



AGENDA ITEM

2.1.3

AUDIT & RISK COMMITTEE

PROCUREMENT & SCHEME OF DELEGATION REPORT

Date of meeting

08/02/2021

FOI Status

Open/Public

If closed please indicate reason

Not Applicable - Public Report

Prepared by

Liz Williams, Acting Head of Finance,
Financial Accounts

Presented by

Steve Webster, Executive Director Finance
& Procurement

Approving Executive Sponsor

Executive Director of Finance &
Procurement

Report purpose

FOR APPROVAL

Engagement (internal/external) undertaken to date (including receipt/consideration at Committee/group)

Committee/Group/Individuals

Date

Outcome

Choose an item.

ACRONYMS

OJEU

Official Journal of the European Union

FCPs

Financial Control Procedures

W&OD

Workforce & Organisational Development

LCFS

Local Counter Fraud Services

1. SITUATION/BACKGROUND

1.1 Procurement Matters

The following areas within the Scheme of Delegation are reported to the Audit & Risk Committee so that members of the Committee have the opportunity to ask questions or request further information:

a) Engagement off contract of non-medical staff not paid via the payroll. The Director of Workforce and Organisational Development (W&OD) and the Head of Procurement would need to confirm agreement prior to any commitment.

b) Waiver of competitive tenders, as authorised by the Director of Finance and Procurement.

c) Contracts requiring Ministerial approval (over £1m)

This report provides details of any such transactions within the period 01.11.20 to 31.12.20.

1.2 Purchase to Pay

In order to comply with the Public Sector Payment Policy, 95% of the number of non-NHS invoices must be paid within 30 days. The report provides an update on this Prompt Payment compliance for 2020-21.

1.3 Scheme of Delegation and Financial Control Procedures

There are no proposed changes to the Scheme of Delegation.

Financial Control Procedures (FCPs) should be reviewed periodically (at least every 3 years) to ensure they are up to date. A full review has not been undertaken since the Bridgend transfer in April 2019 and the change in organisational structure in April 2020.

A further seven have been reviewed with the remaining seven to be completed prior to the next Audit and Risk Committee meeting in April 2021.

2. SPECIFIC MATTERS FOR CONSIDERATION BY THIS MEETING (ASSESSMENT)

2.1 Procurement Matters

a) Engagement off contract of non-medical staff not paid via the payroll

There were no engagements or contracts entered into during the period 01.11.20 to 31.12.20.

b) Waiver of competitive tenders, as authorised by the Director of Finance.

Standing Financial Instructions require 4 competitive tenders for supplies of goods and services over £25,000 up to the prevailing OJEU threshold and 5 competitive tenders above OJEU Purchases over £1m require Ministerial approval.

The Scheme of Delegation allows the Director of Finance and Procurement to approve a waiver of the requirement for competitive tenders up to OJEU or other exceptions to tender rules. **Table A** below provides details of such actions during the period 01.11.20 to 31.12.20.

Table A – Single Tender Actions 01.11.20 to 31.12.20

STA	Revenue Capital	Division	Contract description	Supplier	Contract Value Exc. VAT	Reason for approval	Date Returned
STA1326	Revenue	ICT	Imosphere Clinical Software License & Maintenance	Imosphere Ltd	£29,370	a)	03/11/20
STA1328	Capital	Capital works	Remaining works for POW birthing Pool	Andrew Scott Limited	£26,817	a)	12/11/2020
STA1333	Capital	Capital Works (CAMHS)	Replacement of 19 bedroom windows @ Ty Lydard	Britplas Commercial Ltd.	£73,992	b)	03/11/2020



STA1334	Revenue	COVID-19 Testing	Provision of cabins and related services at POW and KHHP	Kabin Hire	£54,000	b)	09/12/2020
STA1339	Capital	Capital works (Research & Development)	Conversion of an existing Clinical Skills Unit into a fully compliant Clinical Research Facility required to carry out urgent Covid 19 vaccine trials	TSF Contractors Ltd	£120,653	b)	03/11/2020

Reasons for approval:

a) - service/work is follow-up, supplier has already undertaken initial work in same area (work undertaken via open competition)

b) need to retain particular contractor for real business continuity issues not preferences

c) Contracts requiring Ministerial approval (over £1m)

No contracts were let requiring Ministerial approval.

