

# Supporting financial reporting and control for a rapidly expanded GP federation

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Midlands and Lancashire  
Commissioning Support Unit

## Background

North Staffordshire GP Federation (the Federation) is a membership organisation to all 76 GP practices currently serving the whole of North Staffordshire. Rapid expansion meant the Federation required support enhancing its financial reporting, financial procedures, and financial governance to meet its new requirements. MLCSU was approached to undertake a review, produce an issues log and recommendations and commence routine financial reporting.

## Action

Our support acted at an operational level to address shortcomings in the recording of financial transactions and providing the Federation with a first year to date and forecast outturn focused board report. It included:

- **Review and recoding of financial transactions** to correctly reflect the Income and Expenditure category, and apportioned to the various Federation projects and workforce schemes. There was a particular focus on the expenditure classified as consultancy to determine the correct classification for each transaction
- **Introducing accruals basis reporting** by identifying monthly processes resulting in transactions not being recorded to the reporting period they related to and introducing an accruals process to rectify this
- **Analysing pay costs** to split code salary costs and HMRC pay-overs across the relevant Federation projects and workforce schemes
- **In year and forecast outturn reporting** by providing the Federation's Board with its first Finance Report identifying and analysing year to date positions for:
  - Income
  - Pay costs
  - Non-pay costs
  - Overheads
  - Surplus / deficit per project and workforce scheme.

## Impact

Our financial deep dive enabled the Federation to have a timely and accurate understanding of the latest Income and Expenditure position for each of its 15 projects and 20+ workforce schemes. This has been enhanced with a monthly reporting process.

The CSU has been able to produce a Year End Forecast Outturn for each of these and an overall Federation position, enhanced with a monthly running cost for each scheme and associated surplus / deficit.

Based on this information the Federation Board has been able to make informed investment decisions for the remainder of their current financial year and budget setting for 2019/20.

The Board Report has also provided the Federation with a list of issues / risks regarding financial procedures, scheme of delegation, separation of duties and associated recommendations for its consideration.

The CSU has automated some of the Federation's processes to make them more efficient and remove the opportunity for human error.

Additionally, we are able to provide a layer of resilience to the Federation, which as a relatively small organisation does not have the staffing levels to provide cross cover for business critical areas such as payment of the monthly payroll, authorisation of payment runs and so on.

“Our organisation grew rapidly over a fairly short period of time and we needed support in terms of setting up our ledger system and being able to report against projects to our Board of Directors. The CSU has given us the support we required to set up the systems so that we can report accurately and have sound financial projections for the future.”

Ian Gibson, Associate Director of Operations & Services, North Staffordshire GP Federation