

# Revised date - NWSSP Audit Committee Meeting - Part A

Tue 13 May 2025, 13:00 - 15:00

By Microsoft Teams

Chaired by Gareth Jones

## Agenda

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### 13:00 - 13:10 **1. Standard Business**

10 min

Verbal Gareth Jones, Chair

#### **1.1. Welcome & Introductions**

Verbal Gareth Jones, Chair

#### **1.2. Apologies**

Verbal Gareth Jones, Chair

#### **1.3. Declarations of Interest**

Verbal Gareth Jones, Chair

#### **1.4. Draft Minutes of the meeting held on 05 February 2025**

Decision Gareth Jones, Chair

 1.4 Draft Audit Committee Minutes in final 05022025.pdf (13 pages)

#### **1.5. Matters Arising**

Noting Gareth Jones, Chair

 1.5 Matters Arising.pdf (5 pages)

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### 13:10 - 13:25 **2. NWSSP Update**

15 min

Neil Frow, Managing Director

#### **2.1. Managing Director Report**

Information Neil Frow, Managing Director

 2.1 Managing Director Report April 2025.pdf (6 pages)

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### 13:25 - 13:40 **3. External Audit**

15 min

Steve Wyndham, Audit Wales


#### **3.1. Audit Wales Update**

Noting Steve Wyndham, Audit Wales

 3.1 Audit Wales update paper - NWSSP April 2025.pdf (2 pages)

## 3.2. 2024-25 NWSSP Audit Assurance Arrangements

Noting *Steve Wyndham, Audit Wales*

 3.2 2024-25 Audit Assurance Arrangements - NHS Wales Shared Services Partnership.pdf (10 pages)

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13:40 - 14:00

20 min

## 4. Internal Audit

*James Johns/Sophie Corbett, NWSSP Audit & Assurance*

### 4.1. Progress Update

Noting *James Johns, Head of Internal Audit*

 4.1 A&A NWSSP Audit Cttee Progress Report April 25.pdf (7 pages)

### 4.2. Internal Audit Reports

Noting *Sophie Corbett, Deputy Head of Internal Audit*

#### 4.2.1. Variable Pay Internal Audit Report

Noting *Sophie Corbett, Deputy Head of Internal Audit*

 4.2.1 SSP-2425-07 Variable Pay - Final Report.pdf (7 pages)

#### 4.2.2. Payroll Services Internal Audit Report

Noting *Sophie Corbett, Deputy Head of Internal Audit*

 4.2.2 NWSSP Payroll Services (Final) IA Report.pdf (5 pages)

#### 4.2.3. Primary Care Services Internal Audit Report

Noting *Sophie Corbett, Deputy Head of Internal Audit*

 4.2.3 SSP-2425-03 PCS Pharmacy Final Report.pdf (5 pages)

### 4.3. Draft Internal Audit Annual Plan 2025-26

Decision *James Johns, Head of Internal Audit*

 4.3 A&A NWSSP Internal Audit Plan 2025-26 final.pdf (24 pages)

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14:00 - 14:15

15 min

## 5. Counter Fraud

### 5.1. Progress Update

Noting *Mark Weston, Local Counter Fraud Lead*

 5.1 NWSSP Q4 2024 2025 LCFS Progress Report.pdf (7 pages)

### 5.2. Draft Counter Fraud Annual Plan 2025-26

Decision *Mark Weston, Local Counter Fraud Lead*

 5.2 NWSSP Counter Fraud Annual Plan 202526.pdf (22 pages)

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14:15 - 14:40

25 min

## 6. Governance, Assurance & Risk

### 6.1. Governance Matters

*Noting Alison Ramsey, Director of Corporate & Finance Services*

 6.1 Governance Matters April 2025.pdf (17 pages)

## **6.2. Risk Management**

*James Quance, Assistant Director of Corporate Services*

### **6.2.1. Risk protocol**

*Decision James Quance, Assistant Director of Corporate Services*

 6.2.1 AC Apr 2025 Risk Management Protocol CP.pdf (1 pages)

 6.2.1 NWSSP Risk Protocol April 2025 updated.pdf (18 pages)

### **6.2.2. Risk Appetite Statement**

*Noting James Quance, Assistant Director of Corporate Services*


 6.2.2 Risk Appetite Statement cover paper.pdf (2 pages)

 6.2.2 NWSSP Risk Appetite Statement November 24.pdf (4 pages)

### **6.2.3. Risk Register**

*Decision James Quance, Assistant Director of Corporate Services*

 6.2.3 Corporate Risk Register Cover Paper Apr 2025.pdf (2 pages)

 6.2.3 Appendix A Corporate Risk Register.pdf (8 pages)


## **6.3. Losses and Special Payments Paper**

*Noting Alison Ramsey, Director of Corporate & Finance Services*

 6.3 2024-25 Losses Special Payments.pdf (20 pages)

## **6.4. Tracking of Audit Recommendations**

*Decision James Quance, Assistant Director of Corporate Services*

 6.4 Tracking of Audit recommendations report April 2025.pdf (3 pages)

 6.4 Appendix A Audit Recommendations April 2025.pdf (2 pages)

## **6.5. Financial Control Procedure**

*Decision Linsay Payne, Deputy Director of Finance and Corporate Services*

 6.5 Capital Monitoring Cover Paper.pdf (1 pages)

 6.5 Capital Monitoring Procedure Mar 25 v0.8.pdf (17 pages)

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## **14:40 - 14:40 7. Items for Information**

0 min

*Information*

### **7.1. Forward Plan of Business 2025-26**

*Information*

 7.1 Forward Plan of Business 2025-26.pdf (3 pages)

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## **14:40 - 14:40 8. Any Other Business (By Prior Approval Only)**

0 min

*Verbal Gareth Jones, Chair*

*No AOB received at the time of writing*

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14:40 - 14:40 **9. Date & Time of Next Meeting 8 July 2025, from 2-4pm**

0 min

*Verbal*

*Gareth Jones, Chair*

**VELINDRE UNIVERSITY NHS TRUST AUDIT COMMITTEE FOR  
NHS WALES SHARED SERVICES PARTNERSHIP**

**MINUTES OF THE MEETING HELD ON  
WEDNESDAY 5 FEBRUARY 2025 / 13:00-15:00  
BY TEAMS APPOINTMENT**

<b>ATTENDANCE</b>	<b>DESIGNATION</b>	
<b>MEMBERS:</b>		
Gareth Jones (GJ) Chair	Independent Member	
Vicky Morris (VM)	Independent Member	
<b>IN ATTENDANCE:</b>	<b>DESIGNATION</b>	<b>ORGANISATION</b>
Neil Frow (NF)	Managing Director	NWSSP
Alison Ramsey (AR)	Director of Finance & Corporate Services	NWSSP
James Quance (JQ)	Assistant Director of Corporate Services	NWSSP
Simon Cookson (SC)	Director of Audit & Assurance Services	NWSSP
Carly Wilce (CW)	Corporate Services Manager	NWSSP
James Johns (JJ)	Head of Internal Audit and Assurance Services	NWSSP
Jonathan Irvine (JI)	Director of Procurement, Supply Chain Logistics, Transport and Laundry Services	NWSSP
Mark Weston (MW)	Local Counter Fraud Specialist	NWSSP
Sophie Corbett (SCo)	Deputy Head of Internal Audit and Assurance Services	NWSSP
Matthew Bunce (MB)	Executive Director of Finance Services	Velindre
Steve Wyndham (SW)	Audit Manager	Audit Wales
Jillian Haynes (JH)	Secretariat	NWSSP
Martyn Lewis (ML) for item 5.2 only	Auditor	NWSSP

<b>Item</b>		<b>Status</b>
<b>1. STANDARD BUSINESS</b>		
1.1	<b>Welcome and Opening Remarks (GJ)</b> The Chair welcomed all members of the Committee to the February 2025 meeting.	
1.2	<b>Apologies (GJ)</b> Apologies were received from Tracy Myhill, Chair of NWSSP; David Donegan, Chief Executive Officer for Velindre University NHS Trust; Non Gwilym, Interim Director of Corporate Governance for Velindre University NHS Trust and Lindsay Payne, Deputy Director of Finance & Corporate Services, NWSSP.	
1.3	<b>Declarations of Interest (GJ)</b> No declarations of interest were presented.	
1.4	<b>Minutes of Meeting held on 25 October 2024 (GJ)</b> The minutes of the meeting held in October 2024 were <b>APPROVED</b> as a true and accurate record of the meeting.	
1.5	<b>Matters Arising (GJ)</b> All actions were complete as shown in the report.	

Item		Status
<b>2. NWSSP Update</b>		
2.1	<p><b>Managing Director's Update (NF)</b></p> <p>NF presented the Committee with a comprehensive update on key developments within NWSSP, main highlights to report were as follows:</p> <p><b>Finance:</b> The financial position was very positive and NWSSP had committed to returning £2m to NHS organisations. There was an outstanding issue regarding the PPE stockholding position and discussions were taking place with Welsh Government Policy Leads. Advice would be forwarded to the Minister, and the Welsh Government would clarify the position on stock levels required going forward.</p> <p>Additional capital funding had been received for positive schemes ongoing across NWSSP, one of which is to purchase new laptops and NF was confident that NWSSP would achieve the Capital Expenditure Limit (CEL). Discussions had been held with Welsh Government regarding returning funds relating to Radiopharmacy, as NWSSP have been unable to spend the entire amount by 31 March 2025, due to delays with regard to planning permission.</p> <p><b>Radiopharmacy:</b> The Medical and Healthcare products Regulatory Agency (MHRA) conducted an additional review of the proposed plans and suggested some minor amendments, which have been implemented and the plans approved. The Section 106 agreement signed under the seal of Velindre University NHS Trust has been submitted to Newport Council. NF confirmed that the planning permission application covers both the RadioPharmacy and the South-East Wales Hub, therefore no additional applications would be required. Preparation work had commenced at IP5. NF also highlighted the challenges Wales is experiencing with RadioPharmacy products.</p> <p>From the South-East Wales Hub perspective, work had continued around the revenue baseline and the funding revenue element of the Hub. Tenders for the required isolators had been sought, with an estimated cost of around £5m. Due to high demand of isolators, there is expected competition from other health organisations in England. NF had held conversations with the Welsh Government Finance Team regarding the required approach. In terms of trying to recover time on the programme, the possibility of combining Outline business Case and Final Business Case processes within one submission was being considered. NWSSP finance team was working through this proposal in partnership with Ian Gunney and his team at Welsh Government, and NF would update members on timelines at the next meeting, when the results of the tender would be available.</p> <p>GJ stated that Velindre University NHS Trust colleagues were concerned about the timeline and asked if the works would be completed before the end of December 2025. NF replied that Radiopharmacy should be complete towards the end of December 2025, but was dependent on the timing of receiving the funding from WG. NF confirmed that some enabling works at Radiopharmacy also included the Hub area, such as fire egress requirements. The new roof would cover the entire area and changing rooms and floors finishes would be added as part of the Radiopharmacy building works but would cover the requirements for the whole Hub. GJ emphasised it was important that the Audit Committee received a firm timeline for the next meeting.</p>	

Item		Status
	<p><b>HIV Action Plan – Pre-exposure Prophylaxis (PrEP) in the Community:</b> The pilot around HIV drugs linked in with Cardiff and Vale University Health Board and NF suggested that savings may become evident. Welsh Government would underwrite any losses in terms of stock. There would be a low-level of support in the first instance, involving purchasing, storage and deliveries.</p> <p><b>Medical Examiners’ Service:</b> Six months had passed since the change in legislation and registration processes had been updated. Stakeholders have been asked to acquaint themselves with the new processes. GJ queried progress regarding the pay proposal to review the pay rate for Medical Examiners. A proposal paper was presented to the Shared Services Partnership Committee (SSPC) in February 2025 for approval, however some members requested further information to clarify any implications for NHS Wales Organisations.</p> <p><b>Accommodation Update:</b> The proposed relocation to NG2 had fallen through, and a reduced footprint has been agreed for Companies House and the contract is being re-negotiated. The new lease was expected imminently and would require to be signed by Velindre University NHS Trust Board. Second hand furniture had been secured for HQ and Companies House at no additional cost. Regarding the decarbonisation initiative, the new solar farm at IP5 is performing well with noted cost savings. Works to install solar panels at Matrix House in Swansea had commenced.</p> <p><b>IMTP:</b> A very positive Joint Executive Team meeting had been held in December 2024. NWSSP had presented the Integrated Medium-Term Plan to the Shared Services Partnership Committee and it would be presented to members at the next meeting. <b>Action – IMTP to be presented to the next Audit Committee Meeting.</b></p> <p>The Committee <b>NOTED</b> the report.</p>	<b>NF</b>
<b>3. COUNTER FRAUD</b>		
3.1	<p><b>Progress Q3 Update Report (MW)</b></p> <p>MW presented the update with an overview of activity since the last meeting. As of 31 December 2024, total of <b>158.25</b> days of Counter Fraud work had been completed, against the agreed full year <b>210</b> days, as detailed in the Counter Fraud workplan for 2024/25. The Statement summarised the following activity in the last quarter:</p> <ul style="list-style-type: none"> <li>• in the last twelve months, a total of <b>222 new starters</b> have attended a fraud awareness session;</li> <li>• the NWSSP Local Counter Fraud Service intranet page continues to be updated, with support from the NWSSP Communications team;</li> <li>• <b>2</b> fraud awareness sessions have been delivered to both Legal and Risk and the Health and Safety team;</li> <li>• a further <b>264</b> members of staff have completed the All-Wales Counter Fraud E-learning module in Q3, which equates to <b>1,017</b> members of staff in total;</li> <li>• a bespoke fraud awareness session was delivered to <b>18</b> trainee doctors employed through the Single Lead Employer Programme;</li> <li>• during the reporting period, <b>2</b> new fraud referrals have been received for investigation;</li> </ul>	

Item		Status
	<ul style="list-style-type: none"> <li>• no Fraud Prevention Notices (<b>FPN</b>) have been issued by the NHS Counter Fraud Authority during Q3 of 2024-25; and</li> <li>• there are <b>6</b> ongoing investigations, which are as follows: <ul style="list-style-type: none"> <li>○ <b>4</b> relate to overpayment of salary; and</li> <li>○ <b>2</b> relate to working whilst on sick leave.</li> </ul> </li> </ul> <p>Proactive measures including addressing fraud alerts, such as unsolicited phishing calls relating to energy management are in place, with staff trained to stay vigilant. Another case surrounded an unqualified individual applying for accountancy roles across the sector, prompting staff concerns and subsequent checks.</p> <p>MW collaborated with the Assistant Director of Employment Services, on the National Fraud Initiative (NFI) data initiative. They successfully produced reports providing sickness and absence data on NFI matches, which could be replicated for all Health Boards, Trusts and Special Health Authorities. The innovative project showcased effective teamwork and collaboration.</p> <p>AR stated that the e-learning module was just one element around promoting awareness. The newsletter, along with in-person meetings with teams at various locations, was also proving effective. MW had taken lead role on the energy meter issues.</p> <p>The Committee <b>NOTED</b> the report.</p>	
<b>4. EXTERNAL AUDIT</b>		
4.1	<p><b>Audit Wales Update - January 2025 (SW)</b></p> <p>SW presented the update on current and planned work, confirming that the scope of audit and assurance work for NWSSP relating to 2024/25 would remain in line with the 2023/24 programme of work.</p> <p>Some aspects of assurance work for NWSSP had already commenced but focused more on supporting the assurance work of Velindre University NHS Trust. Payroll testing had concluded in response to feedback from the payroll team. The audit had been brought forward to avoid peak periods for NWSSP, such as year-end, which is an exceptionally busy time for the service.</p> <p>SW would bring an outline position detailing the programme of work for NWSSP to the next Audit Committee meeting for the Committee's attention. <b>Action – SW to provide outline position regarding the programme of work for the next Audit Committee meeting.</b></p> <p>GJ appreciated the report and anticipated a more comprehensive report at the next meeting in April 2025. VM thanked SW for the report and found the provided links showing the wider work and publications of Audit Wales to be helpful.</p> <p>The Committee <b>NOTED</b> the report.</p>	<b>SW</b>
<b>5. INTERNAL AUDIT</b>		
5.1	<b>Progress Report – January 2024 (JJ)</b>	

Item		Status
	<p>JJ provided an update on the completion of internal audit work, against the 2024/25 Internal Audit Plan, since the last meeting.</p> <p>JJ noted that <b>5</b> audits had been completed since the last meeting and were included on the agenda. Of the <b>5</b> reports, <b>1</b> achieved substantial assurance, <b>3</b> received reasonable assurance and <b>1</b> was given Limited assurance. A significant amount of audit work was in progress during the last quarter, including audits of Payroll and Primary Care Services. The 2025-26 Internal Audit workplan would be presented to the Committee for approval in April 2025. <b>Action – Internal Audit workplan to be presented for approval in the April 2025 meeting.</b></p> <p>JJ explained that a new reporting style had been adopted in preparation for the new standards and the system had been operating successfully since its implementation. The key change in the report is that both parties must agree on any management actions, rather than simply raising recommendations.</p> <p>VM stated that the summary was helpful, and the themes and recommendations were useful for tracking purposes. Additionally, any management views were clearly outlined in cases where there was disagreement.</p> <p>GJ felt that some of the recommendations contained contradictions and emphasised the importance of maintaining a consistent approach when conveying recommendations. NF concurred and this would be taken into account going forward.</p> <p>GJ noted that there were <b>9</b> reports outstanding as year-end approached and sought assurance from JJ that the work could be completed in accordance with the 2024/25 Internal Audit Plan. JJ assured the Committee that all outstanding audits would be completed prior to year-end, some of which were already in progress and nearing completion and he was confident that the plan would be fulfilled. SC also provided assurance, confirming that a Head of Internal Audit Opinion would be finalised by the end of the financial year.</p> <p>AR advised that she and JJ had planned to meet the following week to review the workplan and that JQ and JJ continue to work collaboratively.</p> <p>The Committee <b>NOTED</b> the report.</p>	<b>JJ</b>
5.2	<b>Internal Audit Reports (JJ)</b>	
5.2.1	<p><b>Procurement Capital Equipping</b></p> <p>SCo presented the report, which reviewed the systems and controls in place within the capital equipment team, which serves Swansea Bay University Health Board (SBUHB) and Cwm Taf Morgannwg University Health Board (CTMUHB). The team sources furniture for capital schemes and the procurement activity within that team represented a small part of the wider service. The Capital team had been operating with insufficient management oversight. Guidance and frameworks available to other procurement services areas were not available for capital equipment.</p> <p>The team source equipment from suppliers on NHS frameworks, but suppliers had not been properly engaged with, in accordance with frameworks and consequently terms and conditions were difficult to enforce. Where framework</p>	

Item		Status
	<p>suppliers had not been used, the method and rationale for selection was unclear and the procedure of obtaining a minimum of three quotations had not been adhered to in contracts reviewed. There were also instances of order splitting, which is prohibited by the Standing Financial Instructions (SFIs). The audit received Limited assurance with <b>3</b> high and <b>3</b> medium priority matters for action. JI confirmed that all recommendations raised during the audit had been implemented and closed.</p> <p>VM asked if this had been the first audit of Capital Procurement and JI confirmed that it was. Several recommendations addressed non-compliance with documented procedures, highlighting the need for ongoing training which had been scheduled. Some actions were dependent on Health Board requirements, such as equalising approval limits and recording of expenditure against budgets. These issues had been addressed. JI assured members that awareness training in readiness for new standards had been included in the general refresh of the Document Management System (DMS).</p> <p>GJ noted that authorisation levels had been reduced, and asked if this was a consistent approach across the Health Boards. He also enquired how these levels compare with the scheme of delegation within NWSSP. JI advised that authorisation levels were consistent with levels across NHS Wales. However, there would be variation on occasions for practicality purposes. Capital equipment could be high value and so the approach may have been different historically, to usual procedures.</p> <p>GJ asked if Health Board procedures override NWSSP's approval limits. It was clarified that the approval processes are separate, as Health Boards, Trusts and Special Health Authorities operate under their own Governance arrangements. JQ confirmed that junior managers would not approve large amounts of £500K or more, and there are various levels of authority throughout the ranks.</p> <p>SCo added that approval from Health Boards would be outside the system, and are done through a memo system and was difficult to compare the two procedures. An Oracle record would be created to record the transaction, with the sourcing team enclosing supporting documents. Occasionally the process would be automated. Approvals were conducted outside of the Oracle system and the procedure details would be provided to Independent Members for clarity.</p> <p>JQ would outline the scheme of delegation processes and limits for NHS Wales Organisations, including NWSSP. It was explained that the approval of expenditure incurred by Health Boards, Trusts and Special Health Authorities would follow their respective governance procedures.</p> <p><b>Action: JQ to provide Independent Members with context and details of respective Schemes of Delegation for Health Boards, Trusts and Special Health Authorities, as facilitated by NWSSP Procurement Services in accordance with Standing Orders and Standing Financial Instructions.</b></p> <p>GJ asked which party would sign off the 'call-off' contract with the supplier and whether there was danger of exposure to any liability. JI stated that NWSSP would sign and facilitate the contract on behalf of the procuring organisation (Health Board, Trust or Special Health Authority) but a counter signature would be required from the procuring organisation. NWSSP would not be held liable</p>	<p>JQ</p>

Item		Status
	<p>since it acts as an agent on behalf of the procuring authority. Any issues would fall under the responsibility of the procuring authority.</p> <p>GJ inquired whether the issues highlighted in the report for SBUHB and CTMUHB were also present in other procurement groups or Health Board service teams within NWSSP. JI noted that this specific team had not been previously audited and he had requested SCo to conduct the audit. There is a rolling audit programme, including internal and external controls i.e. ISO 9001 auditors. The auditors had provided assurance that this was an isolated case.</p> <p>GJ referred members to the recommendation referring to 'interim measures' and inquired about more permanent solutions. JI explained that the interim measures were due to ongoing organisational change processes (OCP). The discussion involved repatriating Capital Procurement responsibilities to the original procurement teams in Swansea Bay and Cwm Taf Morgannwg UHBs for efficiency and value outcomes. The timeline depends on the OCP and consultations with trade unions and staff. If approved, the small procurement team would be integrated into teams within SBUHB and CTMUHB.</p> <p>GJ further highlighted that the management response of one recommendation stated that the point was agreed, but the second paragraph continued to undermine and contradict the first. JI advised that he had agreed to the recommendation, but had been obliged to comment on the context. The contracts had been processed and would stand up in court if challenged. He accepted that the framework access arrangements needed to be completed, but this did not jeopardise the arrangements put in place by the Capital Equipping Team.</p> <p>Committee <b>NOTED</b> the report.</p>	
5.2.2	<p><b>Accounts Payable</b></p> <p>SCo presented the report noting that the findings were consistent with last year's audit. The 'No PO, No Pay' (NPNP) policy and other initiatives had been effective. The volume of invoices was high and efforts were being made to address demand. The audit achieved a reasonable rating, with <b>4</b> medium priority findings.</p> <p>AR welcomed the report following the refreshed approach to the NPNP policy in the summer and work across teams to ensure its efficiency. Invoices on hold cannot be paid until the relevant Health Board provides approval. The momentum had been encouraging and the findings set the pathway for next steps.</p> <p>GJ referred to the target dates of 31 October 2025 against each action. He queried whether eight months was appropriate or whether the dates should be brought forward. AR replied that each organisation had varying arrangements in place and their individual agreements would be required.</p> <p><b>Action: AR suggested that she would approach the Health Boards, on behalf of the Audit Committee, to bring the deadline forward. GJ agreed and suggested that six-month timeframe to be sufficient.</b></p> <p>The Committee <b>NOTED</b> the report.</p>	AR

Item		Status
5.2.3	<p><b>Digital Service Management</b></p> <p>ML joined the meeting to present the report, advising that the audit had reviewed the processes in place for managing digital services at Digital Health Care Wales (DCHW). Reasonable assurance had been awarded overall with <b>3</b> recommendations for action.</p> <p>The DSL document contained operational metrics by services delivery. These metrics had been discussed with DHCW and subsequently, more effective metrics had been incorporated. The monitoring process would not cover all services received by DHCW, however all monitoring was performed by the Chief Data Officer for NWSSP. It was good practice to involve the service recipient in monitoring and dates to review Service Level Agreement (SLA) amendments had been agreed.</p> <p>AR discussed with NWSSP Planning colleagues and they concurred the need for more qualitative indicators in the SLA prompted by the Duty of Quality regulations. She also mentioned that updating the SLA would take six months, extending past the year-end, and the Chief Digital Officer agreed to work with DHCW to see if an earlier solution could be secured.</p> <p>GJ noted that the target date for the third key finding listed as 5 January 2026 and inquired if internal audit had approved this date and the rationale behind the lengthy deadline. AR would verify with the Chief Digital Officer as it would involve coordinating meetings with both parties. AR would check with the Chief Digital Officer and ML to confirm the proposed date at the next Audit Committee meeting.</p> <p><b>Action: AR to meet with ML and Chief Digital Officer to discuss and agree a new deadline for the recommendation mentioned above which will be reported back to the next Audit Committee meeting.</b></p> <p>Subject to that one point, Committee <b>NOTED</b> the report.</p>	AR
5.2.4	<p><b>Recruitment Services</b></p> <p>SCo reported that the audit reviewed systems and controls in place as set out within the Service Level Agreement, including standing operating procedures and employment checking. The audit was highly positive, with no matters arising and an outcome of substantial assurance was awarded.</p> <p>Committee <b>NOTED</b> the report.</p>	
5.2.4	<p><b>Health &amp; Safety</b></p> <p>The audit received reasonable assurance, with <b>2</b> medium priority findings for action. The first action was dependent on Velindre University NHS Trust (VUNHST) for full implementation. While a range of policies and procedures exist, some are outdated or missing from the intranet. The Health and Safety manager has escalated the matter directly to VUNHST. A number of H&amp;S inspections had been conducted, but some were overdue and would be addressed by the relevant service area.</p> <p>VM mentioned that policy management at VUNHST had been reviewed in the last quarter. The Quality, Safety and Performance (QSP) Committee are responsible for monitoring policies and procedures in each area. Some health</p>	

Item		Status
	<p>and safety policies were being converted to procedures. It is crucial to coordinate with NWSSP to ensure all actions regarding policies and procedures are tracked on the website. VM asked MB to provide SCo and AR with the QSP report.</p> <p><b>Action: MB to provide SCo and NF with the QSP report on H&amp;S.</b></p> <p>AR stated that the Health and Safety manager had a good working relationship with VUNHST colleagues. H&amp;S managers were supportive of functions within the laundries and there was understanding behind the changes being implemented.</p> <p>The Committee <b>NOTED</b> the report.</p>	<b>MB</b>
5.3	<p><b>New Global Internal Audit Standards (SC)</b></p> <p>SC delivered an update on the new Global Internal Audit Standards (GIAS), which would apply to Public Sector Organisations by 1 April 2025. They had last been updated in 2009/2010. There was an embedded hierarchy, with five overarching attributes necessary for internal audit service, 15 principles and 52 standards to note.</p> <p>A full assessment against the new standards has been completed, and 13 of the 15 standards required further attention. The previous set of Standards had been over 40 pages long, but this had been replaced by more than three times that amount and were far more prescriptive.</p> <p>The five key attributes included purpose, ethics, governing, managing and performing services effectively. There was an expectation that Boards and Committees would support internal audit in fulfilling their responsibilities. The new Global Standards would strengthen the organisation's ability to sustain value, insight and foresight. Assurance and advice was still the focus of internal audit. SC advised that behaviour, ethics and professionalism were key features of the new principles, which he felt reflected the issues around external audit failures. SC explained the role of the Public Sector Internal Audit Standards Advisory Board, on which he is an observer.</p> <p>Staff training would take place the following day for all Internal Audit and Assurance staff. Areas of immediate work would be around technological resources, communications with stakeholders and clearing actions on the five high risks. SC planned to hold a progress review in September 2025. As it would be three years before a formal external quality assessment, SC would arrange a test run in advance. GJ asked SC to share the presentation.</p> <p><b>Action: SC to share the presentation with members.</b></p> <p>The Committee <b>NOTED</b> the report.</p>	<b>SC</b>
<b>6. GOVERNANCE, ASSURANCE AND RISK</b>		
6.1	<p><b>Governance Matters (AR)</b></p> <p>AR presented the report detailing the contracting activity for the last quarter. AR discussed progress around engaging early with procurement colleagues. There were <b>6</b> exceptions reported. Where identified, exceptions had been addressed and those being reported were isolated in nature. Laundry services</p>	

Item		Status
	<p>have been encouraged to approach Procurement Services in the first instance to identify the best procurement route to ensure value for money is achieved.</p> <p>AR further reported that the International Recruitment (IR) programme, as organised by the Kerala government, required a venue to hold a conference. AR explained that there could have been an opportunity to work with a travel agent to procure an alternative price for accommodation and travel, however due to safeguarding issues NWSSP went with the recommendations made by the Kerala Government, but the team leading on International Recruitment would work with Procurement on any future visits.</p> <p>VM stated that it was helpful to see the progress being made and the reduction of issues to just <b>6</b> occasions was reassuring. She asked if it would be possible to create a tracker for training delivered, showing where the procurement breaches had occurred, and then it would be possible to determine if the training had been effective or whether it was a performance management issue. AR agreed that a tracker would be helpful. JI stated that teams across Wales had undertaken regular ongoing training.</p> <p><b>Action: JI to develop a training tracker to identify when and what services have received training in contract management.</b></p> <p>GJ pointed to the narrative on page 8 of 17, regarding compliant activity delivered. He drew members' attention to row 14, a Specialist Estates contract for £164,043.39 and asked whether that was the increased value as it stood, or whether it was the aggregate value; also whether it was within the 50% extension threshold allowed for contract change notices. He asked for these details to be included in future reporting.</p> <p><b>Action: JI to ensure that greater detail around statistics would be included in future Audit Committee reports.</b></p> <p>GJ queried the All Wales contracting activity and sought clarification on the differences between a briefing paper and a ratification, noting that they seemed to have consequences. JI explained that a briefing paper outlines the procurement process and is used to inform the approach, serving as an informational requirement by Welsh Government typically for renewable contracts. This would then be followed up by a ratification paper, and it was at this point that decisions would be made.</p> <p>GJ referred the provision of building and roofing works costing £1.2m and the briefing had not been approved by either NF or TM and listed in November 2024 as an isolated requirement. JI stated that the report implied that the contract had been progressed and asked if the record required updating. JI suggested that it could be an anticipated date, and he would check the details and come back to the group with an update.</p> <p><b>Action: JI would check the details of the record surrounding the provision of building and roofing works, as found on page 9 of the report and an update would be brought back to the next meeting in April 2025.</b></p> <p>GJ noted that there was also an internal audit report on Decarbonisation with limited assurance. AR advised that it had been forwarded to the Welsh Government, and the Capital Equipping audit would also be forwarded. The Welsh Government would acknowledge receipt and follow up by letter to review</p>	<p><b>JI</b></p> <p><b>JI</b></p> <p><b>JI</b></p>



Item		Status
	<p>assurances that risks are being managed and monitored effectively. The system worked well in practice.</p> <p>VM related that it would be helpful for the Audit Committee to be cited on the Risk Appetite paper, as members are required to provide assurance to the VUNHST Board and escalate any risks as appropriate and that it is important that members of the Committee are clear on the requirements in respect of risk management in the Terms of Reference of the Committee.</p> <p><b>Action: JQ to review NWSSP’s Audit Committee Terms of Reference, to ensure that responsibilities and accountabilities relating to Risk Appetite are outlined, to ensure that Independent Members can provide assurances to VUNHST Board that risks in NWSSP are effectively managed. JQ to report back to the Audit Committee with the outcome of that review.</b></p> <p>Committee <b>NOTED</b> the report.</p>	JQ
6.3	<p><b>Tracking of Audit Recommendations</b></p> <p>JQ presented the report, noting that <b>99</b> audit recommendations were recorded on the master tracker, of which <b>95</b> were implemented, <b>3</b> were not yet due and <b>1</b> was overdue, but is dependent on a third party to fully implement and relates to the agreement of a Service Level Agreement for the Student Awards Service. A six-month extension of the original target date was proposed at a recent Senior Leadership Group meeting, but the date was rejected in favour of a three-month extension, setting a new target date to 31 March 2025. Discussions between the Welsh Government, HEIW and NWSSP are expected to take place to ensure the action is completed by the new deadline.</p> <p>The Audit Committee <b>APPROVED</b> the proposed extension date from 31 December 2024 to 31 March 2025.</p>	
6.4	<p><b>Proposed Forward Plan of Business for 2025/2026</b></p> <p>JQ reported that there were no fundamental changes for the year ahead; the plan was cyclical and covers the IMTP schedule, risk management, risk appetite and assurance mapping.</p> <p>JQ intended to review the year end Annual Reports in order to ensure that they were being produced by the most effective method. There was a reporting line through to this Committee of the key reports.</p> <p>The Audit Committee <b>APPROVED</b> the 2025/26 Forward Plan of Business.</p>	
<b>7. ITEMS FOR INFORMATION</b>		
7.1	There were no items of information received.	
<b>8. ANY OTHER BUSINESS - BY PRIOR APPROVAL ONLY</b>		
8.1	No matters raised.	
<b>9. DATE/TIME OF NEXT MEETING</b>		

Item		Status
9.1	The next meeting would be held on 15 April 2025 at 14:00 via Teams.	

<b>Actions arising from the meeting held on 05 February 2025</b>				<b>Action by</b>
2.1	<b>NF</b>	<b>Managing Directors Update</b> <i>For the IMTP to be presented at the next Audit Committee meeting.</i>	<b>Not Yet Due</b>	<b>08 July 2025</b>
4.1	<b>SW</b>	<b>Audit Wales Update</b> <i>To provide the Committee with an outline position regarding the programme of work for NWSSP.</i>	<b>Complete and on agenda</b>	<b>15 April 2025</b>
5.1	<b>JJ</b>	<b>Internal Audit Progress Report</b> <i>To present the draft 2025-26 Internal Audit workplan for approval.</i>	<b>Complete and on agenda</b>	<b>15 April 2025</b>
5.2.1	<b>JQ</b>	<b>Procurement Capital Equipping</b> <i>To provide Independent Members with context and details of respective Schemes of Delegation for Health Boards, Trusts and Special Health Authorities, as facilitated by NWSSP Procurement Services, in accordance with Standing Orders and Standing Financial Instructions.</i>	<b>In progress verbal update to be provided at the meeting.</b>	<b>15 April 2025</b>
5.2.2	<b>AR</b>	<b>Accounts Payable Internal Audit Report</b> <i>To approach Health Boards, Trusts and Special Health Authorities on behalf of the Audit Committee, to request an earlier deadline for the agreed action on key finding two, which currently has a target deadline of 31 October 2025. The Chair suggested that a six-month timeframe to be sufficient with an implementation date of 31 August 2025.</i>	<b>Complete</b> The target deadline of key finding two has been brought forward from 31/10/2025 to 31/08/2025.	<b>15 April 2025</b>
5.2.3	<b>AR</b>	<b>Digital Service Management Internal Audit Report</b> <i>To meet with Internal Audit and the Chief Digital Officer to discuss and agree on a new deadline for the agreed action of key finding three outlined in the internal audit report, and to confirm what was agreed at the next meeting in April 2025.</i>	<b>Complete</b> The proposed action is included within the audit recommendation tracking report.	<b>15 April 2025</b>
5.2.4	<b>MB</b>	<b>Health and Safety Internal Audit</b> <i>The Quality, Safety and Performance Committee is responsible for policy management and maintains a policy tracker. It was suggested that the lead should coordinate with NWSSP and provide internal audit and NWSSP Managing Director with the</i>	<b>Complete</b> Health and Safety lead for Velindre UNHST has confirmed that the responsibility for Medical Devices is in the	<b>15 April 2025</b>

		<i>Quality, Safety and Performance report for Health &amp; Safety.</i>	<p>process of being transferred to the Medical Devices function, and as a result, it will no longer fall under the remit of Health and Safety. The transfer is currently within the business cycle and is pending sign-off.</p> <p>Regarding the Lone Working and Work Equipment policies, these are being revised and transitioned from policy documents to procedures. They were presented to the Senior Leadership Team (SLT) for review last week, and we are currently incorporating the feedback received. These procedures are expected to be finalised within the next few weeks, following the ongoing review process.</p>	
5.3	<b>SC</b>	<p><b><i>New Global Internal Audit Standards</i></b>  <i>For the Director of Internal Audit and Assurance to circulate the presentation to all Members.</i></p>	<p><b>Complete</b>  Circulated on 5 February 2025.</p>	<b>15 April 2025</b>
6.1	<b>JI</b>	<p><b><i>Governance Matters</i></b>  <i>For the Director of Procurement Services to develop a training tracker to identify when and what services have received training in contract management.</i></p>	<p><b>In progress</b>  All Procurement Services staff have been trained in relation to contract management as it applies through the requirements of the Procurement Act 2023. The training provided was part of a wider training provision delivered to Procurement Services staff through the Government Commercial College and direct workshops delivered face to face across all staff cohorts during January and</p>	<b>15 April 2025</b>

			<p>February 2025. Records of attendance at all these courses are retained and available on request.</p> <p>The Head of Procurement Services has confirmed that 'Procurement best Practice' training has been delivered to the following audience, with the remaining sessions to be conducted throughout 2025:</p> <p>Formal SLG, Legal and Risk, People and OD, Digital Workforce and Specialist Estates Services.</p> <p><b>Awaiting outcome of the Contract management review.</b></p>	
6.1	<b>JI</b>	<p><b>Governance Matters</b>  <i>To ensure that future Audit Committee reports include more detailed statistics such as, whether the 50% extension thresholds are permitted for contract exchange notices.</i></p>	<p><b>Complete</b>          Going forward, where CCNs are detailed in the report, additional detail will be included – however, the rules regarding contract modifications have now changed under the new regulations and will be an aggregate increase instead.</p>	
6.1	<b>JI</b>	<p><b>Governance Matters</b>  <i>For the Director of Procurement Services to check the details of the record surrounding the provision of building and roofing works, as found on page 9 of the report and an update would be brought back to the next meeting in April 2025.</i></p>	<p><b>Complete</b>          The Head of Procurement Services has confirmed that the Specialist Estates contract was increased by £164,043.39 and was within the 50% extension threshold allowed for contract modifications.</p>	<b>15 April 2025</b>

6.2	JQ	<p><b>Corporate Risk Register</b> To adjust the target date of the TrAMS risk and change its status to amber. A paper would be presented at the next Audit Committee meeting.</p>	Not Yet Due	08 July 2025
6.2	JQ	<p><b>Corporate Risk Register</b> To present the Risk Appetite paper that was developed and agreed by the Shared Services Partnership Committee, to the Audit Committee meeting scheduled on 15 April 2025.</p>	Complete and on the agenda	15 April 2025
6.2	JQ	<p><b>Corporate Risk Register</b> To review NWSSP's Audit Committee Terms of Reference, to ensure that responsibilities and accountabilities relating to Risk Appetite are outlined, to ensure that Independent Members can provide assurance to VUNHST Board that risks in NWSSP are effectively managed. An update on the outcome of the review would be reported to the Audit Committee.</p>	<p><b>Complete</b> The Terms of Reference have been reviewed.</p> <p>With regard to its role in providing advice to both Velindre University NHS Trust Board and the SSPC, the Audit Committee will comment specifically upon the adequacy of NWSSP's strategic governance and assurance arrangements and processes for the maintenance of an effective system of good governance, risk management and internal control across the whole of the organisation's activities, designed to support the public disclosure statements that flow from the assurance processes (including the Annual Governance Statement).</p> <p>Risk Appetite is part of the effective system of good governance, risk management and internal control and is therefore covered by the Terms of Reference. The Risk Management Protocol has been updated and is on the agenda</p>	15 April 2025

			<p>and detail on risk appetite has been added into it.</p> <p>The annual review of the Terms of Reference of the Committee is due to be reported to the July meeting where any changes proposed will be reported for approval by the Committee.</p>	
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<b>MEETING</b>	Velindre University NHS Trust Audit Committee for NHS Wales Shared Services Partnership
<b>DATE</b>	15 April 2025
<b>PREPARED BY</b>	James Quance, Assistant Director of Corporate Services
<b>PRESENTED BY</b>	Neil Frow, Managing Director
<b>RESPONSIBLE HEAD OF SERVICE</b>	Neil Frow, Managing Director
<b>TITLE OF REPORT</b>	NWSSP Update

## **PURPOSE**

To update the Audit Committee on recent developments within NWSSP.

## **Introduction**

This paper provides an update into the key issues that have impacted upon, and the activities undertaken by, NWSSP since the date of the last meeting in February 2025.

## **Finance**

We reported a year-to-date surplus of £4.302m at Month 11. This was reported as a surplus of £3.577m within our core operational budgets and £0.725m against our recurrent covid allocation. The surplus against core operational budgets is primarily due to ongoing turnover, reduction in the accommodation footprint and delays with recruitment to vacancies.

We have utilised our core underspend to provide our 2024/25 distribution of £3.600m to NHS Wales & Welsh Government. Welsh Government have recovered the in-year surplus against our covid allocation which we forecast will reach £0.750m by the end of the financial year.

At the end of February, we have incurred £5.148m capital expenditure to date against our final 2024/25 £9.365m Capital Expenditure Limit (CEL). We are working with Services to ensure all capital funding can be fully utilised within the financial year and review progress at the Capital Prioritisation Group meetings.

NWSSP Audit Committee  
15 April 2025



## All Wales Pharmacy Developments

### South East Radiopharmacy

Detailed design of the unit is complete and has been discussed with the Medicines and Healthcare products Regulatory Agency (MHRA). There are some minor changes needed mainly around air pressure differentials that can be fine tuned during the build/validation phase.

Planning permission has been granted and the final funding letter from Welsh Government has been received.

Enabling works started on 3 Feb 2025 and are going well. The purchase order for the cleanroom build is awaiting final authorisation.

It is anticipated that the physical build and equipping will be completed by the end of Sept 2025. Contractor validation is due for completion by Dec 2025. NHS Validation, regulatory inspection, and approvals mean that the go live of the service is now scheduled for March 2026.

### South East Hub

Work continues to be focussed around agreeing the revenue baseline, preferred option operating costs and benefits, and overall revenue funding profile and organisational shares. Good progress has been made over the winter and there is an emergent preferred funding model.

