Hywel Dda University Health Board

Asset Management Systems Briefing Note

June 2019

NHS Wales Shared Services Partnership

Audit and Assurance Services

Hywel Dda University Health Board
Asset Management System Briefing Note

1. Introduction and Background

This briefing has been produced in line with a management request to review the current system in place to manage the Health Board's capital assets, looking to identify good practice.

The relevant lead Executive Director for the assignment is the Director of Finance.

2. Scope and Objectives

The overall objective of the audit was to give advice that the systems in place for the management capital assets are in line with current good practice.

The approach to audit will be advisory in nature and will cover the broad objectives below:

- To review the UHB's current system and evaluate its functionality, adequacy, usage and compliance.

- To compare the current system with good practice and systems operating within NHS Wales

3. Summary of Findings

Audit met with the Health Board's (HB) capital accounting officers in order to obtain information on the management of capital assets. In addition, officers from the following Health Boards and Trust supplied information on their systems, which enabled Audit to compare and contrast the use of systems currently being used across a number of NHS Wales Organisations.

- Swansea Bay University Health Board (SBUHB);
- Aneurin Bevan University Health Board (ABUHB);
- Betsi Cadwalader University Health Board (BCUHB);
- Cwm Taf Morgannwg University Health Board (CTMUHB); and
- Velindre NHS Trust (Velindre).

The Health Boards and Trusts were asked to provide information on what system they currently use; the advantages and disadvantages of the system in use; and information on the process by which assets are tagged.

The majority of the Health Boards and Trusts in Wales, including Hywel Dda UHB, use the Real Asset Management (RAM) system to record and manage their capital assets. BCU and Powys Teaching HB are the only organisations who use different systems, these being Nuesoft - CARS (Capital Asset Register System) and Equip/Datix Asset Management, respectively.

The HB's capital accounting team is currently running on RAM Series 4000 (as are many of the other HB's and Trusts). A more recent version, Series 5000, is available and is being used by the HB's EBME team who are responsible for asset tagging all electrical equipment used in wards and department. In addition, both the IT and Pathology Departments maintain their own asset registers. The four departments are running each system independently with no 'system link' between the various asset registers. A link is only created when the Capital Planning & Fixed Asset Officer searches the EBME system for the tag number, which she will then manually input on the Finance system.

It was noted in Velindre that asset tagging is undertaken by the Capital Finance team, where a hand-held PDA device is used to scan each asset as part of their annual validation check.

SBUHB employ a barcode scanning system to maintain and track assets. Comments received from SBUHB highlighted a possible downfall of the barcode scanning system, in that if an asset is scanned and the barcode is not in the register (either because a sticker has been put on a sub-capital item or the item is in the register but without the barcode number linked to it yet), the system will automatically create a new asset. With this in mind SBUHB staff manually record their verification exercise. HDUHB also carry out physical verification of assets on a three-year rolling basis across HB sites.

Feedback received from all sources highlighted the user-friendly nature of the RAM system. The system provides an easy-to-use and reliable database with excellent search facilities. In addition, several officers commented on how they had received excellent advice and help from the RAM Helpdesk; providing assistance from simple queries through to step-by-step instructions for complex, technical queries.

Discussions were held with HB officers to identify whether the current RAM system was being used to its full capacity. It was noted at present the lease module is not being used. However, a change to the IFRS16 on Lease Accounting has meant that this is something that the HB along with the other organisations are looking to start using this year. Discussions around this area and the need for training have been documented in the All Wales TAG Capital Sub Group.

A downfall of the system, as mentioned by a few officers, is that it does not handle revaluation reserves well. These are managed outside of the system in HDUHB, as is done by the other HB's/Trusts. There is however, according to the ABUHB officer, capacity in RAM to handle revaluation reserves and this is something that they need to work on. In relation to this, the BCU officer commented that the CARS system they use produces all the relevant calculations for reversal of impairments; however, as they are the only

Welsh client they do find it takes time to make relevant changes to meet the requirements of the Manual for Accounts.

The HB officers attend the All Wales TAG Capital Sub Group and a representative also attends a RAM User Group. At both these groups best practice is discussed together with any system issues that have arisen. Therefore, in one form or another, the considerations made in this report are known to the operating staff and have been or are being actively discussed.

4. Matters for Considerations

Following the review the points below are note for consideration in order to improve the management of capital assets:

1. To aid with consistency throughout the HB, consideration could be given to exploring an upgrade from RAM 4000 to Ram 5000 for the Capital Accounting team may be beneficial and also consideration given to contacting the providers of RAM to see whether it is viable to link the two systems, which could result in saving the time spent searching for the asset tag number.

2. Consideration could be given exploring the bar code scanners option to aid with the annual verification exercise. (However it is it is not known whether that system would be practical or feasible at the health board due to the differences in size and geography.

3. In order to utilise the system to its full potential, consideration should be given to see whether it is possible to use the existing system for revaluation reserves calculations.

Hywel Dda University Health Board