K4

FINANCE INNOVATION FORUM

EFFICIENT FINANCIAL SYSTEMS

MID YORKSHIRE HOSPITALS NHS TRUST

NORTH EAST AND YORKSHIRE, ACUTE

FOR INFORMATION ON THE
INNOVATION PROGRAMME
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THE INNOVATORS

The innovators behind this submission are Derek Stewart, Carl Finta, Simon Hosey, Kay Bryan and Joe Briscoe. The focus is on sharing the experience of the financial services team of the Mid Yorkshire Hospitals NHS Trust in utilising the NHS finance diagnostic tool, previously known as the systems maturity toolkit. This reviews existing processes and procedures as part of its strive for continuous improvement.

THE PROBLEM

Our finance teams need to work effectively and efficiently within available resources otherwise we face additional challenges from ineffective processes. This helps with continuous improvement, ensuring we develop a value for money approach as part of the day job.

THE CHALLENGES

- How might we assess the effectiveness of how we work and evaluate existing process and systems (including systems, staff and effectiveness of existing procedures) so that we can deliver efficiently and make the best use of resources available to us?

- How might we optimise existing ledger systems so that we can use integrated modules, minimise or reduce levels of manual processes and share best use of these systems within ICBs to improve effectiveness and efficiencies in key financial governance areas?

- How might we ensure existing process and procedures are fit for purpose, enhanced when opportunity is identified and shared with other users to optimise user experience?
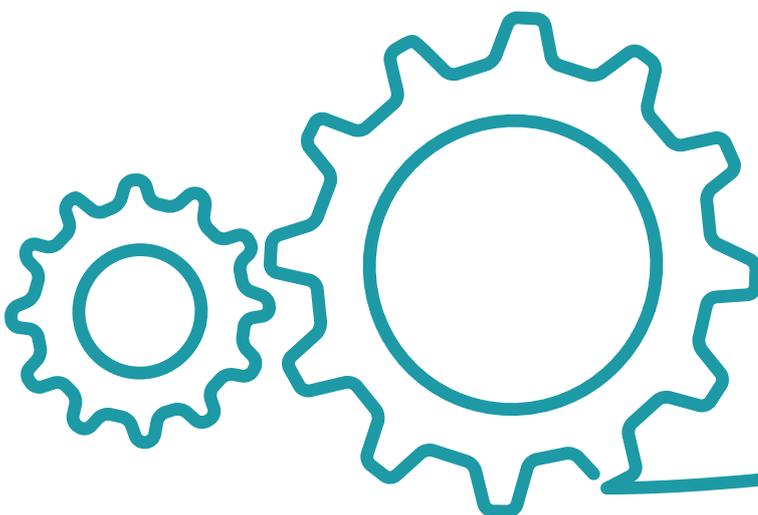
THE INNOVATION

We wanted to measure how effective our existing processes and procedures were. The NHS finance diagnostics tool provides a great opportunity to review your existing processes and procedures. We often benchmark the cost of services, but this provides a review of the use of services including systems and staff resources.

It is also an opportunity to support the development of an integrated finance team and improve collaboration with key areas such as procurement, service stakeholders, payroll information and workforce teams.

This works with the financial sustainability review that we are all required to undertake as part of the 2022/23 plan as the nine modules of this toolkit include:

1.   Procure to pay (42 questions- 68%)

2.   Activity to cash (29 questions- 59%)

3.   Capital accounting (12 questions- 63%)

4.   Treasury (10 questions- 65%)

5.   Plan to deliver (25 questions- 49%)

6.   Record to report (27 questions- 76%)

7.   Hire to retire (23 questions- great opportunity to integrate finance, payroll and workforce)

8.   Business partnering (15 questions)

9.   Finance department (5 questions- 65%).

I have used the toolkit in three organisations and found it extremely useful to help in developing a continuous improvement model in key financial control areas and to develop improved integration. At one organisation it was utilised to help the financial services team to develop an improvement plan as part of the finance department's build back better post Covid-19 plan.

