

Grip and Control

Expectations for 2020/21

Directors of Finance Forum

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GIG
CYMRU
NHS
WALES

Finance Delivery Unit
Uned Gyflawni Cyllid

Evidence, Excellence, Insight, Delivery

Session Outline

- 1 Introduction and Context
- 2 Minimum Expectations – Budgetary Control Environment
- 3 Grip and Control Findings
- 4 Examples and Recommendations

Introduction and Context



- Challenging year despite record levels of investment
 - 3 focused pieces of work commissioned including an assessment of grip and control and effectiveness of delivery framework
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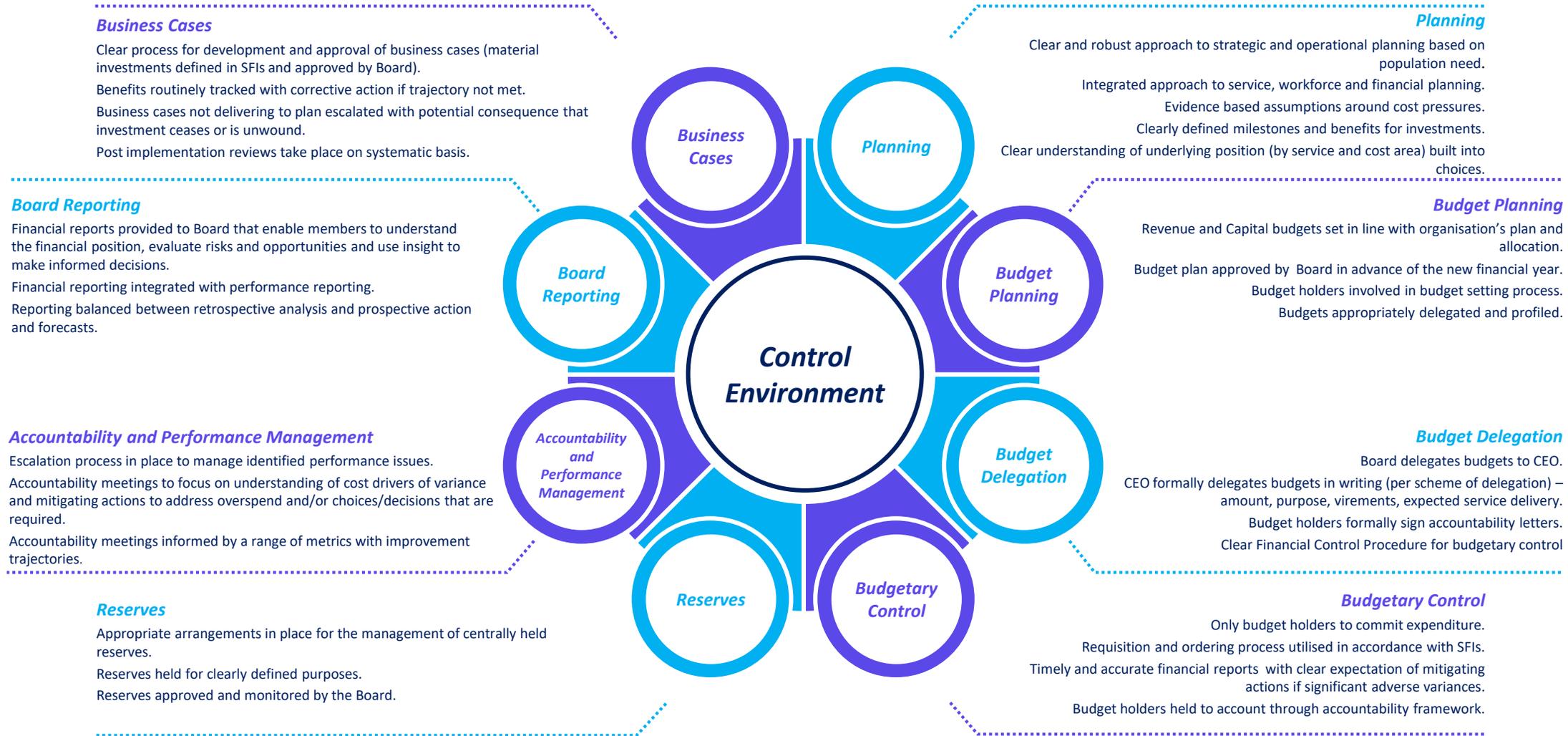


