



PWYLLGOR CYLLID FINANCE COMMITTEE

DYDDIAD Y CYFARFOD: DATE OF MEETING:	25 February 2021
TEITL YR ADRODDIAD: TITLE OF REPORT:	Financial Procedures
CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:	Huw Thomas, Director of Finance
SWYDDOG ADRODD: REPORTING OFFICER:	Huw Thomas, Director of Finance

Pwrpas yr Adroddiad (dewiswch fel yn addas)

Purpose of the Report (select as appropriate)

Ar Gyfer Penderfyniad/For Decision

ADRODDIAD SCAA

SBAR REPORT

Sefyllfa / Situation

Each year, planned reviews are undertaken of the financial procedures operated by Hywel Dda University Health Board (HDdUHB). The procedures, which set out the main financial system controls, are reviewed in terms of:

- Relevance
- Best practice
- Audit recommendations
- System change
- Health Board policy

A proposal for the review of procedures during the financial year 2020-21 was presented to the Audit and Risk Assurance Committee in February 2020.

Cefndir / Background

The following procedures have been reviewed and are presented to the Finance Committee for approval:

- Single Tender Action
- Budgetary Control

Asesiad / Assessment

The Single Tender Action procedure has been reviewed and reflects current arrangements/ protocols surrounding the setting up of a single tender action, together with the requisite documentation and approval processes. It also takes into account the revised scheme of delegation.

The draft procedure has been reviewed by key personnel within Finance, Procurement and Counter Fraud.

The financial procedure for Budgetary Control has been amended *only* to reflect the revised scheme of delegation in relation to budget virement. This procedure was approved by Finance Committee in August 2019 and is not due for a full review and presentation to the Committee until August 2022.

Argymhelliad / Recommendation

The Finance Committee is asked to approve the following procedures:

- Single Tender Action
- Budgetary Control

Amcanion: (rhaid cwblhau)

Objectives: (must be completed)

Committee ToR Reference: Cyfeirnod Cylch Gorchwyl y Pwyllgor:	5.7 Review and approve financial procedures on behalf of the Health Board.
Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score:	Not Applicable
Safon(au) Gofal ac Iechyd: Health and Care Standard(s):	Governance, Leadership and Accountability 7. Staff and Resources
Amcanion Strategol y BIP: UHB Strategic Objectives:	All Strategic Objectives are applicable
Amcanion Llesiant BIP: UHB Well-being Objectives:	Improve efficiency and quality of services through collaboration with people, communities and partners

Gwybodaeth Ychwanegol:

Further Information:

Ar sail tystiolaeth: Evidence Base:	Previous procedures, internal audit report recommendations, standing financial instructions
Rhestr Termiau: Glossary of Terms:	Explanation of terms included within the body of the report
Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y pwyllgor cyllid: Parties / Committees consulted prior to Finance Committee:	HDdUHB Finance Team NHS Wales Shared Services Partnership (NWSSP)

Effaith: (rhaid cwblhau)

Impact: (must be completed)

Ariannol / Gwerth am Arian: Financial / Service:	Financial implications inherent within the report
Ansawdd / Gofal Claf: Quality / Patient Care:	Not applicable

Gweithlu: Workforce:	Not Applicable
Risg: Risk:	Financial risks are detailed in the report.
Cyfreithiol: Legal:	Not Applicable
Enw Da: Reputational:	Financial procedures are required to ensure good governance and sound financial control
Gyfrinachedd: Privacy:	Not Applicable
Cydraddoldeb: Equality:	<p>EqlA has been undertaken with no negative impacts on those with protected characteristics</p> <p>Changes to the majority of financial policies and procedures to date have been assessed as having a low relevance to equality duties and have been mainly in relation to systems and responsibilities with no direct or indirect impact on individuals in relation to equality, diversity or human rights.</p> <p>Where policies and procedures have a more direct impact on patients, staff and service users in relation to their protected characteristics, e.g. those addressing the handling of patients' monies, etc, more detailed EqlAs have been undertaken and are published alongside the relevant document.</p>

Single Tender Action Procedure

Procedure Number:	699	Supersedes:		Classification	Financial
Version No:	Date of EqIA:	Approved by:	Date Approved:	Date made active:	Review Date:
2		Finance Committee			3 years

Brief Summary of Document:	The Health Board's Standing Orders and Standing Financial Instructions, require that the purchase of all goods and services be subject to competition in accordance with good procurement practice. There may, however, be situations where it is more appropriate to approach a single provider. This procedure sets out the issues to consider and process to be followed when proposing to use a single tender action
Scope	Hywel Dda University Health Board wide

To be read in conjunction with:	Standing Orders & Standing Financial Instructions
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Owning committee/group	Audit & Risk Assurance Committee
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HYWEL DDA UNIVERSITY HEALTH BOARD

Reviews and updates		
Version no:	Summary of Amendments:	Date Approved:
1	New Procedure	1/3/2018
2	Review February 2021	

Glossary of terms

Term	Definition
STA	Single Tender Action
ARAC	Audit & Risk Assurance Committee

Keywords	Single Tender Action, Single Quotation Action, STA, SQA
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HYWEL DDA UNIVERSITY HEALTH BOARD

1. Introduction

This procedure details the guidelines set for the application and approval process for Single tender action within Hywel Dda University Health Board (HDdUHB).

2. Aim of procedure

Securing value for money, including, through sound procurement is essential across the public sector. It is the Welsh Government's policy that public sector bodies should acquire goods and services through fair and open competition, as that is considered the best way to secure value for money and ensure propriety and regularity.

There may, however, be situations where it is more appropriate to approach a single provider through the use of a single tender/quotation action. This procedure sets out the circumstances where this might be appropriate and aims to ensure that a single tender/quotation action is only undertaken when there is no feasible alternative and due process is followed.

3. Objectives

The Health Board's Standing Orders and Standing Financial Instructions, to accord with the above, require that the purchase of all goods and service be subject to competition in accordance with good procurement practice.

