

## **Bundle Audit Committee 24 June 2025**

- 1 09:30 - PRELIMINARY MATTERS
- 1.1 09:30 - A25/98 Welcome and Apologies - Verbal (Chair)
- 1.2 09:32 - AC25/99 Declarations of Interest - Verbal (Chair)
- 2 09:35 - ANNUAL REPORT
- 2.1 09:35 - AC25/100 Financial Annual Accounts 2024/25 - Paper (Executive Director of Finance)
  - AC25.100 Financial Annual Accounts 202425 - Cover Paper
  - AC25.100a Financial Annual Accounts 202425 - Appendix 1
- 2.2 10:05 - AC25/101 Annual Report 2024/25 - Paper (Director of Corporate Governance)
  - AC25.101 Cover paper - Annual Report 2024-25 for Audit
  - AC25101 Annual Report 2024-25 - V1.0
- 3 10:35 - INTERNAL AUDIT
- 3.1 10:35 - AC25/102 Head of Internal Audit Opinion & Annual Report 2024/25 - Paper (Head of Internal Audit)
  - AC25.102 HIA annual opinion and report Cover Sheet June25
  - AC25.102.1 BCUHB Final HIA Opinion and Annual Report 2024-25
  - AC25.102.2 BCUHB 2425 HIA Opinion - Development and rationale briefing paper v2
- 4 11:05 - EXTERNAL AUDIT
- 4.1 11:05 - AC25/103 ISA 260 Audit of Financial Statements - Paper (Audit Manager, Audit Wales)
  - AC25.103 ISA 260 Audit of Financial Statements
  - AC25.103a BCU Audit Committee Update 24062025
- 5 11:35 - COUNTER FRAUD
- 5.1 11:35 - AC25/104 Local Counter Fraud Annual Report 2024/25 - Paper (Executive Director of Finance)
  - AC25.104 BCUHB Local Counter Fraud Annual Report 2024-25
  - AC25.104.1 Public - Appendix I- CFFSR 2024-25
  - AC25.104.2 Public - Appendix J - NHSCFA Engagement Visit Report
- 6 11:55 - CLOSING BUSINESS
- 6.1 11:55 - AC25/105 Date of Next Meeting - 19.08.25



<b>Teitl adroddiad:</b> <b>Report title:</b>	Annual Financial Statements 2024-25
<b>Adrodd i:</b> <b>Report to:</b>	Audit Committee
<b>Dyddiad y Cyfarfod:</b> <b>Date of Meeting:</b>	24 <sup>th</sup> June 2025
<b>Crynodeb Gweithredol:</b> <b>Executive Summary:</b>	<p>The Health Board has a statutory requirement to prepare a set of annual financial statements in a standard format provided by Welsh Government.</p> <p>The 2024-25 unaudited annual financial statements were submitted to Welsh Government and Audit Wales on 2<sup>nd</sup> May 2025, with the accounts presented to Audit Committee on 20<sup>th</sup> May 2025 (see appendix 2).</p> <p>Audit Wales will present the findings from their audit of the annual financial statements, key elements to highlight from management being:</p> <ul style="list-style-type: none"><li>• The outturn for the year from draft to final position remains consistent (no changes to outturn post audit);</li><li>• The Health Board's annual accounts will receive an unqualified True and Fair opinion for the second year running;</li><li>• Audit Wales has concluded that there are uncorrected misstatements relating to capital additions, their findings being that the Health Board was unable to provide sufficient supporting evidence that expenditure related to 2024-25;</li><li>• Audit Wales identified a small number misstatements which were corrected by management during the course of the audit;</li><li>• Audit Wales recognised a significant improvement in the quality of the Remuneration Report submitted for audit and notable improvements in governance arrangements during the year.</li></ul> <p>The Health Board's accounts for 2024-25 will, however, receive a qualified regulatory opinion as the Health Board did not achieve its first financial duty to break-even over the period 2022-23 to 2024-25.</p>
<b>Argymhellion:</b> <b>Recommendations:</b>	The Audit Committee are requested to recommend adoption of the 2024-25 Annual Accounts to the Health Board following consideration of Audit Wales findings on their review of the Financial Statements.
<b>Arweinydd Gweithredol:</b> <b>Executive Lead:</b>	Mr Russell Caldicott - Executive Director of Finance

<b>Awdur yr Adroddiad:</b> <b>Report Author:</b>	Mr Simon Weaver – Head of Financial Control			
<b>Pwrpas yr adroddiad:</b> <b>Purpose of report:</b>	I'w Nodi <i>For Noting</i> <input type="checkbox"/>	I Benderfynu arno <i>For Decision</i> <input checked="" type="checkbox"/>	Am sicrwydd <i>For Assurance</i> <input type="checkbox"/>	
<b>Lefel sicrwydd:</b> <b>Assurance level:</b>	<b>Arwyddocaol</b> <i>Significant</i> <input type="checkbox"/> Lefel uchel o hyder/tystiolaeth o ran darparu'r mecanweithiau / amcanion presennol  <i>High level of confidence/evidence in delivery of existing mechanisms/objectives</i>	<b>Derbyniol</b> <i>Acceptable</i> <input checked="" type="checkbox"/> Lefel gyffredinol o hyder/tystiolaeth o ran darparu'r mecanweithiau / amcanion presennol  <i>General confidence / evidence in delivery of existing mechanisms / objectives</i>	<b>Rhannol</b> <i>Partial</i> <input type="checkbox"/> Rhywfaint o hyder/tystiolaeth o ran darparu'r mecanweithiau / amcanion presennol  <i>Some confidence / evidence in delivery of existing mechanisms / objectives</i>	<b>Dim Sicrwydd</b> <i>No Assurance</i> <input type="checkbox"/> Dim hyder/tystiolaeth o ran y ddarpariaeth  <i>No confidence / evidence in delivery</i>
<p>The assurance level for this paper is rated as acceptable, as whilst the Auditor General for Wales intends to issue an unqualified True and Fair opinion on the annual accounts for 2024-25 he will issue a qualified regularity opinion as the Health Board failed to achieve its first financial duty to break-even over the three-year period 2022-23 to 2024-25.</p>				
<p><b>Cyfiawnhad dros y gyfradd sicrwydd uchod. Lle bo sicrwydd 'Rhannol' neu 'Dim Sicrwydd' wedi'i nodi uchod, nodwch gamau i gyflawni sicrwydd 'Derbyniol' uchod, a'r terfyn amser ar gyfer cyflawni hyn:</b></p> <p><b><i>Justification for the above assurance rating. Where 'Partial' or 'No' assurance has been indicated above, please indicate steps to achieve 'Acceptable' assurance or above, and the timeframe for achieving this:</i></b></p>				
<b>Cyswllt ag Amcan/Amcanion Strategol:</b> <b>Link to Strategic Objective(s):</b>	Evidences performance against regulatory financial requirements through production and audit of financial information.			
<b>Goblygiadau rheoleiddio a lleol:</b> <b>Regulatory and legal implications:</b>	Statutory requirement to prepare a set of audited annual financial statements in a standard format provided by Welsh Government.			
<b>Yn unol â WP7, a oedd EqlA yn angenrheidiol ac a gafodd ei gynnal?</b> <b><i>In accordance with WP7 has an EqlA been identified as necessary and undertaken?</i></b>	Health Board's annual financial statements are made publicly available in bilingual format once approved by the Audit Committee and Health Board.			
<b>Yn unol â WP68, a oedd SEIA yn angenrheidiol ac a gafodd ei gynnal?</b> <b><i>In accordance with WP68, has an SEIA identified as necessary been undertaken?</i></b>	A socio-economic impact assessment has not been identified as being necessary for the preparation, audit and approval of the Health Board's financial statements.			
<b>Manylion am risgiau sy'n gysylltiedig â phwnc a chwmpas y papur hwn, gan gynnwys risgiau newydd (croesgyfeirio at y BAF a'r CRR)</b> <b><i>Details of risks associated with the subject and scope of this paper, including new risks( cross reference to the BAF and CRR)</i></b>	<p>Audit Wales has completed their audit of the Health Board's 2024-25 financial statements and are presenting their findings to Audit Committee.</p> <p>The report provides details of the audit opinion that the Auditor General intends to</p>			

	issue following completion of Audit Wales work.
<b>Goblygiadau ariannol o ganlyniad i roi'r argymhellion ar waith</b>  <b>Financial implications as a result of implementing the recommendations</b>	The annual financial statements provide details of financial performance against Welsh Government's annual and three-year rolling period targets.
<b>Goblygiadau gweithlu o ganlyniad i roi'r argymhellion ar waith</b>  <b>Workforce implications as a result of implementing the recommendations</b>	N/A
<b>Adborth, ymateb a chrynodeb dilynol ar ôl ymgynghori</b>  <b>Feedback, response, and follow up summary following consultation</b>	N/A
<b>Cysylltiadau â risgiau BAF:</b> (neu gysylltiadau â'r Gofrestr Risg Gorfforaethol)  <b>Links to BAF risks:</b> (or links to the Corporate Risk Register)	BAF Risk Risk of the Health Board's failure to meet the break-even duty.
<b>Rheswm dros gyflwyno adroddiad i bwyllgor cyfrinachol (lle bo'n berthnasol)</b>  <b>Reason for submission of report to confidential Committee (where relevant)</b>	N/A
<b>Camau Nesaf:</b> <b>Gweithredu argymhellion</b> <b>Next Steps:</b> <b>Implementation of recommendations</b>  Recommendation by Audit Committee members for the Health Board to endorse the financial accounts for 2024-25.	
<b>Rhestr o Atodiadau:</b> <b>List of Appendices:</b>  Appendix 1 – Audited annual financial statements 2024-25 Appendix 2 – Audit Committee presentation (extract) on Financial Statements 2024-25  The (a) Certificate and report of the Auditor General for Wales to the Senedd (b) Report of the Auditor General to the Senedd and (c) Letter of Representation are contained within the Auditors report to members.	

# **Betsi Cadwaladr University Health Board**

## **Audit Committee meeting – 24<sup>th</sup> June 2025**

### **Report on Financial Accounts 2024-25 by the Executive Director of Finance**

#### **1.0 Introduction**

The Health Board has a statutory requirement to prepare a set of annual financial statements in a standard format provided by Welsh Government in accordance with the National Health Services (Wales) Act 2006, the Welsh Government Health Board Manual for Accounts and HM Treasury's Financial Reporting manual (FReM)

The 2024-25 unaudited annual financial statements were submitted to Welsh Government and Audit Wales on 2<sup>nd</sup> May 2025, it is not the intention of this report to detail the elements contained within the accounts, as these have already been reviewed by Audit Committee on 20<sup>th</sup> May 2025.

The Health Board is required to have the draft financial statements reviewed by Audit Wales, who then issue a report on their findings to 'those charged with governance' with an overall rating as to the accounts offering a true and fair opinion, for consideration by Audit Committee in recommending to the wider Health Board adoption of the Accounts.

Audit Wales have now concluded their review of the financial statements and this report has been prepared for members to indicate the key findings from management's perspective following draft to final audited accounts production, noting a separate report is to be received from Audit Wales to articulate their findings and opinion on the financial statements.

#### **2.0 Background**

The Auditor General for Wales intends to issue an unqualified True and Fair opinion on the Health Board's 2024-25 annual accounts. He does, however propose to issue a qualified regulatory opinion on the accounts as the Health Board did not meet its first financial duty to break-even against the Revenue Resource Limit over three years 2022-23 to 2024-25.

#### **3.0 Key findings**

Whilst Audit Wales will present members with their detailed findings on the audit of the financial statements, the key elements to highlight from management are:

- The outturn for the year from draft to final remains consistent (no changes to outturn post audit);

- The Health Board’s annual accounts will receive an unqualified True and Fair opinion for the second year running;
- Audit Wales identified a small number of misstatements which were corrected by management during the course of the audit;
- Audit Wales has concluded that there are uncorrected misstatements relating to capital additions, their findings being that the Health Board was unable to provide sufficient supporting evidence that expenditure related to 2024-25;
- Audit Wales recognised a significant improvement in the quality of the Remuneration Report submitted for audit and notable improvements in governance arrangements during the year;
- The Health Board’s accounts for 2024-25 will receive a qualified regulatory opinion as the Health Board did not achieve its first financial duty to break-even over the period 2022-23 to 2024-25.

#### **4.0 Summary**

The Annual Accounts for 2024-25 reported performance has not moved from draft to final outturn, with a small number of non-material misstatements identified by Audit Wales relating to notes to the accounts, having been corrected.

Audit Wales has concluded that there remains non-material uncorrected misstatements relating to 2024-25 capital expenditure.

The closing balance sheet for 2024-25 provides a true and fair view of the position of the financial standing of the Health Board.

The accounts for 2024-25 will receive an adverse regularity opinion (a qualification) due to failure to achieve the first financial duty to break-even over the three-year period 2022-23 to 2024-25.

#### **5.0 Next actions**

Following a review of Audit Wales findings, the Audit Committee is requested to recommend approval of the audited 2024-25 annual financial statements by the Health Board with actions as noted below:

- Receipt of Audit Wales findings on the 2024-25 Annual Accounts;
- Recommendation for Health Board to adopt the final accounts for 2024-25;
- The accounts and supporting statements to then be signed off by the Health Board and filed with Welsh Government in advance of the agreed deadline.

Meetings will also be arranged for a review of the processes followed in production of the 2024-25 annual accounts to both embed learning and enhance the reporting and auditing of financial statements for the 2025-26 financial year.

## 6.0 Appendix 2 – Audit Committee presentation on Accounts 2024-25 (extract).

### Cyflawniad o fetrigau allweddol Delivery of key metrics

		£million	
Net operating costs	2024-25	£2,329.3m	<p><b>Did not achieve the first financial duty to break-even:</b></p> <p><i>Expenditure does not exceed the aggregate funding over a three year period</i></p> <p><i>Outturn of £7.6m overspend an improvement on the WG revised control total of £8.6m overspend</i></p>
Revenue Resource Allocation	2024-25	£2,321.7m	
<b>Gorwariant yn erbyn Terfyn Adnoddau Refeniw Overspend of Revenue Resource Allocation</b>	2024-25 (Draft)	<b>(£7.6m)</b>	
Gorwariant 2023-24 Overspend in 2023-24	2023-24	<b>(£24.3m)</b>	
Tanwariant 2022-23 Underspend in 2022-23	2022-23	<b>£0.4m</b>	
<b>Cyfanswm gorwariant Cumulative overspend</b>	2022-23 to 2024-25	<b>(£31.5m)</b>	
<b>Tanwariant o ddyraniad adnoddau cyfalaf Underspend of Capital Resource Allocation (£50.7m)</b>	2024-25	<b>£0.349m</b>	<b>Delivered programme within resource limit</b>
<b>Nifer o anfonebau heb fod yn GIG a dalwyd o fewn 30 diwrnod / Number of non-NHS invoices paid within 30 days</b>	2024-25	<b>95.6%</b>	<b>Strong performance, exceeding the 95% targeted delivery</b>

## **BETSI CADWALADR UNIVERSITY LOCAL HEALTH BOARD**

### **FOREWORD**

These accounts have been prepared by the Local Health Board under schedule 9 section 178 Para 3(1) of the National Health Service (Wales) Act 2006 (c.42) in the form in which the Welsh Ministers have, with the approval of the Treasury, directed.

#### **Statutory background**

Betsi Cadwaladr University Local Health Board was established on 1st October 2009 under Statutory Instrument 2009 No.1558 (W.153) The National Health Service Trusts (Transfer of Staff, Property, Rights and Liabilities) (Wales) Order - 2009. This involved the merger of North Wales NHS Trust, North West Wales NHS Trust, Anglesey Local Health Board, Conwy Local Health Board, Denbighshire Local Health Board, Flintshire Local Health Board, Gwynedd Local Health Board and Wrexham Local Health Board into the new organisation.

The Health Board provides a full range of primary, community, mental health and acute hospital services to the population of North Wales from three main hospitals (Ysbyty Gwynedd in Bangor, Ysbyty Glan Clwyd in Bodelwyddan and Wrexham Maelor Hospital) along with a network of community hospitals, health centres, clinics, mental health units and community team bases. The Health Board also coordinates the work of GP practices and NHS services provided by dentists, opticians and pharmacists in North Wales.

#### **Performance Management and Financial Results**

Welsh Health Circular WHC/2016/054 replaces WHC/2015/014 'Statutory and Administrative Financial Duties of NHS Trusts and Local Health Boards' and further clarifies the statutory financial duties of NHS Wales bodies and is effective for 2024-25. The annual financial duty has been revoked and the statutory breakeven duty has reverted to a three year duty, with the first assessment of this duty in 2016-17.

Local Health Boards in Wales must comply fully with the Treasury's Financial Reporting Manual to the extent that it is applicable to them. As a result, the primary statement of in-year income and expenditure is the Statement of Comprehensive Net Expenditure, which shows the net operating cost incurred by the Local Health Board which is funded by the Welsh Government. This funding is allocated on receipt directly to the General Fund in the Statement of Financial Position.

Under the National Health Services Finance (Wales) Act 2014, the annual requirement to achieve balance against Resource Limits has been replaced with a duty to ensure, in a rolling 3 year period, that its aggregate expenditure does not exceed its aggregate approved limits.

The Act came into effect from 1st April 2014 and under the Act the first assessment of the 3 year rolling financial duty took place at the end of 2016-17.

## Statement of Comprehensive Net Expenditure for the year ended 31 March 2025

	Note	2024-25 £000	2023-24 £000
Expenditure on Primary Healthcare Services	3.1	388,380	363,541
Expenditure on healthcare from other providers	3.2	545,841	497,627
Expenditure on Hospital and Community Health Services	3.3	1,570,411	1,460,089
		<b>2,504,632</b>	2,321,257
Less: Miscellaneous Income	4	(176,531)	(162,834)
<b>LHB net operating costs before interest and other gains and losses</b>		<b>2,328,101</b>	2,158,423
Investment Revenue	5	0	0
Other (Gains) / Losses	6	(142)	(5)
Finance costs	7	477	394
<b>Net operating costs for the financial year</b>		<b>2,328,436</b>	<b>2,158,812</b>

Details of the Health Board's performance against its revenue and capital allocations over the last three financial periods are provided in Note 2 on page 27.

The notes on pages 8 to 79 form part of these accounts.

### Other Comprehensive Net Expenditure

	<b>2024-25</b>	2023-24
	<b>£000</b>	£000
Net (gain) / loss on revaluation of property, plant and equipment	<b>(7,122)</b>	<b>(21,570)</b>
Net (gain)/loss on revaluation of right of use assets	<b>0</b>	73
Net (gain) / loss on revaluation of intangibles	<b>0</b>	0
(Gain) / loss on other reserves	<b>0</b>	0
Net (gain)/ loss on revaluation of PPE & Intangible assets held for sale	<b>0</b>	0
Net (gain)/loss on revaluation of financial assets held for sale	<b>0</b>	0
Impairment and reversals	<b>0</b>	0
Transfers between reserves	<b>0</b>	0
Transfers to / (from) other bodies within the Resource Accounting Boundary	<b>0</b>	0
Reclassification adjustment on disposal of available for sale financial assets	<b>0</b>	0
Other comprehensive net expenditure for the year	<b>(7,122)</b>	<b>(21,497)</b>
<b>Total comprehensive net expenditure for the year</b>	<b><u>2,321,314</u></b>	<b><u>2,137,315</u></b>

The notes on pages 8 to 79 form part of these accounts.

**Statement of Financial Position as at 31 March 2025**

	<b>31 March</b>	31 March
	<b>2025</b>	2024
<b>Notes</b>	<b>£000</b>	£000
<b>Non-current assets</b>		
Property, plant and equipment	11 <b>710,083</b>	689,777
Right of Use Assets	11.3 <b>30,135</b>	34,183
Intangible assets	12 <b>787</b>	1,159
Trade and other receivables	15 <b>119,692</b>	84,596
Other financial assets	16 <b>0</b>	0
<b>Total non-current assets</b>	<b>860,697</b>	809,715
<b>Current assets</b>		
Inventories	14 <b>20,500</b>	20,936
Trade and other receivables	15 <b>128,673</b>	107,702
Other financial assets	16 <b>0</b>	0
Cash and cash equivalents	17 <b>5,880</b>	5,027
	<b>155,053</b>	133,665
Non-current assets classified as "Held for Sale"	11 <b>545</b>	348
<b>Total current assets</b>	<b>155,598</b>	134,013
<b>Total assets</b>	<b>1,016,295</b>	943,728
<b>Current liabilities</b>		
Trade and other payables	18 <b>(232,319)</b>	(209,642)
Other financial liabilities	19 <b>0</b>	0
Provisions	20 <b>(53,897)</b>	(47,054)
<b>Total current liabilities</b>	<b>(286,216)</b>	(256,696)
<b>Net current assets/ (liabilities)</b>	<b>(130,618)</b>	(122,683)
<b>Non-current liabilities</b>		
Trade and other payables	18 <b>(23,876)</b>	(27,458)
Other financial liabilities	19 <b>0</b>	0
Provisions	20 <b>(120,860)</b>	(85,899)
<b>Total non-current liabilities</b>	<b>(144,736)</b>	(113,357)
<b>Total assets employed</b>	<b>585,343</b>	573,675
<b>Financed by :</b>		
<b>Taxpayers' equity</b>		
General Fund	<b>367,197</b>	353,626
Revaluation reserve	<b>218,146</b>	220,049
<b>Total taxpayers' equity</b>	<b>585,343</b>	573,675

The financial statements on pages 2 to 7 were approved by the Board on 26th June 2025 and signed on its behalf by:

Chief Executive and Accountable Officer ..... Date: 26th June 2025

The notes on pages 8 to 79 form part of these accounts.

## Statement of Changes in Taxpayers' Equity For the year ended 31 March 2025

	General Fund £000	Revaluation Reserve £000	Total Reserves £000
<b>Changes in taxpayers' equity for 2024-25</b>			
Balance as at 31 March 2024	353,626	220,049	573,675
NHS Wales Transfer	0	0	0
RoU Asset Transitioning Adjustment	0	0	0
Impact of IFRS 16 on PPP/PFI Liability	0	0	0
<b>Balance at 1 April 2024</b>	<b>353,626</b>	<b>220,049</b>	<b>573,675</b>
Net operating cost for the year	(2,328,436)		(2,328,436)
Net gain/(loss) on revaluation of property, plant and equipment	0	7,122	7,122
Net gain/(loss) on revaluation of right of use assets	0	0	0
Net gain/(loss) on revaluation of intangible assets	0	0	0
Net gain/(loss) on revaluation of financial assets	0	0	0
Net gain/(loss) on revaluation of assets held for sale	0	0	0
Impairments and reversals	0	0	0
Other Reserve Movement	0	0	0
Transfers between reserves	9,025	(9,025)	0
Release of reserves to SoCNE	0	0	0
Transfers to/from LHBs	0	0	0
<b>Total recognised income and expense for 2024-25</b>	<b>(2,319,411)</b>	<b>(1,903)</b>	<b>(2,321,314)</b>
Net Welsh Government funding	2,263,333		2,263,333
Notional Welsh Government Funding	69,649		69,649
<b>Balance at 31 March 2025</b>	<b>367,197</b>	<b>218,146</b>	<b>585,343</b>

Notional Welsh Government funding line includes 9.4% staff employer pension and Pensions Annual Allowance Charge Compensation Scheme (PAACCS) costs paid centrally by Welsh Government.

The Department of Health and Social Care (DHSC) 2023-24 consultation on the NHS Pension Scheme confirmed that the transitional approach that has operated since 2019-20 for employer contributions will continue in 2024-25. From 1st April 2024 an employer rate of 23.7% (23.78% inclusive of the administration charge) will apply.

However, the NHS Business Services Authority will continue to only collect 14.38% from NHS Wales employers under their normal monthly payment process to the NHS Pension Scheme. This has resulted in an increase in the central payments made by Welsh Government from 6.3% to 9.4%.

### Notional Welsh Government funding split:

Notional 9.4% staff employer pension £69,636,000

Pensions Annual Allowance Charge Compensation Scheme (PAACCS) £13,000

Transfers between reserves relates to the reversal of prior period upward revaluations of non-current assets.

The notes on pages 8 to 79 form part of these accounts.

## Statement of Changes in Taxpayers' Equity For the year ended 31 March 2024

	General Fund £000	Revaluation Reserve £000	Total Reserves £000
<b>Changes in taxpayers' equity for 2023-24</b>			
<b>Balance at 31 March 2023</b>	304,389	207,670	512,059
NHS Wales Transfer	0	0	0
RoU Asset Transitioning Adjustment	(177)	0	(177)
<b>Balance at 1 April 2023</b>	<u>304,212</u>	<u>207,670</u>	<u>511,882</u>
Net operating cost for the year	(2,158,812)	-	(2,158,812)
Net gain/(loss) on revaluation of property, plant and equipment	0	21,570	21,570
Net gain/(loss) on revaluation of right of use assets	0	(73)	(73)
Net gain/(loss) on revaluation of intangible assets	0	0	0
Net gain/(loss) on revaluation of financial assets	0	0	0
Net gain/(loss) on revaluation of assets held for sale	0	0	0
Impairments and reversals	0	0	0
Other reserve movement	0	0	0
Transfers between reserves	9,118	(9,118)	0
Release of reserves to SoCNE	0	0	0
Transfers to/from LHBs	0	0	0
<b>Total recognised income and expense for 2023-24</b>	<u>(2,149,694)</u>	<u>12,379</u>	<u>(2,137,315)</u>
Net Welsh Government funding	2,155,923	-	2,155,923
Notional Welsh Government Funding	43,185	-	43,185
<b>Balance at 31 March 2024</b>	<u><u>353,626</u></u>	<u><u>220,049</u></u>	<u><u>573,675</u></u>

The Notional Welsh Government funding line includes the 6.3% staff employer pension costs and Pensions Annual Allowance Charge Compensation Scheme (PAACCS) costs paid centrally by Welsh Government.

### Notional Welsh Government funding split:

Notional 6.3% staff employer pension £43,170,000

Pensions Annual Allowance Charge Compensation Scheme (PAACCS) £15,000

Transfers between reserves relates to the reversal of prior period upward revaluations for non-current assets that were impaired during 2023-24.

The notes on pages 8 to 79 form part of these accounts.

**Statement of Cash Flows for year ended 31 March 2025**

	2024-25	2023-24
	£000	£000
<b>Cash Flows from operating activities</b>		
Net operating cost for the financial year	(2,328,436)	(2,158,812)
Movements in Working Capital	27 (33,687)	(66,181)
Other cash flow adjustments	28 174,611	127,598
Provisions utilised	20 (20,992)	(22,055)
<b>Net cash outflow from operating activities</b>	<b>(2,208,504)</b>	<b>(2,119,450)</b>
<b>Cash Flows from investing activities</b>		
Purchase of property, plant and equipment	(49,636)	(29,364)
Proceeds from disposal of property, plant and equipment	491	5
Purchase of intangible assets	(25)	(119)
Proceeds from disposal of intangible assets	0	0
Payment for other financial assets	0	0
Proceeds from disposal of other financial assets	0	0
Payment for other assets	0	0
Proceeds from disposal of other assets	0	0
<b>Net cash inflow/(outflow) from investing activities</b>	<b>(49,170)</b>	<b>(29,478)</b>
<b>Net cash inflow/(outflow) before financing</b>	<b>(2,257,674)</b>	<b>(2,148,928)</b>
<b>Cash Flows from financing activities</b>		
Welsh Government funding (including capital)	2,263,333	2,155,923
Capital receipts surrendered	0	0
Capital grants received	0	0
Capital element of payments in respect of finance leases and on-SoFP PFI Schemes	(64)	(61)
Capital element of payments in respect of on-SoFP PFI	0	0
Capital element of payments in respect of Right of Use Assets	(4,742)	(4,820)
Cash transferred (to)/ from other NHS bodies	0	0
<b>Net financing</b>	<b>2,258,527</b>	<b>2,151,042</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>853</b>	<b>2,114</b>
<b>Cash and cash equivalents (and bank overdrafts) at 1 April 2024</b>	<b>5,027</b>	<b>2,913</b>
<b>Cash and cash equivalents (and bank overdrafts) at 31 March 2025</b>	<b>5,880</b>	<b>5,027</b>

The notes on pages 8 to 79 form part of these accounts.

## Notes to the Accounts

### 1. Accounting policies

The Minister for Health and Social Services has directed that the financial statements of Local Health Boards (LHBs) in Wales shall meet the accounting requirements of the NHS Wales Manual for Accounts. Consequently, the following financial statements have been prepared in accordance with the 2024-25 Manual for Accounts. The accounting policies contained in that manual follow the 2024-25 Financial Reporting Manual (FReM) in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006, to the extent that they are meaningful and appropriate to the NHS in Wales.

Where the LHB Manual for Accounts permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the LHB for the purpose of giving a true and fair view has been selected. The particular policies adopted by the LHB are described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

#### 1.1. Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets and inventories.

#### 1.2. Acquisitions and discontinued operations

Activities are considered to be 'acquired' only if they are taken on from outside the public sector. Activities are considered to be 'discontinued' only if they cease entirely. They are not considered to be 'discontinued' if they transfer from one public sector body to another.

#### 1.3. Income and funding

The main source of funding for the LHBs are allocations (Welsh Government funding) from the Welsh Government within an approved cash limit, which is credited to the General Fund of the LHB. Welsh Government funding is recognised in the financial period in which the cash is received.

Non-discretionary funding outside the Revenue Resource Limit is allocated to match actual expenditure incurred for the provision of specific pharmaceutical, or ophthalmic services identified by the Welsh Government. Non-discretionary expenditure is disclosed in the accounts and deducted from operating costs charged against the Revenue Resource Limit.

Funding for the acquisition of fixed assets received from the Welsh Government is credited to the General Fund.

Miscellaneous income is income which relates directly to the operating activities of the LHB and is not funded directly by the Welsh Government. This includes payment for services uniquely provided by the LHB for the Welsh Government such as funding provided to agencies and non-activity costs incurred by the LHB in its provider role. Income received from LHBs transacting with other LHBs is always treated as miscellaneous income.

From 2018-19, IFRS 15 Revenue from Contracts with Customers has been applied, as interpreted and adapted for the public sector, in the FREM. It replaces the previous standards IAS 11 Construction Contracts and IAS 18 Revenue and related IFRIC and SIC interpretations. The potential amendments identified as a result of the adoption of IFRS 15 are significantly below materiality levels.

Income is accounted for applying the accruals convention. Income is recognised in the period in which services are provided. Where income had been received from third parties for a specific activity to be delivered in the following financial year, that income will be deferred. Only non-NHS income may be deferred.

## **1.4. Employee benefits**

### **1.4.1. Short-term employee benefits**

Salaries, wages and employment-related payments are recognised in the period in which the service is received from employees and the Health Board does not routinely permit carry-over of annual leave between leave years for staff on Agenda for Change or Executive and Senior Management contracts.

Staff on Medical and Dental Contracts, where the leave year is not linked to the financial year, may carry forward up to five days annual leave subject to an approval process. In exceptional circumstances where a staff member has been expressly prevented from taking their annual leave entitlement because of service needs or due to taking another form of leave then carry-over of leave may be authorised.

In these circumstances the cost of leave earned but not taken by employees at the end of the financial period has been recognised as a liability in the 2024-25 financial statements.

### **1.4.2. Retirement benefit costs**

Past and present employees are covered by the provisions of the NHS Pensions Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, General Practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period.

The Department of Health and Social Care (DHSC) 2023-24 consultation on the NHS Pension Scheme confirmed that the transitional approach that has operated since 2019-20 for employer contributions will continue in 2024-25. From 1st April 2024 an employer rate of 23.7% (23.78% inclusive of the administration charge) will apply. However, the NHS Business Services Authority will continue to only collect 14.38% from NHS Wales employers under their normal monthly payment process to the NHS Pension Scheme. This has resulted in an increase in the central payments made by Welsh Government directly to the Pension Scheme administrator, the NHS Business Services Authority (BSA the NHS Pensions Agency) from 6.3% to 9.4%.

However, NHS Wales' organisations are required to account for their staff employer contributions of 23.78% in full and on a gross basis, in their annual accounts. Payments made on their behalf by Welsh Government are accounted for on a notional basis. For detailed information see the Other Note within these accounts.

For early retirements other than those due to ill health the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to expenditure at the time the NHS Wales organisation commits itself to the retirement, regardless of the method of payment.

Where employees are members of the Local Government Superannuation Scheme, which is a defined benefit pension scheme this is disclosed. The scheme assets and liabilities attributable to those employees can be identified and are recognised in the NHS Wales organisation's accounts. The assets are measured at fair value and the liabilities at the present value of the future obligations. The increase in the liability arising from pensionable service earned during the year is recognised within operating expenses. The expected gain during the year from scheme assets is recognised within finance income. The interest cost during the year arising from the unwinding of the discount on the scheme liabilities is recognised within finance costs.

### 1.4.3. NEST Pension Scheme

An alternative pensions scheme for employees not eligible to join the NHS Pensions scheme has to be offered. The NEST (National Employment Savings Trust) Pension scheme is a defined contribution scheme and therefore the cost to the NHS body of participating in the scheme is equal to the contributions payable to the scheme for the accounting period.

### 1.5. Other expenses

Other operating expenses for goods or services are recognised when, and to the extent that, they have been received. They are measured at the fair value of the consideration payable.

### 1.6. Property, plant and equipment

#### 1.6.1. Recognition

Property, plant and equipment is capitalised if:

- it is held for use in delivering services or for administrative purposes;
- it is probable that future economic benefits will flow to, or service potential will be supplied to, the NHS Wales organisation;
- it is expected to be used for more than one financial year;
- the cost of the item can be measured reliably; and
- the item has cost of at least £5,000; or
- Collectively, a number of items have a cost of at least £5,000 and individually have a cost of more than £250, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or
- Items form part of the initial equipping and setting-up cost of a new building, ward or unit, irrespective of their individual or collective cost.

Where a large asset, for example a building, includes a number of components with significantly different asset lives, the components are treated as separate assets and depreciated over their own useful economic lives.

#### 1.6.2. Valuation

All property, plant and equipment are measured initially at cost, representing the cost directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management.

Land and buildings used for services or for administrative purposes are stated in the Statement of Financial Position (SoFP) at their revalued amounts, being the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses. Revaluations are performed with sufficient regularity to ensure that carrying amounts are not materially different from those that would be determined at the end of the reporting period. Fair values are determined as follows:

- Land and non-specialised buildings – market value for existing use

- Specialised buildings – depreciated replacement cost

HM Treasury has adopted a standard approach to depreciated replacement cost valuations based on modern equivalent assets and, where it would meet the location requirements of the service being provided, an alternative site can be valued. NHS Wales' organisations have applied these new valuation requirements from 1st April 2009.

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees but not borrowing costs, which are recognised as expenses immediately, as allowed by IAS 23 for assets held at fair value. Assets are revalued and depreciation commences when they are brought into use.

In 2022-23 a formal revaluation exercise was applied to land and properties. The carrying value of existing assets at that date will be written off over their remaining useful lives and new fixtures and equipment are carried at depreciated historic cost as this is not considered to be materially different from fair value.

An increase arising on revaluation is taken to the revaluation reserve except when it reverses an impairment for the same asset previously recognised in expenditure, in which case it is credited to expenditure to the extent of the decrease previously charged there. A revaluation decrease that does not result from a loss of economic value or service potential is recognised as an impairment charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to expenditure. Impairment losses that arise from a clear consumption of economic benefit should be taken to expenditure.

References in IAS 36 to the recognition of an impairment loss of a revalued asset being treated as a revaluation decrease to the extent that the impairment does not exceed the amount in the revaluation surplus for the same asset, are adapted such that only those impairment losses that do not result from a clear consumption of economic benefit or reduction of service potential (including as a result of loss or damage resulting from normal business operations) should be taken to the revaluation reserve. Impairment losses that arise from a clear consumption of economic benefit should be taken to the Statement of Comprehensive Net Expenditure (SoCNE).

From 2015-16, IFRS 13 Fair Value Measurement must be complied with in full. However, IAS 16 and IAS 38 have been adapted for the public sector context which limits the circumstances under which a valuation is prepared under IFRS 13. Assets which are held for their service potential and are in use should be measured at their current value in existing use. For specialised assets current value in existing use should be interpreted as the present value of the assets remaining service potential, which can be assumed to be at least equal to the cost of replacing that service potential. Where there is no single class of asset that falls within IFRS 13, disclosures should be for material items only.

In accordance with the adaptation of IAS 16 in table 6.2 of the FReM, for non-specialised assets in operational use, current value in existing use is interpreted as market value for existing use which is defined in the RICS Red Book as Existing Use Value (EUV).

Assets which were most recently held for their service potential but are surplus should be valued at current value in existing use, if there are restrictions on the NHS organisation or the asset which would prevent access to the market at the reporting date. If the NHS organisation could access the market then the surplus asset should be used at fair value using IFRS 13. In determining whether such an asset which is not in use is surplus, an assessment should be made on whether there is a clear plan to bring the asset back into use as an operational asset. Where there is a clear plan, the asset is not surplus and the current value in existing use should be maintained. Otherwise the asset should be assessed as being surplus and valued under IFRS13.

Assets which are not held for their service potential should be valued in accordance with IFRS 5 or IAS 40 depending on whether the asset is actively held for sale. Where an asset is not being used to deliver services and there is no plan to bring it back into use, with no restrictions on sale, and it does not meet the IAS 40 and IFRS 5 criteria, these assets are surplus and are valued at fair value using IFRS 13.

### **1.6.3. Subsequent expenditure**

Where subsequent expenditure enhances an asset beyond its original specification, the directly attributable cost is capitalised. Where subsequent expenditure restores the asset to its original specification, the expenditure is capitalised and any carrying value of the item replaced is written-out and charged to the SoCNE. As highlighted in previous years the NHS in Wales does not have systems in place to ensure that all items being "replaced" can be identified and hence the cost involved to be quantified. The NHS in Wales has thus established a national protocol to ensure it complies with the standard as far as it is able to which is outlined in the capital accounting chapter of the Manual For Accounts. This dictates that to ensure that asset carrying values are not materially overstated, for All Wales Capital Schemes that are completed in a financial year, NHS Wales organisations are required to obtain a revaluation during that year (prior to them being brought into use) and also similar revaluations are needed for all Discretionary Building Schemes completed which have a spend greater than £0.5m. The write downs identified are then charged to operating expenses.

## **1.7. Intangible assets**

### **1.7.1. Recognition**

Intangible assets are non-monetary assets without physical substance, which are capable of sale separately from the rest of the business or which arise from contractual or other legal rights. They are recognised only when it is probable that future economic benefits will flow to, or service potential be provided to, the NHS Wales organisation; where the cost of the asset can be measured reliably, and where the cost is at least £5,000.

Intangible assets acquired separately are initially recognised at fair value. Software that is integral to the operating of hardware, for example an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software that is not integral to the operation of hardware, for example application software, is capitalised as an intangible asset. Expenditure on research is not capitalised: it is recognised as an operating expense in the period in which it is incurred. Internally-generated assets are recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use.
- the intention to complete the intangible asset and use it.
- the ability to use the intangible asset.
- how the intangible asset will generate probable future economic benefits.
- the availability of adequate technical, financial and other resources to complete the intangible asset and use it.
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

### **1.7.2 Measurement**

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the criteria above are initially met. Where no internally-generated intangible asset can be recognised, the expenditure is recognised in the period in which it is incurred.

Following initial recognition, intangible assets are carried at fair value by reference to an active market, or, where no active market exists, at amortised replacement cost (modern equivalent assets basis), indexed for relevant price increases, as a proxy for fair value. Internally-developed software is held at historic cost to reflect the opposing effects of increases in development costs and technological advances.

### **1.8. Depreciation, amortisation and impairments**

Freehold land, assets under construction and assets held for sale are not depreciated.

Otherwise, depreciation and amortisation are charged to write off the costs or valuation of property, plant and equipment and intangible non-current assets, less any residual value, over their estimated useful lives, in a manner that reflects the consumption of economic benefits or service potential of the assets. The estimated useful life of an asset is the period over which the NHS Wales Organisation expects to obtain economic benefits or service potential from the asset. This is specific to the NHS Wales organisation and may be shorter than the physical life of the asset itself. Estimated useful lives and residual values are reviewed each year end, with the effect of any changes recognised on a prospective basis. Assets held under finance leases are depreciated over the shorter of the lease term and estimated useful lives.

At each reporting period end, the NHS Wales organisation checks whether there is any indication that any of its tangible or intangible non-current assets have suffered an impairment loss. If there is indication of an impairment loss, the recoverable amount of the asset is estimated to determine whether there has been a loss and, if so, its amount. Intangible assets not yet available for use are tested for impairment annually.

Impairment losses that do not result from a loss of economic value or service potential are taken to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to the SoCNE. Impairment losses that arise from a clear consumption of economic benefit are taken to the SoCNE. The balance on any revaluation reserve (up to the level of the impairment) to which the impairment would have been charged under IAS 36 are transferred to retained earnings. Right of use (ROU) asset impairments are reflected in ROU liability.

### **1.9. Research and Development**

Research and development expenditure is charged to operating costs in the year in which it is incurred, except insofar as it relates to a clearly defined project, which can be separated from patient care activity and benefits therefrom can reasonably be regarded as assured. Expenditure so deferred is limited to the value of future benefits expected and is amortised through the SoCNE on a systematic basis over the period expected to benefit from the project.

### **1.10 Non-current assets held for sale**

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met when the sale is highly probable, the asset is available for immediate sale in its present condition and management is committed to the sale, which is expected to qualify for recognition as a completed sale,

within one year from the date of classification. Non-current assets held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Fair value is open market value including alternative uses.

The profit or loss arising on disposal of an asset is the difference between the sale proceeds and the carrying amount and is recognised in the SoCNE. On disposal, the balance for the asset on the revaluation reserve, is transferred to the General Fund.

Property, plant and equipment that is to be scrapped or demolished does not qualify for recognition as held for sale. Instead it is retained as an operational asset and its economic life adjusted. The asset is derecognised when it is scrapped or demolished.

### 1.11 Leases

A lease is a contract or part of a contract that conveys the right to use an asset for a period of time in exchange for consideration.

IFRS 16 leases is effective across public sector from 1st April 2022. The transition to IFRS 16 has been completed in accordance with paragraph C5 (b) of the Standard, applying IFRS 16 requirements retrospectively recognising the cumulative effects at the date of initial application.

In the transition to IFRS 16 a number of elections and practical expedients offered in the standard have been employed. These are as follows: The entity has applied the practical expedient offered in the standard per paragraph C3 to apply IFRS 16 to contracts or arrangements previously identified as containing a lease under the previous leasing standards IAS 17 leases and IFRIC 4 determining whether an arrangement contains a lease and not to those that were identified as not containing a lease under previous leasing standards.

On initial application the LHB has measured the right of use assets for leases previously classified as operating leases per IFRS 16 C8 (b)(ii), at an amount equal to the lease liability adjusted for accrued or prepaid lease payments.

No adjustments have been made for operating leases in which the underlying asset is of low value per paragraph C9 (a) of the standard.

The transitional provisions have not been applied to operating leases whose terms end within 12 months of the date of initial application per paragraph C10 (c) of IFRS 16.

Hindsight is used to determine the lease term when contracts or arrangements contain options to extend or terminate the lease in accordance with C10 (e) of IFRS 16.

Due to transitional provisions employed the requirements for identifying a lease within paragraphs 9 to 11 of IFRS 16 are not employed for leases in existence at the initial date of application. Leases entered into on or after the 1st April 2022 will be assessed under the requirements of IFRS 16.

There are further expedients or election that have been employed by the LHB in applying IFRS 16.

These include:

- the measurement requirements under IFRS 16 are not applied to leases with a term of 12 months or less under paragraph 5 (a) of IFRS 16
- the measurement requirements under IFRS 16 are not applied to leases where the underlying asset is of a low value which are identified as those assets of a value of less than £5,000, excluding any irrecoverable VAT, under paragraph 5 (b) of IFRS 16

The LHB will not apply IFRS 16 to any new leases of intangible assets, applying the treatment described in section 1.7 instead.

The LHB is required to apply IFRS 16 to lease like arrangements entered into with other public sector entities that are in substance akin to an enforceable contract, that in their formal legal form may not be enforceable. Prior to accounting for such arrangements under IFRS 16 the LHB has assessed that in all other respects these arrangements meet the definition of a lease under the standard.

The LHB is required to apply IFRS 16 to lease like arrangements entered into in which consideration exchanged is nil or nominal, therefore significantly below market value. These arrangements are described as peppercorn leases. Such arrangements are again required to meet the definition of a lease in every other respect prior to inclusion in the scope of IFRS 16. The accounting for peppercorn arrangements aligns to that identified for donated assets. Peppercorn leases are different in substance to arrangements in which consideration is below market value but not significantly below market value.

The nature of the accounting policy change for the lessee is more significant than for the lessor under IFRS 16. IFRS 16 introduces a singular lessee approach to measurement and classification in which lessees recognise a right of use asset.

For the lessor leases remain classified as finance leases when substantially all the risks and rewards incidental to ownership of an underlying asset are transferred to the lessee. When this transfer does not occur, leases are classified as operating leases.