A timeline has been proposed for Outline Business Case (OBC) completion and approval, as follows:

- OBC circulated in SSPC Papers 13 May 2025
- Review at SSPC meeting 22 May 2025
- Health Board and Trust internal governance around approval
- Opportunity for SSPC to approve the case 17 July 2025

### South West Hub

We are actively looking for a suitable site within the 2 preferred localities (previously agreed by stakeholders from Hywel Dda and Swansea Bay) of Swansea North and Cross Hands. A preliminary site scoring workshop has been arranged for 2 April 2025.

Review of opportunities to improve the efficiency of hospital medicines supply and logistics arrangements

The NWSSP Director of Pharmacy Technical Services) as national lead for the NHS Wales Transforming Access to Medicines (TrAMs) programme has been asked by Welsh Government to commission a review of opportunities to

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15 April 2025



improve the efficiency of hospital medicines supply and logistics arrangements. NWSSP has engaged a contractor who is an expert in this field with a view to complete this review by the end of March 2025.

## **Laundry Service**

The All-Wales Laundry Capital programme currently has 33 schemes programmed which has been targeted at improving resilience. The 33 schemes comprise of works which will replace Programmable Logic Controllers (PLCs) controlling full sorting and washing processes at Church Village as well as replacing the 6 Continuous Batch Washer (CBW) dryers in Swansea laundry. The replacement of the 6 CBW dryers in Swansea, will see the works starting 12 March 2025 and will result in a scheduled shutdown for 10 days. To maintain supply, we are:

- Pre-sorting at Swansea;
- Transporting pre-sorted sheets and pillowcases to HCS depot where it's taken to Greenvale via a 40 tonne truck;
- Washed and squashed at Greenvale;
- Transported back via a 40 tonne truck to the Swansea HCS depot; and
- Relayed back to Swansea LPU for finishing.

All other products will be washed at Swansea via the washer extractors during a night shift and finished with the sheets and pillowcases during the day. As part of these works, we are also upping the steam pressure from 6 bar to 10 bar to take full advantage of the new steam main we installed, this will increase the ironer output and reduce drying times.

Following the transfer of our laundry production alterations out of Glangwili, minor alterations will complete this month to enable us to operate a small hub base for collections and deliveries.

## **Medical Examiners Service**

A deep dive of the Service was provided to the March SSPC meeting for Committee Members' assurance.

## **Accommodation Update**

Following lease extensions at Charnwood Court HQ and Companies House, a space review resulted in a significant reduction in the overall footprint to support agile working arrangements. The reconfiguration of Charnwood Court HQ and Companies House is now complete. The refurbishment of both



offices utilised recycled furniture donated by Companies House, contributing to positive environmental benefits.

## **Personal Protective Equipment (PPE)**

We continue to work closely with Welsh Government colleagues to ensure that NWSSP holds the level of stock requested by Welsh Government.

On 6 March 2025, we received confirmation of Cabinet Secretary approval for the new PPE stockholding policy. On 25 March we received a letter from the Welsh Government Director of Public Health detailing the volumes and specification of products the policy requires us to hold and which we require to assess future warehousing and operational requirements. This has informed the value of provisions we need to make for PPE stock at 31 March 2025. We have engaged with Welsh Government Finance regarding the potential funding requirements for this in 2024/25 and 2025/26.

In respect of Module 5 of the UK Covid-19 Public Inquiry, the lead up to the public hearings has been a considerable draw on time to support the Director of Procurement and Health Courier Services including minimising the possible disruption to the service at this particularly busy time of year. The Director of Procurement and Health Courier Services gave witness evidence to the Inquiry during the week commencing 25 March 2025.

## **Decarbonising the NWSSP Estate**

A broad range of activities have been progressed across NWSSP since the last report, including live schemes of work which will be completed during March 2025:

- Matrix House: Roof mounted Solar Photovoltaic array project; and
- IP5: Following completion of our ground mounted solar PV installation in the autumn, we have moved to the next phase comprising installation of a battery and electric vehicle charging points.

Regarding Targeted Improvements in the Estates (TEF) bids, along with many organisations in NHS Wales, we have submitted applications for Welsh Government funding across a range of activities. Decarbonisation applications comprise:

- Expanded EV charger installation at Matrix;
- Roof mounted PV solar array at Denbeigh stores;
- Waste heat reclamation installations Green Vale, Church Village and Glan Clwyd; and
- Boiler House upgrade at Church Village.



Going forward, we will continue to invest time and any available funds in researching more opportunities to drive carbon out of our activities.

### **Leadership Visit to IP5**

On 12 February 2025, Newport City Council leader and members of his Cabinet toured the Storage and Distribution Warehouse at IP5, following planning approval for the Radiopharmacy and Hub. The visit was very positive overall with the progress made noted.

### **Senior Leadership Events**

I attended the NHS Wales Leadership Board met on 18 February 2025 and the Chief Executives Management Team – NHS Delivery Planning event organised by the NHS Confederation Wales on 4 February with Senior Leadership Group colleagues.

### **Staff Recognition Awards**

NWSSP held its Annual Staff Recognition Awards on 13 February 2025, celebrating the outstanding contributions of its staff. The event celebrated excellence in 11 categories, including innovation, leadership, teamwork, and long service, providing a platform for showcasing skills, experiences and creatively across disciplines thus allowing every talent to shine. Held virtually and screen centrally across sites, it showcased NWSSP's commitment to inclusivity and technological innovation. The ceremony was a resounding success, filled with inspiring stories and heartfelt gratitude, and it inspired continued excellence within the organisation. To continue the celebrations, we will be hosting in-person ceremonies across sites to personally thank our winners for their outstanding contributions.

### **Awards Nominations and Success**

NWSSP People and Organisational Development have been shortlisted for the HR in Wales Award in Creativity and Innovation, recognising our efforts in agency reduction, our approach to Bank and the implementation of the Flexible Recruitment Business Case process. Additionally, three members of the team were shortlisted (Millie Tottle and Elena Morris), with James Green, Senior People Planning and Analytics Manager, winning the Rising Star Award. This achievement is a testament to the collaborative efforts of the Resourcing Team and the Business Partners.

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We are in the process of collating nominations for the NHS Wales Sustainability Conference and Awards 2025, showcasing best practice in projects delivered.

**Neil Frow OBE**  
**Managing Director, NWSSP**  
**April 2025**

**Date issued:** April 2025

## Audit Wales update for the NWSSP Audit Committee – April 2025

### Introduction

- 1 This document provides the NWSSP Audit Committee with an update on current and planned Audit Wales work, together with information on the Auditor General's recent publications together with the work of our Good Practice Exchange (GPX).

### Audit & Assurance work update

- 2 Our assurance work for 2024-25, to support NHS external audits, has commenced and a separate paper summarising the scope and timing of this work has been submitted for the April AC meeting.

### General Audit Wales Update

- 3 Other areas of Audit Wales activity of potential interest are outlined below for your information.
- 4 For latest news and updates you can also [subscribe to our newsletter](#).

### Good practice events and products

- 5 We continue to seek opportunities for finding and sharing good practice from all-Wales audit work through our forward planning, programme design and good practice research. Up to date details of future events are available on our GPX [webpages](#).

### Recent Audit Wales Publications

- 6 The following national reports and outputs have been published since the last update paper:

Title	Publication Date
<a href="#"><u>NHS workforce planning</u></a>	February 2025
<a href="#"><u>Biodiversity &amp; Ecosystems resilience duties</u></a>	March 2025
<a href="#"><u>Audit of Community Councils</u></a>	March 2025

7 We have also recently published our [Annual Plan](#) setting out our priorities over the next 12 months.

# 2025 Audit Assurance Arrangements NHS Wales Shared Services Partnership

Audit year: 2024-25

Date issued: April 2025

This document has been prepared as part of work performed in accordance with statutory functions.

In the event of receiving a request for information to which this document may be relevant, attention is drawn to the Code of Practice issued under section 45 of the Freedom of Information Act 2000.

The section 45 code sets out the practice in the handling of requests that is expected of public authorities, including consultation with relevant third parties. In relation to this document, the Auditor General for Wales and the Wales Audit Office are relevant third parties. Any enquiries regarding disclosure or re-use of this document should be sent to Audit Wales at [infoofficer@audit.wales](mailto:infoofficer@audit.wales).

We welcome correspondence and telephone calls in Welsh and English. Corresponding in Welsh will not lead to delay. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

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## Summary

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Fee, audit team and timetable	7

# Summary

## Introduction

- 1 This paper provides a summary of the planned audit work that will be undertaken to support the provision of audit assurances to the external auditors of NHS Wales bodies upon the services provided by the NHS Wales Shared Services Partnership (NWSSP). We set out the proposed work, when it will occur and who will undertake it.
- 2 The paper does not refer to any other audit work that we will be undertaking at NWSSP to directly support our audit of Velindre University NHS Trust's 2024-25 financial statements.

## External audit assurance arrangements

- 3 The Velindre University NHS Trust's external audit team and the Audit Wales IT auditors are responsible for co-ordinating and completing the audit work to provide the assurances required by the local audit teams of each of the various NHS bodies across Wales. Local audit teams decide the areas of work required on the services provided by NWSSP, relevant to their responsibilities for providing an opinion on the health bodies financial statements.
- 4 Some changes to our programme of assurance work were made in 2024 and it has been agreed, with NHS audit teams, that the scope of this work will remain mostly unchanged for 2025.
- 5 Our planned work programme for 2024-25 is set out in [Exhibit 1](#). Local audit teams may determine that additional assurances are required, from other service areas of the NWSSP. If such work arises, we will discuss this with the NWSSP management and update the NWSSP Audit Committee accordingly.

### Exhibit 1: audit assurance arrangements

The table below sets out the content of the audit assurance work programme for 2024-25:

NWSSP managed service	Audit assurance requirements
<b>General</b> As NWSSP is a service organisation to other NHS Wales bodies, NHS auditors will require high level assurances, per ISA 402, on NWSSP.	We will complete and provide documentation to NHS auditors to enable them to meet the requirements of ISA 402.

NWSSP managed service	Audit assurance requirements
<p><b>Primary Care Services</b> NWSSP process transactions in respect of Primary Care Services (PCS) for all Local Health Boards (LHBs) in Wales. The key areas that LHB auditors have identified as being of most significance are General Medical Services (GMS) and General Pharmaceutical Services (GPS).</p>	<p>The work that I will undertake on these two areas is as follows:</p> <ul style="list-style-type: none"> <li>• document and walkthrough the specific key controls in PCS for processing GMS payments;</li> <li>• agreement of the prescribed patient rate, which is key for the Global sum calculation;</li> <li>• undertake controls testing on the specific key controls in regard to GMS, with a focus on the controls in place concerning GP patient records; and</li> <li>• document and walkthrough the specific key controls in PCS for processing drugs costs paid to both Pharmacies and Dispensing Doctors.</li> </ul>
<p><b>Employment Services / Payroll</b> NWSSP process payroll transactions for all LHBs and NHS Trusts in Wales. Payroll teams are located at Companies House, Cardiff except for those that process the transactions of Swansea Bay, Powys, Hywel Dda, BCU and WAST.</p>	<p>There are three key aspects of our assurance work that we will undertake for NHS audit teams:</p> <ul style="list-style-type: none"> <li>• For those health bodies where payroll transactions are processed in Companies House, we will update our understanding of the payroll system and will document the controls within the payroll system; and</li> <li>• as there are material recharges from NWSSP to the various NHS Wales bodies as a result of the Single Lead Employer (SLE) arrangement we will document the controls and walk through the key controls in place. We will also perform controls testing to verify that the supporting payroll information reconciles to the invoices issued to health bodies by NWSSP.</li> </ul>
<p><b>Legal and Risk Services</b> NWSSP - Legal and Risk Services (L&amp;RS) provide expert opinion on claims made against NHS bodies. Health Body auditors have requested that work is undertaken centrally to assess the suitability of L&amp;RS as a management expert in accordance with ISA 500.</p>	<p>We will:</p> <ul style="list-style-type: none"> <li>• Document and update our understanding of the services provided;</li> <li>• Evaluate the competence, capability and objectivity of the service provider; and</li> <li>• Evaluate the appropriateness of the work (as relevant to the work of the local audit teams).</li> </ul>

NWSSP managed service	Audit assurance requirements
<p><b>Procurement Services</b> NWSSP - Procurement Services (PS) process accounts payable transactions for all LHBs and NHS Trusts in Wales. Health Body auditors have confirmed that they wish to obtain an understanding of the accounts payable system operated within NWSSP.</p>	<p>We will:</p> <ul style="list-style-type: none"> <li>• document the controls operated within the accounts payable system; and</li> <li>• provide audit teams with invoice statistics on processed invoice values and PPSP performance.</li> </ul>
<p><b>Contracts Requiring WG Approval</b> LHB contracts exceeding £1 million are required to be approved by Welsh Government. LHB auditors have requested that work is undertaken centrally to confirm that all contracts requiring such approval have been appropriately approved.</p>	<p>We will compare the list of contracts exceeding £1million on the central database of contracts awarded by the Procurement Unit in NWSSP to the list of contracts approved by the Welsh Government.</p>

## IT Audit Assurance Arrangements

- 6 The NWSSP manage a number of national NHS IT applications that are used by other NHS organisations in Wales. Audit Wales IT auditors will review the IT infrastructure and application controls that are applied to the following IT systems for the purposes of providing assurances for NHS audit opinions to local audit teams:
- Prescription Pricing System which is used to process prescriptions and calculate reimbursement for pharmacy contractor payments;
  - The Family Practitioner Payment System (FPPS), used for calculating primary care General Medical Services (GMS) contractor payments from NHS demographics. The FPPS 'payments processing engine' received patient demographic information from the National Health Application and Infrastructure Services (NHAIS) or Exeter system for this information processing. NHAIS was used for communicating NHS patient demographics information to FPPS until July 2024 when it was replaced by the Welsh Demographic System (WDS);
  - Oracle Financial Management System (FMS), including Optical Character Recognition (OCR) invoice scanning and e-invoicing systems, used by all of NHS Wales as the main accounting system ledgers for managing and producing the NHS accounts. The Oracle FMS system used by NHS Wales was moved to the Oracle Cloud Infrastructure (OCI) based in Slough in October 2024; and

- System administration functions and user access for the payroll elements of the Electronic Staff Record (ESR) payroll system.
- 7 IT auditors will undertake a programme of work to identify, understand and assess risks arising in the IT environment and the IT controls, including evaluating the design of IT controls and determining whether they are implemented. In addition to the above IT systems, this programme will also include work undertaken centrally at Digital Health and Care Wales (DHCW) on the IT applications and infrastructure provided which are also used by other NHS organisations in Wales.

## Fee, audit team and timetable

### Fee

- 8 This work is being undertaken in order to provide the auditors of the various NHS bodies across Wales with assurances relevant to their responsibilities. There is therefore no associated audit fee for NWSSP as the proportionate cost of this work will be included in the individual audit fees to the Welsh NHS bodies.

### Audit team

- 9 The main members of the audit team, together with their contact details, are summarised in [Exhibit 2](#).

#### Exhibit 2: NWSSP audit team

The table below provides details of the audit team:

Name	Role	Contact number	E-mail address
Richard Harries	Engagement Lead – Financial Audit	02920 320640	<a href="mailto:richard.harries@audit.wales">richard.harries@audit.wales</a>
Steve Wyndham	Financial Audit Manager	02920 320664	<a href="mailto:steve.wyndham@audit.wales">steve.wyndham@audit.wales</a>
David Burridge	Financial Audit Lead	02922 677839	<a href="mailto:david.burridge@audit.wales">david.burridge@audit.wales</a>
Andrew Strong	Information Technology Audit Manager	02920 320587	<a href="mailto:andrew.strong@audit.wales">andrew.strong@audit.wales</a>

### Timetable

- 10 Following the completion of the above work, the following reports will be issued:

- **Assurance report to NHS audit teams** – our findings will be communicated to external auditors to support their work to inform their opinion on the financial statements of the various NHS bodies; and
- **NWSSP Management Letter** - a summary of the work undertaken, our conclusions and any recommendations will be reported to NWSSP. This report will also include any issues relating to NWSSP identified by other NHS auditors.

11 The key reporting deadlines are set out in [Exhibit 3](#).

### Exhibit 3: timetable

The table below sets out the key milestones for delivering the proposed areas of work:

Planned output	Work undertaken	Report finalised
Assurance report to audit teams	March - May 2025	May 2025
Nationally Hosted NHS IT systems	February – May 2025	May 2025
Management letter	February - July 2025	Sept 2025





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We welcome correspondence and telephone calls in Welsh and English.  
Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.

# NHS WALES SHARED SERVICES PARTNERSHIP

## Audit Committee

April 2025

### Audit & Assurance Services Internal Audit Progress Report

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**Appendix A - Assignment Status Schedule 2024-25**




### 1. Introduction

The purpose of this report is to highlight the progress with the delivery of Internal Audit Plan to the Audit Committee and outcomes from reports finalised audit since the previous meeting.

### 2. Outcomes from Finalised Audits

The Internal Audit reports that have been finalised since the previous meeting of the committee are highlighted in the table below along with the allocated assurance ratings where applicable.

The full versions of these reports are included on the agenda as separate items.

ASSIGNMENT	ASSURANCE RATING
Variable Pay	 Reasonable
Primary Care Services	 Substantial
Employment Services - Payroll	 Substantial

### 3. Planning and Delivery Update

The audit status schedule highlighting progress with the delivery of the Internal Audit Plan for 24/25, is shown in Appendix A.

In addition to the Finalised reports, both the audits of Stores Stock Requisitions advisory and PCS Pharmacy Advisory are progressing well, along with the contract management audit.

Following discussions with management it has been requested to defer the Risk Management audit until late summer 2025 and the Digital Strategy Implementation audit until July 2025. Both these audits will now form part of the 25/26 audit plan. The committee is asked to note the proposed changes to the plan.

The Internal Audit plan has been developed for 25/26 and is on the agenda of for consideration and approval by the Committee.

#### **4. Other Internal Audit Activity & Engagement**

Ongoing liaison and planning meetings have continued to take place in this period including with the Assistant Director of Corporate Services. Meetings with other Directors and senior managers have taken place as part of the planning and delivery of individual audits.

### Appendix A: NWSSP Assignment Status - 2024/25 Internal Audit Plan

Audit	Status	Assurance Rating	Matters Arising			Timing		Audit Committee
			H	M	L			
NHS Building for Wales Framework Invitation to Tender Stage	FINAL	Reasonable	-	2	1	Q1/2	Director Specialist Estates Services	Oct
Procurement Services Capital Equipping (SD&CT)	FINAL	Limited	3	3	-	Q2-4	Director of Procurement Services	Feb
IT/Digital – Service Management	FINAL	Reasonable	1	2	-	Q2	Director of Planning, Performance & Informatics	Feb
Accounts Payable	FINAL	Reasonable	-	4	-	Q2-4	Director of Finance & Corporate Services	Feb
Recruitment Services	FINAL	Substantial	-	-	-	Q2-4	Director of People, O.D & Employment Services	Feb
Health & Safety	FINAL	Reasonable	-	2	-	Q3	Director of Finance & Corporate Services	Feb
<b>Variable Pay</b>	<b>FINAL</b>	<b>Reasonable</b>	<b>1</b>	<b>1</b>	<b>-</b>	<b>Q2/3</b>	<b>Director of Finance &amp; Corporate Services</b>	<b>April</b>
<b>Primary Care Services - Pharmacy</b>	<b>FINAL</b>	<b>Substantial</b>		<b>1</b>		<b>Q2-4-</b>	<b>Director of Primary Care Services</b>	<b>April</b>
<b>Employment Services - Payroll</b>	<b>FINAL</b>	<b>Substantial</b>		<b>1</b>		<b>Q2-4</b>	<b>Director of People, O.D &amp; Employment Services</b>	<b>April</b>
Procurement Services - Stores Stock Requisitions Advisory	Initial draft	---				Q3/4	Director of Procurement Services	
PCS Pharmacy Advisory	WIP	---				Q3/4	Director of Primary Care Services	

Audit	Status	Assurance Rating	Matters Arising			Timing	Audit Committee
			H	M	L		
Contract Management	WIP					Q3/4	Director of Finance & Corporate Services
CIVAS/Medicines Unit	Planning					Q3/4	Service Director
Decarbonisation follow up (agreed action tracking)		---				Q3/4	Director Specialist Estates Services
Risk Management	Defer	Deferred at request of management.				Q3/4	Director of Finance & Corporate Services
IT /Digital – Strategy Implementation	defer	Deferred at request of management.				Q3/4	Director of Planning, Performance & Informatics



Office details:

Contact details: [james.johns@wales.nhs.uk](mailto:james.johns@wales.nhs.uk)

Webpage: [Audit & Assurance Services - NHS Wales Shared Services Partnership](#)

# Variable Pay

## Final Internal Audit Report

2024/25

NHS Wales Shared Services Partnership



Reasonable Assurance

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### Review Reference

SSP-2425-07

### Fieldwork

November – December 2024

### Executive Sign Off

17 February 2025

### Audit Committee

April 2025

### Executive Lead

Alison Ramsey, Director of Finance & Corporate Services

### Audit Team

James Johns, Head of Internal Audit  
Sophie Corbett, Deputy Head of Internal Audit

# Executive Summary

## Purpose

To review the arrangements in place for variable pay to ensure appropriate controls are in place to monitor, manage and control temporary staff usage and variable pay spend.

## Overview

The processes and controls for managing and controlling bank and agency use, as set out within the Resource Framework are robust and this is supported by the significant reduction in agency spend. However, there is weakness in the control framework for the management of overtime. Variable pay is regularly monitored with a clear drive to achieve a continual reduction in variable pay spend.

We have concluded **Reasonable** assurance on this area. The matters requiring management attention include:

- Absence of policy or procedural guidance for administering overtime, resulting in inconsistent practices and in some cases weakness in controls
- Whilst the request and approval process for bank engagements is robust, there is weakness in the arrangements for recording bank requests, Scrutiny Panel outcome, bank workers assigned and completed bank placements, impeding oversight of the end-to-end process.

Full details of matters arising are detailed within the Findings & Agreed Action Plan.

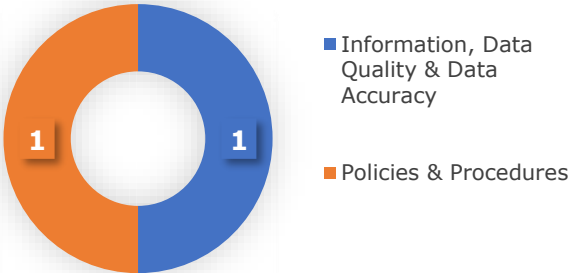
## Scope & Assurance Summary

Objectives	Related Findings	Assurance
1 Procedures are in place to manage and control use of temporary staff resource.	1	<b>Reasonable</b>
2 Agency, bank and overtime use is subject to prior scrutiny and authorisation.	2	<b>Reasonable</b>
3 Temporary staff use and variable pay spend is monitored to ensure efficient and necessary use, with action taken where appropriate to achieve continued reduction in overall variable pay spend.	-	<b>Substantial</b>

### Management Actions



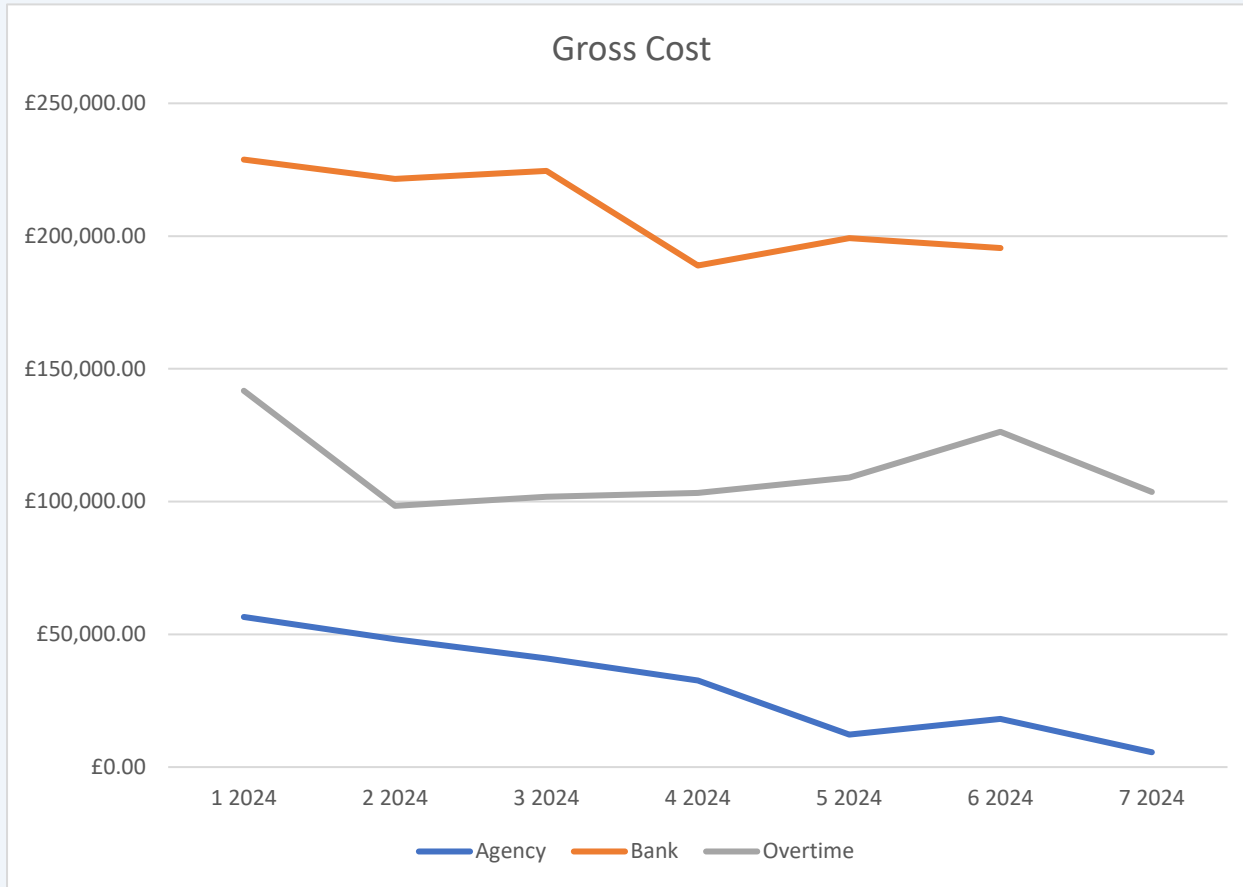
### Themes



### Risk Types

Financial Loss

# Variable Pay - At a Glance



**Top Divisions**  
**% of total spend**

<b>Agency (Apr - Oct 24)</b>	
Laundry	46%
Audit & Assurance Services	42%
<b>Bank (Apr - Sep 24)</b>	
Procurement (Incl. HCS)	28%
Laundry	26%
<b>Overtime (Apr - Oct 24)</b>	
Laundry	34%
Procurement (Incl. HCS)	32%

# Findings & Agreed Action Plan

**Objective 1:** Procedures are in place to manage and control use of temporary staff resource Reasonable

## Overview / Summary of Observations

NWSSP has developed a Resourcing Framework consisting of three key steps:

1. Vacancy Control Panel (*outside of the scope of this audit*)
2. Bank Scrutiny Panel
3. Agency Control Framework

The Temporary Workforce Scrutiny Process was implemented in October 2023 to strengthen control measures for engaging temporary workforce and associated expenditure.

The Resource Bank SharePoint site contains comprehensive suite of guidance on the process for engaging temporary staff. This was communicated to all staff via global email in February 2024.

The NHS Terms & Conditions of Service Handbook sets out the eligibility and overtime rates of pay. However, NWSSP does not have a policy or any procedural guidance setting out the circumstances in which overtime can and should be used, or the approval, recording and reporting requirements. **[Finding 1]**

Key Findings	Risk & Impact	Agreed Management Action
<p>1 <b>Procedure for Administering Overtime</b></p> <p>NWSSP does not have a policy or procedural guidance setting out the circumstances in which overtime can and should be used, or the approval, recording and reporting requirements.</p> <p>Our testing under objective 2 has demonstrated the impact of this, with inconsistency and gaps in controls for the administration and management of overtime within the areas reviewed.</p>	<p>Inappropriate and/or excessive use of overtime resulting in inefficient use of resources.</p> <p>Inconsistent working practices across the organisation.</p>	<p><b>Agreed Action:</b> A policy/procedure on the administration of overtime will be developed to ensure overtime use is adequately and consistently administered and controlled. This will include:</p> <ul style="list-style-type: none"> <li>circumstances in which overtime can be used</li> <li>approval requirements</li> <li>arrangements for recording overtime worked and ensuring compliance with the Working Time Directive</li> <li>requirements for demonstrating the benefit / output of overtime costs incurred</li> <li>monitoring and oversight arrangements</li> </ul> <p><b>Expected Evidence of Implementation:</b> Overtime policy/procedure/guidance document. Evidence of communication with budget holders and staff.</p>
	High Priority	
<b>Theme:</b> Policies & Procedures	Control Design	<b>Officer:</b> Director of Finance and Corporate Services <b>Date:</b> 31 July 2025

## Overview / Summary of Observations

All bank and agency requests must be supported by an Expression of Interest (EOI) detailing the service need and are subject to scrutiny and approval by a multi-disciplinary panel including senior People & OD and Finance representatives.

Agency spend has significantly reduced from £55k in April 2024 to £5.5k in October 2024 (see page 2), with the remaining high-cost engagements ceasing in November 2024. Our audit fieldwork has therefore focused on bank and overtime controls.

### *Bank*

The Bank Team maintain a record of EOIs received (104 during the period 1 April – 8 October 2024), and a separate Live Activity Tracker (identifying 58 active placements as at January 2025). However, there is no single central record recording panel decision, bank worker assigned or record of completed bank placements. **[Finding 2]**

### *Overtime*

We sampled 12 individuals from four cost centres with the highest overtime costs for the period April – October 2024. In the absence of policy/procedural guidance **[Objective 1, Finding 1]**, it was unsurprising that arrangements for administering overtime varied in each area, and there was varying evidence of prior approval and the rationale for overtime use. We have highlighted below some examples of the variability identified. Developing a procedure for the management of overtime should address this.

#### Accounts Payable:

- Staff work remotely and are permitted to work overtime due to service demand exacerbated by vacancies and staff absence
- There was evidence of senior management agreement to allow overtime on this basis, but individual overtime shifts are not subject to prior approval
- Two individuals account for 42% of overtime for the whole division. Overtime requirements are offered to all staff, as appropriate to their role/skills, but there is no obligation on staff to work overtime
- There is opportunity to enhance productivity/output monitoring to demonstrate the benefits of overtime worked

#### PCS Process Flexible:

- Overtime relates to a specific project and has been approved by Senior Management for a set time period
- Staff work remotely, productivity monitoring forms part of routine management arrangements

#### HCS Aneurin Bevan:

- Prior approval is predominantly implicit within service schedules exceeding 7.5hrs a day and planned rotas. Some additional issues around the rotas which are outside the scope of this review have been highlighted to management.
- Other examples (e.g. to cover staff absence) are less clear, and difficult to attribute overtime with a specific absence

#### Laundry:

- Prior approval on the day, in the form of a verbal request from management, based on current demand
- Clock-in system in operation to record actual hours worked.
- Some individuals were previously able to record their own overtime in Health Roster – this had already been identified and addressed by the Health Roster Team prior to audit fieldwork.

Key Findings	Risk & Impact	Agreed Management Action
<p>2 <b>Central Record of Bank Requests &amp; Placements</b></p> <p>There is no single central record recording Panel decision, bank worker assigned or record of completed bank placements.</p> <p>A record of EOIs received is maintained, in the form of a spreadsheet per month, to facilitate Panel scrutiny meetings. Historically the EOI records did not identify the assigned bank worker(s) although this field was added to the template in January 2025.</p> <p>The Live Activity Tracker does not record the date of Panel approval so it is difficult to cross reference to the EOI records to verify that all placements have been subject to scrutiny and approval, and the terms of the approved request. This is further complicated with multiple placements in each division.</p> <p>When a bank placement is complete it is removed from the Live Activity Tracker so there is no central record of completed placements. Details are however held on the individuals personal file.</p>	<p>Lack of oversight of the end-to-end process from request, approval and placement of a bank worker.</p>	<p><b>Agreed Action:</b></p> <p>A central record of bank requests, active and completed placements will be established. This will include details of the request and Panel approval (initial and any extensions), bank worker(s) assigned, and the duration of the approved placement.</p>
<p><b>Theme:</b> Information, Data Quality &amp; Data Accuracy</p>	<p><b>Medium Priority</b></p> <p>Control Design</p>	<p><b>Expected Evidence of Implementation:</b> Central record of bank requests, active and completed placements.</p> <p><b>Officer:</b> Director of People and OD</p> <p><b>Date:</b> 30 April 2025</p>

**Objective 3:** Temporary staff use and variable pay spend is monitored to ensure efficient and necessary use, with action taken where appropriate to achieve continued reduction in overall variable pay spend. Substantial

**Overview / Summary of Observations**

Bank placements are monitored by the Bank Team via the Live Activity Tracker, with reminders sent to the line manager at 8 and 10 weeks to notify that the placement is coming to an end, and then again at 12 weeks to confirm that the placement has ended.

Variable pay is monitored by Corporate Finance, and there is regular engagement between Finance and their respective directorates to review the financial position including variable pay spend.

Finance and People & OD reports to the monthly NWSSP Senior Leadership Group meetings include detailed trend analysis of agency, bank and overtime utilisation and associated spend by directorate. Variable pay scrutiny also forms part of the quarterly review process with all Divisions.

The drive to continually reduce variable pay spend is evident. In 2023 the Service Improvement Team (SIT) reviewed variable pay spend across NWSSP to explore which options are the most cost effective, identify the key root causes to variable and identify improvements. The SIT continue to engage with high use service areas including Laundry and HCS to strengthen controls for overtime approval.

# Appendix A

## Assurance Opinion

	<b>Substantial</b>	Few matters require attention and are compliance or advisory in nature. <b>Low impact</b> on residual risk exposure.
	<b>Reasonable</b>	Some matters require management attention in control design or compliance. <b>Low to moderate impact</b> on residual risk exposure until resolved.
	<b>Limited</b>	More significant matters require management attention. <b>Moderate impact</b> on residual risk exposure until resolved.
	<b>Unsatisfactory</b>	Action is required to address the whole control framework in this area. <b>High impact</b> on residual risk exposure until resolved.
	<b>Advisory</b>	Given to reviews and support provided to management which form part of the internal audit plan, to which the assurance definitions are not appropriate. These reviews are still relevant to the evidence base upon which the overall opinion is formed.

## Prioritisation of Findings

Priority	Explanation
<b>High</b>	Significant risk to achievement of a system objective OR evidence present of material loss, error, or misstatement. Poor system design OR widespread non-compliance.
<b>Medium</b>	Some risk to achievement of a system objective. Minor weakness in system design OR limited non-compliance.

Website: [Audit & Assurance Services - NHS Wales Shared Services Partnership](#)

## Disclaimer

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The report is based on the review work undertaken and is not necessarily a complete statement of all weaknesses that exist or potential improvements. Whilst every care has been taken to ensure that the information provided in this report is as accurate as possible, no complete guarantee or warranty can be given with regard to the advice and information contained.

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## Public Sector Internal Audit Standards

Audit work undertaken by NHS Wales Audit and Assurance Services conforms with the International Standards for the Professional Practice of Internal Auditing and associated Public Sector Internal Audit Standards as validated through the external quality assessment undertaken by the Chartered Institute of Public Finance & Accountancy in April 2023.



# Employment Services – Payroll

## Final Internal Audit Report

2024/25

NHS Wales Shared Services Partnership



Substantial Assurance

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 Executive Sign Off  
 Audit Committee  
 Executive Lead  
 Audit Team

SSP-2425-02  
 December 2024 – March 2025  
 31<sup>st</sup> March 2025  
 April 2025  
 Gareth Hardacre, Director of People, OD & Employment Services  
 James Johns, Head of Internal Audit  
 Sophie Corbett, Deputy Head of Internal Audit



# Executive Summary

## Purpose

The overall objective of this audit was to evaluate the design and operation of the systems and controls in place within payroll services.

## Overview

The controls in place for the administration of Payroll Services are designed and operating effectively and this is reflected in the continued high levels of payroll accuracy reported in KPIs (over 99%) during 2024-25.

The rollout of the Staff Movement Advice and the All-Wales Overpayments Reporting platforms offers improved efficiency and information for both Payroll Services and the organisations it serves. Our sample testing confirmed that new starters, leavers and changes were processed in an accurate and timely manner, whilst overpayments had been promptly addressed.

An audit of overpayments undertaken in January 2025 by Payroll Services on all overpayments that had been processed through the new platform identified a small number where letters had not been issued to the organisation finance teams to allow them to recover monies. We can confirm that these overpayments have now been communicated to the finance teams and an internal control has been implemented to mitigate this risk.

We have concluded **Substantial** assurance on this area. Full details of matters arising are detailed within the Findings & Agreed Action Plan.

## Scope & Assurance Summary

**Objectives** *The objectives and associated assurance ratings are not necessarily given equal weighting when formulating the overall audit opinion*

	Related Findings	Assurance
1 Payments to staff are timely and accurate with only employees of the organisation being paid	-	<b>Substantial</b>
2 Prompt and accurate recovery of overpayments	-	<b>Reasonable</b>
3 Delivery of high-quality service to ensure customer satisfaction	-	<b>Substantial</b>

# Findings & Agreed Action Plan

**Objective 1:** Payments to staff are timely and accurate with only employees of the organisation being paid

**Substantial**

## Overview / Summary of Observations

A total sample 90 new starters, leavers and changes processed during the period January to November 2024 was verified to supporting documentation to confirm approval by the relevant health body and the accuracy of processing by Payroll Services. No issues were identified.

The rollout of the new Staff Movement Advice (SMA) application commenced in January 2024 and has been implemented across many NHS Wales organisations with the application being introduced across the remaining organisations during 2025.

Two key elements of the payroll checking process are (i) the input accuracy checks to ensure manual amendments to payroll data have been accurately processed on ESR, and (ii) exception reporting to identify and prevent potential erroneous payments. Of the 90 new starters, leavers and changes sampled, we can confirm 82 had evidence of an input accuracy check, whilst eight were successfully auto checked by the SMA application. Sample testing of 42 exception reports (three per organisation) identified evidence of checking by Payroll Officers and sign-off by a supervising officer to confirm completeness of checking and satisfactory resolution of any queries.

Walkthrough testing of payroll feeds and data flows observed satisfactory checking controls in place to confirm the completeness of data transfer into ESR.

User Responsibility Profiles (URPs) are internal controls within the ESR system that are designed to protect the system integrity through the allocation of access rights with compliant URP combinations set out in the '*URP Allocation Guidance*' document. Testing identified some URP combinations highlighted as risks in the guidance document had been allocated to payroll staff. This is due to the current configuration and working arrangements of payroll teams across Wales with the risk accepted by management. In mitigation, the Deputy Director of Employment Services reviews all allocated payroll URPs on a six-monthly basis to ensure only valid employees retain these system access rights. A review of staff allocated payroll URPs (October 2024) against the staff in post list identified no issues.

Following the First Minister announcement of pay awards for public sector workers in Wales in September 2024, NHS staff on Agenda for Change terms and conditions received a 5.5% pay award, whilst doctors and dentists (including GPs and salaried GPs) received a 6% pay award with an additional £1,000 for junior doctors. The actioning of the pay awards was undertaken by IBM on behalf of NHS Wales.

**Objective 2:** Prompt and accurate recovery of overpayments

**Reasonable**

## Overview / Summary of Observations

The all-Wales *Procedure for the Recovery of Overpayments (Salary & Expenses)* was approved and issued in October 2024 replacing all existing local arrangements ensuring consistency between NWSSP and NHS Wales organisations following the identification of an overpayment.

In late 2023 following a piloting period, the all-Wales Overpayments Reporting platform was rolled out to all NHS Wales organisations to aid the streamlining of the overpayments procedure through the automation of processing arrangements. Sample testing of 65 overpayments for the period January – November 2024 noted that all had evidence on file to demonstrate the prompt processing, including the automated referral of overpayments to Counter Fraud where appropriate, and communication to organisation finance teams to recover monies.

In January 2025, Payroll Services undertook an audit of all overpayments processed for the period October 2023 – October 2024 to ensure completeness of records on file. The audit identified 69 overpayments that had not been forwarded to the organisation finance teams. All have now been communicated to the relevant finance teams to recover monies and additional daily checking controls have been implemented to mitigate the risk of recurrence. We have concluded Reasonable assurance for this objective as a result, no further action is required.

**Objective 3:** Delivery of a high-quality service to ensure customer satisfaction

**Substantial**






### **Overview / Summary of Observations**

Payroll Service key performance indicators (KPIs) are reported to the Senior Leadership Group (SLG) in the monthly performance report. The KPIs include payroll accuracy and calls handled. A review of the KPI figures for December 2024 reconciled fully to the supporting data.

Payroll received three complaints during the period of January – December 2024. A review of these complaints confirmed that they had been promptly and correctly resolved in line with the *NWSSP Concerns and Complaints Policy* and reported through to the SLG.

# Appendix A

## Assurance Opinion

	<b>Substantial</b>	Few matters require attention and are compliance or advisory in nature. <b>Low impact</b> on residual risk exposure.
	<b>Reasonable</b>	Some matters require management attention in control design or compliance. <b>Low to moderate impact</b> on residual risk exposure until resolved.
	<b>Limited</b>	More significant matters require management attention. <b>Moderate impact</b> on residual risk exposure until resolved.
	<b>Unsatisfactory</b>	Action is required to address the whole control framework in this area. <b>High impact</b> on residual risk exposure until resolved.
	<b>Advisory</b>	Given to reviews and support provided to management which form part of the internal audit plan, to which the assurance definitions are not appropriate. These reviews are still relevant to the evidence base upon which the overall opinion is formed.

## Prioritisation of Findings

Priority	Explanation
<b>High</b>	Significant risk to achievement of a system objective OR evidence present of material loss, error, or misstatement. Poor system design OR widespread non-compliance.
<b>Medium</b>	Some risk to achievement of a system objective. Minor weakness in system design OR limited non-compliance.