However, in some situations this is not always practical where there are compelling reasons for single sourcing, i.e. compatibility with existing equipment, sole supplier, technical grounds and other risk management issues e.g. the purchase of infusion devices. Single quotations shall be the exception. This procedure outlines

- situations when a single tender action can be considered
- what might be expected to be seen in practice in these circumstances
- factors that indicate a single tender action is inappropriate
- process to follow when the decision to request a single tender action has been made.

4. Scope

This procedure applies Hywel Dda University Health Board wide.

5. Guidelines

Circumstances under which a single tender action can be actioned:

- a) A single firm or contractor of a special character is required
- b) A proprietary item or service of a special character is required.

What you might to expect to see in practice which might indicate a single tender action is appropriate:

- The service/item is follow-up work where a provider has already undertaken initial work in the same area and where the initial work was awarded from open competition;

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- There is a compatibility issue which needs to be met e.g. specific equipment requirement or compliance with a warranty cover clause;
- There is genuinely only one provider;
- There is a need to retain a particular contractor for real business continuity issues (not just preferences)

The following factors might indicate a single tender action is inappropriate:

- The market is competitive;
- There are no factors suggesting this would secure value for money;
- The single tender action is driven more by time pressure than value for money considerations;
- There is pressure to spend monies late in the financial year;
- There is a familiarity/a relationship with the supplier;
- The total contract value exceeds EU procurement thresholds (currently £663,540 for Social and other specific contracts, £122,976 for Supply, Services and Design Contracts, and £4,733,252 for Works Contracts). (Correct at January 2021 please check with Procurement if the contract is close to these thresholds).

Single tender action shall only be employed following a formal submission and with the express written authority of the Chief Executive, or designated deputy having taken into consideration due regard of procurement requirements. A detailed record shall be maintained by the Chief Executive. All single tender action and extension of contracts must be reported to the Audit Committee.

It should be noted that where the purchase is made against a valid existing All Wales or NHS (or similar) Framework Agreement, subject to the Framework allowing for direct award which must be confirmed with Procurement, it will not be necessary to follow this procedure as these purchases have been subjected to competition.

6. Process for application and approval

- Procurement Services must be consulted prior to any STA application being submitted for approval.
- Where a request is received for Single Tender Action, this should be submitted to the Procurement Department on the attached pro forma. (Appendix 1) Completion of all fields is mandatory and any incomplete forms will be returned.
- The Single Tender Action will be registered on the Procurement Dept's STA Register and will be provided with a reference number.
- The reasons for requesting Single Tender Action (STA) should be clearly stated on the form and all supporting documentary evidence provided. The form should be signed by the responsible Head of Department and then countersigned by the Service General Manager or Assistant Director, in accordance with the financial limits prevalent in the Health Board's Scheme of Delegation and Authorised

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Limits, outlined below, and submitted to Procurement. **Note: the same person cannot request and approve.**

- On receipt in Procurement all due diligence checks will be carried out to ensure that the requirement detailed on the single tender action form meets the required standards, is fit for purpose and demonstrates value for money.
- Once the procurement department have completed their checks and are satisfied that the request for single tender action is justifiable with reasons for waiving competition, it's sent to the Board Secretary prior to the award of contract. Upon receipt the Board Secretary will review the information recorded, cross reference against relevant registers (including locally held Declarations of Interest and Gifts and Hospitality) for potential conflicts of interest and if in agreement approve before submission for final approval by the Chief Executive/Director of Finance.
- The request for and authorisation of an STA to proceed to final approval should be used in conjunction with the financial limits as included in the Health Board's Scheme of Delegation and Authorised Limits, outlined in Appendix 2 below and on the intranet [Standing Orders and Standing Financial Instructions - Hywel Dda University Health Board \(nhs.wales\)](#). The different limits applying to Consultancy in particular should be noted.
- The Director of Finance must approve such applications up to £25,000, the Chief Executive or designated deputy, and Director of Finance, are required to approve applications exceeding £25,000.
- Once the STA is fully approved the form shall be returned to Procurement for completion. On completion the STA requestor will be asked to generate a requisition on the Oracle system so that Procurement can issue an order number to cover.
- A register must be kept by Procurement for monitoring purposes.
- A report on a quarterly basis will be sent to the Health Board's Audit & Risk Assurance Committee (ARAC) detailing the approved Single Tender Actions (excluding maintenance contracts which are not required to be reported upon) during the specific quarterly period. This includes extension of contracts, which must be reported to ARAC.

7. Scrutiny

The Audit & Risk Assurance Committee will consider the following when reviewing STAs:

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- There is sufficient evidence/assurance that the process has been followed in accordance with the guidelines above and that the information provided on the STA is complete and accurate;
- There is a clear basis for each STA including how the DoF/CEO reached their conclusion and there is evidence of proper consideration of the indicators above.
- Where issues are identified, to consider the next steps such as escalation to the Board.
- Any concerns reference Fraud, Bribery and Corruption should be reported to the Health Board's Counter Fraud Department in line with the Counter Fraud, Bribery and Corruption Policy.

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8. APPENDIX 1 - SINGLE QUOTATION/TENDER REQUEST FORM



GIG
CYMRU
NHS
WALES

Bwrdd Iechyd Prifysgol
Hywel Dda
University Health Board

SINGLE QUOTATION/TENDER REQUEST FORM REFERENCE NUMBER: HDD...