#### **1.11.1 Betsi Cadwaladr University LHB as lessee**

At the commencement date for the leasing arrangement a lessee shall recognise a right of use asset and corresponding lease liability. The LHB employs a revaluation model for the subsequent measurement of its right of use assets unless cost is considered to be an appropriate proxy for current value in existing use or fair value in line with the accounting policy for owned assets. Where consideration exchanged is identified as below market value, cost is not considered to be an appropriate proxy to value the right of use asset.

Irrecoverable VAT is expensed in the period to which it relates and therefore not included in the measurement of the lease liability and consequently the value of the right of use asset.

The incremental borrowing rate of 0.95% has been applied to the lease liabilities recognised at the date of initial application of IFRS 16.

Where changes in future lease payments result from a change in an index or rate or rent review, the lease liabilities are remeasured using an unchanged discount rate.

Where there is a change in a lease term or an option to purchase the underlying asset the LHB applies a revised rate to the remaining lease liability.

Where existing leases are modified the LHB must determine whether the arrangement constitutes a separate lease and apply the standard accordingly.

Lease payments are recognised as an expense on a straight-line or another systematic basis over the lease term, where the lease term is in substance 12 months or less, or is elected as a lease containing low value underlying asset by the LHB.

#### **1.11.2 Betsi Cadwaladr University LHB as lessor**

A lessor shall classify each of its leases as an operating or finance lease. A lease is classified as finance lease when the lease substantially transfers all the risks and rewards incidental to ownership of an underlying asset. Where substantially all the risks and rewards are not transferred, a lease is classified as an operating lease.

Amounts due from lessees under finance leases are recorded as receivables at the amount of the LHB's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the LHB's net investment outstanding in respect of the leases.

Income from operating leases is recognised on a straight-line or another systematic basis over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

Where the LHB is an intermediate lessor, being a lessor and a lessee regarding the same underlying asset, classification of the sublease is required to be made by the intermediate lessor considering the term of the arrangement and the nature of the right of use asset arising from the head lease.

On transition the LHB has reassessed the classification of all of its continuing subleasing arrangements to include peppercorn leases.

### **1.12. Inventories**

Whilst it is accounting convention for inventories to be valued at the lower of cost and net realisable value using the weighted average or "first-in first-out" cost formula, it should be recognised that the NHS is a special case in that inventories are not generally held for the intention of resale and indeed there is no market readily available where such items could be sold. Inventories are valued at cost and this is considered to be a reasonable approximation to fair value due to the high turnover of stocks. Work-in-progress comprises goods in intermediate stages of production. Partially completed contracts for patient services are not accounted for as work-in-progress.

### **1.13. Cash and cash equivalents**

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in three months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value. In the Statement of Cash flows (SoCF), cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and that form an integral part of the cash management.

### **1.14. Provisions**

Provisions are recognised when the LHB has a present legal or constructive obligation as a result of a past event, it is probable that the LHB will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties. Where a provision is measured using the cash flows estimated to settle the obligation, its carrying amount is the present value of those cash flows using the discount rate supplied by HM Treasury.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursements will be received and the amount of the receivable can be measured reliably.

Present obligations arising under onerous contracts are recognised and measured as a provision. An onerous contract is considered to exist where the LHB has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

A restructuring provision is recognised when the LHB has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with ongoing activities of the entity.

#### **1.14.1. Clinical negligence and personal injury costs**

The Welsh Risk Pool Services (WRPS) operates a risk pooling scheme which is co-funded by the Welsh Government with the option to access a risk sharing agreement funded by the participative NHS Wales bodies. The risk sharing option was implemented in both 2023-24 and 2024-25. The WRPS is hosted by Velindre University NHS Trust.

### **1.14.2. Future Liability Scheme (FLS) - General Medical Practice Indemnity (GMPI)**

The FLS is a state backed scheme to provide clinical negligence General Medical Practice Indemnity (GMPI) for providers of GMP services in Wales.

In March 2019, the Minister issued a Direction to Velindre University NHS Trust to enable Legal and Risk Services to operate the Scheme. The GMPI is underpinned by new secondary legislation, The NHS (Clinical Negligence Scheme) (Wales) Regulations 2019 which came into force on 1st April 2019.

GMP Service Providers are not direct members of the GMPI FLS, their qualifying liabilities are the subject of an arrangement between them and their relevant LHB, which is a member of the scheme. The qualifying reimbursements to the LHB are not subject to the £25,000 excess.

### **1.15. Financial Instruments**

From 2018-19 IFRS 9 Financial Instruments has applied, as interpreted and adapted for the public sector, in the FReM. The principal impact of IFRS 9 adoption by NHS Wales' organisations, was to change the calculation basis for bad debt provisions, changing from an incurred loss basis to a lifetime expected credit loss (ECL) basis.

All entities applying the FReM recognised the difference between previous carrying amount and the carrying amount at the beginning of the annual reporting period that included the date of initial application in the opening general fund within Taxpayer's equity.

### **1.16. Financial assets**

Financial assets are recognised on the SoFP when the LHB becomes party to the financial instrument contract or, in the case of trade receivables, when the goods or services have been delivered. Financial assets are derecognised when the contractual rights have expired or the asset has been transferred.

The accounting policy choice allowed under IFRS 9 for long term trade receivables, contract assets which do contain a significant financing component (in accordance with IFRS 15), and lease receivables within the scope of IAS 17 has been withdrawn and entities should always recognise a loss allowance at an amount equal to lifetime Expected Credit Losses. All entities applying the FReM should utilise IFRS 9's simplified approach to impairment for relevant assets.

IFRS 9 requirements required a revised approach for the calculation of the bad debt provision, applying the principles of expected credit loss, using the practical expedients within IFRS 9 to construct a provision matrix.

#### **1.16.1. Financial assets are initially recognised at fair value**

Financial assets are classified into the following categories: financial assets 'at fair value through SoCNE'; 'held to maturity investments'; 'available for sale' financial assets, and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

#### **1.16.2. Financial assets at fair value through SoCNE**

Embedded derivatives that have different risks and characteristics to their host contracts, and contracts with embedded derivatives whose separate value cannot be ascertained, are treated as financial assets at fair value through SoCNE. They are held at fair value, with any resultant gain or loss recognised in the SoCNE. The net gain or loss incorporates any interest earned on the financial asset.

### **1.16.3 Held to maturity investments**

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity, and there is a positive intention and ability to hold to maturity. After initial recognition, they are held at amortised cost using the effective interest method, less any impairment. Interest is recognised using the effective interest method.

### **1.16.4. Available for sale financial assets**

Available for sale financial assets are non-derivative financial assets that are designated as available for sale or that do not fall within any of the other three financial asset classifications. They are measured at fair value with changes in value taken to the revaluation reserve, with the exception of impairment losses. Accumulated gains or losses are recycled to the SoCNE on de-recognition.

### **1.16.5. Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. After initial recognition, they are measured at amortised cost using the effective interest method, less any impairment. Interest is recognised using the effective interest method.

Fair value is determined by reference to quoted market prices where possible, otherwise by valuation techniques.

The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, to the net carrying amount of the financial asset.

At the SOFP date, the LHB assesses whether any financial assets, other than those held at 'fair value through profit and loss' are impaired. Financial assets are impaired and impairment losses recognised if there is objective evidence of impairment as a result of one or more events which occurred after the initial recognition of the asset and which has an impact on the estimated future cash flows of the asset.

For financial assets carried at amortised cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. The loss is recognised in the SoCNE and the carrying amount of the asset is reduced directly, or through a provision of impairment of receivables.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the SoCNE to the extent that the carrying amount of the receivable at the date of the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

### **1.17. Financial liabilities**

Financial liabilities are recognised on the SOFP when the LHB becomes party to the contractual provisions of the financial instrument or, in the case of trade payables, when the goods or services have been received. Financial liabilities are de-recognised when the liability has been discharged, that is, the liability has been paid or has expired.

#### **1.17.1. Financial liabilities are initially recognised at fair value**

Financial liabilities are classified as either financial liabilities at fair value through the SoCNE or other financial liabilities.

#### **1.17.2. Financial liabilities at fair value through the SoCNE**

Embedded derivatives that have different risks and characteristics to their host contracts, and contracts with embedded derivatives whose separate value cannot be ascertained, are treated as financial liabilities at fair value through profit and loss. They are held at fair value, with any resultant gain or loss recognised in the SoCNE. The net gain or loss incorporates any interest earned on the financial asset.

#### **1.17.3. Other financial liabilities**

After initial recognition, all other financial liabilities are measured at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments through the life of the asset, to the net carrying amount of the financial liability. Interest is recognised using the effective interest method.

#### **1.18. Value Added Tax (VAT)**

Most of the activities of the NHS Wales organisation are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

#### **1.19. Foreign currencies**

Transactions denominated in a foreign currency are translated into sterling at the exchange rate ruling on the dates of the transactions. Resulting exchange gains and losses are taken to the SoCNE. At the SoFP date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the reporting date.

#### **1.20. Third party assets**

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the NHS Wales organisation has no beneficial interest in them. Details of third party assets are given in the Notes to the accounts.

#### **1.21. Losses and Special Payments**

Losses and special payments are items that the Welsh Government would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way each individual case is handled.

Losses and special payments are charged to the relevant functional headings in the SoCNE on an accruals basis, including losses which would have been made good through insurance cover had the LHB not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure). However, the note on losses and special payments is compiled directly from the losses register which is prepared on a cash basis.

The LHB accounts for all losses and special payments gross (including assistance from the WRP).

The LHB accrues or provides for the best estimate of future pay-outs for certain liabilities and discloses all other potential payments as contingent liabilities, unless the probability of the liabilities becoming payable is remote.

All claims for losses and special payments are provided for where the probability of settlement of an individual claim is over 50%. Where reliable estimates can be made, incidents of clinical negligence against which a claim has not, as yet, been received are provided in the same way. Expected reimbursements from the WRP are included in debtors. For those claims where the probability of settlement is between 5- 50%, the liability is disclosed as a contingent liability.

### **1.22. Pooled budgets**

The LHB has entered into pooled budget arrangements with local authorities across north Wales. Under these arrangements funds are pooled in accordance with Section 33 of the NHS (Wales) Act 2006 for specific activities as defined in Note 32 - Pooled budgets.

The LHB accounts for its share of the assets, liabilities, income and expenditure from these activities in accordance with each pooled budget's arrangement.

### **1.23. Critical Accounting Judgements and key sources of estimation uncertainty**

In the application of the accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates. The estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or the period of the revision and future periods if the revision affects both current and future periods.

### **1.24. Key sources of estimation uncertainty**

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the SoFP date, that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Significant estimations are made in relation to on-going clinical negligence and personal injury claims. Assumptions as to the likely outcome, the potential liabilities and the timings of these litigation claims are provided by independent legal advisors. Any material changes in liabilities associated with these claims would be recoverable through the Welsh Risk Pool.

Significant estimations are also made for continuing care costs resulting from claims post 1st April 2003. An assessment of likely outcomes, potential liabilities and timings of these claims are made on a case by case basis. Material changes associated with these claims would be adjusted in the period in which they are revised.

Estimates are also made for contracted primary care services. These estimates are based on the latest payment levels. Changes associated with these liabilities are adjusted in the following reporting period.

#### **1.24.1. Provisions**

The LHB provides for legal or constructive obligations for clinical negligence, personal injury and defence costs that are of uncertain timing or amount at the balance sheet date on the basis of the best estimate of the expenditure required to settle the obligation.

Claims are funded via the Welsh Risk Pool Services (WRPS) which receives an annual allocation from Welsh Government to cover the cost of reimbursement requests submitted to the bi-monthly WRPS Committee. Following settlement to individual claimants by the NHS Wales organisation, the full cost is recognised in year and matched to income (less a £25K excess) via a WRPS debtor, until reimbursement has been received from the WRPS Committee.

### 1.24.2. Probable & Certain Cases – Accounting Treatment

A provision for these cases is calculated in accordance with IAS 37. Cases are assessed and divided into four categories according to their probability of settlement;

<b>Remote</b>	Probability of Settlement	0 – 5%
	Accounting Treatment	Remote Contingent Liability.
<b>Possible</b>	Probability of Settlement	6% - 49%
	Accounting Treatment	Defence Fee - Provision  Contingent Liability for all other estimated expenditure
<b>Probable</b>	Probability of Settlement	50% - 94%
	Accounting Treatment	Full Provision
<b>Certain</b>	Probability of Settlement	95% - 100%
	Accounting Treatment	Full Provision

The provision for probable and certain cases is based on case estimates of individual reported claims received by Legal & Risk Services within NHS Wales Shared Services Partnership.

The solicitor will estimate the case value including defence fees, using professional judgement and from obtaining counsel advice. Valuations are then discounted for the future loss elements using individual life expectancies and the Government Actuary's Department actuarial tables (Ogden tables) and Personal Injury Discount Rate of 0.5%.

Future liabilities for certain & probable cases with a probability of 95%-100% and 50%- 94% respectively are held as a provision on the balance sheet. Cases typically take a number of years to settle, particularly for high value cases where a period of development is necessary to establish the full extent of the injury caused.

### **1.25 Discount Rates**

The LHB applies discount rates provided by H M Treasury's Public Expenditure System (PES) to provisions for post employment benefits reported in Note 20 Provisions on pages 58 and 59. The relevant discount rate for 2024-25 is 2.40% (2023-24 - 2.45%)

The impact of unwinding of discounts is reported in Note 7 Finance Costs on page 32.

## **1.26 Private Finance Initiative (PFI) transactions**

HM Treasury has determined that government bodies shall account for infrastructure PFI schemes where the government body controls the use of the infrastructure and the residual interest in the infrastructure at the end of the arrangement as service concession arrangements, following the principles of the requirements of IFRIC 12. The LHB therefore recognises the PFI asset as an item of property, plant and equipment together with a liability to pay for it. The services received under the contract are recorded as operating expenses.

The annual unitary payment is separated into the following component parts, using appropriate estimation techniques where necessary:

- a) Payment for the fair value of services received;
- b) Payment for the PFI asset, including finance costs; and
- c) Payment for the replacement of components of the asset during the contract 'lifecycle replacement'.

### **1.26.1. Services received**

The fair value of services received in the year is recorded under the relevant expenditure headings within 'operating expenses'.

### **1.26.2. PFI asset**

The PFI assets are recognised as property, plant and equipment, when they come into use. The assets are measured initially at fair value in accordance with the principles of IAS 17. Subsequently, the assets are measured at fair value, which is kept up to date in accordance with the LHB's approach for each relevant class of asset in accordance with the principles of IAS 16.

### **1.26.3. PFI liability**

A PFI liability is recognised at the same time as the PFI assets are recognised.

#### **Prior year treatment**

It is measured initially at the same amount as the fair value of the PFI assets and is subsequently measured as a finance lease liability in accordance with IAS 17.

An annual finance cost is calculated by applying the implicit interest rate in the lease to the opening lease liability for the period, and is charged to 'Finance Costs' within the SoCNE.

The element of the annual unitary payment that is allocated as a finance lease rental is applied to meet the annual finance cost and to repay the lease liability over the contract term.

An element of the annual unitary payment increase due to cumulative indexation is allocated to the finance lease. In accordance with IAS 17, this amount is not included in the minimum lease payments, but is instead treated as contingent rent and is expensed as incurred. In substance, this amount is a finance cost in respect of the liability and the expense is presented as a contingent finance cost in the SoCNE.

#### **1.26.4 Impact of IFRS 16 on on-balance sheet PFI/PPP Schemes as from 1st April 2023.**

On-balance sheet PPP arrangements should be based on IFRS 16 accounting principles from 2023-24.

When measuring the liability for on-balance sheet PPP contracts containing capital payments linked to a price index IFRS 16 requires that a lessee shall remeasure the lease liability where there is a change in future lease payments resulting from a change in an index or a rate used to determine those payments. The lessee shall remeasure the lease liability to reflect those revised lease payments only when there is a change in the cash flows.

Initial remeasurement - the future PPP liability will need to be remeasured at 1st April 2023 to include the actual indexation-linked changes to payments for the capital/infrastructure element which have taken effect in the cash flows since the PPP agreement commenced. This should use a cumulative catch-up approach, where the cumulative effect is recognised as an adjustment to the opening balance of retained earnings.

Subsequent measurement - The PPP liability will continue to require remeasurements whenever cash payments change in response to indexation movements as set out in the individual PPP contract. The double entry for the subsequent liability remeasurement should be Debit Finance Cost, Credit PPP liability.

The liability does not include estimated future indexation linked increases.

#### **1.26.5. Lifecycle replacement**

Components of the asset replaced by the operator during the contract ('lifecycle replacement') are capitalised where they meet the LHB's criteria for capital expenditure. They are capitalised at the time they are provided by the operator and are measured initially at their fair value.

The element of the annual unitary payment allocated to lifecycle replacement is pre-determined for each year of the contract from the operator's planned programme of lifecycle replacement. Where the lifecycle component is provided earlier or later than expected, a short-term finance lease liability or prepayment is recognised respectively.

Where the fair value of the lifecycle component is less than the amount determined in the contract, the difference is recognised as an expense when the replacement is provided. If the fair value is greater than the amount determined in the contract, the difference is treated as a 'free' asset and a deferred income balance is recognised. The deferred income is released to the operating income over the shorter of the remaining contract period or the useful economic life of the replacement component.

#### **1.26.6. Assets contributed by the LHB to the operator for use in the scheme**

Assets contributed for use in the scheme continue to be recognised as items of property, plant and equipment in the LHB's SoFP.

#### **1.26.7. Other assets contributed by the LHB to the operator**

Assets contributed (e.g. cash payments, surplus property) by the LHB to the operator before the asset is brought into use, which are intended to defray the operator's capital costs, are recognised initially as prepayments during the construction phase of the contract. Subsequently, when the asset is made available to the LHB, the prepayment is treated as an initial payment towards the finance lease liability and is set against the carrying value of the liability.

A PFI liability is recognised at the same time as the PFI assets are recognised. It is measured at the present value of the minimum lease payments, discounted using the implicit interest rate. It is subsequently measured as a finance lease liability in accordance with IAS 17.

On initial recognition of the asset, the difference between the fair value of the asset and the initial liability is recognised as deferred income, representing the future service potential to be received by the NHS Wales organisation through the asset being made available to third party users.

### 1.27. Contingencies

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the LHB, or a present obligation that is not recognised because it is not probable that a payment will be required to settle the obligation or the amount of the obligation cannot be measured sufficiently reliably. A contingent liability is disclosed unless the possibility of a payment is remote.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the LHB. A contingent asset is disclosed where an inflow of economic benefits is probable.

Where the time value of money is material, contingencies are disclosed at their present value. Remote contingent liabilities are those that are disclosed under Parliamentary reporting requirements and not under IAS 37 and, where practical, an estimate of their financial effect is required.

### 1.28. Absorption accounting

Transfers of function are accounted for as either by merger or by absorption accounting dependent upon the treatment prescribed in the FReM. Absorption accounting requires that entities account for their transactions in the period in which they took place with no restatement of performance required.

Where transfer of function is between LHBs the gain or loss resulting from the assets and liabilities transferring is recognised in the SoCNE and is disclosed separately from the operating costs.

### 1.29. Accounting standards that have been issued but not yet been adopted

The following accounting standards have been issued and or amended by the IASB and IFRIC but have not been adopted because they are not yet required to be adopted by the FReM

**IFRS14 Regulatory Deferral Accounts** - Applies to first time adopters of IFRS after 1st January 2016. Therefore not applicable.

**IFRS 17 Insurance Contracts** - Application required for accounting periods beginning on or after 1st January 2023, Standard is UK endorsed and adopted by the FReM. The date of initial application is the beginning of the annual reporting period in which IFRS 17 is first applied. In central government the date of initial application is 1st April 2025.

**IFRS 18 Presentation and Disclosure in Financial Statements** - Application required for accounting periods beginning on or after 1st January 2027. Standard is not yet UK endorsed and not yet adopted by the FReM. Early adoption is not permitted.

**IFRS 19 Subsidiaries without Public Accountability: Disclosures** - Application required for accounting periods beginning on or after 1st January 2027. Standard is not yet UK endorsed and not yet adopted by the FReM. Early adoption is not permitted.

### 1.30. Accounting standards issued that have been adopted early

During 2024-25 there have been no accounting standards that have been adopted early. All early adoption of accounting standards will be led by HM Treasury.

### 1.31. Charities

Following Treasury's agreement to apply IAS 27 to NHS Charities from 1st April 2013, the LHB has established that as it is the corporate trustee of the linked charity "Betsi Cadwaladr University Health Board Charity and Other Related Charities", it is considered for accounting standards compliance to have control of the Charity as a subsidiary. It is therefore required to consolidate the results of the Charity within the statutory accounts of the LHB.

The determination of control is an accounting standard test of control and there has been no change to the operation of the Charity or its independence in its management of charitable funds.

However, the LHB has with the agreement of the Welsh Government adopted the IAS 27 (10) exemption to consolidate. Welsh Government as the ultimate parent of the Local Health Boards will disclose the Charitable Accounts of Local Health Boards in the Welsh Government Consolidated Accounts.

Details of the transactions with the Charity are included in Note 30 Related Party Transactions.

## 2. Financial Duties Performance

The National Health Service Finance (Wales) Act 2014 came into effect from 1st April 2014. The Act amended the financial duties of Local Health Boards under section 175 of the National Health Service (Wales) Act 2006. From 1st April 2014 section 175 of the National Health Service (Wales) Act places two financial duties on Local Health Boards:

- A duty under section 175 (1) to secure that its expenditure does not exceed the aggregate of the funding allotted to it over a period of 3 financial years;
- A duty under section 175 (2A) to prepare a plan in accordance with planning directions issued by the Welsh Ministers, to secure compliance with the duty under section 175 (1) while improving the health of the people for whom it is responsible, and the provision of health care to such people, and for that plan to be submitted to and approved by the Welsh Ministers.

The first assessment of performance against the 3 year statutory duty under section 175 (1) was at the end of 2016-17, being the first 3 year period of assessment.

Welsh Health Circular WHC/2016/054 "Statutory and Financial Duties of Local Health Boards and NHS Trusts" clarifies the statutory financial duties of NHS Wales bodies effective from 2016-17.

### 2.1 Revenue Resource Performance

	Annual financial performance			
	2022-23 £000	2023-24 £000	2024-25 £000	Total £000
<b>Net operating costs for the year</b>	1,991,335	2,158,812	2,328,436	<b>6,478,583</b>
Less general ophthalmic services expenditure and other non-cash limited expenditure	1,790	1,777	854	<b>4,421</b>
Less unfunded revenue consequences of bringing PFI schemes onto SoFP	0	0	0	<b>0</b>
Less any non funded revenue consequences of IFRS 16	0	0	0	<b>0</b>
Total operating expenses	1,993,125	2,160,589	2,329,290	<b>6,483,004</b>
Revenue Resource Allocation	1,993,514	2,136,242	2,321,730	<b>6,451,486</b>
<b>Under /(over) spend against Allocation</b>	<b>389</b>	<b>(24,347)</b>	<b>(7,560)</b>	<b>(31,518)</b>

Betsi Cadwaladr University LHB has not met its financial duty to break-even against its Revenue Resource Limit over the 3 years 2022-23 to 2024-25.

The Health Board did not receive any additional cash-only support from Welsh Government during 2024-25. Cumulative cash-only support of £176.694m was received in previous financial periods to assist the Health Board with making payments to staff and suppliers; there is no requirement for this balance to be repaid to Welsh Government.

### 2.2 Capital Resource Performance

	2022-23	2023-24	2024-25	Total
	£000	£000	£000	£000
<b>Gross capital expenditure</b>	29,683	34,855	52,174	<b>116,712</b>
Add: Losses on disposal of donated assets	0	0	0	<b>0</b>
Less NBV on disposal of property, plant and equipment, right of use and intangible assets	0	0	(897)	<b>(897)</b>
Adjustment for transfers (to)/from NHS Trusts	0	0	0	<b>0</b>
Less capital grants received	0	0	0	<b>0</b>
Less donations received	(460)	(566)	(962)	<b>(1,988)</b>
Less IFRS16 Peppercorn income	0	0	0	<b>0</b>
Less <b>initial recognition</b> of RoU Asset Dilapidations	0	0	0	<b>0</b>
Charge against Capital Resource Allocation	29,223	34,289	50,315	<b>113,827</b>
Capital Resource Allocation	29,252	34,483	50,664	<b>114,399</b>
<b>(Over) / Underspend against Capital Resource Allocation</b>	<b>29</b>	<b>194</b>	<b>349</b>	<b>572</b>

Betsi Cadwaladr University LHB has met its financial duty to break-even against its Capital Resource Limit over the 3 years 2022-23 to 2024-25.

### 2.3 Duty to prepare a 3 year integrated plan

It is a statutory duty under the requirements of the NHS Finance (Wales) Act 2014 that all Health Boards in Wales prepare and submit an Integrated Medium-Term Plan (IMTP) to Welsh Government. The IMTP should provide a road map towards delivering improvements to population health needs, whilst also confirming plans for delivering financial break-even across three years. For 2024-25 Betsi Cadwaladr University LHB was unable to produce a Three Year Plan that met all of the requirements of Welsh Government.

The Health Board confirmed to Welsh Government via an Accountable Officer letter that it was unable to fulfil its statutory duty to produce a three year IMTP, in particular being unable to deliver financial balance over a three-year period. The Health Board instead submitted an Integrated Three Year Plan for 2024 to 2027 with a specific focus on 2024-25. This builds upon previous Annual Plan submissions and the Special Measures escalation plan for the Health Board, to produce a coordinated response to development and improvement.

Therefore, in line with section 175(2) of the National Health Service (Wales) Act 2006 (as amended by NHS Finance (Wales) Act 2014) and the NHS Wales Planning Framework, the organisation failed to meet its statutory duty to prepare a three-year integrated plan.

The Minister for Health and Social Services extant approval

**Status**  
**Date**

Not approved  
Not applicable

Betsi Cadwaladr University LHB has not therefore met its statutory duty to have an approved financial plan.

### 2.4 Creditor payment

The LHB is required to pay 95% of the number of non-NHS bills within 30 days of receipt of goods or a valid invoice (whichever is the later). The LHB has achieved the following results:

	<b>2024-25</b>	2023-24
Total number of non-NHS bills paid	<b>395,093</b>	415,369
Total number of non-NHS bills paid within target	<b>377,799</b>	392,504
Percentage of non-NHS bills paid within target	95.6%	94.5%

**The LHB has met the target.**

### 3. Analysis of gross operating costs

#### 3.1 Expenditure on Primary Healthcare Services

	Cash limited £000	Non-cash limited £000	2024-25 Total £000	2023-24 Total £000
General Medical Services	169,570		169,570	155,174
Pharmaceutical Services	39,921	(10,859)	29,062	26,646
General Dental Services	36,446		36,446	35,759
General Ophthalmic Services	4,168	10,005	14,173	10,188
Other Primary Health Care expenditure	6,787		6,787	5,551
Prescribed drugs and appliances	132,342		132,342	130,223
<b>Total</b>	<b>389,234</b>	<b>(854)</b>	<b>388,380</b>	<b>363,541</b>

Return of excess funds from primary care contractors are included in the figures above

#### Included within other notes to the accounts

Additional Primary Care Expenditure	Positive	72	0
Additional Primary Care Income	Negative	(1,930)	0
<b>Overall total</b>		<b>386,522</b>	<b>363,541</b>

Note 3.1 Expenditure on Primary Healthcare Services includes £39,484,000 expenditure in respect of pay costs (2023-24 £35,202,000)

Additional Primary Care Expenditure of £72,000 relates to interest on obligations under Right of Use Leases included in Note 7: Finance Costs (2023-24 included in Note 3.1 £84,000) Additional Primary care income of £1,930,000 is included in Note 4 Miscellaneous Income on page 31. This income was previously netted-off against expenditure in Note 3.1 Expenditure on Primary Healthcare Services (2023-24 £1,323,000).

#### 3.2 Expenditure on healthcare from other providers

	2024-25 £000	2023-24 £000
Goods and services from other NHS Wales Health Boards	7,727	7,077
Goods and services from other NHS Wales Trusts	9,694	10,451
Goods and services from Welsh Special Health Authorities	0	0
Goods and services from other non Welsh NHS bodies	84,218	87,837
Goods and services from NWJCC /WHSSC and EASC	273,064	242,659
Local Authorities	0	0
Voluntary organisations	14,974	11,151
NHS Funded Nursing Care	10,091	7,990
Continuing Care	129,808	120,100
Private providers	16,265	10,362
Specific projects funded by the Welsh Government	0	0
Other	0	0
<b>Total</b>	<b>545,841</b>	<b>497,627</b>

The private providers and voluntary organisations lines in Note 3.2 Expenditure on healthcare from other providers for 2024-25 include out of area treatment costs which were previously reported in Goods and services from other non Welsh NHS bodies. Costs included in these categories for 2024-25 are: private providers £10,116,000 and voluntary organisations £1,466,000.

The equivalent figures for 2023-24 were £7,772,000 for private providers and £250,000 for voluntary organisations. Prior year figures have not been restated.

**3.3 Expenditure on Hospital and Community Health Services**

	2024-25	2023-24
	£000	£000
Directors' costs	2,434	2,386
Operational Staff costs	1,140,157	1,067,678
Single lead employer Staff Trainee Cost	44,577	33,338
Collaborative Bank Staff Cost	0	0
Supplies and services - clinical	184,024	171,807
Supplies and services - general	63,523	56,811
Consultancy Services	1,087	805
Establishment	13,429	13,839
Transport	4,986	4,392
Premises	63,373	62,041
External Contractors	0	0
Depreciation	39,792	38,684
Depreciation Right of Use assets (RoU)	4,982	5,038
Amortisation	397	485
Fixed asset impairments and reversals (Property, plant & equipment)	(2,863)	(4,396)
Fixed asset impairments and reversals (RoU Assets)	0	579
Fixed asset impairments and reversals (Intangible assets)	0	0
Impairments & reversals of financial assets	0	0
Impairments & reversals of non-current assets held for sale	0	0
Audit fees	508	636
Other auditors' remuneration	0	0
Losses, special payments and irrecoverable debts	4,516	(1,788)
Research and Development	329	646
Expense related to short-term leases	115	201
Expense related to low-value asset leases (excluding short-term leases)	1,053	774
Other operating expenses	3,992	6,133
<b>Total</b>	<b>1,570,411</b>	<b>1,460,089</b>

**3.4 Losses, special payments and irrecoverable debts: charges to operating expenses**

	2024-25	2023-24
	£000	£000
<b>Increase/(decrease) in provision for future payments:</b>		
Clinical negligence;		
Secondary care	67,990	45,580
Primary care	1,600	40
Redress Secondary Care	215	356
Redress Primary Care	0	0
Personal injury	(753)	1,753
All other losses and special payments	894	(4,056)
Defence legal fees and other administrative costs	1,630	1,292
Gross increase/(decrease) in provision for future payments	71,576	44,965
Contribution to Welsh Risk Pool	0	10
Premium for other insurance arrangements	0	0
Irrecoverable debts	(65)	405
<b>Less: income received/due from Welsh Risk Pool</b>	<b>(66,995)</b>	<b>(47,168)</b>
<b>Total</b>	<b>4,516</b>	<b>(1,788)</b>

	2024-25	2023-24
	£	£
Permanent injury included within personal injury £:	264,263	243,632

Fixed asset impairments and reversals (Property, plant & equipment) in Note 3.3 includes a credit of £3,002,000 (2023-24 £8,482,000) in respect of the reversal of impairments charged to expenditure in previous periods. The value of impairment reversals is also reported in the Cost or valuation section of Note 11.1 Property, plant and equipment on page 41 of these accounts.

**4. Miscellaneous Income**

	2024-25	2023-24
	£000	£000
Local Health Boards	6,054	6,186
NWJCC/ WHSSC and EASC	54,400	51,207
NHS Wales trusts	8,806	6,947
Welsh Special Health Authorities	1,057	22,741
Foundation Trusts	853	1,020
Other NHS England bodies	20,327	17,964
Other NHS Bodies	204	521
Local authorities	13,750	13,205
Welsh Government	5,681	2,402
Welsh Government Hosted bodies	0	0
Non NHS:		
Prescription charge income	16	17
Dental fee income	4,186	3,963
Private patient income	545	646
Overseas patients (non-reciprocal)	184	155
Injury Costs Recovery (ICR) Scheme	1,153	1,225
Other income from activities	16,433	15,948
Patient transport services	0	0
Education, training and research	30,365	7,022
Charitable and other contributions to expenditure	2,019	1,905
Receipt of NWSSP Covid centrally purchased assets	0	0
Receipt of Covid centrally purchased assets from other organisations	0	0
Receipt of donated assets	0	0
Receipt of Government granted assets	0	0
Right of Use Grant (Peppercorn Lease)	0	0
Non-patient care income generation schemes	260	256
NHS Wales Shared Services Partnership (NWSSP)	1	0
Deferred income released to revenue	180	41
Right of Use Asset Sub-leasing rental income	0	0
Contingent rental income from finance leases	0	0
Rental income from operating leases	305	311
Other income:		
Provision of laundry, pathology, payroll services	225	159
Accommodation and catering charges	4,626	4,015
Mortuary fees	346	396
Staff payments for use of cars	840	826
Business Unit	0	0
Scheme Pays Reimbursement Notional	45	60
Other	3,670	3,696
<b>Total</b>	<b>176,531</b>	<b>162,834</b>
<b>Other income includes;</b>		
Staff recharges not included in other lines	988	1,228
Movement in Expected Credit Losses (ECLs) on invoiced income	285	(352)
Lease car handling charges income	429	55
VAT recovered income	225	138
Other	1,743	2,627
<b>Total</b>	<b>3,670</b>	<b>3,696</b>

	2024-25	2023-24
	%	%
Injury Cost Recovery (ICR) Scheme income		
To reflect expected rates of collection ICR income is subject to a provision for impairment of:	24.45	23.07

**Injury Cost Recovery (ICR) Scheme**

Whilst Injury Cost Recovery (ICR) Scheme income is generally subject to a provision for impairment of 24.45% to reflect expected rates of collection, the Health Board has further increased the provision impairment rate on specific aged cases in order to reflect the additional risk of potential non-recovery.

Charitable and other contributions to expenditure of £2,019,000 during 2024-25 (2023-24 £1,905,000) includes £1,057,000 for revenue expenditure (2023-24 £1,339,000) and 962,000 for the purchase of items of capital expenditure (2023-24 £566,000).

**Education, training and research income**

Following amended guidance in the 2024-25 Welsh Government Manual for Accounts, £23,577,000 income from Health Education and Improvement Wales (HEIW) that was previously reported in Welsh Special Health Authorities has this year being included in the Education, training and research line. The equivalent figure for 2023-24 was £21,616,000. Prior-year figures have not been restated as this updated guidance is only effective from 2024-25 onwards.

**5. Investment Revenue**

	<b>2024-25</b>	2023-24
	<b>£000</b>	£000
<b>Rental revenue :</b>		
PFI Finance lease income		
planned	0	0
contingent	0	0
Other finance lease revenue	0	0
<b>Interest revenue :</b>		
Bank accounts	0	0
Other loans and receivables	0	0
Impaired financial assets	0	0
Other financial assets	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**6. Other gains and losses**

	<b>2024-25</b>	2023-24
	<b>£000</b>	£000
Gain/(loss) on disposal of property, plant and equipment	142	5
Gain/(loss) on disposal other than by sale of right of use assets	0	0
Gain/(loss) on disposal of intangible assets	0	0
Gain/(loss) on disposal of assets held for sale	0	0
Gain/(loss) on disposal of financial assets	0	0
Change on foreign exchange	0	0
Change in fair value of financial assets at fair value through SoCNE	0	0
Change in fair value of financial liabilities at fair value through SoCNE	0	0
Recycling of gain/(loss) from equity on disposal of financial assets held for sale	0	0
<b>Total</b>	<b>142</b>	<b>5</b>

**7. Finance costs**

	<b>2024-25</b>	2023-24
	<b>£000</b>	£000
Interest on loans and overdrafts	0	0
Interest on obligations under finance leases	0	0
Interest on obligations under Right of Use Leases	380	309
Interest on obligations under PFI contracts;		
main finance cost	27	29
contingent finance cost	0	0
Impact of IFRS 16 on PPP/PFI contracts	0	0
Interest on late payment of commercial debt	2	7
Other interest expense	0	0
<b>Total interest expense</b>	<b>409</b>	<b>345</b>
Provisions unwinding of discount	68	49
Other finance costs	0	0
<b>Total</b>	<b>477</b>	<b>394</b>

**8. Future charges to Statement of Comprehensive Net Expenditure (SoCNE)**

**LHB as lessee**

As at 31st March 2025 the Health Board had 2,000 lease agreements in place; 303 arrangements in respect of equipment and 1,697 in respect of vehicles with 164 equipment and 394 vehicle leases having expired during the year.

The periods in which the remaining agreements will expire are shown below:

	2024-25	2024-25	2024-25	2023-24
	Low Value & Short Term	Other	Total	Total
	£000	£000	£000	£000
<b>Payments recognised as an expense</b>				
Minimum lease payments	7,477	0	7,477	6,219
Contingent rents	0	0	0	0
Sub-lease payments	0	0	0	0
<b>Total</b>	<b>7,477</b>	<b>0</b>	<b>7,477</b>	<b>6,219</b>
<b>Total future minimum lease payments</b>				
<b>Payable</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Not later than one year	7,065	0	7,065	5,797
Between one and five years	6,204	0	6,204	5,677
After 5 years	0	0	0	0
<b>Total</b>	<b>13,269</b>	<b>0</b>	<b>13,269</b>	<b>11,474</b>

**LHB as lessor**

	2024-25	2023-24
	£000	£000
<b>Rental revenue</b>		
Rent	333	253
Contingent rents	0	0
<b>Total revenue rental</b>	<b>333</b>	<b>253</b>
<b>Total future minimum lease payments</b>		
<b>Receivable</b>	<b>£000</b>	<b>£000</b>
Not later than one year	333	244
Between one and five years	366	327
After 5 years	736	674
<b>Total</b>	<b>1,435</b>	<b>1,245</b>

**9. Employee benefits and staff numbers**

9.1 Employee costs	Permanent Staff	Staff on Inward Secondment	Agency Staff	Specialist Trainee (SLE)	Collaborative Bank Staff	Other	Total	2023-24
	£000	£000	£000	£000	£000	£000	£000	£000
Salaries and wages	865,585	2,595	25,661	35,174	0	27,142	956,157	908,101
Social security costs	87,990	0	0	4,173	0	2,284	94,447	88,727
Employer contributions to NHS Pension Scheme	171,003	0	0	5,240	0	0	176,243	141,737
Other pension costs	496	0	0	0	0	0	496	621
Other employment benefits	58	0	0	0	0	0	58	75
Termination benefits	12	0	0	0	0	0	12	0
<b>Total</b>	<b>1,125,144</b>	<b>2,595</b>	<b>25,661</b>	<b>44,587</b>	<b>0</b>	<b>29,426</b>	<b>1,227,413</b>	<b>1,139,261</b>

Charged to capital							620	658
Charged to revenue							<u>1,226,793</u>	<u>1,138,603</u>
							<u>1,227,413</u>	<u>1,139,261</u>

Net movement in accrued employee benefits (untaken staff leave) (974) (8,956)

The "Other" staff column includes temporary and contract staff such as short-term direct engagement contracts, IR35 applicable staff, Out of Hours GPs, GMS Locum Doctors and Agency Commissioning Cost. Social Security costs relating to these groups of staff for the 2024-25 financial year are included within the Other column of the above note.

Other employment benefits relate to the costs associated with the 2019-20 Scheme Pays arrangements. Potential future liabilities of the scheme increased during 2024-25 and this increase has been matched funded by Welsh Government.

The decrease in accrued employee benefits as at 31st March 2025 relates to a reduction in untaken annual leave entitlements. Information on the arrangements in place for staff to carry forward untaken annual leave is provided in Accounting Policy Note 1.4.1 Short-term employee benefits on page 9.

**9.2 Average number of employees**

	Permanent Staff	Staff on Inward Secondment	Agency Staff	Specialist Trainee (SLE)	Collaborative Bank Staff	Other	Total	2023-24
	Number	Number	Number	Number	Number	Number	Number	Number
Administrative, clerical and board members	3,603	9	11	0	0	0	3,623	3,736
Medical and dental	1,157	12	4	479	0	83	1,735	1,760
Nursing, midwifery registered	5,744	0	238	0	0	0	5,982	5,917
Professional, Scientific, and technical staff	773	7	1	0	0	0	781	758
Additional Clinical Services	3,916	2	3	0	0	0	3,921	4,018
Allied Health Professions	1,212	0	25	0	0	31	1,268	1,260
Healthcare Scientists	321	0	0	0	0	1	322	289
Estates and Ancilliary	1,330	0	1	0	0	0	1,331	1,369
Students	15	0	0	0	0	0	15	23
<b>Total</b>	<b>18,071</b>	<b>30</b>	<b>283</b>	<b>479</b>	<b>0</b>	<b>115</b>	<b>18,978</b>	<b>19,130</b>

**9.3. Retirements due to ill-health**

	2024-25	2023-24
Number	29	25
Estimated additional pension costs £	2,697,246	2,370,558

This note discloses the number and additional pension costs for individuals who retired early on ill-health grounds during the year. These additional pension costs have been calculated on an average basis and will be borne by the NHS Pension Scheme.

**9.4 Employee benefits**

Employee benefits refer to non-pay benefits which are not attributable to individual employees, for example group membership of a club. The Health Board does not operate any employee benefit schemes

9.5 Reporting of other compensation schemes - exit packages

9.5.1 Exit Packages Costs and Numbers

	2024-25	2024-25	2024-25	2024-25	2023-24
Exit packages cost band (including any special payment element)	Number of compulsory redundancies	Number of other departures	Total number of exit packages	Number of departures where special payments have been made	Total number of exit packages
	Whole numbers only	Whole numbers only	Whole numbers only	Whole numbers only	Whole numbers only
less than £10,000	0	60	60	0	1
£10,000 to £25,000	1	9	10	0	0
£25,000 to £50,000	0	0	0	0	0
£50,000 to £100,000	0	0	0	0	1
£100,000 to £150,000	0	0	0	0	0
£150,000 to £200,000	0	0	0	0	0
more than £200,000	0	0	0	0	0
<b>Total</b>	<b>1</b>	<b>69</b>	<b>70</b>	<b>0</b>	<b>2</b>

	2024-25	2024-25	2024-25	2024-25	2023-24
Exit packages cost band (including any special payment element)	Cost of compulsory redundancies	Cost of other departures	Total cost of exit packages	Cost of special element included in exit packages	Total cost of exit packages
	£	£	£	£	£
less than £10,000	0	222,254	222,254	0	8,775
£10,000 to £25,000	11,667	167,181	178,848	0	0
£25,000 to £50,000	0	0	0	0	0
£50,000 to £100,000	0	0	0	0	59,295
£100,000 to £150,000	0	0	0	0	0
£150,000 to £200,000	0	0	0	0	0
more than £200,000	0	0	0	0	0
<b>Total</b>	<b>11,667</b>	<b>389,435</b>	<b>401,102</b>	<b>0</b>	<b>68,070</b>

	Total paid in year	Total paid in year
	2024-25	2023-24
	£	£
Exit costs paid in year	357,347	68,070
<b>Total</b>	<b>357,347</b>	<b>68,070</b>

This disclosure reports the number and value of exit packages agreed and paid during the year. The actual date of departure may be in a subsequent period with the related expenses having been accrued in a previous year. Total exit costs reported as paid during 2024-25, the year of departure, were £357,347 (2023-24 £68,070).

Note 9.5.2 "Analysis of other departures" on page 36 details the categories of expenditure included as cost of other departures in Note 9.5.1. The disclosures in this note have been expanded in 2024-25 to include pay in lieu of notice (PILON) for all members of staff; previously this had only included individuals who were also being reported in the Remuneration Report. The equivalent total for PILON during 2023-24 was 48 payments totalling £324,442 (cost and payment). Prior year figures have not been restated.

Payments in respect of untaken annual leave have not been included in this note in 2024-25 (2023-24 - 1 payment for £8,775)

The Health Board pays all redundancy and other departure costs in accordance with the provisions of the NHS Voluntary Early Release Scheme (VERS). Additional costs relating to early retirements, including early retirements on grounds of redundancy for employees entitled to pension benefits, are met by the Health Board and not by the NHS Pension Scheme. Ill-health retirement costs are met by the NHS Pensions Scheme and are not included in the table.

**9.5 Reporting of other compensation schemes - exit packages continued**

**9.5.2 Analysis of other departures**

<b>Type of other departures</b>	<b>2024-25 Agreements Number</b>	<b>2024-25 Total value of agreements £</b>
Voluntary redundancies including early retirement contractual costs	0	0
Contractual payments in lieu of notice*	69	389,435
Exit payments following Employment Tribunals or court orders	0	0
Non-contractual payments requiring Welsh Government Approval**	0	0
Other please specify	0	0
Other please specify	0	0
<b>Total</b>	<b>69</b>	<b>389435</b>

This disclosure provides further detail for the number and value of "Other departures" agreed in the year and reported in Note 9.5.1 Exit Packages Costs and Numbers on page 35.

**9.6 Fair Pay disclosures**

**9.6.1 Remuneration Relationship**

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director/employee in their organisation and the 25th percentile, median and 75th percentile remuneration of the organisation's workforce.