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Audit work undertaken by NHS Wales Audit and Assurance Services conforms with the International Standards for the Professional Practice of Internal Auditing and associated Public Sector Internal Audit Standards as validated through the external quality assessment undertaken by the Chartered Institute of Public Finance & Accountancy in April 2023.



# PCS Pharmacy

## Final Internal Audit Report

### 2024/25

NHS Wales Shared Services Partnership



Substantial Assurance

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#### Review Reference

SSP-2425-03

#### Fieldwork

November 2024 - March 2025

#### Executive Sign Off

4 April 2025

#### Audit Committee

April 2025

#### Executive Lead

Nicola Philips, Director of Primary Care Services

#### Audit Team

James Johns, Head of Internal Audit  
Sophie Corbett, Deputy Head of Internal Audit

# Executive Summary

## Purpose

The purpose of this review is to provide assurance that Primary Care Services is maintaining a robust system to facilitate timely and accurate payments to pharmacy contractors.

## Overview

We have concluded **Substantial** assurance overall. Sample testing confirmed that prescriptions had been processed accurately and reimbursed in accordance with the drugs tariff. Key performance indicators for net cash value and keying accuracy report 99.88% and 99.73% accuracy respectively, exceeding the targets stipulated within the service level agreement. We have identified one matter requiring management attention:

- The Quality Audit process requires enhancing to include an independent accuracy check of post-audit adjustments/amendments prior to processing.

Full details of matters arising are detailed within the Findings & Agreed Action Plan. The following opportunities for enhancement have been identified that do not impact the overall opinion and are highlighted for management information:

- Whilst there is a suite of task based operating procedures and working instructions, there is no overall procedure document setting out the end-to-end process for Pharmacy Services.

## Scope & Assurance Summary

Objectives	Related Findings	Assurance
1 Additions and amendments to the all-Wales Pharmaceutical Performers List are promptly and accurately processed.	-	<b>Substantial</b>
2 Community Pharmacy reimbursements are promptly and accurately processed in line with the Drug Tariff and supported by appropriate backing documentation.	1	<b>Substantial</b>
3 Relevant accurate information is provided to stakeholders in a timely manner.	-	<b>Substantial</b>

### Management Actions



High Priority



Medium Priority

### Themes



Information, Data Quality & Data Accuracy

### Risk Types

Financial Loss  
Public Perception & Reputational Risk

# Findings & Agreed Action Plan

**Objective 1:** Additions and amendments to the all-Wales Pharmaceutical Performers List are promptly and accurately processed **Substantial**

**Overview / Summary of Observations**

NWSSP are responsible for recording and updating Pharmacist and technician details on the All-Wales Pharmacy Database, following notification from HEIW of new accreditations and reaccreditations for pharmacy services. The Contracts Team ensure that pharmacists have completed the Generic Skills Course and Basic Life Support training, undertake a DBS check and ensure that a signed Patient Group Direction (PGD) is on record. Sample testing of this process identified no issues.

The addition or modification of a Pharmacy business is contingent upon the annual Pharmaceutical Needs Assessment by each Health Board, which must show a clear service demand, and receive approval from the relevant Health Board. At the time of audit fieldwork, there had been no new pharmacy inclusions during 2024/25.

**Objective 2:** Community Pharmacy reimbursements are promptly and accurately processed in line with the Drug Tariff and supported by appropriate backing documentation **Substantial**

**Overview / Summary of Observations**

There is a suite of task based operating procedures and working instructions but no overall procedure document setting out the end-to-end process for pharmacy payments, which is somewhat complex and involves numerous teams and individuals. We experienced some difficulty in establishing the order, timing and inter-dependencies of individual tasks and how these fit together to form the wider process. This has been fed back to management.

Testing confirmed that all sampled scripts had been correctly and accurately processed and reimbursed in line with the relevant Drugs Tariff. Items over £100 and £500 are subject to additional independent verification checks – these are system driven and had been completed where applicable for our sample.

Quality audits are undertaken to assess accuracy of prescription processing. This involves re-processing of scripts in an audit environment with the results compared to the live processing to identify any discrepancies. Corrections to the live processing are done so independently of the original processor and auditor. Sample review of quality audits identified one instance where a discrepancy between the audit and live processing resulted in an incorrect adjustment to the live data. **[Finding 1]**

Claims for enhanced services such as vaccinations and minor ailments scheme are submitted electronically via Choose Pharmacy or NECAF systems. Pharmacists are only able to submit claims for services they are accredited for as per the All-Wales Pharmacy Database (Objective 1). Claims are subject to the post-payment verification process (outside of the scope of this review).

Key Findings	Risk & Impact	Agreed Management Action
<p>1 <b>Quality Audit Process</b></p> <p>Sample review of quality audits identified one instance where an error had been made during audit reprocessing of the script, and the live data had been amended on the assumption that the audit entry was correct. However, there</p>	<p>Insufficient checking of potential errors resulting in erroneous amendment to live data and inaccurate reimbursement of scripts.</p>	<p><b>Agreed Action:</b></p> <p>Process change will be introduced to remove redundant steps. New process will ensure all input errors identified are returned to the inputter, for learning and correction purposes.</p> <p>All audit errors identified will be managed by the audit keyer (PST)</p>

are no checks to ensure that mismatches identified are correct prior to amending live data.

Audit top sheets are signed by five different individuals who:

1. Annotate the mismatches report to identify the errors
2. Action any necessary amendments to live data
3. Check the total number of mismatches on the report to the audit top sheet
4. Repeat check 3
5. Confirm audit top sheet has been completed

There is opportunity to improve efficiency through rationalisation of checking/sign off requirements for audit top sheets, as there is no perceived benefit of steps 4 & 5.

**Theme:** Information, Data Quality & Data Accuracy

This change will ensure the final check/sign off will have included input from and discussion between the original inputter and audit keyer, in advance of any live data changes.

**Expected Evidence of Implementation:**

Audit top sheet to be amended to reflect new process flow and remove all redundant steps.

**Medium Priority**

Control Design

**Officer:** Kelly Dixon, Deputy Head of Transaction Services

**Target Implementation Date:** 1<sup>st</sup> May 2025

**Objective 3:** Information provided to stakeholders is timely and accurate.

**Substantial**

**Overview / Summary of Observations**

Key performance indicators for net cash value and keying accuracy report 99.88 and 99.73% accuracy respectively, exceeding the targets stipulated within the service level agreement.

The PD1 report provides statistical data relating to prescriptions dispensed in Wales, aggregated by dispensing contractor type for each local health board. Monthly PD1 reports have been produced and published online in accordance with reporting dates stipulated by Welsh Government. A sample of reports was reconciled to the payment reports to confirm completeness and accuracy with no discrepancies identified.

# Appendix A

## Assurance Opinion

	<b>Substantial</b>	Few matters require attention and are compliance or advisory in nature. <b>Low impact</b> on residual risk exposure.
	<b>Reasonable</b>	Some matters require management attention in control design or compliance. <b>Low to moderate impact</b> on residual risk exposure until resolved.
	<b>Limited</b>	More significant matters require management attention. <b>Moderate impact</b> on residual risk exposure until resolved.
	<b>Unsatisfactory</b>	Action is required to address the whole control framework in this area. <b>High impact</b> on residual risk exposure until resolved.
	<b>Advisory</b>	Given to reviews and support provided to management which form part of the internal audit plan, to which the assurance definitions are not appropriate. These reviews are still relevant to the evidence base upon which the overall opinion is formed.

## Prioritisation of Findings

Priority	Explanation
<b>High</b>	Significant risk to achievement of a system objective OR evidence present of material loss, error, or misstatement. Poor system design OR widespread non-compliance.
<b>Medium</b>	Some risk to achievement of a system objective. Minor weakness in system design OR limited non-compliance.

Website: [Audit & Assurance Services - NHS Wales Shared Services Partnership](#)

## Disclaimer

This audit report has been prepared for internal use only. Audit and Assurance Services reports are prepared, in accordance with the agreed audit brief, and the Audit Charter as approved by the Audit Committee.

Audit reports are prepared by the staff of the NHS Wales Audit and Assurance Services and addressed to Independent Members or officers including those designated as Accountable Officer. They are prepared for the sole use of the NHS Wales Shared Services Partnership no responsibility is taken by the Audit and Assurance Services Internal Auditors to any director or officer in their individual capacity, or to any third party.

The report is based on the review work undertaken and is not necessarily a complete statement of all weaknesses that exist or potential improvements. Whilst every care has been taken to ensure that the information provided in this report is as accurate as possible, no complete guarantee or warranty can be given with regard to the advice and information contained.

Our work does not provide absolute assurance that material errors, loss or fraud do not exist. Responsibility for a sound system of internal controls and the prevention and detection of fraud and other irregularities rests with management of the NHS Wales Shared Services Partnership. Work performed by internal audit should not be relied upon to identify all strengths and weaknesses in internal controls, or all circumstances of fraud or irregularity. Effective and timely implementation of recommendations is important for the development and maintenance of a reliable internal control system.

## Public Sector Internal Audit Standards

Audit work undertaken by NHS Wales Audit and Assurance Services conforms with the International Standards for the Professional Practice of Internal Auditing and associated Public Sector Internal Audit Standards as validated through the external quality assessment undertaken by the Chartered Institute of Public Finance & Accountancy in April 2023.



# Internal Audit Plan & Charter 2025/26

## NHS Wales Shared Services Partnership (NWSSP)

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# 1. Introduction

This document sets out the Internal Audit Plan for 2025/26 (the 'Plan') detailing the audits to be undertaken and information of the corresponding resources. It also contains the Internal Audit Charter which defines the over-arching purpose, authority and responsibility of Internal Audit and the Key Performance Indicators for the service.

The Accountable Officer (NHS Wales Shared Services Partnership (NWSSP) Managing Director) is required to certify, in the Annual Governance Statement, that they have reviewed the effectiveness of the organisation's governance arrangements, including the internal control systems, and provide confirmation that these arrangements have been effective, with any qualifications as necessary including required developments and improvement to address any issues identified. The NHS Wales Shared Services Partnership is hosted by Velindre University NHS Trust.

The purpose of Internal Audit is to provide the Accountable Officer and the Board, through the Audit Committee (Velindre University NHS Trust Audit Committee for NWSSP), with an independent and objective annual opinion on the overall adequacy and effectiveness of the organisation's framework of governance, risk management, and control. The opinion should be used to inform the Annual Governance Statement.

Additionally, the key findings and agreed actions from internal audit reviews may be used by NWSSP management to improve governance, risk management, and control within their operational areas.

In January 2025 new Global Internal Audit Standards (the 'Standards') became effective and apply to UK public sector audits from 1 April 2025 to align with the financial year. These new standards replace the previous guidance: the Public Sector Internal Audit Standards. The new Standards are accompanied by a UK public sector application note (the 'Application Note'), which provides public sector interpretations and additional requirements for the Standards. The new Standards require that a risk based internal audit plan is created that supports the achievement of the organisation's objectives.

Accordingly, this document sets out the risk-based approach and the Plan for 2025/26. The Plan will be delivered in accordance with the Internal Audit Charter and the agreed KPIs, which are monitored and reported to you. All internal audit activity will be provided by Audit & Assurance Services, a part of NHS Wales Shared Services Partnership (NWSSP).

## 1.1 National Assurance Audits

The proposed Plan includes assurance audits on some services that are provided by other organisations on behalf of NHS Wales. These are: Digital Health and Care Wales (DHCW) and the NHS Wales Joint Commissioning Committee (JCC), which replaced EASC and WHSSC from April 2024. These audits will be included in Appendix A when agreed formally. These audits are part of the risk-based programme of work for DHCW and Cwm Taf Morgannwg UHB (for the JCC), but the results, as in previous years, are reported to the relevant health organisations and are used to inform the overall annual Internal Audit opinion for those organisations.

## 2. Developing the Internal Audit Plan

### 2.1 Link to the Global Internal Audit Standards

The Plan has been developed in accordance with Principle 9: Plan Strategically, which includes Standard 9.4 – Internal Audit Plan, of the Standards, and the accompanying Application Note, which provides public sector interpretations and additional requirements for the Standards, to enable the Head of Internal Audit to meet the following key objectives:

- the need to establish risk-based plans to determine the priorities of the internal audit activity, consistent with the organisation's goals.
- provision to the Accountable Officer of an overall independent and objective annual opinion on the organisation's governance, risk management, and control, which will in turn support the preparation of the Annual Governance Statement;
- audits of the organisation's governance, risk management, and control arrangements which afford suitable priority to the organisation's objectives and risks.
- improvement of the organisation's governance, risk management, and control arrangements by providing line management with recommendations arising from audit work.
- confirmation of the audit resources required to deliver the Internal Audit Plan.
- effective co-operation with Audit Wales as external auditor and other review bodies functioning in the organisation; and
- provision of both assurance (opinion based) and consulting engagements by Internal Audit.

### 2.2 Risk based internal audit planning approach

Our risk-based planning approach recognises the need for the prioritisation of audit coverage to provide assurance on the management of key areas of risk, and our approach addresses this by considering:

- the organisation's risk assessment and maturity;
- the organisation's response to key areas of governance, risk management and control;
- the previous years' internal audit activities; and
- the audit resources required to provide a balanced and comprehensive view.

Our planning considers the NHS Wales Planning Framework and other NHS Wales priorities and is mindful of significant national changes that are taking place. In addition, the Plan aims to reflect the significant local changes occurring as identified through the Integrated Medium-Term Plan (IMTP) and other changes within the organisation, assurance needs, identified concerns from our discussions with management, and emerging risks.

We will ensure that the plan remains fit for purpose by recommending changes where appropriate and reacting to any emerging

issues throughout the year. Any necessary updates will be reported to the Audit Committee in line with the Internal Audit Charter.

While some areas of governance, risk management and control will require annual consideration, our risk-based planning approach recognises that it is not possible to audit every area of an organisation's activities every year. Therefore, our approach identifies auditable areas (the 'audit universe'). The risk associated with each auditable area is assessed and this determines the appropriate frequency for review.

In addition, we will, if requested, also agree a programme of work through both the Director of Corporate Governance (Board Secretary) and Directors of Finance networks. These audits and reviews may be undertaken across all NHS bodies or a particular sub-set, for example at Health Boards only.

Therefore, our Plan is made up of several key components:

- 1) Consideration of key governance and risk areas: We have identified several areas where an annual consideration supports the most efficient and effective delivery of an annual opinion. These cover the Governance, the Board Assurance Framework, Risk Management, Clinical Governance and Quality, Financial Sustainability, Performance Monitoring & Management, and an overall assessment of Digital and Information Technology. In each case we anticipate a short overview to establish the arrangements in place including any changes from the previous year with detailed testing or further work where required.
- 2) Organisation based audit work – this covers key risks and priorities from the Board Assurance Framework and the corporate risk register, together with other auditable areas identified and prioritised through our planning approach. This work combines elements of governance and risk management with the controls and processes put in place by management to effectively manage the areas under review.
- 3) Follow up - this is follow-up work on previous 'limited' and 'unsatisfactory' assurance reports as well as other high priority recommendations. Our work here also links to the organisation's recommendation tracker and considers the impact of their implementation on the systems of governance and control.
- 4) Work agreed with the Directors of Corporate Governance, Directors of Finance, other executive peer groups, or Audit Committee Chairs in response to common risks faced by several organisations. This may be advisory work to identify areas of best practice or shared learning.
- 5) The impact of audits undertaken at other NHS Wales bodies that may impact on HEIW, Digital Health and Care Wales (DHCW), and the Joint Commissioning Committee (JCC).
- 6) Where appropriate, Integrated Audit & Assurance Plans will be agreed for major capital and transformation schemes and charged for separately. Health bodies are able to add a provision for audit and assurance costs into the final business case for major capital bids.

These components are designed to ensure that our internal audit programmes comply with all of the requirements of the Standards, supports the maximisation of the benefits of being an all-NHS Wales wide internal audit service, and allows us to respond in an agile way to requests for audit input at both an all-Wales and organisational level.

### **2.3 Link to NHS Wales Shared Service Partnership's systems of assurance**

The risk based internal audit planning approach integrates with the NWSSP's systems of assurance; therefore, we have considered the following:

- A review of NWSSP's vision, values and forward priorities as outlined in the Integrated Medium Term Plan (IMTP).
- An assessment of NWSSP's governance and assurance arrangements and the contents of the corporate risk register.
- Risks identified in papers to the Board and its Committees in particular the Audit Committee and the NWSSP Partnership Committee.
- Key strategic risks identified within the corporate risk register and assurance processes.
- Discussions with Executive Directors regarding risks and assurance needs in areas of corporate responsibility, including compliance and ethics programmes.
- Cumulative internal audit knowledge of governance, risk management, and control arrangements (including a consideration of past internal audit opinions).
- New developments and service changes.
- Legislative requirements to which the organisation is required to comply.
- Planned audit coverage of systems and processes provided through DHCW, and the JCC.
- Work undertaken by other supporting functions of the Audit and Assurance Committee including Local Counter-Fraud Services (LCFS) and the Post-Payment Verification Team (PPV), where appropriate.
- Work undertaken by other review bodies, including Audit Wales.
- Coverage necessary to provide assurance to the Accountable Officer in support of the Annual Governance Statement.

### **2.4 Audit planning meetings**

In developing the Plan, in addition to consideration of the above, the Head of Internal Audit has met and spoken with the Director of Finance & Corporate Services and Assistant Director Corporate Services to discuss current areas of risk and related assurance needs, with a planning document shared with the Audit Committee Chair and Senior Leadership Group for discussion and comment.

### **3. Audit risk assessment**

The prioritisation of audit coverage across the audit universe is based on both our and the organisation's assessment of risk and assurance requirements as defined in the Board Assurance Framework and corporate risk register.

The maturity of these risk and assurance systems allows us to consider both inherent risk (impact and likelihood) and mitigation (adequacy and effectiveness of internal controls). Our assessment also considers corporate risk, materiality or significance, system complexity, previous audit findings, and potential for fraud.

### **4. Planned internal audit coverage**

#### **4.1 Internal Audit Plan 2025/26**

The Plan is set out in Appendix A and identifies the audit assignments, lead executive officers, outline scopes, and proposed timings. It is structured under the six components referred to in section 2.2.

Where appropriate the Plan refers to key strategic risks identified within the corporate risk register and related systems of assurance, together with the proposed audit response within the outline scope.

When developing the audit scope, in discussion with the responsible executive director(s) and operational management, the scope, objectives and audit resource requirements, and timing will be refined in each area.

The scheduling takes account of the optimum timing for the performance of specific assignments in discussion with management, and Audit Wales requirements if appropriate.

The Audit Committee will be kept apprised of performance in delivery of the Plan, and any required changes, through routine progress reports to each Audit Committee meeting.

Most of the audit work will be undertaken by our regionally based teams with support from our national capital and estates team, in terms of capital audit and estates assurance work, and from our IM&T team, in terms of information governance, IT security and digital work.

#### **4.2 Keeping the plan under review**

Our risk assessment and resulting Plan is limited to matters emerging from the planning processes indicated above.

Audit & Assurance Services is committed to ensuring its service focuses on priority risk areas, business critical systems, and the provision of assurance to management across the medium term and in the operational year ahead. As in any given year, our Plan will be kept under review and may be subject to change to ensure it remains fit for purpose. To this end, the need for flexibility and a revisit of the focus and timing of the proposed work will be necessary at some point during the year.

Consistent with previous years, and in accordance with best professional practice, an unallocated contingency provision has been retained in the Plan to enable Internal Audit to respond to emerging risks and priorities identified by the executive team

and endorsed by the Audit Committee. Any changes to the Plan will be based upon consideration of risk and need and will be presented to the Audit and Assurance Committee for approval.

Regular liaison with Audit Wales, as your External Auditor, will take place to coordinate planned coverage and ensure optimum benefit is derived from the total audit resource.

## **5. Resource needs assessment**

The Plan has been put together based on the planning process described in this document. The Plan includes sufficient audit work to be able to give an annual Head of Internal Audit opinion in line with the requirements of Standard 11.3 – Communicating Results, and Application Note 10B – Overall conclusions and annual reporting.

Audit & Assurance Services confirms that it has the necessary human, financial and technological resources to deliver the agreed plan.

Provision has also been made for other essential audit work including planning, management, reporting and follow-up.

If additional work, support or further input necessary to deliver the plan is required during the year over and above the total indicative resource requirement a fee may be charged. Any change to the plan will be based upon consideration of risk and need and presented to the Audit Committee for approval.

The Standards enable Internal Audit to provide consulting services to management. The commissioning of these additional services by NWSSP, unless already included in the plan, is discretionary. Accordingly, a separate fee may need to be agreed for any additional work.

In addition, any capital audit work in relation to specific projects will be charged for separately on the basis of a separately agreed Integrated Audit & Assurance Plan. Where this is the case, a provision for this work would have been included by NWSSP in its business case submission.

## 6. Action required

The Audit Committee is invited to consider the Internal Audit Plan for 2025/26 and:

- approve the Internal Audit Plan for 2025/26.
- approve the Internal Audit Charter. and
- note the associated Internal Audit resource requirements and Key Performance Indicators.

James Johns

Head of Internal Audit

NHS Wales Shared Services Partnership

# Appendix A: Internal Audit Plan 2025/26

Planned output, Outline scope, Review reference	Strategic Priority (SP)/BAF Risk / [Corporate Risk Register (CRR)] / Rationale	Executive Lead/Responsible Director	Planned start
<b>All Wales Services</b>			
<b>Accounts Payable</b> - Provide assurance over the adequacy system and controls operating within NWSSP for the delivery of Accounts Payable Services across NHS Wales.	All Wales Service	Finance & Corporate Services	Q2
<b>Employment Services – Payroll Services</b> - Provide assurance over the adequacy system and controls operating within NWSSP for the delivery of Payroll Services across NHS Wales.	All Wales Service	People, Organisation Development and Employment Services	Q2-4
<b>Primary Care Contractor Services</b> -To provide assurance that Primary Care Services is maintaining a robust system to facilitate timely and accurate payments in a sampled service area.	All Wales Service	Primary Care	Q2/3
<b>Procurement Services</b> – Thematic Review covering control arrangements for Single Tender Actions and Declaration of Interests.	All Wales Service	Procurement & Health Courier Services	Q3/4
<b>Procurement Services</b> – Health Courier Services – To review arrangements in place for aspect of Vehicle Management.	All Wales Service	Procurement & Health Courier Services	Q3
<b>NWSSP Service Provision</b>			
<b>Single Lead Employer</b> – (Assurance) - To test compliance with a range of policies and procedures, key aspects of risk and governance within the Service.	All Wales Service	People, Organisation Development and Employment Services	Q4

Planned output, Outline scope, Review reference	Strategic Priority (SP)/BAF Risk / [Corporate Risk Register (CRR)] / Rationale	Executive Lead/Responsible Director	Planned start
<b>Medical Examiner Service</b> - (Assurance) - To test compliance with a range system controls along with key aspects of risk management and governance within the Service.	All Wales Service	Medical Director/ Director of Primary Care	Q2/3
<b>Targeted Estates Funding (TEF)</b> (Assurance) - To obtain assurance on the systems and processes applied to the invitation, receipt, assessment and recommendation of TEF bids. Ensuring appropriate risk assessments and prioritisation of bids was applied.	A12	Specialist Estates Services	Q2
<b>NWSSP Corporate/Organisation Wide</b>			
<b>Risk Management-</b> (Assurance) Review the robustness of risk management arrangements across the organisation.		Finance & Corporate Services	Q2
<b>Budget Setting</b> (Assurance) - To review how NWSSP allocates resources to meet its agreed budget.	A7	Finance & Corporate Services	Q2
<b>NWSSP Recruitment &amp; Retention</b> - (Assurance) - Provide assurance over the adequacy of arrangements within NWSSP for staff recruitment and retention.	A2	People, Organisation Development and Employment Services	Q3
<b>Regulatory Compliance</b> - (Assurance) - Provide assurance over the adequacy of arrangements operating within NWSSP for the identification, monitoring and maintaining compliance with regulatory requirements.	A8	Finance & Corporate Services	Q3/4
<b>IT /Digital – Cyber</b> – (Assurance) – To provide assurance over the adequacy arrangement for Cyber Security	A1	Planning, Performance & Informatics	Q3/4
<b>IT/ Digital – Digital Strategy</b> -To review progress with the Implementation of the strategy.		Planning, Performance & Informatics	Q3/4

Planned output, Outline scope, Review reference	Strategic Priority (SP)/BAF Risk / [Corporate Risk Register (CRR)] / Rationale	Executive Lead/Responsible Director	Planned start
<b>IT/Digital – TRAMS Project – Digital</b> – Provide assurance over the Digital elements of the project.	A10	Planning, Performance & Informatics	Q2/3
<b>Radio Pharmacy/Trams Project</b> - Integrated Audit & Assurance Plan	A10		IAAP
<b>Agreed Action Follow Up</b> - To review progress with the implementation of a sample of agreed actions from previous audit reviews.			Q2-4

## Appendix B: Key performance indicators (KPI)

KPI	SLA required	Target 2025/26
Audit plan 2025/26 agreed/in draft by 30 April	✓	To deliver plan
Audit opinion delivered by 31 May	✓	To deliver opinion
Audits reported versus total planned audits, and in line with Audit Committee expectations	✓	varies
% of audit outputs in progress	No	varies
Report turnaround fieldwork to draft reporting [10 working days]	✓	85%
Report turnaround management response to draft report [15 working days maximum]	✓	85%
Report turnaround draft response to final reporting [10 working days]	✓	95%

# Appendix C: Internal Audit Mandate and Charter

## 1 Introduction

1.1 This Mandate and Charter is produced and updated annually to comply with the Global Internal Audit Standards (introduced from 1 April 2025 for the UK Public Sector). The Standards (with specific reference to Standard 6.1 Internal Audit Mandate and 6.2 Internal Audit Charter) require the production and maintaining of an Internal Audit Charter that, at a minimum, sets out:

- The purpose of Internal Auditing;
- a commitment to adhere to the Global Internal Audit Standards;
- the Mandate, including the scope and types of services to be provided, and the Board's responsibilities and expectations regarding management's support of the internal audit function; and
- the organisational position and reporting relationships, including Independence.

The Mandate and Charter are complementary to the relevant provisions included in the organisation's own Standing Orders and Standing Financial Instructions.

1.2 The terms 'board' and 'senior management' are required to be defined under the Standards and therefore have the following meaning in this Charter:

- Board means the NHS Wales Shared Services Partnership (NWSSP) Committee (Hosted by the Board of Velindre University NHS Trust) with responsibility to direct and oversee the activities and management of the organisation. The Board has delegated authority to the Audit Committee in terms of providing a reporting interface with internal audit activity; and
- Senior Management means the Managing Director as being the designated Accountable Officer for NHS Wales Shared Services Partnership. The Managing Director has made arrangements within this Charter for an operational interface with internal audit activity through the Assistant Director of Corporate Services (Board Secretary).

1.3 Internal Audit seeks to comply with all the appropriate requirements of the Welsh Language (Wales) Measure 2011. We are happy to correspond in both Welsh and English.

## 2 Purpose and responsibility

2.1 Internal audit is an independent, objective assurance and advisory function designed to add value and improve the operations of NHS Wales Shared Services Partnership. Internal audit helps the organisation accomplish its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of governance, risk management and control processes. Its mission is to enhance and protect organisational value by providing risk-based and objective

assurance, advice and insight.

- 2.2 Internal Audit is responsible for providing an independent and objective assurance opinion to the Accountable Officer, the Board and the Audit Committee on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control. In addition, internal audit's findings and recommendations are beneficial to management in securing improvement in the audited areas.
- 2.3 The organisation's risk management, internal control and governance arrangements comprise:
- the policies, procedures and operations established by the organisation to ensure the achievement of objectives.
  - the appropriate assessment and management of risk, and the related system of assurance.
  - the arrangements to monitor performance and secure value for money in the use of resources.
  - the reliability of internal and external reporting and accountability processes and the safeguarding of assets.
  - compliance with applicable laws and regulations; and
  - compliance with the behavioural and ethical standards set out for the organisation.
- 2.4 Internal audit also provides an independent and objective consulting service specifically to help management improve the organisations risk management, control and governance arrangements. The service applies the professional skills of internal audit through a systematic and disciplined evaluation of the policies, procedures and operations that management have put in place to ensure the achievement of the organisations objectives, and through recommendations for improvement. Such consulting work contributes to the opinion which internal audit provides on risk management control and governance.

### 3 Independence and Objectivity

- 3.1 Independence is described in the Global Internal Audit Standards as the freedom from conditions that threaten the ability of the internal audit activity to carry out internal audit responsibilities in an unbiased manner. To achieve the degree of independence necessary to effectively carry out the responsibilities of the internal audit activity, the Head of Internal Audit will have direct and unrestricted access to the Board and Senior Management, in particular the Chair of the Audit Committee and Accountable Officer.
- 3.2 Organisational independence is effectively achieved when the auditor reports functionally to the Audit Committee on behalf of the Board. Such functional reporting includes the Audit Committee:
- approving the internal audit charter.
  - approving the risk based internal audit plan.
  - approving the internal audit resource plan.

- receiving outcomes of all internal audit work together with the assurance rating. and
  - reporting on internal audit activity's performance relative to its plan.
- 3.3 While maintaining effective liaison and communication with the organisation, as provided in this Charter, all internal audit activities shall remain free of untoward influence by any element in the organisation, including matters of audit selection, scope, procedures, frequency, timing, or report content to permit maintenance of an independent and objective attitude necessary in rendering reports.
- 3.4 Internal Auditors shall have no executive or direct operational responsibility or authority over any of the activities they review. Accordingly, they shall not develop nor install systems or procedures, prepare records, or engage in any other activity which would normally be audited.
- 3.5 This Charter makes appropriate arrangements to secure the objectivity and independence of internal audit as required under the standards. In addition, the shared service model of provision in NHS Wales through NWSSP provides further organisational independence.
- 3.6 In terms of avoiding conflicts of interest in relation to non-audit activities, Audit & Assurance has produced a Consulting Protocol that includes all of the steps to be undertaken to ensure compliance with the relevant Standards that apply to non-audit activities.

## 4 Authority and Accountability

- 4.1 Internal Audit derives its authority from the Board, the Accountable Officer and Audit Committee. These authorities are established in Standing Orders and Standing Financial Instructions adopted by the Board.
- 4.2 The Minister for Health and Social Services has determined that internal audit will be provided to all health organisations by the NHS Wales Shared Services Partnership (NWSSP). The service provision will be in accordance with the Service Level Agreement agreed by the Shared Services Partnership Committee and in which the organisation has permanent membership.
- 4.3 The Director of Audit & Assurance leads the NWSSP Audit and Assurance Services and after due consultation will assign a named Head of Internal Audit to the organisation. For line management (e.g. individual performance) and professional quality purposes (e.g. compliance with the Global Internal Audit Standards), the Head of Internal Audit reports to the Director of Audit & Assurance.
- 4.4 The Head of Internal Audit reports on a functional basis to the Accountable Officer and to the Audit Committee on behalf of the Board. Accordingly, the Head of Internal Audit has a direct right of access to the Accountable Officer, the Chair of the Audit Committee and the Chair of the NWSSP Partnership Committee if deemed necessary.
- 4.5 The Audit Committee approves all Internal Audit plans and may review any aspect of its work. The Audit Committee also has regular private meetings with the Head of Internal Audit.

- 4.6 In order to facilitate its assessment of governance within the organisation, Internal Audit is granted access to attend any committee or sub-committee of NWSSP charged with aspects of governance.

## 5 Relationships

- 5.1 In terms of normal business the Accountable Officer has determined that the Assistant Director of Corporate Services will be the nominated executive lead for internal audit. Accordingly, the Head of Internal Audit will maintain functional liaison with this officer.
- 5.2 In order to maximise its contribution to the Board's overall system of assurance, Internal Audit will work closely with the organisation's Assistant Director of Corporate Services in planning its work programme.
- 5.3 Co-operative relationships with management enhance the ability of internal audit to achieve its objectives effectively. Audit work will be planned in conjunction with management, particularly in respect of the timing of audit work.
- 5.4 Internal Audit will meet regularly with the external auditor, Audit Wales, to consult on audit plans, discuss matters of mutual interest, discuss common understanding of audit techniques, method and terminology, and to seek opportunities for co-operation in the conduct of audit work. Internal Audit will make available their working files to the external auditor for them to place reliance upon the work of Internal Audit where appropriate.
- 5.5 The Head of Internal Audit will establish a means to gain an overview of other assurance providers' approaches and output as part of the establishment of an integrated assurance framework.
- 5.6 The Head of Internal Audit will take account of key systems being operated by organisation's outside of the remit of the Accountable Officer, or through a shared or joint arrangement, such as the Digital Health and Care Wales and the Joint Commissioning Committee.
- 5.7 Internal Audit strives to add value to the organisation's processes and help improve its systems and services. To support this Internal Audit will obtain an understanding of the organisation and its activities, encourage two-way communications between internal audit and operational staff, discuss the audit approach and seek feedback on work undertaken.
- 5.8 The Audit Committee may determine that another Committee of the organisation is a more appropriate forum to receive and action individual audit reports. However, the Audit Committee will remain the final reporting line for all our audit and consulting reports.

## 6 Standards, Ethics, and Performance

- 6.1 Internal Audit must comply with the Global Internal Audit Standards and the UK Public Sector Application Note in discharging its responsibilities.
- 6.2 Internal Audit will operate in accordance with the Service Level Agreement (updated 2024) and associated performance standards agreed with the Audit Committee and the Shared Services Partnership Committee. The Service Level Agreement

includes several Key Performance Indicators, and we will agree with each Audit Committee which of these they want reported to them and how often.

## 7 Scope

7.1 The scope of Internal Audit encompasses the examination and evaluation of the adequacy and effectiveness of the organisation's governance, risk management arrangements, system of internal control, and the quality of performance in carrying out assigned responsibilities to achieve the organisation's stated goals and objectives. It includes but is not limited to:

- reviewing the reliability and integrity of financial and operating information and the means used to identify measure, classify, and report such information.
- reviewing the systems established to ensure compliance with those policies, plans, procedures, laws, and regulations which could have a significant impact on operations, and reports on whether the organisation is in compliance.
- reviewing the means of safeguarding assets and, as appropriate, verifying the existence of such assets.
- reviewing and appraising the economy and efficiency with which resources are employed, this may include benchmarking and sharing of best practice.
- reviewing operations or programmes to ascertain whether results are consistent with the organisation's objectives and goals and whether the operations or programmes are being carried out as planned.
- reviewing specific operations at the request of the Audit Committee or management, this may include areas of concern identified in the corporate risk register.
- monitoring and evaluating the effectiveness of the organisation's risk management arrangements and the overall system of assurance.
- ensuring effective co-ordination, as appropriate, with external auditors and other regulators. and
- reviewing the Annual Governance Statement prepared by senior management.

7.2 Internal Audit will devote particular attention to any aspects of the risk management, internal control and governance arrangements affected by material changes to the organisation's risk environment.

7.3 If the Head of Internal Audit or the Audit Committee consider that the level of audit resources or the Mandate and Charter in any way limit the scope of internal audit or prejudice the ability of internal audit to deliver a service consistent with the definition of internal auditing, they will advise the Accountable Officer and Board accordingly.

## 8 Approach

8.1 To ensure delivery of its scope and objectives in accordance with the Charter and Standards, Internal Audit has produced an Audit Manual (called the Quality Manual). The Quality Manual includes arrangements for planning the audit work. These audit planning arrangements are organised into a hierarchy as illustrated in Figure 1.

**Figure 1: Audit planning hierarchy**

NHS Wales Level	NWSSP overall audit strategy	Arrangements for provision of internal audit services across NHS Wales equirements of the Charter
Organisation Level	Entity strategic 3-year audit plan	Entity level medium term audit plan linked to organisational objectives priorities and risk assessment
	Entity annual internal audit plan	Annual internal audit plan detailing audit engagements to be completed in year ahead leading to the overall HIA opinion
Business Unit Level	Assignment plans	Assignment plans detail the scope and objectives for each audit engagement within the annual operational plan

8.2 NWSSP Audit & Assurance Services has developed an overall audit strategy which sets out the strategic approach to the delivery of audit services to all health organisations in NHS Wales. The strategy also includes arrangements for securing assurance on the national transaction processing systems including those operated by DHCW and NWSSP on behalf of NHS Wales.

8.3 The main purpose of the Strategic 3-year Audit Plan is to enable the Head of Internal Audit to plan over the medium term on how the assurance needs of the organisation will be met as required by the Standards and facilitate:

- the provision to the Accountable Officer and the Audit Committee of an overall opinion each year on the organisation's risk management, control and governance, to support the preparation of the Annual Governance Statement.
- audit of the organisation's risk management, control and governance through periodic audit plans in a way that affords suitable priority to the organisation's objectives and risks.
- improvement of the organisation's risk management, control and governance by providing management with constructive recommendations arising from audit work.

- an assessment of audit needs in terms of those audit resources which 'are appropriate, sufficient and effectively deployed to achieve the approved plan'.
  - effective co-operation with external auditors and other review bodies functioning in the organisation. and
  - the allocation of resources between assurance and consulting work.
- 8.4 The Strategic 3-year Audit Plan will be largely based on the Board Assurance Framework where it is sufficiently mature, together with the organisation-wide risk assessment.
- 8.5 An Annual Internal Audit Plan will be prepared each year drawn from the Strategic 3-year Audit Plan and other information and outlining the scope and timing of audit assignments to be completed during the year ahead.
- 8.6 The strategic 3-year and annual internal audit plans shall be prepared to support the audit opinion to the Accountable Officer on the risk management, internal control and governance arrangements within the organisation.
- 8.7 The annual internal audit plan will be developed in discussion with executive management and approved by the Audit Committee on behalf of the Board.
- 8.8 The NWSSP Audit Strategy is expanded in the form of a Quality Manual and a Consulting Protocol which together define the audit approach applied to the provision of internal audit and consulting services.
- 8.9 During the planning of audit assignments, an assignment brief will be prepared for discussion with the nominated operational manager. The brief will contain the proposed scope of the review along with the relevant objectives and risks to be covered. In order to ensure the scope of the review is appropriate it will require agreement by the relevant Executive Director or their nominated lead and will also be copied to the Assistant Director of Corporate Services.

## 9 Reporting

- 9.1 Internal Audit will report formally to the Audit Committee through the following:
- An annual report will be presented to confirm completion of the audit plan and will include the Head of Internal Audit opinion provided for the Accountable Officer that will support the Annual Governance Statement.
  - The Head of Internal Audit opinion will:
    - a) State the overall adequacy and effectiveness of the organisation's risk management, control and governance processes.
    - b) Disclose any qualification to that opinion, together with the reasons for the qualification.
    - c) Present a summary of the audit work undertaken to formulate the opinion, including reliance placed on work by other assurance bodies.
    - d) Draw attention to any issues Internal Audit judge as being particularly relevant to the preparation of the Annual

## Governance Statement.

- e) Compare work undertaken with the work which was planned and summarise performance of the internal audit function against its performance measurement criteria. and
  - f) Provide a statement of conformity in terms of compliance with the Global Internal Audit Standards and associated internal quality assurance arrangements.
- For each Audit Committee meeting a progress report will be presented to summarise progress against the plan. The progress report will highlight any slippage and changes in the programme. The findings arising from individual audit reviews will be reported in accordance with Audit Committee requirements; and
  - The Audit Committee will be provided with copies of individual audit reports for each assignment undertaken unless the Head of Internal Audit is advised otherwise. The reports will include an action plan on any recommendations for improvement agreed with management including target dates for completion.

### 9.2 The process for audit reporting is summarised below:

- Following the closure of fieldwork and the resolution of any queries, Internal Audit will discuss findings with operational managers to confirm understanding and shape the reporting stage.
- Operational management will receive discussion draft reports which will include any proposed recommendations for improvement within 10 working days following the discussion of findings. A copy of the draft report will also be provided to the relevant Executive Director.
- The draft report will give an assurance opinion on the area reviewed in line with the criteria at Appendix B (unless it is a consulting review). The draft report will also indicate priority ratings for individual report findings and recommendations.
- Operational management will be required to respond to the draft report in consultation with the relevant Executive Director within 15 working days of issue, identifying actions, identifying staff with responsibility for implementation and the dates by which action will be taken.
- The Head of Internal Audit will seek to resolve any disagreement with management in the clearance of the draft report. However, where the management response is deemed inadequate, or disagreement remains then the matter will be escalated to the Assistant Director of Corporate Services. The Head of Internal Audit may present the draft report to the Audit Committee where the management response is inadequate or where disagreement remains unresolved. The Head of Internal Audit may also escalate this directly to the Audit Committee Chair to ensure that the issues raised in the report are addressed appropriately.
- Reminder correspondence will be issued after the set response date where no management response has been received. Where no reply is received within 5 working days of the reminder, the matter will be escalated to the Assistant Director of Corporate Services. The Head of Internal Audit may present the draft report to the Audit

Committee where no management response is forthcoming.

- Internal Audit issues a Final report to Executive Director within 10 working days of receipt of complete management response. Within this timescale Internal Audit will quality assess the responses, and if necessary, return the responses, requiring them to be strengthened.
- Responses to audit recommendations need to be SMART:
  - Specific
  - Measurable
  - Achievable
  - Relevant / Realistic
  - Timely.
- The relevant Executive Director, Assistant Director of Corporate Governance and the Chair of the Audit Committee will be copied into any correspondence.
- The final report will be copied to the Accountable Officer and Assistant Director of Corporate Services and placed on the agenda for the next available Audit Committee.

9.3 Internal Audit will make provision to review the implementation of agreed action within the agreed timescales. However, where there are issues of particular concern provision maybe made for a follow-up review within the same financial year. Issue and clearance of follow up reports shall be as for other assignments referred to above.

9.4 Timescales are to be included in all initial scopes sent prior to commencing an audit.

## 10 Access and Confidentiality

10.1 Internal Audit shall have the authority to access all the organisation's information, documents, records, assets, personnel and premises that it considers necessary to fulfil its role. This shall extend to the resources of the third parties that provide services on behalf of the organisation.

10.2 All information obtained during a review will be regarded as strictly confidential to the organisation and shall not be divulged to any third party without the prior permission of the Accountable Officer. However, open access is granted to the organisation's external auditors.

10.3 Where there is a request to share information amongst the NHS bodies in Wales, for example to promote good practice and learning, then permission will be sought from the Accountable Officer before any information is shared.