SECTION 1 To be completed by the Requesting Officer

REQUEST TO WAIVE Please tick as appropriate	
Name:	
Title:	
Ward/Department:	
Contact No:	
BUDGET HOLDER:	
Reasons why waive of Standing Financial Instructions is being sought (delete or cross through as relevant) <ul style="list-style-type: none"> a) There is genuinely only one supplier b) Compatibility with existing equipment e.g. specific equipment requirement c) Interim arrangement pending tender exercise d) Maintenance of existing equipment eg compliance with a warranty cover clause e) Technical grounds f) Continuity of service/goods - there is a need to retain a particular contractor for real business continuity issues (not just preferences) g) The service/item is follow-up work where a provider has already undertaken initial work in the same area and where the initial work was awarded from open competition <p><i>'Urgency' is not generally regarded as a valid reason for the avoidance of a competitive exercise.</i></p>	
Background: Reason for single supplier & details of any alternatives considered & reasons for their rejection (supplier(s) details required)	
Explicit Reasons as to How Value for Money will be achieved when services are provided by a Single Supplier. <i>Sufficient detail should be provided in this section or the request will be returned.</i>	
Have any Trials / Evaluations been undertaken within the Health Board? NB: Appropriate advice should be sought from Procurement in advance of trials being undertaken	If Yes, please state the evaluation reference number:
If Yes, please give full details of evaluation. Including whether or not any relevant Groups have been made aware of this evaluation (please state).	
Consequence & Impact if not approved:	

Proposed supplier (name & address):			
PLEASE PROVIDE DETAIL OF GOODS (including model no. where appropriate) / SERVICES / WORKS REQUIRED:			
IF SERVICES, IS THIS FOR CONSULTANCY AND OR INDIVIDUAL	Yes/ No	If yes an IR35 assessment must be completed. IR35 applies?	Yes/ No or not applicable (Completed form should be attached to this request)
Proposed agreement period including end dates. NB: Approval cannot be granted retrospectively.			
UNIT COST / ANNUAL COST:			
TOTAL COST (inc. delivery & VAT):			
WHOLE LIFE COSTS: (Please state all additional goods/services/works that may be required during the life of the goods/service/works being requested here. E.g. Maintenance, Consumables etc.)			
New or Replacement Equipment/Service: (Please state)			
Life Expectancy of equipment (if applicable)			
Is this a recurring requirement?	Yes / No		
What is the length of the proposed agreement? (if applicable)			
Will there be a requirement to extend?	Yes / No If yes give details		
SOURCE OF FUNDING: (Revenue/Capital/Charity etc.)		Please provide Financial Code:	
Breakdown of estimated capital and on-going revenue charges per annum. NB: Please ensure your Finance Team are consulted before submitting form			
Have any revenue consequences (particularly staffing or maintenance implications) been agreed?	Yes / No If yes give details		
Any other financial consideration to be declared e.g. risks to ongoing funding, savings: cash releasing, cost avoidance, cost pressure, VFM impact.			
I have delegated responsibility for the non-pay expenditure budget specified above. I confirm that sufficient funding is available within the budget code specified, and authorise the expenditure to be coded accordingly.			

Signature of requestor (please also print name & position):		Signature of budgetary approver (please also print name & position):	
DATE OF REQUEST:		DATE OF APPROVAL:	

**** BUDGET APPROVER TO COMPLETE****

Section 2 Declaration of Interest

The Health Board is obliged to ensure that all procurement processes are carried out in accordance with the public procurement rules and NHS Wales's guidance. Where an employee is engaged in a procurement exercise a formal declaration is required to confirm that there is no potential interest which may give rise to a conflict.

Please confirm the following statements are correct:

		✓ x
1.	Neither I, my family, friends, acquaintances or work colleagues involved in this process, will receive any benefit or gain (financial or otherwise, directly or indirectly) if the contract is awarded to any of the bidders involved in the process as they become known.	
2a.	I have no material interest in whether the contract is awarded or not.	
2b.	I am not in possession of any Additional Information in respect of the procurement process. (Save for the information in the 'Additional Information box below)	
3.	I currently do not benefit in any way, financially or otherwise, including (but not limited to) the receipt of a grant or outside funding, that could influence my decision in respect of the procurement or any of the bidders involved in this process.	
4.	I have not received hospitality (other than of a nominal value or that declared in the register of gifts and hospitality maintained by Corporate Management) or any material gifts, as outlined in the LHB's Standards of Behaviour Framework Policy from any of the bidders involved in the process.	
5.	I have read, understood and will abide by the NHS Guidance entitled "Standards of Business Conduct for NHS Staff" (DGM (93)84) and the LHB's Standards of Behaviour Framework Policy.	
6.	By signing this declaration I understand that it is my responsibility that should my circumstance change or a new relationship be established in relation to any bidding organisation, I will consult with the Lead Procurement contact and am aware that I may be required to complete a new Declaration of Interest or be required to withdraw my participation.	
7.	I will keep the identities of the bidders, the content of the bids and procurement documents confidential.	

I hereby certify that, to the best of my knowledge and belief, the statements set out above are correct. I understand that any failure on my part to declare an interest in a contract or otherwise to breach the rules and instructions mentioned above is a serious matter and could result in further legal or professional action being taken against me, including (but not limited to):

- Exclusion from the current procurement exercise and future procurement activities
- For LHB employees, it could result in disciplinary proceedings being initiated.
- Should the matter involve issues that are of a criminal nature e.g. fraud, bribery or corruption then the LHB will notify the appropriate authority to take any necessary action which may include prosecution.

Signature:

Signature:
PRINT NAME:
POSITION:
DATE:

SECTION 3 Authorisation Signatures:

DESIGNATION	SIGNATURE	DATE
Head of Department		
Comments:		
Directorate General Manager		
Comments:		

Please note STA requests cannot be processed unless supported by the above signatures.

If you have any queries regarding completing this form please contact one of the following:-

Action point address – NWSSP.HywelDda.Procurement@wales.nhs.uk

Once completed please e-mail Action Point

Note: Contracts should not be awarded until the single quotation/tender action has been approved.

Please refer to 699 [Single Tender Action Procedure](#) for full guidelines.