	2024-25 £000 Chief	2024-25 £000 Employee	2024-25 £000 Ratio	2023-24 £000 Chief	2023-24 £000 Employee	2023-24 £000 Ratio
<b>Total pay and benefits</b>	<b>Executive</b>	<b>Employee</b>	<b>Ratio</b>	<b>Executive</b>	<b>Employee</b>	<b>Ratio</b>
25th percentile pay ratio	263	27	9.74	253	26	9.83
Median pay	263	37	7.11	253	35	7.19
75th percentile pay ratio	263	47	5.60	253	45	5.56
<b>Salary component of total pay and benefits</b>						
25th percentile pay ratio	263	24		253	23	
Median pay	263	30		253	29	
75th percentile pay ratio	263	46		253	43	
	<b>Highest Paid Director</b>	<b>Employee</b>	<b>Ratio</b>	<b>Highest Paid Director</b>	<b>Employee</b>	<b>Ratio</b>
<b>Total pay and benefits</b>	<b>Director</b>	<b>Employee</b>	<b>Ratio</b>	<b>Director</b>	<b>Employee</b>	<b>Ratio</b>
25th percentile pay ratio	263	27	9.74	273	26	10.61
Median pay	263	37	7.11	273	35	7.76
75th percentile pay ratio	263	47	5.60	273	45	6
<b>Salary component of total pay and benefits</b>						
25th percentile pay ratio	263	24		273	23	
Median pay	263	30		273	29	
75th percentile pay ratio	263	46		273	43	

In 2024-25, 19 (2023-24, 14) employees received remuneration, including expenses, in excess of the highest-paid director.

Remuneration for all staff ranged from £23,970 to £460,400 (2023-24, £22,720 to £402,600). The all staff range includes directors (including the highest paid director) and excludes pension benefits of all employees. The Chief Executive salary for the remuneration relationship is based on actual salary, consistent with the Remuneration Report.

**Financial Year Summary**

The Remuneration Relationship of the Chief Executive remained largely unchanged during 2024-25 with only minor decreases across the various pay ratios. Remuneration Relationship ratios for the highest paid Director decreased during the year as the Chief Executive is the Highest Paid Director for 2024-25.

The median pay of the workforce increased by £2,000 (rounded) during the year, consistent with the previous year. Staff covered by the Agenda for Change agreement received an average 5.5% inflationary pay increase during 2024-25 (2023-24 5%). Medical Staff received an inflationary pay award of 6% (2023-25 5%).

**9.6.2 Percentage Changes**

	2023-24 to 2024-25	2022-23 to 2023-24
% Change from previous financial year in respect of Chief Executive	%	%
Salary and allowances	4	14
Performance pay and bonuses	0	0
% Change from previous financial year in respect of highest paid director		
Salary and allowances	(4)	(37)
Performance pay and bonuses	0	0
Average % Change from previous financial year in respect of employees takes as a whole		
Salary and allowances	6	6
Performance pay and bonuses	0	0

The highest paid director during 2024-25 was the Chief Executive.

The Health Board did not pay any performance pay or bonuses in 2024-25.

## 9.7 Pension costs

Past and present employees are covered by the provisions of the NHS Pension Schemes. Details of the benefits payable and rules of the schemes can be found on the NHS Pensions website at [www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions). Both the 1995/2008 and 2015 schemes are accounted for, and the scheme liability valued, as a single combined scheme. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that “the period between formal valuations shall be four years, with approximate assessments in intervening years”.

An outline of these follows:

### **a) Accounting valuation**

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary’s Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31st March 2025, is based on valuation data as at 31st March 2023, updated to 31st March 2025 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the Statement by the Actuary, which forms part of the annual NHS Pension Scheme Annual Report and Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

### **b) Full actuarial (funding) valuation**

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (considering recent demographic experience), and to recommend the contribution rate payable by employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31st March 2020. The results of this valuation set the employer contribution rate payable from 1st April 2024 to 23.7% of pensionable pay. The core cost cap cost of the scheme was calculated to be outside of the 3% cost cap corridor as at 31st March 2020. However, when the wider economic situation was taken into account through the economic cost cap cost of the scheme, the cost cap corridor was not similarly breached. As a result, there was no impact on the member benefit structure or contribution rates.

The 2024 actuarial valuation is currently being prepared and will be published before new contribution rates are implemented from April 2027.

**c) National Employment Savings Trust (NEST)**

NEST is a workplace pension scheme, which was set up by legislation and is treated as a trust-based scheme. The Trustee responsible for running the scheme is NEST Corporation. It's a non-departmental public body (NDPB) that operates at arm's length from government and is accountable to Parliament through the Department for Work and Pensions (DWP).

NEST Corporation has agreed a loan with the Department for Work and Pensions (DWP). This has paid for the scheme to be set up and will cover expected shortfalls in scheme costs during the earlier years while membership is growing.

NEST Corporation aims for the scheme to become self-financing while providing consistently low charges to members.

Using qualifying earnings to calculate contributions, currently the legal minimum level of contributions is 8% of a jobholder's qualifying earnings, for employers whose legal duties have started. The employer must pay at least 3% of this.

The earnings band used to calculate minimum contributions under existing legislation is called qualifying earnings. Qualifying earnings are currently those between £6,240 and £50,270 for the 2024-25 tax year (2023-24 £6,240 and £50,270).

Restrictions on the annual contribution limits were removed on 1st April 2017.

## 10. Public Sector Payment Policy - Measure of Compliance

### 10.1 Prompt payment code - measure of compliance

The Welsh Government requires that Health Boards pay all their trade creditors in accordance with the CBI prompt payment code and Government Accounting rules. The Welsh Government has set as part of the Health Board financial targets a requirement to pay 95% of the number of non-NHS creditors within 30 days of delivery.

	2024-25	2024-25	2023-24	2023-24
	Number	£000	Number	£000
<b>NHS</b>				
Total bills paid	5,051	460,350	5,035	403,119
Total bills paid within target	4,468	442,950	4,455	382,457
Percentage of bills paid within target	<b>88.5%</b>	<b>96.2%</b>	88.5%	94.9%
<b>Non-NHS</b>				
Total bills paid	395,093	923,864	415,369	934,927
Total bills paid within target	377,799	900,129	392,504	906,772
Percentage of bills paid within target	<b>95.6%</b>	<b>97.4%</b>	94.5%	97.0%
<b>Total</b>				
Total bills paid	<b>400,144</b>	<b>1,384,214</b>	420,404	1,338,046
Total bills paid within target	<b>382,267</b>	<b>1,343,079</b>	396,959	1,289,229
Percentage of bills paid within target	<b>95.5%</b>	<b>97.0%</b>	94.4%	96.4%

During 2024-25 the Health Board paid 95.6% of non-NHS invoices by number within 30 days (2023-24 94.5%) and therefore achieved the Welsh Government performance measure.

### 10.2 The Late Payment of Commercial Debts (Interest) Act 1998

	2024-25	2023-24
	£	£
Amounts included within finance costs (note 7) from claims made under this legislation	<b>1,701</b>	7,417
Compensation paid to cover debt recovery costs under this legislation	<b>770</b>	3,521
<b>Total</b>	<b>2,471</b>	<b>10,938</b>

11.1 Property, plant and equipment

2024-25

	Land £000	Buildings, excluding dwellings £000	Dwellings £000	Assets under construction & payments on account £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Cost at 31 March bf	48,517	577,736	21,980	19,660	127,976	850	33,764	6,832	837,315
Transfer of Finance Leases to ROU Asset Note	0	0	0	0	0	0	0	0	0
<b>Cost or valuation at 1 April 2024</b>	<b>48,517</b>	<b>577,736</b>	<b>21,980</b>	<b>19,660</b>	<b>127,976</b>	<b>850</b>	<b>33,764</b>	<b>6,832</b>	<b>837,315</b>
Indexation	335	7,660	379	0	0	0	0	0	8,374
<b>Additions</b>									
- purchased	0	0	0	35,474	6,607	50	7,520	67	49,718
- donated	0	236	0	0	622	89	0	0	947
- government granted	0	0	0	0	0	0	0	0	0
Transfer from/into other NHS bodies	0	0	0	0	0	0	0	0	0
Reclassifications	0	9,345	564	(12,875)	2,924	0	42	0	0
Revaluations	251	(755)	0	0	0	0	0	0	(504)
Reversal of impairments	235	2,750	17	0	0	0	0	0	3,002
Impairments	(85)	(54)	0	0	0	0	0	0	(139)
Reclassified as held for sale	(197)	(111)	0	0	0	0	0	0	(308)
Disposals	(355)	0	0	0	(8,797)	0	(5,828)	(701)	(15,681)
<b>At 31 March 2025</b>	<b>48,701</b>	<b>596,807</b>	<b>22,940</b>	<b>42,259</b>	<b>129,332</b>	<b>989</b>	<b>35,498</b>	<b>6,198</b>	<b>882,724</b>
Depreciation at 31 March bf	0	41,768	1,631	0	76,739	485	22,209	4,706	147,538
Transfer of Finance Leases to ROU Asset Note	0	0	0	0	0	0	0	0	0
<b>Depreciation at 1 April 2024</b>	<b>0</b>	<b>41,768</b>	<b>1,631</b>	<b>0</b>	<b>76,739</b>	<b>485</b>	<b>22,209</b>	<b>4,706</b>	<b>147,538</b>
Indexation	0	752	29	0	0	0	0	0	781
Transfer from/into other NHS bodies	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Revaluations	0	(33)	0	0	0	0	0	0	(33)
Reversal of impairments	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0
Reclassified as held for sale	0	(111)	0	0	0	0	0	0	(111)
Disposals	0	0	0	0	(8,797)	0	(5,828)	(701)	(15,326)
Provided during the year	0	22,203	832	0	11,588	100	4,451	618	39,792
<b>At 31 March 2025</b>	<b>0</b>	<b>64,579</b>	<b>2,492</b>	<b>0</b>	<b>79,530</b>	<b>585</b>	<b>20,832</b>	<b>4,623</b>	<b>172,641</b>
<b>Net book value at 1 April 2024</b>	<b>48,517</b>	<b>535,968</b>	<b>20,349</b>	<b>19,660</b>	<b>51,237</b>	<b>365</b>	<b>11,555</b>	<b>2,126</b>	<b>689,777</b>
<b>Net book value at 31 March 2025</b>	<b>48,701</b>	<b>532,228</b>	<b>20,448</b>	<b>42,259</b>	<b>49,802</b>	<b>404</b>	<b>14,666</b>	<b>1,575</b>	<b>710,083</b>
<b>Net book value at 31 March 2025 comprises :</b>									
Purchased	48,701	523,955	20,448	42,259	46,636	288	14,638	1,459	698,384
Donated	0	7,548	0	0	2,516	116	28	116	10,324
Government Granted	0	725	0	0	650	0	0	0	1,375
<b>At 31 March 2025</b>	<b>48,701</b>	<b>532,228</b>	<b>20,448</b>	<b>42,259</b>	<b>49,802</b>	<b>404</b>	<b>14,666</b>	<b>1,575</b>	<b>710,083</b>
<b>Asset financing :</b>									
Owned	48,701	531,194	20,448	42,259	49,802	404	14,666	1,575	709,049
On-SoFP MIMS Funded PPP contracts	0	0	0	0	0	0	0	0	0
On-SoFP PFI contracts	0	1,034	0	0	0	0	0	0	1,034
PFI residual interests	0	0	0	0	0	0	0	0	0
<b>At 31 March 2025</b>	<b>48,701</b>	<b>532,228</b>	<b>20,448</b>	<b>42,259</b>	<b>49,802</b>	<b>404</b>	<b>14,666</b>	<b>1,575</b>	<b>710,083</b>

The net book value of land, buildings and dwellings at 31 March 2025 comprises :

	£000
Freehold	598,309
Long Leasehold	3,068
Short Leasehold	0
	<b>601,377</b>

Valuers 'material uncertainty', in valuation. The disclosure relates to the materiality in the valuation report not that of the underlying account.

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11.1 Property, plant and equipment

2023-24

	Land £000	Buildings, excluding dwellings £000	Dwellings £000	Assets under construction & payments on account £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Cost at 31 March bf	50,424	531,675	20,742	22,829	120,658	960	29,876	6,756	783,920
NHS Wales Transfers	0	0	0	0	0	0	0	0	0
Prepayments	0	0	0	0	0	0	0	0	0
Transfer of Finance Leases to ROU Asset Note	0	0	0	0	0	0	0	0	0
<b>Cost or valuation at 1 April 2023</b>	<b>50,424</b>	<b>531,675</b>	<b>20,742</b>	<b>22,829</b>	<b>120,658</b>	<b>960</b>	<b>29,876</b>	<b>6,756</b>	<b>783,920</b>
Indexation	(1,015)	23,295	1,183	0	0	0	0	0	23,463
<b>Additions</b>									
- purchased	0	0	0	21,400	4,143	53	4,047	76	29,719
- donated	0	122	0	0	408	0	36	0	566
- government granted	0	0	0	0	0	0	0	0	0
Transfer from/into other NHS bodies	0	0	0	0	0	0	0	0	0
Reclassifications	0	19,558	0	(24,569)	4,972	0	39	0	0
Revaluations	0	(1,261)	0	0	0	0	0	0	(1,261)
Reversal of impairments	0	8,427	55	0	0	0	0	0	8,482
Impairments	(544)	(3,542)	0	0	0	0	0	0	(4,086)
Reclassified as held for sale	(348)	(538)	0	0	0	0	0	0	(886)
Disposals	0	0	0	0	(2,205)	(163)	(234)	0	(2,602)
<b>At 31 March 2024</b>	<b>48,517</b>	<b>577,736</b>	<b>21,980</b>	<b>19,660</b>	<b>127,976</b>	<b>850</b>	<b>33,764</b>	<b>6,832</b>	<b>837,315</b>
Depreciation at 31 March bf	0	20,278	768	0	67,376	556	18,338	4,046	111,362
NHS Wales Transfers	0	0	0	0	0	0	0	0	0
Transfer of Finance Leases to ROU Asset Note	0	0	0	0	0	0	0	0	0
<b>Depreciation at 1 April 2023</b>	<b>0</b>	<b>20,278</b>	<b>768</b>	<b>0</b>	<b>67,376</b>	<b>556</b>	<b>18,338</b>	<b>4,046</b>	<b>111,362</b>
Indexation	0	1,210	46	0	0	0	0	0	1,256
Transfer from/into other NHS bodies	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Revaluations	0	(624)	0	0	0	0	0	0	(624)
Reversal of impairments	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0
Reclassified as held for sale	0	(538)	0	0	0	0	0	0	(538)
Disposals	0	0	0	0	(2,205)	(163)	(234)	0	(2,602)
Provided during the year	0	21,442	817	0	11,568	92	4,105	660	38,684
<b>At 31 March 2024</b>	<b>0</b>	<b>41,768</b>	<b>1,631</b>	<b>0</b>	<b>76,739</b>	<b>485</b>	<b>22,209</b>	<b>4,706</b>	<b>147,538</b>
<b>Net book value at 1 April 2023</b>	<b>50,424</b>	<b>511,397</b>	<b>19,974</b>	<b>22,829</b>	<b>53,282</b>	<b>404</b>	<b>11,538</b>	<b>2,710</b>	<b>672,558</b>
<b>Net book value at 31 March 2024</b>	<b>48,517</b>	<b>535,968</b>	<b>20,349</b>	<b>19,660</b>	<b>51,237</b>	<b>365</b>	<b>11,555</b>	<b>2,126</b>	<b>689,777</b>
<b>Net book value at 31 March 2024</b> <b>comprises :</b>									
Purchased	48,517	527,760	20,349	19,660	47,538	323	11,557	1,951	677,655
Donated	0	7,487	0	0	2,777	42	37	175	10,518
Government Granted	0	721	0	0	883	0	0	0	1,604
<b>At 31 March 2024</b>	<b>48,517</b>	<b>535,968</b>	<b>20,349</b>	<b>19,660</b>	<b>51,198</b>	<b>365</b>	<b>11,594</b>	<b>2,126</b>	<b>689,777</b>
<b>Asset financing :</b>									
Owned	48,517	534,870	20,349	19,660	51,198	365	11,594	2,126	688,679
On-SoFP PFI contracts	0	0	0	0	0	0	0	0	0
PFI residual interests	0	1,098	0	0	0	0	0	0	1,098
<b>At 31 March 2024</b>	<b>48,517</b>	<b>535,968</b>	<b>20,349</b>	<b>19,660</b>	<b>51,198</b>	<b>365</b>	<b>11,594</b>	<b>2,126</b>	<b>689,777</b>

The net book value of land, buildings and dwellings at 31 March 2024 comprises :

	£000
Freehold	600,930
Long Leasehold	3,904
Short Leasehold	0
	<u>604,834</u>

Valuers 'material uncertainty', in valuation. The disclosure relates to the materiality in the valuation report not that of the underlying account.

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**11. Property, plant and equipment (continued)****Disclosures:****(i) Donated Assets**

Donated tangible asset additions during 2024-25 included schemes funded by:

- Betsi Cadwaladr University Health Board and Other Related Charities - £472,000
- Other hospital based voluntary bodies - £475,000

**(ii) Valuations**

The Health Board's land and Buildings were revalued by the Valuation Office Agency with an effective date of 1st April 2022. The valuation was prepared in accordance with the terms of the latest version of the Royal Institute of Chartered Surveyors' Valuation Standards.

The Health Board is required to apply the revaluation model set out in IAS 16 and value its capital assets to fair value. Fair value is defined by IAS 16 as the amount for which an asset could be exchanged between knowledgeable, willing parties in an arms length transaction. This has been undertaken on the assumption that the property is sold as part of the continuing enterprise in operation.

**(iii) Asset Lives**

Property, plant and equipment is depreciated using the following asset lives:

- Land is not depreciated.
- Buildings as determined by the Valuation Office Agency.
- Equipment between 5-15 years.

**(iv) Compensation**

There has been no compensation received from third parties for assets impaired, lost or given up, that is included in the income statement.

**(v) Write Downs**

Professional valuations were requested for two building assets as detailed in Note 13 Impairments on page 51.

**(vi) Open Market Value**

The Health Board does not hold any property where the value is materially different from its open market value.

**(vii) Assets Held for Sale or sold in the period**

The balance of £545,000 on Note 11.2 Non-current assets held for sale at 31st March 2025 relates to Rossett Clinic and Ruthin Health Centre, both of which will be disposed during 2025-26.

**(viii) IFRS 13 Fair value measurement**

There are no assets requiring Fair Value measurement under IFRS 13.

**11. Property, plant and equipment**

11.2 Non-current assets held for sale	Land	Buildings, including dwelling	Other property, plant and equipment	Intangible assets	Other assets	Total
	£000	£000	£000	£000	£000	£000
<b>Balance brought forward 1 April 2024</b>	348	0	0	0	0	<b>348</b>
Plus assets classified as held for sale in the year	545	0	0	0	0	<b>545</b>
Revaluation	0	0	0	0	0	<b>0</b>
Less assets sold in the year	0	0	0	0	0	<b>0</b>
Add reversal of impairment of assets held for sale	0	0	0	0	0	<b>0</b>
Less impairment of assets held for sale	0	0	0	0	0	<b>0</b>
Less assets no longer classified as held for sale, for reasons other than disposal by sale	<b>(348)</b>	0	0	0	0	<b>(348)</b>
<b>Balance carried forward 31 March 2025</b>	<b>545</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>545</b>
<b>Balance brought forward 1 April 2023</b>	0	0	0	0	0	<b>0</b>
Plus assets classified as held for sale in the year	348	0	0	0	0	<b>348</b>
Revaluation	0	0	0	0	0	<b>0</b>
Less assets sold in the year	0	0	0	0	0	<b>0</b>
Add reversal of impairment of assets held for sale	0	0	0	0	0	<b>0</b>
Less impairment of assets held for sale	0	0	0	0	0	<b>0</b>
Less assets no longer classified as held for sale, for reasons other than disposal by sale	0	0	0	0	0	<b>0</b>
<b>Balance carried forward 31 March 2024</b>	<b>348</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>348</b>

The non-current assets held for sale balance of £545,000 as at 31st March 2025 relates to Rossett Clinic and Ruthin Health Centre, both of which will be disposed during 2025-26.

11.3 Right of Use Assets

The organisation's right of use asset leases are disclosed across the relevant headings within the note. Whilst most are individually insignificant, eight buildings with the following net book values as at 31st March 2025 are considered significant in their own right:

Llys Dyffig £2.804m, Caia Park Primary Care Resource Centre (PCRC) £1.845m, Buckley PCRC £1.823m, Tan Y Castell £1.485m, Cambrian & Berwyn House £1.222m, West Rhyl PCRC £1.182m, Rysseldene Surgery £1.165m, Renal Services £1.151m.

	Land £000	Land & buildings £000	Buildings £000	Dwellings £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
<b>2024-25</b>									
<b>Cost or valuation at 31 March 2024</b>	981	0	30,096	0	9,125	2,159	1,512	0	43,873
	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
	0	0	(575)	0	0	0	0	0	(575)
<b>Cost or valuation at 1 April 2024</b>	<b>981</b>	<b>0</b>	<b>29,521</b>	<b>0</b>	<b>9,125</b>	<b>2,159</b>	<b>1,512</b>	<b>0</b>	<b>43,298</b>
Additions	0	0	917	0	200	359	0	0	1,476
Transfer from/into other NHS bodies	0	0	0	0	0	0	0	0	0
Disposals other than by sale	0	0	(83)	0	(451)	(8)	0	0	(542)
Reclassifications	0	0	0	0	0	0	0	0	0
Revaluations	0	0	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0
De-recognition	0	0	(439)	0	(541)	(385)	0	0	(1,365)
<b>At 31 March 2025</b>	<b>981</b>	<b>0</b>	<b>29,916</b>	<b>0</b>	<b>8,333</b>	<b>2,125</b>	<b>1,512</b>	<b>0</b>	<b>42,867</b>
<b>Depreciation at 31 March 2024</b>	34	0	6,059	0	1,938	956	703	0	9,690
	0	0	0	0	0	0	0	0	0
	0	0	(575)	0	0	0	0	0	(575)
<b>Depreciation at 1 April 2024</b>	<b>34</b>	<b>0</b>	<b>5,484</b>	<b>0</b>	<b>1,938</b>	<b>956</b>	<b>703</b>	<b>0</b>	<b>9,115</b>
Recognition	0	0	0	0	0	0	0	0	0
Transfers from/into other NHS bodies	0	0	0	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Revaluations	0	0	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0
De-recognition	0	0	(439)	0	(541)	(385)	0	0	(1,365)
Provided during the year	22	0	2,786	0	1,078	738	358	0	4,982
<b>At 31 March 2025</b>	<b>56</b>	<b>0</b>	<b>7,831</b>	<b>0</b>	<b>2,475</b>	<b>1,309</b>	<b>1,061</b>	<b>0</b>	<b>12,732</b>
<b>Net book value at 1 April 2024</b>	<b>947</b>	<b>0</b>	<b>24,037</b>	<b>0</b>	<b>7,187</b>	<b>1,203</b>	<b>809</b>	<b>0</b>	<b>34,183</b>
<b>Net book value at 31 March 2025</b>	<b>925</b>	<b>0</b>	<b>22,085</b>	<b>0</b>	<b>5,858</b>	<b>816</b>	<b>451</b>	<b>0</b>	<b>30,135</b>
<b>RoU Asset Total Value Split by Lessor</b>									
<b>Lessor</b>	<b>Land £000</b>	<b>Land &amp; buildings £000</b>	<b>Buildings £000</b>	<b>Dwellings £000</b>	<b>Plant and machinery £000</b>	<b>Transport equipment £000</b>	<b>Information technology £000</b>	<b>Furniture &amp; fittings £000</b>	<b>Total £000</b>
NHS Wales Peppercorn Leases	0	0	0	0	0	0	0	0	0
NHS Wales Market Value Leases	0	0	0	0	0	0	0	0	0
Other Public Sector Peppercorn Leases	362	0	2,124	0	0	0	0	0	2,486
Other Public Sector Market Value Leases	0	0	3,412	0	0	0	0	0	3,412
Private Sector Peppercorn Leases	563	0	19	0	0	0	0	0	582
Private Sector Market Value Leases	0	0	16,530	0	5,858	816	451	0	23,655
<b>Total</b>	<b>925</b>	<b>0</b>	<b>22,085</b>	<b>0</b>	<b>5,858</b>	<b>816</b>	<b>451</b>	<b>0</b>	<b>30,135</b>

11.3 Right of Use Assets

The organisation's right of use asset leases are disclosed across the relevant headings within the note. Whilst most are individually insignificant, eight buildings with the following net book values as at 31st March 2025 are considered significant in their own right:

Llys Dyffig £2,804m, Caia Park Primary Care Resource Centre (PCRC) £1.845m, Buckley PCRC £1.823m, Tan Y Castell £1.485m, Cambrian & Berwyn House £1.222m, West Rhyl PCRC £1.182m, Rysseidene Surgery £1.165m, Renal Services £1.151m.

	Land £000	Land & buildings £000	Buildings £000	Dwellings £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
<b>2023-24</b>									
<b>Cost or valuation at 31 March 2023</b>	470	0	29,578	0	7,175	1,775	1,261	0	40,259
Lease prepayments in relation to RoU Assets	0	0	0	0	0	0	0	0	0
Transfer of Finance Leases from PPE Note	0	0	0	0	0	0	0	0	0
Operating Leases Transitioning	0	0	76	0	(7)	0	0	0	69
<b>Cost or valuation at 1 April 2023</b>	<b>470</b>	<b>0</b>	<b>29,654</b>	<b>0</b>	<b>7,168</b>	<b>1,775</b>	<b>1,261</b>	<b>0</b>	<b>40,328</b>
Additions	587	0	940	0	2,020	694	251	0	4,492
Transfer from/into other NHS bodies	0	0	0	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Revaluations	(73)	0	228	0	0	0	0	0	155
Reversal of impairments	0	0	0	0	0	0	0	0	0
Impairments	(3)	0	(576)	0	0	0	0	0	(579)
De-recognition	0	0	(150)	0	(63)	(310)	0	0	(523)
<b>At 31 March 2024</b>	<b>981</b>	<b>0</b>	<b>30,096</b>	<b>0</b>	<b>9,125</b>	<b>2,159</b>	<b>1,512</b>	<b>0</b>	<b>43,873</b>
<b>Depreciation at 31 March 2023</b>	12	0	3,185	0	895	504	349	0	4,945
Transfer of Finance Leases from PPE Note	0	0	0	0	0	0	0	0	0
Operating Leases Transitioning	0	0	0	0	0	0	0	0	0
<b>Depreciation at 1 April 2023</b>	<b>12</b>	<b>0</b>	<b>3,185</b>	<b>0</b>	<b>895</b>	<b>504</b>	<b>349</b>	<b>0</b>	<b>4,945</b>
Recognition	0	0	0	0	0	0	0	0	0
Transfer from/into other NHS bodies	0	0	0	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Revaluations	0	0	228	0	0	0	0	0	228
Reversal of impairments	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0
De-recognition	0	0	(150)	0	(63)	(310)	0	0	(523)
Provided during the year	22	0	2,796	0	1,106	762	354	0	5,040
<b>At 31 March 2024</b>	<b>34</b>	<b>0</b>	<b>6,059</b>	<b>0</b>	<b>1,938</b>	<b>956</b>	<b>703</b>	<b>0</b>	<b>9,690</b>
<b>Net book value at 1 April 2023</b>	<b>458</b>	<b>0</b>	<b>26,469</b>	<b>0</b>	<b>6,273</b>	<b>1,271</b>	<b>912</b>	<b>0</b>	<b>35,383</b>
<b>Net book value at 31 March 2024</b>	<b>947</b>	<b>0</b>	<b>24,037</b>	<b>0</b>	<b>7,187</b>	<b>1,203</b>	<b>809</b>	<b>0</b>	<b>34,183</b>
<b>RoU Asset Total Value Split by Lessor</b>									
<b>Lessor</b>	<b>Land £000</b>	<b>Land &amp; buildings £000</b>	<b>Buildings £000</b>	<b>Dwellings £000</b>	<b>Plant and machinery £000</b>	<b>Transport equipment £000</b>	<b>Information technology £000</b>	<b>Furniture &amp; fittings £000</b>	<b>Total £000</b>
NHS Wales Peppercorn Leases	0	0	0	0	0	0	0	0	0
NHS Wales Market Value Leases	0	0	0	0	0	0	0	0	0
Other Public Sector Peppercorn Leases	947	0	2,243	0	0	0	0	0	3,190
Other Public Sector Market Value Leases	0	0	3,574	0	0	0	0	0	3,574
Private Sector Peppercorn Leases	0	0	24	0	0	0	0	0	24
Private Sector Market Value Leases	0	0	18,196	0	7,187	1,203	809	0	27,395
<b>Total</b>	<b>947</b>	<b>0</b>	<b>24,037</b>	<b>0</b>	<b>7,187</b>	<b>1,203</b>	<b>809</b>	<b>0</b>	<b>34,183</b>

11.3 Right of Use Assets continued

Quantitative disclosures

Maturity analysis	2024-25		2024-25		2023-24	
	Land	Buildings	Other	Total	Total	Total
Contractual undiscounted cash flows relating to lease liabilities	£000	£000	£000	£000	£000	£000
Less than 1 year	0	2,552	2,028	4,580		4,911
2-5 years	0	8,503	3,965	12,468		13,969
> 5 years	0	12,171	1,461	13,632		15,890
Less finance charges allocated to future periods	0	(2,840)	(348)	(3,188)		(3,464)
<b>Total</b>	<b>0</b>	<b>20,386</b>	<b>7,106</b>	<b>27,492</b>		<b>31,306</b>
<b>Lease Liabilities (net of irrecoverable VAT)</b>				<b>2024-25</b>	<b>2023-24</b>	
Current				4,266		4,565
Non-Current				23,226		26,741
<b>Total</b>				<b>27,492</b>		<b>31,306</b>
<b>Amounts Recognised in Statement of Comprehensive Net Expenditure</b>				<b>2024-25</b>	<b>2023-24</b>	
Depreciation				4,982		5,038
Impairment				0		579
Variable lease payments not included in lease liabilities - Interest expense				380		393
Sub-leasing income				0		0
Expense related to short-term leases				115		201
Expense related to low-value asset leases (excluding short-term leases)				1,053		789
<b>Amounts Recognised in Statement of Cashflows (net of irrecoverable VAT )</b>						
Interest expense				(380)		(393)
Repayments of principal on leases				(4,742)		(4,820)
<b>Total</b>				<b>(5,122)</b>		<b>(5,213)</b>

**12. Intangible non-current assets  
2024-25**

	Software (purchased)	Software (internally generated)	Licences and trademarks	Patents	Development expenditure- internally generated	Assets under Construction	Total
	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2024	5,747	0	0	0	0	0	5,747
Revaluation	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0
Additions- purchased	10	0	0	0	0	0	10
Additions- internally generated	0	0	0	0	0	0	0
Additions- donated	15	0	0	0	0	0	15
Additions- government granted	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0
Transfer from/into other NHS bodies	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0
<b>Gross cost at 31 March 2025</b>	<b>5,772</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,772</b>
Amortisation at 1 April 2024	4,588	0	0	0	0	0	4,588
Revaluation	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0
Impairment	0	0	0	0	0	0	0
Provided during the year	397	0	0	0	0	0	397
Reclassified as held for sale	0	0	0	0	0	0	0
Transfer from/into other NHS bodies	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0
<b>Amortisation at 31 March 2025</b>	<b>4,985</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,985</b>
<b>Net book value at 1 April 2024</b>	<b>1,159</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,159</b>
<b>Net book value at 31 March 2025</b>	<b>787</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>787</b>
<b>NBV at 31 March 2025</b>							
Purchased	771	0	0	0	0	0	771
Donated	16	0	0	0	0	0	16
Government Granted	0	0	0	0	0	0	0
Internally generated	0	0	0	0	0	0	0
<b>Total at 31 March 2025</b>	<b>787</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>787</b>

## 12. Intangible non-current assets 2023-24

	Software (purchased)	Software (internally generated)	Licences and trademarks	Patents	Development expenditure- internally generated	Assets under Construction	Total
	£000	£000	£000	£000	£000	£000	£000
<b>Cost or valuation at 1 April 2023</b>	<b>5,639</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,639</b>
Revaluation	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0
Additions- purchased	108	0	0	0	0	0	108
Additions- internally generated	0	0	0	0	0	0	0
Additions- donated	0	0	0	0	0	0	0
Additions- government granted	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0
Transfer from/into other NHS bodies	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0
<b>Gross cost at 31 March 2024</b>	<b>5,747</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,747</b>
Amortisation at 31 March bf	4,103	0	0	0	0	0	4,103
NHS Wales Transfers	0	0	0	0	0	0	0
Transfer of Finance Leases to ROU Asset Note	0	0	0	0	0	0	0
<b>Amortisation at 1 April 2023</b>	<b>4,103</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,103</b>
Revaluation	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0
Impairment	0	0	0	0	0	0	0
Provided during the year	485	0	0	0	0	0	485
Reclassified as held for sale	0	0	0	0	0	0	0
Transfer from/into other NHS bodies	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0
<b>Amortisation at 31 March 2024</b>	<b>4,588</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,588</b>
<b>Net book value at 1 April 2023</b>	<b>1,536</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,536</b>
<b>Net book value at 31 March 2024</b>	<b>1,159</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,159</b>
<b>NBV at 31 March 2024</b>							
Purchased	1,144	0	0	0	0	0	1,144
Donated	15	0	0	0	0	0	15
Government Granted	0	0	0	0	0	0	0
Internally generated	0	0	0	0	0	0	0
<b>Total at 31 March 2024</b>	<b>1,159</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,159</b>

## Additional Disclosures re Intangible Assets

### Disclosures:

#### (i) Donated Assets

The Health Board received funding of £15,000 from Betsi Cadwaladr University Health Board and Other Related Charities for the purchase of an intangible software asset during the year.

#### (ii) Recognition

Intangible assets acquired separately are initially recognised at fair value. The amount recognised for internally-generated intangible assets is the sum of the expenditure incurred to date when the criteria for recognising internally generated assets has been met (see accounting policy 1.7 for criteria).

#### (iii) Asset Lives

The Useful Economic Lives (UEL) of intangible non-current assets are assigned on an individual asset basis. Software is generally assigned a 5 year UEL with the UEL of any internally generated software being based on the professional judgement of Health Board professionals and finance staff.

#### (iv) Additions during the period

Intangible additions of £25,000 related to the purchase of software assets (£15,000 donated funding as above and £10,000 purchased additions).

#### (v) Disposals during the period

There were no disposals of intangible assets during the year.

13 . Impairments

	2024-25 Property, plant & equipment £000	2024-25 Right of Use Assets £000	2024-25 Intangible assets £000	2024-25 Held for sale assets £000	2024-25 Financial Assets £000	2024-25 Total Asset Impairment £000
Impairments arising from :						
Loss or damage from normal operations	0	0	0	0	0	0
Abandonment in the course of construction	0	0	0	0	0	0
Over specification of assets (Gold Plating)	0	0	0	0	0	0
Loss as a result of a catastrophe	0	0	0	0	0	0
Unforeseen obsolescence	0	0	0	0	0	0
Changes in market price	139	0	0	0	0	139
Others (specify)	0	0	0	0	0	0
Reversal of Impairments	(3,002)	0	0	0	0	(3,002)
<b>Total of all impairments</b>	<b>(2,863)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(2,863)</b>

Analysis of impairments charged to reserves in year :

Impairments charged to the Statement of Comprehensive Net Expenditure	(2,863)	0	0	0	0	(2,863)
Impairments as a result of revaluation/indexation charged to Revaluation Reserve	0	0	0	0	0	0
Impairments as a result of a loss of economic value or service potential Charged to Revaluation Reserve	0	0	0	0	0	0
Right of Use (RoU) asset impairments reflected in RoU Liability	0	0	0	0	0	0
<b>Total</b>	<b>(2,863)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(2,863)</b>

	2023-24 Property, plant & equipment £000	2023-24 Right of Use Assets £000	2023-24 Intangible assets £000	2023-24 Held for sale assets £000	2023-24 Financial Assets £000	2023-24 Total Asset Impairment £000
Impairments arising from :						
Loss or damage from normal operations	0	0	0	0	0	0
Abandonment in the course of construction	0	0	0	0	0	0
Over specification of assets (Gold Plating)	0	0	0	0	0	0
Loss as a result of a catastrophe	0	0	0	0	0	0
Unforeseen obsolescence	0	0	0	0	0	0
Changes in market price	4,665	0	0	0	0	4,665
Others (specify)	0	0	0	0	0	0
Reversal of Impairments	(8,482)	0	0	0	0	(8,482)
<b>Total of all impairments</b>	<b>(3,817)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(3,817)</b>

Analysis of impairments charged to reserves in year :

Impairments charged to the Statement of Comprehensive Net Expenditure	(3,817)	0	0	0	0	(3,817)
Impairments as a result of revaluation/indexation charged to Revaluation Reserve	0	0	0	0	0	0
Impairments as a result of a loss of economic value or service potential Charged to Revaluation Reserve	0	0	0	0	0	0
Right of Use (RoU) asset impairments reflected in RoU Liability	0	0	0	0	0	0
<b>Total</b>	<b>(3,817)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(3,817)</b>

Impairments charged to the Statement of Comprehensive Net Expenditure during 2024-25 were conducted by the District Valuer in accordance with the requirements of IFRS.

Analysis of impairments during 2024-25

£000

Impairment on revaluation Hightown Clinic, Wrexham	54
Impairment on revaluation of Ala Road, Pwllheli	85
Reversal of impairments previously charged to SoCNE due to revaluation Rossett Clinic, Wrexham	(42)
Reversal of impairments previously charged to SoCNE due to revaluation Ruthin Health Centre, Ruthin	(12)
Reversal of impairments previously charged to SoCNE due to 1.0638% increase in indexation on land	(235)
Reversal of impairments previously charged to SoCNE due to 1.0180% increase in indexation on buildings and dwellings	(2,713)
<b>Total</b>	<b>(2,863)</b>

### 14.1 Inventories

	<b>31 March</b>	31 March
	<b>2025</b>	2024
	<b>£000</b>	£000
Drugs	<b>9,996</b>	10,323
Consumables	<b>10,145</b>	10,211
Energy	<b>328</b>	368
Work in progress	<b>0</b>	0
Other	<b>31</b>	34
<b>Total</b>	<b>20,500</b>	20,936
Of which held at realisable value	<b>0</b>	0

### 14.2 Inventories recognised in expenses

	<b>31 March</b>	31 March
	<b>2025</b>	2024
	<b>£000</b>	£000
Inventories recognised as an expense in the period	<b>0</b>	0
Write-down of inventories (including losses)	<b>0</b>	0
Reversal of write-downs that reduced the expense	<b>0</b>	0
<b>Total</b>	<b>0</b>	<b>0</b>

Note 14.2 relates to NHS organisations that purchase inventories for resale as part of their normal activities and does not apply to the Health Board.

## 15. Trade and other Receivables

Current	31 March 2025 £000	31 March 2024 £000
Welsh Government	2,615	1,725
NWJCC/ WHSSC and EASC	1,891	1,936
Welsh Health Boards	745	1,222
Welsh NHS Trusts	4,835	4,910
Welsh Special Health Authorities	641	554
Non - Welsh Trusts	0	0
Other NHS	1,684	3,053
2019-20 Scheme Pays - Welsh Government Reimbursement	23	9
<b>Welsh Risk Pool Claim reimbursement</b>		
NHS Wales Secondary Health Sector	87,849	69,121
NHS Wales Primary Sector FLS Reimbursement	133	40
NHS Wales Redress	440	310
Other	0	0
Local Authorities	10,783	8,875
Capital receivables - Tangible	0	0
Capital receivables - Intangible	0	0
Other receivables	9,999	9,626
Provision for irrecoverable debts	(2,065)	(2,406)
Pension Prepayments NHS Pensions	0	0
Pension Prepayments NEST	0	0
Other prepayments	7,867	7,446
Other accrued income	1,233	1,281
<b>Sub total</b>	<b>128,673</b>	<b>107,702</b>
<b>Non-current</b>		
Welsh Government	0	0
NWJCC/WHSSC and EASC	0	0
Welsh Health Boards	0	0
Welsh NHS Trusts	0	0
Welsh Special Health Authorities	0	0
Non - Welsh Trusts	0	0
Other NHS	0	0
2019-20 Scheme Pays - Welsh Government Reimbursement	1,230	1,199
<b>Welsh Risk Pool Claim reimbursement;</b>		
NHS Wales Secondary Health Sector	116,573	81,756
NHS Wales Primary Sector FLS Reimbursement	0	0
NHS Wales Redress	0	0
Other	0	0
Local Authorities	0	0
Capital receivables - Tangible	0	0
Capital receivables - Intangible	0	0
Other receivables	0	0
Provision for irrecoverable debts	(634)	(562)
Pension Prepayments NHS Pensions	0	0
Pension Prepayments NEST	0	0
Other prepayments	300	110
Other accrued income	2,223	2,093
<b>Sub total</b>	<b>119,692</b>	<b>84,596</b>
<b>Total</b>	<b>248,365</b>	<b>192,298</b>

The great majority of trade undertaken by the Health Board is with other NHS bodies. As NHS bodies are funded by Welsh Government, no credit scoring of them is considered necessary.

The value of trade receivables that are past their payment date but not impaired is £4.341m (£3.851m in 2023-24).

**15. Trade and other Receivables (continued)****Receivables past their due date but not impaired**

	<b>31 March</b>	<b>31 March</b>
	<b>2025</b>	<b>2024</b>
	<b>£000</b>	<b>£000</b>
By up to three months	1,789	1,039
By three to six months	641	1,306
By more than six months	1,911	1,506
	<b>4,341</b>	<b>3,851</b>

**Expected Credit Losses (ECL) / Provision for impairment of receivables**

Balance at 1 April	(2,969)	(2,470)
Transfer to other NHS Wales body	0	0
Amount written off during the year	149	50
Amount recovered during the year	0	0
(Increase) / decrease in receivables impaired	121	(549)
Bad debts recovered during year	0	0
Balance at 31 March	<b>(2,699)</b>	<b>(2,969)</b>

In determining whether a debt should be impaired, consideration is given to the age of the debt, historic collectability rates and the results of actions already taken including referral to the Health Board's credit agencies.

**Receivables VAT**

Trade receivables	1,621	2,162
Other	0	0
Total	<b>1,621</b>	<b>2,162</b>

## 16. Other Financial Assets

	Current		Non-current	
	31 March	31 March	31 March	31 March
	2025	2024	2025	2024
	£000	£000	£000	£000
<b>Financial assets</b>				
Shares and equity type investments				
Held to maturity investments at amortised costs	0	0	0	0
At fair value through SOCNE	0	0	0	0
Available for sale at FV	0	0	0	0
Deposits	0	0	0	0
Loans	0	0	0	0
Derivatives	0	0	0	0
Other (Specify)				
Right of Use Asset Finance Sublease	0	0	0	0
Held to maturity investments at amortised costs	0	0	0	0
At fair value through SOCNE	0	0	0	0
Available for sale at FV	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

RoU Sub-leasing income Recognised in Statement of Comprehensive Net Expenditure	2024-25	2023-24
RoU Sub-leasing income	0	0

## 17. Cash and cash equivalents

	2024-25	2023-24
	£000	£000
Balance at 1 April	5,027	2,913
Net change in cash and cash equivalent balances	853	2,114
Balance at 31 March	<b>5,880</b>	<b>5,027</b>
Made up of:		
Cash held at GBS	5,838	4,931
Commercial banks	0	0
Cash in hand	42	96
<b>Cash and cash equivalents as in Statement of Financial Position</b>	<b>5,880</b>	<b>5,027</b>
Bank overdraft - GBS	0	0
Bank overdraft - Commercial banks	0	0
<b>Cash and cash equivalents as in Statement of Cash Flows</b>	<b>5,880</b>	<b>5,027</b>

The cash and cash equivalents balance as at 31st March 2025 comprised funding for revenue expenditure of £3,023,000 (2023-24 £2,574,000) and funding for capital projects of £2,857,000 (2023-24 £2,453,000)

In response to the IAS 7 requirement for additional disclosure, the changes in liabilities arising for financing activities are;

Lease Liabilities (ROUA)	£4.742m
PFI liabilities:	£0.064m

The movement relates to cash, no comparative information is required by IAS 7 in 2024-25.

