



GIG  
CYMRU  
NHS  
WALES

Bwrdd Iechyd Prifysgol  
Hywel Dda  
University Health Board

Eich cyf / Your ref:

Ein cyf/Our ref:

Gofynnwch am/Please ask for: Kelly Sursona

Rhif Ffôn /Telephone: 01267 239581

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Dyddiad/Date: 6 March 2020

Swyddfeydd Corfforaethol, Adeilad Ystwyth  
Hafan Derwen, Parc Dewi Sant, Heol Ffynnon Job  
Caerfyrddin, Sir Gaerfyrddin, SA31 3BB

Corporate Offices, Ystwyth Building  
Hafan Derwen, St Davids Park, Job's Well Road,  
Carmarthen, Carmarthenshire, SA31 3BB

To: All Budget Managers

## Accountable Officer Letter: Delegations and Financial Delivery for 2020-21

Dear colleague

This letter formally designates you as the Accountable Officer for the budgets which have been assigned to you in **Annex A**. Details of your responsibilities are set out in the Accountability Agreement at **Annex B**. I am conferring this to you in my role as Accountable Officer for Hywel Dda University Health Board (HDUHB) in order for you to support me to deliver my responsibilities.

The challenge presented by our financial performance in recent years is clearly a key concern for the Health Board and Welsh Government (WG) as we move into 2020/21. It is recognised by the Board that, while we have made good progress in stabilising and improving the performance of the Health Board in most other respects, the financial performance has become the key factor in our continuing Targeted Intervention status and needs to be significantly improved in 2020-21.

This coming year will be one of considerable pressure for HDUHB, where we will need to deal with increasing demands - providing safe, timely and accessible services while also looking to transform and improve the way we work. This is in the context of a tight financial environment and challenging savings agenda. This will require an effective and efficient response in terms of the allocation and the management of all resources.

### Governance

Good governance is about how we achieve our objectives as an organisation and should support, not hinder it. For 2020-21, our Annual Plan outlines the agreed vision for HDUHB.

In order to allow us to deliver all of our Annual Plan, I want us to have as few rules and layers of approval as possible so we can become a more dynamic and streamlined organisation. We must, however, have in place appropriate and proportionate internal controls so I can assure myself that we are managing all resources effectively.

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Cadeirydd / Chair  
**Ms Maria Battle**

Prif Weithredwr/Chief Executive  
**Mr Steve Moore**

Bwrdd Iechyd Prifysgol Hywel Dda yw enw gweithredol Bwrdd Iechyd Lleol Prifysgol Hywel Dda  
Hywel Dda University Health Board is the operational name of Hywel Dda University Local Health Board

Mae Bwrdd Iechyd Prifysgol Hywel Dda yn amgylchedd di-fwg Hywel Dda University Health Board operates a smoke free environment

Our Operating Model is currently being finalised. This will provide assurance over delivery and ensure that I receive direct assurance over the year.

You will be expected to fully participate in this process providing updates in accordance with required deadlines. Where appropriate, additional corporate support will be identified to support Directorates that are struggling to develop and deliver robust savings plans.

## **Risk Management**

HUHB is facing considerable scrutiny, and needs to deliver substantial changes at pace while maintaining safe and effective services. Any change will need a risk management strategy that will support managers to be innovative and improve. At all times, however, we must ensure our core business is operationally and financially stable, public money is handled with propriety, regularity and providing value for money and, above all, ensuring our staff, patients and the public are safe and well cared for.

As a result of the diverse activities we undertake there will be differing approaches to risk ranging from avoidance when dealing with statutory compliance and the safeguarding of information, for example, to those where you are looking to be innovative and looking at opportunities for service reform and transformation.

However, taking any informed risks should not be at the expense of due process or regard to corporate systems to which we all must adhere. You are therefore required to carefully balance the need for innovation with a prudent approach to risk taking that recognises the particular sensitivities of managing public money.

In order to appropriately consider and gain approval for the risks you may propose taking please ensure your Risk Registers properly reflect risk, controls, mitigations and assurance on all schemes. Changes which significantly impact on service performance or quality (such as bed configurations) must be escalated for approval by the Director of Operations and the relevant Clinical Execs (MD, DoN, Doth). If in doubt these issues and their governance should be a matter for discussion in the Holding to Account meetings.