SECTION 4**FOR COMPLETION BY HEAD OF PROCUREMENT**

PROCUREMENT ADVICE: OR REJECTION COMMENTS: (including any conditions/future actions):	a) Equipment All checks carried out to ensure that the equipment meets required standards and is fit for purpose Yes/No		
	b) Other Services All checks carried out to ensure that the service to be delivered is compliant with regulatory procedures, including compliance of HMRC IR35 rules where services such as consultancy contracts are involved and that all the usual employment checks have been undertaken. Yes/No		
	c) The contract value does not exceed EU procurement thresholds. Yes/No		
	Any Other Comments		
PROCUREMENT ADVICE (Delete or cross through as appropriate)	<ul style="list-style-type: none"> • Yes, the SQA or STA is an appropriate course • No, an alternative option can be pursued • No Option 		
HEAD OF PROCUREMENT :		DATE:	

SECTION 5 BOARD SECRETARY AUTHORISATION

REQUEST SUPPORTED?	YES / NO
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SUPPORTING or REJECTION COMMENTS (including any conditions/future actions):			
SIGNED:		DATE:	

SECTION 6 CHIEF EXECUTIVE AND/OR DIRECTOR OF FINANCE APPROVAL

REQUEST SUPPORTED?	YES / NO		
SUPPORTING or REJECTION COMMENTS (including any conditions/future actions):			
SIGNED:		DATE:	
PLEASE PRINT NAME & POSITION:			

For schemes exceeding £25,000 signature of Chief Executive or Deputy also required

SIGNED:		DATE:	
PLEASE PRINT NAME & POSITION:			

9. APPENDIX 2 – SCHEME OF DELEGATION

Description	Specific	More information	Any expenditure approval must be within funding limits of approved budgets. Budget holders are responsible for providing services within the available financial resources delegated to them and are held accountable for managing within the budget.												
			Welsh Government	Board (following CEO/IET approval)	Charitable Funds Committee	Charitable Funds Sub-Committee	Capital, Estates and IM&T Sub-Committee	Chief Executive and Executive Team	CEO (or Deputy CEO) and DoF	Chief Executive Officer (CEO)	Director of Finance (DoF)	Executive Directors	Other Officers as delegated by Executive Directors	Notes	
Budget Changes	Transfers between budget managers	Budgetary Control Procedure		>£1m				>£0.5m≤£1m		≤£0.5m	≤£0.5m				
General Non-pay Expenditure	The values refer to individual orders / requisitions (for the total life of the contract) Goods or services should be sourced from the approved catalogue or if this is not possible via a public sector contract framework. Where an item is not on catalogue or framework Procurement Services should be requested to undertake quotation / tendering exercise. All orders for goods and services must be accompanied by an official order number in accordance with the No PO, No Pay policy.	No PO, No Pay Policy	> £1m	> £1m				>£0.5m≤£1m	>£0.5m≤£1m	≤£0.5m	≤£0.5m	≤£0.1m	Refer to Cost Centre Structure Purchasing Approval	In addition to delegated limits competition requirements apply when procuring goods. Advice should be sought from Procurement before entering into or extending existing contracts as the ability to extend is not automatic.	
Healthcare agreements	NHS - These are agreements that the UHB will enter into to commission healthcare services for its resident population from other NHS providers.	New contract or variation to existing contract		>£10m (below £10m retrospectively reported)				>£0.5m≤£10m	>£0.5m ≤£5m	≤£0.5m	≤£0.5m				
Healthcare agreements	Private sector For contracts >£1m WG must approve before contract is awarded	New contract or variation to existing contract	> £1m	> £1m				>£0.5m≤£1m		≤£0.5m	≤£0.5m				
Healthcare agreements	Primary Care Contracts (General Medical Services and Community Pharmacy) Dental follows competitive procurement process	via the Primary Care Applications Committee		✓											
Leases	Property or equipment leases			>£0.5m (plus any that need signing under seal) Reservation of power				>£0.25m≤£0.5m		>£0.1m≤£0.25m	>£0.1m≤£0.25m				
Consultancy	External consultancy		> £1m	>£0.025m≤£1 m				>£0.025m≤£1m		≤£0.025m	≤£0.025m	≤£0.025m			
Special (ex-gratia) payments	Ex-gratia payments are payments which a Health Body is not obliged to make or for which there is no statutory cover or legal liability. These limits are for ex gratia payments for personal property claims relating to both patients and staff.	Losses and Special Payments Procedure	>£0.05m								>£250≤£0.05m		Directorate Managers ≤ £100 General Managers ≤ £250		
Losses/special payments	Different limits apply dependent on category of claim with approval required from WG For Personal Injury/Clinical Negligence refer to the Claims Management Policy	Losses and Special Payments Procedure	✓					>£0.5m≤£1m			≤£0.5m			Terminations to £50k DW&OD else to WG; VERS RATS Committee Limits relate to items below referral to WG thresholds	
Single Tender/Quotation Action	Goods and services should be procured through fair and open competition to secure value for money and ensure propriety and regularity. However, there may be situations where it is more appropriate to approach a single provider through the use of a single tender/quotation action (STA/SQA). A STA/SQA should only be undertaken when there is no feasible alternative and due process is followed.	Single tender action procedure						>£0.025m			≤£0.025m			Single Tender Action must be approved by DoF (and CEO for spend >£25k) following scrutiny by Board Secretary. Retrospective Reporting to Audit Committee	
Staffing	Increase in establishment									Can approve posts across HB	Can approve posts within own structure in line with delegated budget and limits				
	Agency and waiting list initiatives									Can approve posts across HB	Must be agreed in advance within the limit of their approved budget and funded establishment unless authorised to do so by the Chief Executive				
Charitable Funds	Expenditure from charitable funds is exclusively for charitable purposes. The expenditure shall satisfy both the objects of the relevant registered charity and the deed of trust of the specific fund. A 'Request for charitable funds expenditure' form needs to be completed in the first instance detailing the item of expenditure and justification for spend, ensuring spend is eligible. All items of expenditure, will need to be approved prior to the expenditure being incurred by the appropriate authorisation level. The procedure for requisitioning any items or service using money held in charitable funds is identical to that for exchequer funds, therefore all procurement policies apply equally.	Charitable Funds Policy and Procedure (new policy under development)		>£0.1m	>£0.05m<£0.1m	>£0.01m<£0.05m							Refer to Charitable Funds authorised signatory list	Expenditure over £0.1m will be approved by the Board acting as the Corporate Trustee	
Capital	Property, Plant and Equipment should be capitalised if the cost of the item is ≥ £5,000. This includes assets which individually may be less than £5,000 but together form a single collective asset (grouped asset) with a group value of ≥ £5,000 (including VAT where this is not recoverable) that fulfil the following criteria - the items are functionally interdependent; the items are acquired at about the same date and are planned for disposal at about the same date; the items are under single managerial control; and each individual asset thus grouped has a value of at least £250, however this de minimus value does not apply in dealing with the initial equipping of hospitals. IT Assets - IT hardware may be considered interdependent if it is attached to a network, even if capable of stand-alone use. In effect all IT equipment purchases, where the final three criteria above apply, will be capitalised.	People, Planning & Performance Assurance Committee consider proposals from the Capital, Estates and IM&T Sub Committee on the allocation of capital and agree recommendations to the Board.	Approval required for projects outside Discretionary Capital Programme (DCP) and schemes >£1m in DCP	Overall Strategy and schemes >£1m			Capital projects/scheme s must be approved by the Sub-Committee before sign off via the Scheme of Delegation.	>£0.5m≤£1m			≤£0.5m		Refer to Capital Cost Centre Structure Purchasing Approval		