We utilised the following, which I have attached:

•   diagnostics tool v8.1 – a good interactive model which provides guidance and a glossary, process area data input for each of the modules to which I have added the scores to obtain a percentage overall score per module, benchmarking metrics input which requires corporate benchmarking information and process data and outputs which provides an overview of your performance. If you click the red dots on headings and return to contents you can navigate effectively through the model.

•   PowerPoint module- this includes questions and gives you the opportunity to collate responses from the review session. The session included all of the six team members involved in the capital process which I facilitated. The session was around an hour and a half, everyone participated, and the rating was agreed by consensus. We also linked this to the Finance global design principles which is a government toolkit with similar principles to the FFF toolkit but includes wider use of process maps which can be very useful in reviewing existing processes.

•   Benchmarking review- a summary of discussions was circulated for comment and this includes the key steps outlined in the process review. We identified a review of procedures, effectiveness of the existing asset register system which is being changed with go live in October 22, looked at opportunities to improve existing processes and reporting in this area. We also wanted to link the developing areas to appraisal and personal development plans.

We plan to hold review sessions in 2022/23 to further review these and ensure it is a good fit with internal audit review.

THE LESSONS LEARNT

I was initially involved in reviewing the systems maturity toolkit as a pilot in 2018 and had a number of organisations who were not comparable, for example acute teaching hospital, acute district general hospital, and community and mental health trusts. Ideally it would be good to focus on organisations with similar ledger providers and if it could be developed at ICB/ ICS level these organisations are already likely to be working together.

We would not develop an extensive organisation mix again because the information is not good for comparison.

The level of outsourced services such as shared services with SBS isn't problematic as these organisations are likely to perform well in these areas, but it is useful to understand what is and is not a responsibility of the trust team.

We learnt to take time to have discussions with individuals involved in each of our key processes so that we understood in detail how well-developed processes are.

If we compare how well our processes and procedures compares with other organisations, we can determine whether we require a development plan to improve or we can share our existing good practice with others.

In financial services we undertook the initial reviews in 2021/22 and plan to review further in 2022/23, in this time we have implemented a cash management module removing some manual processes, implemented a new asset register, developed improved reporting in financial services, undertaken a review of processes in relation to overseas visitors, improved our BPPC performance and developed a better working relationship with our procurement team. We hope that we have developed some of the areas that were problematic in our initial review and hope to identify further opportunities to improve.

The finance department has undertaken a stakeholder survey and we hope to link feedback to areas and review any issues as part of the module reviews.

A key driver for further development of the toolkit is the link to the financial sustainability review required in 2022/23. If we can demonstrate that we are reviewing our key process areas in finance it supports completion of this review and links with existing areas of review for internal audit.

THE OUTPUTS

The key outputs are:

• the review of existing processes by a fully engaged group using an integrated approach

• identification of an improvement plan

• development of audit evidence – the toolkit links well to existing internal audit reviews and the financial sustainability review mandated in 2022/23 as part of planning process

- process reviews which link well to the individual's appraisal reviews and support personal development plans

- the opportunity to share effectiveness of organisations who are working on the same ledger system. They can easily share scoring and understand if others are further developed and ask what they could do differently

- the review provides an opportunity to reiterate roles and responsibilities in key processes. For example, P2P can include accounts payable, procurement, budget holders, receipt and distribution teams, management accounts and financial systems. Process maps from existing P2P and hire to retire can be utilised or the government finance global design principles can be referenced to support developing process maps Finance global design principles (www.gov.uk) although a login is now required which can be arranged with the Innovation Forum. The information in this model is really useful in understanding and developing process maps,

As an example, our organisation identified that going live with an additional ledger module, reporting developments and moving to a new asset register were opportunities to improve effectiveness in our financial services processes. We plan to start our reviews in financial services in October 2022.

THE OUTCOMES

We hope for improved financial governance and clearly defined processes and procedures. In 2021/22 we had three internal audit reviews with no finance recommendations and no recommendations in our external audit review. This toolkit will provide an opportunity for further review and an opportunity to demonstrate what we have undertaken in developing a continuous improvement approach. The benefits for the team were:

- developments recognised by the Finance Innovation Forum and provided evidence of utilising FFF tools for accreditation submission

- opportunity for the staff to share learning at FFF, regional and national HFMA events and regional SDN and Value Maker events- opportunity for other organisations to take on board some of our learning by going live and whether we have addressed some issues and pressures facing them

- development opportunity for the staff in learning new skills- linked to personal development plans

- greater integration in the wider team from sharing benefits and improving effectiveness of previous manual process- this has been an effective and standardised approach to tasks

- shared use of experience in how we utilise ledger systems. This is the least developed area but can provide a great opportunity at an ICS/ ICB level if organisations share the same financial ledger.