## 11 Irregularities, Fraud & Corruption

- 11.1 It is the responsibility of management to maintain systems that ensure the organisation's resources are utilised in the manner and on activities intended. This includes the responsibility for the prevention and detection of fraud and other illegal acts.
- 11.2 Internal Audit shall not be relied upon to detect fraud or other irregularities. However, Internal Audit will give due regard to the possibility of fraud and other irregularities in work undertaken. Additionally, Internal Audit shall seek to identify weaknesses in control that could permit fraud or irregularity.
- 11.3 If Internal Audit discovers suspicion or evidence of fraud or irregularity, this will immediately be reported to the organisation's Local Counter Fraud Service (LCFS) in accordance with the organisation's Counter Fraud Policy & Fraud Response Plan and the agreed Internal Audit and Counter Fraud Protocol.

## 12 Quality Assurance

- 12.1 The work of internal audit is controlled at each level of operation to ensure that a continuously effective level of performance, compliant with the Global Internal Audit Standards, is being achieved.
- 12.2 The Director of Audit & Assurance will establish a quality assurance and improvement programme designed to give assurance through internal and external review that the work of Internal Audit is compliant with the Public Sector Internal Audit Standards and to achieve its objectives. A commentary on compliance against the Standards will be provided in the Annual Audit Report to the Audit Committee.
- 12.3 The Director of Audit & Assurance will monitor the performance of the internal audit provision in terms of meeting the service performance standards set out in the NWSSP Service Level Agreement. The Head of Internal Audit will periodically report service performance to the Audit Committee through the reporting mechanisms outlined in Section 9.

## 13 Resolving Concerns

- 13.1 NWSSP Audit & Assurance was established for the collective benefit of NHS Wales and as such needs to meet the expectations of client partners. Any questions or concerns about the audit service should be raised initially with the Head of Internal Audit assigned to the organisation. In addition, any matter may be escalated to the Director of Audit & Assurance. NWSSP Audit & Assurance will seek to resolve any issues and find a way forward.
- 13.2 Any formal complaints will be handled in accordance with the NWSSP complaint handling procedure. Where any concerns relate to the conduct of the Director of Audit & Assurance, the NHS organisation will have access to the Managing Director of Shared Services.

## 14 Review of the Internal Audit Mandate and Charter

14.1 This Internal Audit Mandate and Charter shall be reviewed annually and approved by the Board, taking account of advice from the Audit Committee.

Simon Cookson  
Director of Audit & Assurance  
NHS Wales Shared Services Partnership  
April 2025

## Disclaimer & Global Internal Audit Standards

This audit report has been prepared for internal use only. Audit and Assurance Services reports are prepared, in accordance with the agreed audit brief, and the Audit Charter as approved by the Audit Committee.

Audit reports are prepared by the staff of the NHS Wales Audit and Assurance Services and addressed to Independent Members or officers including those designated as Accountable Officer. They are prepared for the sole use of the NHS Wales Shared Services Partnership and no responsibility is taken by the Audit and Assurance Services Internal Auditors to any director or officer in their individual capacity, or to any third party.

The report is based on the review work undertaken and is not necessarily a complete statement of all weaknesses that exist or potential improvements. Whilst every care has been taken to ensure that the information provided in this report is as accurate as possible, no complete guarantee or warranty can be given regarding the advice and information contained.

Our work does not provide absolute assurance that material errors, loss or fraud do not exist. Responsibility for a sound system of internal controls and the prevention and detection of fraud and other irregularities rests with management of the NHS Wales Shared Services Partnership. Work performed by internal audit should not be relied upon to identify all strengths and weaknesses in internal controls, or all circumstances of fraud or irregularity. Effective and timely implementation of recommendations is important for the development and maintenance of a reliable internal control system.

### Public Sector Internal Audit Standards



Audit work undertaken by NHS Wales Audit and Assurance Services conforms with the International Standards for the Professional Practice of Internal Auditing and associated Public Sector Internal Audit Standards as validated through the external quality assessment undertaken by the Chartered Institute of Public Finance & Accountancy in April 2023.



**NHS WALES  
Shared Services Partnership  
(NWSSP)**

**Counter Fraud Progress Report Q4  
01/01/2025 – 31/3/2025**

**Mark Weston  
Local Counter Fraud Manager  
NHS Wales Shared Services Partnership**

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## 1. Introduction

In compliance with the Secretary of State for Health's Directions on Countering Fraud in the NHS, this report provides details of the work carried out by the NHS Wales Shared Service Partnership (NWSSP) Local Counter Fraud Manager.

The report's format has been adopted, in consultation with the Director of Finance and Corporate Services, to update the Audit Committee about counter fraud referrals, investigations, activity and operational issues.

## 2. Summary

The Counter Fraud Annual Plan 2024/2025 was completed and approved by the Director of Finance and Corporate Services and submitted for Audit Committee approval on 16<sup>th</sup> April 2024.

NWSSP continue to employ 1.0 WTE Local Counter Fraud Manager (CFM) to provide Local Counter Fraud Services.

At 31<sup>st</sup> March 2025, 210.5 days of Counter Fraud work were completed against the agreed 210 days in the Counter Fraud Annual Work-Plan for the 2024/25 financial year

The breakdown of these days in Q1 – Q4 are as follows:

Type	Q1	Q2	Q3	Q4	Total
Proactive	37.25	36.25	39.5	34.75	147.75
Reactive	11.5	18.75	15	17.5	62.75
<b>Total</b>	48.75	55	54.5	52.25	210.5

In summary the days have been used dealing with ongoing fraud investigations, 2 new cases fraud referrals were received during the last quarter and 7 cases were closed.

Fraud Awareness activity was provided to Audit and Assurance, the Health and Safety Group and People & Organisational Development and 3 sessions delivered to new starters.

The NWSSP CFM has continued to liaise with Internal Audit under the Joint working protocol in place.

The Counter Fraud Plan for 2024-2025 is aligned fully to the NHSCFA requirements as stipulated in Government Standard 13. The Plan states proposed actions throughout the year. In tandem with investigation work required, the main focus of the CFM during the last quarter is set out below.

### 3. Fraud Awareness Activity

The NWSSP Local Counter Fraud Service intranet page has continued to be updated with assistance from the NWSSP Communications Team. The NFI Privacy notice still features on the ESR Carousel to advise staff of the 2025 NFI exercise.

E-learning Module – The All-Wales Counter Fraud Awareness E-learning module was launched on Tuesday 18<sup>th</sup> April 2023. 2023/24 participation from NWSSP staff was poor at just 116, however this increased significantly throughout 2024/2025 with a further **81** completing the module during Q4 making a total for the 2024/2025 year of **1,098** staff.

Monthly Fraud Awareness sessions for new starters commenced in November 2023 via Microsoft TEAMS with **108** staff attending up to 31<sup>st</sup> March 2024. **114** attended Q1/2/3 2024/2025 and **35** staff over 3 sessions during Q4 to provide an annual total for 24/25 at **149**. A total of **257** NWSSP staff have now attended a new-starter Fraud Awareness session since commencing in November 2023.

**3** Fraud awareness sessions were each provided separately to Audit and Assurance, the Health and Safety Group and People & Organisational Development with a total of **92** staff attending.

Fraud awareness is also signposted in the induction toolkit presented to new staff at the “Welcome Session” which is delivered virtually.

#### Fraud Awareness Summary

Fraud Awareness interactions 2024/2025  Group	No of attendees / Participants (2024/25)		Total (2024/25)	Total 2023/2024 (For Comparison)
	Q1+2+3 (2024/25)	Q4		
New Starter Fraud Awareness (No of Sessions)	114	35	149	108
e-Learning	1017	81	1098	116
Other Fraud Awareness Sessions	94	92	186	324
Newsletters	124	-	124	389
<b>Total</b>	<b>1349</b>	<b>208</b>	<b>1,557</b>	<b>937</b>
Social Media Posts - “X” (Formerly Twitter) impressions	693	-	693	3,113

## 4 Referrals/Enquiries/Investigations

During this reporting period the NWSSP Counter Fraud Team received 2 new referrals for investigation one of which was transferred to NHS CFS Wales for investigation. A summary of the investigation caseload is as follows

	<b>Caseload</b>	<b>Q4 (2024/25)</b>	
		<b>No / £</b>	
<b>A</b>	Cases b/f	6	
<b>B</b>	<b>Add</b> No. new of cases opened	2	
<b>C</b>	<b>Total</b> Caseload during Q4 (a+b)	8	
<b>D</b>	<b>Less</b> Cases closed or Transferred during Q4	7	
<b>E</b>	Cases open at end of Q4 (c-d)	1	
	<b>Fraud Prevented or Recovered</b>	<b>Year Total (2024/25)</b>	<b>Year Total 2023/2024 for comparison</b>
	Financial Recoveries	<b>£11,474.88</b>	<b>£50,419.03</b>
	Total Prevented / Recovered	<b>£11,474.88</b>	<b>£62,569.45</b>
	Number of sanctions	<b>1</b>	<b>3</b>

## 5. Local Proactive Exercises

As part of the Government Functional Standards LCFS are required to conduct Local Proactive Exercises (LPE's) and Fraud Risk Assessments and record them on the CLUE case management system. LPE's should be conducted on a local risk-based approach, can be directed by NHS CFA, or pursued as a result of an action point e.g. from an investigation, a Fraud Prevention Notice (FPN) or a wider nationally driven

The NWSSP CFM also assists and advises other NHS Staff, LCFS Colleagues and NHS CFS Wales with queries on fraud related matters. Data is now requested by NHS CFS Wales on the volume of queries and advice received in relation to fraud matters, as such a record is logged and maintained on queries and assistance provided on such matters. The NWSSP CFM received 15 queries during Q4 from a wide range of topics including several Mandate Fraud checks, Recovery of Salary Overpayments, Advice to A/P, Liaison with Finance on stores anomalies and concerns raised by People and Organisational Development.

The CFM also continues to liaise with the Cyber Security Team on Phishing and Spam email concerns.

LPE's were conducted following the issue of the fraud risks identified from the issue of Intelligence Bulletin's (IBURN's) relating to:

## 6. Fraud Prevention Notices (FPN'S) and IBURN's (Intelligence Bulletins)

### Fraud Alerts

A Fraud Alert was issued by NHS CFA on 11/3/2025 in relation to Certificates of Sponsorship (CoS) and risks of fraudulent certificates being issued by NHS staff in England who have abused their position of trust when accessing Home Office systems to process CoS. The NWSSP CFM has liaised with the Head of Recruitment to review processes and will carry out a more detailed risk assessment and Local Proactive Exercise to address this risk. The CFM has contacted NHS CFA following feedback from Recruitment. Whilst there is little to no financial loss to the NHS organisation, the risk of reputational damage and public interest in this area is high. There are clear indicators that this matter is linked to organised crime and the possible facilitation of modern slavery/human trafficking.

A Fraud Alert was issued by NHS CFA on 12/2/2025 in relation to the issue of fraudulent invoices using Sage accounting software to facilitate scams. The alert was disseminated by Local LCFS to Primary Care Contractors and issued to Finance by the NWSSP CFM for awareness.

An **IBURN Intelligence Alert** was issued by the NHS CFA Intelligence Unit regarding concerns about an individual falsely using a false identity whilst seeking employment often via a Nursing Agency. Checks were made with recruitment on an all Wales basis with no concerns identified.

## 7. Other

HMRC have raised concerns to employers of risks with Tax Avoidance schemes where staff have been employed via employment agencies using intermediaries for the supply of labour to the NHS and other organisations. Details have been disseminated to Recruitment leads to review agencies that operate with employment intermediaries and are known to be of concern to HMRC, to follow HMRC advice, ensure clear processes are in place, a review of due diligence process is undertaken, ensure arrangements are compliant with HMRC and any concerns are reported to HMRC.

The NWSSP CFM previously met with Audit Wales, and NWSSP Primary Care Services to produce a further data analytical exercise to provide assurance on General Medical Services Patient Registration and Capitation Fees. The data was processed under NFI and made available on 17<sup>th</sup> May 2024. A review was undertaken by The Post Payment Verification (PPV) Team. No significant issues were detected however the exercise proved a useful "housekeeping" process. New quarterly checks for duplicate patient registrations across Wales will now be undertaken by the PPV team as an outcome of this exercise.

National Fraud Initiative Payroll data has been uploaded, analysis has commenced and is ongoing. Some anomalies have been detected and are being examined further with relevant staff. One case has been generated as an investigation as reported earlier in this report.

Mark Weston

NWSSP Local Counter Fraud Manager

3<sup>rd</sup> April 2025



# **NHS WALES**

## **Shared Services Partnership**

**COUNTER FRAUD ANNUAL PLAN**  
**2025/2026**

Mark Weston  
Counter Fraud Manager  
NHS Wales Shared Service Partnership

This document is prepared by Mark Weston Counter Fraud Manager, NHS Wales Shared Service Partnership in order to comply with Government Functional Standards and the recommendations of the NHS Counter Fraud Authority for NHS Bodies (Wales) and has been approved by the Director of Finance as below.

Workplan prepared by:

Counter Fraud Manager – Mark Weston

Workplan agreed by:

Alison Ramsey - Director of Finance and Corporate Services

NWSSP Audit Committee

Date: 28<sup>th</sup> March 2025

## WORKPLAN 2025-2026

### Background

The NHS rolled out new counter fraud requirements for NHS-funded services in relation to the **Government Functional Standard GovS 013: Counter Fraud in 2021**. The NHSCFA worked closely with a wide range of stakeholders to ensure that the NHS Counter Fraud Requirements had greater consistency and remained fit for purpose for organisations, including providers and commissioners. The standards apply to all NHS funded services (those receiving partial or full NHS funding). The purpose of the Government Functional Standard is to set expectations for the management of fraud, bribery and corruption risk across government and wider public services, and to reinforce the government's commitment to fighting fraud against the public sector. The implementation of the Government Functional Standard GovS 013: Counter Fraud was agreed by All NHS Wales DoF's on 19<sup>th</sup> February 2021.

The NHSCFA is responsible for leading and influencing the improvement of counter fraud standards across the NHS and will be responsible for ensuring the effective implementation of the NHS Counter Fraud Requirements. The requirements have superseded our own fraud, bribery and corruption standards for providers, commissioners and NHS bodies in England and Wales. The NHSCFA is required to provide assurance to the Cabinet Office of NHS compliance with the Functional Standard. This will be accomplished by the receipt and validation by the NHSCFA of the Counter Fraud Functional Standard Return submitted by organisations providing any NHS funded services. Deadline for submission of this document in relation to this plan is 31/05/2025. The NHSCFA Quality Assurance Programme will enable the analysis of performance of the Counter Fraud team against each requirement. They will provide a grading of compliance in relation to all areas of the functional standards. (Green, Amber or Red)

NHS Wales Shared Services Partnership (NWSSP) has its own dedicated full time and professionally accredited Local Counter Fraud Specialist (LCFS) to manage and deliver the local counter fraud service for NWSSP. NWSSP LCFS Manager Attends Counter Fraud Liaison Group and works closely with other LCFS'S across NHS Wales. This will ensure that NWSSP follows the Welsh Government Directions on Countering Fraud, Bribery and Corruption within the NHS in Wales and the standards set by the NHSCFA are achieved. An Annual Work-Plan is compiled by the Counter Fraud Manager that is agreed by NWSSP Director of Finance and Corporate Services and submitted to the Audit Committee for approval at the commencement of each financial year. The Workplan provided below formulates Local Counter Fraud arrangements for NWSSP for 2025-2026. The tasks outlined will be considered and reviewed dynamically throughout the year as the need arises. The effectiveness of the plan will be reported in the end of year Annual Report to Audit Committee and in the NHSCFA Functional Return as referred to above.

This organisation's Work-Plan will directly mirror GovS:13 Standard (Counter Fraud) in order to bring the organisations provision into line with the NHSCFA Counter Fraud Bribery and Corruption Strategy. This in turn supports the objectives set by the Welsh Government.

### Taking a risk-based approach to planning local counter fraud work

Locally investigators are in the best position to identify and understand the counter fraud requirements for their organisation. Successful implementation of counter fraud policy relies on the work of the Local Counter fraud Specialist (LCFS).

The counter fraud work-plan should be tailor-made and specific to the NHS organisation, for example, carrying out local proactive exercises identified in the course of investigations, or analysis of referrals may show the need for more work on preventing fraud or highlight that awareness is needed in a particular department or staff group.

Meeting key personnel in the organisation and using the information from staff surveys are important methods for forming action plans. The responses may also reveal areas of risk highlighting a need for pro-active prevention or detection work. Any risks which are identified by the LCFS will be recorded in line with local procedures adopted for such by the organisation, shared with the Internal Audit department and reported to the DoF and Audit Committee. This aims to provide another level of assurance that the risk will be **owned** and managed. While every effort will be made to identify local risks, it is important that information from outside the organisation is also considered; for example, NHS CFA fraud alerts, and fraud prevention notices. Information received from external sources will be assessed and any risks locally identified will be targeted as a result.

To help organisations take a risk-based approach to counter fraud work and planning, the NHSCFA has issued up to date risk assessment advice and training. This helps the LCFS when assessing the counter fraud arrangements at their own organisation. This provides direction in risk assessment work and provides a basis of measuring local risks using a dedicating risk matrix scoring system and template. Results of all local risk work carried out by the Counter Fraud Team will be reported through the quality assurance process to NHS CFA, managed on the CLUE case management system and will be locally reported to the Audit Committee

### Outcomes/Results

Accurate records of counter fraud work are essential. They inform upon the effectiveness of work undertaken, assist in the planning of future work and help to identify strengths and weaknesses within the organisation. Accurate records of all work undertaken by the

Counter Fraud Manager for this upcoming year will be kept and updated. These results will be reflected in the quarterly progress reports and end of year annual report.

The Counter Fraud team are aware of the importance of liaison with External Auditors when planning Local Counter Fraud work in order to prevent duplication of effort. There are some elements of the Counter-Fraud Work-Plan which External Auditors may review on a risk basis as part of their own reviews of Governance Arrangements, e.g., Whistle-Blowing arrangements, Declaration of Interests, Gifts and Hospitality. External Auditors will certainly be seeking to gain assurance that Counter Fraud arrangements are robust and the Counter Fraud team, will maintain a close working relationship with Audit Wales as required.

### Resource Provision

Resource Provision for NHSWSSP	Days Planned 25 / 26
NHSWSSP Counter Fraud Manager	210
<b>Total</b>	<b>210</b>

### Resource by Activity

Activity	Days Planned 25 / 26
Proactive	140
Reactive	70
<b>Total</b>	<b>210</b>

With the move to the GovS:13 taking place and the previous 4 standards of Strategic Governance, Inform and Involve, Prevent and Deter and Hold to Account are now obsolete, the methodology to be adopted in breaking down resource time spent by activity area is simplified into Proactive and Reactive areas. Generally Proactive work will involve activities such as fraud awareness, eg presentations, newsletters and other engagement etc and also National CFA Proactive exercises, Local Proactive Exercises, and Risk Assessments. Reactive work will involve activities such as, investigation into referrals received, carrying out system weakness analysis as a result of investigation findings.

NHSCFA states that Proactive work should not be absorbed by Reactive activity or *vice versa* and to this end NHSCFA strongly encourages Proactive work to be 'ring-fenced'. However due to the dynamic nature of the Counter Fraud environment the plan is intended to be flexible to the needs of the service, so may be subject to review and change where service priorities and risk require. If this occurs then careful consideration will be given to any changes made and this will be reported in progress reports to the DoF and the Audit Committee. Any changes to the overall days provided or in regard to the areas planned for will be reported in the end of year report.

## Work Plan Objectives

A work plan with matching tasks/objectives is set out below for each NHS requirement area. Each task/objective relates to a specific standard of compliance or fraud risk area; the work plan has been formulated to support the mitigation of the risk of fraud to the organisation and to ensure compliance with the NHSCFA/Gov requirements.

Gov s013 / NHS Requirement	Objective	Proposed Delivery	Resources (Days)
<p><b>1: Accountable individual</b></p> <p><b>NHS Requirement 1A:</b></p> <p>A member of the executive board or equivalent body is accountable for provision of strategic management of all counter fraud, bribery and corruption work within the organisation. The accountable board member is responsible for the provision of assurance to the executive board in relation to the quality and effectiveness</p>	<p>Counter Fraud Manager (CFM) to hold regular scheduled meetings with NWSSP Director of Finance and Corporate Services (DoF) - objectives to be reviewed and work to date evaluated. During these meetings ongoing work involving investigations, the promotion of fraud awareness, fraud proofing and risk assessments, policy considerations and Counter Fraud communication strategy to be discussed. The DoF to act as the link between the Audit Committee (AAC) and Senior Leadership Group to allow key risks to be identified, managed, and mitigated.</p>	<p>Ongoing throughout the Year</p>	<p>15</p>

Gov s013 / NHS Requirement	Objective	Proposed Delivery	Resources (Days)
<p>of all counter fraud bribery and corruption work undertaken.</p> <p>The accountable board member is responsible for ensuring that nominations to the NHSCFA for the accountable board member, audit committee chair and counter fraud champion are accurate and that any changes are notified to the NHSCFA at the earliest opportunity and in accordance with the nominations process.</p> <p>N.B. 'Equivalent body' may include, but is not limited to, the board of directors, the board of trustees or the governing body. Oversight of counter fraud, bribery and corruption work should not be delegated to an individual below this level of seniority in the organisation</p> <p><b>NHS Requirement 1B:</b></p> <p>The organisation's non-executive directors, counter fraud champion or lay members and board/governing body level senior management are</p>	<p>CFM to produce the SSP Counter Fraud Annual Workplan which is to be agreed with the DoF and ratified by the AAC.</p> <p>CFM to produce the NWSSP Counter Fraud Annual Report.</p> <p>CFM to provide quarterly progress reports to Dof and AAC and to present these quarterly at AAC.</p> <p>Checks to be carried out by CFM that nominations to NHSCFA are correct, up to date and in order.</p> <p>Where necessary and appropriate Counter Fraud Manager (CFM) will seek to hold regular one to one meetings with the Audit Committee Chair, Counter Fraud Champion. In addition to this CFM to attend pre-audit committee</p>	<p>Q4</p> <p>Q1</p> <p>Qtly</p> <p>Q1 and As required</p> <p>Qtly</p>	<p>15</p>

Gov s013 / NHS Requirement	Objective	Proposed Delivery	Resources (Days)
<p>accountable for gaining assurance that sufficient control and management mechanisms in relation to counter fraud, bribery and corruption are present within the organisation.</p> <p>The Counter Fraud Champion understands the threat posed and promotes awareness of fraud, bribery and corruption within the organisation.</p> <p>Board level evaluation of the effectiveness of counter fraud, bribery and corruption work undertaken is documented. Where recommendations have been made by NHSCFA following an engagement, it is the responsibility of the accountable board member to provide assurance to the board surrounding the progress of their implementation.</p> <p>The organisation reports annually on how it has met the standards set by NHSCFA in relation to counter fraud, bribery and corruption work, and details corrective action where standards have not been met.</p>	<p>meetings with Independent Members of the Audit Committee.</p> <p>Counter Fraud to remain a standing agenda item at AAC. Counter Fraud Manager to provide written and oral reports to this forum, annually and progressively throughout the year.</p> <p>CFM to report to DoF and AAC any matters arising from NHSCFA in relation to thematic assessment exercises, matters arising out of Fraud Prevention Notices and national exercises.</p> <p>CFM to liaise regularly with internal partners, such as Internal Audit, Communications, Information Governance Workforce and Organisational Development, to develop and maintain fit for purpose infrastructure providing a firm foundation for the Counter Fraud provision.</p> <p>CFM and Counter Fraud Champion to meet fortnightly with Dof to attend monthly to discuss all aspects of Counter Fraud work.</p>	<p>Qtlly</p> <p>Qtlly and Throughout the year</p> <p>Throughout the year</p> <p>Fortnightly/Monthly</p>	

Gov s013 / NHS Requirement	Objective	Proposed Delivery	Resources (Days)
	CFM to carry out annual reporting to NHSCFA in the form of the NHS CFA Functional Standard return and to subsequently address any issues rising from the results of this assessment.	Annually Q1	
<p><b>2: Counter fraud bribery and corruption strategy</b></p> <p><b>NHS Requirement 2:</b></p> <p>The organisation aligns counter fraud, bribery and corruption work to the NHSCFA counter fraud, bribery and corruption strategy. This is documented in the organisational counter fraud, bribery and corruption policy, and is submitted upon request. The counter fraud work plan and resource allocation are aligned to the objectives of the strategy and locally identified risks.</p> <p><b>(The organisation may have its own counter fraud, bribery and corruption strategy, however, this must be aligned to and referenced to the NHSCFA counter fraud, bribery and corruption strategy)</b></p>	<p>CFM to review organisational Counter Fraud Bribery and Corruption Policy to ensure it is properly aligned to the current NHS CFA Strategy. CFM to Liaise with other LCFS to ensure a once for Wales approach.</p> <p>CFM to ensure that work planned for in the Annual Counter Fraud Plan and that work carried out is aligned to the NHS CFA strategy and that the objectives are being met.</p> <p>CFM to provide assurance that counter fraud provision is resourced by way of qualified, nominated and accredited Counter Fraud Specialists and to ensure that this is maintained.</p>	<p>Q1 &amp; Q2</p> <p>Qtly and throughout the year</p> <p>Continual Monitoring</p>	3

Gov s013 / NHS Requirement	Objective	Proposed Delivery	Resources (Days)
<p><b>3: Fraud bribery and corruption risk assessment</b></p> <p>NHS Requirement 3:</p> <p>The organisation has carried out comprehensive local risk assessments to identify fraud, bribery and corruption risks, and has counter fraud, bribery and corruption provision that is proportionate to the level of risk identified. Risk analysis is undertaken in line with Government Counter Fraud Profession (GCFP) fraud risk assessment methodology and is recorded and managed in line with the organisation's risk management policy and included on the appropriate risk registers, and the risk assessment is submitted upon request. Measures to mitigate identified risks are included in an organisational work plan, progress is monitored at a senior level within the organisation and results are fed back to the audit committee (or equivalent body).</p> <p>For NHS organisations the fraud risk assessments should also consider the</p>	<p>CFM to review NWSSP fraud risk register and NHS CFA risk descriptors to prioritise areas for risk assessment appropriate to NWSSP.</p> <p>CF manager to discuss with DoF, Counter Fraud Champion and Corporate Governance the preferred method of reporting and recording risk, including the maintenance of a register for review to compliment the recording upon CLUE. Where resource implications are present priority to be given to those areas identified as higher risk.</p> <p>CFM to meet with CFS Wales and other Lead LCFS to discuss and agree management of fraud risks and risk analysis and report to DoF.</p> <p>CFM to carry out risk analysis in line with the Government Counter Fraud Profession (GCFP) fraud risk methodology. Locally identified risk to be recorded in line with the organisations Risk Management Policy and entered on to the appropriate risk registers. All risks identified to be assessed and remedial action identified and reported to key stakeholders. All matters arising to be</p>	<p>Q1/Q2</p> <p>Q1 / Q2</p> <p>Q1</p> <p>Ongoing throughout the Year</p>	<p>30</p>

Gov s013 / NHS Requirement	Objective	Proposed Delivery	Resources (Days)
<p>fraud risks within any associated sub company of the NHS organisation.</p>	<p>reported to DoF and AAC by way of counter fraud progress reporting.</p> <p>CFM to develop a fraud risk profile upon the CLUE case management system in order to effectively evaluate, evidence and measure the effectiveness of counter fraud risk assessment work with a view to reducing fraud to an absolute minimum.</p> <p>Further Local Proactive exercises to be undertaken by CFM as the need arises throughout the year as a result of local identification or if informed by CFA Fraud Prevention Notices and national exercises. All risk analysis work to be subject to timed ongoing review to assess if recommendations acted upon.</p>	<p>Q1&amp; Q2</p> <p>Throughout the year</p>	
<p>4: Policy and response plan</p> <p>NHS Requirement 4:</p> <p>The organisation has a counter fraud, bribery and corruption policy and response plan (the policy and plan) that follows NHSCFA's strategic guidance</p>	<p>CF Manager to review existing counter fraud bribery and corruption policy, update and amend as appropriate.</p> <p>Counter Fraud team to promote awareness of the policy at presentations and through newsletters.</p>	<p>Q1 &amp; Q2</p> <p>Throughout the Year</p>	<p>5</p>

Gov s013 / NHS Requirement	Objective	Proposed Delivery	Resources (Days)
<p>and has been approved by the executive body or senior management team.</p> <p>The plan is reviewed, evaluated and updated as required, and levels of staff awareness are measured.</p>	<p>CF team to utilise staff surveys to evaluate if staff are aware of the policy and how and where to locate it. Also establish that they are aware of the correct procedures associated with reporting fraud, bribery and corruption.</p>	<p>Q2 / Q3</p>	
<p>5: Annual action plan</p> <p>NHS Requirement 5:</p> <p>The organisation maintains an annual work plan that is informed by national and local fraud, bribery and corruption risk assessment identifying activities to improve capability and resilience. This includes (but is not limited to) defined objectives, milestones for the delivery of each activity and measurable areas for improvement in line with strategic aims and objectives. The plan is agreed, and progress monitored by the audit committee (or equivalent body).</p>	<p>CF Manager to complete annual CF fraud workplan detailing planned actions for the coming year. Where possible actions to be given a proposed action time period.</p> <p>CF Manager to ensure the plan is agreed by DoF, ratified by AAC and is informed by national and local risk and is aligned to organisational objectives and CFA Strategy.</p> <p>CF Manager to ensure that the provision of the CF function is written into the overall organisation plan.</p> <p>CF manager to provide quarterly reports to AAC. CF manager to provide quarterly statistics to Counter Fraud Service Wales.</p> <p>CF manager to provide annual report measuring the effectiveness of the plan.</p>	<p>Q1</p> <p>Q1</p> <p>Throughout the Year</p> <p>Throughout the Year</p> <p>Q1yr end</p>	<p>4</p>

Gov s013 / NHS Requirement	Objective	Proposed Delivery	Resources (Days)
<p><b>6: Outcome-based metrics</b></p> <p>NHS Requirement 6:</p> <p>The organisation identifies and reports on annual outcome-based metrics with objectives to evidence improvement in performance. This should be informed by national and local risk assessment, national benchmarking and other comparable data. Proactive and reactive outcomes and progress are recorded on the approved NHS fraud case management system.</p> <p>Metrics should include all reported incidents of fraud, bribery and corruption, the value of identified fraud losses, the value of fraud recoveries, the value of fraud prevented, criminal sanctions and disciplinary sanctions.</p>	<p>All fraud referrals and cases to be recorded on CLUE case management system. All outcomes to recorded on Clue Accordingly. This includes all reported incidents of fraud, bribery and corruption, the value of identified fraud losses, the value of fraud recoveries, the value of fraud prevented, criminal sanctions and disciplinary sanctions.</p> <p>All Local Proactive exercises and outcomes recorded on CLUE and reported quarterly.</p> <p>Locally and nationally informed risk assessments will be recorded according to local policy and using the CLUE case management system and will and a suitable review date added to check upon progress of recommended remedial action. These items will also be shared automatically with the Internal audit department and reported to the AAC.</p> <p>Data will be collected in relation to the amount of fraud awareness work is carried out. Feedback is sought from each session. Monitoring and reporting on metrics received from Interactive feedback forms are reported quarterly to DoF and AAC. This measures the</p>	<p>Throughout the year</p> <p>Reported Qtly</p> <p>Reported Qtly</p> <p>Data collection throughout the year</p> <p>Data Reported</p>	<p>8</p>

Gov s013 / NHS Requirement	Objective	Proposed Delivery	Resources (Days)
	<p>effectiveness of the service supplied by the LCFS throughout the year.</p> <p>CFM to collect metrics from referral sources to measure effectiveness of each awareness method/session.</p> <p>All data and metrics collected from referrals, investigations, outcomes, sanctions, LPE's, Risk Measurement Exercises and Fraud awareness engagement is reported upon quarterly to NHS CFS Wales who provide a consolidated report to Welsh Government and CFSG to provide benchmarking. All activity is also reported to DoF and AAC quarterly.</p>	<p>Qtly</p> <p>Data collection throughout the year</p> <p>Reported Qtly</p>	
<p>7: Reporting routes for staff, contractors and members of the public</p> <p>NHS Requirement 7:</p> <p>The organisation has well established and documented reporting routes for staff, contractors and members of the</p>	<p>CFM to continue to assess the infrastructure in place for the reporting of concerns and making of general enquiries from all groups.</p> <p>CFM continue to promote reporting routes for staff, contractors and members of the public to report incidents of fraud, bribery and corruption via:</p>	<p>Q1 &amp; Q2</p> <p>Throughout the year</p>	<p>10</p>

Gov s013 / NHS Requirement	Objective	Proposed Delivery	Resources (Days)
<p>public to report incidents of fraud, bribery and corruption. Reporting routes should include NHSCFA's Fraud and Corruption Reporting Line and online reporting tool. All incidents of fraud, bribery and corruption are recorded on the approved NHS fraud case management system.</p> <p>The incident reporting routes are publicised, reviewed, evaluated and updated as required, and levels of staff awareness are measured.</p>	<p>Intranet/ Internet sites Sways Newsletters Surveys Fraud Awareness Presentations Induction Training Wall Posters Counter Fraud App Social Media</p> <p>CFM continue to liaise with the Communications Team in order to update, evaluate and ensure that all reporting routes are promoted in the most effective way with up to date relevant information in order to continue to ensure the LCFS Service have a brand identity and presence.</p> <p>CFM to liaise with Communications to team to further update, promote and review effectiveness the new NHS Wales Counter Fraud App.</p> <p>CFM to liaise with Communications team to design and produce manual posters for distribution to all NWSSP sites, particularly those with staff with limited access to computers, email and intranet.</p>	<p>Q1/Q2</p> <p>And Throughout the year</p> <p>Q1/Q2</p> <p>Q1</p> <p>Q1</p>	

Gov s013 / NHS Requirement	Objective	Proposed Delivery	Resources (Days)
	<p>CFM to capture feedback from fraud awareness sessions and act upon suggestions to continually improve engagement.</p> <p>Continuance of promotion of the National Fraud Reporting Line and the National Fraud Reporting tool as managed by the NHSCFA.</p>	<p>Throughout the Year</p> <p>Throughout the Year</p>	
<p><b>8: Report identified loss</b></p> <p>NHS Requirement 8:</p> <p>The organisation uses the approved NHS fraud case management system to record all incidents of reported suspect fraud, bribery and corruption, to inform national intelligence and NHS counter fraud functional standard return submission by the NHSCFA. The case management system is used to record all fraud, bribery and corruption investigative activity, including all outcomes, recoveries and system weaknesses identified during the course of investigations and/or proactive prevention and detection exercises</p>	<p>CFM to make full use of the CLUE case management system for recording and managing Investigations, System Weakness reporting, and Local Proactive exercise reporting.</p> <p>CFM to ensure access to CLUE case management system is restricted to those suitably trained and qualified.</p> <p>CFM to supervise the reporting of cases on CLUE ensuring that all referrals are suitably recorded and investigated</p> <p>CFM to investigate and oversee live investigations on CLUE.</p>	<p>Ongoing throughout the Year</p>	<p>25</p>

Gov s013 / NHS Requirement	Objective	Proposed Delivery	Resources (Days)
	<p>CFM to supervise the recording of all proactive work carried by way of Local Proactive exercise/System Weakness reporting on CLUE.</p> <p>CFM to ensure that all outcomes by way of sanction, recovery and loss are suitably recorded and reported to DoF and AAC at progress updates and at year end in Annual report.</p>	<p>Ongoing throughout the Year</p>	
<p>9: Access to trained investigators</p> <p>NHS Requirement 9:</p> <p>The organisation employs or contracts in an accredited, person (or persons) nominated to the NHSCFA to undertake the full range of counter fraud, bribery and corruption work, including proactive work to prevent and deter fraud, bribery and corruption and reactive work to hold those who commit fraud, bribery or corruption to account. The organisation will ensure that any changes to nominations are notified to the NHSCFA at the earliest opportunity and in</p>	<p>NWSSP now has its own dedicated full time and fully accredited Counter Fraud Manager (CFM). The CFM is responsible for all management of Counter Fraud Work.</p> <p>CFM to ensure skills and training in criminal investigation and fully up to date with their knowledge of relevant legislation such as PACE, CPIA, DPA, HRA, GDPR, offence legislation and keep abreast of changes and updates to legislation and undertake training as necessary.</p> <p>Continue to develop professionally, attending appropriate training sessions provided by NHSCFA to enhance their knowledge and skills as well as attending regional forums and national conferences, hosted by NHSCFA and NHS CFS Wales. CF team will undertake</p>	<p>Ongoing throughout The year</p> <p>Where available</p>	<p>30</p>

Gov s013 / NHS Requirement	Objective	Proposed Delivery	Resources (Days)
<p>accordance with the nominations process.</p> <p>The accredited nominated person (or persons) must demonstrate continuous professional competencies and capabilities on an annual basis by examples of practical application of skills and associated training to include (but is not limited to), obtaining witness statements, conducting interviews under caution and maintaining up to date knowledge of legal and procedural requirements.</p>	<p>continuing professional development opportunities associated with role throughout the year as they become available.</p> <p>CFM to maintain full compliance with mandatory training/e learning as measured on the ESR system.</p> <p>CF team to maintain the appropriate standards of confidentiality and security as well as having access to the tools and resources necessary to professionally carry out their role (inclusive of secure access to relevant IT systems, data systems and access to NHS Wales)</p> <p>All training and development to be recorded on ESR and referenced during annual staff appraisals.</p>	<p>And</p> <p>Ongoing Throughout the Year</p> <p>Throughout the year in accordance with ESR timings</p> <p>Ongoing Throughout the Year</p> <p>Ongoing Throughout the year</p>	
<p>10: Undertake detection activity</p> <p>NHS Requirement 10:</p> <p>The organisation undertakes proactive work to detect fraud using relevant information and intelligence to identify anomalies that may be indicative of</p>	<p>CFM to undertake national / local proactive exercise work as it is published by NHS CFA throughout the year.</p>	<p>Q1/Q2</p>	<p>30</p>

Gov s013 / NHS Requirement	Objective	Proposed Delivery	Resources (Days)
<p>fraud, bribery and corruption and takes the appropriate action, including local exercises and participation or response to national exercises. Results of this work are evaluated and where appropriate feed into improvements to prevent and deter fraud, bribery and corruption.</p> <p>Relevant information and intelligence may include (but is not limited to) internal and external audit reports, information on outliers, recommendations in investigation reports and NHSCFA led loss measurement exercises. The findings are acted upon promptly.</p>	<p>CFM to undertake review of NFI data relevant to NWSSP and action as appropriate.</p> <p>CFM to react appropriately to the issue of Fraud Prevention Notices (FPN's) and Intelligence Bulletins (iBURN's) from NHS CFA.</p> <p>A streamlined approach has now been adopted to avoid duplication to conduct checks on an all Wales basis to ensure efficiency and avoid duplication.</p> <p>CFM to identify Local Proactive Exercises as new risks are identified to detect and prevent fraud. All work to be recorded on Clue and reported to DoF and Audit Committee.</p>	<p>Throughout the year</p> <p>Throughout the year</p> <p>as required</p> <p>Monthly Throughout the Year</p>	
<p>11: Access to and completion of training</p> <p>NHS Requirement 11:</p> <p>The organisation has an ongoing programme of work to raise awareness</p>	<p>CFM has now established Fraud Awareness content in corporate inductions (now referred to as "Welcome Session") to new employees and will ensure that information is reviewed and kept up to date.</p>	<p>Q1 and Q3</p>	<p>30</p>

Gov s013 / NHS Requirement	Objective	Proposed Delivery	Resources (Days)
<p>of fraud, bribery and corruption and to create a counter fraud, bribery and corruption culture among all staff, across all sites, using all available media. This should cover the role of the NHSCFA, LCFS and the requirements and national implications of Government Counter Fraud Functional Standard providing a standardised approach to counter fraud work.</p> <p>Content may be delivered through presentations, newsletters, leaflets, posters, intranet pages, induction materials for new staff, emails and other media, making use of the NHSCFA's fraud awareness toolkit as appropriate. The effectiveness of the awareness programme is measured.</p>	<p>CFM now obtains details of all new starters and coordinates and delivers Fraud Awareness Training via TEAMS and maintains a list of attendees.</p> <p>The new e-learning module is closely monitored on an all Wales basis. NWSSP staff participation has improved greatly during 24/25. Whilst not mandatory key staff are encouraged to complete it and it is now monitored via The Senior Leadership Group (SLG). Obtain accurate metrics on this to report to Audit Committee.</p> <p>CFM to develop fraud awareness further through all available avenues. To include but not limited to</p> <ul style="list-style-type: none"> <li>• Digital banners on organisation intranet site</li> <li>• Regular publishing of Counter Fraud news items via intranet and emailed Counter Fraud Newsletter using SWAYS which collects metrics on user engagement.</li> <li>• Regular messaging across available social media systems.</li> <li>• All staff email bulletins to advise of fraud alerts</li> </ul>	<p>Monthly</p> <p>Q1/Q2</p> <p>Q1</p> <p>And throughout the year</p>	



Gov s013 / NHS Requirement	Objective	Proposed Delivery	Resources (Days)
<p>12: Policies and registers for gifts and hospitality and COI.</p> <p>NHS Requirement 12:</p> <p>The organisation has a managing conflicts of interest policy and registers that include gifts and hospitality with reference to fraud, bribery and corruption, and the requirements of the Bribery Act 2010. The effectiveness of the implementation of the process and staff awareness of the requirements of the policy are regularly tested</p>	<p>CFM to discuss with CFC and conduct a LPE as per recent guidance from NHS CFA. Review of the COI Register and ensure conflicts of interest/business conduct policy is in place and is up to date, processes and forms are adequate and in line with NHS CFA recommendations. Reports on NFI acts as a test for this.</p> <p>CFM to raise awareness of the registers and policies by way of fraud awareness sessions and news bulletins/letters.</p>	<p>Q1 &amp; Q2</p> <p>Throughout the Year</p> <p>As required</p>	<p>5</p>
		<b>TOTAL (Days)</b>	<b>210</b>

<b>MEETING</b>	Velindre University NHS Trust Audit Committee for NHS Wales Shared Services Partnership
<b>DATE</b>	15 April 2025
<b>PREPARED BY</b>	Carly Wilce, Corporate Services Manager, Gemma Roscrow Procurement Services and Leanne Wright Procurement Services
<b>PRESENTED BY</b>	Alison Ramsey, Director of Finance and Corporate Services
<b>TITLE OF REPORT</b>	Governance Matters
<b>PURPOSE</b>	
The purpose of this paper is to provide the Audit Committee with a brief update on governance developments within NWSSP and details of the contract activity within the period.	