**18. Trade and other payables**

<b>Current</b>	<b>31 March</b>	31 March
	<b>2025</b>	2024
	<b>£000</b>	£000
Welsh Government	43	147
NWJCC/WHSSC and EASC	6,384	6,362
Welsh Health Boards	882	626
Welsh NHS Trusts	5,390	6,444
Welsh Special Health Authorities	66	291
Other NHS	24,978	23,270
Taxation and social security payable / refunds	0	0
Refunds of taxation by HMRC	0	0
VAT payable to HMRC	0	0
Other taxes payable to HMRC	1,006	3,693
NI contributions payable to HMRC	11,154	7,006
Non-NHS payables - Revenue	51,458	35,485
Local Authorities	38,025	26,569
Capital payables- Tangible	6,269	5,240
Capital payables- Intangible	0	0
Overdraft	0	0
Rentals due under operating leases	0	0
RoU Lease Liability	4,266	4,565
Obligations under finance leases, HP contracts	66	63
Imputed finance lease element of on SoFP PFI contracts	0	0
Impact of IFRS 16 on SoFP PFI contracts	0	0
Pensions: staff	0	0
Non NHS Accruals	91,737	98,229
Deferred Income:		
Deferred Income brought forward	2,065	2,441
Deferred Income Additions	1,541	(335)
Transfer to / from current/non current deferred income	0	0
Released to SoCNE	(180)	(41)
Other creditors	839	2,592
PFI assets –deferred credits	0	0
Payments on account	(13,670)	(13,005)
<b>Sub Total</b>	<b>232,319</b>	<b>209,642</b>
<b>Non-current</b>		
Welsh Government	0	0
NWJCC/WHSSC and EASC	0	0
Welsh Health Boards	0	0
Welsh NHS Trusts	0	0
Welsh Special Health Authorities	0	0
Other NHS	0	0
Taxation and social security payable / refunds	0	0
Refunds of taxation by HMRC	0	0
VAT payable to HMRC	0	0
Other taxes payable to HMRC	0	0
NI contributions payable to HMRC	0	0
Non-NHS payables - Revenue	0	0
Local Authorities	0	0
Capital payables- Tangible	0	0
Capital payables- Intangible	0	0
Overdraft	0	0
Rentals due under operating leases	0	0
RoU Lease Liability	23,226	26,741
Obligations under finance leases, HP contracts	650	717
Imputed finance lease element of on SoFP PFI contracts	0	0
Impact of IFRS 16 on SoFP PFI contracts	0	0
Pensions: staff	0	0
Non NHS Accruals	0	0
Deferred Income :		
Deferred Income brought forward	0	0
Deferred Income Additions	0	0
Transfer to / from current/non current deferred income	0	0
Released to SoCNE	0	0
Other creditors	0	0
PFI assets –deferred credits	0	0
Payments on account	0	0
<b>Sub Total</b>	<b>23,876</b>	<b>27,458</b>
<b>Total</b>	<b>256,195</b>	<b>237,100</b>

It is intended to pay all invoices within the 30 day period directed by the Welsh Government.

**18. Trade and other payables (continued).**

<b>Amounts falling due more than one year are expected to be settled as follows:</b>	<b>31 March</b>	31 March
	<b>2025</b>	2024
	<b>£000</b>	£000
Between one and two years	<b>3,576</b>	4,310
Between two and five years	<b>8,414</b>	9,062
In five years or more	<b>11,886</b>	14,086
Sub-total	<b>23,876</b>	27,458

**19. Other financial liabilities**

<b>Financial liabilities</b>	<b>Current</b>		<b>Non-current</b>	
	<b>31 March</b>	31 March	<b>31 March</b>	31 March
	<b>2025</b>	2024	<b>2025</b>	2024
	<b>£000</b>	£000	<b>£000</b>	£000
Financial Guarantees:				
At amortised cost	<b>0</b>	0	<b>0</b>	0
At fair value through SoCNE	<b>0</b>	0	<b>0</b>	0
Derivatives at fair value through SoCNE	<b>0</b>	0	<b>0</b>	0
Other:				
At amortised cost	<b>0</b>	0	<b>0</b>	0
At fair value through SoCNE	<b>0</b>	0	<b>0</b>	0
<b>Total</b>	<b>0</b>	0	<b>0</b>	0

20. Provisions

	At 1 April 2024	Structured settlement cases transferred to Risk Pool	Transfer of provisions to creditors	Transfer between current and non-current	Arising during the year	Utilised during the year	Reversed unused	Unwinding of discount	At 31 March 2025
	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Current</b>									
Clinical negligence-									
Secondary care	36,672	(1,507)	(1,831)	4,036	26,540	(14,198)	(5,311)	0	44,401
Primary care	77	0	0	0	1,615	(138)	(15)	0	1,539
Redress Secondary care	269	0	(43)	0	341	(255)	(126)	0	186
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	1,700	0	0	22	304	(122)	(1,321)	0	583
All other losses and special payments	260	0	(408)	0	1,009	(606)	(115)	0	140
Defence legal fees and other administration	1,819	0	0	253	1,710	(1,046)	(783)		1,953
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	161			4	0	0	0	0	165
2019-20 Scheme Pays - Reimbursement	8			28	0	(13)	0	0	23
Restructuring	0			0	0	0	0	0	0
RoU Asset Dilapidations CAME	0			0	0	0	0	0	0
Other Capital Provisions	0			0	0	0	0	0	0
Other	6,088		241	0	1,761	(653)	(2,530)		4,907
<b>Total</b>	<b>47,054</b>	<b>(1,507)</b>	<b>(2,041)</b>	<b>4,343</b>	<b>33,280</b>	<b>(17,031)</b>	<b>(10,201)</b>	<b>0</b>	<b>53,897</b>
<b>Non Current</b>									
Clinical negligence-									
Secondary care	80,640	0	(6,250)	(4,036)	66,008	(3,004)	(17,740)	0	115,618
Primary care	0	0	0	0	0	0	0	0	0
Redress Secondary care	0	0	0	0	0	0	0	0	0
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	2,264	0	0	(22)	264	(350)	0	64	2,220
All other losses and special payments	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	1,777	0	0	(253)	1,076	(442)	(373)		1,785
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	20			(4)	154	(165)	0	4	9
2019-20 Scheme Pays - Reimbursement	1,198			(28)	58	0	0	0	1,228
Restructuring	0			0	0	0	0	0	0
RoU Asset Dilapidations CAME	0			0	0	0	0	0	0
Other Capital Provisions	0			0	0	0	0	0	0
Other	0		0	0	0	0	0		0
<b>Total</b>	<b>85,899</b>	<b>0</b>	<b>(6,250)</b>	<b>(4,343)</b>	<b>67,560</b>	<b>(3,961)</b>	<b>(18,113)</b>	<b>68</b>	<b>120,860</b>
<b>TOTAL</b>									
Clinical negligence-									
Secondary care	117,312	(1,507)	(8,081)	0	92,548	(17,202)	(23,051)	0	160,019
Primary care	77	0	0	0	1,615	(138)	(15)	0	1,539
Redress Secondary care	269	0	(43)	0	341	(255)	(126)	0	186
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	3,964	0	0	0	568	(472)	(1,321)	64	2,803
All other losses and special payments	260	0	(408)	0	1,009	(606)	(115)	0	140
Defence legal fees and other administration	3,596	0	0	0	2,786	(1,488)	(1,156)		3,738
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	181			0	154	(165)	0	4	174
2019-20 Scheme Pays - Reimbursement	1,206			0	58	(13)	0	0	1,251
Restructuring	0			0	0	0	0	0	0
RoU Asset Dilapidations CAME	0			0	0	0	0	0	0
Other Capital Provisions	0			0	0	0	0	0	0
Other	6,088		241	0	1,761	(653)	(2,530)		4,907
<b>Total</b>	<b>132,953</b>	<b>(1,507)</b>	<b>(8,291)</b>	<b>0</b>	<b>100,840</b>	<b>(20,992)</b>	<b>(28,314)</b>	<b>68</b>	<b>174,757</b>

Expected timing of cash flows:

	In year to 31 March 2026	Between 1 April 2026 and 31 March 2030	Thereafter	Total
				£000
Clinical negligence-				
Secondary care	44,401	115,618	0	160,019
Primary care	1,539	0	0	1,539
Redress Secondary care	186	0	0	186
Redress Primary care	0	0	0	0
Personal injury	583	968	1,252	2,803
All other losses and special payments	140	0	0	140
Defence legal fees and other administration	1,953	1,785	0	3,738
Pensions relating to former directors	0	0	0	0
Pensions relating to other staff	165	9	0	174
2019-20 Scheme Pays - Reimbursement	23	117	1,111	1,251
Restructuring	0	0	0	0
RoU Asset Dilapidations CAME	0	0	0	0
Other Capital Provisions	0	0	0	0
Other	4,907	0	0	4,907
<b>Total</b>	<b>53,897</b>	<b>118,497</b>	<b>2,363</b>	<b>174,757</b>

Provisions included with the "Other" categories above relate to: £'000

Continuing Healthcare claims subject to further review	3,883
Onerous contract provision (Radiology Informatics System Programme)	401
Staff regrading appeals and pay arrears	205
Final Pay Control provisions for retired staff	176
Other legal costs	101
Relocation expenses	98
GP managed practices premises costs	43
<b>Total</b>	<b>4,907</b>

The provision for Continuing Healthcare claims is based on estimates from the claims which have been processed up to the balance sheet date. This is subject to a significant degree of sensitivity and is dependent on the percentage of claims which are deemed eligible along with the average settlement rate.

The expected timing of cashflows is based on best available information for each individual provision as at 31st March 2025 and may be subject to changes in future periods.

20. Provisions (continued)

	At 1 April 2023	Structured settlement cases transferred to Risk Pool	Transfer of provisions to creditors	Transfer between current and non-current	Arising during the year	Utilised during the year	Reversed unused	Unwinding of discount	At 31 March 2024
	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Current</b>									
Clinical negligence:-									
Secondary care	19,748	(11,120)	(1,079)	41,149	17,873	(16,217)	(13,682)	0	36,672
Primary care	55	0	0	0	55	(18)	(15)	0	77
Redress Secondary care	170	0	(36)	0	419	(221)	(63)	0	269
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	385	0	0	31	1,534	(226)	(24)	0	1,700
All other losses and special payments	4,510	0	658	0	457	(852)	(4,513)	0	260
Defence legal fees and other administration	2,205	0	0	613	1,166	(940)	(1,225)		1,819
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	145			16	0	0	0	0	161
2019-20 Scheme Pays - Reimbursement	8			0	15	(15)	0	0	8
Restructuring	0			0	0	0	0	0	0
RoU Asset Dilapidations CAME	0			0	0	0	0	0	0
Other Capital Provisions	0			0	0	0	0	0	0
Other	7,083		0	0	3,504	(1,694)	(2,805)		6,088
<b>Total</b>	<b>34,309</b>	<b>(11,120)</b>	<b>(457)</b>	<b>41,809</b>	<b>25,023</b>	<b>(20,183)</b>	<b>(22,327)</b>	<b>0</b>	<b>47,054</b>
<b>Non Current</b>									
Clinical negligence:-									
Secondary care	71,833	0	(1,422)	(41,149)	52,509	(1,131)	0	0	80,640
Primary care	0	0	0	0	0	0	0	0	0
Redress Secondary care	0	0	0	0	0	0	0	0	0
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	2,333	0	0	(31)	243	(326)	0	45	2,264
All other losses and special payments	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	1,291	0	0	(613)	1,388	(252)	(37)		1,777
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	77			(16)	118	(163)	0	4	20
2019-20 Scheme Pays - Reimbursement	1,139			0	59	0	0	0	1,198
Restructuring	0			0	0	0	0	0	0
RoU Asset Dilapidations CAME	0			0	0	0	0	0	0
Other Capital Provisions	0			0	0	0	0	0	0
Other	0		0	0	0	0	0		0
<b>Total</b>	<b>76,673</b>	<b>0</b>	<b>(1,422)</b>	<b>(41,809)</b>	<b>54,317</b>	<b>(1,872)</b>	<b>(37)</b>	<b>49</b>	<b>85,899</b>
<b>TOTAL</b>									
Clinical negligence:-									
Secondary care	91,581	(11,120)	(2,501)	0	70,382	(17,348)	(13,682)	0	117,312
Primary care	55	0	0	0	55	(18)	(15)	0	77
Redress Secondary care	170	0	(36)	0	419	(221)	(63)	0	269
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	2,718	0	0	0	1,777	(552)	(24)	45	3,964
All other losses and special payments	4,510	0	658	0	457	(852)	(4,513)	0	260
Defence legal fees and other administration	3,496	0	0	0	2,554	(1,192)	(1,262)		3,596
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	222			0	118	(163)	0	4	181
2019-20 Scheme Pays - Reimbursement	1,147			0	74	(15)	0	0	1,206
Restructuring	0			0	0	0	0	0	0
RoU Asset Dilapidations CAME	0			0	0	0	0	0	0
Other Capital Provisions	0			0	0	0	0	0	0
Other	7,083		0	0	3,504	(1,694)	(2,805)		6,088
<b>Total</b>	<b>110,982</b>	<b>(11,120)</b>	<b>(1,879)</b>	<b>0</b>	<b>79,340</b>	<b>(22,055)</b>	<b>(22,364)</b>	<b>49</b>	<b>132,953</b>

## 21. Contingencies

### 21.1 Contingent liabilities

	2024-25 £'000	2023-24 £'000
Provisions have not been made in these accounts for the following amounts :		
Legal claims for alleged medical or employer negligence:-		
Secondary care	146,611	209,178
Primary care	2,638	3,012
Redress Secondary care	0	0
Redress Primary care	0	0
Doubtful debts	0	0
Equal Pay costs	0	0
Defence costs	3,644	5,633
Continuing Health Care costs	0	0
Other	0	0
Total value of disputed claims	<u>152,893</u>	<u>217,823</u>
Amounts (recovered) in the event of claims being successful	<u>(149,464)</u>	<u>(214,113)</u>
<b>Net contingent liability</b>	<b><u>3,429</u></b>	<b><u>3,710</u></b>

In accordance with IAS37, the Health Board is required to disclose details of claims made against it where the financial liability, if any, cannot yet be determined. The contingent liabilities included in Note 21.1 for 2024-25 relate to legal claims for alleged negligence (net of amounts recoverable from the Welsh Risk Pool in the event of claims being successful).

The Health Board has received invoices in relation to historic transactions for provision of care within the local community. The Health Board sought legal representation and on this advice disputes liability and consequently any obligation to remit funds to these third parties. The Audit Committee members remain briefed on this matter, with the values non-material to the production of the Annual Accounts in which this note is contained.

**21.2 Remote Contingent liabilities**

	<b>2024-25</b>	2023-24
	<b>£000</b>	£000
Guarantees	<b>0</b>	0
Indemnities	<b>12,224</b>	35,911
Letters of Comfort	<b>0</b>	0
<b>Total</b>	<b>12,224</b>	<b>35,911</b>

The 2024-25 balance for remote contingent liabilities relates to 6 litigation claims (2023-24 9 claims). In the event of these claims being successful £12,061,000 (2023-24 £35,723,000) would be recoverable from the Welsh Risk Pool.

**21.3 Contingent assets**

	<b>2024-25</b>	2023-24
	<b>£000</b>	£000
The Health Board did not hold any contingent assets at the balance sheet date	<b>0</b>	0
<b>Total</b>	<b>0</b>	<b>0</b>

**22. Capital commitments**

**Contracted capital commitments at 31 March**

	<b>2024-25</b>	2023-24
	<b>£000</b>	£000
The disclosure of future capital commitments not already disclosed as liabilities in the accounts.		
Property, plant and equipment	<b>9,189</b>	12,853
Right of Use Assets	<b>0</b>	0
Intangible assets	<b>0</b>	0
<b>Total</b>	<b>9,189</b>	<b>12,853</b>

Note 22 includes capital commitments relating to the following All Wales funded schemes as at 31st March 2025

- Radiology Informatics System Programme (RISP); and
- Elective Orthopaedic Hub-Llandudno.

Commitments in respect of discretionary capital schemes are not included in the note

### 23. Losses and special payments

Losses and special payments are charged to the Statement of Comprehensive Net Expenditure in accordance with IFRS but are recorded in the losses and special payments register when payment is made. Therefore, the payments in this note for settlement and claimant costs are prepared on a cash basis.

#### Gross loss to the Exchequer

##### 23.1 Number of cases and associated amounts paid out during the financial year

	Amounts paid out during period to 31 March 2025	
	Number of cases	£
Clinical negligence:-		
Secondary Care	138	21,585,867
Primary Care	5	138,000
Redress Secondary Car	35	302,090
Redress Primary Care	0	0
Personal injury	38	471,225
All other losses and specia	399	562,777
<b>Total</b>	<b>615</b>	<b>23,059,959</b>

##### 23.2 Analysis of number of cases and associated amounts paid out during the financial year

Case Type	In year cases in excess of £300,000	Cumulative amount
L&R Case reference numl	Number of cases	£
<b>Cases in excess of £300,000:</b>		
MN/108/3834	Clinical Negligence 750,000	1,421,822
MN/108/5896	Clinical Negligence 490,000	537,500
MN/108/5712	Clinical Negligence 440,000	455,000
MN/108/6365	Clinical Negligence 1,150,172	1,240,429
MN/108/3082	Clinical Negligence 2,079,506	2,415,000
MN/108/5476	Clinical Negligence 988,724	1,965,515
MN/108/4964	Clinical Negligence 1,117,787	1,117,787
MN/108/3089	Clinical Negligence 303,032	353,032
MN/108/5311	Clinical Negligence 1,418,048	1,574,767
MN/108/6210	Clinical Negligence 485,000	485,000
MN/108/6085	Clinical Negligence 686,731	936,731
MN/108/6599	Clinical Negligence 390,000	475,000
MN/108/5619	Clinical Negligence 364,314	364,314
MN/108/5525	Clinical Negligence 535,000	535,000
MN/108/6964	Clinical Negligence 323,751	323,751
MN/108/5367	Clinical Negligence 787,000	797,000
MN/108/5391	Clinical Negligence 699,600	699,600
	£	£
<b>Sub-total</b>	<b>17</b>	<b>13,008,666</b>
<b>All other cases paid in ye:</b>	<b>598</b>	<b>10,051,292</b>
<b>Total cases paid in year</b>	<b>615</b>	<b>23,059,959</b>

##### 23.3 Analysis of number of cases and associated amounts where no payments were made in financial year

	Number of cases	£
Cumulative amount up to £300k	244	10,587,139
Cumulative amount greater than £300k	26	32,677,554
<b>Total</b>	<b>270</b>	<b>43,264,693</b>

**24. Right of Use lease obligations**

**24.1 Obligations (as lessee)**

**Amounts payable under right of use asset leases:**

**2024-25**

	<b>LAND</b>	<b>BUILDINGS</b>	<b>OTHER</b>	<b>TOTAL</b>
	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>
	<b>2025</b>	<b>2025</b>	<b>2025</b>	<b>2025</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Minimum lease payments</b>				
Within one year	0	2,552	2,028	4,580
Between one and five years	0	8,503	3,965	12,468
After five years	0	12,171	1,461	13,632
Less finance charges allocated to future periods	0	(2,840)	(348)	(3,188)
<b>Minimum lease payments</b>	<b>0</b>	<b>20,386</b>	<b>7,106</b>	<b>27,492</b>
Included in:				
Current borrowings	0	2,349	1,917	4,266
Non-current borrowings	0	18,037	5,189	23,226
	<b>0</b>	<b>20,386</b>	<b>7,106</b>	<b>27,492</b>
<b>Present value of minimum lease payments</b>				
Within one year	0	2,349	1,917	4,266
Between one and five years	0	7,948	3,756	11,704
After five years	0	10,089	1,433	11,522
<b>Present value of minimum lease payments</b>	<b>0</b>	<b>20,386</b>	<b>7,106</b>	<b>27,492</b>
Included in:				
Current borrowings	0	2,349	1,917	4,266
Non-current borrowings	0	18,037	5,189	23,226
	<b>0</b>	<b>20,386</b>	<b>7,106</b>	<b>27,492</b>

**2023-24**

	<b>LAND</b>	<b>BUILDINGS</b>	<b>OTHER</b>	<b>TOTAL</b>
	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>
	<b>2024</b>	<b>2024</b>	<b>2024</b>	<b>2024</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Minimum lease payments</b>				
Within one year	0	2,608	2,303	4,911
Between one and five years	0	8,767	5,202	13,969
After five years	0	13,773	2,117	15,890
Less finance charges allocated to future periods	0	(3,018)	(446)	(3,464)
<b>Minimum lease payments</b>	<b>0</b>	<b>22,130</b>	<b>9,176</b>	<b>31,306</b>
Included in:				
Current borrowings	0	2,397	2,168	4,565
Non-current borrowings	0	19,733	7,008	26,741
	<b>0</b>	<b>22,130</b>	<b>9,176</b>	<b>31,306</b>
<b>Present value of minimum lease payments</b>				
Within one year	0	2,397	2,168	4,565
Between one and five years	0	8,150	4,944	13,094
After five years	0	11,583	2,064	13,647
<b>Present value of minimum lease payments</b>	<b>0</b>	<b>22,130</b>	<b>9,176</b>	<b>31,306</b>
Included in:				
Current borrowings	0	2,397	2,168	4,565
Non-current borrowings	0	19,733	7,008	26,741
	<b>0</b>	<b>22,130</b>	<b>9,176</b>	<b>31,306</b>

**24.2 Right of Use Assets receivables (as lessor)**

The Health Board did not hold any Right of Use Assets lease receivables, as a lessor, at the balance sheet date.

**Amounts receivable under right of use assets :**

	<b>31 March 2025 £000</b>	31 March 2024 £000
<b>Gross Investment in leases</b>		
Within one year	0	0
Between one and five years	0	0
After five years	0	0
Less finance charges allocated to future periods	0	0
Minimum lease payments	<u>0</u>	<u>0</u>
Included in:		
Current financial assets	0	0
Non-current financial assets	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>
<b>Present value of minimum lease payments</b>		
Within one year	0	0
Between one and five years	0	0
After five years	0	0
Less finance charges allocated to future periods	0	0
Present value of minimum lease payments	<u>0</u>	<u>0</u>
Included in:		
Current financial assets	0	0
Non-current financial assets	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>

**25. Private Finance Initiative contracts**

**25.1 PFI schemes off-Statement of Financial Position**

The Health Board did not have any PFI Schemes that were deemed to be off -statement of financial position at the balance sheet date.

Commitments under off-SoFP PFI contracts	Off-SoFP PFI contracts	Off-SoFP PFI contracts
	31 March 2025 £000	31 March 2024 £000
Total payments due within one year	0	0
Total payments due between 1 and 5 years	0	0
Total payments due thereafter	0	0
Total future payments in relation to PFI contracts	<u>0</u>	<u>0</u>
Total estimated capital value of off-SoFP PFI contracts	<u>0</u>	<u>0</u>

**25.2 PFI schemes on-Statement of Financial Position**

Capital value of scheme included in Fixed Assets Note 11	£000
	1,034
Contract start date:	01/09/2004
Contract end date:	01/09/2034

The Conwy & Denbighshire NHS Trust (a legacy organisation of the Health Board) contracted with Fresenius Medical Care to build and equip a Renal Diabetic Unit at Glan Clwyd Hospital under PFI contract arrangements. Whilst Fresenius continue to have defined responsibilities for the maintenance of the Unit, the Health Board is responsible for the delivery of all clinical care and other support costs

**Total obligations for on-Statement of Financial Position PFI contracts due:**

2024-25	On SoFP PFI Capital element	On SoFP PFI IFRS 16 impact Finance Charge	On SoFP PFI Imputed interest	On SoFP PFI Service charges
	31 March 2025 £000	31 March 2025 £000	31 March 2025 £000	31 March 2025 £000
Total payments due within one year	66	0	25	522
Total payments due between 1 and 5 years	286	0	75	2,275
Total payments due thereafter	364	0	35	3,366
Total future payments in relation to PFI contracts	<u>716</u>	<u>0</u>	<u>135</u>	<u>6,163</u>

2023-24	On SoFP PFI Capital element	On SoFP PFI IFRS 16 impact Finance Charge	On SoFP PFI Imputed interest	On SoFP PFI Service charges
	31 March 2024 £000	31 March 2024 £000	31 March 2024 £000	31 March 2024 £000
Total payments due within one year	63	0	27	496
Total payments due between 1 and 5 years	277	0	85	2,166
Total payments due thereafter	440	0	50	3,909
Total future payments in relation to PFI contracts	<u>780</u>	<u>0</u>	<u>162</u>	<u>6,571</u>

	31/03/2025 £000
Total present value of obligations for on-SoFP PFI contracts	6,000

<b>25.3 Charges to expenditure</b>	<b>2024-25</b>	2023-24
	<b>£000</b>	£000
Service charges for On Statement of Financial Position PFI contracts (excl interest costs)	<b>504</b>	479
Total expense for Off Statement of Financial Position PFI contracts	<b>0</b>	0
The total charged in the year to expenditure in respect of PFI contracts	<b>504</b>	<b>479</b>

The LHB is committed to the following annual charges

<b>PFI scheme expiry date:</b>	<b>£000</b>	£000
Not later than one year	<b>0</b>	0
Later than one year, not later than five years	<b>0</b>	0
Later than five years	<b>504</b>	479
<b>Total</b>	<b>504</b>	<b>479</b>

The estimated annual payments in future years will vary from those which the Health Board is committed to make during the next year by the impact of movement in the Retail Prices Index.

**25.4 Number of PFI contracts**

	<b>Number of on SoFP PFI contracts</b>	<b>Number of off SoFP PFI contracts</b>
Number of PFI contracts	1	0
Number of PFI contracts which individually have a total commitment > £500m	0	0
	<b>On / Off- statement of financial position</b>	
<b>PFI Contract</b>		
Number of PFI contracts which individually have a total commitment > £500m	0	
<b>PFI Contract</b>	On	

**25.5 The Health Board did not have any Public Private Partnerships during the year**

## **26. Financial risk management**

Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. The Health Board is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which these standards mainly apply. The Health Board has limited powers to invest and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the Health Board in undertaking its activities.

### **Currency risk**

The Health Board is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the United Kingdom and Sterling based. The Health Board does not have any overseas operations. The Health Board therefore has low exposure to currency rate fluctuations.

### **Interest rate risk**

Health Boards are not permitted to borrow and the Health Board therefore has low exposure to interest rate fluctuations.

### **Credit risk**

As the majority of the Health Board's funding derives from funds voted by the Welsh Government the Health Board has low exposure to credit risk.

### **Liquidity risk**

The Health Board is required to operate within cash limits set by the Welsh Government for the financial year and draws down funds from the Welsh Government as the requirement arises. The Health Board is not, therefore, exposed to significant liquidity risks.

**27. Movements in working capital**

	<b>2024-25</b>	2023-24
	<b>£000</b>	£000
(Increase)/decrease in inventories	<b>436</b>	(628)
(Increase)/decrease in trade and other receivables - non-current	<b>(35,096)</b>	(5,708)
(Increase)/decrease in trade and other receivables - current	<b>(20,971)</b>	(30,315)
Increase/(decrease) in trade and other payables - non-current	<b>(3,582)</b>	(572)
Increase/(decrease) in trade and other payables - current	<b>22,677</b>	(28,191)
<b>Total</b>	<b>(36,536)</b>	(65,414)
Adjustment for accrual movements in fixed assets - creditors	<b>(965)</b>	(849)
Adjustment for accrual movements in fixed assets - debtors	<b>0</b>	0
Adjustment for accrual movements in right of use assets - creditors	<b>3,814</b>	82
Adjustment for accrual movements in right of use assets - debtors	<b>0</b>	0
Other adjustments	<b>0</b>	0
	<b>(33,687)</b>	<b>(66,181)</b>

**28. Other cash flow adjustments**

	<b>2024-25</b>	2023-24
	<b>£000</b>	£000
Depreciation	<b>44,774</b>	43,724
Amortisation	<b>397</b>	485
(Gains)/Loss on Disposal	<b>(142)</b>	(5)
Impairments and reversals	<b>(2,863)</b>	(3,817)
Release of PFI deferred credits	<b>0</b>	0
NWSSP Covid assets issued debited to expenditure but non-cash	<b>0</b>	0
Covid assets received credited to revenue but non-cash	<b>0</b>	0
Donated assets received credited to revenue but non-cash	<b>0</b>	0
Government Grant assets received credited to revenue but non-cash	<b>0</b>	0
Right of Use Grant (Peppercorn Lease) credited to revenue but non cash	<b>0</b>	0
Non-cash movements in right of use assets	<b>0</b>	393
Non-cash movements in provisions	<b>62,796</b>	44,026
Other movements	<b>69,649</b>	42,792
<b>Total</b>	<b>174,611</b>	<b>127,598</b>

Other movements of £69,649,000 (2023-24 £42,792,000) is made up of notional funding received for:

- LHB notional 9.4% Staff Employer Pension Contributions;
- the 2019-20 Pensions Annual Allowance Charge Compensation Scheme (PAACCS);

which are both funded directly to the NHSBA Pensions Division by Welsh Government, less revenue cash payments in respect of interest on Right of Use asset leases.

## **29. Events after the Reporting Period**

These financial statements were authorised for issue by the Chief Executive and Accountable Officer on 27th June 2025; post the date the financial statements were certified by the Auditor General for Wales.

The Health Board does not consider that there are any other additional disclosure requirements relating to events following the end of the reporting period.

### 30. Related Party Transactions

The Welsh Government is regarded as a related party of the Health Board. During the year the Health Board had a significant number of material revenue and capital transactions with either the Welsh Government or with other entities for which the Welsh Government is regarded as the parent body, namely:

Health Bodies and Welsh Government	2024-25		As at 31st March 2025	
	Expenditure with related party £000	Income from related party £000	Amounts owed to related party £000	Amounts due from related party £000
Welsh Government (Excludes 2019-20 Sceme Pays Reimbursement)	315	2,273,681	43	2,615
Aneurin Bevan University LHB	293	202	71	54
Cardiff & Vale University LHB	1,292	421	63	130
Cwm Taf Morgannwg University LHB	364	118	91	12
Hywel Dda University LHB	5,677	321	440	25
Powys Teaching LHB	510	4,530	60	434
Swansea Bay University LHB	524	516	157	90
Digital Health and Care Wales (DHCW)	11,220	1,123	21	(19)
Health Education and Improvement Wales (HEIW)	55	23,738	45	660
Public Health Wales NHS Trust	6,848	6,790	559	1,020
Velindre NHS Trust (Includes capital expenditure and payable)	71,830	8,221	4,416	3,671
Welsh Ambulance Services University NHS Trust	1,750	529	430	145
Welsh Risk Pool	0	0	0	204,995
NHS Wales Joint Commissioning Committee (NWJCC)	273,120	54,343	6,384	1,891
<b>Total</b>	<b>373,798</b>	<b>2,374,533</b>	<b>12,780</b>	<b>215,723</b>

Other Organisations	2024-25		As at 31st March 2025	
	Expenditure with related party £000	Income from related party £000	Amounts owed to related party £000	Amounts due from related party £000
Conwy County Borough Council	13,737	2,591	7,349	1,431
Denbighshire County Council (includes capital expenditure)	13,067	3,206	6,472	1,620
Flintshire County Council	13,875	3,848	5,845	2,026
Gwynedd County Council	13,808	2,439	8,382	1,939
Isle of Anglesey Council	7,729	1,518	5,616	770
Wrexham County Borough Council	10,926	6,687	4,268	2,994
Other Welsh Local Authorities (Including Police & Crime Commissioners, Fire Authorities and Welsh National Parks)	742	590	93	3
<b>Total</b>	<b>73,884</b>	<b>20,879</b>	<b>38,025</b>	<b>10,783</b>

#### Charitable Funds

The Health Board is corporate trustee of the Betsi Cadwaladr University Health Board Charity and Other Related Charities (registered charity number 1138976). All voting members of the Health Board can act as corporate trustees of the charity. Operational responsibility for the administration of the charity is delegated to a Charitable Funds Committee.

The Health Board received revenue and capital grants totalling £1,544,000 from the charitable fund during the year (2023-24 £1,660,000).

### 30. Related Party Transactions

A number of Health Board's Members had interests with related parties during the year, as detailed below:

Name	Position Held	Nature of Related Party Interest
K Balmer	Independent Member	Chief Executive Officer, Groundwork North Wales (Refurbs Flint and Wild Ground, Wrexham)
C Budden	Independent Member	Chief Executive and Board Member Clwyd Alyn Housing Association
Cllr D Jones	Independent Member	Elected member of Isle of Anglesey County Council
Prof M Larvin	Independent Member	Pro Vice-Chancellor for Medicine and Health and Dean of Medicine, Bangor University
U Felda	Independent Member	Chair and Member of the Social Care Wales Fitness to Practice Panel
C Field	Independent Member	Partner is Assistant Director of Human Resources, Mersey and West Lancashire Teaching Hospitals NHS Trust
F Roberts	Associate Board Member	Director of Social Services and Head of Children Services, Isle of Anglesey County Council
J Wild	Associate Board Member	Trustee and Honorary Secretary of the British Society of Audiology

The total value of transactions and balances between the Health Board and these related parties during 2024-25, unless already reported on pages 70, was as follows:

Organisation Name	2024-25		As at 31st March 2025	
	Expenditure with related party £000	Income from related party £000	Amounts owed to related party £000	Amounts due from related party £000
Bangor University	1,231	600	619	204
British Society of Audiology	Less than £1,000	0	Less than £1,000	0
Clwyd Alyn Housing Association	1,032	1	60	0
Groundwork North Wales	1	0	1	0
Mersey and West Lancashire Teaching Hospitals NHS Trust	1,197	299	519	7
Social Care Wales	0	1	16	17

The Health Board did not have financial transactions with any other organisation recorded as a Declaration of Interest by Board Members during 2024-25 and considered to be a related party.

### 31. Third Party assets

As at 31st March 2025, the Health Board held £150,659 cash at bank and in hand on behalf of third parties (31st March 2024 £161,437) comprising:

	<b>2024-25</b>	<b>2023-24</b>
	<b>£</b>	<b>£</b>
Monies held on behalf of patients - savings accounts	91,048	69,857
Monies held on behalf of patients - current accounts and cash in hand	48,711	72,930
Deposits for staff residential accommodation	10,900	18,650
	<b><u>150,659</u></b>	<b><u>161,437</u></b>

These balances have been excluded from the Cash and Cash Equivalents figure reported in Note 17 of these Accounts.

The Health Board also holds a quantity of consignment stock that remains the property of suppliers until it is used and is therefore considered as a third party asset. The value of consignment stock as at 31st March 2025 was £4,392,118 (31st March 2024 £3,159,432).

## 32. Pooled budgets

The Health Board has entered into five pooled budget arrangements which are governed by the NHS (Wales) Act 2006:

- North East Wales Community Equipment Service - hosted by Flintshire County Council
- Bryn-y-Neuadd Community Equipment Store - hosted by Betsi Cadwaladr University Local Health Board
- Denbighshire Health and Social Care Support Workers Service - hosted by Denbighshire County Council
- Denbighshire Community Equipment Service - hosted by Denbighshire County Council
- North Wales Older People Accommodation Pooled Budget - hosted by Denbighshire County Council

The financial arrangements for each of these five agreements are subject to partner organisations normal annual auditing requirements with each host body being responsible for the audit of the accounts of individual arrangements in accordance with their statutory audit requirements.

Memorandum notes on pages 76-78 of these accounts provide details of the joint income and expenditure transactions for each of these arrangements.

### **The Health and Social Care Regional Integration Fund (RIF)**

The Health and Social Care Regional Integration Fund (the RIF) is a 5 year fund to deliver a programme of change from April 2022 to March 2027. The RIF builds on the learning and progress made under the previous Integrated Care Fund (ICF) and Transformation Fund (TF) and will seek to create sustainable system change through the integration of health and social care services.

Key features and values of the Fund include:

- A strong focus on prevention and early intervention
- Developing and embedding national models of integrated care
- Actively sharing learning across Wales through Communities of Practice
- Sustainable long term resourcing to embed and mainstream new models of care
- Creation of long term pooled fund arrangements
- Consistent investment in regional planning and partnership infrastructure

The RIF is a key lever to drive change and transformation across the health and social care system and in doing so will directly support implementation of several key pieces of policy and legislation.

Regional Partnership Boards (RPBs) facilitate the partnership arrangements made between a Local Health Board and one or more Local Authorities. The objectives of a RPB are set out in Regulation 10 of the Partnership Regulations and are to ensure that the partnership bodies work effectively and to ensure that the partnership bodies provide sufficient resources for the partnership arrangements. In addition to health and social care partners RPB membership includes representatives from housing, education, the third sector, providers, citizens and carer representatives to take forward the effective delivery of integrated services in Wales. Their purpose is to improve the outcomes and well-being of people with care and support needs, and carers who need support. RPBs work as a partnership to strategically plan, manage and develop effective care and support services required to best meet the needs of their respective populations.

Total RIF funding allocated through the North Wales Regional Partnership Board for 2024-25 was £32.8m (2023-24 £32.8m) of revenue funding plus RIF capital grant funding of £2.7m (2023-24 £2.1m). These funding flows are managed through the Health Board's Statement of Comprehensive Net Expenditure and reported in Note 3.3 Expenditure on Hospital and Community Health Services and Note 4 Miscellaneous Income.

### 33. Operating segments

Accounting standard IFRS 8 defines an operating segment as a component of an entity:

1. That engages in activities from which it may earn revenue and incur expenses (including internally);
2. Whose operating results are regularly reviewed by the Chief Operating Decision Maker to make decisions about resource allocation to the segment and assesses its performance;
3. For which discrete information is available.

The Health Board operates as three Integrated Health Communities (IHCs), each led by an accountable Director, with Mental Health and Learning Disabilities, Women’s Services, Cancer Services and Diagnostic and Clinical Support Services operating as pan-North Wales functions.

Four of the Health Board's functions met the criteria to be reported as separate operating segments under the accounting standard during 2024-25 (expenditure 10% or more of total operating costs). Information on divisions which did not exceed the reporting thresholds has also been disclosed in order to provide a complete overview of the Health Board's activities during the year.

	2024-25 £'000	2023-24 £'000
<b><i>Integrated Health Communities</i></b>		
West Integrated Health Community *	368,497	355,298
Central Integrated Health Community *	475,348	456,292
East Integrated Health Community *	488,983	455,647
	<b>1,332,828</b>	<b>1,267,237</b>
Midwifery and Womens Services	50,518	46,751
Mental Health and Learning Disabilities	195,540	179,331
Commissioning Contracts *	305,690	276,241
Integrated Clinical Delivery Primary Care	46,384	47,766
Integrated Clinical Delivery Regional Services	133,320	123,887
Service Support Functions	165,853	159,390
	<b>897,305</b>	<b>833,366</b>
<b>Other Budgets</b>	<b>29,521</b>	<b>16,816</b>
<b>Staff employer pension contributions notional expenditure (See Note 34.1)</b>	<b>69,636</b>	<b>43,170</b>
<b>Operating costs sub-total</b>	<b>2,329,290</b>	<b>2,160,589</b>
<b>Revenue Resource Limit</b>	<b>2,321,730</b>	<b>2,136,242</b>
<b>Under/(over) spend against Revenue Resource Limit</b>	<b>(7,560)</b>	<b>(24,347)</b>

\* Operating segments which meet the standard criteria for reporting as per par 1.485 of the Welsh Government Manual for Accounts 2024-25.

## 34. Other Information

### 34.1. 9.4% Staff Employer Pension Contributions - Notional Element

The value of notional transactions is based on estimated costs for the twelve month period 1st April 2024 to 31st March 2025. This has been calculated from actual Welsh Government expenditure for the 9.4% staff employer pension contributions between April 2024 and February 2025 alongside Health Board data for March 2025.

Transactions include notional expenditure in relation to the 9.4% paid to NHSBSA by Welsh Government and notional funding to cover that expenditure as follows:

	2024-25	2023-24
	£000	£000
<b>Statement of Comprehensive Net Expenditure for the year ended 31 March 2025</b>		
Expenditure on Primary Healthcare Services	2,151	1,229
Expenditure on healthcare from other providers	0	0
Expenditure on Hospital and Community Health Services	67,485	41,941
<b>Statement of Changes in Taxpayers' Equity for the year ended 31 March 2025</b>		
Net operating cost for the year	69,636	43,170
Notional Welsh Government Funding	69,636	43,170
<b>Statement of Cash Flows for year ended 31 March 2025</b>		
Net operating cost for the financial year	69,636	43,170
Other cash flow adjustments	69,636	43,170
<b>2.1 Revenue Resource Performance</b>		
Revenue Resource Allocation	69,636	43,170
<b>3. Analysis of gross operating costs</b>		
<b>3.1 Expenditure on Primary Healthcare Services</b>		
General Medical Services	1,833	1,023
Pharmaceutical Services	18	9
General Dental Services	65	36
Other Primary Health Care expenditure	235	161
<b>3.2 Expenditure on healthcare from other providers</b>		
	0	0
	0	0
<b>3.3 Expenditure on Hospital and Community Health Services</b>		
Directors' costs	103	47
Staff costs	67,382	41,894
<b>9.1 Employee costs</b>		
<b>Permanent Staff</b>		
Employer contributions to NHS Pension Scheme	69,636	43,170
Charged to capital	0	0
Charged to revenue	69,636	43,170
<b>18. Trade and other payables</b>		
<b>Current</b>		
Pensions: staff	0	0
<b>28. Other cash flow adjustments</b>		
Other movements	69,636	43,170

The Department of Health and Social Care (DHSC) 2023-24 consultation on the NHS Pension Scheme confirmed that the transitional approach that has operated since 2019-20 for employer contributions will continue in 2024-25. From 1st April 2024 an employer rate of 23.7% (23.78% inclusive of the administration charge) will apply. However, the NHS Business Services Authority will continue to only collect 14.38% from NHS Wales employers under their normal monthly payment process to the NHS Pension Scheme. This has resulted in an increase in the central payments made by Welsh Government from 6.3% to 9.4%.

## Other

### 34.2 IFRS 17 - Insurance Contract Disclosures

The outcome of the contract review for a range of income contract types applicable to the organisation, did not identify any insurance contracts that fall within the scope of IFRS 17.

#### STATEMENT OF FINANCIAL POSITION

(Signage as per provision note disclosure)	£000
Liability for incurred claims @ 1 April 2024	0
Liability for remaining payments @ 31 March 2025	0
	<hr/> 0
Arising during year	0
Utilised	0
Reversed unused	0
Movement in Discount Rates	0
	<hr/> 0

#### STATEMENT OF COMPREHENSIVE NET EXPENDITURE

(Signage as per income and expenditure note disclosure)	£000
Insurance Income	0
Insurance expenditure	0

**Other**

**34.3 Pooled Budgets**

**North East Wales Community Equipment Service Memorandum Accounts 2024-25**

The North East Wales Pool is hosted by Flintshire County Council and the formal partnership agreement commenced on 8th July 2009. A memorandum of account has been produced by Flintshire County Council, as shown below:

	<b>2024-25</b>	<b>2023-24</b>
	<b>£ 000</b>	<b>Restated £ 000</b>
<b>Pooled Budget contributions</b>		
Flintshire County Council	333	327
Wrexham County Borough Council	314	309
Betsi Cadwaladr University Local Health Board	482	472
Other	198	187
<b>Total Pooled Budget contributions for the year</b>	<b>1,327</b>	<b>1,295</b>
<b>Expenditure</b>		
Staff Costs	499	580
Equipment Purchases	417	495
Operating Expenditure	229	120
<b>Total Expenditure for the year</b>	<b>1,145</b>	<b>1,195</b>
<b>Net Surplus/(Deficit) on the Pooled Budget for the Year</b>	<b>182</b>	<b>100</b>

**Bryn-y-Neuadd Community Equipment Store Memorandum Accounts 2024-25**

The Bryn-y-Neuadd Community Equipment Store Pool is hosted by Betsi Cadwaladr University Local Health Board in partnership with Ynys Môn Council, Conwy County Borough Council and Gwynedd County Council. A memorandum account for the pooled budget arrangement is provided below.

	<b>2024-25</b>	<b>2023-24</b>
	<b>£ 000</b>	<b>£ 000</b>
<b>Contributions</b>		
Ynys Môn County Council	156	156
Conwy County Council	183	183
Gwynedd County Council	204	204
Betsi Cadwaladr University Local Health Board	497	497
Special Orders	90	90
<b>Total Pooled Budget Contributions</b>	<b>1,130</b>	<b>1,130</b>
<b>Expenditure</b>		
Operating Expenses	936	1,020
Equipment Purchases (incl. Special Orders)	556	453
<b>Total Expenditure</b>	<b>1,492</b>	<b>1,473</b>
<b>Net Surplus/(Deficit) on the Pooled Budget for year</b>	<b>(362)</b>	<b>(343)</b>
<b>Cumulative Net Surplus/(Deficit) on the Pooled Budget</b>	<b>(1,067)</b>	<b>(705)</b>

## Other

### 34.3 Pooled Budgets

#### Denbighshire Community Equipment Service pooled budget

The Denbighshire Community Equipment Service pooled budget is hosted by Denbighshire County Council. The initial three-year partnership agreement commenced on 1st April 2009 and ended on 31st March 2012 with a further agreement running between 2012 and 2015. For 2015-16 onwards it was agreed to revert to one-year agreements.

The objective of the pooled budget arrangement is to provide health and daily living equipment on loan to people with an assessed need to enable their personal safety, independence, rehabilitation and mobility. This arrangement maximises the effectiveness of local arrangements for the delivery of an integrated Health and Social Care Equipment Services by incorporating certain services in the Health Board's NHS Health Care function and the Council's Health Related Social Care function.