## **Financial control principles**

You are required to manage the delegated budget without exceeding the financial sum, including the achievement of delegated savings targets. Any unforeseen / new expenditure commitments arising within year must be subject to Executive Team approval based on the submission of a mitigating financial plan.

You should plan to spend the delegated budget evenly throughout the year. Where you are aware that particular fluctuations in expenditure will occur you should discuss with your financial lead how best to manage these such that the overall financial statements of the organisation accurately reflect the financial position against the annual plan.

You should at all times adhere to the principles of economy, efficiency and effectiveness in the application of resources.

In respect of Pay expenditure, the following are to be strictly observed:

- Approved Payroll procedures, especially in regard to ESR documentation;
- Approved authorisation procedures for the control of vacancies and variable pay;
- Adherence to the terms of reference for the Pay Control Group; and
- Approved procedures for the management of staff absence.

In respect of Non-pay expenditure, the following are to be strictly observed:

- The Health Board's "No PO (Purchase Order) No pay" procedure;
- The appropriate and prompt receipting of goods;
- The prompt authorisation of invoices for payment where not covered by receipted purchase orders, in accordance with delegated limits;
- Adherence, where appropriate, to the terms of reference for the Non Pay Control Group.

## **Delegations and Responsibilities**

The delegated budget must be committed in accordance the Health Board's draft Annual Plan for 2020-21.

Management of the delegated budget is subject to the provisions of the Health Board's Standing Orders, Standing Financial Instructions and Financial Procedures. In particular the budget holders' attention is drawn to the Budgetary & Allocation Control Policy and its various provisions and annexes available on the Intranet.

A summary of the budgets allocated to you in 2020-21 is appended alongside this letter. From time to time during the year these figures are likely to change to take account of additional allocations or transfers but this letter will remain in force as the covering delegations for any revisions.

For the avoidance of doubt, any funding not agreed within your appended budget cannot be assumed, and you cannot therefore commit expenditure against assumed funding except when specifically agreed by Executive Directors.

Should in-year commitments be made by the Board then you will be notified accordingly of such commitments and an appropriate budget adjustment will be made. You should not incur expenditure against a budget you are not directly responsible for.

## **Further Delegations**

You may further delegate to your staff some or all of the budgets which I have delegated to you, although you will still retain accountability in full for these budgets, just as I am ultimately responsible for the HDUHB budget as a whole. You are each responsible for deciding on the exact arrangements but your delegations should be clear, unambiguous and conferred and accepted in writing.

The individuals to which you sub-delegate your budget should have the appropriate training and understand fully their responsibilities as a budget holder to carry your confidence that they can discharge their duties to the same standard that you will be held. You will need to complete Annex C to formally sub-delegate part or all of your budget.

## **Confirmation**

I ask that you acknowledge your understanding and acceptance of these delegations by signing and returning to your local finance lead the proforma attached to this letter at **Annex B by no later than 20 March 2020.**

I am very grateful to you for your support to me as Accounting Officer and I am committed to do everything I can to support you in your own roles.

Yours sincerely

*Steve Moore*

**Steve Moore**  
**Chief Executive**

cc. Huw Thomas, Director of Finance

**Opening Budget 2020-21 Letter**

Name of Budget Holder	
Directorate	
Opening Budget	£xx

This letter, authorises the above budget holder to exercise control of the named directorate / departmental budget in accordance with the Health Board's approved scheme of delegation.

Please note the base budget includes the following items in respect of the 2020-21 financial year:

- Roll-forward recurrent budgets from 2019-20,
- Full year impact of 2019-20 savings plans
- A4C pay budgets have been set in accordance with the 3 year pay deal
- Medical & Dental budgets have been currently set at the 2019-20 pending agreement of pay awards for 2020-21
- Settlement of certain cost pressures for 2020-21
  
- Please note your month 1 budgets will also include funding adjustments for the following:
  - Recurring adjustments that were made in M10-M12 2019-20
  - Any agreed savings plans for 2020-21
  - CHC growth (where applicable)
  
- Budgets for the following pressures are being held in reserves
  - Variable pay
  - Surge
  - NICE and High Cost Drugs
  
- Your savings target for 2020-21 will be £xx these have not yet been transacted in the base budget

You are required to complete and sign the Accountability Agreement by 20<sup>th</sup> March, returning to your finance lead.

