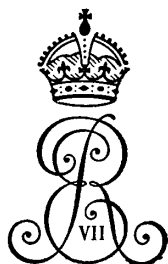


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FINANCIAL MANAGEMENT OF THE CATERING DEPARTMENT.

F O R E W O R D

My Committee's object in publishing this memorandum is to afford hospitals guidance in the financial management of their catering departments by defining the respective roles of the finance and catering officer in the preparation of the figures required for ascertaining and controlling the cost of feeding patients and staff.

Our thanks are due to the Hospital Administrative Staff College and the Division of Hospital Facilities who collaborated in the drafting of the memorandum.

*S. J. COWELL,
Chairman,
Hospital Catering & Diet Committee.*

Before the start of each financial year the Board of Governors or Hospital Management Committee approves the estimates which allot the total sums available to the various services or expenditure heads, and in the preparation of these estimates the Catering Officer should be called upon to advise on the requirements of the catering department. The sum allocated in the estimates for provisions will be the amount considered necessary to feed an estimated number of patients and staff at the anticipated price level. Any large variation in either the number of persons fed or in the price of provisions would necessitate a revision of the sum allowed when the estimates are reviewed by the Board or Committee during the year.

The Catering Officer should be informed of the total sum provisionally allowed for the twelve months and of the rate per head per week on which this total figure has been based. In all cases it is most desirable that the Catering Officer should be free to vary the daily cost of feeding within the sum allocated so that menus may be planned to give the greatest variety having regard to the seasonal nature of provisions costs.

As there are wide differences in hospitals in the

- (a) administrative organisation,
- (b) responsibility of the various hospital officers,
- (c) experience of the officers responsible for catering,

it is not practicable to introduce a uniform pattern of financial responsibility for catering matters into all hospitals. The purpose of this memorandum, however, is to record a desirable pattern of these financial responsibilities for the guidance of those members of hospital staffs who are concerned with the financial side of catering.

1. The Finance Officer will be responsible for the catering department costing, although the Catering Officer may be required to assist him in this work.

2. Catering department costing comprises:—

- (a) the calculation of the cost of feeding per head;
- (b) the calculation of the food cost by categories of patients and staff, and
- (c) the calculation of kitchen and service costs.

Subject to any directive which the Ministry of Health may issue, the extent to which (b) and (c) are calculated will be decided by the Board or Hospital Management Committee in the light of the value of the information resulting and will also depend on the size, staffing and organisation of the hospital.

3. It is essential for the Catering Officer to have the following information:—

- (a) The amount allocated to the catering department for the year.
- (b) The amount per head per week upon which this allocation was based.
- (c) The actual cost per head per week.
- (d) The cost of issues per week analysed into groups of commodities, calculated at least monthly, but preferably weekly.
- (e) The total cost of issues to date, furnished at least monthly, but preferably weekly.

The value of this information depends directly upon the promptness with which it is supplied.

4. It is desirable for the Catering Officer to supplement the control of the catering costs, as provided by the financial information supplied to him, by pricing approved dishes and recording portions and recipes so that the cost of his menus can be regulated in advance.

5. In regard to supplies, the following principles should be observed:—

- (a) The Finance Officer must be responsible for the stores accounting.
- (b) The Catering Officer must know the prices paid for all commodities and have access to figures of stocks and consumption.
- (c) The Catering Officer or his deputy should authorise all issues from the provision stores.

6. Statistics relating to the numbers of persons fed should be maintained systematically as follows:—

- (a) The Catering Officer should base the number of meals to be supplied to patients on the ward returns, and he should receive a copy of the daily bed state and take such steps that may be necessary to reconcile any differences between the numbers shown in that state and in the ward return.
- (b) The Catering Officer should provide meals for the resident staff on figures furnished weekly by the Matron or other officer responsible for the staff concerned. These figures may have to be adjusted to allow for staff who are away sick or on holiday.
- (c) The Catering Officer should be informed of the number of persons authorised to feed in the non-resident dining-rooms and which of them are entitled to free meals.
- (d) The Catering Officer should record chargeable meals taken in the dining-rooms for which he is responsible.
- (e) The total number of non-resident staff who take their meals in the hospital should also be recorded. This figure is required for the calculation of the cost per head.

7. When the Catering Officer is responsible for the purchase or ordering of provisions he should supply the Finance Officer with copies of all orders placed, and certify invoices received for quality and price.

8. If it is desired to calculate the cost of feeding patients and staff separately (vide 2 (b) ante), then it will be necessary for the Catering Officer to inform the Finance Officer of the allocation of all issues of foodstuffs. This allocation may be ascertained either from separate requisitions or assessed arithmetically by reference to the menus, vide paragraph 4 ante.

9. For the calculation of the cost per head of all persons fed, it is necessary to convert the meals taken by non-resident staff into the equivalent full meal days. The accuracy of this conversion will depend on the adoption of a ratio that corresponds with the composition of the various meals. This ratio should be kept under constant review.

10. The Catering Officer should:—

- (i) Maintain and check inventories of the equipment in all sections of the catering department.
- (ii) Certify the time-sheets of the staff in the department.
- (iii) Notify the Finance or other designated officer of all changes in catering staff, including holidays and sickness.

11. It is most desirable that the Catering Officer be in a position to spend the money available for his department to the best advantage, subject only to the nutritional policy as laid down by the governing body, and for this purpose that he be allowed the maximum financial responsibility that his experience and ability admit. It is his duty to keep the administration informed of any matters likely to affect the standard or cost of catering, and to obtain a ruling on the policy to be adopted.

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