A memorandum of account has been produced by Denbighshire County Council as shown below:

#### Denbighshire Community Equipment Service pooled budget memorandum account

	2024-25	2023-24
		Restated
	£ 000	£ 000
<b>Pooled budget contributions</b>		
Denbighshire County Council: Core Contribution	262	219
Denbighshire County Council : Bed Service	23	0
Betsi Cadwaladr University Local Health Board: Core Contribution	221	138
Betsi Cadwaladr University Local Health Board: Bed Service	92	51
Betsi Cadwaladr University Local Health Board Other including HEC and CHC	65	115
Other - RIF Contribution from slippage	0	173
<b>Total Pooled Budget contributions for the year</b>	<b>663</b>	<b>696</b>
<b>Expenditure</b>		
Equipment purchases (Core and CHC)	144	130
Operating Expenditure	519	563
<b>Total Expenditure for the year</b>	<b>663</b>	<b>693</b>
<b>Net Surplus/(Deficit) on the Pooled Budget for the Year</b>	<b>0</b>	<b>3</b>
<b>Cumulative net Surplus/(Deficit) on the Pooled Budget</b>	<b>19</b>	<b>19</b>

## Other

### 34.3 Pooled Budgets

#### North Wales Older People Accommodation pooled budget

In accordance with the Social Services and Well-being (Wales) Act 2014 and regulation 19(1) of the Partnership Arrangements (Wales) Regulations 2015, a pooled budget arrangement was established between North Wales local authorities and the Health Board in relation to the provision of care home accommodation for older people. These arrangements came into effect on 1<sup>st</sup> April 2019, with Denbighshire County Council acting as host authority.

Denbighshire County Council advised during 2023-24 that cash transfers to the pooled budget were to be suspended following expiry of the partnership agreement and that they would prepare a memorandum statement for 2023-24 based on cash contributions for Quarter 1 and 2 along with notional contributions for Quarters 3 and 4. These notional contributions were included for information purposes only and not accrued in partner organisations accounts.

The Health Board's contributions to the pooled budget during 2023-4 (notional and cash) was £49,033,000. Total reported contributions and expenditure on the pooled budget from all partner organisations was £126,968,000. As a new partnership agreement was not established during 2024-25 none of the partner organisations made cash transfers to the pooled budget during the year. The Health Board has, however, continued to work with local authorities in the same way as if the pooled budget arrangements had remained in place with notional contributions for 2024-25 being £53,875,000.

As these are interim arrangements pending reinstatement of a formal agreement Denbighshire County Council will prepare a memorandum account for 2024-25 based on notional contributions from each partner organisation.

	2024-25	2023-24
		Restated
	£ 000	£ 000
<b>Contributions</b>		
Denbighshire County Council	12,423	11,914
Conwy County Borough Council	18,090	15,301
Flintshire County Council	14,980	13,578
Wrexham County Borough Council	16,470	14,957
Gwynedd Council	13,084	12,044
Isle of Anglesey County Council	7,126	7,214
Betsi Cadwaladr University Local Health Board	53,874	49,033
<b>Total Pooled Budget Contributions</b>	<b>136,047</b>	<b>124,041</b>
<b>Expenditure</b>		
Care Home Costs	136,047	124,041
<b>Total Expenditure for the year</b>	<b>136,047</b>	<b>124,041</b>
<b>Net Surplus/(Deficit) on the Pooled Budget for the Year</b>	<b>0</b>	<b>0</b>

**Other**

**34.3 Pooled Budgets**

**Denbighshire Health and Social Care Support Workers Service pooled budget**

The Denbighshire Health and Social Care Support Workers Service pooled budget is hosted by Denbighshire County Council with the Health Board’s contributions to the arrangement supporting the costs of Health and Social Care workers employed by the Council.

The Health Board’s contribution to the pooled budget in 2024-25 was £50,000. (2023-24 £50,000)  
 Total expenditure on the pooled budget arrangements for 2024-25 was £100,000 (2023-24 £127,000).  
 A memorandum account for the pooled budget arrangement is provided below.

	<b>2024-25</b>	<b>2023-24</b>
	<b>£ 000</b>	<b>£ 000</b>
<b>Pooled Budget contributions</b>		
Denbighshire County Council	50	50
Betsi Cadwaladr University Local Health Board	50	50
RIF Grant	0	44
<b>Total Pooled Budget contributions for the year</b>	<b>100</b>	<b>144</b>
<b>Expenditure</b>		
Employee Expenses	92	117
Other Operating Expenditure	8	10
<b>Total Expenditure for the year</b>	<b>100</b>	<b>127</b>
<b>Net Surplus/(Deficit) on the Pooled Budget for the Year</b>	<b>0</b>	<b>17</b>
<b>Cumulative net Surplus/(Deficit) on the Pooled Budget</b>	<b>55</b>	<b>55</b>

**THE NATIONAL HEALTH SERVICE IN WALES ACCOUNTS DIRECTION GIVEN BY WELSH MINISTERS IN ACCORDANCE WITH SCHEDULE 9 SECTION 178 PARA 3(1) OF THE NATIONAL HEALTH SERVICE (WALES) ACT 2006 (C.42) AND WITH THE APPROVAL OF TREASURY**

**LOCAL HEALTH BOARDS**

1. Welsh Ministers direct that an account shall be prepared for the financial year ended 31 March 2011 and subsequent financial years in respect of the Local Health Boards (LHB)1, in the form specified in paragraphs [2] to [7] below.

**BASIS OF PREPARATION**

2. The account of the LHB shall comply with:

(a) the accounting guidance of the Government Financial Reporting Manual (FReM), which is in force for the financial year in which the accounts are being prepared, and has been applied by the Welsh Government and detailed in the NHS Wales LHB Manual for Accounts;

(b) any other specific guidance or disclosures required by the Welsh Government.

**FORM AND CONTENT**

3. The account of the LHB for the year ended 31 March 2011 and subsequent years shall comprise a statement of comprehensive net expenditure, a statement of financial position, a statement of cash flows and a statement of changes in taxpayers' equity as long as these statements are required by the FReM and applied by the Welsh Assembly Government, including such notes as are necessary to ensure a proper understanding of the accounts.

4. For the financial year ended 31 March 2011 and subsequent years, the account of the LHB shall give a true and fair view of the state of affairs as at the end of the financial year and the operating costs, changes in taxpayers' equity and cash flows during the year.

5. The account shall be signed and dated by the Chief Executive of the LHB.

**MISCELLANEOUS**

6. The direction shall be reproduced as an appendix to the published accounts.

7. The notes to the accounts shall, inter alia, include details of the accounting policies adopted.

Signed by the authority of Welsh Ministers

Signed : Chris Hurst

Dated :

1. Please see regulation 3 of the 2009 No.1559 (W.154); NATIONAL HEALTH SERVICE, WALES; The Local Health Boards (Transfer of Staff, Property, Rights and Liabilities) (Wales) Order 2009.



<b>Teitl adroddiad:</b> <i>Report title:</i>	Annual Report 2024-2025
<b>Adrodd i:</b> <i>Report to:</i>	Audit Committee
<b>Dyddiad y Cyfarfod:</b> <i>Date of Meeting:</i>	Tuesday, 24 June 2025
<b>Crynodeb Gweithredol:</b> <i>Executive Summary:</i>	<p>The purpose of this paper is;</p> <ul style="list-style-type: none"><li>• To present to the Audit Committee the Annual Report 2024-25 Part 1 and 2 and Annual Governance Statement which along with the Annual Accounts 2024-25 will be presented in its final version at the Annual General Meeting in July 2025.</li><li>• The Audit Committee is asked to <b>RECOMMEND</b> to Board at its meeting on 26 June 2025 the approval and signature of the Annual Report and Financial Accounts for year ended 31st March 2025.</li></ul> <p>The contents include a final Draft of: 1. The Performance Report; 2. The Accountability Report, including: a. A Corporate Governance Report b. A Remuneration and Staff Report c. A Parliamentary Accountability and Audit Report.</p> <p>The Annual Governance Statement (AGS) forms part of the Accountability Report section of this Annual Report, and provides a detailed report on our governance, arrangements for managing risk and systems of internal control. The AGS has been received and reviewed by the Executive Team, Audit Committees in May 2025 and colleagues including the Head of Internal Audit and the Vice Chair.</p> <p>Alongside the Financial Statements for 2024/25 these documents require formal approval ahead of submission to Welsh Government on 30 June 2025 in-line with HM Treasury Requirements.</p> <p>Final Draft versions of the documents attached incorporate all comments and feedback received from Welsh Government, Auditors, and Board Members. Draft and Final versions of these documents have been reviewed by the Audit Committee.</p> <p>It is important to note that the documents will be published in the public domain in the Welsh Language as well as in the English Language and as soon as the documents are fixed this work will be undertaken and completed.</p>
<b>Argymhellion:</b> <i>Recommendations:</i>	<p>The Audit Committee is asked to:</p> <ul style="list-style-type: none"><li>• <b>RECEIVE and CONSIDER</b> the Annual Report 2024-25, Part 1 and 2 and Annual Governance Statement</li><li>• <b>RECOMMEND</b> to Board at its meeting on 26 June 2025 the approval and signature of the Annual Report and Financial Accounts for year ended 31st March 2025.</li></ul>

	<ul style="list-style-type: none"> <li><b>NOTE</b> to note that the components parts of the annual report will be merged together and a further page reference and proof check completed prior to submission.</li> </ul>			
<b>Arweinydd Gweithredol:</b>  <b>Executive Lead:</b>	Pam Wenger, Director of Corporate Governance			
<b>Awdur yr Adroddiad:</b>  <b>Report Author:</b>	Philippa Peake-Jones, Head of Corporate Governance			
<b>Pwrpas yr adroddiad:</b> <b>Purpose of report:</b>	I'w Nodi <i>For Noting</i> <input checked="" type="checkbox"/>	I Benderfynu arno <i>For Decision</i> <input checked="" type="checkbox"/>	Am sicrwydd <i>For Assurance</i> <input checked="" type="checkbox"/>	
<b>Lefel sicrwydd:</b>  <b>Assurance level:</b>	<b>Arwyddocaol</b> <b>Significant</b> <input type="checkbox"/> Lefel uchel o hyder/tystiolaeth o ran darparu'r mecanweithiau / amcanion presennol  <i>High level of confidence/evidence in delivery of existing mechanisms/objectives</i>	<b>Derbyniol</b> <b>Acceptable</b> <input checked="" type="checkbox"/> Lefel gyffredinol o hyder/tystiolaeth o ran darparu'r mecanweithiau / amcanion presennol  <i>General confidence / evidence in delivery of existing mechanisms / objectives</i>	<b>Rhannol</b> <b>Partial</b> <input type="checkbox"/> Rhywfaint o hyder/tystiolaeth o ran darparu'r mecanweithiau / amcanion presennol  <i>Some confidence / evidence in delivery of existing mechanisms / objectives</i>	<b>Dim Sicrwydd</b> <b>No Assurance</b> <input type="checkbox"/> Dim hyder/tystiolaeth o ran y ddarpariaeth  <i>No confidence / evidence in delivery</i>
<b>Cyfiawnhad dros y gyfradd sicrwydd uchod. Lle bo sicrwydd 'Rhannol' neu 'Dim Sicrwydd' wedi'i nodi uchod, nodwch gamau i gyflawni sicrwydd 'Derbyniol' uchod, a'r terfyn amser ar gyfer cyflawni hyn:</b>  <b>Justification for the above assurance rating. Where 'Partial' or 'No' assurance has been indicated above, please indicate steps to achieve 'Acceptable' assurance or above, and the timeframe for achieving this:</b>				
<b>Cyswllt ag Amcan/Amcanion Strategol:</b>  <b>Link to Strategic Objective(s):</b>	<ol style="list-style-type: none"> <li>Building an effective organisation</li> <li>Developing strategy and long lasting change</li> <li>Creating compassionate culture, leadership and engagement</li> <li>Improving quality outcomes and experience</li> <li>Establishing an effective environment for learning</li> </ol>			
<b>Goblygiadau rheoleiddio a lleol:</b>  <b>Regulatory and legal implications:</b>	There is a statutory duty under the NHS (Wales) Act 2006, as amended by the NHS Finance (Wales) Act 2014. The HB must publish an Annual Report and financial accounts within six months of the end of the financial year.			
<b>Yn unol â WP7, a oedd EqIA yn angenrheidiol ac a gafodd ei gynnal?</b>  <b>In accordance with WP7 has an EqIA been identified as necessary and undertaken?</b>	N/A			
<b>Yn unol â WP68, a oedd SEIA yn angenrheidiol ac a gafodd ei gynnal?</b>	N/A			

<b><i>In accordance with WP68, has an SEIA identified as necessary been undertaken?</i></b>	
<b>Manylion am risgiau sy'n gysylltiedig â phwnc a chwmpas y papur hwn, gan gynnwys risgiau newydd (croesgyfeirio at y BAF a'r CRR)</b>  <b><i>Details of risks associated with the subject and scope of this paper, including new risks( cross reference to the BAF and CRR)</i></b>	Failure to fulfil the statutory duties as described above and the strategic objectives of the Health Board.
<b>Goblygiadau ariannol o ganlyniad i roi'r argymhellion ar waith</b>  <b><i>Financial implications as a result of implementing the recommendations</i></b>	N/A
<b>Goblygiadau gweithlu o ganlyniad i roi'r argymhellion ar waith</b>  <b><i>Workforce implications as a result of implementing the recommendations</i></b>	N/A
<b>Adborth, ymateb a chrynodeb dilynol ar ôl ymgynghori</b>  <b><i>Feedback, response, and follow up summary following consultation</i></b>	Review/consultation on the production of this document included; 1 Executive Team 2 Audit Committee in May 3 Internal Audit 4. Director of Corporate Governance and Chief Executive.  Feedback from these been reviews has been used to inform the version presented to Audit Committee today.
<b>Cysylltiadau â risgiau BAF:</b> (neu gysylltiadau â'r Gofrestr Risg Gorfforaethol)  <b><i>Links to BAF risks:</i></b> ( <i>or links to the Corporate Risk Register</i> )	The Strategic Risks for 2024/25 has the following <b>BAF Risk BAF24-01 Governance &amp; CRR24-16 Leadership</b> - Risk of failing to effectively strengthen the Board arrangements following special measures and implement critical governance, accountability, planning, and performance improvements.
<b>Rheswm dros gyflwyno adroddiad i fwrdd cyfrinachol (lle bo'n berthnasol)</b>  <b><i>Reason for submission of report to confidential Committee (where relevant)</i></b>	N/A
<b>Next Steps:</b> <ul style="list-style-type: none"> <li>• The three component parts of the annual report will be merged together and a further page reference and proof check completed prior to submission.</li> <li>• To complete the Signing of Financial Statements, Annual Report and Letter of Representation (subject to Board approval) and submit to the Auditor General for Wales by 30 June 2025.</li> <li>• Following Board and Auditor General for Wales approval (scheduled for 26 June 2025), the 2024/25 Audited Annual Accounts are to be submitted to Welsh Government by 30 June 2025 by Audit Wales.</li> </ul>	

- The final Annual Report will be presented at the BCUHB Annual General Meeting on 17 July 2025 and this will include an Annual Report Summary.
- To progress the translation of documents into the Welsh Language.

**Rhestr o Atodiadau:**

**List of Appendices:**

- Appendix 1 - Annual Report 2024-2025 (including Annual Governance Statement)

## **ANNUAL REPORT 2023/24**

### **1. PURPOSE**

To present to the Audit Committee the Annual Report 2024-25 Part 1 and 2 and Annual Governance Statement which along with the Annual Accounts 2024-25 will be presented in its final version at the Annual General Meeting in July 2025. The document is contained in Appendix 1.

The Audit Committee is asked to:

- **RECEIVE and CONSIDER** the Annual Report 2024-25, Part 1 and 2 and Annual Governance Statement
- **RECOMMEND** to Board at its meeting on 26 June 2025 the approval and signature of the Annual Report and Financial Accounts for year ended 31 March 2025.
- **NOTE** to note that the components parts of the annual report will be merged together and a further page reference and proof check completed prior to submission.

### **2. INTRODUCTION**

The contents of the document includes a final Draft of: 1. The Performance Report; 2. The Accountability Report, including: a. A Corporate Governance Report b. A Remuneration and Staff Report c. A Parliamentary Accountability and Audit. The Annual Governance Statement (AGS), which is provided as an Appendix to this document, forms part of the Accountability Report section of this Annual Report.

Alongside the Financial Statements for 2024/25 these documents require formal approval ahead of submission to Welsh Government on 30 June 2025 in-line with HM Treasury Requirements.

Final Draft versions incorporate all comments and feedback received from Welsh Government, Auditors, and Board Members. Draft and Final versions of these documents have been reviewed by the Audit Committee in previous meetings.

In addition to this, all Board Members have received a copy of the Annual Report ahead of the publication of these papers to ensure that there is sufficient time for the Board members to review it.

### **3. KEY FEATURERS OF THE ANNUAL REEPORT**

#### **3.1 The Performance Report**

The purpose of the performance section of the annual report is to provide information on the entity, its main objectives and strategies and the principal risks that it faces. The requirements of the performance report are based on the matters required to be dealt with in a Strategic Report as set out in Chapter 4A of Part 15 of the Companies Act 2006. Public entities should comply with the Act as adapted in the Financial Reporting Manual (FReM) and this Manual: i.e. they should treat themselves as if they were quoted companies. The main features of the

performance report should flow from the organisation's agreed plan and demonstrate how they have delivered against that plan in the year of reporting

The performance report must provide a fair, balanced and understandable analysis of the entity's performance, in line with the overarching requirement for the annual report and accounts to be fair, balanced and understandable. Where NHS bodies judge that users of the Performance Report would benefit from further information then it is acceptable to include hyperlinks to any other relevant reports such as the organisations IMTP or other published performance statistics. Auditors have reviewed the performance report for consistency with other information in the financial statements. The performance report shall be signed and dated by the Accountable Officer/Chief Executive.

### **3.2 The Accountability Report**

The purpose of the accountability section of the annual report is to meet key accountability requirements to the Welsh Government. The requirements of the accountability report are based on the matters required to be dealt with in a Directors' Report, as set out in Chapter 5 of Part 15 of the Companies Act 2006 and Schedule 7 of SI 2008 No 410, and in a Remuneration Report, as set out in Chapter 6 of the Companies Act 2006 and Schedule 8 of SI 2008 No 410. The requirements of the Companies Act 2006 have been adapted for the public sector context and only need to be followed by entities which are not companies to the extent that they are incorporated into this Manual.

Auditors will review the accountability report for consistency with other information in the financial statements and will provide an opinion on the following disclosures which should clearly be identified as audited within the accountability report:

- Single total figure of remuneration for each director
- Cash Equivalent Transfer Vales disclosures for each director
- Payments to past directors, if relevant
- Payments for loss of office, if relevant
- Fair pay disclosures (Included in Annual Accounts)
- Exit packages, (included in Annual Accounts) if relevant and
- Analysis of staff numbers.

The Accountability Report is required to have three sections:

a) Corporate Governance Report The purpose of the Corporate Governance Report is to explain the composition and organisation of the entity's governance structures and how they support the achievement of the entity's objectives.

b) Remuneration and Staff Report The Finance Reporting Manual requires that a Remuneration Report shall be prepared by NHS bodies. The Remuneration Report contains information about senior manager's remuneration. The definition of "Senior Managers" for these purposes is: "those persons in senior positions having authority or responsibility for directing or controlling the major activities of the NHS body. This means those who influence the decisions of the entity as a whole rather than the decisions of individual directorates or departments.'

c) Parliamentary Accountability and Audit Report The Parliamentary Accountability Report should contain disclosure on the following:

- Regularity of expenditure
- Fees and charges (if applicable)
- Remote Contingent liabilities
- Audit Certificate and Auditor General Wales Report The Accountability Report shall be signed and dated by the Accountable Officer/Chief Executive, the Director of Finance and the Chair of the Board.

### 3.3 The Annual Governance Statement

The Annual Governance Statement (AGS), which is provided as an Annex to this document, forms part of the Accountability Report section of this Annual Report, and provides a detailed report on our governance, arrangements for managing risk and systems of internal control. The AGS has been received and reviewed by the Executive Team, Audit Committee and colleagues including the Head of Internal Audit and supported by a desktop review by the Vice-Chair.

The NHS Wales Manual for Accounts recommends the following contents in an AGS

1. Scope of Responsibility
2. Our Governance Framework
3. Purpose Of Our System of Internal Control
4. Capacity to Handle Risk
5. Control Framework
6. Planning Arrangements
7. Disclosure Statements
8. Review of Effectiveness  
Internal Audit  
Audit Wales Structured Assessment
9. Conclusion
10. Appendices The following should be shown as appendices rather than in the main body of the Governance Statement.
  - a. Ref. Table of membership and attendance
  - b. Ref. Include Table of Quoracy
  - c. List of Ministerial Directions (The Audit Committee has noted and received updates on the Ministerial Directions during 2024/25. [Ministerial Directions - Audit Committee 8 May 2025](#))

The AGS is ordered in this way. It also includes content specific to the organisational context such as the move into Special Measures. In addition, in preparation of the AGS, an assessment on the Health Board's compliance to the Corporate Governance Code was presented at the Audit Committee on 8 May 2025. This included a detailed self-assessment against the criteria that relates to Health Boards. The Audit Committee noted and supported the assessment of compliance and agreed to the assessment being reflected in the accountability report.

### 4. NEXT STEPS

- The Audit Committee is asked to **recommend** approval by the BCUHB Board at its meeting on 26 June 2025.
- The three component parts of the annual report will be merged together and a further page reference and proof check completed prior to submission.
- To complete the Signing of Financial Statements, Annual Report and Letter of Representation (subject to Board approval) and submit to the Auditor General for Wales by 30 June 2025.
- Following Board and Auditor General for Wales approval (scheduled for 26 June 2025), the 2024/25 Audited Annual Accounts are to be submitted to Welsh Government by 30 June 2025 by Audit Wales.
- The final Annual Report will be presented at the BCUHB Annual General Meeting on 17 July 2025 and this will include an Annual Report Summary.
- To progress the translation of documents into the Welsh Language.



GIG  
CYMRU  
NHS  
WALES

Bwrdd Iechyd Prifysgol  
Betsi Cadwaladr  
University Health Board

# Annual Report 2024/25



## What Our Report Tells You

Our Annual Report explains what we do as a health board, the care we provide, how we plan, deliver, and improve your local healthcare services. It describes, in three parts, our achievements and challenges throughout 2023-2024 across a wide range of areas:

### Part 1 Performance Report

This report details how we have performed against Welsh Government targets and actions planned to improve our performance.

### Part 2 Accountability Report

This report details our key accountability requirements under the Companies Act 2006 and The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as adapted for public sector organisations). It includes our Annual Governance Statement (AGS), which provides information about how we manage and control our resources and risks and comply with governance arrangements.

### Part 3 Financial Accounts

Our summarised Financial Statements detail how we have spent our money and met our obligations under The National Health Service Finance (Wales) Act 2014.

Copies of documents can be downloaded from the Health Board's website at <https://bcuhb.nhs.wales/about-us/governance-and-assurance1/>

or are available on application to the Health Board's Communications Team at BCUHB, Block 5, Carlton Court, St Asaph Business Park, St Asaph, LL17 0JG, by telephone on 03000 840 008 or by e-mail to [bcuhbpressdesk@wales.nhs.uk](mailto:bcuhbpressdesk@wales.nhs.uk).



## Contents

### Part One – The Performance Report

1	Overview from the Chair and Chief Executive	04
2	Reporting Requirements	06
3	Betsi Cadwaladr University Health Board	07
4	Performance Analysis 2024/25	18
5	Well Being of Future Generations	29
6	Equality, Diversity and Inclusion	31
7	Welsh Language	33
8	Financial Management and Performance	36
9	Sustainability	38
10	Conclusion and Forward Look	43

### Part Two – The Accountability Report

1	Corporate Governance Report	45
	• Directors Report	45
	• Statement of Accountable Officer’s Responsibilities	50
	• Annual Governance Statement	51
2	Remuneration and Staff Report	96
3	Parliamentary Accountability and Audit Report	112

### Part Three – The Financial Statements

1	The Audited Annual Accounts 2024-25	113
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## Part One – The Performance Report

### 1. Overview from the Chair and Chief Executive

We are pleased to present the Annual Report for Betsi Cadwaladr University Health Board for the period 2024–25. This report offers an important opportunity to reflect on the year's progress, challenges, and the continued commitment of our staff, partners, and communities to improving health and care services across North Wales.

This year has been a pivotal one in the Health Board's journey of progress following being placed into Special Measures in February 2023. While significant challenges remain, we are encouraged by the steady and measurable improvements made across key areas including leadership, governance, clinical quality, and financial management. These gains are the result of considerable focus, discipline, and collaboration throughout the organisation and across our wider health and care system.

Throughout the year, we have taken steps to strengthen the foundations of the Health Board. We have continued to stabilise our leadership structures and are building a culture rooted in transparency, shared responsibility, and continuous learning.

Our clinical teams have worked hard to improve access and outcomes for patients, despite ongoing pressures in workforce availability and service demand. We have seen progress in areas such as planned care recovery, urgent and emergency care pathways, and the delivery of key public health priorities, but we also understand that for many of our population it is access to health and well-being services that remains difficult.

Infrastructure developments have advanced during the year, including the development of a new orthopaedic hub at Llandudno Hospital, with investment in our estate and facilities aimed at supporting the delivery of modern, safe, and effective care. We have also continued to accelerate our digital transformation programme, recognising the role that innovation and technology must play in the future of health and care services. As part of this, work is now underway to implement an electronic healthcare record within our mental health services - a key step in improving coordination, continuity, and the quality of care for patients.

We are proud to have introduced innovative technologies such as robotic-assisted knee surgery, positioning the Health Board at the forefront of modern surgical practice. This development is already enhancing patient outcomes and reducing recovery times, and it reflects our commitment to clinical excellence and innovation.

Our partnerships have strengthened over the last year. Working closely with local authorities, the third sector, patients, and the public, we are reshaping services to better meet the needs of our communities. We are grateful to all those who have engaged with us in shaping the future direction of health and care across the region.

We also acknowledge that challenges remain. Recruiting and retaining staff in some key clinical areas continues to be difficult, and financial pressures persist across the system. These issues will require sustained attention, collaborative effort, and honest conversations about how we collectively prioritise care.

As we look ahead, our priority is to maintain and build on the progress will require continued focus, support from our partners, and a shared commitment to putting the needs of patients and communities first.

We share this Annual Report as both a reflection of what's been achieved over the past year and a clear statement of our direction for the future. We hope you'll take the time to explore its contents, and we welcome your continued support and challenge as we work to rebuild trust, improve outcomes, and deliver safe, high-quality care for the people and communities of North Wales.

## 2. Reporting Requirements

The purpose of the performance section of this Annual Report 2024/25, as set out in the guidance provided in the NHS Wales 2024/25 Manual for Accounts, is to provide information on Betsi Cadwaladr University Health Board, its main objectives and strategies and the principal risks that it faces. The requirements are based on the matters required to be dealt with as set out in Chapter 4A of Part 15 of the Companies Act 2006, as adapted in the Financial Reporting Manual and NHS Wales Guidance Manual.

The main features of the performance report flow from the organisation's agreed plan and demonstrate how the Health Board has delivered against these.

It should be noted that the duty of quality came into legal force in April 2023 in line with the Health and Social Care (Quality and Engagement) (Wales) Act 2020. There is a requirement for the requirement of an Annual Duty of Quality and Duty of Candour report. These reports will be prepared and published separately to this Performance Report. Further information is available in the Annual Accountability Report, Page 66.

### 3. Betsi Cadwaladr University Health Board

The Health Board is the largest health organisation in Wales, with a budget of £2.3 billion and a workforce of 21,100 as of the end of March 2025. The Health Board is an integrated health system that strives for excellent compassionate care delivered in partnership with the public and other statutory and third sector organisations.

We are responsible for the delivery of health care services to more than 700,000 people across the six counties of North Wales (Anglesey, Gwynedd, Conwy, Denbighshire, Flintshire and Wrexham). This includes the provision of primary, community and mental health, as well as general hospital services.

In primary care settings the Health Board delivers NHS care through a combination of independent contractors and directly delivered services across North Wales. This network of primary care services covers 95 medical practices (“GP practices”), 71 dental and orthodontic practices, 70 optometry/optician practices and 144 community pharmacies (See appendix 1).

In community settings, the Health Board delivers a wide range of community NHS services including community nursing, health visiting, physiotherapy, and palliative care, through a network of health centres, clinics, community team bases and 17 community hospitals, coordinated across 14 localities (See appendix 1)

Community mental health services are delivered from bases across North Wales, supported by inpatient mental health units across the region.

The Health Board also delivers primary, community and mental health services to the prison population within His Majesty’s Prison Berwyn in Wrexham.

General hospital services are provided from three main sites (Ysbyty Gwynedd in Bangor, Glan Clwyd Hospital in Bodelwyddan and Wrexham Maelor Hospital), with some surgical services also being delivered in Abergele and Llandudno.

Where NHS care cannot be provided within North Wales, such as for certain rare conditions or highly specialist services, the Health Board works with other NHS providers in Wales and England, to ensure that patients can still access the specialist treatments they need.

We are also responsible, in partnership, for improving the health and wellbeing of local people through activities such as our successful vaccination programmes and school health services.

In February 2023, the Health Board was escalated into Special Measures. The key priority in 2023/24 was stabilising the organisation. The Health Board’s response was structured around the following five high level outcomes:

- A well-functioning Board
- A clear, deliverable plan for 2024/25
- Stronger leadership and engagement
- Improved access, outcomes and experience for citizens
- A learning and self-improving organisation

During 2024/25 we continued to develop our work to meet the spirit and the intent of the Well-being of Future Generations Act. The Act sets out duties for public sector bodies in Wales, including the Health Board, to contribute towards achieving seven national well-being goals, to broaden our outlook and to think longer term in doing so. During 2023/24 we worked with

partners and agreed five-year Public Service Board Well-being Plans for 2023-2028, which set out our shared aims in this area.

The Health Board continues to work on strengthening its population health focus, working in partnership with a range of organisations across North Wales. During 2024/25 we worked with partners to implement the annual delivery plan in response to the updated regional population needs assessment for 2023-2028. This describes how we will work together across North Wales to deliver health and social care activities and supports our planning activity alongside colleagues on the Regional Partnership Board. We remain committed to tackling inequalities and our 'Well North Wales' programme continues to provide a focus for this work within the Health Board and through collaborative working with our partners.

As well as improving health and delivering clinical and care services, the Health Board has wider responsibilities as an 'anchor' organisation in North Wales. This includes matters such as promoting equality and human rights, the environment, sustainable development, and the Welsh language.

To achieve our goals, we work closely with partner organisations such as local authorities and the voluntary sector, to discuss and address health inequalities, promote community engagement and exploit joint working opportunities. The partners we work with are many, and include:

- County Voluntary Services Councils
- Llais
- Local Authorities (Anglesey, Gwynedd, Conwy, Denbighshire, Flintshire, Wrexham)
- Mid Wales Joint Committee
- Neighbouring NHS bodies in England and Wales
- Public Health Wales
- Public Service Boards / Regional Partnership Board
- Regional Leadership Board
- Regional Safer Communities Partnership
- Third Sector partners
- Welsh Ambulance Services NHS Trust
- Welsh Health Specialised Services Committee

### Our Citizens

North Wales has a resident population in the region of 688,200 people living across an area of around 2,500 square miles, giving the area an average population density of 112 persons per square kilometre. Flintshire is the most densely populated at 353 persons per square kilometre; Gwynedd is the least densely populated at 46 persons per square kilometre.

The population is generally older than the Welsh average, with a larger proportion of people in the 65 and over and 85 and over age groups.

Age Group	BCUHB (%)	All Wales (%)
0-15	17.2	17.5
16-64	59.1	60.9
65-84	20.7	18.8
85 and over	3.1	2.7

Source: StatsWales (WG); Mid-Year Estimates, 2022 (ONS)

The overall health status of our population compares favourably to other parts of Wales. However, there is significant variation across North Wales, and the region includes some of the most deprived areas in Wales. Rhyl West 2 and Rhyl West 1 are the two most deprived areas in Wales.

<b>Ten most deprived areas in BCUHB</b>		
<b>LSOA* Name</b>	<b>Local Authority</b>	<b>WIMD** rank</b>
Rhyl West 2	Denbighshire	1
Rhyl West 1	Denbighshire	2
Queensway 1	Wrexham	9
Rhyl West 3	Denbighshire	11
Rhyl South West 3	Denbighshire	19
Glyn (Conwy)	Conwy	20
Wynnstay	Wrexham	45
Rhyl South West 1	Denbighshire	57
Abergele Pensarn 2	Conwy	70
Tudno 2	Conwy	78

\*LSOA – Lower Layer Super Output Area, these are fixed statistical geographic areas, each with around 1,500 residents, defined by the Office for National Statistics (ONS)

\*\*WIMD – Welsh Index of Multiple Deprivation (2019 data)

The percentage of children in low-income families across North Wales ranges from 30.8% in Flintshire to 35.6% on the Isle of Anglesey. Each unitary authority has experienced a percentage increase between 2015 to 2021; the largest increases have been in Conwy (6.2%) and Denbighshire (6.1%).

We recognise that deprivation has a significant adverse impact on population health, and that the current cost of living crisis will be intensifying this. The Health Board has established a steering group to look at ways the organisation can respond on this issue and a series of initiatives continue to be progressed as part of the foundational economy approach. We continue to provide support through our partners to offer support including services addressing food poverty, assistance regarding fuel and heating, money advice, social prescribing, and a range of other health and well-being support.

While many of us are staying healthy later in life, for many there continues to be increasing levels of long-term conditions and a consequent need for care and support.

This impacts not only on individuals experiencing increased levels of need but also on those family members or relatives who may be providing unpaid care.

There is a slightly higher prevalence of long-term health conditions across the North Wales population compared to the Welsh averages:

<b>Long Term Condition</b>	<b>BCUHB (%)</b>	<b>All Wales (%)</b>	<b>BCUHB compared to Wales</b>
Hypertension (high blood pressure)	17.3	16	Higher
Obesity	13.7	13.5	Higher
Diabetes mellitus (patients aged 17 and over)	8	8.2	Lower
Asthma	7.5	7.2	Higher
Secondary prevention of CHD	3.6	3.4	Higher

Long Term Condition	BCUHB (%)	All Wales (%)	BCUHB compared to Wales
Cancer	4.2	3.6	Higher
Chronic Obstructive Pulmonary Disease (COPD)	2.6	2.3	Higher
Stroke & transient ischaemic attack (TIA)	2.2	2.2	Equal
Heart failure	1.3	1.3	Equal

[Disease registers by local health board](#)

In the 2021 Census, North Wales had 194,295 residents who can speak Welsh, which equates to 29.1% of the overall population compared to 17.8% across Wales. As a Health Board, in addition to our statutory duties to ensure provision of Welsh language services, we recognise the importance of promoting the Welsh language for our staff and in our role as a large employer with a significant contribution to make in sustaining the language in our communities. Further detail on our Welsh Language activity is noted on page 33 of this document.

### Our Staff and Recruitment

As at 31<sup>st</sup> March 2025, the Health Board employed more than 20,000 individuals, which equated to 18,366 full-time employees.

Below is a breakdown of the average number of employees by staff group for the entire year, as well as a gender breakdown of senior directors, managers and other staff members.

The Health Board has reduced the number of senior non-clinical interim staff, and the number in the organisation remains in single figures.

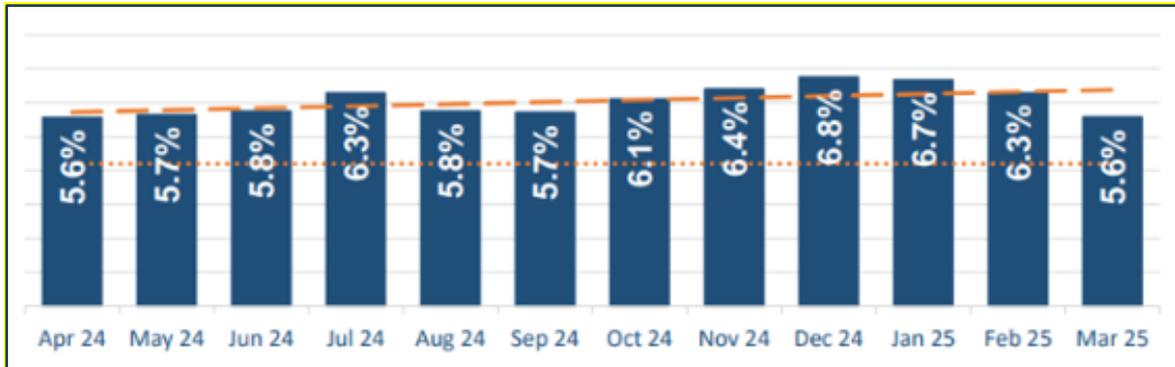
Professional Group	Average FTE 2024/25
Add Prof Scientific and Technic	781
Additional Clinical Services	3,921
Administrative and Clerical	3,623
Allied Health Professionals	1,268
Estates and Ancillary	1,331
Healthcare Scientists	322
Medical and Dental	1,736
Nursing and Midwifery Registered	5,982
Students	15
<b>Total</b>	<b>18,979</b>

Staff composition table below. Please note, Executive Directors in post are seven because we have one vacancy as of 31 March 2025.

Staff Composition	Female	Male	Grand Total
Executive	4	3	7
Manager (Band 8c and above)	144	71	215
Staff	16,895	3,984	20,879
<b>Grand Total</b>	<b>17,043</b>	<b>4,058</b>	<b>21,101</b>

### Sickness Absence

The sickness absence rate has had little variance throughout the year, with the opening percentage the same as March 25 (5.6%). The rolling sickness absence rate remains the second best in comparison to the other health boards in Wales, at 6.06%.



### Personal Appraisal and Development Reviews (PADR)

The percentage rate of staff having had a PADR within the last 12 months has remained fairly static throughout 2024/25, starting the year at 79.4% and ending the year at 79.6%. The health board is in the process of redesigning the PADR forms and processes to improve the efficiency and effectiveness of PADRs for our staff.



### Agency Spend

At 2.2% in March 2025, the percentage of the total pay bill spent on agency staff has halved compared to the 4.4% position in April 2024. Additionally, the lower agency spend in March 2025 is influenced by end-of-year financial savings initiatives, implemented across the health board to meet financial targets and reduce overall expenditure. These measures have contributed to careful management of agency staffing costs as part of a broader effort to improve financial sustainability.



## Our Estate

The Health Board has one of the largest property portfolios in Wales. Services are delivered from more than 230 properties (including GP owned, third party developer and private landlord primary care premises), with a total floor area of around 400,000m<sup>2</sup>.

At an aggregate level, our estate falls short of both national targets and NHS Wales's average values for all estate condition and performance indicators, except space utilisation. A significant proportion of the estate (around 45%) is more than 40 years old. There is a significant backlog cost to bring estate assets that are below acceptable standards (either physical condition or compliance with mandatory fire safety requirements and statutory safety legislation) up to an acceptable condition

These figures do not include the primary care estate, where there are similar backlog maintenance requirements and modifications needed to comply fully with access requirements, and high levels of space utilisation, with significant overcrowding reported.

## Our Hospital Activity

The majority of patient contacts with health services take place in the community – for example in General Practices (GP), pharmacies or patients' own homes. A large proportion of this work is performed by independent contractors (such as GP and dental practices that are run by the partners) or private companies (such as high street pharmacies), under contracts with the Health Board.

Hospital services are directly managed and run by the Health Board. During 2024/25, in our hospitals, we saw:

Activity Type	Number
Emergency Department Attendances (New and Return)	242,705
Emergency Inpatients	97,910
Outpatient Attendances	861,080
Minor Outpatients Procedures	892
Endoscopies	20,012
Pre-Operative Assessment	29,794
Planned Day-case Admissions	41,254
Planned Inpatient Admissions	12,164
Regular Day Attenders	25,251
<b>Total*</b>	<b>1,331,072</b>

\*Total excludes 4,337 Well Baby

## Our Hospital Activity 2024/25

Patient Type	Area Values				Central				East				Total		Total	
	West Plan	Actual	Diff	% Diff	Plan	Actual	Diff	% Diff	Plan	Actual	Diff	% Diff	Plan	Actual	Total Diff	Total % Diff
Emergency Inpatients	31,324	30,193	-1,131	-4%	32,438	31,637	-801	-2%	35,953	36,080	127	0%	99,715	97,910	-1,805	-2%
Elective Daycases	17,869	16,844	-1,025	-6%	9,080	8,218	-862	-9%	14,771	16,192	1,421	10%	41,720	41,254	-466	-1%
Elective Inpatients	3,933	3,697	-236	-6%	4,463	4,733	270	6%	3,587	3,734	147	4%	11,983	12,164	181	2%
Endoscopies	12,164	10,862	-1,302	-11%	7,173	5,638	-1,535	-21%	4,009	3,512	-497	-12%	23,346	20,012	-3,334	-14%
MOPS (Cleansed DC)	1,527	480	-1,047	-69%	108	131	23	21%	416	281	-135	-32%	2,051	892	-1,159	-57%
Regular Day Attenders	4,788	2,271	-2,517	-53%	3,514	3,932	418	12%	18,876	19,048	172	1%	27,178	25,251	-1,927	-7%
Well Baby	1,314	1,315	1	0%	1,550	1,396	-154	-10%	1,687	1,626	-61	-4%	4,551	4,337	-214	-5%
New Outpatients	81,958	89,039	7,081	9%	120,587	124,342	3,755	3%	97,024	103,686	6,662	7%	299,569	317,067	17,498	6%
Review Outpatients	123,317	134,548	11,231	9%	194,997	198,872	3,875	2%	204,862	210,603	5,741	3%	523,176	544,023	20,847	4%
Pre-Op Assessment	8,963	9,860	897	10%	10,564	9,910	-654	-6%	9,762	10,024	262	3%	29,289	29,794	505	2%
New ED Attendances	72,266	71,802	-464	-1%	87,787	88,569	782	1%	65,574	71,058	5,484	8%	225,627	231,429	5,802	3%
Review ED Attendances	1,893	2,196	303	16%	6,341	5,840	-501	-8%	3,103	3,240	137	4%	11,337	11,276	-61	-1%
<b>Grand Total</b>	<b>361,316</b>	<b>373,107</b>	<b>11,791</b>	<b>3%</b>	<b>478,602</b>	<b>483,218</b>	<b>4,616</b>	<b>1%</b>	<b>459,624</b>	<b>479,084</b>	<b>19,460</b>	<b>4%</b>	<b>1,299,542</b>	<b>1,335,409</b>	<b>35,867</b>	<b>3%</b>

Through 2024/25 there were an additional 5,800 emergency department attendances and an additional 37,500 outpatient attendances compared to 2023/24.

### Integrated Performance Framework (IPF)

The Health Board approved the Integrated Performance Framework 2023-27 in September 2023. The purpose of the IPF is to integrate key performance indicators (KPIs) taken from:

1. Key deliverables from the Annual Plan/ Integrated Medium-Term Plan (IMTP)
2. NHS Wales Assurance & Oversight Performance Framework 2024-25 and 2024-25
3. NHS Wales Performance Framework Measures 2024-25
4. NHS Wales Policy Assurance Assessments 2024-25
5. Key deliverables in response to Welsh Government (WG), Health Education and Improvement Wales (HIEW) and other formal recommendations

Working with the IPF supports the delivery of better outcomes for our patients and our staff, and ensure that all stakeholders understand their roles, responsibilities, and accountabilities. The management requirements of the IPF are aligned to the Health Board's corporate governance structure.

The first phase of implementation, for example, redevelopment of Health Board and Committee reporting, implementation of Integrated Performance Executive Delivery Group and introduction of formal escalation and de-escalation of performance have been completed and are now business as usual.

The Framework is being reviewed and strengthened in line with wider organisational developments through continued implementation of the Quality Management System and 'Foundations for the Future'. This will provide greater intelligence, support, accountability and assurance regarding performance at all levels within the organisation.