### 1. STANDING ORDERS AND FINANCIAL INSTRUCTIONS (SO's and SFI's)

There were **2** occasions where contract awards were not progressed in accordance with Standing Orders, which has significantly improved since the last meeting. Activity is shown for the items listed in Appendix A and reasons for breaches have been provided.

### 2. CONTRACTS FOR NWSSP

The table below summarises contracting activity undertaken during the period **1<sup>st</sup> January 2025 to 31 March 2025**. Details of the contract activity for the period is set out in **Appendix A**.

Description	No.
Retrospective Non-Compliant Activity	2
Contracts value breached/extended at risk as a result of emergency/unforeseen circumstances	1
Invitation to competitive quote of value between £5,000 and £25,000 (excl VAT)	27
Invitation to competitive tender - £25,000 and the OJEU threshold	4
Single Tender Actions	3
Single Quotation Actions	7
Direct Call Off against National Framework Agreement	17
Mini competition against National Framework	4
Contract Change Notice (CCN)	2
<b>Total</b>	<b>67</b>

### 3. NWSSP PROCUREMENT SERVICES ALL WALES CONTRACTING ACTIVITY

During the period **15<sup>th</sup> January 2025 to 31<sup>st</sup> March 2025**, activity against **19 contracts** have been completed. This includes **2** contracts at the **briefing** stage and **10** contracts at

the **ratification** stage. In addition to this activity, **7 extensions** have been actioned against contracts. A summary of activity for the period is set out in **Appendix B**.

#### **4. GIFTS, HOSPITALITY & SPONSORSHIP**

There have been **no** declarations made as to Gifts, Hospitality or Sponsorship since the last Audit Committee meeting.

#### **5. WELSH GOVERNMENT QUARTERLY UPDATE**

On a quarterly basis, we issue a letter to the Director General of Health and Social Services at Welsh Government to confirm any Audit Reports which have achieved limited or no assurance. NWSSP have reported one internal audit report with limited assurance for the reporting period Procurement Services, Capital Team, which has previously been reported to the Audit Committee.

#### **6. RECOMMENDATION**

The Committee is asked to **NOTE** the report.

## APPENDIX A - NWSSP Contracting Activity Undertaken (01/01/2025 to 31/03/2025)

### Retrospective Non-Compliant Activity (2)

This is activity where departments have engaged suppliers directly without seeking Procurement involvement and therefore, have incurred a direct breach of SFI's.

#### Please note:

The Assistant Head of Operational Procurement presented at NWSSP SLG on 19<sup>th</sup> September 2024, to remind divisions of their responsibilities and obligations of 'Procurement best practice' and importance of adherence to SFIs. Subsequent sessions have taken place with People and OD, Legal and Risk and Digital and Workforce Productivity Services. Additional training sessions will be completed with all other NWSSP divisions in quarter one of 2025/2026 financial year.

No.	Division /Service	Procurement Ref No	Period	SFI Reference/ Compliance	Agreement Title/Description	Supplier	Anticipated Agreement Value (ex VAT)	Reason/ Circumstance/ Issue	Procurement Action Required
1.	Legal and Risk	AC NWSSP (2024-25) 078	January 2025	Competition not sought in accordance with SFI's	Barristers' fees in employment tribunal case for legal advice and attendance at hearings	Debbie Grennan, Guildhall Chambers	£7,860.00	Additional work required to provide the necessary legal services exceeded what was anticipated in the original PO. This was because the employment tribunal required a greater number of case management hearings than usual.	Ongoing engagement with division on expenditure and compliant arrangements.
2.	Pharmacy	AC (NWSSP 2024-25) 085	February 2025	Competition not sought in accordance with SFI's	Cleanroom clothing	MicronClean	£20,000.00	No procurement involvement.	Procurement Services have met with the team and confirmed a route forward for an interim direct award for 8 months to allow for a long-term contract to be procured.

**Please note the planned action regarding retrospective POs:-**

- The Procurement team will liaise with the relevant stakeholders to ascertain why orders are retrospective and agree process i.e. add to Oracle catalogue or formalise a contract to prevent them going forward
- The Accounts Payable team have refreshed and relaunched the No PO No Pay Policy initiative with Procurement colleagues across the whole of NHS Wales in September 2024. Letters have gone from the Directors of Finance and Procurement to Oracle Users and Suppliers alike.
- NWSSP Finance team also reporting NWSSP retrospective POs as part of monthly finance report to the Senior Leadership Group by Division.

**Contracts value breached/extended at risk as a result of emergency/unforeseen circumstances (1)**

No.	Division /Service	Procurement Ref No	Period	SFI Reference/ Compliance	Agreement Title/Description	Supplier	Anticipated Agreement Value (ex VAT)	Reason/ Circumstance/ Issue	Procurement Action Required
1.	Laundry	AC NWSSP (2024-25) 079	February 2025	Competition not sought in accordance with SFI's	Emergency part for Swansea Washer	Thomas Broadbent	£6,245.00	Emergency unforeseen activity.	Improved awareness of available frameworks to Laundry. Procurement Best Practice training to be provided to Laundry services.

**Report of Single Tender/Quotations Actions - Prospective (10)**

No.	Division / Service	Procurement Ref No	Period	SFI Reference/ Compliance	Agreement Title/ Description	Supplier	Anticipated Agreement Value (ex VAT)	Reason/Circumstance/Issue	Procurement Action Required
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1.	Pharmacy	NWSSP STA (2024/25) 94	January 2025 to March 2025	STA	Review the provision of hospital clinical pharmacy services across Wales	Andrew Davies	£40,000.00	Andrew Davies has extensive experience as an NHS Chief Pharmacist across NHS Trusts in England and, in the 5 years up to his early retirement in 2022, substantial experience as national Director of Hospital Pharmacy for NHS England. His experiences give him an in-depth knowledge of the NHS, current policy and the political issues affecting it.	N/A
2.	Laundry	NWSSP STA (2024/25) 120	One off	STA	Bulk Chemical storage tanks	EcoLab	£31,477.29	The tanks are being purchased as a result of a health and safety matter where the Fire service is enforcing the movement of IBC's from a fire route. NWSSP are currently in a 5 year contract with Ecolab to supply detergent chemicals for the whole of the laundry service in Wales. The tanks need to be supplied by Ecolab in order for them to install and connect the tanks to the complex dosing system and accurately dose the wash process.	N/A
3.	SMTL	NWSSP SQA (2024/25) 98	February 2025 to February 2027	SQA	Supply of bespoke equipment for EN 13726-2023 standard testing	CSM	£19,600.00	Awarding to another manufacturer will result in increased costs due to the need for them to create technical drawings and get them signed off. This will result in a delay of getting the equipment and may result in the client not wishing to purchase this equipment.	N/A
4.	Finance and Corporate	NWSSP SQA (2024/25) 104	One off	SQA	Air conditioning in Matrix House	Johnsons Controls	£9,855.31	The work needs to be carried out by existing supplier already familiar with the system in use for compatibility purposes. This was a one off review required to move and put back parts of the system due to planned enabling works in Matrix House.	N/A

5.	Supply Chain	NWSSP SQA (2024/25) 116	One off	SQA	25-year intrusive inspection of IP5 Sprinkler System	Concept Sprinklers	£19,787.00	Other providers will not have this site knowledge and would potentially incur additional costs due to this lack of familiarity.	N/A
6.	Supply Chain	NWSSP SQA (2024/25) 117	One off	SQA	Installation of additional Disabled Refuge panel identified as essential works in most recent Fire Risk Assessment carried out by NWSSP Fire Officer	Churches Fire	£7,360.00	Churches Fire are IP5's incumbent Fire contractor and have in depth knowledge of the system. Due to the urgency of the work this was time critical therefore Churches were best placed to complete the works. Other providers would not have the site knowledge which could incur additional costs due to increased surveys being required.	N/A
7.	Finance and Corporate	NWSSP SQA (2024/25) 135	One off	SQA	Additional work on air conditioning units	Johnsons Controls	£9,062.56	One off repair emerged as a result of the previous review being undertaken.	N/A
8.	SMTL	NWSSP SQA (2024/25) 142	One off	SQA	Calibration of existing RF600 series probes	Conmark/Setra	£9,878.50	Original equipment manufacturer.	N/A
9.	Laundry	NWSSP STA (2024/25) 83	March 2025 to April 2026	STA	Purchase of storage containers	Wernick Hire Ltd	£38,472.80	Container already on site, continuity of service provision.	N/A
10.	Laundry	NWSSP SQA (2024/25) 96	One off	SQA	Utilities Meters	Ecolab	£24,578.75	Ecolab are the incumbent maintenance supplier; this is an additional improvement to the current software in place.	Procurement Services to consider modification to existing contract for 2025/26

### Compliant Activity Delivered (54) – Increased activity Quarter 4, due to Welsh Government funding

No.	Division/ Service	Procurement Ref No	Period of Agreement	SFI Reference/ Compliance	Agreement Title/ Description	Supplier	Anticipated Agreement Value (ex VAT)	Reason/ Circumstance / Issue	Procurement Action Required
1.	Supply Chain	NWSSP-MIN-MULTIRA34793 3	30/01/2025 to 30/10/2026	Multiquote	Ad Hoc Plumbing and Mechanical Works at IP5	Solvit	£24,999.00	Quotation exercise via	N/A

								Multiquote portal	
2.	Supply Chain	NWSSP-MIN-MULTIRA347937	30/01/2025 to 30/10/2026	Multiquote	Ad Hoc Building Works at IP5	Fusion Electrical and Building Services Engineering	£24,999.00	Quotation exercise via Multiquote portal	N/A
3.	Supply Chain	NWSSP-MIN-MULTIRA347938	30/01/2025 to 30/10/2026	Multiquote	Ad Hoc Electrical Works at IP5	Amberwell Engineering	£24,999.99	Quotation exercise via Multiquote portal	N/A
4.	Supply Chain	NWSSP-MIN-MULTIRA348904	10/03/2025 to 09/03/2026	Multiquote	Training of Manual Handling Equipment	RS Training Services	24,999.99	Quotation exercise via Multiquote portal	N/A
5.	Supply Chain	NWSSP-MIN-MULTIRA348739	10/03/2025 to 09/03/2026	Multiquote	Supply of Shrink Wrap	A & A Packaging Company Unlimited	£24,999.99	Quotation exercise via Multiquote portal	N/A
6.	Legal and Risk	NWSSP-MIN-MULTIRA349767	31/03/2025 to 30/03/2027	Multiquote	L&R Webinar Subscription	MBL (Seminars) Limited	£13,090.00	Quotation exercise via Multiquote portal	N/A
7.	Supply Chain	NWSSP-DCO (24-25) 158	One off purchase by end of March 2025	Direct award	Repurposing of racking from IP5 to Bridgend- Phase 2 Push back Racking for Bridgend- Phase 3	Whittan Industrial	£14,566.00	Direct Award via Framework	N/A
8.	Supply Chain	NWSSP-ITT-58046	One off purchase by end of March 2025	Open tender	Replacement of 4 Doors and 5 Dock Levellers at IP5	Sprint Door systems	£40,923.00	Open tender	N/A
9.	Primary Care	NWSSP-MIN-MULTIRA347082	One off purchase by end of March 2025	Multiquote	Lease of Mobile Elevating Work Platforms	Height Lift and Shift Ltd	£7,547.00	Quotation exercise via Multiquote portal	N/A
10.	Supply Chain	NWSSP-ITT-57208	One off purchase by end of March 2025	Open tender	Fire rating in HV Switch Room upgrade	Jones Building Group	£28,968.44	Open tender	N/A
11.	Laundry Services	NWSSP-MIN-MULTIRA348109	One off purchase by end of March 2025	Multiquote	Replacement of calendar	Cherry Tree Machines Ltd	£23,500.00	Quotation exercise via Multiquote portal	N/A

12.	Supply Chain	NWSSP-MIN-MULTIRA348789	One off purchase by end of March 2025	Multiquote	Fire exit pathway Bridgend Stores	Hunt Construction	£5,900.00	Quotation exercise via Multiquote portal	N/A
13.	Specialist Estates	NWSSP DCO (24-25) 132	One off purchase by end of March 2025	Direct Award	Provision of EV Charging and Battery Storage for NWSSP	EFS Systems	£140,000.00	Direct Award WG EV Charging Infrastructure Framework	N/A
14.	Finance and Corporate	NWSSP-MIN-58035	One off purchase by end of March 2025	Mini competition	Provision of consultancy for review of homecare services	Ernst & Young	£17,500.00	Mini competition via NOE0570	N/A
15.	Laundry Services	NWSSP-MIN-MULTIRA348433	One off purchase by end of March 2025	Multiquote	Overhaul Sheet picker	R Brown	£10,735.00	Quotation exercise via Multiquote portal	N/A
16.	Laundry Services	NWSSP-MIN-MULTIRA348107	One off purchase by end of March 2025	Multiquote	Moving of Calendars	Cherry Tree Machines Ltd	£14,850.00	Quotation exercise via Multiquote portal	N/A
17.	Laundry Services	NWSSP-MIN-MULTIRA349490	One off purchase by end of March 2025	Multiquote	Monorail Decline Conveyor	Monorails UK	£8,170.00	Quotation exercise via Multiquote portal	N/A
18.	Laundry Services	NWSSP-MIN-MUTIRA348095	One off purchase by end of March 2025	Multiquote	Mobile step conveyor	Thomas Broadbent & Sons Ltd	£5,143.00	Quotation exercise via Multiquote portal	N/A
19.	Finance and Corporate	NWSSP-MIN-58124	One off purchase by end of March 2025	Mini Competition	Matrix House Adaptations	TSF Acceptance	£76,682.70	Mini Competition via lot 1 Cardiff and Vale Building Framework	N/A
20.	Laundry Services	NWSSP-ITT-57079	One off purchase by end of March 2025	Open tender	LV distribution panel for Glan Clwyd laundry	Wilson Facilities Management Services Ltd	£72,386.37	Open tender	N/A
21.	Supply Chain	NWSSP-DCO (24-25) 169	One off purchase by end of March 2025	Direct award	Door Access system in Bridgend Stores	OpenView Group	£19,097.00	Direct Award via Crown Commercial Services RM6257	N/A

22.	Laundry Services	NWSSP-MIN-MULTIRA348117	One off purchase by end of March 2025	Multiquote	Installation and Commissioning of the Pre-Sort Monorail	Deescan Controls Limited	£24,947.00	Quotation exercise via Multiquote portal	N/A
23.	Laundry Services	NWSSP-MIN-MULTIRA348110	One off purchase by end of March 2025	Multiquote	Conversion of ironer drive to thyristor drive	R Brown Specialist Laundry Engineering Ltd	£9,965.00	Quotation exercise via Multiquote portal	N/A
24.	Planning, Performance and Informatics	NWSSP-DCO (24-25) 119	One off purchase by end of March 2025	Direct Award	Benchmarking Consultancy	Pricewaterhouse Cooper	£15,000.00	Direct Award via Crown Commercial Services RM6187	N/A
25.	Laundry Services	NWSSP-MIN-MULTIRA349466	One off purchase by end of March 2025	Multiquote	4 Monorail Sorting Bins	Monorails UK	£21,069.60	Quotation exercise via Multiquote portal	N/A
26.	Laundry Services	NWSSP-MIN-MULTIRA349726	One off purchase by end of March 2025	Multiquote	3 Monorail Sorting Stations	Monorails UK Ltd	£16,031.45	Quotation exercise via Multiquote portal	N/A
27.	Laundry Services	NWSSP-MIN-MULTIRA349828	One off purchase by end of March 2025	Multiquote	Greenvale Forklift	Gwent	£19,550.00	Quotation exercise via Multiquote portal	N/A
28.	Planning, Performance and Informatics	NWSSP-DCO (24-25) 179	One off purchase by end of March 2025	Direct award	IT Screens	Comcen Computer Supplies Ltd	£24,420.00	Direct Award via Crown Commercial Services RM6098	N/A
29.	Laundry Services	NWSSP-MIN-MULTIRA349638	One off purchase by end of March 2025	Multiquote	Llansamlet Sorting Conveyors	Monorails UK	£23,697.00	Quotation exercise via Multiquote portal	N/A
30.	Accounts Payable	AW4912	One off purchase by end of March 2025	Contract Change Notice	Reconfiguration of the Invoice Workflow Approval (IWA)	Version 1 Solutions Ltd	£17,000.00	Contract Change Notice permissible via Regulation 72 of the Public Contracts Regulations 2015 as original contract award was £6.5M.	N/A

31.	Laundry Services	NWSSP-MIN-MULTA349925	One off purchase by end of March 2025	Multiquote	Refurbish all folders (provisional sum)	J S Rees TA TMS	£8,250.00	Quotation exercise via Multiquote portal	N/A
32.	Laundry Services	NWSSP-MIN-MULTIRA34794 5	One off purchase by end of March 2025	Multiquote	Programming of controls	Deescan Controls Limited	£7,123.15	Quotation exercise via Multiquote portal	N/A
33.	Digital Services	NWSSP-DCO (24-25) 79	One off purchase by end of March 2025	Direct Award	ProDeploy Onsite Server Installation - Church Village & Newport Data Centres	Dell Computer Corporation Ltd	£15,368.00	Direct Award via CCS Framework	N/A
34.	Specialist Estates	NWSSP-DCO- (24-25) 68	One off purchase by end of March 2025	Direct Award	Matrix PV Initial Survey	Cooke and Arkwright	£6,685.00	Direct Award via SEWTAPS	N/A
35.	Laundry Services	NWSSP-MIN-MULTIRA34896 2	One off purchase by end of March 2025	Multiquote	Llansamlet Monorail Controls	Deescan Controls Limited	£22,500.00	Quotation exercise via Multiquote portal	N/A
36.	Laundry Services	NWSSP-OJEU-51529	One off purchase by end of March 2025	Contract Change Notice	Linen cages (replacement)	Pallet Tower	£9,195.00	Contract Change Notice permissible via Regulation 72 of the Public Contracts Regulations 2015 as original contract award £200K.	N/A
37.	Planning, Performance and Informatics	NWSSP-DCO (24-25) 120	One off purchase by end of March 2025	Direct award	Laptops (IT discretionary) - Additional funding	Dell Computer Corporation Ltd	£395,833.33	Direct Award via Crown Commercial Services RM6098	N/A
38.	Planning, Performance and Informatics	NWSSP-DCO (24-25) 151	One off purchase by end of March 2025	Direct award	Laptops (IT discretionary)	Dell Computer Corporation Ltd	£375,000.00	Direct Award via Crown Commercial Services RM6098	N/A
39.	Supply Chain	NWSSP-MIN-MULTIRA34950 0	One off purchase by end of March 2025	Multiquote	Traffic Barriers in Bridgend Stores Warehouse	Industrial Door Services Limited	£12,299.12	Quotation exercise via Multiquote portal	N/A

40.	Primary Care	NWSSP-DCO (24-25) 118	One off purchase by end of March 2025	Direct award	Racking protection	Whittan Industrial Limited	£22,410.00	Direct Award via Crown Commercial Services RM6308	N/A
41.	Primary Care	NWSSP-DCO (24-25) 110	One off purchase by end of March 2025	Direct award	Lease of Replacement High Volume Folder Inserter Machine	Quadient Finance UK Ltd	£76,092.90	Direct award via Crown Commercial Services RM6280	N/A
42.	Supply Chain	NWSSP-MIN-57678	One off purchase by end of March 2025	Mini Competition	Denbigh Roof Repair/Replacement	MPH Construction	£168,000.00	Mini Competition against NHS Shared Business Services SBS/18/DT/PZC /9332	N/A
43.	SMTL	NWSSP-MIN-MULTIRA348620	One off purchase by end of March 2025	Multiquote	Decarbonisation - life cycle assessment (LCA) software	Ecochain Technologies	£6,058.15	Quotation exercise via Multiquote portal	N/A
44.	Supply Chain	NWSSP-MIN-MULTIRA348787	One off purchase by end of March 2025	Multiquote	Damaged Paving Bridgend Stores	Hunt Construction	£14,500.00	Quotation exercise via Multiquote portal	N/A
45.	Primary Care	NWSSP-DCO (24-25) 107	One off purchase by end of March 2025	Direct award	Cost of physically culling records	Restore Harrow Green	£126,562.10	Direct award via ESPO 655_24	N/A
46.	Digital Services	NWSSP-DCO (24-25) 80	One off purchase by end of March 2025	Direct award	Cisco Firewalls for Newport & Church Village Data Centres	Computacenter UK Ltd	£12,545.22	Direct award via NHS Shared Business Services SBS/19/AB/WA B/9411/03	N/A
47.	Supply Chain	NWSSP-ITT-MULTIRA348904	One off purchase by end of March 2025	Multiquote	Building wash at IP5	Tomdorted Limited	£14,672.00	Quotation exercise via Multiquote portal	N/A
48.	Supply Chain	NWSSP-MIN (24-25) 148	One off purchase by end of March 2025	Mini Competition Cardiff and Vale framework	Bridgend stores - replacement of mezzanine floor - Phase 1	2D Construction Hurley Amberwell Engineering	£36,339.00 £8,249.00 £17,534.70	Mini Competition against Cardiff and Vale Building Framework	N/A

49.	Laundry Services	NWSSP-MIN-MULTIRA34972 7	One off purchase by end of March 2025	Multiquote	Moving of compressors	R Brown SLE	£14,210.00	Quotation exercise via Multiquote portal	N/A
50.	Laundry Services	NWSSP-DCO (24-25)195	One off purchase by end of March 2025	Direct award	Additional work for 6 Dryers at Llansamlet	Thomas Broadbent & Sons Ltd	£44,638.00	Direct award via NHS Commercial Solutions NOE.0572	N/A
51.	Laundry Services	NWSSP-DCO (24-25)196	One off purchase by end of March 2025	Direct award	4 Heater Batteries for the Lavatec dryers at Glan Clwyd	Cherry Tree Machines Ltd	£29,000.00	Direct Award via ESPO Commercial and Industrial Laundry Equipment	N/A
52.	Pharmacy	NWSSP- DCO (24-25) 193	One off purchase by end of March 2025	Direct award	New Fridge Electrical Installation	Amberwell Engineering	£6,877.50	Direct award via Cardiff and Vale Framework	N/A
53.	Business Systems and Informatics	NWSSP-DCO (24-25) 164	28 <sup>th</sup> February 2025 to 28 <sup>th</sup> February 2029	Direct award	Public Sector Broadband Aggregation (PSBA)	BT	£178,548.00	Direct award via Public Sector Network for Wales	N/A
54.	Supply Chain	NWSSP-ITT-58001	17 <sup>th</sup> February 2025 to 16 <sup>th</sup> February 2028	Open tender	Income Generation for NWSSP Supply Chain Pallet Collection	C Morgan Pallets (Lot 1) Neil Massey Pallets (Lot 2)	Potential income generation for NWSSP circa £128,904.00	Open tender	N/A

## APPENDIX B - All Wales Contracting Activity in Progress (15/01/2025 - 31/03/2025)

Update on Welsh Government approvals outstanding from previous report, since the last meeting in October 2024

**Update on All Wales Contracting Activity over £500k as reported at January 2025 meeting (Reporting Period October 2024 - January 2025)**

No	Contract Title	Proc Stage	Total Value	Proc Services Director approval	WG approval	NWSSP Managing Director approval	NWSSP Chair Approval
<b>COMPLETED</b>							
1.	<b>Bread, Milk, Baked goods and dairy</b> A variety of bread, milk, baked goods including pastries, and dairy products for the purpose of patient feeding, as well as Health Board/Trust income generation. <b>Anticipated Contract period: 01/06/2025 – 31/05/2029 plus 12 months.</b>	Briefing	£18,004,170	25/11/2024	06/02/2025	Not applicable	Not applicable
2.	<b>Prosthetics Framework</b> Provides a range of Prosthetic items and associated products. These include: Lower Limb Prosthesis, e.g.: knee, feet and hips, Upper Limb Prosthetics including Hands both mechanical and passive, wrist, and elbow and accessories or consumables for example socks and liner coverings. <b>Anticipated Contract period 01/04/025-31/03/2029 with option to extend for 12 months.</b>	Ratification	£15,028,033	19/11/2024	23/01/2025	27/01/2025	27/01/2025
3.	<b>All Wales e-Scheduling Caseload Management Solution</b> Safe intelligent scheduling system for managing community services and its distributed domiciliary workforce in Wales. <b>Anticipated Contract period April 2025 to March 2028 3 years, plus 3 yrs in whole or part. Contract starts once Purchase Orders raised (expected mid April).</b>	Ratification	£3,370,008	25/11/2024	15/01/2025	02/04/2025	02/04/2025
4.	<b>General Waste &amp; Recycling Services</b> The collection and disposal of non-hazardous waste <b>Anticipated Contract period 3 years with 2 years Extension option 01/04/2025 -31/03/2028 (31/03/2030).</b>	Ratification	£12,362,063	09/12/2024	23/01/2025	27/01/2025	27/01/2025
5.	<b>Agency Nursing Framework Agreement</b> To provide Agency Nursing Services to NHS hospitals in Wales <b>Anticipated Contract period: 01/03/2025 to 29/02/2028 (with option to extend for a further 12 months to 28/02/2029).</b>	Briefing	£244,000,000	11/12/2024	13/02/2025	Not applicable	Not applicable

6.	<b>Sterilisation Decontamination Consumables</b> A variety of products that support disinfection and sterilisation practices. These include disinfectant chemicals and wipes, instrument trays, endoscopy brushes, and related accessories. <b>Anticipated Contract period: 1<sup>st</sup> April 2025 – 31<sup>st</sup> March 2028 (with option to extend for 24 months).</b>	Ratification	£14,000,000	20/12/2024	23/01/2025	27/01/2025	27/01/2025
7.	<b>Computer Consumables</b> A mixture of original branded, third-party compatible and remanufactured cartridges to meet their individual requirements. <b>Anticipated Contract period 01/04/2025 – 31/03/2028 with option to extend to 31/03/2029.</b>	Briefing	£7,971,980	28/11/2024	Not applicable -utilising WG framework	Not applicable	Not applicable
8.	<b>Biologics and Biosimilars</b> Provision of Adalimumab, Bevacizumab, Etanercept, Infliximab, Rituximab, Teriparatide and Trastuzumab originator and biosimilar medicines direct to hospitals and to patients' homes via homecare providers. <b>Anticipated Contract period: 1<sup>st</sup> July 2025 to 30<sup>th</sup> June 2028 (with an option to extend a further 12 months to 30<sup>th</sup> June 2029).</b>	Ratification	£24,040,275	17/01/2025	10/03/2025	10/03/2025	10/03/2025
9.	<b>Oxygen Therapy &amp; Inhalation</b> This includes barrell venturis, tracheostomy/aerosol masks, nasal cannulas, nebulisers, compressors etc. <b>Anticipated Contract period 4 years 01/05/2025 – 30/04/2029.</b>	Ratification	£2,835,115	25/11/2024	03/04/2025	03/04/2025	04/04/2025
<b>AWAITING APPROVAL</b>							
1.	<b>All Wales Auction Services</b> A concession contract to provide a device resale and disposal service for NHS Wales. Commission will not be charged but other fees such as inspections, repairs, and data wiping may apply. <b>Anticipated Contract period April 2025 – December 2027, with optional Extension to 2029 (contract to start once full approval received).</b>	Ratification	£4,500,000	09/01/2025	07/04/2025	07/04/2025	Sent to TM 7/4

### **All Wales Contracting Activities over £500k between 15/01/25 – 31/03/2025**

No	Contract Title	Proc Stage	Total Value	Proc Services Director approval	WG approval >£500k	NWSSP Managing Director approval	NWSSP Chair Approval
<b>COMPLETED</b>							
1.	<b>Suction Canisters and Liners</b>	Ratification	£3,815,164	22/01/2025	13/02/2025	18/02/2025	18/02/2025

	The Contract scope includes the provision of suction canisters, suction canister liners and associated consumables, gelling agents and portable suction associated accessories and consumables <b>Anticipated Contract period: 4 Years (01/04/2025-31/03/2029) with the option to extend for up to 24 months.</b>						
2.	<b>Agency Nursing Framework Agreement</b> To provide Agency Nursing Services to NHS hospitals in Wales <b>Anticipated Contract period: 1<sup>st</sup> March 2025 to 29<sup>th</sup> February 2028. With option to extend for one year to 28<sup>th</sup> February 2029.</b>	Ratification	£244,000,000	05/02/2025	13/02/2025	14/02/2025	14/02/2025
3.	<b>Low and Mid Tech Homecare Services Extension</b> The service is initiated by the hospital prescriber and provides a medicines delivery service direct to patients' homes. This service enables patients to enjoy improved lifestyle benefits without the need to attend hospital clinics to obtain their medicines. <b>Contract period: 3 Years +1 (01 April 2022 – 31 March 2025, extension 01/04/25-31/03/26).</b>	Extension	£4,434,776	04/02/2025	original approval applies 22/2/22	05/02/2025	06/02/2025
4.	<b>Hepatitis C Medicines</b> Provision of antiviral medicines for the treatment of Hepatitis C (HCV). <b>Anticipated Contract period: 2 Years (01 May 2023 – 30 April 2025) + 24 monthsb</b>	Extension	£10,090,584	04/02/2025	original approval applies 27/3/23	05/02/2025	06/02/2025
5.	<b>Supply of Aseptic Isolators</b> Investment in 3 new regional medicines preparation facilities. The Programme Business Case was endorsed by the Minister for Health & Social Care in March 2021 <b>Anticipated Contract period: one-off purchase.</b>	Briefing	£5,000,000	31/01/2025	Not required as covered by approved Business Case	Not applicable	Not applicable
6.	<b>Independent Mental Health Advocacy (IMHA)</b> Provide assistance to qualifying patients to ensure that they understand the legal procedures of the Act and the rights and safeguards to which they are entitled. <b>Contract period: 1<sup>st</sup> April 2022 – 31<sup>st</sup> March 2025 with the option to extend until 31<sup>st</sup> March 2027.</b>	Extension	£10,353,698	12/02/2025	Original approval applies 27/1/22	12/02/2025	12/02/2025
7.	<b>Emergency Department Wellbeing and Home Safe Service</b> The service offers support for frail older people and vulnerable adults in emergency departments, as well as resettling people in their homes with follow-up welfare calls or visits, and where necessary, to connect them to community services to avoid readmission into the emergency department. <b>Contract period: 9 months (01/07/23 - 31/03/24) with the option to extend for a further 2 x 12-month increments, Extension period: 12 months (01/04/25 - 31/03/26.)</b>	Extension	£2,084,128	26/02/2025	Original approval applies 12/6/23	27/02/2025	28/02/2025
8.	<b>Computer Consumables</b> A mixture of original branded, third-party compatible and remanufactured cartridges to meet their individual requirements.	Ratification	£3,939,153	27/03/2025	Not applicable - utilising WG framework	27/03/2025	27/03/2025

	<b>Anticipated Contract Period: 01/04/2025 – 31/03/2028 with option to extend to 31/03/2029.</b>						
9.	<b>All Wales Orthopaedic, Trauma and Joint Replacement Framework Agreement</b> Covers a wide range of products across the portfolio of Orthopaedic implants, trauma, spinal, and joint replacement products. <b>Contract period: 01/08/2021 – 31/01/2026 extend 6 months 01/08/25-31/01/26.</b>	Extension	£158,700,000	18/03/2025	Original approval applies 16/7/21	19/03/2025	19/03/2025
10.	<b>MH LD Adult/CAMHS Framework</b> The Framework consists of 30 tendering lots; this includes medium secure, low secure, locked and open rehabilitation, acute, PICU and blended services. <b>Contract period: 01/04/22 – 31/03/2026 (4 years + 4) Extension 01/04/26-31/03/2027.</b>	Extension	£488,000,000	19/03/2025	Original approval applies 14/3/22	19/03/2025	19/03/2025
11.	<b>AW Supply of Fuel Oil &amp; ULSD2</b> Contract to secure supply of liquid fuel for heating purposes, generators, machinery, and ULSD for automotives <b>Anticipated Contract period: 01/06/2025 to 31/05/2028 &amp; option to extend for an additional 12 months.</b>	Briefing	£6,899,932	25/03/2025	Not applicable - utilising WG framework	Not applicable	Not applicable
12.	<b>Anticoagulation Monitoring Equipment &amp; Consumables</b> All Wales Anti-Coagulation Monitoring Service to meet the requirements set out by WG in the Directed Enhanced Service: Oral Anticoagulation with Warfarin. The tender comprised two Lots; Lot 1 covering POCT machines and POCT machine training. Lot 2 covering Dosing Software and associated training <b>Contract period: 5 year term with option to extend for 2 years, various start-end dates dependent on terms agreed with individual HB/Trusts. All Health Board contracts to be extended pro rata to end in line with PTHB on 31<sup>st</sup> March 2027.</b>	Extension	£6,500,000	31/03/2025	Original approval applies 20/05/2019	02/04/2025	02/04/2025
<b>AWAITING WG APPROVAL</b>							
1.	<b>Pulp Medical Products</b> Pulp products are sustainable, single use products such as kidney dishes and wash bowls designed to have a multitude of functions (include carrying instruments, dressings, and liquids such as urine and vomit, and for bedside washing of patients). <b>Anticipated Contract period: 4 Years (01/05/2025-30/04/2029) with the option to extend for up to 12 months.</b>	Ratification	£9,000,990	31/01/2025	Awaiting approval - Sent to WG 31/1		
2.	<b>Absorbents</b> Provision of three main categories of surgical swabs; X-Ray Detectable, Non-Woven and Gauze. Also includes dressing pads, maternity pads & tampons and a range of low value cotton wool products <b>Anticipated Contract period: 4 Years 01/05/2025 – 30/04/2029.</b>	Ratification	£516,510	14/02/2025	Awaiting approval - sent to WG 14/2		

3.	<p><b>Generic Drugs - Topicals/Misc</b> This contract will consist of all Generic liquids, creams, emollients, gels and miscellaneous products such eye drops, inhalers, patches etc, which are purchased through Pharmacy Departments. <b>Anticipated Contract period: 1<sup>st</sup> July 2025 to 30<sup>th</sup> June 2028 (3 years) with an option to extend for up to a further period of 12 months to 30<sup>th</sup> June 2029 (1 year).</b></p>	Ratification	£10,912,115	19/02/2025	Awaiting approval - sent to WG 19/2		
4.	<p><b>Anti Retrovirals</b> Provision of medication for the human immunodeficiency virus (HIV) to slow or halt the progression. <b>Anticipated Contract period: 1<sup>st</sup> July 2025 to 30<sup>th</sup> June 2028 (with the option to extend for a further 12 months to 30/06/2029).</b></p>	Ratification	£36,804,647	12/03/2025	Awaiting approval - sent to WG 12/3		
5.	<p><b>Transitional Medicines 3</b> Medicines which are shortly due to lose their patent exclusivity or have previously lost their patent exclusivity and now have competition available, variety of uses <b>Anticipated Contract period: 01/05/2025 to 31/07/2026 with an option to extend for up to a further 24 months.</b></p>	Ratification	£26,926,334	12/03/2025	Awaiting approval - sent to WG 12/3		
6.	<p><b>Aseptic Medicines (inc Cytotoxic)</b> All products tendered on this contract were generic and as such had the potential for competitive bids to be offered. <b>Anticipated Contract period: 1<sup>st</sup> July 2025 to 30<sup>th</sup> June 2028 (with an option to extend for up to a further period of 12 months to 30<sup>th</sup> June 2029).</b></p>	Ratification	£24,022,673	18/03/2025	Awaiting approval - sent to WG 18/3		
7.	<p><b>Proprietary Drugs</b> The Proprietary Drugs Contract focuses mainly on branded lines that are protected by a patent but also includes some drugs which have recently lost or are shortly due to lose their patent protection. <b>Anticipated Contract period: 1<sup>st</sup> July 2025 – 30<sup>th</sup> June 2028 (With an option to extend for a further 12 months).</b></p>	Ratification	£375,158,240	25/03/2025	Awaiting approval - sent to WG 25/3		



<b>MEETING</b>	Velindre University NHS Trust Audit Committee for NHS Wales Shared Services Partnership
<b>DATE</b>	15 April 2025
<b>PREPARED BY</b>	James Quance, Assistant Director of Corporate Services
<b>PRESENTED BY</b>	James Quance, Assistant Director of Corporate Services
<b>RESPONSIBLE HEAD OF SERVICE</b>	Alison Ramsey, Director of Finance and Corporate Services
<b>TITLE OF REPORT</b>	NWSSP Risk Management Protocol

<b>PURPOSE</b>
To request the Audit Committee to re-approve the Risk Management Protocol.

## 1. INTRODUCTION

The Risk Management Protocol (the Protocol) is presented at **Appendix 1** for information. The Protocol provides guidance to NWSSP in interpreting and applying the principles of the Velindre University NHS Trust risk management policy. The Protocol requires regular review and biennial approval by the Committee and was last approved at the June 2021 meeting.

## 2. SUMMARY OF AMENDMENTS

The Protocol in Appendix 1 contains tracked changes in order for the Audit Committee to see all amendments following recent review. The amendments can be summarised as:

- updates to titles, updating for current operating arrangements and other minor amendments;
- inclusion of reference to programme/project management arrangements; and
- inclusion of reference to the approach to risk appetite.

## 3. RECOMMENDATION

The Audit Committee is asked to:

- **APPROVE** the Risk Management Protocol.



GIG  
CYMRU  
NHS  
WALES

Partneriaeth  
Cydwasaethau  
Shared Services  
Partnership

# RISK MANAGEMENT PROTOCOL

**RISK MANAGEMENT PROTOCOL**

April 2025<sup>4</sup>

## STATEMENT OF INTENT

*NWSSP is committed to ensuring that the management of risk throughout the organisation is consistent and effective.*

### **NHS Wales Shared Services Partnership (NWSSP) Statement**

NWSSP:

- is committed to achieving and maintaining the highest standards of managerial practices that maximise and progress service benefits.
- recognises that effective risk management is a key component of corporate governance and is critical to achieving the strategic objectives of the organisation.
- continues to embed the risk management process by ensuring staff recognise the principles that "risk management is everyone's business," and encourage them to report any hazards, risks, incidents and near misses within their working activities or environment.
- recognises the importance of continuing to promote a culture of honesty and openness when dealing with a breakdown/failure in a system or individual error/mistake. NWSSP is committed to investigating system failures and or individual errors to establish the underlying causes.
- seeks to ensure that risks and incidents are identified and managed in a positive and constructive manner, so that lessons learned are shared across the organisation.
- acknowledges that effective risk management allows managers and staff to respond to opportunities and to take appropriate risks on behalf of the organisation with greater confidence of a successful outcome.

### **Introduction**

NWSSP seeks to integrate the risk management process by having a single clear systematic approach. Therefore risk management is not seen as a separate function but is an integral part of the day-to-day

management activities of the organisation including financial, health and safety and environmental functions.

It is the aim of NWSSP to assess and control the risks which threaten or compromise its ability to fulfil its aims and objectives. Risk Management should be able to provide a suitable framework from within which staff can manage risks potentially facing the organisation in a consistent and meaningful way. This protocol sets out a framework, which identifies the risk management arrangements for the organisation.

## **Background**

This protocol is intended to complement the Velindre University NHS Trust strategy by establishing a comparable framework around which NWSSP will manage risks potentially facing the organisation. It is the intention that this will provide a framework which enables NWSSP to define its risk management arrangements.

## **Purpose**

The purpose of this protocol is to provide a clear systematic approach to the management of risk within NWSSP. – The protocol will define the way in which NWSSP will continue to embed the risk management process across the whole organisation whilst taking note of the various requirements of external agencies and statutory bodies.

## **Aims**

NWSSP has a clear commitment to operate high standards of governance and internal control and will aim to minimise and contain any costs or consequences that may arise in the event of an incident occurring. NWSSP is committed to the following aims and objectives:

- A clear commitment to operate to the highest standards of governance and internal control through the adoption of Risk Management Policy and regular reporting of risk management issues to the [NWSSPC Shared Services Partnership Committee \(SSPC\)](#);
- Provide evidence that NWSSP is making every effort to meet the objectives set within the protocol and will, in doing so, protect staff, the public and other stakeholders against risks of all kinds;
- To inform the SSPC about significant risks within the organisation for which they are responsible;
- Assist staff and the SSPC to identify risks, determine unacceptable levels of risk, and decide on where best to direct limited resources to eliminate or reduce those risks;

- Promote risk management awareness at all levels of the organisation;
- Develop, establish, and implement an infrastructure and arrangements to ensure that managing risk becomes an integral part of the planning and management processes and general culture of the organisation;
- Ensure that NWSSP adopts best practice and achieves the highest standards of risk management;
- Manage risk in a positive but not punitive way as an opportunity to learn and improve systems in practice;
- Increase public confidence in the quality of service provided with the NHS; and
- Enable NWSSP to effectively meet its key objectives.

## **Objectives**

NWSSP will:

- Ensure a safe environment for staff to work in;
- Improve business performance by informing and improving decision making and planning;
- Continue to promote a single consistent approach to risk management across NWSSP;
- Ensure clear lines of accountability and responsibility for risk management exist;
- Ensure adequate risk reporting structures are in place across the whole organisation that provide assurance to the SSPC;
- Develop and promote the risk management escalation process;
- Ensure effective processes are in place to achieve staff compliance with statutory, mandatory, and professional standards;
- Encourage open and honest reporting of hazards, risks, and incidents and near misses;

- Ensure that risks and incidents identified are managed in a positive and constructive manner, so lessons learned are shared;
- Promote a culture where innovation is encouraged; and
- Provide a sound basis for integrated risk management and internal control as components of good corporate governance.

## **Organisational Arrangements and Responsibilities**

NWSSP is a large and complex organisation ~~with over 5,000 employees~~. The Managing Director, NWSSP is ultimately accountable for ensuring that risk is managed adequately, although there are levels of responsibility throughout the structure to ensure effective risk management. However, day-to-day implementation thereof is delegated to the Director of Finance and Corporate Services of NWSSP, who is assisted in this role by the ~~Head of Finance and Business Development~~ Assistant Director of Corporate Services and the Corporate Services Team.