- Evidence base has identified variation across NHS Wales
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- Purpose of this session
 - Share insight
 - Outline minimum expectations and good practice

Minimum Expectations – Control Environment



Minimum Expectations - Control Environment

Monitoring and Oversight

The Board & appropriate sub-committee should:-

- Approve the organisation's Annual Plan / IMTP, and annual budget plan;
- Monitor performance against the organisation's plan in addition to financial performance;
- Effectively assess and monitor risk to financial delivery including mitigating actions to appropriately manage risk;
- Appropriately approve investments in line with SFIs and scrutinise material planned increases in expenditure; and
- Robustly challenge and support progress with the delivery of savings plans in a timely manner as a key component of the delivery of financial plans.

Grip and Control – General Themes



Scope

The scope of the reviews was limited to include controls that would have a potential immediate impact on financial recovery. In particular, the grip and control work has focused on pay controls, notably variable pay and basic procurement controls.



Findings

The various reports identify a range of controls and functions that can be improved with a view to enhancing organisational responses to financial challenge and delivery.

Consistent Themes – Grip and Control

Organisations are not making the best use of technology solutions for rostering, job planning and rota management

The greatest improvement opportunity lies in pay controls, particularly bank and agency staff.

Approval processes can be enhanced, particularly in organisations with a financial recovery programme.

There are inconsistent controls operating across different sites within the same organisation.

The control environment could be enhanced by the use of data dashboards to visibly demonstrate compliance.

There are limited post implementation reviews of business cases.

Typically controls that are appropriately designed have instances of non-compliance that compromise effectiveness.

Grip & Control Actions - Examples

Bank

Actions

- Temporary Staffing Policy in place.
- Auto enrolment for new starters onto the bank.
- Review pay rates and consider weekly pay as an incentive.
- Admin and clerical bank.

Agency

Actions

- Clear process for agency booking (and compliance).
- Ensure appropriate deduction for agency staff breaks (lunch).
- Review authorisation levels – seniority and consistency across sites.

Rostering

Actions

- E-rostering should be fully deployed.
- Annual leave should be closely managed throughout the year.
- Rosters should be approved six weeks in advance.
- Contracted hours to be fully rostered.

Other pay controls

Actions

- Line managers to notify HR of leaving dates.
- Cease any early finish dates for leavers.
- Enforce compliance with the All Wales Sickness policy.

Medical Locums

Actions

- Implement medical bank.
- Proper process for booking medical agency (no direct approach)
- Ensure appropriate deduction for agency staff breaks (lunch).
- Ensure mileage claims are only for required intra site travel.

Medical Rotas

Actions

- Clear timeline for submission of rotas.
- Ensure alignment of rota to job plans.
- Review additional sessions allocated.
- Monitor medical annual leave.

Waiting List Initiatives

Actions

- Ensure consistent process across organisation.
- Require clear demonstration that existing PAs have been utilised.
- Ensure approval level is appropriate.

Procurement

Actions

- Address clinical preference variation in a targeted manner.
- Review and reduce those able to requisition and order.
- Continue to enforce the 'No PO No Pay' policy.

Grip and Control – Non Compliance Examples

	Example	Expected Control
1	Agency Bookings Wards are circumventing the agency booking process with 23% of agency nurse bookings going direct to the nurse and 8% going directly to the agency.	Organisations should have a clear policy and procedure for agency bookings and this should be communicated to all staff. Only bookings made through the appropriate channels e.g. bank office will be paid for.
2	Leavers Controls There are delays in notifying HR and payroll of leavers termination dates. Service teams are also agreeing shorter notice periods than those outlined in contracts.	Termination dates should be notified to HR and payroll in a timely manner. Shorter notice periods should only be agreed if it does not adversely impact upon service delivery and does not result in increased expenditure through high cost variable pay.
3	Rostering The organisation policy is that rosters are signed off six weeks in advance but in practice, they are signed off four weeks in advance. Shifts are being requested from the bank office before rosters are approved. Agency shifts are being used to fill high cost/unpopular shifts such as nights and long days.	All rosters should be signed off and approved in line with best practice guidance and the policy of six weeks. Shifts should only be requested from the bank office when the roster is signed off and all other options have been explored.
4	Establishment Controls There are numerous examples of over-establishment, in some areas by more than 50%.	Appropriate controls should be in place to ensure that staff are only appointed if there is a funded establishment.
5	Procurement Controls There is a 'no purchase order : no pay' policy in operation but a high volume of invoices are still on hold.	Goods and services should be procured in line with Standing Financial Instructions and requisitions/orders raised and approved by appropriately authorised individuals.

