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WALES

Bwrdd Iechyd Prifysgol  
Bae Abertawe  
Swansea Bay University  
Health Board



<b>Meeting Date</b>	<b>21 November 2019</b>	<b>Agenda Item</b>	<b>6.2</b>	
<b>Report Title</b>	<b>Financial Control Procedure Review Plan</b>			
<b>Report Author</b>	Andrew Biston, Head of Accounting and Governance			
<b>Report Sponsor</b>	Lynne Hamilton, Director of Finance			
<b>Presented by</b>	Andrew Biston, Head of Accounting and Governance Finance			
<b>Freedom of Information</b>	Open			
<b>Purpose of the Report</b>	To provide the Audit Committee with an update on progress in completing the annual update of financial control procedures (FCP)'s.			
<b>Key Issues</b>	<ul style="list-style-type: none"> <li>➤ Of the two reviews scheduled for quarter 2, one is complete and is awaiting upload to the intranet with the other going through final checking by the Head of Accounting.</li> <li>➤ Seven reviews are scheduled for quarter 3. Of these, two have been fully reviewed and are going through final checking prior to upload to the intranet, four have been updated by the relevant staff and are awaiting the start of the Head of Accounting review, (one of which the Funds Held on Trust Financial Control Procedure will be shared with the Charitable Funds Committee on 9<sup>th</sup> December 2019), with the remaining one still being reviewed.</li> <li>➤ Six reviews are scheduled for quarter 4 of which three have commenced and three will commence in December 2019 after the KPMG work is completed as the procedures relate to budgetary control and financial planning.</li> </ul>			
<b>Specific Action Required (please choose one only)</b>	<b>Information</b>	<b>Discussion</b>	<b>Assurance</b>	<b>Approval</b>
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Recommendations</b>	<p>Members are asked to:</p> <p><b>Note</b></p> <p><b>The progress made in completing the annual review of financial control procedures (FCP)'s.</b></p>			

## 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. 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. The review process started at the start of quarter 2 following completion of the audit of the 2018/19 year end accounts. All procedures have been updated to reflect the new health board name and the review process will need to ensure that the FCPs reflect all process changes resulting from the Bridgend boundary change. It is therefore anticipated that some procedures will take longer than normal to update. The detailed review plan is attached as **Appendix A** to this report. Of the 15 FCP's which require review:
  - Of the two reviews scheduled for quarter 2, one is complete and is awaiting upload to the intranet with the other going through final checking by the Head of Accounting.
  - Seven reviews are scheduled for quarter 3. Of these, two have been fully reviewed and are going through final checking prior to upload to the intranet, four have been updated by the relevant staff and are awaiting the start of the Head of Accounting review, (one of which the Funds Held on Trust Financial Control Procedure will be shared with the Charitable Funds Committee on 9<sup>th</sup> December 2019), with the remaining one still being reviewed.
  - Six reviews are scheduled for quarter 4 of which three have commenced and 3 will commence in December 2019 after the KPMG work is completed as the procedures relate to budgetary control and financial planning.

## 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**

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

<b>Governance and Assurance</b>		
<b>Link to Enabling Objectives</b> <i>(please choose)</i>	<b>Supporting better health and wellbeing by actively promoting and empowering people to live well in resilient communities</b>	
	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"/>
	<b>Deliver better care through excellent health and care services achieving the outcomes that matter most to people</b>	
	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"/>
<b>Health and Care Standards</b>		
<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"/>
<b>Quality, Safety and Patient Experience</b>		
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.		
<b>Financial Implications</b>		
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.		
<b>Legal Implications (including equality and diversity assessment)</b>		
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.		
<b>Staffing Implications</b>		
There are no direct staffing implications associated with this report.		
<b>Long Term Implications (including the impact of the Well-being of Future Generations (Wales) Act 2015)</b>		
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 2018.

**Appendices**

Appendix A provides the detailed Financial Control Procedures Review Plan for 2019/20.