It is the responsibility of each of the Directors, Assistant Directors, and Heads of Service to ensure that risk is addressed at each of the locations relevant to their Directorates and that an effective feedback mechanism operates through NWSSP such that corporate and significant/critical risks are reported and discussed at NWSSP Senior Leadership Group (SLG) meetings.

All employees individually and collectively have a responsibility for risk management with the identification of risks and the reporting of incidents and near misses being encouraged.

Staff should:

- Report risks, incidents and hazards using the appropriate reporting procedure;
- Be aware of their legal duty to take care of their own health and safety and the safety of others affected by their work activities;
- Attend statutory and mandatory training in line with NWSSP requirements;
- Act in accordance with the training and instruction provided by NWSSP; and
- Comply with the Velindre University NHS Trust Risk Management strategy and NWSSP Protocol supporting health and safety policies and procedures.

## **Head of Finance and Business Development Assistant Director of Corporate Services**

The NWSSP Head of Finance and Business Development Assistant Director of Corporate Services will provide advice and guidance on risk management related functions across NWSSP. The post holder will also support the development and implementation of a standard overarching risk management framework. – This includes the coordination of risk assessments, risk registers, assurance maps and development and maintenance of the risk management system, and its modules.

### **Third Party Risks**

Hazards and risks may be identified which are not within the ability of NWSSP to control or manage, such as building or facilities management issues which are instead the responsibility of another NHS Wales organisation. The arrangements of NWSSP will be such that it is a requirement on its officers to bring such matters to the attention of the organisation controlling that building or service at the earliest possible opportunity. Such action should always be the subject of a written report to the Director of Finance and Corporate Services of NWSSP.

### **Risk Management Framework**

The organisational framework for Risk Management is controlled through the establishment of various Committees. The Committees are responsible for ensuring that risks that fall under their remit are reviewed and where significant risks are identified, these are appropriately escalated. See Annex 1 for the structure.

### **Risk Identification, Assessment & Management**

NWSSP will embed processes to ensure that risk is identified, assessed, and managed.

#### **Identification of Risks**

NWSSP will identify risks both by proactive and reactive methods. These will be managed proactively on an NWSSP Corporate Risk Register, supported by risk registers in each directorate which will be maintained by all nominated individuals assessing the risks which exist in their service area.

Corporately, all papers for decision and noting presented to the SSPC, the Velindre University NHS Trust Audit Committee for Shared Services (the Audit Committee) and SLG meetings must contain a section on identified risks contained in the paper presented and how they will be

managed.— The Director of Finance and Corporate services will be responsible for reviewing the risks raised in papers and ensuring they are added where appropriate to the Corporate Risk Register.

Reactively, risks will become apparent from a number of sources including complaints, claims, losses, and internal and external audit. Adverse incidents are also an important information source. It is crucial that all incidents are reported and investigated through the Incident Reporting Procedure (Datix).— Any trends identified will be recorded as risks along with the corresponding actions to mitigate them.

### **Risk Assessment Process**

A formal risk assessment is required for all risk assessments that are held on the Datix system. See Annex 2.

The basic steps within the risk assessment process are:

- Identify the hazard(s);
- Assess who and what might be affected, and how;
- Evaluate the risks and decide whether existing precautions are adequate or should more be done;
- Record the findings;
- Monitor and review the risks and any resulting further actions; and
- Communicate and consult.

### **Risk Register**

The Risk Register contains an overview of the identified risks, the controls already in place to manage the risks, and any actions that have been identified to further mitigate the risks. The format for the Risk Register has been agreed by the SLG and the Audit Committee. All risk registers presented to any committee or sub-group will follow this agreed format.— It is important that this format is implemented at all levels to ensure consistency is achieved across NWSSP.

Risks are scored within the Register as follows:

- ***Inherent (or Gross) Risk Score*** – evaluation of the risk without consideration of any current or future controls or actions to mitigate it;
- ***Residual (or Current) Risk Score*** – evaluation of the risk as at today (i.e. taking into account current controls and mitigations, but **not** any further actions that are yet to be undertaken); and

- **Target Risk Score** – where the risk score should be once planned actions have been completed. (This should be a realistic rather than an aspirational assessment).

All risks identified will be assessed using the following matrices (in accordance with the Velindre University NHS Trust Risk Policy) which consider the likelihood of the risk occurring and the resulting severity.

### Risk Quantification – MATRIX

Simple risk quantification is identified by multiplying the Impact X Likelihood = Risk Rating. This impact matrix below has been developed by the NPSA (National Patient Safety Agency) and is adopted by Velindre University NHS Trust.

	LIKELIHOOD DESCRIPTION
5 Almost Certain	Likely to occur, on many occasions
4 Likely	Will probably occur, but is not a persistent issue
3 Possible	May occur occasionally
2 Unlikely	Not expected it to happen, but may do
1 Rare	Can't believe that this will ever happen

	Impact, Consequence score (severity levels) and examples				
	1	2	3	4	5
Domains	Negligible	Minor	Moderate	Major	Catastrophic
<b>Impact on the safety of patients, staff or public (physical/psychological harm)</b>	Minimal injury requiring no/minimal intervention or treatment.  No time off work	Minor injury or illness, requiring minor intervention  Requiring time off work for >3 days	Moderate injury requiring professional intervention Requiring time off work for 4-14 days  RIDDOR/agency reportable incident An event which impacts on a small number of patients	Major injury leading to long-term incapacity/disability  Requiring time off work for >14 days  Mismanagement of patient care with long-term effects	Incident leading to death  Multiple permanent injuries or irreversible health effects  An event which impacts on a large number of patients
<b>Quality/complaints/audit</b>	Peripheral element of treatment or service suboptimal  Informal complaint/inquiry	Overall treatment or service suboptimal  Formal complaint (stage 1) Local resolution  Single failure to meet internal standards  Minor implications for patient safety if unresolved	Treatment or service has significantly reduced effectiveness Formal complaint (stage 2) complaint  Local resolution (with potential to go to independent review) Repeated failure to meet internal standards Major patient safety implications if findings are not acted on	Non-compliance with national standards with significant risk to patients if unresolved  Multiple complaints/independent review  Critical report	Totally unacceptable level or quality of treatment/service  Gross failure of patient safety if findings not acted on  Inquest/ombudsman inquiry  Gross failure to meet national standards

<b>Human resources/ organisational development/staffing/ competence</b>	Short-term low staffing level that temporarily reduces service quality (< 1 day)	Low staffing level that reduces the service quality	Late delivery of key objective/ service due to lack of staff  Unsafe staffing level or competence (>1 day)  Low staff morale  Poor staff attendance for mandatory/key training	Uncertain delivery of key objective/service due to lack of staff  Unsafe staffing level or competence (>5 days)  Loss of key staff Very low staff morale No staff attending mandatory/ key training	Non-delivery of key objective/service due to lack of staff  Ongoing unsafe staffing levels or competence  Loss of several key staff No staff attending mandatory training /key training on an ongoing basis
<b>Statutory duty/ inspections</b>	No or minimal impact or breach of guidance/ statutory duty	Breach of statutory legislation  Reduced performance rating if unresolved	Single breach in statutory duty  Challenging external recommendations/ improvement notice	Enforcement action  Multiple breaches in statutory duty  Improvement notices Critical report	Multiple breaches in statutory duty  Prosecution Complete systems change required Severely critical report
<b>Adverse publicity/ reputation</b>	Rumours  Potential for public concern	Local media coverage – short-term reduction in public confidence  Elements of public expectation not being met	Local media coverage – long-term reduction in public confidence	National media coverage with <3 days service well below reasonable public expectation	National media coverage with >3 days service well below reasonable public expectation. MP concerned (questions in the House) Total loss of public confidence
<b>Business objectives/ projects</b>	Insignificant cost increase/ schedule slippage	<5 per cent over project budget  Schedule slippage	5–10 per cent over project budget  Schedule slippage	Non-compliance with national 10–25 per cent over project budget Schedule slippage Key objectives not met	Incident leading >25 per cent over project budget  Schedule slippage Key objectives not met
<b>Finance including claims</b>	Small loss Risk of claim remote	Loss of 0.1–0.25 per cent of budget  Claim less than £10,000	Loss of 0.25–0.5 per cent of budget  Claim(s) between £10,000 and £100,000	Uncertain delivery of key objective/Loss of 0.5–1.0 per cent of budget  Claim(s) between £100,000 and £1 million	Non-delivery of key objective/ Loss of >1 per cent of budget  Failure to meet specification/ slippage  Loss of contract / payment by results Claim(s) >£1 million
<b>Service/business interruption Environmental impact</b>	Loss/interruption of >1 hour  Minimal or no impact on the environment	Loss/interruption of >8 hours  Minor impact on environment	Loss/interruption of >1 day  Moderate impact on environment	Loss/interruption of >1 week  Major impact on environment	Permanent loss of service or facility  Catastrophic impact on environment

**Risk Rating Matrix = Impact x likelihood**

	LIKELIHOOD				
IMPACT	Certain 5	Likely 4	Possible 3	Unlikely 2	Rare 1
5 Catastrophic	25	20	15	10	5
4 Major	20	16	12	8	4
3 Moderate	15	12	9	6	3
2 Minor	10	8	6	4	2
1 Insignificant	5	4	3	2	1

### Actions and Treatment Timetable

Risk Score	Risk Level	Action and Timescale
1-3	LOW	No action required providing adequate controls in place.
4-6	MODERATE	Action required to reduce/control risk within 12-month period
8-12	SIGNIFICANT	Action required to reduce/control risk within 6-month period
15-25	CRITICAL	Immediate action required by Senior Management

## Management of Risk

### *Roles and Responsibilities*

- **Senior Leadership Group (SLG)** - The SLG is accountable for the systems of internal control, based on an ongoing process designed to identify and prioritise the risks of the organisation, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively, and economically. SLG review and update the Corporate Risk Register at their monthly meetings which contains the corporate, significant, and critical risks from across NWSSP including any escalated departmental risks. A SLG lead is assigned to each risk on the register.
- **The Audit Committee** - The Audit Committee provides the SSPC and Velindre Trust Board with a means of independent assurance that the systems in place for the management of risk are operating efficiently and effectively.— The Committee will also provide an objective review of the corporate governance responsibilities, financial systems, financial information and compliance with law, guidance, and codes of conduct. The Audit Committee reviews the Corporate Risk Register at each of its meetings.
- **Shared Services Partnership Committee** - The Shared Services Partnership Committee ensures that risk management arrangements are in place, and both receives and provides assurance that appropriate and effective control systems are in place to identify and manage risks.— The Shared Services Partnership Committee reviews the Corporate Risk Register at its bi-monthly meetings.
- **Sub/Working Groups** - A wide range of sub/working groups are in place across NWSSP to discuss their departmental/site risks and to ensure that any critical and significant risks are escalated to SLG along with risks which may become corporate. The aim of the working groups is to gather information and where appropriate share the lessons learned across the department.
- **Programme/Project Groups** – These Groups are established to provide oversight of more significant programmes or projects and

follow best practice in ensuring that the programme or project has a risk register in place that is maintained up to date and significant risks are escalated to the Corporate Risk Register.

- **NWSSP All Wales Health and Safety Meeting** -- The NWSSP All Wales Health and Safety meeting is chaired by the Director of Finance & Corporate Services.– Each Service Division will ensure an appropriate representative attends this committee to ensure that their risks and incidents are monitored and discussed and that the lessons learned can be shared across NWSSP. All significant risks regarding Health and Safety are reported to the Velindre University NHS Trust Health and Safety Management Group.

### **Directorate Risks**

Directors, Assistant Directors, and Managers should ensure that all risks associated with their directorate are input into the risk management system. Any red-rated risks should be referred to the NWSSP SLG for possible inclusion on the Corporate Risk Register.— Directorate Management Teams monitor and review their risk register on a regular basis. Review of Directorate key risks is also a standing agenda item for the Quarterly Reviews undertaken by the Managing Director and senior colleagues.

### **Risk Escalation**

The SLG, assisted by key senior officers, are responsible for ensuring that risk management policies are implemented within NWSSP and that both risk assessment and incident reporting operates appropriately within the various areas of responsibility and in a climate where staff are encouraged to report incidents without fear of blame.

The process of escalation is used where a risk is unmanageable or uncontrolled or where the risk is significant or critical (15 and above). The purpose of the escalation process is to ensure that all managers at all levels across NWSSP have the option to escalate a risk where they are not able to manage or control it within their area.– These risks are discussed at SLG.

### **Training and Awareness**

All NWSSP staff receive basic risk management awareness as part of their statutory training.– This training can be facilitated at induction or via eLearning and includes:

- principles of risk management;
- roles and responsibilities for management of risk within NWSSP;
- techniques for identification and evaluation of risk;

- how to report hazards, incidents, and near misses;
- awareness that risk is everyone's business; and
- policies that cover risk management and assessment.

Directors and Managers ensure that all staff involved in the risk assessment process have sufficient knowledge, experience and understanding of risk and are provided with sufficient training to ensure competence is demonstrated.

Managers ensure that risk assessment training is included in local training programmes.

### **Risk Appetite**


High level risk appetite statements and risk tolerance limits should be in place for principal risk categories/types. The SSPC reviews its Risk Appetite Statement on an annual basis and this is reported to the Audit Committee. The Risk Appetite Statement aligns with the SSPC's strategic objectives, and this is structured according to risk domains following the Good Governance Institute model. The risk appetite established by the SSPC is embedded in decision-making within the governance and accountability framework within which NWSSP operates.

### **Review Mechanism**

The risk management process is continually evolving, and it is therefore intended to review this Protocol on a bi-~~bi-ennial~~annual basis with the Audit Committee in light of changes in guidance, best practice, and legislation.



**Annex 2**

	Service Area:	<b>DATIX - REF NO:</b>
	<b>RISK ASSESSMENT</b>	Department: Location/Site:
<b>Title of Assessment:</b>		<b>Date of Assessment:</b>

**Tick the Type of Risk Assessment:**

Business & Org	Operational	Clinical	Quality	Health & Safety
Strategic	Financial	Legal	Project.	Environmental

Describe the situation or the work activity or process being assessed.  
Summarise the specific risks to NWSSP

**Please give a full range of Hazards:**  
Include any Materials, Biological, Chemical, Environment, Ergonomic and Psychological etc.

Hazards identified:	Impact Severity	Likelihood	Risk Rating

Who is affected by the hazards and how many: Whole organisation, division, department, ward etc.  
**All, Many or One** - staff, visitors, contractors or service users etc. may be harmed.

Evaluate Overall <b>Initial</b> – Risk : I x L= Risk Rating	<b>Impact</b>	<b>Likelihood</b>	<b>Rating</b>

**List control measures in place: Are they acceptable Y/N**

Evaluate <b>Current</b> – Risk with controls: I x L= Risk Rating	<b>Impact</b>	<b>Likelihood</b>	<b>Rating</b>

**Further action required - additional control measures - to reduce risk**

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**Actions Agreed by Manager:**

**Managers Name & Signature :**

Evaluate **Target** – Risk with actions completed: I x L= Risk Rating **Impact** **Likelihood** **Rating**

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**Risk Assessment performed by:**

Print Name/s	Signature/s	Date

**Progress Report on further Actions: include review dates:**

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# Applying risk appetite matrix

RISK APPETITE LEVEL ▶	0 NONE	1 MINIMAL	2 CAUTIOUS	3 OPEN	4 SEEK	5 SIGNIFICANT
	Avoidance of risk is a key organisational objective.	Preference for very safe delivery options that have a low degree of inherent risk and only a limited reward potential.	Preference for safe delivery options that have a low degree of residual risk and only a limited reward potential.	Willing to consider all potential delivery options and choose while also providing an acceptable level of reward.	Eager to be innovative and to choose options offering higher business rewards (despite greater inherent risk).	Confident in setting high levels of risk appetite because controls, forward scanning and responsive systems are robust.
RISK TYPES ▼						
<b>FINANCIAL</b> How will we use our resources? ▶	We have no appetite for decisions or actions that may result in financial loss.	We are only willing to accept the possibility of very limited financial risk.	We are prepared to accept the possibility of limited financial risk. However, VFM is our primary concern.	We are prepared to accept some financial risk as long as appropriate controls are in place. We have a holistic understanding of VFM with price not the overriding factor.	We will invest for the best possible return and accept the possibility of increased financial risk.	We will consistently invest for the best possible return for stakeholders, recognising that the potential for substantial gain outweighs inherent risks.
<b>REGULATORY</b> How will we be perceived by our regulator? ▶	We have no appetite for decisions that may compromise compliance with statutory, regulatory or policy requirements.	We will avoid any decisions that may result in heightened regulatory challenge unless absolutely essential.	We are prepared to accept the possibility of limited regulatory challenge. We would seek to understand where similar actions had been successful elsewhere before taking any decision.	We are prepared to accept the possibility of some regulatory challenge as long as we can be reasonably confident we would be able to challenge this successfully.	We are willing to take decisions that will likely result in regulatory intervention if we can justify these and where the potential benefits outweigh the risks.	We are comfortable challenging regulatory practice. We have a significant appetite for challenging the status quo in order to improve outcomes for stakeholders.
<b>QUALITY</b> How will we deliver safe services? ▶	We have no appetite for decisions that may have an uncertain impact on quality outcomes.	We will avoid anything that may impact on quality outcomes unless absolutely essential. We will avoid innovation unless established and proven to be effective in a variety of settings.	Our preference is for risk avoidance. However, if necessary we will take decisions on quality where there is a low degree of inherent risk and the possibility of improved outcomes, and appropriate controls are in place.	We are prepared to accept the possibility of a short-term impact on quality outcomes with potential for longer-term rewards. We support innovation.	We will pursue innovation wherever appropriate. We are willing to take decisions on quality where there may be higher inherent risks but the potential for significant longer-term gains.	We seek to lead the way and will prioritize new innovations, even in emerging fields. We consistently challenge current working practices in order to drive quality improvement.
<b>REPUTATIONAL</b> How will we be perceived by the public and our partners? ▶	We have no appetite for decisions that could lead to additional scrutiny or attention on the organisation.	Our appetite for risk taking is limited to those events where there is no chance of significant repercussions.	We are prepared to accept the possibility of limited reputational risk if appropriate controls are in place to limit any fallout.	We are prepared to accept the possibility of some reputational risk as long as there is the potential for improved outcomes for our stakeholders.	We are willing to take decisions that are likely to bring scrutiny of the organisation. We outwardly promote new ideas and innovations where potential benefits outweigh the risks.	We are comfortable to take decisions that may expose the organisation to significant scrutiny or criticism as long as there is a commensurate opportunity for improved outcomes for our stakeholders.
<b>PEOPLE</b> How will we be perceived by the public and our partners? ▶	We have no appetite for decisions that could have a negative impact on our workforce development, recruitment and retention. Sustainability is our primary interest.	We will avoid all risks relating to our workforce unless absolutely essential. Innovative approaches to workforce recruitment and retention are not a priority and will only be adopted if established and proven to be effective elsewhere.	We are prepared to take limited risks with regards to our workforce. Where attempting to innovate, we would seek to understand where similar actions had been successful elsewhere before taking any decision.	We are prepared to accept the possibility of some workforce risk, as a direct result from innovation as long as there is the potential for improved recruitment and retention, and developmental opportunities for staff.	We will pursue workforce innovation. We are willing to take risks which may have implications for our workforce but could improve the skills and capabilities of our staff. We recognize that innovation is likely to be disruptive in the short term but with the possibility of long term gains.	We seek to lead the way in terms of workforce innovation. We accept that innovation can be disruptive and are happy to use it as a catalyst to drive a positive change.



<b>Risk Management</b>	The co-ordinated activities to direct and control the organisation with regard to risk.
<b>Risk Management Process</b>	A systematic application of risk management policies to the task of identifying, analysing, evaluating, controlling and the monitoring and review of risk.
<b>Risk Assessment (Pro-active)</b>	A careful examination of the hazards in the workplace that may cause harm, to people the environment or the business and these include processes and tasks. The formal recording on a documented form.
<b>Risk Assessment (Re-active)</b>	A risk assessment that has been completed following an incident occurring, this may form part of the investigation process or may be a review of the original risk assessment in light of the incident and its severity.
<b>Risk Appetite</b>	The level of risk <u>SSPCNWSSP</u> is prepared to <u>pursue or</u> accept before action is deemed necessary to reduce it.
<b>Risk Acceptance</b>	The risk is managed to a level defined as reasonably practicable and where to implementation of any further controls will outweigh any benefit.
<b>Residual Risk</b>	The risk remaining following treatment or control.
<b>Risk Register</b>	The risk register is a term for a detailed list of risk assessments, the format for the register itself has been agreed at the SLG.
<b>Risk Inventory</b>	A risk inventory or profile has no agreed format it may be a shortened version of the risk register or a more detailed profile. A risk inventory is normally less formal that a register and is managed at department level.
<b>Risk Structure</b>	A formal management structure that outlines the basic reporting and communication links and committees and groups that provides assurance to the SLG that risk is being effectively managed across all Service Divisions.
<b>Risk Matrix</b>	This is a tool developed to quantify risk, by scoring the impact x the likelihood that the risk will probably be realised to establish a Risk Rating. This tool can be used by Managers to prioritise significant risks.
<b>Risk Impact</b>	Potential harm scored via an impact matrix rising from 1-5
<b>Risk Likelihood</b>	Potential for occurrence scored via a likelihood matrix from 1-5
<b>Significant Risk</b>	Risk that are scored 15 and above that require treatment and control within 6-month period.
<b>Critical risk</b>	Risk scored 15 and above requiring immediate Senior management control.

<b>MEETING</b>	Velindre University NHS Trust Audit Committee for NHS Wales Shared Services Partnership
<b>DATE</b>	15 April 2025
<b>PREPARED BY</b>	James Quance, Assistant Director of Corporate Services
<b>PRESENTED BY</b>	James Quance, Assistant Director of Corporate Services
<b>RESPONSIBLE HEAD OF SERVICE</b>	Alison Ramsey, Director of Finance and Corporate Services
<b>TITLE OF REPORT</b>	NWSSP Risk Appetite Statement

**PURPOSE**

To request the Audit Committee to note the Risk Appetite Statement.

**1. INTRODUCTION**

The Risk Appetite Statement (the Statement) is presented at **Appendix 1** for information.

The Statement was informally reviewed at the Shared Services Partnership Committee (SSPC) Autumn Development Day on 11 October 2024 and approved by the Committee at its November 2024 meeting. It is periodically also reviewed by the Senior Leadership Group (SLG), most recently at its informal meeting in May 2024.

At its previous review by the SSPC in November 2022, the Statement was significantly amended, both in terms of content and format. The format was updated to reflect the latest guidance from the Good Governance Institute and the content was updated to reflect a bolder approach to taking risk, which was encouraged by both members of the SLG and SSPC.

This approach continued at the recent SSPC Autumn Development Day when the application of the existing risk appetite level was discussed for each risk type (financial, regulatory, quality, reputational and people). This was a valuable discussion because it linked the experience of how the Statement is being applied in practice to the approach that SSPC would like to see applied going forward.

In particular, the balance and interaction between value for money and quality generated a lot of discussion and is something that will need to

continue to be monitored closely, and for SSPC to challenge itself as part of decision making and considerations in future.

Overall, and in most areas, the risk appetite levels continued to be considered appropriate. However, SSPC members challenged NWSSP to be moving closer to the boundary of the next level. In general, this means moving towards a 'seek' from an 'open' stance, whilst keeping the Statement unchanged for financial, regulatory, quality and reputational risk.

However, in the area of workforce it was felt that NWSSP could be even more bold, noting much of the transformation work that has been undertaken and the leading role that NWSSP plays nationally in payroll, recruitment and Single Lead Employer where there is continuing opportunity for significant value to partners and to enable NWSSP to meet its objectives. The risk appetite level for workforce has therefore been amended to 'significant:' NWSSP seeks to lead the way in terms of workforce innovation. We accept that innovation can be disruptive and are happy to use it as a catalyst to drive a positive change. This is reflected in the revised Statement in Appendix 1.

## **2. RECOMMENDATION**

The Audit Committee is asked to:

- **NOTE** the Risk Appetite Statement.

## NHS Wales Shared Service Partnership

### Risk Appetite Statement

#### Introduction

NWSSP is committed to achieving and maintaining the highest standards of managerial practices that maximise and progress service benefits. NWSSP recognises that effective risk management is a key component of corporate governance and is critical to achieving the strategic objectives of the organisation.

NWSSP's Risk Management Protocol seeks to ensure that there is an effective process in place to manage risk across the organisation. Risk management is part of management decision-making and is the responsibility of all staff. Risks are identified, assessed, and managed at a corporate level ('top-down') and operational level ('bottom-up'). Managers have a responsibility to evaluate their risk environment, to put in place appropriate controls and monitor the effectiveness of these controls.

An organisation's risk appetite is defined as the amount and type of risk that the organisation is willing to take in the pursuit of its strategic objectives. The risk appetite can help NWSSP by enabling the organisation to take decisions based on an understanding of the risks involved and communicating expectations for risk-taking to managers.

NWSSP uses the Risk Appetite Matrix used by many NHS organisations developed by the Good Governance Institute (Annex 1).

The risk appetite has been communicated to staff to embed it throughout the organisation and it is also a key reference document in discussions regarding the risks on the NWSSP risk register, ensuring these are in line with NWSSP's risk appetite.

The Risk Appetite Statement is presented to the SSPC for approval on an annual basis, or sooner if circumstances require. The Statement was informally reviewed at the SSPC Development Day on 11 October 2024 and is reviewed periodically by the Senior Leadership Group.

## General Statement of Appetite

NWSSP faces a broad range of risks reflecting its responsibilities. The risks arising from our responsibilities can be significant. These risks are managed through detailed processes that emphasise the importance of integrity, intelligent inquiry, maintaining high quality staff and public accountability.

NWSSP make resources available to control operational risks at acceptable levels and recognises that it is not possible or indeed necessarily desirable to eliminate some of the risks inherent in our activities. Acceptance of some risk is often necessary to foster innovation within the services for which we are responsible.

This Statement considers the most significant risks to which NWSSP is exposed and provides an outline of the approach to managing these risks. All strategic and business plans for operational areas must be consistent with this Statement. Given the range of our activities and responsibilities, it is not appropriate to make a single overarching statement of our attitude to risk. Instead, a range of risk appetite statements arising from the different areas of our work are set out below.

### 1. Financial – Risk Appetite Level: Open

We are prepared to accept some financial risk as long as appropriate controls are in place. We have a holistic understanding of VFM with price not the overriding factor.

### 2. Regulatory – Risk Appetite Level: Open

We are prepared to accept the possibility of some regulatory challenge as long as we can be reasonably confident that we would be able to challenge this successfully.

### 3. Quality – Risk Appetite Level: Seek

We will pursue innovation wherever appropriate. We are willing to take decisions on quality where there may be high inherent risks but the potential for significant longer-term gains.

### 4. Reputational – Risk Appetite Level: Open

We are prepared to accept the possibility of some reputational risk as long as there is the potential for improved outcomes for stakeholders.

### 5. People – Risk Appetite Level: Significant

We seek to lead the way in terms of workforce innovation. We accept that innovation can be disruptive and are happy to use it as a catalyst to drive a positive change.

## Conclusion

This Statement has acknowledged that NWSSP faces a broad range of risks reflecting its responsibilities and that some of these can be significant.

It has also asserted that risk management is part of management decision-making and is the responsibility of all staff. It has reaffirmed that Managers have a responsibility to evaluate their risk environment, to put in place appropriate controls and monitor the effectiveness of these controls.

NWSSP's risk appetite levels are communicated to staff through the practical adoption of these risk appetite levels in the way that the Directorate and Corporate Risk Registers function. Directorate Senior Management meetings and the NWSSP Senior Leadership Group are the conduit through which this process is led.

This Statement will be reviewed annually, unless circumstances dictate that an earlier review is necessary

# Applying risk appetite matrix

RISK APPETITE LEVEL ▶	0 NONE	1 MINIMAL	2 CAUTIOUS	3 OPEN	4 SEEK	5 SIGNIFICANT
RISK TYPES ▼	Avoidance of risk is a key organisational objective.	Preference for very safe delivery options that have a low degree of inherent risk and only a limited reward potential.	Preference for safe delivery options that have a low degree of residual risk and only a limited reward potential.	Willing to consider all potential delivery options and choose while also providing an acceptable level of reward.	Eager to be innovative and to choose options offering higher business rewards (despite greater inherent risk).	Confident in setting high levels of risk appetite because controls, forward scanning and responsive systems are robust.
<b>FINANCIAL</b> How will we use our resources?	We have no appetite for decisions or actions that may result in financial loss.	We are only willing to accept the possibility of very limited financial risk.	We are prepared to accept the possibility of limited financial risk. However, VFM is our primary concern.	We are prepared to accept some financial risk as long as appropriate controls are in place. We have a holistic understanding of VFM with price not the overriding factor.	We will invest for the best possible return and accept the possibility of increased financial risk.	We will consistently invest for the best possible return for stakeholders, recognising that the potential for substantial gain outweighs inherent risks.
<b>REGULATORY</b> How will we be perceived by our regulator?	We have no appetite for decisions that may compromise compliance with statutory, regulatory or policy requirements.	We will avoid any decisions that may result in heightened regulatory challenge unless absolutely essential.	We are prepared to accept the possibility of limited regulatory challenge. We would seek to understand where similar actions had been successful elsewhere before taking any decision.	We are prepared to accept the possibility of some regulatory challenge as long as we can be reasonably confident we would be able to challenge this successfully.	We are willing to take decisions that will likely result in regulatory intervention if we can justify these and where the potential benefits outweigh the risks.	We are comfortable challenging regulatory practice. We have a significant appetite for challenging the status quo in order to improve outcomes for stakeholders.
<b>QUALITY</b> How will we deliver safe services?	We have no appetite for decisions that may have an uncertain impact on quality outcomes.	We will avoid anything that may impact on quality outcomes unless absolutely essential. We will avoid innovation unless established and proven to be effective in a variety of settings.	Our preference is for risk avoidance. However, if necessary we will take decisions on quality where there is a low degree of inherent risk and the possibility of improved outcomes, and appropriate controls are in place.	We are prepared to accept the possibility of a short-term impact on quality outcomes with potential for longer-term rewards. We support innovation.	We will pursue innovation wherever appropriate. We are willing to take decisions on quality where there may be higher inherent risks but the potential for significant longer-term gains.	We seek to lead the way and will prioritize new innovations, even in emerging fields. We consistently challenge current working practices in order to drive quality improvement.
<b>REPUTATIONAL</b> How will we be perceived by the public and our partners?	We have no appetite for decisions that could lead to additional scrutiny or attention on the organisation.	Our appetite for risk taking is limited to those events where there is no chance of significant repercussions.	We are prepared to accept the possibility of limited reputational risk if appropriate controls are in place to limit any fallout.	We are prepared to accept the possibility of some reputational risk as long as there is the potential for improved outcomes for our stakeholders.	We are willing to take decisions that are likely to bring scrutiny of the organisation. We outwardly promote new ideas and innovations where potential benefits outweigh the risks.	We are comfortable to take decisions that may expose the organisation to significant scrutiny or criticism as long as there is a commensurate opportunity for improved outcomes for our stakeholders.
<b>PEOPLE</b> How will we be perceived by the public and our partners?	We have no appetite for decisions that could have a negative impact on our workforce development, recruitment and retention. Sustainability is our primary interest.	We will avoid all risks relating to our workforce unless absolutely essential. Innovative approaches to workforce recruitment and retention are not a priority and will only be adopted if established and proven to be effective elsewhere.	We are prepared to take limited risks with regards to our workforce. Where attempting to innovate, we would seek to understand where similar actions had been successful elsewhere before taking any decision.	We are prepared to accept the possibility of some workforce risk, as a direct result from innovation as long as there is the potential for improved recruitment and retention, and developmental opportunities for staff.	We will pursue workforce innovation. We are willing to take risks which may have implications for our workforce but could improve the skills and capabilities of our staff. We recognize that innovation is likely to be disruptive in the short term but with the possibility of long term gains.	We seek to lead the way in terms of workforce innovation. We accept that innovation can be disruptive and are happy to use it as a catalyst to drive a positive change.



<b>MEETING</b>	Velindre University NHS Trust Audit Committee for NHS Wales Shared Services Partnership
<b>DATE</b>	15 April 2025
<b>PREPARED BY</b>	James Quance, Assistant Director of Corporate Services
<b>PRESENTED BY</b>	James Quance, Assistant Director of Corporate Services
<b>RESPONSIBLE HEAD OF SERVICE</b>	Alison Ramsey, Director of Finance and Corporate Services
<b>TITLE OF REPORT</b>	NWSSP Corporate Risk Register

## **PURPOSE**

To provide the Audit Committee with an update as to the progress made against the organisation's Corporate Risk Register.

## **1. INTRODUCTION**

The Corporate Register is presented at **Appendix 1** for information.

## **2. RISKS FOR ACTION**

The ratings are summarised below in relation to the Risks for Action:

<b>Current Risk Rating</b>	<b>April 2025</b>
Red Risk	5
Amber Risk	10
Yellow Risk	0
Green Risk	0
<b>Total</b>	<b>15</b>

### **2.1 Red-rated Risks**

The following red risks remain on the register as follows:

- the Decarbonisation Action Plan risk (A5), split to show the risk in respect of NWSSP's leading role nationally (A5a) and the risk to the delivery of its own Decarbonisation Action Plan (A5b);
- the threat to the TRAMs programme and the consequent impact in South-East Wales if funding is not made available (A10);

- the availability of capital funding remains a significant risk (A12) and;
- the Primary Care Workforce Information System supplier dispute causing delayed go-live date and build specification uncertainty (A13).

The following risk score has reduced following management action:

- the risk in respect of the impact on staff time and resources as a requirement of responding to the COVID 19 UK Public Inquiry (A6) has reduced from 16 to 12 with the conclusion of hearings for Module 5.

### **2.3 Target Risk Update**

A number of risks had target scores of 31 March 2025 which have been reviewed and whilst action and mitigation continues to develop they remain as risks that are in many cases underpinned by an underlying lack of resources which is anticipated to continue for the new year ahead. It is proposed that the target dates are revised as set out in the Register as follows:

- A3, A4, A5a, A5b, A7 and A12 - 31 March 2026
- A13 - 30 June 2025

### **RISKS FOR MONITORING**

There are five risks that are retained in the monitoring section of the Register:

<b>Current Risk Rating</b>	<b>April 2025</b>
Red Risk	0
Amber Risk	1
Yellow Risk	4
Green Risk	0
<b>Total</b>	<b>5</b>

### **3. RECOMMENDATION**

The Audit Committee is asked to:

- **NOTE** the Corporate Risk Register; and
- **APPROVE** the proposed change to the target risk risks.

	A	B	C	D	E	F	G	H	I	J	K	L	M
1	<b>Corporate Risk Register</b>												
2	Ref	Risk Summary	Inherent Risk			Existing Controls & Mitigations	Current Risk			Further Action Required	Progress	Trend since last review	Target & Date
3			Likelihood	Impact	Total Score		Likelihood	Impact	Total Score				
4	<b>Risks for Action</b>												
5	<b>A1</b>	The threat of a successful cyber attack due to weaknesses in, or failure to comply with, security measures leading to potential loss of systems and/or sensitive data.	5	5	25	Cyber Security Action Plan BCP Champions Meeting Information Governance training Mandatory cyber security e-learn Internal Audit review BCP Action Cards Annual CAF completed Continuing CAF compliance measured via KPIs through a continuous improvement plan. Regular 'Exercise in a box' events. Regular phishing testing alongside proactive communications on cyber awareness. Part of All-Wales Cyber Security Network Increased resource in Cyber Security Team.	2	5	10	Complete actions and regular review of continuous improvement plan	Advice ongoing to divisions to assist in completion of their Divisional Business Impact Assessments  Supply chain assurance processes to be agreed by Jun 25.  Rolling program to implement Sentinel Security Uincident and Event Monitoring to local and cloud services Agreed CAF remediation actions cleared and reported to the Cyber Resillience Unit	➔	<b>At target</b>
6	<b>Strategic Objective - Service Development</b>										<b>Risk Lead: Director of Planning, Performance &amp; Informatics</b>		
7													
8	<b>A2</b>	There is a risk that NWSSP is unable to recruit and retain appropriately skilled people due to challenging market conditions resulting in an inability to meet service levels in whole or in part.	3	5	15	Established working practices governed by Service Level Agreements and measured by reporting of KPIs on monthly basis. Bi-monthly Recruitment Modernisation Project Boards 19 additional staff recruited within Employment Services (fixed term) Regular reporting to SLG and SSPC.	3	3	9	Complete further resource and activity re-modelling activity for recruitment. Templates being rolled out to support workforce planning.	Positive progress has been continued and we are now achieving the Time to Hire metric across Wales. NWSSP continues to develop it's own programme via "This is our NWSSP" action plan – and we are having success in attracting new recruits in most areas. There are 2 hard to fill areas in Procurement and Audit that we are continuing to focus on. Time to hire activity now shows NWSSP sitting at 55.8 days against a KPI of 71. We are now green of 5 of the 7 core KPI's (February 2025). Alongside the ongoing efforts on recruiting innovatively, through our employee value proposition work programme and our Agency scrutiny and subsequent reduction, we have seen improvements in all areas. However, while our turnover data shows a decrease of circa 35 we must now focus on a number of our professional roles/divisions where we still experience difficulty attracting high calibre applicants.	➔	<b>At target</b>
9	<b>Strategic Objective - Staff</b>										<b>Risk Lead: Director People &amp; OD</b>		
10	<b>A3</b>	There is a risk that NWSSP is not adequately prepared for a future pandemic or public health emergency resulting in excessive risk to its people and inability to react to rapid escalation in demand for services.	4	5	20	Emergency Planning and Business Continuity Plans in place and maintained up to date. Part of four nations approach and reliant upon horizon scanning at UK Government level. Learning from Covid Pandemic including external reviews.NWSSP representation on the HSSGEY System Resilience and HCID planning groups and participation on the NHS Executive Emergency Planning Advisory Group.	2	5	10	Continue to pursue links into Local Resilience Forum. Director of Procurement and HCS and Director of Planning, Performance and Informatics attended all Wales management team meeting on lessons learned in October 2024 and awaiting WG consolidated learning.	Head of Emergency Preparedness commenced in post w/c 13 January 2025. Director of Planning Performance and Informatics or the Head of Emergency Preparedness attends weekly HCID meetings to represent NWSSP. NWSSP is also representation on the NHS Executive Emergency Planning Advisory Group and HCID group, provides NWSSP with early indication of emerging risks and the necessary response levels. Local Resilience Forums are also included in the NWSSP planning network and operational considerations. NWSSP is included in pandemic planning and exercises with WG and PHW. Business continuity exercises continue to be planned.	➔	<b>31/03/2026</b>

**Corporate Risk Register**

1	2	3	Inherent Risk			Existing Controls & Mitigations	Current Risk			Further Action Required	Progress	Trend since last review	Target & Date
			Likelihood	Impact	Total Score		Likelihood	Impact	Total Score				
11		<b>Strategic Objective - Services</b>									<b>Risk Lead: Director Planning, Performance &amp; Informatics</b>		
12	<b>A4</b>	There is a risk that disruption in the supply chain caused by external factors or supplier failure results in significant restriction in service provision.	4	4	16	4 Nations approach provides resilience and NWSSP are active partners. Learning from Covid pandemic and any disruption incidents has been implemented wherever possible.	3	3	9	Clarity on stockholding levels for future resilience and preparedness to be confirmed. NWSSP currently working with Welsh Government on interim stockholding levels. Warehousing arrangements will also need to be worked through once those levels confirmed.	The Welsh Government Director of Public Health wrote to the Managing Director on 25 March to confirm that the Cabinet Secretary for Health and Social Care agreed that stockpiles of all PPE products should have at least 12 weeks of supply. A PPE project will be put in place to work through the next steps and include the future warehousing arrangements.	➔	<b>31/03/2026</b>
13		<b>Strategic Objective - Services</b>									<b>Risk Lead: Director Finance &amp; Corporate Services</b>		
14	<b>A5a</b>	Resource restraints prevent the ability of NWSSP to meet the expectations of Welsh Government and the public in playing a leading role in delivering the NHS Wales Decarbonisation Action Plan. Consequences of such failure would mean that the Welsh Government could fail in its response to its declaration of a Climate Emergency.	4	4	16	Regular liaison with Welsh Government Attendance at National Programme Board	4	4	16	The financial position across NHS Wales is leading to increasing demand from HBs/Trusts on the NWSSP team. Team continues to explore finance opportunities.	The financial position across NHS Wales has raised questions around deliverability of DAPs across all organisations and this has been raised at the National Programme Board and the BELP group. 7 TEF bids were submitted by the due date and we have been asked to submit an additional TEF bid in relation to Laundry. A number of late capital bids approved by Welsh Government were related to decarbonisation objectives. i) IP5 12 Dual EV chargers and battery installation ii) Matrix Roof mounted PV installation iii) 19 new vehicles, which included 11 full EV, 6 Hybrid and two specialist converted refrigerated vehicles. All new fleet is fitted with the TRAILAR solar panel system, which will further reduce emissions and carbon footprint.	➔	<b>30/06/2025</b>
15		<b>Strategic Objective - Service Development</b>									<b>Risk Lead: Director, Specialist Estates Services</b>		
16	<b>A5b</b>	Resource restraints, most notably capital funding, prevent the ability of NWSSP to deliver its own Decarbonisation Action Plan, hindering the ability of Welsh Government to achieve its ambition to respond to the declared Climate Emergency.	4	4	16	Decarbonisation Programme Board Project Execution Plan PMO Support	4	4	16	Submitted updated Action Plan to Welsh Government. Internal Audit review recommendations all implemented.	NWSSP DCR are issuing periodic status updates and reporting into Decarbonisation Programme Board. Work is being done by the Decarbonisation Delivery Group to target deliverable amounts within the current environment and to continue research into potential wider funding sources.(See also A5a)	➔	<b>30/06/2025</b>
17		<b>Strategic Objective - Service Development</b>									<b>Risk Lead: Director, Specialist Estates Services</b>		
18	<b>A6</b>	The COVID Inquiry places extreme demands on staff groups, particularly Procurement, and impacts the delivery of business-as-usual services.	5	4	20	Appointment of Legal Counsel Support from Legal & Risk COVID Inquiry Planning Readiness Group has met its terms of reference Reflection Documents Central Store of relevant documents Core Participant status for Module 5 confirmed. Evidence provided for Module 5 and Module 3 with further clarification and other requests arriving from the Inquiry Team.	3	4	12	With support from Legal and Risk Services, legal Counsel and Finance & Corporate Services, the Director of Procurement and Health Courier Services provided evidence to Module 5 (Procurement) of the Inquiry through witness statements and requested documentation and in person in March 2025.	We will continue to monitor the progress of the Inquiry but we would not expect to be significantly involved in future modules. We will also monitor the Senedd Committee which may require submissions or evidence in the future if it deems that there are gaps in the coverage of Module 5 or the rest of the Inquiry. We will work with partners and Welsh Government on any relevant recommendations arising from the final report.	⬇	<b>At target</b>
19		<b>Strategic Objective - Services</b>									<b>Risk Lead: Director, Finance &amp; Corporate Services</b>		