THE QUICK WINS

- Workshop sessions are great to understand roles and responsibilities of the wider team- you may identify some quick wins when we all talk about the issues facing us.

- Provides evidence as part of the financial sustainability review required by internal audit teams.

- The integrated toolkit is a really simple tool to utilise, but if you add the score it provides a comparable measure which can then be reviewed further.

- It is great to take the time and space to review existing processes and procedures.

THE REVIEWERS SAID

"IT IS SIMPLE ENOUGH TO ENCOURAGE DISCUSSIONS WITHIN AND ACROSS TEAMS IT IS POSSIBLE TO UTILISE IT OVER A NUMBER OF TEAMS TO HIGHLIGHT MORE EFFICIENT WAYS OF WORKING AND LINKS TO THE SUSTAINABILITY AGENDA."

"A GREAT TOOL TO MAKE YOU STOP AND THINK ABOUT YOUR CURRENT PROCESSES AND WEAKNESSES AND MAKE YOU CHALLENGE YOURSELVES WITH REGARDS TO POTENTIAL IMPROVEMENTS."

"GOOD EXAMPLE OF USING A CONTINOUS LEARNING AND BENCHMARKING TOOLS TO IMPROVE."

WHAT YOU CAN DO NOW

SUBMIT INNOVATION

If you recognise the problem stated and have implemented your own innovation to overcome it please submit this innovation to the programme and give others more examples to learn from.

REGISTER INTEREST

If you recognise the problem stated and would like to know more details about this innovation in particular, we will be hosting showcase and workshop sessions throughout the year, so all interested staff can gain ideas and inspiration from innovators in a manageable one-to-many format.

SUBMIT PROBLEM

If you have a problem but don't currently know of a solution to it, then please submit it here and in 2022 the Forum intends to crowdsource solutions to problems that don't currenlty have known innovations.

LEARN MORE

If you would like to learn more about about the innovation programme please click for more details.

ENDORSEMENT DISCLAIMER

The Finance Innovation Forum's Innovation Programme asks NHS Finance peer reviewers whether the "Innovation overcomes, successfully addresses, or solves the problem identified". The programme does not endorse, recommended or provide any assurance of software used or mentioned in any of the published innovations. If you think a published innovation is being used to falsely validate a commercial product or company please contact **finance.innovation@nhs.net**

WHAT ARE WE DOING

- A national Innovation Programme for NHS Finance staff to submit their innovations for peer review. Successful innovations will be published and accessible to all on the One NHS Finance website

- Software Skills is a network of likeminded NHS Finance staff which exists to help its members see what's possible when using accessible software to its full potential.

- An 'Art of the Possible' briefing which explains two new technologies AI & Blockchain and discusses the opportunity for NHS Finance

- We helped develop a Provider Finance Return (PFR) Automation Project tool, to save NHS Finance teams excessive manual time in their monthly returns.

WHAT YOU CAN DO NOW

- Submit your innovations for peer review
- Sign up to be an innovation peer reviewer
- Share you problems and ideas with us

- Join the Software Skills network
- Register your interest in R&D and automation

| Innovation Programme | Software Skills | Automation sign up | Be a peer reviewer | Art of the Possible |

FURTHER INFORMATION

Website: **FinanceInnovation.nhs.uk**

Email: **FinanceInnovation@nhs.uk**

LinkedIn: **One NHS Finance**

Twitter: **@OneNHSFinance**

One NHS Finance brings together the Future-Focused Finance, National Finance Academy, and the Finance Innovation Forum programmes and networks to make sure that everyone working in NHS Finance has access to skills, knowledge, methods, and opportunities to influence and enhance patient services.

An NHS Finance platform for the discovery and development of problems, ideas and innovations.