Budgetary Control Procedure

FP 04 01

Procedure Number:		Supersedes:		Classification	Financial
LOCCSIP Reference:		NATSSIP standard:	List standard (NATSSIPS Standards)		
Version No:	Date of EqlA:	Approved by:	Date Approved:	Date made active:	Review Date:
4		Finance Committee			3 years

Brief Summary of Document:	To outline and document the budgetary control process and responsibilities of budget holders within the Health Board
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Scope	The Board delegates responsibility for budgets to the Chief Executive who in turn delegates these through management structures. Whilst the policy primarily applies to all managers and clinicians that are given financial responsibilities as part of their roles and job descriptions, all staff of the health board have a part to play in effective budgetary control.
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To be read in conjunction with:	Standing Orders Standing Financial Instructions Financial Procedures
Patient information:	

Owning committee/group	Finance Committee
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HYWEL DDA UNIVERSITY HEALTH BOARD

Reviews and updates		
Version no:	Summary of Amendments:	Date Approved:
2	Review of procedure	28/02/2012
3	Review of procedure	08/03/2016
4	Review of procedure	August 2019
5	Review of procedure	February 2021

Glossary of terms

Term	Definition

Keywords	Budget, Allocation Funding, Expenditure, Income, Virement
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Budgetary Control Procedure

Please check that this is the most up to date version of this written control document
Paper copies of this document should be kept to a minimum and checks made with the electronic version to ensure that the printed version is the most recent

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HYWEL DDA UNIVERSITY HEALTH BOARD

1. Introduction

Hywel Dda University Health Board (the UHB) has a statutory duty to break even against the resource limit set by Welsh Government (WG) over a period of 3 years as set out in section 175 and 176 of the NHS (Wales) Act 2006 as amended by section 2 of the NHS Finance (Wales) Act 2014. This 3 year duty is reduced to one year where the UHB does not have an approved Integrated Medium Term Plan (IMTP).

The Integrated Medium Term Plan (IMTP) therefore provides the foundation for the financial year by expressing the service, workforce and financial plan for year 1 of the three year plan and forms the basis of the Budget for the year.

The revenue resource limit is the allocation of financial resources from Welsh Government for the financial year. The Board has a statutory responsibility to deliver services and must provide its services within this allocated resource. A key mechanism for ensuring that this objective is met is sound budgetary control and processes which are laid out in this procedure.

2. Aim of procedure

To provide a framework for effective Financial and Budgetary Control to ensure that the Board can deliver its financial duty.

3. Objectives

To provide a framework for financial control to enable financial probity, clarity of accountability in the organisation to meet its statutory duty, by:

- Describing how the organisation's Budget is approved based in turn on the first year of the Integrated Medium Term Plan which is now a statutory requirement of the Health Board.
- Detailing how budgets are formally delegated through the organisation following approval by the Board.
- Setting out budget holders' responsibilities and accountability to deliver services within the allocated budget.
- Setting out a defined process that is to be followed by budget holders if budget overspends arise.

4. Scope

The Board delegates responsibility for budgets to the Chief Executive who in turn delegates these through management structures. Whilst the policy primarily applies to all managers and clinicians that are given financial responsibilities as part of their roles and job descriptions, all staff of the health board have a part to play in effective budgetary control.

HYWEL DDA UNIVERSITY HEALTH BOARD

5. Roles and Responsibilities

5.1. The Board

The Board is responsible for ensuring that it meets its financial duty as set out in section 175 of the National Health Service (Wales) Act 2006 as amended by the National Health Service Finance (Wales) Act 2014.

The Board is responsible for approving the Integrated Medium Term Financial Plan and Budget for the organisation.

5.2. Chief Executive

The Chief Executive has overall executive responsibility for the LHB's activities and is responsible to the Board for ensuring that it meets its statutory financial duty.

The Chief Executive initiates a formal process of budget delegation following approval of the Budget by the Board.

5.3 Director of Finance

Prior to the start of the financial year the Director of Finance will, on behalf of the Chief Executive, prepare and submit budgets for approval by the Board.

The Director of Finance will devise and maintain systems of budgetary control.

The Director of Finance will ensure that appropriate training is available for budget holders

5.4 Director of Workforce and Organisational Development (OD)

Effective financial management is a key personal objective for budget holders and therefore the Director of Workforce and OD will set up appropriate systems to ensure competencies are met, recorded and encapsulated within job descriptions across the organisation.

5.5 Director of Planning, Performance & Commissioning

The Director of Planning, Performance & Commissioning will ensure that processes are in place to develop the draft Integrated Medium Term Plan (IMTP) for Board approval and onward submission to Welsh Government in line with mandated timescales set out in current planning guidance.

5.6 Budget Holders

A budget holder is defined as a person to whom a budget is delegated. At the lowest level the budget holder is defined as the person responsible for managing resources at the lowest cost centre level and is able to approve expenditure for goods and services against a cost centre budget within financial approval limits set by their line manager. The line manager is likely to be managing a number of budget areas delegated to others within their management area

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but is nevertheless also a budget holder with responsibility for a number of budgets delegated to others.

Accountability for budgetary control is exercised through line management relationships and this principle applies through all tiers of management where budgetary control is applicable.