**Corporate Risk Register**

	A	B	C	D	E	F	G	H	I	J	K	L	M
1	Corporate Risk Register												
2	Ref	Risk Summary	Inherent Risk			Existing Controls & Mitigations	Current Risk			Further Action Required	Progress	Trend since last review	Target & Date
3			Likelihood	Impact	Total Score		Likelihood	Impact	Total Score				
20	A7	The financial climate in NHS Wales poses significant threats to the delivery of existing services and the development of new services as set out in our 2024/27 IMTP.	5	4	20	Monthly Finance Reports to SLG Finance Report to SSPC and to Audit Committee through Managing Directors update Value and Sustainability Group Vacancy Control Arrangements implemented	3	4	12	Directorates to develop savings programme by start of new financial year. Three Service Improvement workshops with SLG over the summer sharing tools and techniques to develop plans. These have helped informed 2025-2028 plans. 2024/25 Financial Plan remains on track. Key priorities identified for Non-recurrent investment bids launched in August and awarded in September 2024.	Distribution for 2024-25 was £3.M as reported to Welsh Government in Month 11 and to SSPC in March meeting. In accordance with our governance arrangements, our draft plan was taken to our Shared Services Partnership Committee on 3 February 2025 for approval. Some points of clarification were raised by one Health Board and it was agreed that they could be discussed more broadly outside of the meeting. We also discussed how we can continue to work closely with other national partners including HEIW and DHCW on common priority areas. At that meeting our plan was approved by a majority, however one organisation was unwilling to support. Consequently, an AO letter was submitted on 14 February 2025 to Welsh Government. Touchpoint meetings with Welsh Government including the Finance and Performance unit have been completed and no immediate concerns raised. The IMTP for 2025-2028 was submitted to Welsh Government before 31 March 2025. Discussions with one organisation are ongoing, but the majority of partners supported the decision to approve and submit the plan.	➔	31/03/2026
21	<b>Strategic Objective - Services</b>		<b>Risk Lead: Director, Finance &amp; Corporate Services</b>										
22	A8	The increasing range and complexity of NWSSP services leads to exposure to a wide range of risks of non-compliance with law and regulations.	4	5	20	Internal and external assurance and compliance reviews undertaken on a regular basis. Highly regulated areas, i.e. medicines have systemic and operational compliance processes in place which are tested regularly. Professional routes into WG and UK government to shape and plan for changes.	3	4	12	Map of all regulatory requirements to be developed. <span style="float:right">New</span> role of Head of Emergency Preparedness, Resilience and Response created to support all Divisions including work emerging from COVID-19 Inquiry Module 1.	3 areas of procurement legislation this year are likely to have significant impact on Procurement Services. Additional awareness session to be presented to SLG at Informal meeting. Internal audit programme to consider governance reviews of new or more recent areas of business on a cyclical basis.	➔	At target
23	<b>Strategic Objective - Services</b>		<b>Risk Lead: Responsible Directors</b>										
24	A9	There is a risk due to the volume of data that NWSSP handle that a significant data breach causes significant impact upon those impacted by the breach, loss of reputation and financial penalty for NWSSP.	3	5	15	IG Manager Information Governance Steering Group On-line mandatory e-learn for all staff and two-yearly refresher training Data Privacy Impact Assessments Policies and Procedures Guides to Good practice Regular communications Accountability through breach reporting	2	4	8	Continue to monitor e-learning training compliance and cause of any data breaches through IGSG.	Controls are well embedded in the organisation with staff reminded of need for vigilance as often as possible. Director of Finance and Corporate Services (SIRO) and Medical and Deputy Medical Director attending joint training session Working Together with Velindre NHS Trust colleagues on 6 May 2025 covering Caldicott, Data protection and wider information governance.	➔	At target
25	<b>Strategic Objective: Services</b>		<b>Risk Lead: Director, Finance &amp; Corporate Services</b>										

**Corporate Risk Register**

Corporate Risk Register												
Ref	Risk Summary	Inherent Risk			Existing Controls & Mitigations	Current Risk			Further Action Required	Progress	Trend since last review	Target & Date
		Likelihood	Impact	Total Score		Likelihood	Impact	Total Score				
A10	The threat to patient services if the planned developments of the Radiopharmacy and hub TRAMs service is not allowed to progress due to funding or planning limitations.	5	5	25	TRAMs Programme Board Formal project managed by PMO. Use of Outsourced Suppliers Task & Finish Group established. Updates provided to each meeting of the SSPC.	3	5	15	Progress development of Radiopharmacy service in IP5 - preliminary works commenced. Final authorisation for clean room procurement awaited.	Funding for the next phase of works on the Radiopharmacy Unit has been approved and released by Welsh Government, following planning permission granted by Newport County Council for the TRAMs unit. The Radiopharmacy BJC was approved by partners through the SSPC in July 2024. Time was lost in the delay with the S106 approval, and it is essential there are no further delays to internal approval processes. Oversight of the delivery of the Radiopharmacy Unit sits with the Programme Board. The format and timeframes for the TRAMS OBC are currently being finalised through the Programme Board and with Welsh Government finance and CPO office. NWSSP has been asked to consider how time can be recovered due to the pressures faced by the unit is Swansea and consequent impact on patient care. There is also an impact on the opening of the NnVCC that we are aware of. Good progress has been made in Q4 of 2024-25 and broad agreement on the revenue model methodology by the finance sub group. We are targeting the July SSPC meeting for approval of the next business case stage to allow partners to take the proposals through their local governance arrangements.	➔	30/06/2025
<b>Strategic Objective - Services</b>												<b>Service Director TRAMs</b>
A11	There is a risk that a significant business continuity event causes a loss of critical infrastructure for an extended period resulting in an inability to provide priority services.	5	5	25	Network of Business Continuity Champions BC Plan and Impact Assessment Directorate Action Cards Internal Audit Review BCP App All departments are now required to carryout a departmental specific Business Impact assessment to inform their Business Continuity Plans in line with ISO 22301 for Business Continuity	2	5	10	Implemented recommendations from Internal Audit Report (30 Jun 24) Head of Emergency Preparedness appointed. Training and organisational development is now aimed at alignment to the principles and requirements of ISO 22301. Further work to embed this in the organisation will enhance preparedness and response to Business Continuity events.	Head of Emergency Preparedness appointed and started in post w/c 13 January 2025. Business Impact assessment workshops have been delivered to Business Continuity Champions. A series of courses have been published to provide Business Continuity Impact Assessment and Business Continuity Plan development guidance and courses to prepare managers for the management of business continuity and major incident event management.	➔	At target
<b>Strategic Objective: Services</b>												<b>Risk Lead: Director Planning, Performance &amp; Informatics</b>
A12	There is a risk that there is insufficient capital funding to support the development of services and delivery of the IMTP and Ministerial priorities.	5	4	20	Estates and digital strategies Capital and estates prioritisation returns submitted to WG Close contact maintained with WG Capital Team Track record of delivery and effective use of resources NWSSP Capital Priority Group has been put in place and meet at least once a month and more frequently during key times of the financial year. Joint Executive Team (JET) meetings with WG which provide updates to areas of risk. IMTP objective status forms part of the internal quarterly reviews and risk in relation to funding is discussed	4	5	20	Refinement of Estates risk assessment in preparation for funding announcements including ready to go projects. Head of Estates/Facilities role currently going through job evaluation. NWSSP Capital Priority Group are refining the process to have on the shelf ready to go SBARs for capital expenditure identified IMTP objectives	Continue to monitor and report into WG and prioritise discretionary capital to areas of greatest need. NWSSP Capital Priority Group will continue to refine the process.	➔	31/03/2026
<b>Strategic Objective - Service Development</b>												<b>Risk Lead: Director Planning, Performance &amp; Informatics</b>

	A	B	C	D	E	F	G	H	I	J	K	L	M
1	<b>Corporate Risk Register</b>												
2	Ref	Risk Summary	Inherent Risk			Existing Controls & Mitigations	Current Risk			Further Action Required	Progress	Trend since last review	Target & Date
3			Likelihood	Impact	Total Score		Likelihood	Impact	Total Score				
32	A13	The risk that the delayed implementation of the Primary Care Workforce Information System will lead to increased cost and time.	5	3	15	Project Board in Place Legacy system contract extended to 31.03.25 Build assessment plan implemented Parallel running being implemented, to ensure we can migrate users and data from the current solution in a safe and controlled manner.	4	4	16	There have been significant contractual and subcontractor issues that have affected the progress of this project through its life cycle that have meant delays to anticipated completion. The Project Board has overseen the management of these issues and implemented mitigating measures, including providing more internal resources to support the build.	There is a need to support the current WF System Extension for the period April 25- June 25. Workstream leads have confirmed that this is not due to the fact we will not have a product, but this parallel running approach is a must, to ensure we can migrate users and data from the current solution in a safe and controlled manner. In summary this is about supporting the roll out and not the build. The extension costs are £76k for which funding is being sought.	➔	30/06/2025
33		Escalated Divisional Risk	Risk Lead: Director of Primary Care										
34	A14	There is a risk that suitable office accommodation will not be found when leases expire at Charnwood Court and Companies House resulting in disruption to services and for staff and a corresponding fall in quality and responsiveness of the services impacted.	4	4	16	Project Team in place staff identified communications including virtual coffee mornings Agents engaged Mitigation would be to ask staff to work from home if required	3	4	12	The lease on Charnwood Court has been extended until 1 January 2026 with options to extend if we choose and CoHo until April 2025.	The most recent discussions with CoHo are progressing to finalise lease extension from April 2025. Discussions with Government Property Agency are slow but progressing positively. This provides a medium term solution in line with our future business need and agile working arrangements. Reconfiguration of space at Charnwood Court completed and work within CoHo also progressed to accommodate the reduction in footprint at CoHo.	➔	At target
35		Escalated Divisional/Programme Risk	Risk Lead: Director, Finance & Corporate Services										

**Corporate Risk Register**

**Risks for Monitoring**

Corporate Risk Register												
Ref	Risk Summary	Inherent Risk			Existing Controls & Mitigations	Current Risk			Further Action Required	Progress	Trend since last review	Target & Date
		Likelihood	Impact	Total Score		Likelihood	Impact	Total Score				
<b>Risks for Monitoring</b>												
M1	Suppliers, Staff or the general public committing fraud against NWSSP.	5	3	15	Dedicated NWSSP LCFS Counter Fraud Service Wales Internal Audit Audit Wales PPV National Fraud Initiative Counter Fraud Steering Group Policies & Procedures Fraud Awareness Training Fighting Fraud Strategy & Action Plan	2	3	6	LCFS Manager continues to deliver the LCFS plan to NWSSP in accordance with required standards and reports to each meeting of the Audit Committee. The majority of his work is proactive and there is a high degree of awareness within the critical areas of the organisation of fraud risk, re-enforced by Wales specific training.	Significant progress being made in the rollout of all-Wales counter fraud training throughout higher risk areas in NWSSP. NWSSP LCFS attends the Counterfraud Liason Group which enables all LCFSs to come together and share good practice and peer support.	➔	
	<b>Strategic Objective - Value For Money</b>									<b>Risk Lead: Director of Finance &amp; Corporate Services</b>		
M2	Lack of storage space across NWSSP due to increased demands on space linked to COVID and specific requirements for IP5	4	4	16	IP5 Board Additional facilities secured at Picketston Regular review at SLG Formal project for Companies House relocation	2	4	8	Review options for relocation from Companies House (Complete) Paper to December SLG on accommodation options (Complete) Discussion with WG regarding PPE stockholding and TrAMS footprint to be finalised.	Additional racking has been added in IP5 and will soon be installed in Denbigh Stores, increasing storage capacity. The move from Brecon House to Dupont will also increase storage space.	➔	
	<b>Strategic Objective - Service Development</b>									<b>Risk Lead: Programme Director</b>		
M3	The level of stock that we are being asked to hold is likely to mean that some items go out-of-date before being issued for use and need to be written off causing a loss to public funds and possible reputational damage to NWSSP.	5	5	25	Internal Audit Review of Stores Stock Rotation - based on FIFO Ongoing discussions with WG	2	3	6	Confirm WG required stock holding for PPE - currently 16 weeks (AB 31 Jan 2024) - PPE stock holding meeting scheduled for 29 November; key to confirming stock holding levels as part of resilience plans and future warehousing requirements (capital).	SMTL are working with DHSC to investigate whether expiry dates can be extended on some PPE equipment We are still awaiting the formal Ministerial advice on required stock levels but interim figures have been shared. Stock levels and shelf life continue to be actively monitored.	➔	
										<b>Risk Lead: Director of Finance &amp; Corporate Services</b>		
M4	The planned development of the TrAMs Pharmacy Service is adversely impacted due to financial and staffing challenges.	4	4	16	Developing clear plans from stakeholders Support Recruitment to key quality roles	3	4	12	Undertake Organisational Change Process 2	A workforce sub group and a finance subgroup is in place to support the TRAMs Programme including the SE Hub and Programme Arrangements are reported via the Programme Board and to the Partnership Committee.	➔	
	<b>Escalated Divisional Risk</b>									<b>Risk Lead: Service Director</b>		

**Corporate Risk Register**

Corporate Risk Register														
1	2	Ref	Risk Summary	Inherent Risk			Existing Controls & Mitigations	Current Risk			Further Action Required	Progress	Trend since last review	Target & Date
				Likelihood	Impact	Total Score		Likelihood	Impact	Total Score				
3														
		M5	The transfer of the laundries to NWSSP expose a number of risks including concerns over health and safety and formality of customer relationships.	4	4	16	Internal Audit review Laundry Programme Board Regular updates to SLG on progress with Action Plan Draft SLAs approved by SSPC Appointment of Assistant Director for Laundry Services H&S Audits of Laundry Sites	2	3	6	Appoint additional H&S resource to address problems and maintain progress in Laundry sites - recruitment in progress. Laundry stock holding hub at Carmarthen. Memoranda of Terms of Occupation.	Risk Assessments have been undertaken at the laundries and good progress has been made in addressing the risks. An update is provide to each meeting of the Laundry Programme Board. The additional H&S resource is now in place with the appointment of a member of staff, actions are reported monthly in a AWLS H&S meeting and quarterly via the All Wales Health and Safety meeting. Laundry stock has been converted from the existing laundry site into a hub (completed 31st Mar'25) with the provision of 2 days stock held ( this fluctuates based on demand and service reliability). The following memoranda of term of Occupancy applies to all sites: Greenvale – signed and operational with ABUHB until March 2122 North Wales – agreed in March 2022 until March 2025 (currently under discussion final draft circulating) Swansea – not applicable as we own the site Carmarthen Hub – signed and operational Church Village – awaiting discussion with CTMUHB	➔	
47		Strategic Objective - Service Development									Risk Lead: Director of Procurement Services			
48														

## Corporate Risk Register

Ref	Risk Summary	Inherent Risk			Existing Controls & Mitigations					Current Risk			Further Action Required		Progress		Trend since last review	Target & Date
		Likelihood	Impact	Total Score														

Key to Impact and Likelihood Scores						
		Impact				
		Insignificant	Minor	Moderate	Major	Catastrophic
		1	2	3	4	5
Likelihood						
5	Almost Certain	5	10	15	20	25
4	Likely	4	8	12	16	20
3	Possible	3	6	9	12	15
2	Unlikely	2	4	6	8	10
1	Rare	1	2	3	4	5

<b>Critical</b>	Urgent action by senior management to reduce risk
<b>Significant</b>	Management action within 6 months
<b>Moderate</b>	Monitoring of risks with reduction within 12 months
<b>Low</b>	No action required.

	New Risk
	Escalated Risk
	Downgraded Risk
	No Trend Change



<b>MEETING</b>	Velindre University NHS Trust Audit Committee for NHS Wales Shared Services Partnership
<b>DATE</b>	15 <sup>th</sup> April 2025
<b>PRESENTED BY</b>	Alison Ramsey, Director of Finance and Corporate Services, NWSSP
<b>PREPARED BY</b>	Lindsay Payne - Deputy Director of Finance & Corporate Services, NWSSP
<b>TITLE OF REPORT</b>	2024/25 Losses & Special Payments reporting

## PURPOSE

The purpose of this paper is to provide the Audit Committee with an update in relation to losses written off and special payments made during the period 1<sup>st</sup> April 2024 to 31<sup>st</sup> March 2025 in accordance with Standing Financial Instructions and the Welsh Government’s Manual for Accounts Chapter 6.

## 1. INTRODUCTION

This report provides an update to the Audit Committee of losses written off and special payments made during the period 1st April 2024 to 31st March 2025.

This report does not cover any bad debt write offs for NWSSP as these are reported by Velindre University NHS Trust as part of their losses reporting to the Velindre University NHS Trust Audit Committee.

## 2. ASSESSMENT/SUMMARY OF MATTERS FOR CONSIDERATION

There are different categories of losses and special payments as summarised below.

- (a) **Stores: stock cycle count adjustments** – these are any net gains/losses that are identified as part of the regular stock cycle counts undertaken which ensures each item of stock is counted and verified within a rolling 12-month period. These will be charged to the income & expenditure account during the financial year.

- (b) Stores: slow moving/obsolescent stock losses** – these relate to the write off of stock which is required because a stock line is no longer being utilised across NHS Wales, or where stocks have reached their expiry date. We make a provision within the financial accounts for these losses so there should be minimal, if any, charge to the income and expenditure account during the financial year as they will be offset by a release of the provisions established and reviewed on an annual basis.
- (c) Stores: damaged stock** – this is where stock unintentionally becomes damaged and needs to be written off. This will be a charge to the income and expenditure account during the financial year.
- (d) Stores: inter-store deliveries** – this issue arises when stock is moved between stores and the volumes/values issued from one store do not reconcile to the volumes/values written on to another store. These usually arise due to manual inputting errors onto Oracle. These will be a charge to the income and expenditure account during the financial year.
- (e) Pharmacy** – these losses relate to wastage incurred as part of the pharmacy production process and will be a charge to the income and expenditure account during the financial year.
- (f) Special Payments** – these are payments that fall outside the normal day-to-day business of the services delivered by NWSSP. The Manual for Accounts expects these to fall into one of four main categories (i) compensation payments made under legal obligation (ii) extra contractual payments to contractors (iii) ex-gratia payments (iv) extra statutory or extra regulatory payments.
- (g) Other** – ad hoc losses that we need to report and bring to the attention of the Audit Committee. These may or may not already have an associated provision which will impact whether there is any charge to the income and expenditure account during the financial year.

Chapter 6 of the Manual for Accounts identifies a £50,000 delegated limit in relation to stock losses. We have applied this limit to the value of any individual stock line per write off occurrence. Where this has occurred, we have completed an Annex 3 losses form and submitted this to Welsh Government for approval.

The table below summarises the value of the losses under different headings for the period 1<sup>st</sup> April 2024 to 31<sup>st</sup> March 2025:

	Q1	Q2	Q3	Q4	Total
(a) Stores - stock cycle count adjustments	5,941	42,950	48,677	-13,201	84,367
(b) Stores - slow moving/obsolescent stock losses	133,903	48,054	240,917	88,340	511,214
(c) Stores - damaged stock	1,381	3,303	1,232	407	6,323
(d) Stores - inter stores deliveries	0	70,926	2,483	3,305	76,714
(e) Pharmacy stock waste	1,849	310	6,498	8,493	17,150
(f) Special payments	0	0	0	30,000	30,000
(g) Other	150	0	0	226,800	226,950
<b>TOTAL</b>	<b>143,224</b>	<b>165,543</b>	<b>299,807</b>	<b>344,144</b>	<b>952,718</b>

For context, the value of stock at 31<sup>st</sup> March 2025 was £23.949m and the value of stock issues from 1<sup>st</sup> April 2024 to 31<sup>st</sup> March 2025 was £57.490m.

In relation to the year-to-date losses reported, it should be noted that:

1. There are circa 1,350 stock lines cycle counted each quarter. The stock lines are sampled automatically and randomly by the stock management system, and the value of adjustments each quarter will differ depending on the lines sampled. In total there were 4 stock lines that required a cycle count adjustment in excess of £5k during the year, with the largest adjustment totalling £7.2k. The finance team have reviewed all the adjustments over £5k and have ensured all the losses have been approved in line with the losses protocol.
2. All the £511,213 of slow moving/obsolescent stock losses were covered by existing provisions so there is no in year charge to the income & expenditure account in 2024/25. £204,152 of this total relates to PPE and pandemic stocks (FFP3 masks and goggles) that were disposed of as planned and where a specific provision was made for this in prior financial years due to stock lines reaching their expiry dates. Of this total, there was one individual stock line with a write off value in excess of £50,000. This related to obsolete FFP3 masks and totalled £175,512.70. As this is over the £50,000 delegated limit an Annex 3 form is included in Appendix 1 for Audit Committee noting. This was submitted to Welsh Government in March 2025 to meet year end deadlines and confirmation of approval was received on 31<sup>st</sup> March 2025. The approval letter is included in Appendix 3.
3. Of the £76,714 losses reported relating to inter stores deliveries, £70,984 relate to prior financial years due to anomalies with inputting stock values and quantities when moving stock between our warehouses during the pandemic. A retrospective correction has

been made for this in 2024/25 which related to 32 instances over a 5-year period and equates to 0.123% of our stock issues during this financial year. Warehouse managers have investigated this issue and identified this to be an issue that arose during the pandemic when exceptionally large volumes of stock were in transit between stores. For added assurance the NWSSP Local Counter Fraud Specialist (LCFS) was asked to review this and concluded there was no requirement for further investigation given the items were not high value or sought after. The system has therefore now been corrected, and control processes have been put in place by stores managers to ensure discrepancies are addressed immediately going forward. This is being supplemented by fraud awareness training sessions.

4. The £30,000 special payments relate to 3 payments agreed under COT3 agreements which are legally binding once terms are submitted to ACAS. Two payments totalling £25,000 were made during 2024/25 and the third one for £5,000 was agreed in March 2025 so accrued in the 2024/25 financial year for payment in April 2025. As required in Chapter 6 of the Manual for Accounts, Welsh Government have noted these payments as approval is not required given the payments are legally binding under COT3 agreements. The two payments that have been made in March totalling £25,000 were reported to the Velindre University NHS Trust Remuneration Committee on 2<sup>nd</sup> April 2025.

5. There are two items noted as 'other':

(i) relates to the loss of £150 Long Service Award vouchers that were lost in the postal system and never received by NWSSP. As these are physical vouchers, the supplier was unable to cancel them. We obtained tracking details and Royal Mail confirmed that the item had been lost in transit. We have amended the postage option when ordering these vouchers going forward to include insurance cover which would reimburse the value of the vouchers to us if this happened again.

(ii) relates to £226,800 impairment of ventilators which were previously donated by Department of Health and Social Care (England) during the pandemic. These ventilators were not requested for use across NHS Wales, and we have received confirmation in 2024/25 that they can no longer be serviced or maintained. They are therefore not suitable for inclusion in

any pandemic equipment stockpile and Welsh Government have agreed to provide funding for a full impairment. As this is over our £50,000 delegated limit an Annex 3 form has been completed and is included in Appendix 2 for Audit Committee noting. As this form notes, we are exploring opportunities to auction these items. This form was submitted to Welsh Government in March 2025 to meet year end deadlines and confirmation of approval and funding was received on 31<sup>st</sup> March 2025. The approval letter is included in Appendix 3.

### **3. OTHER LOSS RELATED MATTERS**

In April 2023, the Audit Committee received a paper reporting a £348,349.56 loss for the Legal & Risk Case Management system as the result of the abandonment of a capital project and there being no economic value in the work the supplier had undertaken. This was reported after it became apparent that the supplier had grossly underestimated the work, time and cost required to complete the project with deliverables not being met and the relationship with the supplier breaking down so that the project could not be completed. The loss was approved and funded by Welsh Government.

We noted at that time that we were pursuing a legal claim against the supplier and would update the Audit Committee once we had negotiated an outcome. Following the submission of our claim and a protracted dispute resolution process, we received an offer from the supplier which we accepted in August 2024. The offer was for reimbursement of an agreed sum in full and final settlement of the case. The reimbursement reduced the total loss on the capital scheme to £72,222.96 which is an improvement on the initial loss anticipated.

We received the reimbursement from the supplier in September 2024. Following the submission of a detailed lessons learned exercise to Welsh Government they approved the reinvestment of the returned funds in the procurement of a new case management system with an alternative supplier. This is progressing well, and the new case management system development was completed in March 2025 and will go live in April 2025.

### **4. ACTION**

The Audit Committee are asked to **NOTE** the contents of this paper.

## APPENDIX 1

### FOR HEALTH BODY USE

Checklist to be used when compiling the summary of the case

<p><b>Category –</b></p> <p>Type of case – Loss – retention of obsolete stocks</p> <p>Reference number – NWSSP/24-25/002</p> <p>Health Body (name and code) – NHS Wales Shared Services Partnership hosted by Velindre University NHS Trust</p>
<p>1. Record the amount involved and the reasons why the loss arose.</p> <p>£175,512.70 FFP3 Stocks identified as obsolete</p>
<p>2. Detail the background of case giving full reason why payment is necessary. Have other alternatives to the payment been investigated? If not, why not? If so, provide details.</p> <p>No payment is necessary – WG funded a provision for this anticipated loss in 2023/24</p>
<p>3. <b>Was fraud involved?</b> If so, complete a fraud report and ensure that the LCFS, the relevant NHS CFS Wales team, Internal and External Auditors, and where relevant the police, are informed of the fraud in accordance with Welsh Government Directions to NHS Wales health bodies on Counter Fraud Measures and using the reporting system as specified by the NHS CFS Wales. Enter dates of completion of fraud report.</p> <p>No</p>
<p>4. <b>Was theft or criminal damage involved?</b> If so, have the police been informed? If not, give the reasons why not? All security related incidents must be reported to the Local Security Management Specialist once trained, accredited and in place in accordance with forthcoming guidance issued by NHS Security Management Service.</p> <p>No</p>

5. **For abandoned works**, were detailed specifications identified before the scheme went ahead? How did the projected work compare to these detailed specifications? At what level, by whom, and why was the scheme approved? Why was the scheme abandoned and by whom? Could the scheme have been aborted earlier? Was the scheme joint financed? If so, was any agreement signed? Was legal advice taken in the drawing up of an agreement? Is the other party prepared to pay half of the costs of the scheme?

N/A

6. **For Bad Debts and Claims Abandoned.** Were invoices raised on a regular basis? Was the debt monitored and chased regularly? Were services withdrawn upon continued non-payment? Enclose report showing when invoices were raised and where relevant paid.

For cases involving businesses – has the business gone into liquidation/receivership? If so, are you listed as a creditor and do you have confirmation of this from the liquidator /receiver? If not, why not? Are any dividends being paid out? Was the financial integrity of the business looked into before goods or services were supplied? If not, why not and have procedures been revised to ensure this is carried out in the future?

N/A

7. **For rental cases only** - did the tenant enter into lease agreements prior to occupation? If not, why not? If the lease was faulty investigate whether action can be taken against legal advisors who drew up the agreement? Provide an analysis of rent and services charges.

N/A

8. **For private patients** cases was an undertaking to pay signed? If not, why not? Was a full estimate of potential costs given and full deposit taken to cover these costs? If not, why not?

For overseas private patient's cases – have the relevant embassies been contacted for payment (if applicable)? For overseas visitors, are robust procedures in place in the NHS Body to identify and charge liable overseas visitors? If not, why not? Was the overseas visitor informed that he/she would be liable to pay for the full cost of treatment? Was treatment, in a clinical opinion, immediately necessary or urgent? If treatment was not urgent, why was it given before obtaining a sizeable deposit?

N/A

9. **Stores (only)** - Are any linen losses calculated at 50% of the replacement value? Is this in accordance with the guidance? Is the total loss more than 5% of the total stock value? Confirm that the loss has been valued at book value less net disposal proceeds.

N/A

10. **For extra contractual payments to contractors.** Have other alternatives to the payment been investigated? If not, why not? If so, provide details. Provide detailed calculations on which the payment is based.

N/A

11. **For ex gratia payments.** Have other options been considered? If not, why not? Explain why an ex-gratia payment offers the best value for money. Confirm that the proposed payment does not place the claimant in a better position than if the error had not occurred? If it does, why? In cases of hardship record what evidence exists on this? Provide detailed calculations to support the proposed payment and demonstrate why the proposed sum is in accordance with the relevant paragraphs of this guidance.

For settlements on termination of employment has relevant central guidance on such payments been followed in all respects? If not, why not?

For clinical negligence and personal injury cases has the relevant central guidance for such cases been followed in all respects? If not, why not?

N/A

12. Is the value of the loss reduced by insurance? If so, record the value of the gross loss and the value of the amount recovered by insurance.

NO

13. Have all reasonable steps been taken to recover the loss? Provide details of the attempts that have been made to recover the loss or explain why no action has been taken. Has appropriate legal advice been sought? If not, why not? If advice has been sought, what recommendations were made and have these been followed? If not, why not?

This stock is obsolete and as such no recovery is possible

14. Identify any failings in the actions of employees, including supervisors. Having considered this, is there a need for disciplinary action? Record what action has been taken or is proposed, or if no action is to be taken, explain why. Include dates, names of individuals and positions.

N/A

15. Was there any apparent breakdown of procedures? Detail weakness or fault in system of control or supervision.

No

16. What proposed improvements have been put forward to correct defects in the existing systems or procedures? Include the timetable for implementation of the improvements. What monitoring measures have been introduced to ensure the improvements are working effectively?

N/A

17. Is it necessary to inform the board/chief executive? If not, why not?

This will be reported through Audit Committee

18. Do your SFIs require a Board report for this case? If so, please enclose the report. If not, consider whether in the light of this case your SFIs should be amended to require a Board report in such cases.

No

19. Having completed the above steps, detail the general lessons that can be drawn from this case. If a system weakness has been identified which has possible implications across the NHS the LCFS or the NHS CFS Wales should report the problem to NHS Protect using either the intranet fraud prevention referral system for fraud or the Area Security Management Specialist for security matters so that measures can be taken nationally to amend policy or systems.

N/A


20. Please give details of name and position of person forwarding this case for Welsh Government approval (if applicable). Give the date when this case was first brought to the attention of the Welsh Government H&SSG FD (if applicable).

Name - Linsay Payne

Position – Deputy Director of Finance & Corporate Services

Date Welsh Government H&SSG FD notified – Provision agreed and Funded by WG for this loss in 2023/24

21. I have considered fully each point on this checklist and my findings are recorded in the attached case summary and/or in the spaces above. I confirm that the details recorded above and on the attached case summary are complete and accurate, and that all aspects of the checklist have been properly considered and actioned.


Signed by - 

22. I confirm that the above details are complete and accurate, and all aspects of the checklist have been properly considered and actioned. I agree that write off of this loss offers the best value for money for this case.

\* Note: Delete as appropriate.

\* This case is not novel, contentious or repercussive. I therefore agree to write off of the loss.

~~\* This case is novel, contentious or repercussive and I therefore request formal approval from the Welsh Government H&SSG FD~~

Signed by - 


Date - 07.03.2025

Countersigned by -




Date – 11.03.2025

**Please note this section must be signed by two senior officers in accordance with the delegated limits set by the board. Please print names and position held in the organisation.**

Name - 

Position held – Managing Director

Countersigned by - 

Position held – Chair, NWSSP

## APPENDIX 2

### FOR HEALTH BODY USE

Checklist to be used when compiling the summary of the case

<p><b>Category –</b></p> <p>Type of case – Loss – retention of obsolete stocks</p> <p>Reference number – NWSSP/24-25/001</p> <p>Health Body (name and code) – NHS Wales Shared Services Partnership hosted by Velindre University NHS Trust</p>
<p>1. Record the amount involved and the reasons why the loss arose.</p> <p>£226,800 – 15 VG70 ventilators originally donated from DHSC to NHS Wales during the pandemic and which were not required or suitable for use in NHS Wales and are unable to be maintained. Therefore they are unsuitable to form part of our pandemic stock pile</p>
<p>2. Detail the background of case giving full reason why payment is necessary. Have other alternatives to the payment been investigated? If not, why not? If so, provide details.</p> <p>No payment is necessary – WG DEL impairment funding will be requested to fund the stock loss</p>
<p>3. <b>Was fraud involved?</b> If so, complete a fraud report and ensure that the LCFS, the relevant NHS CFS Wales team, Internal and External Auditors, and where relevant the police, are informed of the fraud in accordance with Welsh Government Directions to NHS Wales health bodies on Counter Fraud Measures and using the reporting system as specified by the NHS CFS Wales. Enter dates of completion of fraud report.</p> <p>No</p>
<p>4. <b>Was theft or criminal damage involved?</b> If so, have the police been informed? If not, give the reasons why not? All security related incidents must be reported to the Local Security Management Specialist once trained, accredited and in place in accordance with forthcoming guidance issued by NHS Security Management Service.</p> <p>No</p>

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**5. For abandoned works**, were detailed specifications identified before the scheme went ahead? How did the projected work compare to these detailed specifications? At what level, by whom, and why was the scheme approved? Why was the scheme abandoned and by whom? Could the scheme have been aborted earlier? Was the scheme joint financed? If so, was any agreement signed? Was legal advice taken in the drawing up of an agreement? Is the other party prepared to pay half of the costs of the scheme?

N/A

**6. For Bad Debts and Claims Abandoned.** Were invoices raised on a regular basis? Was the debt monitored and chased regularly? Were services withdrawn upon continued non-payment? Enclose report showing when invoices were raised and where relevant paid.

For cases involving businesses – has the business gone into liquidation/receivership? If so, are you listed as a creditor and do you have confirmation of this from the liquidator /receiver? If not, why not? Are any dividends being paid out? Was the financial integrity of the business looked into before goods or services were supplied? If not, why not and have procedures been revised to ensure this is carried out in the future?

N/A

**7. For rental cases only** - did the tenant enter into lease agreements prior to occupation? If not, why not? If the lease was faulty investigate whether action can be taken against legal advisors who drew up the agreement? Provide an analysis of rent and services charges.

N/A

**8. For private patients** cases was an undertaking to pay signed? If not, why not? Was a full estimate of potential costs given and full deposit taken to cover these costs? If not, why not?

For overseas private patient's cases – have the relevant embassies been contacted for payment (if applicable)? For overseas visitors, are robust procedures in place in the NHS Body to identify and charge liable overseas visitors? If not, why not? Was the overseas

visitor informed that he/she would be liable to pay for the full cost of treatment? Was treatment, in a clinical opinion, immediately necessary or urgent? If treatment was not urgent, why was it given before obtaining a sizeable deposit?

N/A

**9. Stores (only)** - Are any linen losses calculated at 50% of the replacement value? Is this in accordance with the guidance? Is the total loss more than 5% of the total stock value? Confirm that the loss has been valued at book value less net disposal proceeds.

N/A

**10. For extra contractual payments to contractors.** Have other alternatives to the payment been investigated? If not, why not? If so, provide details. Provide detailed calculations on which the payment is based.

N/A

**11. For ex gratia payments.** Have other options been considered? If not, why not? Explain why an ex-gratia payment offers the best value for money. Confirm that the proposed payment does not place the claimant in a better position than if the error had not occurred? If it does, why? In cases of hardship record what evidence exists on this? Provide detailed calculations to support the proposed payment and demonstrate why the proposed sum is in accordance with the relevant paragraphs of this guidance.

For settlements on termination of employment has relevant central guidance on such payments been followed in all respects? If not, why not?

For clinical negligence and personal injury cases has the relevant central guidance for such cases been followed in all respects? If not, why not?

N/A


**12.** Is the value of the loss reduced by insurance? If so, record the value of the gross loss and the value of the amount recovered by insurance.

NO

<p>13. Have all reasonable steps been taken to recover the loss? Provide details of the attempts that have been made to recover the loss or explain why no action has been taken. Has appropriate legal advice been sought? If not, why not? If advice has been sought, what recommendations were made and have these been followed? If not, why not?</p> <p>We have discussed this with our decommissioning partner as this is a specialist area and we are unable to pursue this ourselves.</p> <p>We have received confirmation that options to auction the equipment will be explored and if successful any net proceeds after the disposal costs will be returned to NWSSP.</p> <p>It is not anticipated that any net proceeds will be significant when compared to the asset value and any proceeds received by NWSSP will be returned to WG once any sale/auction has been finalised.</p>
<p>14. Identify any failings in the actions of employees, including supervisors. Having considered this, is there a need for disciplinary action? Record what action has been taken or is proposed, or if no action is to be taken, explain why. Include dates, names of individuals and positions.</p> <p>N/A</p>
<p>15. Was there any apparent breakdown of procedures? Detail weakness or fault in system of control or supervision.</p> <p>No</p>

<p>16. What proposed improvements have been put forward to correct defects in the existing systems or procedures? Include the timetable for implementation of the improvements. What monitoring measures have been introduced to ensure the improvements are working effectively?</p> <p>N/A</p>
<p>17. Is it necessary to inform the board/chief executive? If not, why not?</p> <p>No – no financial loss to Organisation as donation of assets during Covid</p>
<p>18. Do your SFIs require a Board report for this case? If so, please enclose the report. If not, consider whether in the light of this case your SFIs should be amended to require a Board report in such cases.</p> <p>No</p>
<p>19. Having completed the above steps, detail the general lessons that can be drawn from this case. If a system weakness has been identified which has possible implications across the NHS the LCFS or the NHS CFS Wales should report the problem to NHS Protect using either the intranet fraud prevention referral system for fraud or the Area Security Management Specialist for security matters so that measures can be taken nationally to amend policy or systems.</p> <p>N/A</p>
<p>20. Please give details of name and position of person forwarding this case for Welsh Government approval (if applicable). Give the date when this case was first brought to the attention of the Welsh Government H&amp;SSG FD (if applicable).</p> <p>Name - Linsay Payne</p> <p>Position – Deputy Director of Finance &amp; Corporate Services</p> <p>Date Welsh Government H&amp;SSG FD notified – WG aware of risk of non-issue of donated assets since they co-ordinated the donation with DHSC in 2020/21</p>

21. I have considered fully each point on this checklist and my findings are recorded in the attached case summary and/or in the spaces above. I confirm that the details recorded above and on the attached case summary are complete and accurate, and that all aspects of the checklist have been properly considered and actioned.

Signed by - 

22. I confirm that the above details are complete and accurate, and all aspects of the checklist have been properly considered and actioned. I agree that write off of this loss offers the best value for money for this case.

\* Note: Delete as appropriate.

\* ~~This case is not novel, contentious or repercussive. I therefore agree to write off of the loss.~~


\* This case is novel, contentious or repercussive and I therefore request formal approval from the Welsh Government H&SSG FD

Signed by -  Date - 07.03.2025

Countersigned by -  Date - 11.3.2025

**Please note this section must be signed by two senior officers in accordance with the delegated limits set by the board. Please print names and position held in the organisation.**

Name -  Position held – Managing Director

Countersigned by -  Position held – Chair, NWSSP

## APPENDIX 3

Yr Adran Iechyd a Gwasanaethau Cymdeithasol  
Department for Health and Social Services



Llywodraeth Cymru  
Welsh Government

Lindsay Payne  
Deputy Director of Finance  
NHS Wales Shared Services Partnership

Eich cyf • Your ref:

Ein cyf • Our ref:

31.03.2025

Dear Lindsay,

**Losses & Special Payments – 2024-25 Annual Accounts WG consent to Write-off -Donated Ventilators £226,800 & FFP3 masks £175,513**

Thank you for your correspondence of 12 March seeking approval to write off the losses incurred by NWSSP in respect of the donated ventilators and the FFP3 masks.

I am satisfied that in both cases the items are obsolete and note that i) DEL impairment funding has been agreed for the ventilators and ii) a provision set up for the FFP3 Masks in the 2023-24 Velindre Annual Accounts.

In this instance I am content to approve the respective write-offs of £226,800 for the Ventilators and £175,513 for the FFP3 masks in the 2024-25 Velindre NHS Trust Annual Accounts.

If NWSSP receive any disposal proceeds following their sale, could you inform John Evans, [john.evans@gov.wales](mailto:john.evans@gov.wales) the amount received.

Yours sincerely,



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Matt Denham-Jones  
Dirprwy Gyfarwyddwr Cyllid | Deputy Director of Finance

cc

Hywel Jones Director of Finance, Welsh Government,  
Matthew Bunce Director of Finance Velindre UNHST  
Alison Ramsey NWSSP  
John Evans WG





<b>MEETING</b>	Velindre University NHS Trust Audit Committee for NHS Wales Shared Services Partnership
<b>DATE</b>	15 April 2025
<b>PREPARED BY</b>	Carly Wilce, Corporate Services
<b>PRESENTED BY</b>	James Quance, Assistant Director of Corporate Services
<b>RESPONSIBLE HEAD OF SERVICE</b>	Alison Ramsey, Director of Finance and Corporate Services
<b>TITLE OF REPORT</b>	Update on the Implementation of Audit Recommendations
<b>PURPOSE</b>	This report provides an update to the Audit Committee on the progress of audit recommendations within NWSSP.

## 1. INTRODUCTION

NWSSP records audit recommendations raised by Internal Audit, Audit Wales, and other external bodies, as appropriate. It is essential that stakeholder confidence is upheld and maintained; an important way in which to enhance assurance and confidence is to monitor and implement audit recommendations in an effective and efficient way.

## 2. CURRENT POSITION

The detailed recommendations raised in respect of our services have been captured in a database. A copy of the summary extract is attached at **Appendix A**, for information.