2.2 Purchase to Pay (P2P)

The Health Board has failed to meet its 95% target of paying non-NHS invoices within 30 days to Month 9 2020-21, with an accumulated position for the year of 93% (93.2% in value terms). This compares to 96.1% (value 95%) to Month 9 in 2019/20.

	0 - 30 Days		Total		%	
	Number	Value	Number	Value	Number	Value
Apr-20	14,395	36,204,969	18,787	38,925,458	76.6%	93.0%
May-20	18,307	36,408,476	19,024	38,535,030	96.2%	94.5%
June-20	14,984	33,506,146	15,536	35,116,595	96.4%	95.4%
July-20	16,837	30,648,962	17,711	33,103,884	95.1%	92.6%
Aug-20	15,573	26,142,776	16,292	29,440,373	95.6%	88.8%
Sept-20	20,710	32,103,034	21,089	33,182,714	98.2%	96.7%
Oct-20	13,063	29,025,030	13,764	31,174,076	94.9%	93.1%

Nov-20	16,683	33,566,213	17,736	36,197,409	94.1%	92.7%
Dec-20	15,932	35,545,869	17,531	38,832,353	90.9%	91.5%
YTD	146,484	293,151,475	157,470	314,507,892	93.0%	93.2%

The main contributory factor to the low percentage in December was 757 Nurse Agency invoices that were paid outside the 30 day payment period, which accounted for 4.3% of the number of non NHS invoices paid. Processes are being reviewed and additional resources have been made available to enable timelier processing of these invoices.

With a cumulative percentage to month 9 of 93%, there is a risk that the Health Board may not achieve the 95% target for 2020-2021. The forecast year end percentage is 93.1%.

2.3 Scheme of Delegation and Financial Control Procedures

There are no changes to the Scheme of Delegation.

The following FCPs have been reviewed and updated:

- FP 2 – Budgetary Control – **Appendix A**
- FP 6 – Creditor Payments - **Appendix B**
- FP 13 – Requisitioning Goods & Services - **Appendix C**
- FP 15 – Losses and Special Payments - **Appendix D**
- FP 18 – Purchasing Cards - **Appendix E**
- FP 21 – Web Quotations & Tendering - **Appendix F**
- FP 24 – Overseas Patients - **Appendix G**

Equality Impact Assessments have been completed for all FCPs and submitted to Workforce & OD (W&OD) for sign off.

Matthew Evans, LCFS requested to review a selection of the FCPs before they were finalised for approval. Other than FP 2 (Budgetary Control) all of the above FCPs formed part of this review.

All changes have been 'tracked' to highlight the amendments made, mainly due to changes to:

- Organisation name and logo
- Job titles within the Finance Department
- Job titles due to the change of organisational structure
- Change in processes and forms used.
- Changes made to the limits and delegations in the Scheme of Delegation since the last update of the FCPs.
- Changes resulting from the UK leaving the EU.

Approval is also sought to update the version on SharePoint of the NWSSP No PO No Pay Policy (Appendix H), previous adopted by the Health Board, with the latest version dated September 2019.

3. KEY RISKS/MATTERS FOR ESCALATION TO BOARD/COMMITTEE

3.1 **None**

4. IMPACT ASSESSMENT

Quality/Safety/Patient Experience implications	There are no specific quality and safety implications related to the activity outlined in this report.
Related Health and Care standard(s)	Governance, Leadership and Accountability If more than one Healthcare Standard applies please list below:
Equality impact assessment completed	No (Include further detail below) n/a
Legal implications / impact	There are no specific legal implications related to the activity outlined in this report.
Resource (Capital/Revenue £/Workforce) implications / Impact	There is no direct impact on resources as a result of the activity outlined in this report.
Link to Strategic Well-being Objectives	Ensure sustainability in all that we do, economically, environmentally and socially

5. RECOMMENDATION

The Audit & Risk Committee is asked to:

- NOTE** the position on procurement matters for the period 01.11.20 to 31.12.20;
- NOTE** the update regarding Purchase to Pay;
- APPROVE** the seven revised Financial Control Procedures;
- APPROVE** the latest version of the NWSSP No PO No Pay Policy.