Detailed responsibilities are set out in Annex A and a summary of key responsibilities are:

- Budget holders are responsible for providing the services within their respective budget within the available financial resources delegated to them and is held accountable for managing within the budget.
- Budget Holders are responsible for developing recovery plans if budget overspends arise.
- Budget holders are responsible for formally recording recovery plan meetings with their line manager.
- Budget holders must keep a record of agreements to transfer budgets to other budget holders (Virements)
- Budget holders must review their budget reports on a monthly basis to review their accuracy and maintain their understanding of their financial position. It is the budget holder's responsibility to report any anomalies on staffing information or non-pay expenditure to their relevant Finance Business Partner
- Budget holders must report any known financial risks that may materialise in year to their Finance Business partners so that this information can be factored into the monthly year end forecast that are prepared for each area

5.7 Role of Finance Business Partners

Finance Business Partners will support budget holders by the management and provision of professional financial support, advice and information to enable managers and leaders to effectively and proactively manage their respective budgets and finances to ensure the achievement of financial targets, thereby contributing to the Health Board's statutory financial duties.

They will support the achievement of all financial targets by ensuring an appropriate performance management framework is in place, identifying and reporting relevant issues and projected variances and advising on potential corrective courses of action. Ensuring that reporting is based on future trends and projections based on sound evidence.

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6. Process

6.1 Approval of the Integrated Medium Term Plan (IMTP)

It is a statutory requirement to produce an IMTP or Annual Plan as agreed with Welsh Government. The Plan must be approved by the Board prior to the start of the financial year. The Plan will express service and workforce plans for the organisation over the period and will include a Financial Plan that is derived from those plans.

The Board will:

- Approve the Plan prior to the beginning of the financial year of implementation. Following Board approval the Plan will be submitted to Welsh Government prior to the beginning of the financial year of implementation.
- Approve a Financial Plan as part of the Integrated Medium Term or Annual Plan, which meets all probity and value for money requirements; and
- Prepare and agree with the Welsh Government a robust and sustainable recovery plan in accordance with Welsh Ministers' guidance where the LHB plan is not in place or in balance.

6.2 Budget

The organisation's budget plan for the forthcoming year will be developed from the first year of the Board's Integrated Medium Term Plan (IMTP) or Annual Plan. The corporate processes that develop the IMTP will ensure that service and workforce plans are developed and agreed by the organisation before the beginning of the financial year and are at a sufficient level of detail that enable budgets to be developed for the year.

The Director of Planning, Performance & Commissioning will ensure that processes are in place to produce a final IMTP or Annual Plan by 31 December which will have sufficient detail within year 1 of the plan to enable the development of budgets for the forthcoming year financial year.

Prior to the start of the financial year the Director of Finance will, on behalf of the Chief Executive, prepare and submit budgets for approval and delegation by the Board. Such budgets will:

- Be in accordance with the aims and objectives set out in the Integrated Medium Term Plan and Medium Term Financial Plan, and focussed on delivery of safe quality patient centred quality services
- Accord with Commissioning, Activity, Service, Quality, Performance, Capital and Workforce plans;
- Be produced following discussion with appropriate budget holders including completion of financial templates highlighting risks and opportunities agreed by them;

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- Be prepared within the limits of available funds;
- Take account of ring-fenced or specified funding allocations;
- Take account of the principles of sustainable development; and
- Identify potential risks.

The plan will make explicit assumptions about budget reserves and contingencies for the year.

7. Delegation and Accountability

The Health Board has a statutory duty to manage its services within the Revenue Resource Limit allocated from WG. The Board therefore delegates responsibility for delivering a balanced budget to the Chief Executive within the framework of its Standing Orders and Standing Financial Instructions.

The Chief Executive may delegate the management of a budget or part of a budget to permit the performance of a defined range of activities. This delegation is made through management structures and defined in job descriptions and annual objectives. The delegation will cover:-

- the amount of the budget;
- the purpose(s) of the budget
- the requirement to achieve a balanced budget

Except where otherwise approved by the Chief Executive, taking account of advice of the Director of Finance, budgets shall be used only for the purpose for which they were provided.

Budgets are delegated with assumptions about the levels of service to be provided within the available resources described by the budget. Budget holders do not have authority to commit resources beyond the resources delegated in the budget.

Expenditure for which no provision has been made in an approved budget, or is not subject to funding under the delegated powers of virement, shall only be incurred after authorisation of the Chief Executive. Non-recurring budgets must not be used to finance recurring expenditure without the authority in writing of the Chief Executive or nominated identified deputy for the purposes of the Financial Control Procedure.

Managers must deliver a balanced budget within each and every financial year.

The key principle of delegation is that accountability for budgetary control is exercised through the line management hierarchy. Budgets are therefore formally delegated through the management hierarchy. Budget holders must not overspend against their budget. The requirement to deliver within the allocated budget must therefore form part of all budget holder's annual objectives and be reviewed as part of the annual review process.

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Budgets are delegated to nominated budget holders. A budget is set for a cost centre and only the nominated budget holder is able to commit expenditure against their respective cost centres. There can only be one nominated budget holder for a cost centre and the nominated budget holder is held accountable for managing within the budget. Budget holders must adhere to approval limits set out in the Hywel Dda University Health Board 'Scheme of Delegation' and the approval hierarchy must follow the line management hierarchy. These approval limits must not be exceeded but may be restricted or tightened by the organisation or by individual managers who have delegated responsibility to budget holders within their responsibility area.

If budget managers are unable to approve expenditure for their respective budgets due to absence then the principle of only upward delegation will apply.

The principles of delegation mean that accountability for budget management is to the immediate line manager. The discussion about performance against budget is therefore encapsulated as part of the line management Performance Appraisal Development Review (PADR) process in the context of the wider performance review of quality, safety and other targets. The principles and responsibilities set out in this policy therefore relate to all managers with budgetary responsibility and their line managers.

