



AGENDA ITEM

2.2.3

AUDIT & RISK COMMITTEE

PROCUREMENT & SCHEME OF DELEGATION REPORT

Date of meeting

09/06/2021

FOI Status

Open/Public

If closed please indicate reason

Not Applicable - Public Report

Prepared by

Owen James, Head of Corporate Finance

Presented by

Steve Webster, Executive Director Finance & Procurement

Approving Executive Sponsor

Executive Director of Finance & Procurement

Report purpose

FOR NOTING

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

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 People 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 01.03.21 to 30.04.21.

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 2020-21 figures are included in the Annual Accounts. This report provides an update on the Prompt Payment compliance for 2021-22.

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.

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 01.03.21 to 30.04.21.



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 01.03.21 to 30.04.21

Table A – Single Tender Actions 01.03.21 to 30.04.21

STA	Revenue/Capital	Division	Contract description	Supplier	Contract Value Exc. VAT	Reason for approval	Date Returned
STA1373	Revenue	Corp Services	Mental Health First Aid Training	Mental Health First Aid Wales	£50,060	b)	16/03/2021
STA1377	Revenue	Clinical Engineering	Annual Haemo-filter Maintenance	Baxter	£25,251	b)	02/03/2021
STA1411	Capital	Estates	X Ray Room 5 works	P J Saunders Limited	£58,230	c)	04/03/2021
STA1416	Capital	Estates	BEMS at MHU RGH	Honeywell	£60,091	d)	18/03/2021
STA1417	Capital	Estates	BEMS controller and IO Cards	Honeywell	£38,515	d)	18/03/2021
STA1428	Capital	Estates	Ward 5 Refurbishment RGH	TSF Contractors Ltd	£143,115	a)	24/03/2021
STA1432	Revenue	Performance & Information	Consultancy in support of CTM Clinical Coding Improvement Plan	3M United Kingdom PLC	£30,000	c) d)	15/04/2021



STA1437	Capital	ICT	YMH Cabling Works	Comtec	£32,535	d)	23/03/2021
STA1453	Other	Capital Estates	Lease Rental Charges/Insurance relating to the emergency bed provision (Field Hospital)	Vinayak Properties Limited	£220,000	c)	22/04/2021

Reasons for approval:

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

b) Compatibility issue

c) Genuine 1 provider

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

STA1432 - 3M United Kingdom PLC for Consultancy in support of CTM Clinical Coding Improvement Plan.

CTM has the 3M Medicode Encoder, the architecture is already in place to support this engagement. 3M will in effect be enabling some 'hidden features' (the engagement is a follow-up on prior work by the supplier and will pilot additional capabilities to those implemented initially in the same area). The results of which will see improvement in trainee clinical coder productivity, improve of overall quality of clinical information and support with clearance and reduction of outstanding clinical coding backlog. It will also support with the facilitation of CTM population health management clinical risk segmentation strategy

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

No contracts were let requiring Ministerial approval.

Purchase to Pay (P2P)

The Health Board has failed to meet its 95% target of paying non-NHS invoices within 30 days in Month 1 2021-22 achieving only 89.0% (value 90.7%). This compares to 76.6% (value 93.0%) in Month 1 2020-21.

	0 - 30 Days		Total		%	
	Number	Value	Number	Value	Number	Value
Apr-21	16,593	45,374,647	18,650	50,046,234	89.0%	90.7%
YTD	16,593	45,374,647	18,650	50,046,234	89.0%	90.7%

The main reason for the failure was that 1,144 Nurse Agency invoices were paid outside of the 30 days, accounting for 6% of the total. This has been identified as due to reduced resource in the department from the beginning of April.

The NHS invoice position shows that 69.7% (number) and 94.8% (value) of invoices were paid within 30 days for month 1 2021-22. (64.6% (number) and 94.5% (value) for the same period in 2020-21).

Scheme of Delegation and Financial Control Procedures

There are no changes to the Scheme of Delegation.

The questions raised at the April Audit & Risk Committee in regards to the updated capital FCPs have been resolved, the updated FCPs will now be published online.

Updates for five FCPs remain outstanding and are currently being reviewed. These will be brought to future Audit & Risk Committee for approval.

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 (EIA) completed - Please note EIAs are required for <u>all</u> new, changed or withdrawn policies and services.	No (Include further detail below) If yes, please provide a hyperlink to the location of the completed EIA or who it would be available from in the box below. If no, please provide reasons why an EIA was not considered to be required in the box 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:

- a) **NOTE** the position on procurement matters for the period 01.03.21 to 30.04.21;
- b) **NOTE** the update regarding Purchase to Pay;
- c) **NOTE** the position on the update of Financial Control Procedures.