### Summary of Our Performance Against Key National Targets

Measure	Target	31.03.2025	Better or Worse	Rank	All Wales
Percentage of patients who spend less than 4 hours in all major and minor emergency care (i.e., ED) facilities from arrival until admission, transfer, or discharge	Improvement compared to the same month in 2023/24, towards the national target of 95%	57.2%	È	7th of 7 (at Mar 25)	66.9%
Number of patients who spend 12 hours or more in all hospital major and minor emergency care facilities from arrival until admission, transfer, or discharge	Improvement trajectory towards a national target of zero by 31 March 2025	3,763	È	7th of 7 (at Mar 25)	10,384
Median time (minutes) from arrival at an emergency department to triage by a clinician	12 month decreasing trend	22	Ç	4th of 6 (at Mar 25)	18
Median time (minutes) from arrival time at an emergency department to assessment by a senior clinical decision maker	12 month decreasing trend	136	Ç	5th of 6 (at Mar 25)	77
Number of ambulance patient handovers over 1 hour	Improvement trajectory towards achievement of zero ambulance patient handover delays >1 hour by March 2025	2,118	È	6th of 6 (at Mar 25)	5,902



Measure	Target	31.03.2025	Better or Worse	Rank	All Wales
Percentage of patients starting their first definitive cancer treatment within 62 days from point of suspicion (regardless of the referral route)	Improvement trajectory towards a national target of 80% by 31 March 2026	63.5%	È	6th of 6 (at Mar 25)	60.2%
Number of patients waiting more than 8 weeks for a specified diagnostic	Improvement trajectory towards a national target of zero by 31 March 2025	10,950	È	6th of 7 (at Mar 25)	37,352
Number of patients waiting more than 14 weeks for a specified therapy (excluding audiology)	Improvement trajectory towards a national target of zero by 31 March 2025	1,248	Ç	6th of 7 (at Mar 25)	4,168
Number of patients waiting over 52 weeks for a new outpatient appointment	Improvement trajectory towards a national target of zero	28639	È	7th of 7 (at Mar 25)	70,952
Number of patients waiting for a follow-up outpatient appointment who are delayed by over 100%	Improvement trajectory towards a national target of zero	93,521	È	7th of 7 (at Mar 25)	245,579
Percentage of ophthalmology R1 appointments attended which were within their clinical target date or within 25% beyond their clinical target date	95%	62.5%	Ç	6th of 7 (at Mar 25)	61.4%
Number of patients waiting more than 104 weeks for referral to treatment	Improvement trajectory towards a national target of zero by March 2025	5,819	Ç	7th of 7 (at Mar 25)	8389



Measure	Target	31.03.2025	Better or Worse	Rank	All Wales
Percentage of mental health assessments undertaken within (up to and including) 28 days from the date of receipt of referral for people aged under 18 years	80%	96%	Ç	4th of 7 (at Mar 25)	90.1%
Percentage of therapeutic interventions started within (up to and including) 28 days following an assessment by LPMHSS for people aged under 18 years	80%	43.4%	Ç	7th of 7 (at Mar 25)	80.5%
Percentage of Health Board residents in receipt of secondary mental health services who have a valid care and treatment plan for people aged under 18 years	90%	94.1%	Ç	5th of 7 (at Mar 25)	96.2%
Percentage of children and young people waiting less than 26 weeks to start an Attention deficit hyperactivity disorder (ADHD) or Autism Spectrum Disorder (ASD) neurodevelopment assessment	80%	15.1%	È	6th of 7 (at Mar 25)	24.1%
Percentage of mental health assessments undertaken within (up to and including) 28 days from the date of receipt of referral for adults aged 18 years and over	80%	72.7%	È	6th of 7 (at Mar 25)	76.2%



Measure	Target	31.03.2025	Better or Worse	Rank	All Wales
Percentage of therapeutic interventions started within (up to and including) 28 days following an assessment by Local Primary Mental Health Support Service (LPMHSS) for adults aged 18 years and over	80%	84.1%	Ç	7th of 7 (at Mar 25)	91.4%
Percentage of patients waiting less than 26 weeks to start psychological therapy in Specialist Adult Mental Health	80%	62%	È	3rd of 7 (at Mar 25)	56.4%
Percentage of Health Board residents in receipt of secondary mental health services who have a valid care and treatment plan for adults 18 years and over	90%	84%	È	4th of 7 (at Mar 25)	78.0%

## 4. Performance Analysis 2024/25

### Overview

This section aims to demonstrate accountability and transparency by clearly showing what was achieved, where challenges remain, and how the organisation plans to improve. It uses a mixture of quantitative data, narrative explanation, and strategic context to present a comprehensive view of service performance across the Health Board. The performance targets and metrics reported on within the Performance analysis is based on Welsh Government targets set for 2024/25.

### Quality Metrics

#### New Never Events

The number of new never events is an indicator of quality, safety and governance within the health board. Where in previous years, the Health Board reported 10 or 11 new never events within a year, in 2024/25 there were five. Four were in quarter 1 and the fifth was reported in March 2025. Whilst this is a significant improvement, in safety, quality and governance, the Health Board strives to achieve a position of no new never events throughout 2025/26 and beyond.

#### Complaint Response Times

There has been a significant improvement in both the number, quality and speed of closing complaints in the Health Board through 2024/25. From having 665 open complaints, 421 of which were open for more than 30 days, (many more than 100 to 300 days) in April 2024, to having just 41 overdue complaints at the end of March 2025. The whole complaints response process has been overhauled and now, against a target of 75%, more than 82% of complaints are closed within 30 days, the average time being 20 days (compared to 59 days in April 2024). The remainder are complex and often multi-faceted or multi agency related complaints which naturally take longer to investigate and resolve.

Most complaints received were about delays or lack of treatment as expected due to the extreme long waits in both planned care and urgent and emergency care. As focus continues in reducing our planned care waiting times and improving our emergency department and ambulance handover performance, 2025/26 should see a reduction of these types of complaints. In the meantime, the Health Board has set up a Patient Advice and Liaison Service (PALS) led Waiting List Support Service to provide information to patients waiting for treatment and continue to support patients whilst they wait.

### Primary and Community Care

#### General Medical Services

The latest figure available shows that in 2023/24 there was a continued improvement in the percentage of General Practices (GP) that achieved all standards set out in the National Access Standards for in-hours general medical services. The organisation has gone from being the worst performing Health Board in 2020/21 at 59.8% to the second best in 2023/24 at 99%. This level of performance is expected to increase again to fully compliant at 100% when the 2024/25 figures are released.

## General Dental Services

The Health Board has undertaken a deep dive into primary care dental services between October 2024 and January 2025. This looked at key areas including performance, service delivery and the service structure. The report and recommendations are with the Executive Team for review.

A draft report has been shared from the Getting It Right First Time (GIRFT) team from a review of The Oral and Maxillofacial Surgery (OMFS) and Orthodontics services. There are 49 recommendations focusing on good and effective practice, the delivery model and patient waiting lists. The local team continue to work with the national team to review and further implement the new General Dental Services (GDS) contract reform.

The procurement process for dental services has concluded on 24 March 2025. The awards total approximately £6m and will help to stabilise both high street dentistry and specialist services across North Wales.

## Community Pharmacy Services

Of the 147 pharmacies in the Health Board, 144 offer enhanced services across North Wales. There are variations in the number and types of services pharmacies offer, however the Health Board continues to work with pharmacies to equalise enhanced service offers across the region.

To support general practitioners through reducing the number of attendances for medication purposes, a ministerial priority was set for 2024/25 to increase the number of pharmacist independent prescribing (PIPs) consultations. The organisation completed 30,900 PIPs in 2024/25 compared to the target of 27,835 and ranked as best performing health board in Wales with regards to this measure.

A further initiative to reduce the burden on general practitioners is the Common Ailments Scheme (CAS), which has been running for several years and has seen the number of consultations by pharmacist almost double in 2024/25 with an approximate average of 8,000 per month, compared to an approximate average of 5,000 per month in 2022/23.

A joint project between the Health Board and Bangor University will provide insights into the potential future methods for supplying urgent medicines in rural settings. A robotic medication machine, funded by Health Care Research Wales is being trialled in Dolgellau, which allow patients to pick up urgent medication when pharmacies are not open. People who contact NHS 111 Wales out of hours and require medication urgently are provided with a unique code to access medication from the machine at Dolgellau Hospital.

## Women's Services

### Maternity

In 2024, there were 5,606 births. This is lower than in 2023 (5,786) and in line with a declining birth rate in North Wales. The Caesarean Section rate varies between 33.8% at its lowest to 47.2% at its highest during the year. There were 16 stillbirths (post 24 weeks' gestation), equating to approximately 3 per 1,000 births. This rate is below the Welsh national average of 4 per 1,000 births, as reported for 2023. This indicates that the Health Board's performance is better than the national average, reflecting effective clinical practices and care standards. There were 66 cases of 3<sup>rd</sup>/4<sup>th</sup> degree tears, 23 following instrumental delivery and 44 following normal delivery. These figures remain well below the 3.5% target at 0.5% and 0.9% respectively. Whilst the number of women entering the service with an existing mental health condition remains low at an average of 4.2% (target = less than 5.2%), the percentage rate of women with a care plan in place at 70% remains below the 95% target.

Every still birth and every 3<sup>rd</sup>/4<sup>th</sup> degree tear is investigated thoroughly and lessons learned shared throughout the service.

### Gynaecology

The service has an average of 270 emergency admissions per month. During 2024/25 the number of referrals into the service each month has increased 1,300 in April 2024 to more than 1,600 in March 2025, with exceptionally high levels of referrals in October and November 2024 (1,785 and 1,845 respectively). This has led to an increase in the total gynaecology waiting list from 11,467 in April 2024 to 13,462 in March 2025. However, the service has reduced the number of extreme waits (over 104 weeks) from 330 to 122, and reduced the follow up backlog from 4,129 to 3,195.

Due to issues with capacity and pressures from urgent and emergency care, the service has not improved the position regarding a first appointment within 10 days for suspected cancer, and treatment starting within 62 days for suspected cancer (47% and 31% respectively).

## Urgent and Emergency Care Services

### Introduction

Betsi Cadwaladr University Health Board operates 3 Type 1 (Acute) Emergency Departments (ED) supported by a network of 9 Minor Injuries Units (MIUs) across the 6,172km<sup>2</sup> (2,383mi<sup>2</sup>) North Wales area. The health board is supported by the Royal Stoke University Hospital for major trauma patients, the Walton Centre for critical brain injuries and Royal Liverpool Heart and Chest for complex cardiology cases.

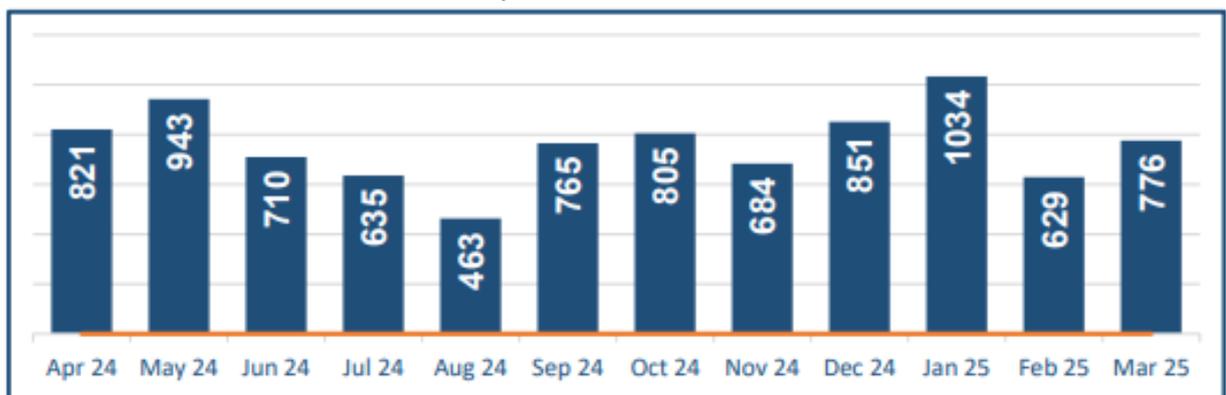
### Ambulance Conveyances

At, 44,940, there were nearly 2,000 fewer ambulance conveyances to our hospital sites in 2024/25 compared to 46,906 in 2023/24. However, the number of patients waiting in an ambulance for an hour or more before being taken into the emergency department increased from 24,343 in 2023/24 to 24,979 in 2024/25, and patients waiting more than 4 hours, increased from 7,933 to 9,116 in the same period. The majority of these delays occur when the emergency department is full and it is clinically safer to manage the patient in the ambulance. However, this can then impact the ability of the Welsh Ambulance Service Trust (WAST) to deploy ambulances to other emergencies.

### Number of Ambulance Handover Delays of 1 Hour or More



### Number of Ambulance Handover Delays of 4 Hours or More



### Emergency Departments

Between 1 April 2024 and 31 March 2025, there were more than 179,000 attendances to our 3 Acute Emergency Departments, an average of just under 500 attendances per day. This is an increase of 3,500 (equivalent to an extra week's activity) compared to 2023/24. During the same period, there were over 65,000 attendances to our 9 Minor Injuries Units (MIU), an average of 180 attendances per day. This is an increase of more than 2,000 attendances compared to 2023/24.

Unfortunately, performance against the 2024/25 NHS Wales Performance Framework measures is worse in 2024/25 than in 2023/24, with the percentage of patients spending less than 4 hours in our emergency departments down from 54.2% to 49.6%. The number of patients experiencing waits of more than 12 hours increased from 35,386 to 39,594 and those waiting more than 24 hours increased from 14,328 to 18,390.

### Delayed Pathways of Care

The root cause of the long delays in both ambulance handovers and emergency department waits are the high number of patients experiencing delays in their pathways of care once they are declared medically fit for discharge. Through 2024/25 there was an average of 345 patients a month whose pathway of care was delayed meaning they had to remain in hospital for longer than clinically necessary. These range from delays in internal assessments, multi-agency assessments, compiling the appropriate packages of care and lack of beds in nursing and care home settings.

## Stroke Care

The Health Board recognises that performance within stroke care is not up to the standards the population of North Wales deserve, with low compliance against several of the Sentinel Stroke National Audit Programme (SSNAP) measures.

There is an average of 110 admissions per month of patients with suspected stroke. Of these, on average less than 20% will be admitted to an Acute Stroke Unit within four hours. However, the Health Board performs well with 100% of eligible patients receiving thrombolysis within the target timeframe.

## What we are doing about it

Working through the national Six Goals Urgent and Emergency Care Programme, together with the local major programmes continues to be strengthened. Through regional partnership working with the Welsh Ambulance Service Trust (WAST) and our six Local Authority Partners we are all committed towards improving services for our local population. The improvement projects include community falls prevention, reduction in the number of ambulance delays, same day emergency model with frailty services, promoting consistent board rounds on wards and reducing our pathway of care delays.

Following a two week rapid improvement event in February 2025 with collaboration from our Local Authority colleagues focusing on reducing our pathway of care delays there was about a 50% improvement. The learning and process improvements from this event are included within the delivery plan for Urgent and Emergency Care programmes for 2025/26.

## Planned Care Services

### Cancer

During 2024/25 more than 32,000 patients were referred to the Health Board with symptoms suspicious of cancer. Of these, 5,452 (17%) were diagnosed as cancer.

The performance against the single cancer pathway (SCP) target remains fragile, with a rate of 59% at the end of March 2025. Whilst trend data shows January performance is often adversely affected by the loss of capacity over the Christmas period, this performance remains below plan and trajectory.

Pressure remains within dermatology, colorectal and oncology. Since the recommencement of insourcing in October, waiting times are reducing within colorectal which should lead to improved future performance.

## Diagnosics

During 2024/25 the Health Board completed more than 291,500 diagnostic tests, including:

Diagnostic Test Type	Total Tests	Number over 8 weeks March 2025	% Over 8 weeks
Radiology	151,746	4,623	3%
Endoscopy	64,328	3,990	6.2%
Cystoscopy	11,087		
Cardiology Echo	50,074	1,646	3.3%
Neurophysiology	12,724	671	5.3%
Physiological Measurement	1,598	11	0.7%

In April 2024, there were 6,500 patients waiting more than eight weeks for a diagnostic test. At the end of March 2025, this rose to more than 10,900 (3.8% of the total number of tests undertaken). The significant contributing factors to the increase are:

- Radiology - Increased demand across all imaging modalities, including direct referrals and the impact of eradicating the extreme waits backlog.
- Endoscopy – Six-month delay in restarting insourcing contract meant there wasn't enough capacity to cope with demand.
- Lack of capacity for cardiology 'echo' tests.

The insourcing for endoscopy capacity restarted in October 2024, and it is expected that the backlog will be cleared by the end of quarter 2 of 2025/26. To maintain the 8-week performance, thereafter, the Health Board will extend the insourcing contract for endoscopies for the next 2 years until internal long-term solutions are in place.

The increasing demand across all modalities in radiology has been met with additional lists together with evening and weekend working. However, this is no longer sustainable. Whilst the service is working through a demand management model to ensure all requests for diagnostic tests are appropriate, a plan to deliver diagnostic tests within 8 weeks in a sustainable and efficient manner has been submitted for consideration as part of the Health Board's 2025-28 Plan.

## Referral to Treatment (RTT) Pathways

A referral to treatment (RTT) pathway covers the four stages a patient will follow after being referred to hospital treatment in the NHS in Wales. These are:

- Stage 1: time spent waiting from referral to first outpatient appointment
- Stages 2 and 3: Diagnostic tests, scans or other procedures that may be needed before being treated
- Stage 4: the wait for treatment to start (inpatient or day-case)

For 2024/25, the following Ministerial targets were set:

- No patient waiting more than 208 Weeks by 30 September 2024
- No patient waiting more than 156 weeks by 31 December 2024
- No patients waiting more than 104 weeks by 31 March 2025

The Health Board is targeting use of Planned Care Funds, with the intention of treating all 156 week waits and significantly reducing the number of patients waiting more than 104-weeks, also improving the 8 weeks to diagnostic tests. With further targeted interventions within outpatients (new and follow up) seeking to improve waiting times for patients.

Waiting Time Band	April 2024	March 2025	Difference
208 Weeks (All stages)	217	0	- 217
156 Weeks (All stages)	1,561	599	- 962
104 Weeks (All stages)	9,297	5,819	- 3,478
52 Weeks (New)	19,786	30,336	+ 10,550

Throughout 2023-24 and 2024-25 there has been a substantial amount of work undertaken to focus upon reducing the longest waits. As at the end of March 2025, there were no patients waiting 208 weeks or more.

Patients waiting more than 156 weeks and 104 weeks have been the main focus through the latter half of the year with significant reductions in both cohorts. The 156-week position has reduced from 2,026 at the end of July 2024 to 599 patients at the end of March 2025 (60% reduction). Similarly, the 104+ week breach performance at 5,819 has improved by 40% since end of August 2024 a reduction of 3,478 patients. The Chief Executive Officer with support from the Executive Director of Finance and Director of Performance and Commissioning have taken a lead role in the oversight of this area through weekly meetings and daily updates.

Continued reduction is expected for patients waiting both within the 156 weeks and 104 weeks cohort and the health board welcomes further support from NHS Executive colleagues to continue reducing the number of patients waiting over 104 weeks to zero by the end of December 2025.

Whilst the number of patients waiting more than 52 weeks for a new outpatient appointment has been deteriorating since April of 2023 the volume at the end of February 2024 sits at 30,048 patients which demonstrates a small reduction during Q4 from a high of 30,799 at the end of December 2024. Performance against this measure has been a casualty of the intense focus of resources to reducing the number of patients waiting for an extremely long time for their treatment as outlined above.

Performance against this measure is an escalation for the Health Board, with improvements centring upon clinics adopting Treat-in-Turn methodology and targeting patients seen in clinic at Get It Right First Time (GIRFT) numbers, with greater oversight and the re-setting of booking rules to deliver improved productivity.

In 2024/25, the Health Board continues to face many challenges and continues to meet these challenges through;

- (a) enhanced utilisation of in-house capacity
- (b) validation of patients waiting for procedures
- (c) implementation of Treat-in-Turn methodology and
- (d) engagement with the commercial sector to offer short term solutions to capacity shortfalls.

However, the level of delayed pathways of care and continued high emergency demand compounded system flow pressures, medical outliers driving continued use of agency and adversely impacting upon capacity to service elective care, with potential impacts upon quality of care.

## Patients waiting over 100% of due clinical follow up time



After almost 12 months of a steady state, the number of patients waiting beyond 100% of their due clinical follow up has started to increase since quarter 3 of 2024-25 and now stands at 92,521. The three specialties with the highest volume of patients waiting beyond 100% are Ophthalmology, Gastroenterology and Urology which combined account for approximately 37% of the total. There is clearly a significant clinical risk within this cohort and the Corporate Planned Care team, working closely with the newly appointed Chief Operating Officer and Interim Executive Medical Director are working on introducing a robust harms review process and exploring solutions to validate the lists and identify how these patients can be seen as quickly as possible.

### Therapy Services

The number of patients experiencing waits more than 14 weeks for therapy interventions continues on a downward trend at 1,566 patients compared to 3,065 patients at the end of June 2024. Main pressures remain in Physiotherapy and include high number of vacancies, accommodation capacity in Central and East and increased demand across North Wales.

The service has reviewed models deployed through other Health Boards and has developed models that will reduce the number of delays in future months. Further ahead, it is expected that redevelopment of the Plas Gororau site in the East will provide ample accommodation for therapies and thus lead to greatly reduced waiting times when it is opened in 2026.

As part of our governance arrangements the Health Board has established a Planned Care Programme. Workstream 6 of this programme is to Introduce an enhanced demand and capacity modelling approach that takes into account all aspects of planned care and cancer pathways, to implement a programme of in-year commissioned capacity to support 2025/26 delivery and to develop integrated specialty plans for 2026/27 based on the progress made across specialties in 2025, to include workforce, finance, commissioning aspects.

For further details about our plans to improve access times and delivery of our planned care services, please refer to our Integrated Medium Term Plan 2025-28 published [here](#)

## Mental Health and Learning Disabilities (MHL) (18 years and over)

### Mental Health

The Health Board Mental Health and Learning Disability (MHL) services have continued to make improvements that impact both access to and quality of care. New roles have been introduced across inpatient and community services and these roles along with the developing

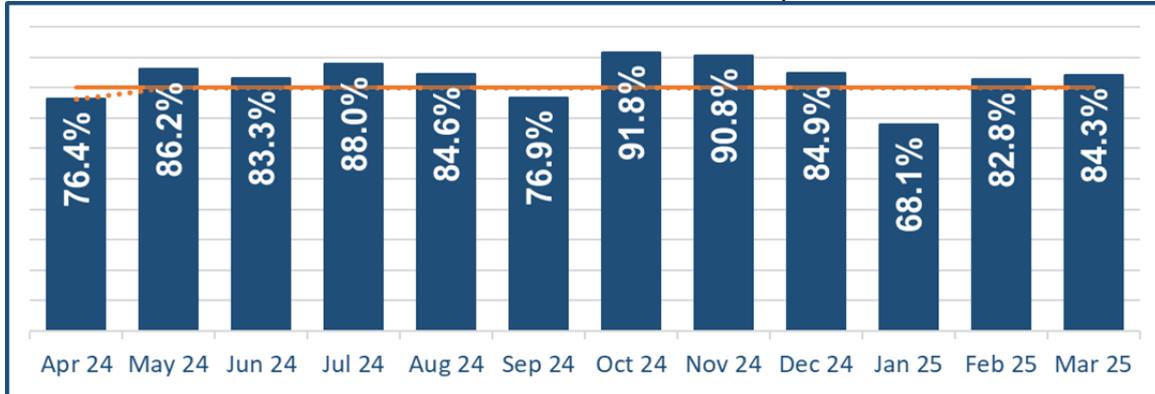
specialist services for Perinatal, Eating Disorders and Early Intervention in Psychosis are ensuring patients are directed to the right care at the earliest opportunity.

An exceptional peak in demand over the winter months impacted performance across MHL D services. However, the teams demonstrated an improving position in the final reporting quarter of 2024/25. The Health Board delivered 1,074 more assessments and 369 more interventions than in the previous year under part 1 of the Mental Health Measure (MHM). The focus has been on reducing the number of long waiting patients, as well as ensuring there is support from the point of referral through to and post discharge with clear guidance on available support 24/7 both on-line and through telephone services including [111 press 2](#).

Adult Mental Health Measure (MHM) Part 1a: Referral to Assessment within 28 Days

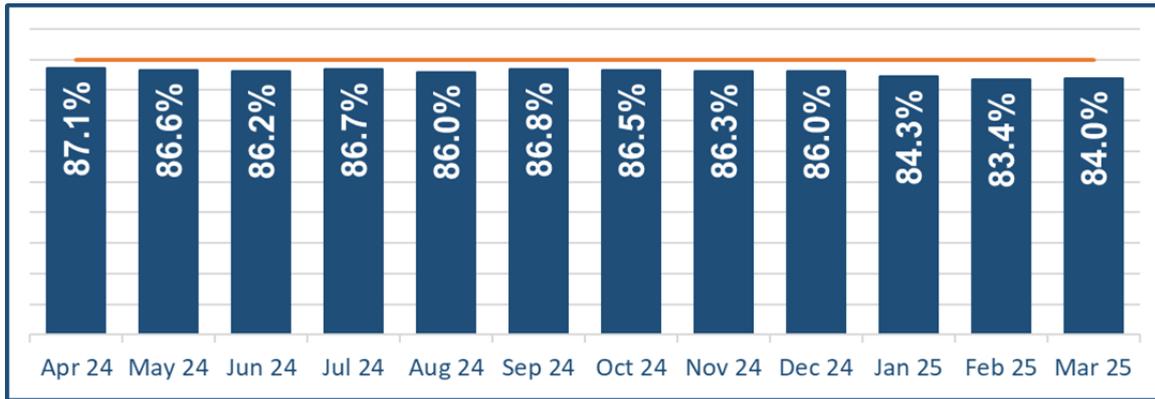


Adult Mental Health Measure Part 1b: Assessment to Therapeutic intervention within 28 Days



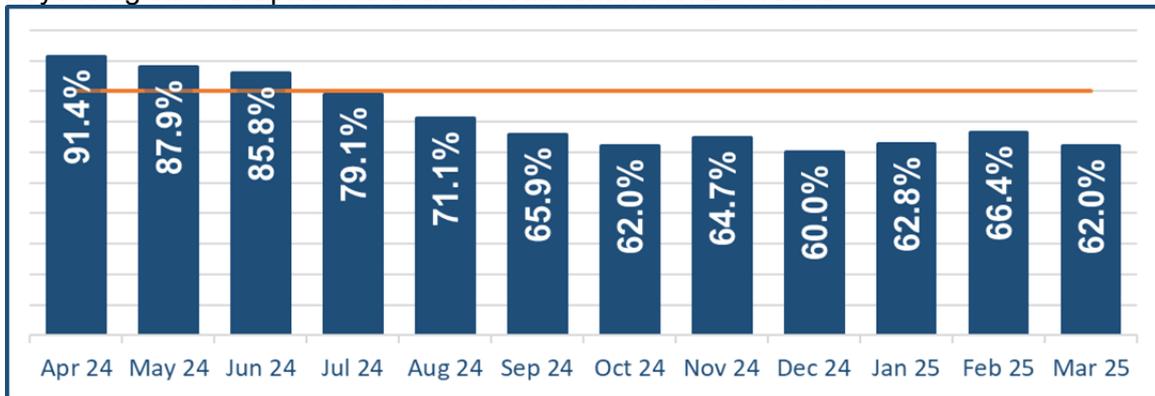
The MHM Part 2 delivery has remained relatively consistent over the years, although this remains just short of the target. The team have demonstrated some improvement, with the 2024/25 average of 85.83% up on the previous year average of 84.97%. They are incorporating clinical value and patient benefit into improvement work for Care and Treatment Plans (CTPs).

### Adult Mental Health Measure Part 2: Valid Care Treatment Plan in Place



Staffing issues have been the main influence on delivery against the psychological therapies measure which has seen a performance downturn in year. Planned recruitment in early 2025/26 will support recovery of this position.

### Psychological Therapies: Referral to treatment within 26 Weeks

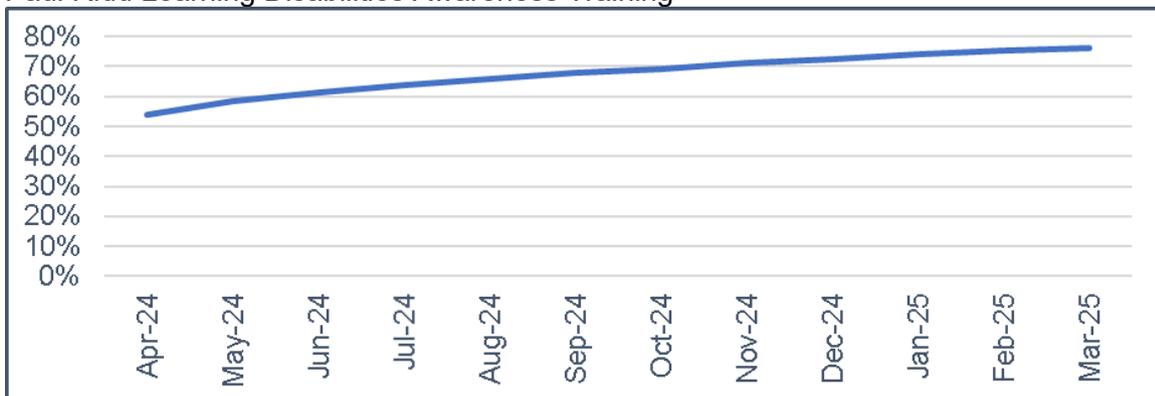


### Learning Disabilities

There are just over 3,000 adults registered as having a learning disability within the health board's population. Of these, 716 are open to Adult Secondary Learning Disabilities Services.

Learning disabilities services continue to progress a programme of improvements aligned to the national improvement workstream. The team has successfully rolled out the mandatory Paul Ridd training across the Health Board, and have achieved 76.05% against the 80% target.

### Paul Ridd Learning Disabilities Awareness Training

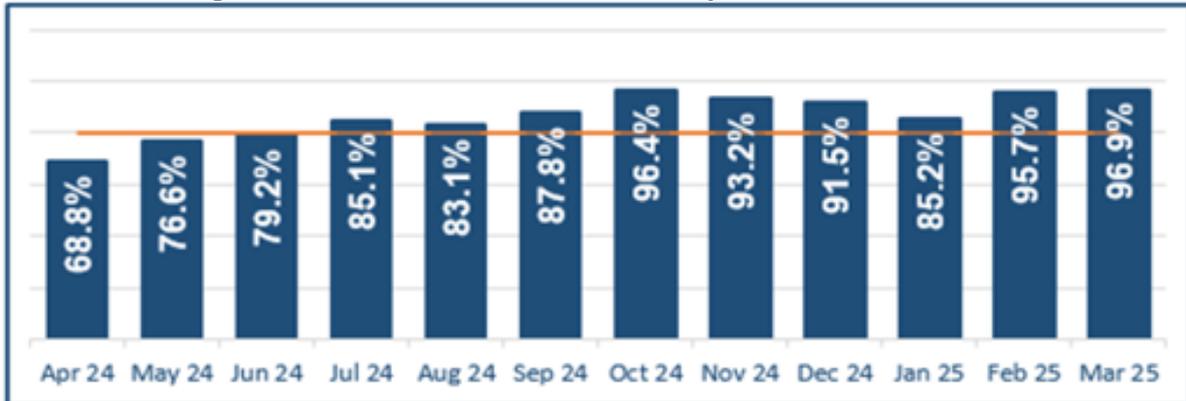


## Mental Health and Learning Disabilities (under 18 years)

### Children and Adolescent Mental Health Services (CAMHS)

At 96.9% for Part 1a (target 80%) and 94.5% (target 90%) for Part 2 of the Mental Health Measure, the Health Board has demonstrated sustained improvement in the provision of assessments and care treatment plans for under 18's. However, improvements need to be made for compliance against Part 1b, the therapeutic interventions as this is significantly below the 80% target rate at 35.9%.

Part 1a Percentage CAMHS Assessments within 28 days



Part 1b Percentage CAMHS therapeutic Interventions within 28 days of assessment

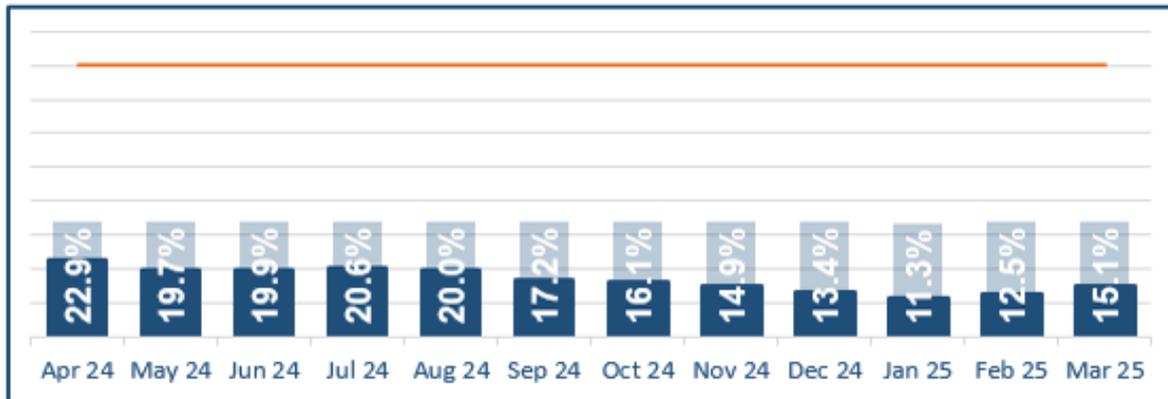


### Neurodevelopment

In North Wales, there are now more than 7,000 children and young people on the waiting list for a neurodevelopment assessment. Due in part to the rise in the number of referrals and the scarcity of appropriately trained specialists within this area of expertise.

Performance against the measure for children and young people to access the neurodevelopment service has remained unacceptably poor since the COVID-19 pandemic of 2020, and compliance was 15.1% in March 2025 compared to 22.9% in April 2024.

Percentage children and young people waiting less than 26 weeks for neurodevelopment assessment



It is recognised nationally, across the United Kingdom, that current service models for children and young people whom need diagnosis and support for symptoms of various neurodivergence are outdated. In recognition of this, all the Health Boards in Wales are working with Welsh Government and other partner agencies in developing more appropriate service models to ensure the best pathways for children in this space. In the mean-time the Health Board is doing all it can to reduce the waiting times for children needing access to the service, including insourcing/ outsourcing more capacity.

## 5. Well-being of Future Generations (Wales) Act 2015

The Well-being of Future Generations (Wales) Act (WBFGE) details the way in which the Health Board, along with other public bodies in Wales, must work to improve the well-being of Wales. The Act makes us think more about the long term and how we must think differently to improve the well-being of both current and future generations.

To make sure we are all working to the same purpose, the Act puts in place seven well-being goals and makes it clear that we must work to maximise our contribution to all of the goals, not just one or two:

- A Prosperous Wales A Resilient Wales A Healthier Wales A More Equal Wales
- A Globally Responsible Wales A Wales of Cohesive Communities A Wales of Vibrant Culture and Thriving Welsh Language

The Health Board, and other listed public bodies, are required to set and publish well-being objectives and to adopt the sustainable development principle. Sustainable development should be embedded within existing corporate processes and not treated as separate to the setting of objectives that guide our actions and decisions.

### Engagement

A Well-being Task and Finish Group was established in July 2024 to oversee the work to review the well-being objectives. In order to ensure a structured and proportionate approach to reviewing the objectives, discussions have taken place with:

- Welsh Government
- Office of the Future Generations Commission
- Other Health Boards (Swansea Bay University Health Board and Hywel Dda University Health Board)
- Trade Union representatives

In addition:

- A public and staff survey was published on social media and in the staff bulletin.
- Questionnaires were distributed to each of the three Public Services Boards in North Wales.
- Progress updates have been provided to the Planning, Population Health and Partnerships (PPHP) Committee in August and October 2024 and the Workforce Partnership Group in November 2024.
- A briefing paper was shared with the Stakeholder Reference Group in October 2024 with a link to the public and staff survey provided.

The well-being objectives were approved by the Board in May 2025.

### Key areas of work

In addition to the engagement work described above, the review has been informed by evidence gathered from:

- An assessment of current 'fair work' practice and socially responsible 'procurement and contracting. Gaps have been identified and actions to advance fair work, procurement and contracting have been agreed
- Health Board and partnership well-being activities that address health inequalities, prevention, the wider determinants of health and decarbonisation
- The Health Board summary of the non-pay parts of the 2022 – 2024 Collective Agreement

This work, along with the engagement feedback, has provided the basis upon which the well-being objectives have been reviewed and helped to identify gaps in alignment with the seven sustainable development principles described in the WCFG Act (2015).

The Social Partnership and Public Procurement (Wales) Act 2023 places socially responsible procurement duties on certain public bodies and substitutes 'fair work' for 'decent work' in the 'A Prosperous Wales' well-being goal within the Well-being of Future Generations (Wales) Act. This amendment to the well-being goal commenced on 1 April 2024 and requires Health Boards to review their well-being objectives to assess whether they remain appropriate. The Health Board started a review of its well-being objectives in the Summer 2024. Whilst the primary focus of the review has been on fair work and socially responsible procurement and contracting, consideration has also been given to the broader well-being objectives to ensure they remain fit for purpose. Proposed changes to the well-being objectives will be submitted for Health Board approval in Spring 2025.

The Health Board's current well-being objectives are:

- Improve physical, emotional and mental health and well-being for all.
- Target our resources to those with the greatest needs and reduce inequalities.
- Work in partnership to support people and develop communities to manage their health and prevent ill health.
- Continuously improve the quality and safety of services.
- Listen and learn from people's experience.
- Workers are fairly rewarded, heard and represented, secure and able to progress in a healthy, inclusive working environment where rights are respected.
- Contribute to the environmental, economic, social and cultural well-being of north Wales.

The well-being objectives provide the foundation for improving how we work as an integrated Health Board to improve health and well-being and address inequalities.

The Health Board's Three Year Plan 2024 – 2027 and Annual Delivery Plan sets out clear and Specific, Measurable, Achievable, Reasonable and Timely (SMART) actions for delivery against priorities with short, medium and longer term goals identified. A set of clear metrics has been developed that helps the Health Board understand how much and how well it has done. The Health Board is also increasing its focus and pace to refine high quality, evidence-based pathways to underpin and deliver against its long-term strategy Living Healthier, Staying Well and the Clinical Services Strategy.

## 6. Equality, Diversity and Inclusion

Control Measures are in place to ensure that the Health Board complies with its obligations under equality, diversity and human rights legislation.

The Health Board has made significant progress in the last year to embed equality within planning, strategies, and service delivery models. Ensuring that inclusion and cultural competence is at the core of the services we provide to the population of North Wales.

The equality and human rights policy framework is in place supported by a programme of training to raise awareness and build capacity in regards to the Public Sector Equality Duty (PSED) and Socio-economic Duty and to support staff to deliver on their responsibilities.

Other measures include:

- Project Initiation Documents have been developed for the 28 actions identified for the 1st Year of the Health Board SEP. A total of 31 Actions have been identified for year 2, this includes actions that have either carried over or will be in place for the lifetime of the current SEP.
- A total of 5 new actions have been identified with other either completed or reassessment this can be seen in the attached. Insert PID project management These are linked to our Risk Register.
- Equality Risks have been identified and included on the Corporate Risk Register.
  - Risk 1971 Duties under the Equality Act (Statutory Duties) (Wales) Regulations 2011
  - Risk 3111 Risk of Failure to comply with The Socio-economic Duty under The Equality Act 2010
  - Risk 4986 Failure to deliver the Health Board's obligations under the Anti-Racist Wales Action Plan
  - Risk 4987 Non-compliance with Code of Practice for Autism Services
    - Each quarter, the Equality team produces a progress report that is circulated for scrutiny and discussion at our internal committees, such as Equality and Human Rights Strategic Forum (EHRSF) and Equality Stakeholders Group. Both of these meetings have representation from external stakeholders who hold us to account for our action plans and progress.
    - Our Equality and Human Rights Strategic Forum (EHRSF) provides the check and balance to actions and progress made, with both internal and external representation.
    - The Equality Team works closely with the Planning and Transformation teams to ensure that Equality Diversity and Inclusion (EDI) is embedded

within the next 3 year plan for the Health Board. A full and robust series of Equality Impact Assessment (EQIAs) have been developed and was presented alongside the plan at the end of March 2025.

In 2024, the Health Board published its [Strategic Equality Objectives and Action plan for 2024-28](#). Each of these objectives align with the Health Boards values and priorities set out in the Integrated Medium-Term Plan (IMTP).

#### **Strategic Equality Objectives 2024-28:**

- Objective A: Achieving Equity By working in Partnership
- Objective B: Achieving Equity by providing High Quality Inclusive Services
- Objective C: Achieving Equity Through Governance and Accountability
- Objective D: Achieving Equity by Being a Kind and Compassionate Organisation
- Objective E: Achieving Equity through Innovation

The accompanying action plan identified 28 actions, with many of the actions time tabled across the lifespan of the Equality Action Plan. The Board approved the [Equality Annual Report](#) for the period 2023/24 in March 2025.

#### **Examples of First Year Progress**

##### **Objective A:**

In partnership with Autistic UK the Health Board has been working to develop a series of guides to our sites and services that will be available to all visitors to reduce the anxiety that the unknown environments of a hospital can bring. This is a response to evidence provided by Autistic UK that neurodivergent people in particular are affected by the anxiety that a hospital visit can bring.

##### **Objective B:**

Women's Health Conference – The conference brought together more than 400 health professionals, advocacy groups, and members of the public to address the ongoing disparities in access to healthcare for women. With a focus on research and leadership, the event highlighted the progress being made and the opportunities ahead, including the Women's Health Plan; a 10-year vision to improve healthcare services for women, in addition to the advancement of women's health hubs.

##### **Objective C:**

Development of Achieving Equity in Decision Making Guidance - A practice guide for decision makers and project teams. The guidance was developed to advise and support staff involved in delivery of projects and programmes of work that involve making decisions that impact on patients, staff and our communities, aiming to ensure an inclusive, rights-based approach, improve compliance with statutory duties and to embed socio-economic, equality and human rights considerations within their work.

##### **Objective D:**

Development of Sexual Safety support – Following the introduction of the Worker Protection (Amendment of Equality Act 2010) Act 2023. The Health Board developed a working group to identify awareness and the provision of training for all Health Board staff. As a result, the Health Board has led on the development of an All-Wales NHS Sexual Safety Policy.

##### **Objective E:**

Reducing Health Inequalities in Vulnerable Groups – The health board published its Health Needs Assessment for Gypsy, Roma and Traveller (GRT) Health. With the Health Boards

Public Health team leading on a regional GRT group with Local Authority representation to mobilise the recommendations.

The Health Board's focus for the next year is to building on what does good look like when we think about inclusive health care. Looking at the barriers within our systems and processes that negatively impact inclusion and ensuring our values lead the Health Board to be a compassionate, constantly learning and improving organisation.

## 7. Welsh Language

The provision of services in patients' and service users' preferred language is fundamental to the delivery of high-quality care, and is of particular significance for vulnerable individuals. The Health Board operates within a statutory framework established by the Welsh Language (Wales) Measure 2011, adhering to the Welsh Language Standards and remaining accountable to the Welsh Language Commissioner for compliance and external scrutiny.

Furthermore, the Health Board aligns its practices with the Welsh Government's strategic framework for Welsh language services in the health and care sector, 'More than just words'.

Strategic oversight and direction for Welsh language service provision are exercised through the Health Board's Welsh Language Strategic Forum. This Forum convenes quarterly to address matters of accountability, risk management, concerns reporting, and the formal recognition of successes.

The focus for the past year has been on:

- Encouraging staff to make the most of the internal opportunities provided to improve their Welsh language skills
- Establishing a consistent approach to the delivery of the Welsh Language Standards, by adopting Standard Operating Procedures for specific compliance areas
- Aligning short and medium-term targets established within 'More than just words' with the Welsh Language Standards work programme, to enable the Health Board to focus delivery on specific areas and groups
- Incorporating an additional Service Level Agreement into the in-house translation programme, leading the Health Board to maximise its potential and expertise

In laying this foundation, the Health Board has embraced a patient-centred approach to ensure the public receives timely care delivered in their language of choice central to their individual needs.

The infrastructure of the Welsh Language Team is aligned to four specific areas of focus that support the delivery of its requirements and objectives. Progress has been made across all areas to enhance the Health Board's capacity to provide services in Welsh.

### Legislation and Governance

As a public sector organisation operating under the legislative framework of the Welsh Language (Wales) Measure 2011, it is the Health Board's duty to ensure that the Welsh language is treated no less favourably than the English language when accessing health care services.

Throughout the past year, efforts have been concentrated on collaborating with the three Integrated Health Communities (IHCs) across North Wales to complete self-assessment questionnaires scrutinising on their compliance with the Welsh Language Standards. The

evaluation of the evidence has enabled the Team to direct their efforts towards addressing any gaps in provision, enabling targeted intervention where required.

As part of the Health Board's Welsh language governance framework, Quarterly Mystery Shopper exercises are undertaken to evaluate the Health Board's compliance with the Welsh Language Standards and to identify areas for improvement. This is implemented through scrutinising signage, services that deliver first point of contact, and resource availability. These assessments ensure consistent service delivery for Welsh-speaking patients across all sites, and highlight opportunities to enhance patient interactions in person, by phone, and digitally. Findings are addressed through established processes to strengthen service quality and reinforce the emotional well-being of patients, supporting the Health Board's commitment to delivering exemplary bilingual care.

### **Promotion and Implementation of the 'Active Offer'**

In order to ensure the effective implementation of the Welsh Language Standards and the 'More than just words' framework, efforts have been made this year to increase awareness of the significance of providing Welsh language services, in addition to encouraging staff to use their Welsh language skills with patients. These efforts also aim to showcase best practices throughout the organisation and enhance collaborative partnerships across North Wales.

The Health Board's seventh annual Welsh Language Week took place in October 2024, with the main purpose being to increase awareness of the significance of providing bilingual healthcare services. Various activities and events, including promotional stalls at both acute and community hospitals, were organised to provide support, resources, and guidance to staff on matters related to bilingual service delivery. Special events for Welsh language learners, such as 'Cinio Clebran', were conducted to celebrate and engage learners in a welcoming environment, allowing them to practice their skills. As part of a week-long series of celebrations, additional events were held within the Children's Unit across all three acute sites, where 'Dewin', a Welsh-speaking children's character, was warmly received by young patients on the wards.

During March 2025, a campaign was held to highlight the importance of offering services to patients in Welsh, and to reinforce the support available to staff across the Health Board. The aim of the campaign was to encourage staff to use Welsh whenever possible, even if only a few words, recognising that this can significantly enhance the experience of Welsh-speaking patients.