8. Process of Delegation

Following agreement of the Board to the Budget the Chief Executive will issue a formal budget letter to each Director who in turn will issue similar letters to their line managers. This process will be repeated through each tier of management, setting out the expectations and responsibilities in terms of budgetary control and financial management. This letter will cover:

- The budget allocation.
- That the budget holder is accountable for the delivery of a balanced budget position each financial year and is also accountable for the recovery of any deficits within the same period.
- That budgetary performance must form part of all budget holders' annual objectives and to be reviewed as part of the annual performance review.
- That formal mechanisms are in place to ensure that budget management is effective across their management area and that budget holders are held to account for their budgetary performance through every level of line management.
- That all line managers review their direct reports in relation to their budget performance at least on a monthly basis.
- That appropriate mechanisms are set up to control expenditure particularly where there are high cost and variable use items.
- That budget holders comply with policies that aid budgetary control specifically:
 - Protocol for the Booking of Bank and Agency Staff
 - Overtime Policy

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- Sickness Absence Policy
- Expenses Policy
- Study Leave Policy
- Recruitment Procedures
- Financial Procedure - Requisitioning, Ordering & Receipt of Supplies and Services
- Financial Control Procedure – Purchase Order Compliance Policy

The formal budget letter must be issued from each line manager as soon as possible following the start of the financial year. An example of a delegation letter is attached in Appendix 1. Every time a budget is delegated a formal letter of agreement should be sent from the manager delegating and signed by the budget holder accepting responsibility for that budget.

If a budget holder wished to express a view that the budget they have been issued with is not sufficient then they must raise this as an issue and provide details why this is the case with the Director of Finance as part of their response to the delegation letter. The Director of Finance will deal with these issues on a case by case basis and may need to refer the issues to the Executive Team and Chief Executive for further discussion and resolution.

9. Changes to the Budget

There may be times during the financial year when it is necessary to make adjustments to the budget agreed by the Board, for example if additional funding is made available to the Board from the Welsh Government. In these circumstances the Director of Finance, will as part of the monthly financial report specify this on behalf of the Chief Executive to the Board. A reserve will be created for the purpose that it was allocated until such time that the Board has approved the use of additional funding.

10. Budgetary Control and Reporting

The Director of Finance will devise and maintain systems of budgetary control. These will include:

- Financial reports to the Board showing performance against budget for the period and an assessment of the outturn for the full financial year.
- Issuing financial reports on a timely basis to budget holders covering the areas for which they are responsible.
- Following the end of a month a report will be produced for the Finance Committee and Directorates setting out the year to date budget performance.
- Providing support from appropriately qualified and experienced finance staff to support managers in their analysis and management of budget performance. This will include the development of lead indicators that aid budget holders in identifying potential issues.

Budget holders in conjunction with their Finance Business Partners will ensure:

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- Accountability for budgetary control is exercised through line management relationships and this principle applies through all tiers of management where budgetary control is applicable.
- Budget performance is discussed by managers and their immediate reports at least on a monthly basis.
- Review of lead indicators is done and issues highlighted to Finance Business Partners so that they can be reflected in monthly reporting.
- End of year forecast is routinely conducted identifying to line managers where overspend might occur and instigating remedial action.
- That significant financial issues are reported to the line manager so that the Director responsible can report the issue to Executive team and Board.

11. Performance Management

Hywel Dda University Health Board has a statutory duty to deliver its services within its allocated budget. The Board via the Chief Executive and tiers of line management formally delegates this responsibility to individual budget holders across the organisation. Budget holders are held to account for budgetary performance through formal line management arrangements and are expected to manage within delegated resources on both a monthly and annual basis. This requirement links to the Health Board's statutory requirement to manage within its Revenue Resource Limit.

Where budget variances or forecast overspends arise the following actions must be undertaken by the budget holder and line manager in a formal process of escalation:

- If a budget is overspent in any one month the budget holder where practicable will recover the position by the next reported period.
- If a deficit will take longer than one month to correct and recover then the budget holder and line manager will :
Either
 - agree recovery actions over a period not exceeding 3 months
 - Or*
 - agree virement from another area of budgetary responsibility

A record of actions agreed must be made. A suggested format for recording actions is shown in Appendix 2. The plan should be submitted to the Assistant Director of Finance (Business Partnering) for review and sign off.

- If a deficit cannot be recovered within a period of 3 months or virement agreed, the budget holder and line manager will have to agree remedial actions with the Directorate Manager.
- If remedial actions to recover the deficit or virement still cannot be agreed with Directorate Manager then the line management team will agree remedial actions or virement with the responsible Executive Director.

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- If remedial actions to recover the deficit or virement still cannot be agreed with an Executive Director, the Executive Director will agree remedial actions or agree virement with the Chief Executive.
- If there is continued failure to agree a recovery plan or virement Executive Director and Chief Executive will agree remedial actions with the Finance Committee and Board.
- A record of the meeting to discuss and agree recovery actions must be made. A suggested pro forma is attached in Appendix 2 to record agreed actions.
- Budgetary control must form a key objective each year for all management staff with budget responsibilities.
- Managers will be held to account for not meeting budgetary targets and subject to formal review as part of their wider performance management review with their line manager.

12. Virement

Where budget funding is transferred between budget holders, known as a virement, a form must be completed to formally record the agreement and transfer of funds. A form is attached in Appendix 3.

The virement or allocation of central budget reserves will be reported to the Board as appropriate through the financial year.

Approval of the virement must be in line with the scheme of delegation which can be found on the intranet <https://hduhb.nhs.wales/about-us/governance-arrangements/standing-orders-and-standing-financial-instructions/>. All virements under £500k will need approval from either the Chief Executive or Director of Finance if the value is above the approval threshold of the budget holder; virements between £500k-£1m will require Chief Executive (and Executive team) approval and virements over a £1m will need Board approval (following Chief Executive/Executive Team approval).

13. Reserves

The Director of Finance will endeavour to create such reserves as are deemed necessary to secure the ability of the Health Board to meet its financial duties. They are resources set aside to meet costs that will arise in the year.

Reserves may be established as part of the financial planning process for items such as

- Pay awards
- Price inflation
- Service developments
- Performance achievement e.g. Referral to treatment time (RTT)
- Revenue consequences of capital projects
- Unforeseen contingencies
- Other specific items not yet allocated to individual budgets

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The Director of Finance may exercise discretion to partly or wholly allocate reserves directly to departments for subsequent allocation to specific budgets.

