



AGENDA ITEM

4.2

AUDIT & RISK COMMITTEE

PROCUREMENT & SCHEME OF DELEGATION REPORT

Date of meeting	19/04/2023
FOI Status	Open/Public
If closed please indicate reason	Not Applicable - Public Report
Prepared by	Owen James, Head of Corporate Finance
Presented by	Sally May, 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
SoD	Scheme of Delegation

1. SITUATION/BACKGROUND

1.1 Procurement Matters

The following areas within the Scheme of Delegation (SoD) 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 01.01.23 to 31.03.23.

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. This report provides an update on the Prompt Payment compliance for 2022-23.

1.3 Scheme of Delegation and Financial Control Procedures

This report provides update to Scheme of Delegations (SoDs) or Financial Control Procedures (FCPs) are reported.

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 01.01.23 to 31.03.23.

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 01.01.23 to 31.03.23

Table A – Single Tender Actions 01.01.23 to 31.03.23

STA	Revenue / Capital	Division	Contract description	Supplier	Contract Value Exc. VAT	Reason for approval	Date Returned
1632	Revenue	Medicine CSG	Outsourcing of patients waiting for DEXA scan	University of South Wales	£43,000	c)	07/02/23
1644	Capital	Medicine	Ultrasound Tissue Characterisation	UTC Imaging BV	£38,000	c)	30/03/23
1647	Capital	Capital Estates	Ty Lidiard Ward Reconfiguration	ADJ Architects	£42,470	a)	16/03/23
1649	Capital	Multi Department	Pule Oximeters & Sedline Modules	Masimmo Ltd	£93,131	d)	08/03/23
1651	Revenue	Estates	Rental of Emergency Standby Generators at RGH	Power Electrics Bristol	£70,600	d)	24/03/23
1655	Revenue	ICT	2 databases of existing Audiology system between CTM and Bridgend	Auditdata	£26,750	c)	21/03/23



1657	Revenue	Pathology	AI software	IBEX	£30,400	a)	27/03/23
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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

STA 1649 Pule Oximeters & Sedline Modules

Capital Scheme E775-Theatres/Recovery/ICU RGH

The capital purchase is a one off. There is already a MASIMO pulse oximetry sensor/accessories agreement in place with CTM UHB for agreed prices/quantities for re-usable and disposable probes which multiple departments purchase. Massimino technology has been evaluated and agreed by Anaesthetists as preferred option. This equipment is compatible with existing equipment in the HB.

STA 1651 Rental Hire of Emergency Stand-by Generator at Royal Glamorgan Hospital

Investigations are still ongoing into the failure of the electrical switchboard and if there was to be another failure and the temporary generators removed from site, and in addition the power supply from outside of the site failed the hospital would be without electricity resulting in another major incident putting patients at risk. Due to the size of the generators required, and the shortage of availability, should the current generators on site be returned there would be issues in re-procuring replacements Therefore it is essential the generators remain in place until investigations into the original failures are completed.

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

None

2.2 Purchase to Pay (P2P)

The PSPP figures are reported to 28th February 2023.

The Health Board has seen an improvement in the PSPP figures and has met its 95% target of paying non-NHS invoices within 30 days to Month 11 2022-23 achieving 95.1% (value 94.1%). This compares to 95.3% (value 93.8%) to Month 11 2021-22.

	0 - 30 Days		Total		%	
	Number	Value	Number	Value	Number	Value
Apr-22	20,667	46,929,829	21,611	49,682,932	95.6	94.5
May-22	19,217	43,766,897	19,796	46,596,405	97.1	93.9
Jun-22	25,864	43,490,528	26,670	45,686,653	97.0	95.2
Jul-22	17,617	36,630,680	18,805	39,207,371	93.7	93.4
Aug-22	25,176	40,169,264	26,188	41,979,225	96.1	95.7
Sept-22	15,971	40,186,028	18,535	43,957,740	86.2	91.4
Oct-22	15,379	38,744,175	17,396	41,928,025	88.4	92.4
Nov-22	27,952	61,336,526	28,645	63,848,835	97.6	96.1
Dec-22	28,584	75,075,031	29,113	76,887,619	98.2	97.6
Jan-22	21,966	54,801,133	23,335	61,217,475	94.1	89.5
Feb-22	23,446	62,686,157	24,207	67,236,495	96.9	93.2
YTD	241,839	543,816,248	254,301	578,228,775	95.1	94.1

The NHS invoice position continues to be challenging and shows that 81.9% (number) and 96.5% (value) of invoices were paid within 30 days to month 11 2022-23. (79.6% (number) and 96.1% (value) for the same period in 2021-22).

Scheme of Delegation and Financial Control Procedures

Please see attached in Appendix 1, the updated Financial Control Procedure for FP17 - Patient's Property, Income and Allowances. This has been put onto the corporate policy template, so track changes have not been able to be followed. However, there is a record of all changes to the previous FCP available if required.

This has been shared with senior managers across the organisation for review and comment before submission for approval. The policy has been

reviewed and is consistent with the approach across NHS Wales / legislation.

An Equality Impact Assessment has been carried out and it is deemed that there is no equality issues arising from the review of the policy.

There are a number of other FCPs that are currently under review and have been shared with Senior Managers for comment, these will come to the next Audit & Risk Committee for approval.

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

3.1 N/A

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.	Yes 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.
Legal implications / impact	Yes – available from Owen James – Head of Corporate Finance
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 Goals	Sustaining Our Future

5. RECOMMENDATION

The Audit & Risk Committee is asked to:

- a) **NOTE** the position on procurement matters for the period 01.01.23 to 31.03.23;
- b) **NOTE** the update regarding Purchase to Pay and achievement of PSPP target to 28.02.203;
- c) **APPROVE** the updated Financial Control Procedure for Patient's Property, Income & Allowances.