The campaign was well-received by staff, featuring promotional stalls and activities at the three main hospitals, a dedicated programme on Radio Ysbyty Gwynedd, and the introduction of two new courses: a Welsh language *Welcome* course for complete beginners and a 'Turbo Charge Your Welsh' course designed to build confidence among staff.

The campaign also provided an opportunity to engage with the public, highlighted by the sharing of a patient story in which Welsh language services were actively offered to a child and her parent at the Children's Ward in Ysbyty Glan Clwyd, and the benefit that this had on the care received. Overall, the campaign was highly successful and had a demonstrable and positive impact on staff engagement and confidence.

### **Developing the Workforce**

The Health Board's Welsh Language Training Team has enjoyed another highly successful year, having developed and delivered an extensive range of Welsh language courses tailored to meet the needs of the organisation. There has been a remarkable 25 per cent increase in the number of staff undertaking Welsh language training in comparison to the previous year.

There has been a notable increase in the completion rate of the mandatory Welsh Language Awareness Module within the Health Board. The module was developed by the Health Board's Welsh Language Team for implementation across Wales. Currently, the uptake within the organisation stands at 91.06%. This is more than 6 per cent above the Health Board's mandatory compliance target.

The Welsh Language Training Team has continued to work strategically by aligning training provision with legislative requirements and systematically identifying areas of learning that require additional support across the organisation. The Health Board's in-house tutor has expanded the delivery of Welsh language training by providing an increased number of face-to-face courses complementing the ongoing virtual sessions.

There are an increasing number of Board Members engaging in Welsh language learning with the support of the in-house tutor, reflecting a strengthened commitment to promoting bilingualism at all levels within the organisation.

The Health Board continued its partnership with the National Centre for Learning Welsh through a formal agreement for the 2024/25 reporting period, with a particular focus on the 'Work Welsh Scheme'. In partnership with the Welsh Language Team, the Centre has piloted a targeted programme for Speech and Language Therapy Services, designed to enhance both confidence and Welsh language proficiency among staff. This forward-thinking initiative has led to a rise in the number of confident Welsh-speaking practitioners within the service, thereby supporting the 'More than just words' objective of expanding bilingual service delivery and promoting value-based, person-centred care.

In November 2024, the Welsh Language Commissioner visited Ysbyty Glan Clwyd to gain insight into the Health Board's Welsh language initiatives, with particular emphasis on the Welsh Language Training Programme. This visit marked a significant milestone for the Training Team, providing an opportunity to highlight the progress of learners. Participants shared their motivating experiences of learning Welsh, underscoring the importance of developing confidence to use the language in professional settings. The event was highly successful and served as a meaningful platform to illustrate how the Welsh language is becoming an integral part of daily operations throughout the Health Board.

The Health Board has actively contributed to the North Wales Medical School Medicine Programme for first- and second-year students, collaborating with Bangor University to deliver Welsh language awareness sessions and informational lectures. These efforts aim to ensure that future healthcare professionals are well-informed about the organisation's Welsh language expectations and requirements.

### **Translation Services**

The Translation Team continues to provide support for all Health Board services in the form of written translations and interpretation services. The increasing demand for translation demonstrates the Health Board's commitment to providing a seamless and timely bilingual service to service users in line with the Welsh Language Standards. This reflects the workforce's awareness of legislative requirements, resulting in increased visibility of the language in the Health Board's operational activities.

The team continues to uphold rigorous quality control standards in all aspects of translation, prioritising time-sensitive requests to ensure that staff and patients are able to access essential information in their preferred language without delay.

In 2024/25, the team entered into a Service Level Agreement (SLA) with Aneurin Bevan University Health Board to provide translation support for written requests. This collaborative

arrangement has been highly successful, with both parties committed to continue with the agreement during 2025/26, demonstrating the quality and efficiency of the team.

The following data demonstrates the Health Board’s compliance with its regulatory reporting duties.

- The number of complaints received during the reporting year relating to compliance with the Welsh Language Standards was five. The primary issues raised were reception and telephony services. Each complaint was fully addressed following the initial correspondence, and none were escalated to investigation status.
- The percentage of employees who had recorded their language skill level on the Electronic Staff Register (ESR) at the end of the reporting year were 95.13 percent. A breakdown per language skill level is provided below.

<b>Employee Number</b>	<b>2024/25</b>	
<b>Individual Proficiency Level</b>	<b>Total</b>	<b>%</b>
0 – No Skills / Dim Sgiliau	10,090	47.82%
1 – Entry/ Mynediad	2,754	13.05%
2 – Foundation / Sylfaen	1,383	6.55%
3 – Intermediate / Canolradd	1,460	6.92%
4 – Higher / Uwch	1,605	7.61%
5 – Proficiency / Hyfedredd	2,782	13.18%
<b>Total</b>	<b>20,074</b>	<b>95.13%</b>
<b>Total number of staff</b>	<b>21,101</b>	

- The number of new and vacant posts advertised during the reporting year, categorised as posts where:
  - Welsh language skills were essential – 301
  - Welsh language skills needed to be learnt when appointed to the post – 49
  - Welsh language skills were desirable – 4,238
  - Welsh language skills were not necessary - 8

The Health Board produces a separate annual report focusing specifically on Welsh Language Services, which addresses the reporting requirements set out within the Welsh Language Standards. This report is published on the Health Board’s website within six months of the end of the financial year, and will be available at [Welsh Language - Betsi Cadwaladr University Health Board](#)

The 2024/25 report will be published in September 2025.

## 8. Financial Management and Performance

### Achievement of Financial Duties

The National Health Service Finance (Wales) Act 2014 places two financial duties on Local Health Boards:

Revenue resource performance: A duty to ensure that expenditure does not exceed the total funding allotted to it over a period of 3 financial years.

Integrated planning: A duty to prepare a plan, in accordance with planning directions issued by the Welsh Ministers, to secure compliance with the Revenue resource performance while improving the health of the people for whom it is responsible, and the provision of health care to such people, and for that plan to be submitted to and approved by the Welsh Ministers.

### Revenue Resource Performance

In respect of the first duty, the Health Board has not managed its expenditure within the aggregate funding provided over the period, 2022/23 to 2024/25 so has not achieved the first duty. The Health Board confirmed to Welsh Government via an Accountable Officer letter that it was unable to fulfil its statutory duty to produce a three-year IMTP, in particular being unable to deliver financial balance over a three-year period. The Health Board instead submitted an Integrated Three Year Plan for 2024 to 2027 with a specific focus on 2024/25. This builds upon previous Annual Plan submissions and the Special Measures escalation plan for the Health Board, to produce a coordinated response to development and improvement.

	2022/23 £000	2023/24 £000	2024/25 £000	Total £000
Net operating costs for the year	1,991,335	2,158,812	2,328,436	6,478,583
Less general ophthalmic services expenditure and other non-cash limited expenditure	1,790	1,777	854	4,421
Total operating expenses	1,993,125	2,160,589	2,329,290	6,483,004
Revenue Resource Allocation	1,993,514	2,136,242	2,321,730	6,451,486
<b>Under /(over) spend against Allocation</b>	<b>389</b>	<b>(24,347)</b>	<b>(7,560)</b>	<b>(31,518)</b>

Most of the funding for the Health Board's activities is provided for by Welsh Government. In 2024/25 Betsi Cadwaladr University Health Board exceeded its annual revenue resource allocation from Welsh Government and has reported a deficit of £7.6 million.

This outturn was dependent on a number of non-recurring sources of funding and Welsh Government strategic support of £82m. The Health Board's significant underlying deficit remains a challenge going forward. The initial plan for 2025/26 is a breakeven position.

The Health Board did not receive any additional cash-only strategic support from Welsh Government during the year.

### Integrated Planning

The NHS Wales Planning Framework for the period 2024-2027 issued to Health Boards placed a requirement upon them to prepare and submit Integrated Medium-Term Plans (IMTPs) to Welsh Government.

The Health Board submitted a [Three Year Plan for 2024 to 2027](#), which was approved by the Board on 28 March 2024. The Board accepted that the Health Board would be unable to submit an approvable three year IMTP, but that the plan submitted was within the context of a three year plan. The Health Board continues to work towards a balanced IMTP, advancing the organisation to future IMTP status.

Therefore, the Health Board failed to meet its statutory duty to prepare a balanced 3-year integrated plan.

## Other Financial Performance Measures

### Capital assets

The Health Board has a significant capital asset base (more than £710 million shown in the Statement of Financial Position as at 31 March 2025) and receives capital funding from Welsh Government accordingly. In 2024/25, the Health Board delivered its agreed capital programme and has reported an underspend relative to Capital Resource Allocation, of £0.349 million.

### Cash management

Health Boards are required to manage substantial cash inflows and outflows, and to do so effectively within related funding sources and whilst meeting payment obligations to staff, suppliers and authorities (such as HMRC). A summary of Betsi Cadwaladr University Health Board's cashflows for the year is shown in the Statement of Cash Flows in the annual accounts (see page 7).

Health Boards are required to pay 95% of the number of non-NHS bills within 30 days of receipt of goods or a valid invoice whichever is later; performance in 2024/25 financial was above the requirement with a 95.6% achievement.

*For further details about our Financial Performance, please refer to the Annual Accounts Report when it has been published and audited.*

## 9. Sustainability

The climate change evident now has significant direct and immediate consequences for the Health Board and the people of North Wales. As part of our corporate commitment towards reducing the impact of our activities we have undertaken a number of actions and will continue to take actions to contribute towards delivering a net-zero Public Sector by 2030. These have included:

- The Health Board achieved accreditation for a further 3 years against the ISO14001:2015 standard on 29 April 2024. This provides a framework to protect the environment and respond to changing environmental conditions, in balance with socio-economic needs to include:
  - Enhancement of environmental performance
  - Fulfilment of compliance obligations
  - Achievement of environmental objectives
- The bespoke e-training package for waste and environmental management has been implemented across the Health Board with an overall compliance average of 91.4%.

- The implementation of segregating and recycling at source in all Community Hospitals, Health Centres, administration buildings, GP practices and Community dental practices was completed within 2024/2025. Environment Officers have worked with the current waste contractor to ensure a smooth transition.
- All three areas of the Health Board have a Green Group supported by Clinical staff which are part of the Environmental Steering Group.
- The integration of in-house sustainable procurement practices and improved data availability to assist in areas such as measuring the organisation's carbon footprint.
- We have implemented a Biodiversity Forward Plan to comply with Section 6 Part 1 of the Environmental (Wales) Act 2016, to maintain and enhance biodiversity as part of the duty to promote resilience of ecosystems. Examples of enhanced biodiversity include:
  - Wrexham Maelor Hospital Courtyard.
  - Ysbyty Glan Clwyd Courtyard supported by Rhyl Soroptimists and the Cancer Services garden.

### **Energy & Carbon Management / Sustainable Construction**

During 2024/2025 the Health Board has continued to develop the detail to support the Estates Strategy. The strategy was developed to align with other current Health Board strategies including Living Healthier, Staying Well, Clinical Services Strategy, Digital Strategy, People Strategy and Plan, and the Decarbonisation Action Plan.

The Strategy advocates a future estate that is fit for purpose and provides a safe and effective environment that meets the clinical and business needs of the Health Board; enhances the care of patients; supports carers, families and visitors; and provides an appropriate working environment for staff. It confirms the Health Board's commitment to:

- Ensure inclusive design through the participation of local communities.
- Be compliant with statutory regulations and best practice guidance.
- Seek to meet the BREEAM standard of "very good" as a minimum with an aspiration to achieve "excellent" where practical in new buildings.
- Reduce the carbon footprint aligning to the Decarbonisation plan.
- Support sustainable transport solutions and a Green Travel Plan.
- Optimise local procurement and labour to support the local economy.
- Promote estate rationalisation and the identification and disposal of surplus land and buildings.

Two projects that commenced with the design concept in 2024/25 are detailed below:

#### **Re: Fit Programme**

A key programme to support the Health Board in delivering on its Decarbonisation Action Plan is the Re-Fit programme.

#### **Ysbyty Gwynedd Solar Farm**

The Health Board has started developing a proposal for a Solar Farm on land adjacent to Ysbyty Gwynedd.

#### **Transport**

The Health Board's travel and associated carbon emissions continue to be monitored including business travel by staff and transportation of eligible patients to and from hospital. The annual total miles recorded reduced by 2.39% in the period. Further initiatives will be

explored to continue to reduce and promote more efficient and greener travel plans, including the promotion of alternatives to travel.

### Use of Utilities and Waste (utilising estimated data for month 12)

The total gross CO<sub>2</sub> emissions of the Health Board reduced by 1.05% in the period.

Greenhouse Gas Emissions	Greenhouse Gas Emissions	2022/23	Change from previous year	2023/24	Change from previous year	2024/25	Change from previous year
Non-Financial Indicators (tonnes of CO <sub>2</sub> )	Total Gross Emissions	32,875	-10.03%	33,064	0.58%	32,717	-1.05%
	Total Net Emissions	32,875	-10.03%	33,064	0.58%	32,717	-1.05%
	Gross Emissions Scope 1* (Direct) Gas & Oil	22,962	-11.97%	23,520	2.43%	22,879	-2.73%
	Gross Emissions Scope 2 & 3** (Indirect)	9,913	-5.18%	9,544	-3.72%	9,838	3.08%
Related Energy Consumption (tonnes of CO <sub>2</sub> )	Electricity : Non-renewable	0		0		0	
	Electricity : Renewable "Green" Supply Contract	9,913	-5.18%	9,544	-3.72%	9,838	3.08%
	Gas	20,297	-14.94%	20,606	1.52%	20,405	-0.97%
	LPG	12.78	21.25%	12.35	-3.36%	12.40	0.40%
	Other – Oil***	2,665	14.93%	2,914	9.34%	2,715	-6.83%
Financial Indicators (£)	Expenditure on Energy	25,322,875	92.01%	19,319,247	-23.71%	17,367,663	-10.10%



Greenhouse Gas Emissions	Greenhouse Gas Emissions	2022/23	Change from previous year	2023/24	Change from previous year	2024/25	Change from previous year
	CRC Licence Expenditure (2010 Onwards)	0		0		0	
	Expenditure on Accredited Offsets (e.g. GCOF)	0		0		0	
	Expenditure on Business Travel****	11,408,550	61.47%	12,536,274	9.88%	Information not available	

Finite Resource Consumption		2022/23	Change from previous year	2023/24	Change from previous year	2024/25	Change from previous year
Non-Financial Indicators (m <sup>3</sup> )	Water Consumption (All)						
	supplied	412,340	-15.7%	480,683	16.6%	491,374	2.2%
	abstracted	0	0	0	0	0	0
	Water Consumption (Non-Office Estate)						
	supplied	0	0	0	0	0	0
	abstracted	0	0	0	0	0	0
Financial Indicators (£)	Water Supply Costs (All)	1,235,617	-9.7%	1,531,866	24.0%	1,599,937	4.4%
	Water Supply Costs (Non-Office Estate)	0	0	0	0	0	0

Our total waste in the period reduced by 1.89% to 3,300 tonnes.

Waste		2022/23	Change from previous year	2023/24	Change from previous year	2024/25	Change from previous year
Non-Financial Indicators (tonnes )	Total Waste	2,937	-11.78%	3363.8	14.53%	3300	-1.89%
	Landfill	6.8	-87.38%	0	0	0	0
	Reused / Recycled	1,567	-16.87%	1957	24.9%	1885	-3.74%
	Composted	0	0	0	0	0	0
	Incinerated with energy recovery	1,363	-1.87%	1,407	3.2%	1415	0.57%
	Incinerated without energy recovery	0	0	0	0	0	0
Financial Indicators (£ )	Total Disposal Cost	630,782	10.62%	720,812	14.3%	791,305	9.32%
	Landfill	2,086	-86.65%	0	0	0	
	Reused / Recycled	248,288	-3.94%	264,458	6.51%	329,670	21.95%
	Composted	0		0	0	0	
	Incinerated with energy recovery	380,409	28.47%	456,354	20%	461,635	1.15%
	Incinerated without energy recovery	0		0		0	

#### Notes

Total waste tonnages and costs includes incineration waste, recyclable and landfill waste.

The Health Board also disposes of some material via other means that are not specified as a separate category within the sustainability reporting requirements. This includes 'orange bag' waste which is heat treated to disinfect it before disposal.

In 2024/25 this accounted for 2,120 tonnes of waste, with a treatment and disposal cost of £1,039,516 (2023/24: 2,169 tonnes at a cost of £1,036,115). Therefore, the data above does not cover the totality of the Health Board's waste disposal.

## 10. Conclusion and Forward Look

The 2024/25 reporting year has been a pivotal period for Betsi Cadwaladr University Health Board, marked by both significant progress and ongoing challenges.

This time last year, the Health Board set out a plan to improve performance across a number of areas that were placed in to the highest level of escalation – [Special Measures by the Welsh Government](#). This plan aimed to address issues around governance and leadership and provide a solid foundation from which the Health Board could then focus its efforts on effectively improving its performance.

A lot has changed and good progress made over the last two years with the establishment of a new Board, governance structure, change portfolio, operating model, culture and strategy.

The initial challenge was the appointment and induction of a new Board, led by a new Chair and Chief Executive who have now been in substantive posts since early in 2024. This determined the initial focus and priorities. This was supported by successful recruitment of a full complement of Independent Members and improvement was reflected in the latest Audit Wales evaluation of Board effectiveness. Since then, the Health Board has worked hard on the priorities set by Welsh Government, making progress against the associated de-escalation criteria with support from the Welsh Government.

In 2024/25 the Special Measures actions were incorporated into the Health Board's Annual Delivery Plan in order to have a single plan for the organisation that encompassed all of its priorities. This evolution saw the maturing nature of the Board take shape with a well-functioning Board turning into longer-term ambitions to build an effective organisation.

During this time improvements have been made across a number of areas including the way the Board is led, financial management, governance and quality of care processes.

Whilst a lot of progress has been made in building the necessary foundations for the organisation to be successful in the long-term, much of this work will take time to fully embed and get right.

The Health Board fully recognise that while getting this foundation right is fundamental to driving forward improvement, people are still waiting too long too often to get the care and support they need. It is crucial our communities have access to the quality of service and support they expect and deserve and now this is where we are focusing our attention.

The Health Board recognises the challenges to building a sustainable organisation for the long-term whilst also addressing some of the shorter-term performance issues. Whilst this will always be difficult to balance, a lot of the organisational building blocks are now in place to support addressing both in parallel. This is the only way the organisation will successfully deliver on its purpose to improve health and wellbeing and provide excellent care to the people of North Wales.

The Health Board is now working with our partners, as well as listening to and learning from the experiences of our patients and communities, to develop the plans we need to develop and deliver high quality, sustainable services for the future.

## Looking ahead to 2025/26 and beyond

Looking ahead to 2025/26, our focus is on building upon the foundational and early delivery work to date and to accelerate delivery of change to front line services, whilst continuing to build a sustainable organisation for the long-term. There are some critical pieces of work that will be fundamental to achieving this, which include:

- A concerted effort to improve frontline services, focusing on quality, outcomes and experience.
- Working with partners to develop a Ten-Year Strategy for North Wales, that isn't just focused on health, but the how the whole health and social care system can work together to keep the population well.
- Taking the learning from the early implementors using our Quality Management System to support and transform the organisation's fragile services.
- Develop the Electronic Healthcare Record Business Case to support longer term transformation.
- Enabling more resource to focus on prevention and early intervention, making better use of opportunities within the primary and community services.
- Addressing the long-standing issues with the way the Health Board's operates, focusing not only on the structure, but also the people, systems, processes, culture and strategy.

The Health Board's strategic plans, including the Integrated Medium Term Plan 2025–28, will guide the next phase of transformation. With continued collaboration across sectors, a focus on equity and quality, and the dedication of its workforce, Betsi Cadwaladr University Health Board is determined to deliver a safer, more effective, and more compassionate health service for the people of North Wales.

Based on the above, I have therefore, concluded, that Betsi Cadwaladr University Health Board has made improvements in the system of internal control since 2023/24 and this has been demonstrated through the assurances provide to me by Internal and External Audit. The improvements made during 2024/25 are part of the Health Board's plans to build a sustainable organisation. The health board will therefore need to continually reflect and respond to the unprecedented demands and challenges it faces in 2025/26 and beyond, and I will ensure our governance framework considers and responds to this need.

**Signed:**

.....  
**Carol Shillabeer, Chief Executive**

**Date xxxx**

## Part Two – The Accountability Report

### 1. Corporate Governance Report

The Corporate Governance Report provides an overview of the governance arrangements and structures that were in place across the Health Board during 2024/25. It includes:

#### Directors Report

The Directors' Report: This provides details of the board who have authority or responsibility for directing and controlling the major activities of the Health Board during the year. Some of the information which would normally be shown here is provided in other parts of the Annual Report and Accounts and this is highlighted where applicable.

#### The Board

Betsi Cadwaladr University Health Board is the largest health organisation in Wales, with a budget of £1.87 billion and a workforce of over 19,000. The Health Board is responsible for the delivery of health care services to more than 700,000 people across the six counties of North Wales (Anglesey, Gwynedd, Conwy, Denbighshire, Flintshire and Wrexham). The Health Board coordinates the work of 96 GP practices, and NHS services provided by 78 dental and orthodontic practices, 70 optometry practices and opticians and 145 pharmacies in North Wales.

The Local Health Boards (Constitution, Membership and Procedures) (Wales) Regulations 2009 (S.I. 2009/779) ("The Constitution Regulations") set out the constitution and membership arrangements of Local Health Boards, the appointment and eligibility requirements of members, the term of office of non-officer members and associate members. In line with these Regulations the Board of Betsi Cadwaladr University Health Board comprises:

- a chair;
- a vice-chair;
- officer members; and
- non-officer members.

The members of the Board are collectively known as "the Board" or "Board Members"; the officer and non-officer members (which includes the Chair) are referred to as Executive Directors and Independent Members respectively. All members have full voting rights.

In addition, Welsh Ministers may appoint up to three associate members. Associate members have no voting rights.

Before an individual may be appointed as a member or associate member they must meet the relevant eligibility requirements, set out in The Local Health Boards (Constitution, Membership and Procedures) (Wales) Regulations 2009 (S.I. 2009/779) ("The Constitution Regulations"), and continue to fulfil the relevant requirements throughout the time that they hold office. The Regulations can be accessed via the Government's legislation website:

<http://www.legislation.gov.uk/wsi/2009/779/contents/made>

Further detail on the Board's membership and composition during 2024/25 is available within **Appendix 1 : Board and Committee Membership 2024/25**

**The Betsi Cadwaladr Health Board as at 31st March 2025**



**Dyfed Edwards**  
Chair  
(Voting)



**Carol Shillabeer**  
Chief Executive  
(Voting)



**Gareth Williams**  
Vice Chair  
(Voting)



**Karen Balmer**  
Independent Member  
(Voting)



**Clare Budden**  
Independent Member  
(Voting)



**Cllr Dyfed Jones**  
Independent Member  
(Voting)



**Rhian Watcyn Jones**  
Independent Member  
(Voting)



**Prof Mike Larvin**  
Independent Member  
(Voting)



**Urtha Felda**  
Independent Member  
(Voting)



**Dr Caroline Turner**  
Independent Member  
(Voting)



**William Nichols**  
Independent Member  
(Voting)



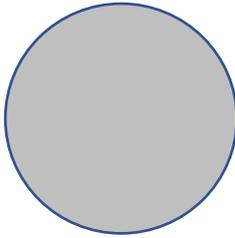
**Christopher Lothian-Field**  
Independent Member  
(Voting)



Dr Sreeman Andole  
Interim Executive Medical  
Director  
(Voting)



Russell Caldicott  
Interim Executive Director  
of Finance  
(Voting)



Imran Devji  
Interim Chief Operating  
Officer  
(Voting)



Dr Jane Moore  
Executive Director of  
Public Health  
(Voting)



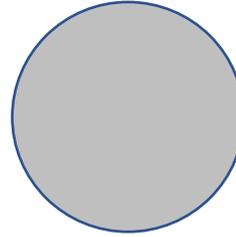
Teresa Owen  
Executive Director of  
Allied Health  
Professionals and Health  
Science  
(Voting)



Paolo Tardivel  
Interim Executive Director  
of Transformation and  
Strategic Planning  
(Voting)



Angela Wood  
Executive Director of  
Nursing & Midwifery  
(Voting)



Vacant  
Executive Director of  
Workforce &  
Organisational  
Development  
(Voting)



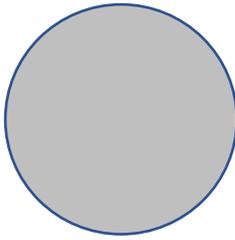
Fon Roberts  
Associate Board Member  
(Non-Voting)



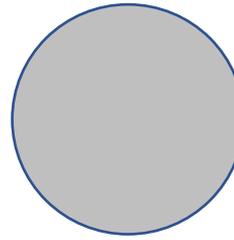
Mike Parry  
Associate Board Member  
(Non-Voting)



Jane Wild  
Associate Board Member  
(Non-Voting)



Stuart Keen  
Director of Environment  
and Estates  
(Non-Voting)



Stephen Powell  
Director of Performance  
and Commissioning  
(Non-Voting)



Helen Stevens-Jones  
Director of Partnerships,  
Engagement &  
Communications  
(Non-Voting)



Dylan Roberts  
Chief Digital & Information  
Officer  
(Non-Voting)



Pam Wenger  
Director of Corporate  
Governance  
(Board Secretary)  
(Non-Voting)

## Register of Directors' Interests

All Board members are required to declare any interest they have that could affect their impartiality with regard to their work within the Health Board.

The declarations made by Directors and Board Members for 2024/25 are published in Note 30 of the Annual Accounts, and are available on the Health Board's website at [Board Declarations of Interest](#)

## Compliance with Cost Allocation Requirements

The Freedom of Information Act is part of the Government's commitment to greater openness in the public sector. The underlying principle is that all non-personal information held by a public body should be easily available, unless there is a cost or an exemption applies. A statement confirming that the Health Board has complied with the cost allocation and charging requirements set out in HM Treasury guidance is below.

We are committed to comply with this Act and any associated Welsh Government guidance and endeavour to make information available to the public via our Publication Scheme

## Compliance with Personal Data Related Incidents and Environmental, Social and Community Issues

The Health Board self-reported two data security breaches that triggered referral to the Information Commissioner's Office and Welsh Government. These were in relation to:

Confidentiality Breach-External	2
Total	2

All self-reported incidents have been closed by the Information Commissioner’s Office with no further action required by them due to the immediate actions and improvements put in place by the Health Board.

All of these recommendations have or will be implemented by the Health Board and are monitored by the Information Governance team.

The Health Board did not incur any financial penalties during the year. During 2024/25 the Health Board has received two personal injury claims for harm and distress caused by a data breach and has settled two claims totalling £19,010.64 during the year.

## **Statement of Accountable Officer’s Responsibilities**

The Statement of Accounting Officer’s Responsibilities and Statement of Directors’ Responsibilities: This requires the Accountable Officer, Chair and Executive Director of Finance to confirm their responsibilities in preparing the financial statements and that the Annual Report and Accounts is fair, balanced, and understandable.

The Welsh Ministers have directed that the Chief Executive should be the Accountable Officer for the Betsi Cadwaladr University Health Board.

The relevant responsibilities of Accountable Officers, including their responsibility for the propriety and regularity of the public finances for which they are answerable, and for the keeping of proper records, are set out in the Accountable Officer’s Memorandum issued by the Welsh Government.

The Accountable Officer is required to confirm that, as far as he or she is aware, there is no relevant audit information of which the entity’s auditors are unaware, and the Accountable Officer has taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the entity’s auditors are aware of that information.

The Accountable Officer is required to confirm that the annual report and accounts as a whole is fair, balanced and understandable and that they take personal responsibility for the annual report and accounts and the judgments required for determining that it is fair, balanced and understandable.

The Accountable Officer is responsible for authorising the issue of the financial statements on the date they were certified by the Auditor General for Wales.

To the best of my knowledge and belief, I have properly discharged the responsibilities set out in my letter of appointment as an Accountable Officer.

**Signed:**

.....  
**Carol Shillabeer, Chief Executive**

**Date xxxx**

## Statement of Directors' Responsibilities in respect of the Accounts

The directors are required under the National Health Service Act (Wales) 2006 to prepare accounts for each financial year. The Welsh Ministers, with the approval of the Treasury, direct that these accounts give a true and fair view of the state of affairs of Betsi Cadwaladr University Health Board and of the income and expenditure of Betsi Cadwaladr University Health Board for that period.

In preparing those accounts, the directors are required to:

- apply on a consistent basis accounting principles laid down by the Welsh Ministers with the approval of the Treasury
- make judgements and estimates which are responsible and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the account

The directors confirm that they have complied with the above requirements in preparing the accounts.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the authority and to enable them to ensure that the accounts comply with the requirements outlined in the above-mentioned direction by the Welsh Ministers.

### By Order of the Board

Signed:

.....  
**Dyfed Edwards**

Chair

Date:

.....  
**Carol Shillabeer**

Chief Executive

Date:

.....  
**Russell Caldicott**

Executive Director of Finance:

Date:

## Annual Governance Statement

Annual Governance Statement: This is the core of the Corporate Governance Report. It explains the governance arrangements and structures within the Health Board and brings together how the organisation manages governance, risk, and control. Our Annual Governance Statement describes our governance arrangements, committee structure and the system of internal control.

The Board is accountable for governance, risk management and internal control. As Chief Executive of the Health Board I have responsibility for maintaining appropriate governance structures and procedures as well as a sound system of internal control that supports the achievement of the organisation's policies, aims and objectives, whilst safeguarding quality standards, public funds and departmental assets for which I am personally responsible. These are carried out in accordance with the responsibilities assigned by the Accountable Officer of NHS Wales.

The Annual Report outlines the different ways the organisation has had to work, both internally and with partners in providing our services for the people of North Wales. It explains arrangements for ensuring standards of governance are maintained, risks are identified and mitigated, and assurance has been sought and provided. Where necessary additional information is provided here in the Annual Governance Statement, however the intention has been to reduce duplication where possible. It is therefore necessary to review corresponding sections in the Annual Report alongside this Governance Statement.

On 27 February 2023, the Minister for Health and Social Services, Welsh Government announced that Betsi Cadwaladr University Health Board (BCUHB) would be escalated to Special Measures. The organisation had previously been at the Targeted Intervention level of escalation and therefore has now been escalated to the highest level under the Escalation and Intervention arrangements. The Minister for Health and Social Services indicated in the statement announcing Special Measures escalation particular concern regarding leadership, culture and performance. There were eight areas of concern, including Governance and Board Effectiveness.

In March 2025, the Welsh Government published [Health Board progress 2024-25 - Betsi Cadwaladr University Health Board](#) on the Health Board which detailed progress in a range of areas, including culture, leadership and governance and quality and safety.

The report noted that:

- Progress has been made in relation to corporate governance, financial control and governance and over the last 12 months the quality management system has begun to demonstrate improved grip and control; and
- The focus the chair, independent members, chief executive and executive directors are bringing to these areas has made an impact but, as this report highlights, there are areas of continuing fragility, which are linked to operational performance and clinical services, where further improvements are urgently needed.

The report concluded that Betsi Cadwaladr University Health Board has stabilised and started to put in place the building blocks to become a sustainable organisation over the course of the last two years under the current level 5 (special measures) arrangements.

The Chief Executive is also responsible for ensuring that the Health Board is administered prudently, economically and with propriety, and that resources are applied effectively and

efficiently. In fulfilling my responsibilities to the Chief Executive of NHS Wales, I am directly accountable to the Chair of the Health Board for the operation of the Health Board and for the implementation of the Board's decisions.

### **The role and composition of the Board**

Betsi Cadwaladr University Health Board has a clear purpose from which its strategic aims and objectives have been developed. Our vision is:

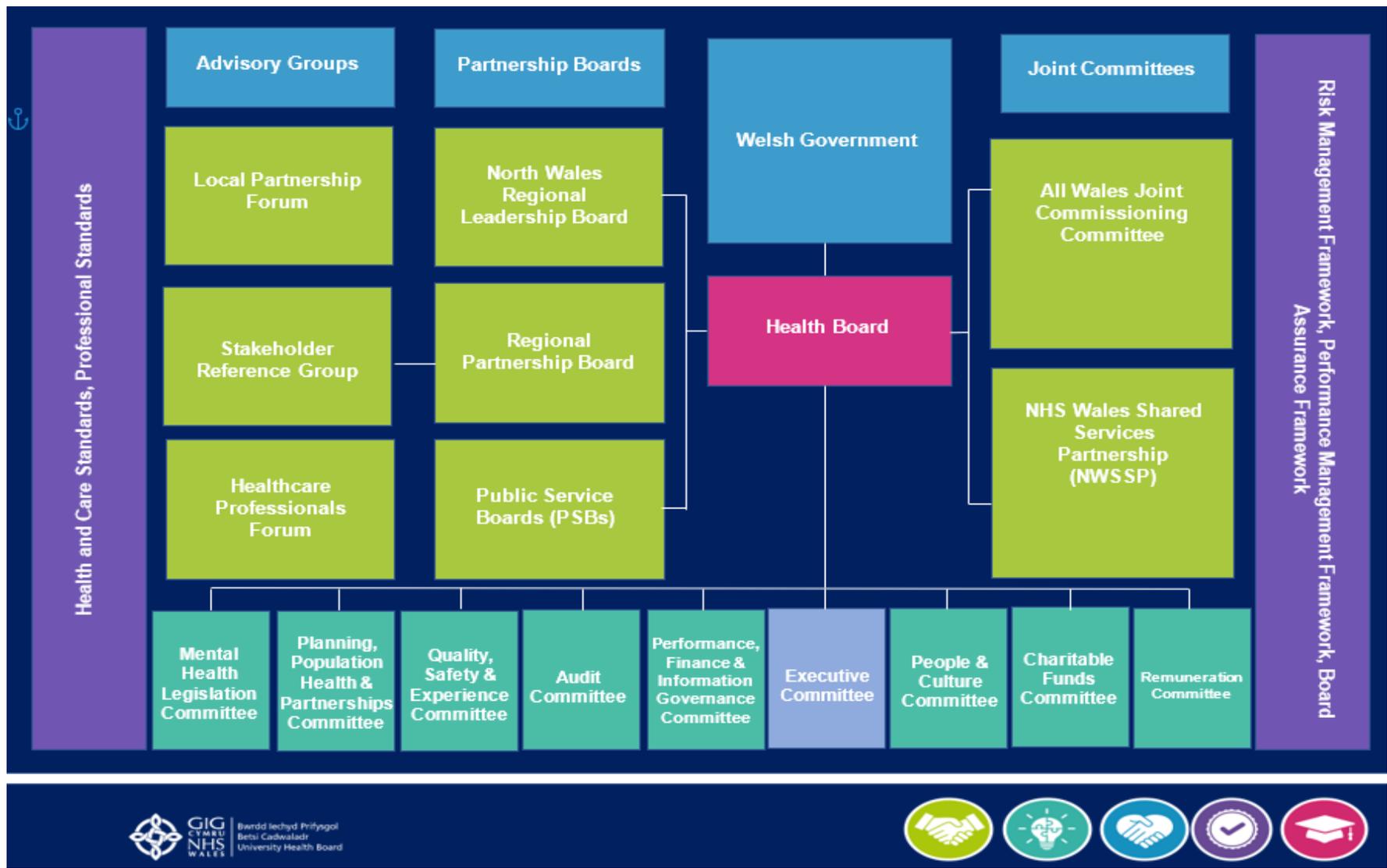
- We will improve the health of the population, with particular focus upon the most vulnerable in our society.
- We will do this by developing an integrated health service which provides excellent care delivered in partnership with the public and other statutory and third sector organisations.
- We will develop our workforce so that it has the right skills and operates in a research rich learning culture.

The Board is accountable for setting the organisation's strategic direction, ensuring that effective governance and risk management arrangements are in place and holding Executive Directors to account for the effective delivery of its Annual Delivery Plan.

The Health Board's governance and assurance arrangements have been aligned to the requirements set out in the Welsh Government's Governance e-manual and the Citizen Centred Governance Principles. Care has been taken to ensure that governance arrangements also reflect the requirements set out in HM Treasury's ['Corporate Governance in Central Government Departments: Code of Good Practice 2017'](#).

The Board has approved Standing Orders for the regulation of proceedings and business. They are designed to translate the statutory requirements set out in the Local Health Board (Constitution, Membership and Procedures) (Wales) Regulations 2009 into day-to-day operating practice. Together with the adoption of a scheme of matters reserved for the Board, a detailed scheme of delegation to officers and Standing Financial Instructions and set out the requirement of the responsibilities and conduct of the Health Board and defined 'its ways of working'. The Standing Orders were adopted by the Board on 28 September 2023 with minor amendments agreed since the most recent approved at the Board on 27 March 2025 and are available on the Health Board's [bcuhb.nhs.wales/about-us/health-board-meetings-and-members/health-board-meetings/health-board-agenda-bundle-270325-v200-public/](https://bcuhb.nhs.wales/about-us/health-board-meetings-and-members/health-board-meetings/health-board-agenda-bundle-270325-v200-public/)

The Board, subject to any directions that may be made by the Welsh Ministers, is required to make appropriate arrangements for certain functions to be carried out on its behalf. This enables the day-to-day business of the Health Board to be carried out effectively, and in a manner that secures the achievement of the organisation's aims and objectives. The Committee structure is outlined in this report and the Terms of Reference are available on the Health Board's website. ([Committees and Advisory Groups - Betsi Cadwaladr University Health Board](#))



## The Board

The Board has been constituted to comply with the Local Health Board (Constitution, Membership and Procedures) (Wales) Regulations 2009. The Board functions as a corporate decision-making body, Executive Directors and Independent Members being full and equal members and sharing corporate responsibility for all the decisions of the Board. Details of those who sit on the Board are published on the Health Board [The Board - Betsi Cadwaladr University Health Board](#). Further information is also provided within the Directors' Report.

The Board sits at the top of the organisation's governance and assurance systems. Its principal role is to exercise effective leadership, provide strategic direction and control. The Board is accountable for governance and internal control in the organisation, and I, as the Chief Executive and Accountable Officer, am responsible for maintaining appropriate governance structures and procedures.

In summary, the Board:

- Sets the strategic direction of the organisation within the overall policies and priorities of the Welsh Government and the NHS in Wales
- Establishes and maintains high standards of Corporate Governance
- Sets the risk appetite for the organisation and provides oversight of strategic risks
- Ensures the delivery of the aims and objectives of the organisation through effective challenge and scrutiny of performance across all areas of responsibility
- Monitors progress against the delivery of strategic and annual objectives
- Ensures effective financial stewardship by effective administration and economic use of resources
- Will seek assurance on the effective delivery of the above points

During 2024/25, all Board meetings in public were broadcast live, with a recording of the meeting uploaded to our website after each meeting. During 2024-25, the Board held:

- Eight meetings in public (all were quorate)
- Six In-Committee (Private Meetings)
- One Annual General Meeting
- Fourteen Board Development Sessions

Attendance is formally recorded within the minutes, detailing where apologies have been received and where deputies have been nominated. The dates, agendas and minutes of all public meetings can be found on the Health Board's website. The Board has a Cycle of Business, which was adapted during the year to respond to emerging events and circumstances. There is also a clear citizen, patient and staff experience centred focus by the Board at the meetings, demonstrated by the presentation of patient, carer and staff stories through the Experience Report.

Over the year, the Board considered a number of key issues and took action where appropriate and these are summarised in the Annual Governance Statement.

### Developing a Well-Functioning Board

As already noted, in February 2023, Welsh Government announced that Betsi Cadwaladr University Health Board was being placed in the highest level of escalation: Special Measures. This has led to a significant change in leadership and approach. In 2024/25 the Board has stabilised and there have been a number substantive appointments to the Executive Team.

The Directors' Report of the Annual Report and Accounts contains all the details of changes to Board membership during 2024/25.

In December 2024, Audit Wales issued the Health Board with the [bcuhb.nhs.wales/about-us/health-board-meetings-and-members/health-board-meetings/health-board-agenda-bundle-270325-v200-public/](https://bcuhb.nhs.wales/about-us/health-board-meetings-and-members/health-board-meetings/health-board-agenda-bundle-270325-v200-public/) which formally reported significant progress in stabilising the Board and the wider organisation while outlining further measures which needed to be taken.

## Standards of Behaviour

The Welsh Government's Citizen-Centred Governance Principles apply to all the public bodies in Wales. These principles integrate all aspects of governance and embody the values and standards of behaviour expected at all levels of public services in Wales.

The Board is strongly committed to being value-driven, rooted in the 'Nolan' principles and high standards of public and behaviour including openness, customer service standards, diversity and engaged leadership. The Board has in place a Standards of Behaviour Policy, which sets out the Board's expectations and provides guidance so that individuals are supported in delivering that requirement. [The Seven Principles of Public Life - GOV.UK](#)

The Standards of Behaviour Policy re-states and builds on the provisions of Section 7, Values and Standards of Behaviour, of the Health Board's Standing Orders. It re-emphasises the commitment of the Health Board to ensure that it operates to the highest standards and sets out the roles, and responsibilities of those employed by the Health Board, and the arrangements for ensuring that declarations of interests, gifts, hospitality, and sponsorship can be made.

The policy also articulates the standard of behaviours of those working in the public sector in order that the Health Board can be seen to have exemplary practice in this regard.

Details of the Board's [Standards of Business Conduct Policy](#) incorporating Declarations of Interest, Gifts, Hospitality and Sponsorship, is available on the Health Board's [Board Declarations of Interest](#)

## Committees of the Board

Section 3 of Betsi Cadwaladr University Health Board's Standing Orders provides that 'The Board may and, where directed by the Welsh Government must, appoint Committees of the Health Board either to undertake specific functions on the Board's behalf or to provide advice and assurance to the Board in the exercise of its functions'.

In line with these requirements the Board has established a standing Committee structure, which it has determined best meets the needs of the Health Board, while taking account of regulatory and Welsh Government requirements. Each Committee is chaired by an Independent Member of the Board. All Committees regularly review their Terms of Reference and Cycles of Business to support the Board's business. Committees also work together on behalf of the Board to ensure that work is planned cohesively and focusses on matters of greatest risk that would prevent the Health Board from meeting its vision, aims and objectives.

For the year 2024-25, the Committees were:

- Audit Committee
- Charitable Funds Committee
- Mental Health Legislation Committee
- Performance, Finance and Information Governance Committee
- People and Culture Committee
- Quality, Safety and Experience Committee
- Planning, Population Health and Partnerships Committee

- Remuneration Committee

Full details of Committee names and dates are included in Appendix 2.

The detailed, Terms of Reference agendas and papers for each of the current Committees can be found on the Health Board's website [Committees and Advisory Groups - Betsi Cadwaladr University Health Board](#).

The Chair of each Committee provides a report on the business of each Committee meeting at meetings of the Board, highlighting any matters of concern or escalation which the Board needs to consider. This contributes to the Board's assessment of risk, level of assurance and scrutiny against the delivery of objectives. Minutes and action logs for Board and Committees are maintained and used to inform the summary of Board and Committee business.

The Health Board is committed to openness and transparency and conducts as much of its Board and Committee business as possible in sessions that members of the public are normally welcome to attend and observe. This is either via a livestream (Board meetings), or by inviting members of the public to contact the Director of Corporate Governance to request arrangements be made for an opportunity to observe Committee meetings which are not livestreamed.

### **Summary of Business Considered by Committees of the Board**

During 2024/25, Board Committees considered and scrutinised a range of reports and issues relevant to the matters delegated to them by the Board. Reports considered by the Committees included a range of internal audit reports, external audit reports and reports from other review and regulatory bodies, such as Healthcare Inspectorate Wales and the Health and Safety Executive.

As was the case in previous years, the Committees' consideration and analysis of such information has played a key role in my assessment of the effectiveness of internal controls, risk management arrangements and assurance mechanisms. The Committees also considered and advised on areas of local and national strategic developments and new policy areas.

A summary of the remit for each Committee is highlighted in the table below:

Committee	Summary of Committee Remit
<b>Audit Committee</b>	To provide advice and assurance, in accordance with the standards of good governance determined for the NHS in Wales, to the Board and myself as Accountable Officer on whether effective arrangements are in place, thus supporting us in decision taking and in the discharge of our accountabilities.
<b>Quality, Safety and Experience Committee</b>	To provide advice and assurance to the Board in discharging its functions and meeting its responsibilities with regard to the quality of services including clinical effectiveness, patient safety and patient and carer experience whether these services are delivered directly or through a partnership arrangement as well as health and safety issues.
<b>Performance, Finance and Information Governance Committee</b>	To advise and assure the Board in discharging its responsibilities with regard to its current and forecast financial position, performance and delivery, as well as matters relating to information governance. This includes the Board's Capital Programme and Workforce activity costs.
<b>Remuneration Committee</b>	To advise the Board on remuneration and terms of service for the Chief Executive, Executive Directors and other senior staff within the framework set by the Welsh Government. Also to provide assurance to the Board in relation to the Health Board's arrangements for the remuneration and terms of service, including contractual arrangements, for <i>all staff</i> , in accordance with the requirements and standards determined for the NHS in Wales.
<b>Charitable Funds Committee</b>	To make and monitor arrangements for the control and management of the Health Board's Charitable Funds. The working name for the Betsi Cadwaladr University Health Board charity is Awyr Las.
<b>Planning, Population Health and Partnerships Committee</b>	To provide advice and assurance to the Board with regard to the development and oversight of the Health Board's long term planning, Integrated Medium Term Plan and Annual Operating Plan, ensuring that enabling strategies are aligned to these plans. To ensure effective partnerships arrangements are in place to improve Population Health (i.e. primary care, public health and the social determinant of health) and reduce health inequalities. To provide oversight, delivery and monitoring (by exception) of Population Health improvement and health inequalities strategies, policies and performance informed through Population Needs' Assessment.
<b>People and Culture Committee</b>	To provide advice and assurance to the Board on compliance with legislation, guidance and best practice relating to the People and Organisational Development (OD) agenda, learning from work undertaken nationally and internationally, ensuring the Health Board is continually improving. To also provide assurance on the implementation of the Health

	Board's People and OD Strategy, and the all-Wales Health & Social Care Workforce Strategy, ensuring these are consistent with the Board's overall strategic direction and with any requirements and standards set for NHS bodies in Wales.
<b>Mental Health Legislation Committee</b>	To consider and monitor the use of the Mental Health Act 1983 (MHA) and the Mental Capacity Act 2005 (which includes the Deprivation of Liberty Safeguards (DoLS) (MCA).

