
Bae Abertawe
Swansea Bay University
Health Board



Meeting Date	12 November 2020	Agenda Item	5.3	
Report Title	Financial Control Procedure Review Plan			
Report Author	Andrew Biston, Head of Accounting and Governance			
Report Sponsor	Darren Griffiths, Interim Director of Finance			
Presented by	Andrew Biston, Head of Accounting and Governance Finance			
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>During the 2019/20 financial year, whilst all procedures were updated to remove references to Abertawe Bro Morgannwg University (ABMU) Health Board and replace with Swansea Bay Health Board, not all financial control procedures were reviewed in detail and so a fundamental review of all procedures is planned for the 2020/21 financial year. In undertaking the review, notice will be taken of the proposed updated Health Board Standing Financial Instructions (SFI's),</p> <ul style="list-style-type: none"> ➤ Of the three reviews scheduled for quarter 2, all are complete and are awaiting upload to the intranet. ➤ Eight reviews are scheduled for quarter 3. Of these, five have commenced, two have been sent to be reviewed with a return date requested of 30th November 2020 and one will be sent out for review in the next two weeks. ➤ Four reviews are scheduled for quarter 4. 			
Specific Action Required (please choose one only)	Information	Discussion	Assurance	Approval
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Recommendations	<p>Members are asked to:</p> <ul style="list-style-type: none"> • Note the update on progress in completing the annual update of financial control procedures. 			

FINANCIAL CONTROL PROCEDURE REVIEW PLAN

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.
- 1.2 During the 2019/20 financial year, whilst all procedures were updated to remove references to ABMU Health Board and replace with Swansea Bay Health Board, not all financial control procedures were reviewed in detail and so a fundamental review of all procedures is planned for the 2020/21 financial year.
- 1.3 In undertaking the review, notice will be taken of the proposed updated Health Board Standing Financial Instructions (SFI's), which have been the subject of a review by a sub group of Directors of Finance. The proposed revised SFI's were discussed by Directors of Finance at their meeting on 16th October and will be discussed by Board Secretaries on 30th October. It is then intended that the proposed revised SFI's be signed off by Welsh Government and formally issued in readiness for the 2021/22 financial year.

2. BACKGROUND

- 2.1. The Head of Accounting & Governance ensures 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. For the 2020/21 financial year to provide additional support to the Head of Accounting & Governance, a financial governance work stream has been set up under the Finance Department's Delivering and Developing an Excellent Finance Function and People Group Project. This work stream will assist in the review of the FCP's as well as looking at alternative ways in which the FCP's can be communicated to staff across the health board in readiness for the 2021/22 review process.
- 2.3. The review process started in quarter 2 following completion of the audit of the 2019/20 year end accounts. The detailed review plan is attached as **Appendix A** to this report. In total there are 15 FCP's which require review:
 - Of the three reviews scheduled for quarter 2, all are complete and are awaiting upload to the intranet.
 - Eight reviews are scheduled for quarter 3. Of these, five have commenced, two have been sent to be reviewed with a return date requested of 30th November 2020 and one will be sent out for review in the next two weeks. The Funds Held on Trust Financial Control Procedure will be shared with the Charitable Funds Committee on 14th December 2020).

- Four reviews are scheduled for quarter 4.

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. FINANCIAL IMPLICATIONS

- 4.1. There are no financial implications for the health board arising from the completion of this work.

5. RECOMMENDATIONS

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

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 the Audit Committee in November 2019.
Appendices	Appendix A provides the detailed Financial Control Procedures Review Plan for 2020/21.