Reserves will be reviewed on a monthly basis to determine both their adequacy and necessity.

Funds will only be released from reserves when the Director of Finance is satisfied that

- The appropriate approval process and procedures have been complied with
- There is a sound financial strategy in place for spending the resource
- The purpose is in line with the Health Board strategic objectives

14. Savings

The Chief Executive, after taking advice from the Director of Finance, will decide how much is required from saving schemes for the year ahead. Factors affecting that level will include:

- Shortfalls in funding from the Welsh Government, other Health Boards etc
- Directives from the Welsh Government.
- Funds required to be generated internally

The Chief Executive and Director of Finance will determine the level of savings required from budget holders and this may take the form of a general savings target or as specific targeted savings. The savings targets will be deducted from Directorate budgets.

Specific savings schemes designed to achieve the savings targets will result in reductions to individual budget lines and should not normally be reflected as a general unspecified negative budget. There may be instances whilst savings schemes are worked up where savings targets are held centrally.

The Director of Finance will monitor progress on savings targets throughout the year in line with Welsh Government guidance and report accordingly to the Finance Committee and the Board.

Savings may result from recurrent or non-recurrent schemes. However, the latter should be replaced with schemes that generate recurring savings in future years.

15. Control Totals

If the organisation's initial Financial Plan does not align to the control total issued by Welsh Government in any year then a decision has to be made as to how this is to be reflected in the organisation's budgets. Consideration will be given to:

- Increased savings targets, if so how and where?
- Are pay or non-pay budgets to be amended?
- Are there any amendments to reserves being held?

Once agreed these amendments will require reporting as part of the monthly Finance Report to the Finance Committee and Board.

16. Training

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The Director of Finance will ensure that appropriate training is available and accepted by senior managers and clinicians, who are required to fulfil the requirements of the policy. This will include training provided by one-to-one contact with finance department staff, formal financial management training, briefings, and finance content within other management development programmes.

Help will also be provided to support budget managers from other corporate departments.

17. Responsibility

Responsibility for maintenance and development of this policy rests with the Chief Executive and Director of Finance.

18. References

Welsh Health Circulars

Welsh Government Allocation Letter

Welsh Government Planning Guidance

To: All Budget Managers

Accountable Officer Letter: Delegations and Financial Delivery for 20xx-xx

Dear colleague

This letter formally designates you as the Accountable Officer for the budgets which have been assigned to you, a copy of which is provided alongside this letter as the Opening Budget Book 20xx-xx **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 20xx/xx and indeed the next 5 year period. It is recognised by the Board that, whilst 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 20xx-xx.

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 20xx-xx, our Annual Plan outlines the agreed vision for HDUHB.

You and your teams have been responsible for developing our Annual Plan and in order to allow us to deliver all of it 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.

Our strengthened governance process will continue into 20xx/xx, and I continue to chair a single day of 'Holding To Account meetings' (HTA meetings) in week 3 of each month, supported by the Turnaround Director, Director of Finance and Director of Operations. This will ensure an integrated approach to the performance management of in year financial performance and savings delivery.

As in 20xx/xx directorates of concern in financial performance and delivery terms, will be placed in a fortnightly or weekly cycle of HTA meetings with the Turnaround Director. 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.

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Corporate Directorate Plans will be monitored and performance managed through the monthly Executive Team Turnaround meeting.

Risk Management

HDUHB is facing considerable scrutiny, and need 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 Turnaround 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.

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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 20xx-xx.

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 20xx-xx 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.

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 xx April 20xx.**

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.

HYWEL DDA UNIVERSITY HEALTH BOARD

Yours sincerely



Steve Moore
Chief Executive

cc. Huw Thomas, Director of Finance

Opening Budget Book 20xx-xx Letter

Name of Budget Holder	
Directorate	
Opening Budget Book	£xx

This letter, and the associated budget book, 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 book includes the following items in respect of the 20xx-xx financial year:

- Roll-forward recurrent budgets from 20xx-xx,
- Full year impact of 20xx-xx savings plans
- A4C pay budgets have been set at
- Medical & Dental budgets have been currently set at
- Settlement of agreed cost pressures for 20xx-xx
- Please note your month 1 budgets will also include funding adjustments for the following:
 - Agreed savings plans for 20xx

The following amendments will

You are required to complete and sign the Accountability Agreement by xxth April, 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 book attached. 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 Book	£xx

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, and which is detailed in the appended Budget Book.
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;

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- 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:	

BUDGETARY CONTROL POLICY

Record of Line Manager/Budget Holder Meeting to Agree Budget Overspend Recovery Actions

1. Attendees

List of Staff Attending Recovery Meeting	Position
Date of Meeting:	

2. Agreed Actions to Recover Budget Overspend

List Actions	Effective Date

3. Agreement

Delegated Budget Holder	Date
Line Manager Signature	Date

Authorised by

Date.....

HYWEL DDA UNIVERSITY HEALTH BOARD

APPENDIX 3

BUDGETARY CONTROL POLICY VIREMENT FORM

1. Reason for the Virement (Budget Transfer)

Description of Service or Rationale for Transfer	WTE	£
Budget Transfer Timescale i.e. Non recurrent, Recurrent or Time limited		

2. Transfer Agreement

Budget Holder Transferring Funds	Budget Holder Receiving Funds
Name:	Name:
Position:	Position:
Name of Budget Transferring:	Name of Budget Transferring:
Budget Cost Centre Number:	Budget Cost Centre Number:
Signed:	Signed:
Date:	Date:
Director of Finance / Chief Executive approval	
Signed:	Date:

3. For Finance Use

Oracle Account Code			£ Dr		£ Cr	
CC	Subj	Analysis				

HYWEL DDA UNIVERSITY HEALTH BOARD

Actioned By:			
Name:			
Signed:			
Date:		Ledger Mth/Yr	

Budgetary Control Procedure

Please check that this is the most up to date version of this written control document

Paper copies of this document should be kept to a minimum and checks made with the electronic version to ensure that the printed version is the most recent