There are **36** reports covered in this review; **8** reports have achieved **Substantial** assurance; **22** reports have achieved **Reasonable** assurance, **2** reports achieved **Limited**, no reports were awarded with **No Assurance**; and **4** reports were generated with **Assurance Not Applicable**. The reports include **107** recommendations for action.

**Table 1 - Summary of Audit Recommendations**

**As at 3 April 2025**

Recommendations		Implemented	Not Yet Due	Overdue	Overdue, but dependent on third party organisations
<b>Internal Audit</b>	<b>99</b>	<b>90</b>	<b>6</b>	<b>0</b>	<b>3</b>
<i>High</i>	9	8	0	0	1
<i>Medium</i>	66	58	6	0	2
<i>Low</i>	17	17	0	0	0
<i>Not Applicable</i>	7	7	0	0	0
<b>External Audit</b>	<b>5</b>	<b>4</b>	<b>1</b>	<b>0</b>	<b>0</b>
<i>High</i>	0	0	0	0	0
<i>Medium</i>	5	4	1	0	0
<i>Low</i>	0	0	0	0	0
<i>Not Applicable</i>	3	3	0	0	0
<b>Other Audit</b>	<b>3</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>
<i>High</i>	0	0	0	0	0
<i>Medium</i>	0	0	0	0	0
<i>Low</i>	3	3	0	0	0
<i>Not Applicable</i>	0	0	0	0	0
<b>TOTALS:</b>	<b>107</b>	<b>97</b>	<b>7</b>	<b>0</b>	<b>3</b>

### 3. Overdue Recommendations

There are **three** recommendations to report in this category, however the actions cannot be fully implemented by NWSSP alone, as they require involvement from a third party, as described below. Full details of the recommendations are set out in Appendix A, for the attention of the Audit Committee.

### 4. Dependant on Third Party Organisations

For recommendations where NWSSP are reliant on a third-party organisation to action the work needed in order for NWSSP to fully implement, these should be escalated to the relevant contact and marked 'dependent on third party organisations' with the action taken clearly stated in the progress box. These also need to be followed up with the relevant third party and closed out on the tracker once implemented.

There are **three** recommendations for NWSSP in this category. The latest position, reason for delay and proposed revised timescales are set out below:

**Reference #1** – The action was to establish a Service Level Agreement (SLA) for Student Awards, initially set for implementation by 31 March 2025. Currently the SLA to support Student Awards has been drafted and shared with Health Education and Improvement Wales (HEIW) for final comments and agreement. Additionally, HEIW have received the latest Internal Audit report on Student Awards (June 2024). Although, it is frustrating that the SLA has not been finalised by 31 March

NWSSP Audit Committee  
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2025 as planned, management do not consider this a significant risk, and the recommendation is expected to be closed by 30 April 2025.

**Reference #2** – The recommendation was for NWSSP’s Chief Digital Officer to obtain documentary confirmation from Digital Health Care Wales (DHCW) regarding quality metrics for services listed in the Service Level Agreement (SLA) schedule and to amend the quarterly performance report, to include these additional metrics. On 6 March 2025, the Chief Digital officer met with DHCW to progress this matter. DHCW agreed to implement the recommendation, and a session has been scheduled by DHCW on 10 April 2025 to develop recommended suite of metrics. However, further exploration is needed to determine the feasibility of utilising ServicePoint for capturing these metrics and due to due to the timing of these meetings and the requirement for a change control notice with a 3 month notice period, an extension to the deadline to **30 June 2025**, is requested.

**Reference #3** – The recommendation was for NWSSP’s Chief Digital Officer to obtain an updated service schedule from DHCW to align with the annual payment schedule and to define appropriate KPIs for relevant services. However, this recommendation depends on the previously mentioned action and will be addressed in the meeting on 10 April 2025. Management are requesting an extension of the deadline to **30 June 2025**.

## 5. RECOMMENDATIONS

The Audit Committee is asked to:

- **NOTE** the report findings and progress made to date regarding implementation of audit recommendations; and
- **APPROVE** the proposed revised deadlines, as follows:
  - # 2 Digital Service Management - Extension from **31/03/2025** - **30/06/2025**
  - # 3 Digital Service Management - Extension from **31/03/2025** - **30/06/2025**

Internal Audit Report Ref	Rec No	Report Title	Status	Issue Identified	Risk Rating	Recommendation	Responsibility for Action	Management Response	Original Deadline	Updated Deadline	Update On Progress Made	
NWSSP-2324-10	1	Employment Services	Sudent Awards Services	OVERDUE BUT DEPENDENT ON A THIRD PARTY ORGANISATION TO FULLY IMPLEMENT	Medium	There is no service level agreement in place between NWSSP SAS and HEIW setting out the roles and responsibilities of each party.	Roles and responsibilities and scope/limitations of service should be documented and agreed with HEIW via a service level agreement.	Stephen Withers, Asst Director of Employment Services	There has never been an SLA in place since it transferred into the Finance Department in NWSSP in 2012 some 12 years ago, we will work with HEIW to put in place an SLA, this will require engagement with HEIW, and potentially Welsh Government colleagues.	31/12/2024	31/03/2025	SLA has been drafted and is awaiting final approval.
NWSSP-2425-10	2	Planning Performance& Informatics	Digital Service Management	OVERDUE BUT DEPENDENT ON A THIRD PARTY ORGANISATION TO FULLY IMPLEMENT	High	Neither the charging letter nor the SLA template set out metrics for the quality and value of the services. The SLA template links to a draft service management document, however this is inaccessible. From reviewing DHCW service management processes we note that metrics are available for delivery of services such as call handling and incident response, however there are no metrics defined to assess the quality and value of the services provided. We note that for desktop services these metrics may be appropriate. As such although the document is termed and SLA it is more akin to an OLA.	Expected evidence: percentage of problems fixed at first contact schedule of quality based KPIs; and Quarterly performance report updated to include quality indicators	Chief Digital Officer	Chief Digital Officer to seek documentary confirmation from DHCW of quality metrics for services on the SLA schedule and amendment of the quarterly performance report to reflect the additional metrics.	31/03/2025	30/06/2025	Meeting has been arranged for 10/04/2025.
NWSSP-2425-10	3	Planning Performance& Informatics	Digital Service Management	OVERDUE BUT DEPENDENT ON A THIRD PARTY ORGANISATION TO FULLY IMPLEMENT	Medium	The Service Level Agreement monitoring process does not cover all services provided by DHCW.	To update service schedule with Key Performance Indicators	Chief Digital Officer	Chief Digital Officer to seek refreshed service schedule from DHCW to align with the annual payment schedule and appropriate KPIs to be defined for relevant services.	31/03/2025	30/06/2025	Dependent on above
SSP SSU 2425- 14	4	Specialist Estates Services		NYD	Medium	Quality management processes were defined within the Project Initiation Document at the outset and included a lesson learned review to be undertaken three months after the framework commences operation. Whilst not requiring retrospective actions or material to the current opinion, the following issues should be considered as part of any lessons learned exercise or as stand-alone items (these may have potentially impacted on time, cost and quality of the programme delivery): 1. An appraisal of the third-party engagement including Health Boards (resource commitment noting the ITT process was undertaken during quarter 4 of 2023/24), Legal, Procurement and industry advisers to analyse effectiveness. 2. The standardisation of evaluators' returns. An ITT evaluator pack issued (December 2023) that outlined the ITT team structures/procedures and evaluation pack reference guide. We noted the guidance was detailed, however, there were varying degrees of detail from within the evaluators' submissions. Standardisation would avoid any potential perceived variance in quality of scoring. 3. A cost benefit analysis of not utilising the Award' commerce decision tool (applied at the previous iteration of the framework) should be undertaken. This tool should be considered in terms of the additional internal resource requirement versus potential budgetary saving. We note that the use of the 'Award' tool was raised in our previous report (January 2024) with management taking action to increase the level of control during the ITT stage. 4. An increased audit trail that documents the results of agreed consensual scoring following the panel meetings e.g. signing the document in meeting or via email to confirm an accurate record.	A full lesson learned exercise should be undertaken that was set out in the quality management section of the Project Initiation Document; with the results formally documented and reported to an appropriate forum.	Head of Building for Wales	Agreed. A Post Project Evaluation exercise will be undertaken, and a formal report submitted to Strategic Framework Board.	31 May 2025 (to align with the available Strategic Framework Board meetings)		AW is currently producing a Lessons Learnt Report under action 3.1 which will be tabled at the quarterly Strategic Framework Board meeting on 21st May.
AW/2023-24/2	5	Primary Care Services	NHAIS	NYD	Medium	We were made aware during our fieldwork of the plans to move the Prescription Pricing System (PPS) server infrastructure from the Cardiff Companies House data centre to the NHS Digital Health Care Wales (DHCW) Church Village data centre. The move of the server infrastructure was planned for late Summer 2024. It is good practice to update IT Disaster Recovery (DR) planning arrangements after a major change to the IT system, technology and infrastructure used. Plans should be tested to ensure they work as intended should they be needed in the event of a major IT continuity incident.	Review and update the Prescription Pricing System IT Disaster Recovery plans to reflect the move to the NHS Church Village data centre. Test the system recovery to provide assurance IT systems and data can be recovered on a timely basis.	Ceri Evans - Head of Primary Care Services	Work in progress. Relocation of the hosting infrastructure to the national data centre will be complete by February 2025. The DR plan will be refreshed in line with this timescale. A DR plan test will be completed by June 2025.	30/06/2025		Corporate Digital/IT team are planning on completing the DR testing in June 25. This remains on track.
NWSSP-2425-01	6	Finance & Corporate	Accounts Payable	NYD	Medium	Sample testing of 60 additions/amendments to supplier bank details identified: • four instances where addition/amendment to bank details had not been escalated to Finance for review and approval; and • for two of these four instances, the bank account details had not been validated via CreditSafe. The SMT advised that these checks are not undertaken where the payee is an individual (e.g. reimbursement of volunteer expenses), but the rationale for this is not clear and it is not reflected in procedure.	Additions / amendments to supplier bank details recorded on the finance spreadsheet as confirmation of review reviewed by Finance. Updated NWSSP Bank Account Procedure (where appropriate).	Russell Ward, Head of Accounts Payable & Enablement	In line with existing procedure, the SMT Leader will ensure that all amendments to bank accounts, and instances where CreditSafe returns an unsatisfactory result, are escalated to Finance for review and approval. Determine and agree on the basis of risk, whether CreditSafe checks (or equivalent) are required for all additions/amendments to bank accounts. Any agreed exceptions will be reflected in procedure.	30/04/2025		Review meeting with the Deputy Director of Finance and Corporate Services and Supplier Maintenance managers has been scheduled for the 14th April 2025. On track to complete by the 30th April 2025.
NWSSP-2425-01	7	Finance & Corporate	Accounts Payable	NYD	Medium	Sample testing of 110 non-PO invoices identified 15 invoices/payments that were not covered by the No PO No Pay exceptions list but had not been placed on hold to obtain a valid PO number. These were therefore paid on the basis of manual authorisation, despite a PO being required. We note that 12 of the 15 exceptions identified were prior to the refresh of the No PO No Pay Policy implemented in September 2024.	Non-compliant non-PO invoices placed on No PO No Pay hold. Minutes of the all-Wales P2P Governance Group demonstrating discussion of the policy effectiveness.	Russell Ward, Head of Accounts Payable & Enablement	Any invoice not clearly meeting the exceptions criteria will be placed on No PO No Pay hold in line with policy. Where a health body instructs payment to be made on the basis of manual authorisation, AP will require approval from the relevant Deputy/Director of Finance or CEO and this evidence will be retained with the invoice. The No PO No Pay Policy will be discussed at the all-Wales P2P Governance Group with a view to deciding whether the policy is effective, delivering intended benefits and therefore fit for purpose.	31/10/2025	31/08/2025	Objective brought forward from the 31st October to the 31st August

NWSSP-2425-01	8	Finance & Corporate	Accounts Payable	<b>NYD</b>	For four invoices sampled the approver was not identified on the respective authorised signatory listing. In two cases AP confirmed that the health body has now added the approvers to the respective signatory list. We identified a further five instances where the invoice value exceeded the approvers financial limit. Oracle now has invoice approval workflow functionality which would enable non-PO invoices to be subject to the same authorisation system controls as PO invoices, in line with the organisations Oracle hierarchy. Velindre University NHS Trust are piloting the rollout of this functionality from May 2025.	<b>Medium</b>	Action plan for implementation of invoice approval workflow. Implementation of actions identified.	Russell Ward, Head of Accounts Payable & Enablement	An action plan and timeframe for progressing implementation of invoice approval workflow throughout the health bodies will be developed and implemented, to remove reliance on AP staff to verify approvers to authorised signatory lists. We will be dependent upon health body agreement to implement this for their Organisations	31/10/2025			
NWSSP-2425-01	9	Finance & Corporate	Accounts Payable	<b>NYD</b>	There is lack of clarity regarding the approval requirements for the processing of dataloads, where the checking and approval of invoices is undertaken within the health body.	<b>Medium</b>	Log of dataload sources and agreed approval arrangements.	Russell Ward, Head of Accounts Payable & Enablement	Approval requirements for dataloads will be determined and agreed with health bodies. A log of dataload sources and the agreed approval arrangements will be maintained.	30/04/2025			Review meeting scheduled for 7th April. On track to complete by the 30th April
NWSSP-2425-10	10	Planning Performance & Informatics	Digital Service Management	<b>NYD</b>	There has been no delegation for monitoring the performance of services provided by DHCW.	<b>Medium</b>	To produce a process map, example disseminated documentation and example feedback	Chief Digital Officer	Chief Digital Officer to create process for dissemination of performance monitoring to appropriate service leads and capturing feedback. Note: achievement of this management action depends upon the outcomes of the actions on key findings 1 and 2.	05/01/2026			Dependent on above

<b>MEETING</b>	Velindre NHS Trust Audit Committee for NHS Wales Shared Services Partnership
<b>DATE</b>	15 April 2025
<b>REPORT AUTHOR</b>	Lindsay Payne, Deputy Director of Finance and Corporate Services
<b>RESPONSIBLE HEAD OF SERVICE</b>	Alison Ramsey, Director of Finance and Corporate Services
<b>PRESENTED BY</b>	Lindsay Payne, Deputy Director of Finance and Corporate Services

**TITLE OF REPORT**

NWSSP Financial Control Procedure - Capital Monitoring

**PURPOSE OF REPORT**

The Financial Control Procedure is designed to ensure NWSSP has strong mechanisms to monitor and report on the timing and level of expenditure on Capital Programmes and Projects. It also outlines the responsibilities of officers regarding the proper use of funds. Given the large-scale capital programme Transforming Access to Medicines (TrAMS), currently underway at NWSSP, the finance team has developed this procedure to mirror the arrangements of the Velindre University NHS Trust Capital Management Procedure, with modifications to meet business needs and the Scheme of Delegation.

The NWSSP Director of Finance and Corporate Services will oversee the accounting arrangements for the Capital Programme. Progress on Capital projects will be tracked through established governance structures as detailed in the relevant Terms of Reference, which align with the authorised limits set out in the existing Standing Financial Instructions.

The Audit Committee is asked to **NOTE** and **APPROVE** the Financial Control Procedure for Capital monitoring.

# NHS Wales Shared Services Partnership Financial Control Procedure Capital Monitoring

Document Control	
Initiated By	Director of Finance & Corporate Services
Document Title	Financial Control Procedure Capital Monitoring
Version	0.8
Status	Draft
Reference	CMP/0.8/2025
Author	Paul Beckett, Ian Rose, James Quance
Impact Assessment Status	Full impact assessed
Freedom of Information Status	Open
Date Approved	
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Document History Change Control Log			
Version	Date	Author/s	Comments
0.1		PB	Review of original document
0.2		PB	Review of SFIs
0.3		PB	Review of roles
0.4		PB / IR / JQ	Review of version 0.3
0.5	21/2/25	IR / PB / JQ	Review of version 0.4
0.6	26/2/25	IR / PB	Review of version 0.5
0.7	4/3/2025	PB/LP/AR	Review of version 0.6
0.8	6/3/2025	PB/CS	Review of version 0.7

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DRAFT

## 1. Introduction

- 1.0 This procedure aims to ensure that NWSSP has robust controls to monitor and report on the timing and level of expenditure on Capital Programmes and Projects by setting out the responsibilities of officers in relation to the appropriate use of funds.
- 1.1 The Velindre University NHS Trust Capital Management Procedure (FCP01 19 Dec 2023) has been reviewed whilst recognising that procedure specifically states that it does not apply to NWSSP. This procedure aims to mirror similar arrangements, amended to reflect the business needs and Scheme of Delegation of NWSSP.
- 1.2 NWSSP Director of Finance and Corporate Services shall establish the capital resources available to the capital programme in any given year and provide guidance as to the level of commitment that should be made against that funding. The NWSSP Integrated Medium Term Plan (IMTP) will act as the reference point for planned capital expenditure requirements at the start of the operational year.
- 1.3 The NWSSP Director of Finance and Corporate Services shall be responsible for all accounting arrangements for the capital programme. Compliance is required with International Financial Reporting Standards and the Capital Chapter 7 in the Manual of Accounts on the identification of, and accounting for, capital expenditure.
- 1.4 Progress against the capital programme/project shall be monitored through the governance arrangements set out in appropriate programme/ projects terms of reference which align to authorisation limits within existing Standing Financial Instructions.
- 1.5 This procedure applies to all Capital programmes and projects with individual works schemes for the initial provision, extension, improvement of, adaptation (including upgrading), renewal, replacement or demolition of buildings, building elements, (e.g. roofs), external works, engineering services or plant.

## 2. Business Case Approval

- 2.0 The Programme / Project Director will be accountable for the development of the appropriate business cases for the programme and/or project/s.
- 2.1 The Business cases will be approved in accordance with the Scheme of Delegation and the requirements of the Standing Financial Instructions (SFIs);
  - Project Board

- and/or
- Programme Board
- Shared Services Partnership Committee
- Welsh Government

- 2.2 Capital Funding will be allocated to the Programme or Project subject to approval by Welsh Government, or by the Director of Finance and Corporate Services and/or Managing Director regarding NWSSP discretionary allocations.
- 2.3 Business Cases will adopt recognised business case processes in line with good practice such as the five case model.

### 3. Procurement & Contract awards

- 3.0 The award of contracts will be subject to the NWSSP procurement processes and subject to approval of ratification papers where relevant and in line with published procurement process and legislative requirements.
- 3.1 All contracts will be recorded in a Programme/Project Contracts Register.

### 4. Capital Purchase Orders

- 4.0 Advice should be sought as to how equipment and services can be procured i.e. National Framework, Quotation/Tender or OJEU, the Procurement Regulations 2024, National Frameworks, Local Tender and Quotations.
- 4.1 The Project manager shall arrange for the purchases to be made in accordance with the procurement rules contained within the Standing Financial Instructions and within the delegated limits in the Standing Orders.
- 4.2 Purchase orders will be approved according to the NWSSP delegated authority limits in Appendix 1.

## 5. Capital Prioritisation Group

The purpose of this group is to ensure NHS Wales Shared Services has an appropriate approach, support and governance arrangements in place around capital expenditure.

This group will determine how capital is planned, prioritised and managed year on year within the organisation's structures and monitored on a periodic basis. It is anticipated the NWSSP IMTP will serve as the key reference point for planned capital requirements during the year, but there will inevitably be expenditure for consideration and opportunities to access additional funding that arise during the year.

## 6. Roles and responsibilities

6.0 Successful delivery of Capital Programmes and/or Projects will be achieved if named individuals have clear roles and responsibilities. These have all been set out in Appendix 2.

6.1 Where relevant, reports will be presented to the Project and Programme Boards covering:

- Progress against programme and/or project timelines.
- Financial spend versus allocated funding (include change control) and significant cash flow variance.
- Key risks where the programme and/or project risks with a residual score of 15 and above or risks deemed uncontrolled in accordance with the NWSSP Risk Escalation protocols.
- Key Issues where the programme and/or project issues with an impact assessment of significant is determined.

## 7. Change process

In the event that there is a change or correction to the Programme/Project scope a formal change control process will be followed for increases or decreases to the value of contracts as outlined in Appendix 1a and NWSSP PMO Change and Exception control processes and recorded as requests for change.

Change control notices on any one scheme will comply with the NWSSP Scheme of Delegation on an aggregate basis.

## 8. Capital monitoring & reporting

The Programme and/or Project Finance Lead is responsible for maintaining a record of all committed expenditure on the programme and/or Project and reporting to the relevant programme and project boards.

The discretionary Capital Programme is monitored throughout the financial year as an ongoing process, by the Capital Prioritisation Group, chaired by

the Director of Finance and Corporate Services. The approved Discretionary Capital Programme will form the basis of the capital monitoring process.

Commitment and spend against the approved Discretionary Capital Programme is reported to the Capital Prioritisation Group on a quarterly basis and more frequently at the end of the financial year.

The Capital Prioritisation Group also monitors the All-Wales Capital Programme through the financial year as an ongoing process.

The NWSSP Finance team shall analyse all capital expenditure processed through the ledger and ensure that all expenditure is allocated to the correct cost centre.

The NWSSP Finance team shall monitor capital expenditure throughout the year and produce a monthly capital expenditure statement as part of the Finance Report that is presented to the NWSSP Senior Leadership Group. A capital expenditure statement will also form part of the Finance Report that is presented to the Shared Services Partnership Committee that meets bi-monthly.

The NWSSP Finance team will update forecasts throughout the year to identify at the earliest opportunity underspends, overspends and slippages to subsequent years, to enable effective reallocation of funding to maximise use of resources whilst complying with the Capital Expenditure Limit. Reporting should include orders placed along with expenditure to date to provide an accurate position on planned spend.

Additionally, NWSSP Finance team meets regularly throughout the year with Welsh Government to monitor expenditure against agreed discretionary and All Wales Capital allocations

## 9. Lessons Learned

Within 6 months of programme/project completion a meeting with all NHS parties involved in the Design, Construction, Commissioning and Operation of the scheme will be held to identify any issues that could be used to benefit future schemes.

## 10. Project Bank accounts

Project Bank Accounts (PBAs) are 'ring fenced bank accounts' with trust status that are designed to ensure secure and prompt payment for sub-contractors. PBAs reduce cash flow risk and are therefore most beneficial where contracts or projects rely on sub-contractors.

The WG guidance (WPPN 04/21) states that appropriate projects for PBAs are those:

- Over 6 months duration and
- Valued at £2m or more net\* and

- rely on sub-contractors \*\*

\* the £2m threshold should be the net value excluding VAT, and preliminary/design costs/overheads that do not affect the supply chain.

\*\* exceptions can be made re the use of PBAs when the contractor gives a firm undertaking that they will self- deliver 75% or more of the project value.

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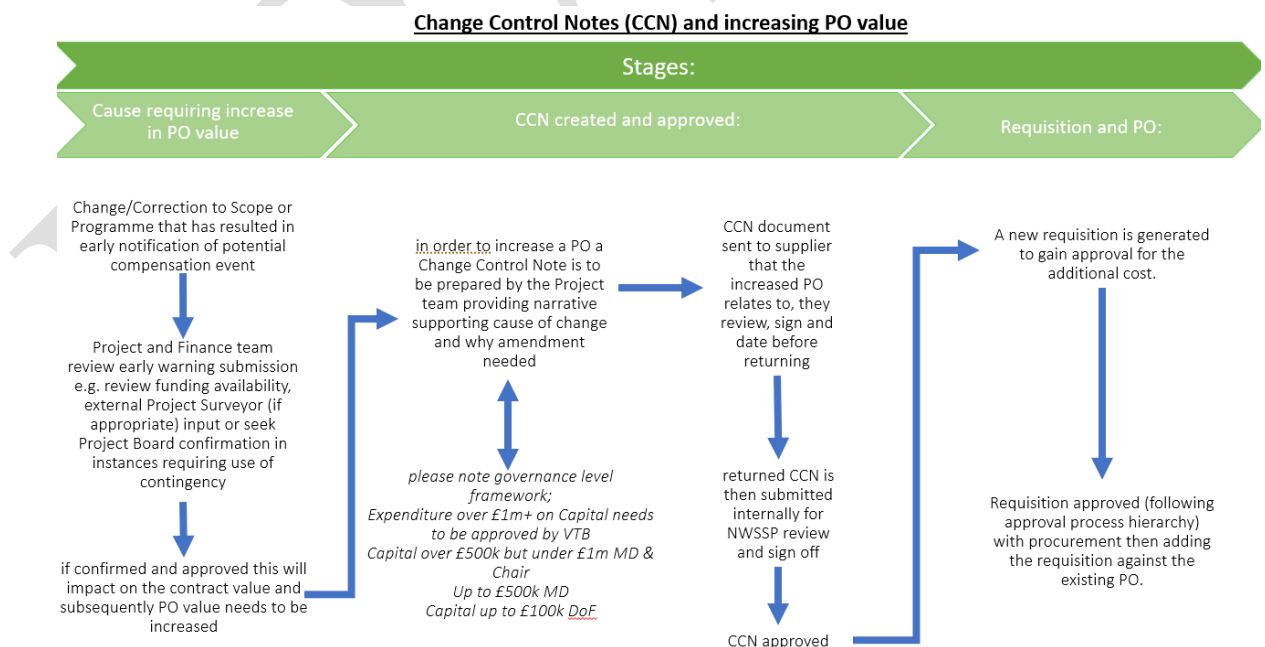
## 11. APPENDIX 1 Delegated Authority for the approval of capital orders

Limits current as of January 2025

Role	Capital Authorisation limit (exc. vat)
Velindre Trust Board	£1m+
NWSSP Chair & MD	£1m
NWSSP MD	£500k
NWSSP Director of Finance	£100k
NWSSP Deputy Director of Finance	£25k
NWSSP Service Director	£10k
NWSSP Deputy Service Director	£5k

Link to the Standing Orders for the operation of NHS Wales Shared Services Partnership Committee. The scheme of Budgetary Delegation is on Page 73 – [S0s](#)

### APPENDIX 1a Change Control Process



## 12. APPENDIX 2 Capital Management – Key Roles and Responsibilities

### **The Managing Director**

- has overall responsibility for delivery of NWSSP's Capital Programme.
- may act as Project Owner and has overall responsibility for the management of capital schemes at all stages of the process, from inception to post project evaluation and for ensuring the recording of assets once acquired
- must ensure that the Project Manager appointed to manage an approved capital scheme receives notification of delegated authority to commit expenditure, to proceed to tender or to accept a successful tender as required.
- must ensure that a business case is produced in line with Welsh Ministers' guidance and where appropriate the 5-case Model.
- must ensure that the Director of Finance & Corporate Services has certified professionally to the costs and revenue consequences detailed in the business case and involved appropriate NWSSP personnel and external agencies in the process.
- is responsible for the maintenance of registers of assets, taking account of the advice of the Director of Finance & Corporate Services, concerning the form of any register and the method of updating, and arranging for a physical check of assets against the asset register to be conducted periodically.
- may delegate capital investment management in accordance with Welsh Government guidance and NWSSP's Standing Orders.
- shall have the delegated authority to approve capital investment up to a value of £500k.

### **Director of Finance & Corporate Services**

- is responsible for establishing management control and financial reporting systems ensuring that the programme delivers within the funding envelope.
- Ensures that the decision to invest capital funding is in accordance with NWSSP's overall strategic aims.
- Ensures that there is an adequate appraisal and approval process in place for determining capital expenditure priorities and the effect of each proposal upon business plans.
- must provide a professional opinion on the financial elements of the business case. Capital investment decisions will be taken by the organisation in line with the financial thresholds specified by Welsh Government and in NWSSP's Scheme of Delegation.
- Support the development of a rolling capital programme for inclusion in NWSSP's Integrated Medium-Term Plan (IMTP).
- Lead liaison with the Welsh Government with reference to capital funding.
- Lead and chair as required Programme and/or Project Teams delivering major projects
- Report as required to NWSSP Senior Leadership Group and Shared Services Partnership Committee on capital project progress and issues

- Ensure that the capital investment is not undertaken without confirmation of the availability of resources to finance all relevant consequences, including capital charges.
- Sign off the quality/cost split for any OJEU procurements.
- shall issue procedures for the regular reporting of expenditure and commitment against authorised expenditure.
- shall ensure, for each capital project over £2m, that the Welsh Government Project Bank Accounts policy is applied unless there are compelling reasons not to do so. The Director of Finance & Corporate Services should apply to Welsh Government officials for exemption from use of Project Bank Accounts, setting out the compelling reasons.
- apply accounting policies for fixed assets in line with Welsh Government guidance, accounting standards and the capital section for the Manual for Accounts.
- shall approve procedures for reconciling balances on fixed assets accounts in general ledgers against balances on fixed asset registers.
- shall issue detailed procedures governing the project, financial and contractual management, including variations to contract, of capital investment projects and valuation for accounting purposes.

These procedures shall fully consider the requirements and delegated limits for capital schemes set out in Welsh Ministers' guidance and approval letters.

The procedures will also cover post project benefits realisation to ensure benefits set out in the business case supporting the investment are planned and realised in line with NWSSP Benefits management lifecycle framework.

### **Senior Responsible Officer (SRO)/Project Executive**

- This can be an NWSSP Director, Deputy/Assistant Director or applicable senior leadership nominated person who will define the project objectives and will be responsible for ensuring that they are met to the agreed time, cost and quality constraints.
- Appointments will be agreed on a scheme-by-scheme basis and will reflect the complexity of the scheme and the division or service group arrangement.
- The SRO will provide a broad specification of what the project should deliver and ensure that any change in circumstances affecting the project is evaluated and appropriate action taken

### **Programme / Project Director**

- Lead and direct (on behalf of the Programme or Project Owner) the respective Board and Team(s) towards the successful delivery of the initiatives objectives as agreed with the initiative Owner (Managing Director)
- Be responsible for the management of all stages of capital schemes and for ensuring that schemes are delivered on time and to cost.

The Programme/Project Director shall ensure that:

- A Programme Manager and/or Project Manager is appointed.
- A clearly established structure including applicable governance boards and a Project Team, which includes as required appropriate skills and expertise, representatives of all interested departments and stakeholders
- The Project Team has been given responsibility for the programme and/or project and appropriate training is available.
- The appointment of programme and/or project officers is recorded.
- There is a clear scheme of delegation that supports each individual's levels of responsibility which align to authorisation limits within existing Standing Financial Instructions.

The Programme/ Project Director shall also ensure that the Programme Manager and/or Project Manager has a clear brief including:

- Terms of reference and duties including contractual objectives/business needs.
- Capital expenditure limit requirements and delegated authority.
- Resources available.
- Responsibilities for Health and Safety
- Relationships with (Internal) specialist support, (External) Project Manager and the Supply Chain Partner (SCP) change management responsibilities.
- Training needs and resources.
- Appropriate techniques and components from relevant programme and project management qualifications, including Managing successful programmes (MSP), PRINCE2, may be used as required to help with the delivery of the programme and project.
- Ensuring the responsibility and ownership of the project is retained by NWSSP and not delegated to external contractors.

The Programme / Project Director shall also ensure that the Programme and /or Project Team has:

- Clear responsibilities and methods of working.
- A timetable for key events; co-ordinated plans; guidance notes; monitoring information.
- Programme and Project documentation and records.
- Lines of communication are clearly specified.
- One person to direct the activities of consultants, advisers, contractors and third parties.
- External management team members providing professional services who are appointed on a competitive basis.
- Reports on a regular basis using financial and non-financial monitoring.

Appropriate Programme and/or project files and documentation are kept, and these should include but not limited to:

- Appropriate Business case documentation.

- All correspondence including approvals.
- Programme and/or Project approach and procurement strategy output specifications.
- Programme and/or Project plans, quality plans, risk and issue logs.
- Stakeholder and Communications plans.
- Benefits realisation plans
- Resource plans.
- Quality and Assurance plans
- Financial Controls and processes.
- Records of all meetings and decisions taken including decision log
- File notes of conversations where actions are agreed, decisions taken, and authorisations given recorded in decision log.
- Details of the appointment of the Programme and/or Project Team and Job Descriptions.
- Details of the appointment of any external experts or advisers.
- Records of all reports made, and approvals received.
- Change controls and exception management processes.
- Details of the appointment of the Supply Chain Partner contract documentation.
- Scheme development and design.

## **Project Manager**

The Project Manager for each capital project will:

- Lead and direct (on behalf of the Programme and/or Project Director and Project Owner) the Project Team(s) towards the delivery of the project objectives as determined by the SRO, Project Executive, respective governance Boards, Managing Director and Trust Board.
- Ensure that appropriate and adequate communication mechanisms exist between the Programme /Project Director and Project Owner, Project Manager and external organisations, and between the Project Manager, Programme/Project Director and the rest of NWSSP.
- Act as the one point of contact between NWSSP and the Contractor/Supply Chain Partner (via the External Project Manager who will have formal responsibility under the appropriate form of contract). This will require ensuring that appropriate formal processes are in place for the provision of professional and technical support and guidance.

In conjunction with, and as delegated by, Programme and/or Project Director, the Project Manager will ensure that:

- A clearly established structure including a Project Team(s) which includes as required appropriate skills and expertise, representatives of all interested departments and stakeholders, has been given responsibility for the project
- Ensure that the project complies with relevant WG and NHS Estates and Capital Guidance

- The Project Team has clear objectives, defined responsibilities and methods of working, a timetable for key events, co-ordinated plans, guidance notes, monitoring information and project documentation and records.
- There is a clear scheme of delegation that supports each individual's levels of responsibility.
- An appropriate business case is developed and remains robust at the procurement stage.
- To ensure appropriate clinical involvement and sign-off of requirements.
- There is a brief and project execution plan with clearly defined outcomes and an indicative and achievable programme including cost and time.
- To submit timely monthly financial reports of actual cost and accurately forecast costs; and forecast and actual cash flows on the forms provided by finance.
- Appropriate techniques and components from an appropriate project management tool are used as required to help with the delivery of the project.
- Ownership of the project is retained by the Trust and not delegated to external contractors.
- There is liaison with the project manager to direct the activities of consultants, advisers, contractors and lines of communication are clearly specified and are short and direct.
- The design produced meets all the requirements of the project and is signed off as required.
- Ensure that adequate procedures are in place to monitor and control cost, time and quality thereby ensuring Capital Expenditure Limit compliance.
- To obtain robust project costs and act in accordance with Standing Orders and standing financial instructions utilising appropriate delegated input such as provision of build costs.
- To take overall responsibility for the project being delivered within budget, including being informed of an agreement of works budget variations, and direct control of non-works variations (e.g. equipment and fees).
- To include reporting of pre-contract costs e.g. survey and feasibility work, including agreement of budgets.
- To ensure that all project matters and costs are appropriately authorised and notified to appropriate parties.
- To liaise effectively with the technical project manager (usually works and estates), attending project team meetings and ensuring arrangements are in place for specific queries in their absence.
- To ensure that adviser fees are appropriately related to activities when agreed and similarly checked when incurred.
- To ensure that an equipment schedule is derived to an appropriate stage to enable both initial and final budget estimates, the latter schedules to contain identified suppliers, lead times and itemised costs.
- To agree with the works project manager and contractor, items to be supplied and fitted by the contractor as part of the build, including agreement of cost.
- Provide a regular report to the project director identifying cost, time and quality performance.
- Ensure the project is completed and handed over to NWSSP in a managed way.

- To co-ordinate the user commissioning programme, providing time allocations and responsibilities.
- A post-completion evaluation of the scheme takes place.

Appropriate project files and documentation are produced and kept. These should include but not limited to:

- Business Case documentation.
- All correspondence including approvals, project approach and procurement strategy output specifications.
- Project plans, stakeholder and communications plan, quality plans and risk and issues log.
- Records of all meetings and decisions taken within decision log.
- File notes of conversations where actions are agreed, decisions taken, and authorisations given within decision log.
- Details of the appointment of the Project Team and Job Descriptions.
- Details of the appointment of any external experts or advisers.
- Change controls/variations and exception plans.
- Details of the appointment of the Supply Chain Partners contract documentation.
- Scheme development and design.
- Cost changes and authorisations.
- Highlight, end stage, end project, exception and lesson reports.
- Benefits realisation plans.
- Resource plans.

#### **Technical/Professional Project Management:**

- Accountable to the client project manager for the provision of specialist technical project management and support.
- Allocate design team resources.
- Support the development of user requirements
- Provide and/or support the provision of technical advice on feasibility of user options.
- Undertake and/or support the provision of option appraisal for business case development.
- Support provision of outline costing, identifying the costing basis.
- Support comprehensive cost information and estimates in line with the requirements of the Capital Expenditure Limit ensuring that cost variances are identified separately for the effects of programme and cost changes.
- Advice on statutory approval requirements.
- Advice on project timetable.
- Advising and supporting the appointment of external project managers and design teams as appropriate.
- Advising on the compliance with the Construction, Design and Management (CDM) regulations where required.

- Provide appropriate support through membership of Capital Project teams.
- Ongoing management and control of capital schemes.
- Assist in developing an agreed programme.
- Assist in prioritising capital schemes.
- Advice on requirement of Capital Procedures compliance.
- Support the submission of Project start up documents with appropriate advice on status of any cost provided.
- Maintain links with external groups or bodies who have a key role in the allocation of capital resources. This includes the Welsh Government.

### **Programme Finance Lead**

- Assigned to lead the financial delivery of the Capital programme and provide capital financial advice to business cases
- Provide financial support for the development, co-ordination and monitoring of capital investment proposals and to encourage the use of good practice in the preparation of business cases that identify a requirement for capital investment
- Ensure that all necessary information is provided, and action initiated to successfully meet the requirements of the Capital Expenditure Limit.
- Lead and/or assist in the production of, appropriate documentation and analysis, Business cases and Capital Programmes and Reports for NWSSP.
- Maintain links with external groups or bodies who have a key role in the allocation of capital resources. This includes the Welsh Government.
- Apply capital investment techniques including development of strategic and financial contexts, identification of benefits criteria, option and financial appraisals and risk analysis to capital investment proposals and overall appraisal of capital investment proposals.
- Contribute to the ongoing development of NWSSP's Capital Investment protocols and practices.
- Providing advice and assistance to all staff that are completing the discretionary capital Business Case template.
- Keeping a record of all authorised discretionary capital Business Cases and circulating them to Capital Prioritisation Group members for information.
- Reconcile the Capital Programme to the Capital Expenditure Limit received from the Welsh Government.
- Produce capital monitoring information for the monthly Welsh Government financial return.
- Carry out a monthly reconciliation of capital expenditure of the project to the general ledger

### **Procurement Lead**

- Ensure all procurements are in accordance with the Procurement Regulations, Standing Financial Instructions and Standing Orders
- Ensure all procurements are managed in accordance within appropriate approvals and governance procedures
- Role elements to be agreed with Procurement

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### 13. SCHEDULE A

Role membership for completion by every project and to include within programme/and or project specific terms of reference

Role	Organisation	Name
Managing Director		
Director of Finance & Corporate Services		
SRO/Project Executive		
Programme / Project Director		
Project Manager		
Technical/Professional Project Management		
Programme Finance Lead		
Procurement Lead		
Other roles added as required		

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<b>MEETING</b>	Velindre University NHS Trust Audit Committee for NHS Wales Shared Services Partnership
<b>DATE</b>	15 April 2025
<b>PREPARED BY</b>	Carly Wilce, Corporate Services Manager
<b>PRESENTED BY</b>	James Quance, Assistant Director of Corporate Services
<b>RESPONSIBLE HEAD OF SERVICE</b>	Alison Ramsey, Director of Finance & Corporate Services
<b>TITLE OF REPORT</b>	Audit Committee Forward Plan 2025-26

**PURPOSE**

To provide a summary of items expected to be presented at forthcoming Audit Committee meetings, scheduled for 2025-26.

Month	Standing Items	Audit Reports	Governance	Annual Items
<b>Q1 2025/26</b> <b>15 April 2025</b> <b>By Microsoft Teams</b>	Minutes & Matters Arising External Audit Position Statement Internal Audit Progress Report Counter Fraud Position Statement NWSSP Update	<b>Internal Audit</b> As outlined in the Internal Audit Operational Plan  <b>External Audit</b> Audit Assurance Arrangements for NWSSP 2024-25	Governance Matters  Tracking of Audit Recommendations  Corporate Risk Register  Review of Risk Management Protocol, Risk Appetite Statement and Assurance Mapping	2025-26 Counter Fraud Annual Plan  Internal Audit Operational Plan 2025-26 and Internal Audit Charter  Integrated Medium Term Plan
<b>Q2 2025/26</b> <b>8 July 2025</b> <b>By Microsoft Teams</b>	Minutes & Matters Arising External Audit Position Statement Internal Audit Progress Report Counter Fraud Position Statement NWSSP Update	<b>Internal Audit</b> As outlined in the Internal Audit Operational Plan	Governance Matters  Tracking of Audit Recommendations  Corporate Risk Register  Review of Audit Committee Terms of Reference  Review of Standing Orders for the Shared Services Partnership Committee	Final Annual Governance Statement  Head of Internal Audit Opinion and Annual Report  Gifts & Hospitality Annual Report Declarations of Interest Annual Report  Counter Fraud Annual Report  Welsh Language Annual Report  Audit Committee Annual Report  NWSSP Annual Review  Information Governance Annual Report
<b>Q3 2025/26</b> <b>14 October 2025</b> <b>By Microsoft Teams</b>	Minutes & Matters Arising External Audit Position Statement	<b>Internal Audit</b> As outlined in the Internal Audit Operational Plan	Governance Matters	Audit Committee Effectiveness Survey Results

	Internal Audit Progress Report  Counter Fraud Position Statement  NWSSP Update	Quality Assurance & Improvement Programme  <b>External Audit</b> Audit Wales Nationally Hosted IT Systems Report  Audit Wales Management Letter	Tracking of Audit Recommendations  Corporate Risk Register	
<b>Q4 2025/26</b> <b>Tuesday 10 February 2025</b> <b>By Microsoft Teams</b>	Minutes & Matters Arising  External Audit Position Statement  Internal Audit Progress Report  Counter Fraud Position Statement  NWSSP Update	<b>Internal Audit</b> As outlined in the Internal Audit Operational Plan  <b>External Audit</b> Audit Wales Office Proposed Audit Work	Governance Matters  Tracking of Audit Recommendations  Corporate Risk Register  Review of Risk Management Protocol, Risk Appetite Statement and Assurance Mapping	Annual pre-meet between Audit Committee Chair, Independent Members, Internal and External Auditors and Local Counter Fraud