Following your discussions with the Chief Executive Officer, you are again reminded of the requirement to deliver both breakeven and savings targets, in full, from the budgets detailed in your budget. Please contact your financial representative who will be happy to answer any questions you may have.

Yours sincerely

Huw Thomas  
Director of Finance

**ACCOUNTABILITY AGREEMENT**

Name of Budget Holder	
Directorate	
Opening Budget	.

1. I confirm that I have read, understood and will make my best endeavours to comply with the requirements laid out in the Standing Financial Instructions. I understand that my performance as a budget manager may be scrutinised at any time by the Board; Internal Audit or the Wales Audit Office.
2. I confirm that I accept the budget which has been allocated to me.
3. I confirm that I understand what it is expected that I will make my best endeavours to deliver the Health Board's safety, quality and performance requirements within the budget allocated to me. Patient and staff safety will not be compromised.
4. I confirm that I will:
  - Remain accountable for my budget, even where I have delegated responsibility to others;
  - Review my budget on a regular monthly basis with the assistance and advice of finance colleagues when called for;
  - Seek advice promptly from my finance lead as the need arises.
5. I confirm that in relation to costs against my budget, I will
  - Not knowingly incur expenditure where I do not hold sufficient budget;
  - Not knowingly attempt to charge expenditure to a budget which I am not directly responsible for;
  - Not knowingly commit recurrent expenditure against a non-recurrent budget;
  - Not knowingly recruit over my funded establishment;
  - Not knowingly incur temporary staffing costs over my total available budget without agreeing this in advance via the Escalation process and / or Executive Director. Where temporary staffing costs need to be incurred urgently or out of hours, these will be confirmed retrospectively with the same;
  - Ensure that staffing data held on the ESR system or on E-rostering is accurate and up to date to the best of my knowledge and belief and that staff overpayments are minimised by informing Employment Services in a timely manner of any relevant changes;
  - Ensure as far as I am able that all non-pay expenditure complies with the requirements of the Standing Financial Instructions including the requirement for an official purchase order to be raised in advance of incurring the expenditure.
6. Where I identify a potential or actual overspend during the financial year, I confirm that I will:
  - Develop an action plan designed to bring the position back into line within the financial year;
  - Involve my finance lead and my line manager, and other expert sources of advice, such as W&OD lead, in developing the action plan;
  - Make my best endeavours to deliver the requirements of the action plan to ensure a full-year balanced position.

7. I confirm that I have identified and managed (and escalated if appropriate) any risks to achieving the financial objectives I am responsible for. Risks may be listed below (see point 14).
8. I confirm that I will support the Health Board to ensure that the needs of the Health Board's catchment population as a whole are met.
9. I am able to provide reasonable assurance of compliance with legal and regulatory frameworks relevant to my areas of responsibility. These will be achieved through adhering to the Health Board's policies.
10. All staff within my area of responsibility have been apprised of their duty to raise concerns and to deal promptly and efficiently with any concerns raised with them in line with the relevant health board policy.
11. I am able to confirm that all staff within my area of responsibility will be expected to receive an annual appraisal over the financial year, and will be expected to complete their mandatory training as required.
12. I confirm that I am aware of my duties and responsibilities under the NHS Code of Conduct.
13. I confirm that should I become aware of any suspected fraud, bribery or corruption, I will advise the Local Counter Fraud Service promptly and support any investigation.
14. Risks to budget – please list here any risks you foresee at the time of signing this document. I confirm that I will keep my finance lead and line manager aware of any significant changes to risks over the year.

Signed:	
Job Title:	
Date:	

**FORMAL DELEGATION OF BUDGET**

Dear Director of Finance

Please note that I am formally delegating part/all of the budget that has been delegated to me by the Chief Executive to the following Senior Managers in my team:

<b>Name</b>	<b>Designation</b>	<b>Budget Delegated</b>	<b>Opening Budget Value</b>

Please can you issue them with formal Accountable Officer Letter for 2020-21

Signed:	
Job Title:	
Date:	