! Organisations should monitor compliance with key controls and consider disciplinary proceedings for non-compliance.

Next Steps



Finance Delivery Unit Support

- Share the findings (subsequent to this presentation)
- Grip and Control checklist being developed
- Organisation support where required



NHS Wales Response

- How will organisations use the insight/findings?
- How will compliance be demonstrated?
- What further support is required?

Good Practice – Annual Budget Plans

Budget plans which are developed and approved by the Board should as a minimum:

- Outline initial revenue budgets to be delegated for the financial year (to divisions and corporate directorates)
- Outline budgets held in reserve, both planned commitments and any uncommitted reserve
- Approve any budgetary re-provision if appropriate
- Be based on budget setting principles which have already been agreed by the Board
- Clearly outline how the Board will consider or has considered:
 - Developing a sustainable financial position
 - Funding provisions for commitments the Board wants to recognise e.g. pay awards
 - The process for supporting any investment which considers affordability, improved outcomes and benefits, and the organisation's priorities
 - Appropriately balance and prioritise new commitments and confidence in savings delivery
 - Application of efficiency & savings targets in line with opportunities for improvement by service area, and the level of financial challenge faced by budget holders

Good Practice – Annual Budget Plans

- Outline in detail to the Board
 - The organisation's allocation basis, including detail of all new allocations in 2020/21
 - Clarity on the assumed level of savings and efficiency by service / division / unit (including comparison to the assumed opportunity for improvement)
 - Any funding delegation which links to previous Executive & Board choices
 - Any funding delegation for planned 2020/21 new investments which relate to additional allocations or discretionary choices made by the Board
 - Any provisions which are made in budgetary terms, their expected purpose, and process for delegation in the financial year
 - Any reserve value, in addition to the intended use of the reserve with clarity to the Board on how the Board will scrutinise and allocate budgets over the financial year
 - Explicit assumptions in budgetary terms of key big ticket issues which are known material commitments in the organisation's plan, for example Welsh Risk Pool, Treatment Fund, performance improvements, specialised services
- Clearly outline following the above the budget being delegated to each corporate area / division / unit and the reserves being retained centrally
- Clearly outline any further improvements that are required over the financial year, or any known areas with anticipated amendments to delegated budgets

Good Practice – Budget Delegation

Budget delegation to budget holders which are developed and approved by the Board should as a minimum:

- Initiate from the Chief Executive to lead Executive officers as the primary delegated officer for their areas of responsibility
- Form a blueprint and set of principles which support onward delegation to budget holders through the organisations scheme of delegation
- Outline how budgetary management is a key performance requirement and outline how this will be reviewed throughout the financial year
- Be clear on the value and construct of the budget that is delegated
- Outline the budget holder's responsibilities in relation to budgetary control, and ensure awareness of the organisation's financial control procedures, SFI's, Standing Orders
- Outline clear expectations on any further delegation of budgets to budget holders and apply the same principles on any further budget delegation

Good Practice – Budget Delegation

- Outline anticipated future budget delegations within the financial year (including the anticipation of delegating future budgets if the organisations receives additional allocations)
- Outlines delivery expectations in line with delegated budgets
- Outlines the relevant budget training, support, advice, and toolkits available to support budget holders in delivering to available resources
- Outline as appropriate the equivalent level of anticipated delivery of planned outputs and outcomes that align to the delegated budgets – e.g. workforce indicators, key performance indicators, levels of activity, agreed deliverable outcomes associated with specific investment