## Board Development

During the year, the Board took part in a number of development and briefing sessions which covered the following topics:

- Betsi Cadwaladr University Health Board Operating Model
- Developing the Quality Management System
- Royal College of Psychiatrists' Invited Review Services Report
- Understanding Population Health Issues in North Wales
- Risk Management
- Strategic Development
- Annual Planning
- Unitary Board Development
- Day in the life of a Cyber Criminal
- Emergency Medical Retrieval and Transfer Service
- Performance and Performance Reporting
- Planned Care Update
- Challenged Services
- Clinical Services Plan
- Special Measures De-escalation
- IMTP

## Advisory Groups

Betsi Cadwaladr University Health Boards Standing Orders require the Board to have three Advisory Groups in place. These allow the Board to seek advice from and consult with staff and key stakeholders. They are the:

- Local Partnership Forum
- Stakeholder Reference Group
- Healthcare Professionals' Forum

Information in relation to the role and terms of reference of each Advisory Group can be found in the Health Board's Standing Orders on the Health Board website.

[Standing Orders and Financial Instructions - Betsi Cadwaladr University Health Board](#)

The Local Partnership Forum engages with staff organisations on key issues facing the Health Board. It provides the formal mechanism through which the Health Board works together with Trade Unions and professional bodies to improve health services for the population it serves. It is the stakeholder forum which informs debate and seeks to agree local priorities on workforce and health service issues. The Local Partnership Forum met twice during 2024/25.

The Stakeholder Reference Group is formed from a range of partner organisations from across the Health Board's area and provides advice and feedback to the Board on its strategic direction, service improvement proposals and the impact of the Board's operations on the

communities it serves. The Stakeholder Reference Group met six times during 2024/25, which included one development session and one workshop.

The Healthcare Professionals Forum comprises of representatives from a range of clinical and healthcare professions within the Health Board and across primary care practitioners with the remit to provide advice to the Board on all professional and clinical issues it considers appropriate. It is one of the key forums used to share early service change plans, providing an opportunity to shape the way the Health Board delivers its services. The Forum met four times during 2024/25, which included one workshop.

### **Joint Committees and Partnership Working Reporting to Board**

The Chief Executive Officer represents the Board on meetings of the Joint Committees and provide regular reports on the work of the Joint Committees to the Board at each meeting. The reports enable in-depth discussion of issues raised within the Joint Committees as and when necessary.

### **All Wales Joint Commissioning Committee**

From 1<sup>st</sup> April 2024, the Emergency Ambulance Services Committee and Welsh Health Specialised Service Committee have been merged with the agreement of all Health Boards to create a new Joint Commissioning Committee. The Joint Commissioning Committee was established in response to the findings of an independent review commissioned by Welsh Government into the national commissioning arrangements undertaken by the Emergency Ambulance Services Committee, the Welsh Health Specialised Services Committee and the National Collaborative Commissioning Unit.

### **NHS Wales Shared Services Partnership Committee**

The NHS Wales Shared Services Partnership Committee was established in 2012 and is hosted by Velindre NHS Trust. It is responsible for the shared services functions for the NHS, such as procurement, recruitment, and legal services. Betsi Cadwaladr University Health Board is represented by the Executive Director of Finance at this committee with regular reports received by the Board following each meeting.

### **North Wales Regional Leadership Board**

The North Wales Regional Leadership Board develops and drives forward agreed shared priorities, shares information, maintains an overview of regional working and 'horizon scans' for emerging issues and / or opportunities for collaboration. It provides regional governance for collaborative advocacy for the interest of the region, acting as 'The Voice of North Wales'. Membership includes:

- The six North Wales Local Authorities, Leaders and Chief Executives
- BCUHB – Chair and Chief Executive
- Natural Resources Wales – Chair and Operations Manager
- North Wales Fire and Rescue – Chair and Chief Fire Officer
- North Wales Police – Chief Constable
- North Wales Police and Crime Commissioner
- Wales Ambulance Services Trust – Chair and Chief Executive
- Wales Local Government Association – Chief Executive

### **Regional Partnership Board**

There is one Regional Partnership Board in North Wales co-terminus with the Health Board. The North Wales Regional Partnership Board's focus over the last year has been:

- Publishing the Regional Area Plan on how partners will work together to deliver health and social care services.
- Leading on the development of the Regional Integration Fund, which comprises 35 schemes across six models of care with a total investment into schemes and services of more than £57 million during the period 2022-2027.

- The North Wales Together project, working with many different people and organisations, to help people with learning disabilities.
- A Children's Regional Partnership Board, established in January 2024 to provide transparency on what programmes are delivering for this priority population group, and avoid any duplication.
- The Regional Innovation Co-ordination Hub which coordinates health and social care research, improvement and innovation to support the work of the RPB.
- Developing a 10-year strategic Capital Plan bringing together health, social care, housing, the third sector, education and regeneration partners to develop integrated service delivery facilities and integrated accommodation-based solution.

### **Public Service Boards in North Wales**

Public Service Boards were established in each local authority area in Wales as part of the Wellbeing of Future Generations (Wales) Act 2015. Powers within the Act have enabled the six North Wales Local Authorities to merge to form three collaborative Public Service Boards:

- Conwy and Denbighshire Public Services Board
- Flintshire and Wrexham Public Services Board
- Gwynedd and Ynys Mon Public Services Board

Each Public Service Board works together to improve the well-being of their county or counties. As a group they are tasked with improving the economic, social, environmental and cultural well-being of their areas and setting objectives designed to maximise its contribution to the national wellbeing goals. Each has a Well-being Plan based on a local wellbeing analysis.

### **The Purpose of the System of Internal Control**

The system of internal control operating across the Betsi Cadwaladr University Health Board is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of policies, aims and objectives of the Health Board, to evaluate the likelihood of those risks being realised and to manage them efficiently, effectively, and economically. I can confirm the system of internal control has been in place at the Health Board for the year ended 31 March 2025 and up to the date of approval of the annual report and accounts.

The Board is accountable for maintaining a sound system of internal control which supports the achievement of the organisation's objectives. The system of internal control is based on a framework of regular management information, administrative procedures including the segregation of duties and a system of delegation and accountability. It has been supported in this role by the work of the Audit Committee.

During 2024/25, a number of processes have been put in place to strengthen the governance arrangements around the management, reporting and subsequent closure of audit recommendations. This includes a process around the way in which the Health Board manages the introduction of new reports to the organisation, and another on the processes around the approval of recommendations for closure.

A total of 28 audit reports were received by the Health Board during 2024/25, 24 from Internal Audit and four from Audit Wales, and these recommendations are being progressed, with updates provided at each Audit Committee. In relation to Internal Audit, there are 45 open

limited assurance reports and 18 open unsatisfactory assurance reports. With regards to External Audit, 29 recommendations remain open.

There has also been considerable work undertaken to review and approve historical internal and external audit recommendations for closure, and all historical recommendations are now closed. This resulted in the closure of 407 historical Internal Audit recommendations, and 227 External Audit recommendations.

**Our arrangements to manage risk and the key risk areas identified by the Health Board**

**The Risk Management Framework**

The Board approved a Betsi Cadwaladr Risk Management Framework in September 2023 and associated documents (Procedures and Risk Management Training Plan) were approved shortly after this. Minor amendments were made to the Risk Management Framework to refine the escalation process and introduce the role of the Risk Scrutiny Group and amendments were approved by the Board on 25 July 2024.

The Framework seeks to ensure that risk management is integral to the Health Board's culture and an important element of the Health Board's planning, budget setting and performance process.

The Board's Risk Management Framework sets out the Health Board's processes and mechanisms for the identification, assessment, and escalation of risks. It has been developed to create a robust risk management culture across the Health Board by setting out the approach and mechanisms by which the Health Board will:

- Ensure that the principles, processes, and procedures for best practice risk management are consistent across the Health Board and are fit-for-purpose.
- Ensure that risks are identified and managed through a robust organisational Assurance Framework and accompanying Corporate and Service/Function Operational Risk Registers.
- Embed risk management and established local risk reporting procedures to ensure an effective integrated management process across the Health Board's activities.
- Ensure that strategic and operational decisions are informed by an understanding of the organisation's risks and their likely impact.
- Ensure that risks to delivery of the Health Board's strategic objectives are eliminated, transferred, or proactively managed.
- Manage the clinical and non-clinical risks facing the Health Board in a co-ordinated and effective way; and
- Keep the Board and its Committees suitably informed of significant risks facing the Health Board and associated plans to treat the risk.



The Risk Management Framework sets out a multi-layered reporting process, which comprises the Board Assurance Framework and Corporate Risk Register, Service Risk Registers and Project Risk Registers. It has been developed to help build and sustain an organisational culture that encourages appropriate risk taking, effective performance management and organisational learning in order to continuously improve the quality of the services provided and commissioned.

**Risk Appetite**

The Risk Appetite Statement is an important component of the Health Board's risk management arrangements in that it provides guidance and direction in risk prioritisation and resource allocation.

The Health Board’s **Risk Appetite** represents the overall willingness to accept risk at a strategic level, whereas **Risk Tolerance** refers to the level of risk that is acceptable for a specific activity or decision.

Risk appetite guides the Health Board's overall risk approach, whereas tolerance provides a more detailed and measurable framework for assessing and managing risk in specific contexts. This approach has been the driving force behind the management of strategic and operational risks, and it will be the tool used throughout the Health Board to assign risks to themes and provide a basis for determining risk management.

In updating and approving its Risk Appetite Statement, the Board considered the Health Board's capacity and capability to manage risk. The Board reviewed their risk appetite during 2024 and is subject to annual review and approved by the Board in 25 July 2024.

	Risk Type	Risk Appetite Level	Risk Appetite Description	Risk Appetite Thresholds
<b>RISK APPETITE</b>	Quality	Open	There was willingness to be 'open' and accept the possibility of a short-term impact on quality outcomes with potential for longer-term rewards, supporting innovation. Broad learning from events influence improvement. Efforts to promote openness and transparency are on a risk basis by repercussion	16
	Financial	Open	There was an agreed consensus on an 'open' appetite to be prepared to invest for return but minimise the possibility of financial loss by managing the risks to a tolerable level. Value and benefits considered (not just cheapest price). Resources allocated in order to capitalise on opportunities.	16
	Compliance/Regulatory	Open	Compliance/Regulatory: There was an agreed consensus supporting an 'open' risk appetite to accept the possibility of some regulatory challenge as long as we can be reasonably confident, we would be able to challenge this successfully	16
	Innovation	Seek	There was an agreed consensus to 'seek' and innovation is to be pursued with the desire to 'break the mold' and challenge current working practices. New technologies viewed as a key enabler of operational delivery. High levels of devolved authority – management by trust rather than tight control.	25
	Reputational	Seek	There was an agreed consensus to 'seek' with a willingness to take decisions that may bring scrutiny of BCUHB but where potential benefits outweigh the risks. New ideas seen as potentially enhancing reputation of organisation	25

**Management of Risk During 2024/25 – Strategic Risks**

Strategic risks are those risks that represent a threat to achieving the Health Board's strategic priorities or its continued existence. Strategic risks are recorded in the Board's Corporate Risk Register (CRR), which provides an organisational-wide summary of significant risks facing the Board. The criteria for a risk to be included in the Corporate Risk register is:

- The risk must represent an issue that has the potential to hinder achievement of one or more of the Health Board's strategic objectives.
- The risk cannot be addressed at directorate level and/or;
- Further control measures are needed to reduce or eliminate the risk

The Director of Corporate Governance presents a full Corporate Risk Register to the Board quarterly, as well as a report to each Board Committee, which includes detailed risk assessments for the risks for which the Committee has been tasked with seeking assurance.

This report is published in the public domain to ensure transparency and openness regarding the strategic risks identified by the Health Board as potential barriers to achieving the Board's strategic priorities. Members of the public and other stakeholders are welcome to comment or ask questions about these risk reports in accordance with the Health Board Standing Orders.

From May 2024 to March 2025, six corporate risks have reduced in score however 11 scores remain the same and seven new risks have been identified, As of the 5 March 2025 there are:

- Twenty-four (24) corporate risks.
- One hundred and forty-two (142) actions developed to mitigate the risks.
- One hundred and fifteen (115) actions are noted as progressing.
- 70 actions closed from April 24 to March 25.

As of the end of March 2025, there were **24** strategic risks described in the Corporate Risk Register, representing the most significant risks to the Health Board in terms of potential impact on the delivery of the Board's strategic priorities. These **24** are categorised into risk levels based on their 'likelihood' and 'impact' if the risk occurs. **16** of the **24** strategic risks managed by the Health Board fall inside of the risk domain's appetite, as illustrated below.

Risk Level & Score	Number of Risks	Number of Risks outside of Appetite
<b>Extreme (Corporate) (20 – 25)</b>	<b>9</b>	<b>8</b>
<b>High (Corporate and Operational) (12 – 20)</b>	<b>156</b>	
<b>Moderate (Operational) (8 – 12)</b>	<b>376</b>	
<b>Low (Operational) (1 – 8)</b>	<b>162</b>	

The Table below illustrates where the **8** corporate risks outside of appetite sit.

	Risk Theme	Risk Appetite Level	Number of Risks outside of Appetite Level
<b>RISK APPETITE</b>	<ul style="list-style-type: none"> <li>• Financial Sustainability</li> <li>• Suitability and Safety of Sites</li> <li>• Primary Care</li> <li>• Urgent and Emergency Care</li> <li>• Planned Care</li> <li>• Timely Diagnostics</li> <li>• Community Care Provision</li> <li>• Ophthalmology Services</li> </ul>	Quality (Tolerance <16)	<b>8</b>
		All scores of 20	

A copy of the latest Corporate Risk Report presented to Board in March 2025 is available [here](#). The risks contained within this have been subject to Executive risk owner scrutiny, challenge, and review. Robust assessments of the Health Board’s internal control system were also undertaken, alongside a review of all sources of assurance related to each risk. Work is ongoing to provide enhanced assurance of risks outside of appetite, this will be done by undertaking deep dives of the risks outside of appetite and developing action plans to enhance control and mitigate the likelihood / impact.

**Board Assurance Framework (BAF)**

The Board Assurance Framework (BAF) was approved by the Board in January 2025 ([p325](#)). Eight principal risks are aligned with the Health Board’s five strategic objectives. All principal risks associated with the BAF are aligned with the relevant corporate risks and vice versa. Each identified risk includes plans to approve improve controls. Actions are tracked and presented to the Board.

**Key Board Assurance Framework Risks**

The Board Assurance Framework informs and assures the Board with controls and action plans for identified high-extreme risks that relate to any possibilities of not delivering on the strategic priorities of the Health Board.

**Embedding Effective Risk Management**

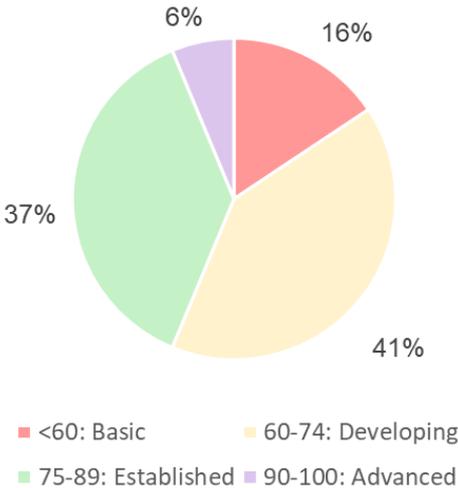
Embedding effective risk management remains a key priority for Betsi Cadwaladr University Health Board as it is integral to enabling the delivery of our objectives, both strategic and operational, and most importantly to the delivery of safe, high-quality services.

In March 2025, Internal Audit undertook a review of Risk Management and Board Assurance arrangements during 2024/25, which focused on how the Risk Management Framework was being implemented and upheld. A ‘reasonable assurance’ rating was given to the Board which as improvement from the 2023/2024 ‘limited assurance’ rating.

The recommendations from the 2024/25 Internal Audit were to focus on strengthening training arrangements and addressing overdue operational risks. Efforts in the coming year will be intensified to ensure full compliance with training requirements.

In July 2024, the Health Board enhanced its governance of risks by establishing a Risk Scrutiny Group. This Group is tasked with closely monitoring and scrutinising corporate risks, as well as providing assurance on the advancement of operational risk governance arrangements. The corporate risk management team produces a governance report outlining the effective risk management arrangements across Divisions, Directorates, and Integrated Health Communities (IHCs), in alignment with the Risk Framework and Risk Management Procedures. Risk management audits evaluate the completeness and accuracy of risk registers, the timeliness of risk reviews and updates, governance and oversight of risk processes, and compliance with risk management training requirements. Out of the 37 audits conducted between August 2024 and March 2025, covering 42 Directorates and Divisions, 6% of audits were classified as ‘Advanced’ in risk management practices, 37% as ‘Established’, 41% as ‘Developing’ and 16% as ‘Basic’. The goal for the Health Board is to ensure all divisions demonstrate ‘Established’ risk management maturity arrangements. Work is ongoing from the

Risk Maturity August 2024-March 2025



Corporate Risk Team to provide support, training and encourage improvement of those that fall below 'Established'.

Furthermore, the corporate risk team launched risk management dashboards in June 2024 for in-depth analysis of current risk management practices, progress, and key performance indicators (KPIs).

## Control Framework

### The Corporate Governance Code

The Corporate Governance Code currently relevant to NHS bodies is 'The corporate governance in central government departments: code of good practice' (published 21<sup>st</sup> April 2017).

The Health Board, like other NHS Wales organisations, is not required to comply with all elements of the Code, however, the main principles of the Code stand as they are relevant to all public sector bodies.

The Corporate Governance code is reflected within key policies and procedures. Further, within our system of internal control, there are a range of mechanisms in place that are designed to monitor our compliance with the Code. These include self-assessment, internal and external Audit, and independent reviews.

The Board complies with the relevant principles of the Code and is conducting its business openly and in line with the Code. There were no departures from the Code as it applies to NHS bodies in Wales.

The Audit Committee received a report on our compliance to the Corporate Governance Code in May 2025.

### Breaches to Standing Orders and Standing Financial Instructions

Breaches are reported at every meeting of the Audit Committee and the types of breaches being reported include:

- Adherence to the rules regarding publication of Board and Committee papers
- Adherence to contract and procurement rules

The Audit Committee noted that there had been 11 breaches to the Standing Orders relating to the late publication of papers. There has been work undertaken during 2024/25 to improve business processes and timeliness of papers. Whilst there has been progress in this area, the quality of papers whilst improving has resulted in some delays during the year. This is an improvement area identified for 2025/26.

The Audit Committee has noted that there have been three reported breaches against the Standing Financial Instructions during 2024/25. As a result of these breaches an internal audit has been commissioned and additional controls put in place as part of the strengthening of the governance arrangements. The Audit Committee will monitor progress against the plans to ensure compliance with the Standing Financial Instructions.

### Quality Governance and Duty of Candour

In Wales, the Health and Social Care (Quality and Engagement) (Wales) Act 2020 provides a consistent definition of quality across Welsh Ministers and NHS Wales bodies, which is; *'continuously, reliably, and sustainably meeting the needs of the population that we serve'*.

The Health and Social Care (Quality and Engagement) (Wales) Act 2020 sets out a duty of quality. The purpose of the **Duty of Quality** is to ensure that Welsh Ministers and NHS bodies

secure improvements in the quality of services they provide. The duty represents the ambition of achieving ever-higher standards of person-centred health services in Wales.

The **Duty of Candour** is a legal requirement for NHS Organisations in Wales to be open and honest with service users receiving care and treatment. This is outlined in the Health and Social Care (Quality and Engagement) (Wales) Act 2020. The Duty of Candour applies if the care we provide has or may have contributed to unexpected or unintended moderate or severe harm, or death.

In further becoming a quality-led organisation committed to implementing the requirements of the Duty of Candour and Duty of Quality, the Health Board has:

- Published its Annual Quality Report
- Actively seeks and receives support from the NHS Executive (Improvement Cymru) and the Welsh Risk Pool.
- Implemented an Integrated Concerns Policy, learning repository and Quality Dashboard

The Health Board continues to demonstrate the progress made against implementing the requirements of the Duty of Candour and Duty of Quality including the embedding of the Care and Quality Standards through the organisation from Board to service area delivery. This includes evidence of how the Board considers the Duty of Quality to inform their decision making and evaluating their compliance with the Duty.

Progress is underway on the implementation of an effective Quality Management System (QMS), benefitting from the help and advice of the Institute of Healthcare Improvement. The QMS is in the process of being tested with some early implementor services, before further roll out across the organisation. Further progress is required and is included within the organisation's [Three-Year Plan 2024-27](#).

The [Audit Wales Structured Assessment 2024- Betsi Cadwaladr University Health Board Report](#) published in December 2024, recognised the Health Boards progress to improve its corporate approach to overseeing the quality and safety of services. The findings include the Health Boards development of new systems which have the potential to improve quality arrangements, and that there is evidence of it making positive progress in responding to complaints in a timely way.

This includes the Quality, Safety, and Experience Committee providing good oversight of the arrangements for ensuring the quality and safety of services, to the Health Board incorporating its quality ambitions within its Annual Plan 2024-25, with a key commitment within the Annual Plan 2024-25 to the design and development of a Quality Management System (QMS). The Health Board welcomes the Auditor General's plans to review the Health Board's quality governance arrangements in more detail in 2025.

### **External Sources of Insight to improve the quality of services**

During 2024, there have been a number of external sources of insight that support the progress being made across the Health Board. Of particular note; the follow up Audit Wales review of Board Effectiveness, Health Inspectorate Wales de-escalation of Vascular and Ysbyty Glan Clwyd Emergency Department and Audit Wales annual Structured Assessment.

These reports support the progress the Health Board has made in areas of Governance and Quality of Care. Whilst there is demonstrable progress in a number of areas, progress against

Performance and Outcomes and Fragile Services domains has not been at the pace required and is the absolute focus of the organisation going forward.

During 2025, the Health Board will work to improve its committee oversight to monitor progress made against recommendations made by non-audit bodies. Audit Wales has recommended that the Health Board should introduce effective committee oversight for monitoring progress made against recommendations of regulators, including, but not limited to, Healthcare Inspectorate Wales, the Coroner, the Welsh Language Commissioner, the Health and Safety Executive, and the Public Services Ombudsman for Wales.

### **Healthcare Inspectorate Wales**

Healthcare Inspectorate Wales (HIW) is the independent inspectorate and regulator of healthcare in Wales who inspect NHS services and regulate independent healthcare providers against a range of standards, policies, guidance and regulations to highlight areas requiring improvement. HIW also monitor the use of the Mental Health Act and review the mental health services to ensure that vulnerable people receive good quality of care in mental health services.

[In August 2024, HIW announced it had de-escalated the emergency department at Ysbyty Glan Clwyd](#) from a service requiring significant improvement, following an unannounced inspection at the department earlier in the year. Inspectors acknowledged improvements had been made since previous inspections, but highlighted further changes were still needed, and people were waiting too long to be treated.

Progress has also been made during 2024/25 to improve our vascular surgery service, resulting in de-escalation from being 'a service requiring significant improvement' by Healthcare Inspectorate Wales in June 2023. Ongoing work is now underway to embed the progress made.

Within the first nine months of special measures the Health Board has commenced action plans to address the configuration and performance of a number of these challenged areas. For the reasons outlined above this work is often complex and in many areas will take longer to complete and then embed. The Health Board wishes to maintain a focus on this by completing the action plans in respective services.

Addressing the challenges that these services are experiencing will lead to more consistent, reliable services, able to better meet the needs of the population of North Wales. More detail on how the Health Board will do this is included in Objective 4 of the [Three-Year Plan 2024-27](#), which is how we will improve quality, outcomes and experience.

The Health Board continues to work closely with colleagues across the health and social care system, the Welsh Government, the national Six Goals programme and the NHS Wales Executive to improve operational delivery of urgent and emergency care services and the safety and experience of patients. However, performance for urgent and emergency care remains a significant challenge.

There are systems and controls in place to ensure HIW inspections and requests for assurance are properly managed. The Health Board continue to utilise the Audit Management and Tracking (AMaT) system to track and monitor requests for assurance and inspections, including evidence against action plans and this has seen a significant improvement in assurance. The Health Board often shares action plan reports from the system directly with HIW to promote transparency.

HIW activity is reported to the Quality, Safety and Experience Committee. The Health Board also continued to mature the Regulatory Assurance Group which provides greater oversight of regulatory issues and improves the learning from inspections across the organisation.

The Health Board has continued its positive working relationship with HIW through monthly engagement meetings with a designated relationship lead and through regular ongoing dialogue.

In order to strengthen the Health Board's internal inspection processes, a Quality Peer Review process was introduced in 2024, which will mature into 2025. The review follows a similar approach to Healthcare Inspectorate Wales' methodology and incorporates the new Health and Care Quality standards which in turn assists with improving the quality of services. The process is intelligence-led and encourages a quality driven approach, using qualitative and quantitative data and information from the Health Boards Quality Dashboard.

During the year, Healthcare Inspectorate Wales undertook 11 inspections of services managed by the Health Board. The table below provides link to each report and agreed action plan.

Location	Inspection Date	Recommendations	Related Actions
<a href="#">Emergency Department, Glan Clwyd Hospital</a>	29 <sup>th</sup> April 2024	27	70
<a href="#">Ionising Radiation (Medical Exposure) Regulations IR(ME)R, Ysbyty Gwynedd</a>	25 <sup>th</sup> June 2024	18	21
<a href="#">Hydref and Gwanwyn Wards, Heddfan Psychiatric Unit</a>	21 <sup>st</sup> October 2024	31	76
<a href="#">Valley Dental, Anglesey</a>	28 <sup>th</sup> October 2024	9	9
<a href="#">My Dentist, Queensferry</a>	1 <sup>st</sup> November 2024	0	0
<a href="#">Emergency Department, Wrexham Maelor Hospital</a>	9 <sup>th</sup> December 2024	15	60
<a href="#">Amlwch Dental Practice</a>	11 <sup>th</sup> December 2024	8	8
<a href="#">Eirlys Dental Practice</a>	8 <sup>th</sup> January 2025	10	10
<a href="#">Kestrel Ward, North Wales Adolescent Service</a>	13 <sup>th</sup> January 2025	28	75
<a href="#">Carreg Fawr, Bryn Y Neudd</a>	29 <sup>th</sup> January 2025	13	35
<a href="#">Radiotherapy Department, North Wales Cancer Treatment Centre</a>	28 <sup>th</sup> January 2025	23	41
<a href="#">Deeside Medical Centre, General Practice</a>	6 <sup>th</sup> February 2025	22	22
<a href="#">Maternity Services, Ysbyty Gwynedd</a>	18 <sup>th</sup> February 2025	20	65

## Health and Safety Executive

### **Health and Safety Executive Prosecution, Hergest Unit**

In May 2022, following the 'notification of contravention' letter related to breaches of the Health and Safety at Work Act, the Health and Safety Executive prosecuted the Health Board for a breach of Section 3.1 of the Health and Safety at Work Act 1974.

The Case was heard at Llandudno Magistrates Court on 18<sup>th</sup> December 2023. The Health Board entered a guilty plea and was found to have committed a criminal offence under the Health and Safety at Work Act 1974. The District Judge sentenced the Health Board to pay a fine of £200,000, as well as prosecution costs of £13,174 and a surcharge of £190.

The Judge identified in mitigation the early guilty plea, the public body status of the Health Board and its financial pressures, the openness in which we engaged with Health and Safety Executive, and the significant improvement work undertaken since the incident, alongside a clear commitment for continued improvement. Nevertheless, the Judge also indicated the fine should be sufficient to serve as both punishment for the offence and an indication to the Health Board of the need to ensure compliance with health and safety legislation.

Prior to the prosecution, the Mental Health and Learning Disability team proactively implemented an extensive action plan. This plan was comprehensive and built upon further improvements to prevent any recurrence of the tragic incident which led to the prosecution.

### **Health and Safety Executive, Notification of Contravention, Patient Falls**

The Health and Safety Executive has actively investigated three patient falls in which patients have subsequently passed away. They are one case in Wrexham Maelor Hospital and two cases in Ysbyty Gwynedd. This follows a Notification of Contravention letter and the issue of an Improvement Notice to the Health Board on 16<sup>th</sup> June 2021.

The failings identified related to:

- Incomplete patient falls risk assessments.
- Lack of monitoring.
- Failure to complete patient post falls review.
- Insufficient patient falls training for persons assessing and managing patient falls.
- Failure to review the falls management plan.

A letter from the Health and Safety Executive was received on 5<sup>th</sup> May 2022. Following these more recent patient falls reported under RIDDOR, the Health Board was required to provide 'a statement of explanation for these falls' for consideration of further enforcement action. Further action followed on 15<sup>th</sup> March 2023; an additional letter was received confirming the Health and Safety Executive 's intention to take further enforcement on this matter. On 26<sup>th</sup> July 2023, a further Notice of Contravention letter in respect of the same issues identified in 2021 requiring actions from the Health Board, which replicated the earlier improvement letter and also asked for information on the criteria used to conduct a falls investigation, including root cause analysis.

The Health and Safety Executive 's required actions in the contravention notice were promptly and fully implemented with an action plan to address all the issues raised. This swift response demonstrates our unwavering commitment to compliance and safety. New measures include:

- A post falls protocol
- A dashboard for the falls risk assessment
- Falls training reviewed together with agency staff
- Falls reviews at Ward Rounds and Safety Briefs/Huddles
- A Multi-Disciplinary Team process to review Falls. This team, comprising representatives from various disciplines, plays a crucial role in our falls review process,

bringing diverse perspectives and expertise to the table and ensuring a comprehensive and holistic approach to patient safety

- A learning panel following every fall, including a root cause analysis

The local quality teams identify daily all patient falls in the previous 24 hours (72 hours following a weekend) to ensure that those patients with moderate harm have had or will have a Make it Safe Rapid Review within 72 hours. During 2023/24 an Internal Audit review reported limited assurance on Falls Management with a number of recommendations that are being progressed. This is a key risk for the Health Board as reported in the Corporate Risk Register, progress in this area is monitored by the Quality, Safety and Experience Committee. All patients who have fallen require a focused review that identifies contributory factors, a multifactorial falls risk assessment, and an after-action review of post-fall management. A clinical executive-led Rapid Learning Panel is convened for the most serious harms to ensure any immediate learning is shared across the Health Board. This panel plays a crucial role in our falls management process, facilitating the identification of root causes and the implementation of preventive measures, thereby contributing to our ongoing efforts to improve patient safety.

### **Health and Safety Executive Notice of Contravention Hand-Arm Vibration (East)**

Following health surveillance for staff at risk from vibration, our occupational health physician diagnosed RIDDOR reportable hand-arm vibration syndrome. Subsequently, the Health and Safety Executive issued a Notice of Contravention on June 15<sup>th</sup>, 2023, regarding a risk assessment requirement for those using vibrating tools in the Estates team. The Risk Assessments to identify those at risk were completed in September 2023, and the Health and Safety Executive indicated that they were satisfied and that there would be no further action, although the Health Board was charged an intervention fee.

- The Estates team engaged an external Noise and Vibration specialist consultant to establish the vibration levels of equipment in use
- The Estates Team have implemented a programme to replace petrol strimmers with a low vibration battery model to reduce the risk of hand-arm vibration
- Risk assessments have been completed, and exposures are recorded daily to ensure that there is no exposure over the daily Exposure Limit Value (ELV)
- The team are supported by the Occupational Health team under the Health Surveillance programme

### **Counter Fraud, Anti-Bribery and Corruption Arrangements**

The Health Board has arrangements in place to ensure compliance with the NHS requirements of the Government Functional Standard 013 Counter Fraud.

Allegations of fraud within the Health Board are investigated by the Local Counter Fraud Specialists.

To ensure impartiality and transparency, allegations of bribery and corruption, or allegations of fraud involving very senior managers within the organisation are not investigated by the Local Counter Fraud Services team, and are forwarded to Counter Fraud Service Wales for investigation.

At an operational level, the Executive Director of Finance has delegated responsibility for the operational management of the Local Counter Fraud Services. The day-to-day management of the Local Counter Fraud Service is undertaken by the Head of Local Counter Fraud Services. The Director of Corporate Governance has a role as the Counter Fraud Champion.

The Audit Committee have monitored the progress of the Annual Counter Fraud Workplan 2023/24 via progress reports from the Head of Local Counter Fraud (and Finance Director: Operational Finance in their absence). The delivery of some items on the workplan has been unsuccessful due to the absence of a Head of Local Counter Fraud for a number of months. However, the Annual Counter Fraud Workplan 2025/26 has been agreed by the Executive Committee and Audit Committee, and includes items which items from the previous workplan which were not achieved in the previous financial year.

Updates are provided to the Executive Director of Finance, via the Head of Local Counter Fraud or Finance Director: Operational Finance, on a regular basis to monitor the delivery of the plan and discuss ongoing and closed investigations as required.

Fraud risk assessments are undertaken annually to assess and identify the Health Board's exposure to fraud risks.

The outcome of the assessment against the corporate risk policy is used to maintain a fraud risk register which strengthens the Health Board's ability to evaluate, mitigate and monitor risks arising from fraud and arrangements are in place to escalate appropriately.

The following arrangements are in place:

- Proactive and reactive measures are taken by the Local Counter Fraud Specialist to deter and identify fraud, as well as encouraging staff to report fraud; conflicts of interests are declared at all Board, Committee and sub-committee meetings.
- A mandatory training programme for Fraud Awareness through e-Learning, which has been well subscribed; and for which from October 2023 compliance has been mandated to be renewed every 3 years.
- The Health Board's processes are aligned to maintain compliance with the current conflicts of interests' policy guidance; which have been reviewed during 2023/24 and a new system has been established by the Health Board to strengthen oversight.
- Operational arrangements are in place to enable timely notification of concerns pertaining to fraud to the Local Counter Fraud Specialist or the Executive Director of Finance, via the Finance Director: Operational Finance. Such concerns are also reported to the Audit Committee for oversight and assurance.
- Internal Audit and the Local Counter Fraud Specialist have liaised in order to discuss high risk areas, as required. In the event that management identify risks relating to fraud these are incorporated onto the risk register, with associated mitigations.
- The Head of the Local Counter Fraud Service meets privately with the Chair of Audit Committee when necessary to allow any relevant matters to be discussed confidentially.

The Audit Committee receives quarterly progress reports and an annual report on the delivery of the Local Counter Fraud Specialist work plan and outcome of investigative reports where appropriate. In addition, the Audit Committee reviews anti-fraud, bribery and corruption Health Board policies and procedures.

The Health Board completes an annual self-assessment of its counter fraud arrangements, in accordance with the UK Cabinet Office Counter Fraud Functional Standard Return (CFFSR), against a number of NHS Requirements of the Government Functional Standard GovS013: Counter Fraud, which are submitted to the counter fraud regulator, the NHS Counter Fraud Authority.

## Planning Arrangements

The Health Board is required to develop an Integrated Medium-Term Plan, financially balanced, under the requirements of the NHS Finance (Wales) Act 2014. The duty requires each Health Board to produce a three-year IMTP that:

- Improves the health of the population
- Improves the provision of health care
- Is financially balanced over a three-year period
- Is approvable by Welsh Ministers

The development of a three-year Integrated Medium-Term Plan aligns with national and Health Board strategies and is a key element within the Special Measures escalation framework.

Where an NHS organisation is unable to deliver a plan that meets the requirements for an approval Integrated Medium Term Plan, an Annual Plan must be developed and agreed to ensure that there is a clear set of delivery objectives supported by finance, workforce and operational plans including both planned and unscheduled care.

In March 2024, the Health Board approved an Annual Plan (for 2024-25) to be submitted to Welsh Government. This was framed within a three-year context with a commitment to delivering an approval three-year Integrated Medium-Term Plan for 2025-2028.

During 2024/25, the Health Board focused on building the foundations to implement a more 'standardised' approach, making the changes needed to place the Health Board and services delivered onto a more 'sustainable' footing for the future.

Key actions within the plan were collated under five strategic objectives:

1. Building an effective organisation
2. Developing strategy and long-lasting change
3. Creating compassionate culture, leadership and engagement
4. Improving quality, outcomes and experience
5. Establishing an effective environment for learning.

The strategic objectives, which continue to be embedded across the organisation, align to the Special Measures de-escalation criteria and as such, the Health Board is increasing the alignment of planning and the response to special measures to allow focus on the areas that are most likely to lead to greatest improvement.

In addition, an Annual Delivery Plan (ADP) was produced for 2024/25 to ensure that progress of the plan was effectively monitored and reported to the Health Board on a quarterly basis. A total of 314 actions were included in the ADP of which circa 80% were completed by the end of quarter 4.

## Escalation and Intervention Level 5 (Special Measures)

On 27 February 2023, the Health Board was escalated to Special Measures prior to this escalation the Health Board had been in Targeted Intervention for: Mental Health (adult and children), strategy, planning and performance, leadership (including governance, transformation and culture), engagement (patients, public, staff and partners), Ysbyty Glan Clwyd ED, Vascular Services, and Ysbyty Glan Clwyd Hospital overall. The escalation highlighted that there was sufficient evidence to indicate that significant and timely improvement was not happening under Targeted Intervention and further escalation was considered necessary and appropriate in these circumstances. A major consideration was concern about the unitary board's effectiveness to develop and implement change and improvement.

Across each of the six domains of the escalation and intervention framework the Health Board is tracking progress against the criteria to de-escalate from level 5 to level 4. Whilst doing so, in order to consider more medium to long term requirements, a forward look against criteria from level 4 to level 3 is also undertaken.

There is a recognition from external sources, including Welsh Government, that the organisation has made good strides over the course of the last two years and has now stabilised. The Health Board has started to put in place the building blocks to become an effective and sustainable organisation for the long term.

The financial context within which the organisation operates is acknowledged as being challenging, however the good progress made in relation to financial controls and management is clear. The positive developments in key corporate governance arrangements are highlighted along with advancements in the last 12 months around Quality Management processes, which has already yielded significant improvements in turnaround times for responding to concerns and begun addressing serious legacy issues.

The focus from Board members and the impact this has made on the organisation is articulated along with specific work led by Board members to actively engage with patients, carers and citizens as part of revised approach that creates a two-way dialogue between the Health Board and the local population.

With regards to ongoing challenges and areas of focus, further urgent improvements are required around performance and outcomes and addressing areas of fragility within clinical services. There is also a need to develop a longer-term strategy and supporting clinical services plan to achieve a sustainable organisation for the long term. In summary, foundational work has been put in place over the last two years which now needs to translate into improved outcomes and experience for patients. The Betsi Cadwaladr University Health Board Intervention Order was revoked on November 2024.

## **Progress over the last year**

### **Building an Effective Organisation**

A significant amount of work has been undertaken to put in place some of the fundamental requirements of an effective organisation. There have been improvements to the governance structures of the organisation and external assessments from Audit Wales have acknowledged the developments made. This has been supported by a Board with strong relationships between Executive and Independent Members, enabling more effective and transparent relationships responsive to constructive challenge.

There is now a more coherent approach to identifying, managing and mitigating key strategic risks, supported by a robust Risk Management framework, alongside integrated frameworks for both Planning and Performance.

This progress is all supported by a re-shaped Corporate Governance directorate which has also seen the risk management function and legal services transfer across into its remit to provide a more cohesive and comprehensive service to the Board and the organisation.

### **Developing strategy and long-lasting change**

There has been demonstrable improvement and evidence of strengthened financial governance. A revised scheme of reservation and delegation and endorsement of Standing Financial Instructions were initial foundational steps along with addressing the issues which led to an unqualified opinion on the annual accounts and represented a significant step forward for the organisation.

Enhanced controls are in place to capture any breaches in procurement requirements, all as part of a wider package of work to implement the recommendations from the Independent Review of Contract Procurement Management. This also saw training rolled out to more than 500 staff members. These improvements in financial governance were also supplemented by identification and delivery of over £48m worth of savings, exceeding the initial target.

The Health Board has also begun to mature its approach to planning, evolving from a one-year plan in 2023/24 to a three-Year approach for the first time from 2024-27, along with an agreed approach to the development of the 10-Year strategy and Clinical Services Plan. An Integrated Planning Framework was approved and implemented, informed by the Independent Review of Planning and enhanced assurance processes have also seen higher rates of achievement within the annual delivery plan.

The organisation has made significant progress towards achieving financial balance and meeting the financial duty, recognising the support from Welsh Government, along with much more robust internal financial controls.

### **Creating compassionate culture, leadership and engagement**

Creating a compassionate culture is vital to the future success and the Board are committed to leading by example with nine commitments of strategic intent and have also endorsed a Values and Behaviours Framework and an Integrated Leadership Development Framework.

The work on values and behaviours has been co-produced with a wide range of staff across the organisation which has since been supplemented by a 100 strong cohort of culture change leaders to drive forward a new cultural approach. The Leadership Framework provides an offering for staff at all levels of the organisation, creating a clear pathway for our people to develop within North Wales, and ensuring long-term succession planning.

The Foundations for the Future programme is well underway, having completed the discovery phase, and is now focusing on design through to delivery. This programme is the cornerstone of the future improvements for the organisation and importantly addresses the limitations of previous changes to the operating model in 2022 which focused solely on structures. This programme now incorporates structures, people, processes and culture to provide a more holistic approach and importantly ensuring a strong connection back to strategy.

### **Improving quality, outcomes and experience**

The Health Board has started to reduce the most extreme waits of five to six years within planned care services with the focus now on the larger number of patients who are facing extended waits greater than two and three years. This is an area of significant focus on a weekly basis by the executive team in order to address productivity issues, whilst also securing additional resource through insourcing and outsourcing. This includes additional capacity to address issues with patient waiting times for cancer services and ensuring patients have more timely access to care.

Adult Mental Health services have continued to perform above the national standard, consistently providing assessment, intervention and treatment plan within 28 days for more than 80% of patients. CAMHS services have also been providing initial assessment within 28 days over 75% of the time, with the focus now extending to deliver these standards for therapeutic assessments as well.

Progress has been made to address issues with a number of the organisation's challenged services, and the Health Board no longer has any services classified as requiring significant improvement by Health Inspectorate Wales (HIW). There does, however, remain a lot of work to do in this area to fully address the range of issues across each of the services. In addition to addressing challenges within the acute sector, future priorities will focus on realising the full potential of primary and community services and building capacity in this area.

## **Establishing an effective environment for learning**

An Organisational Learning Forum has been implemented to oversee the approach to embedding continual learning. A learning repository has been developed, ensuring that when something goes wrong in one area of the organisation that the subsequent learning can be shared widely. This equally applies to when things have gone well and cultivating an environment where the sharing of this success is routinely undertaken. This is also supplemented by the evolution away from traditional information services to one that focuses on intelligence and insight and ensuring we are data led in our learning and that we use a solid evidence base to our decision-making processes.

Key focuses within this approach have been in relation to quality of care and learning from incidents, all aligned to our new approach to Quality Management. Infection prevention learning reviews routinely take place, with the development of improvements plans to address issues and post infection reviews take place for all Healthcare Associated Infections. These have subsequently led to the introduction of campaigns such as HABITs (Hand Hygiene, Aseptic non-touch technique, Bare below elbows, Isolation, Treatment and Standard Precautions) which is being extended to involve patients and the public.

## **Disclosure Statements**

### **Equality, Diversity and Human Rights**

A substantial review of the Health Boards equality objectives and Strategic Equality Plan has been undertaken this year, with our Strategic Equality Objectives for 2024-28. These were published on the 27th March 2024.

The equality and human rights policy framework is in place, supported by a programme of training to raise awareness and build capacity in regards to the Public Sector Equality Duty and to support staff in delivering their responsibilities. The committee structure has been reviewed and accountability and communication strengthened.

Our commitment to equality is reflected in a number of other ways:

- The Board has an annual equality development session to ensure all Board members are aware of their duty to have 'due regard' to the Public Sector Equality Duty.
- The Board has set out its commitment to promote equality and human rights across the Health Board.
- The Annual Plan demonstrates how the Health Board meets the duties associated with equality and human rights, as well as the arrangements for equality impact assessments.
- Opportunities have been identified to build delivery of the Strategic Equality Plan into planning and service delivery mechanisms and the system for improvement.
- The Workforce Strategy and policy development is informed by workforce equality information and equality impact assessments.
- Equality and Human Rights Training is mandatory for all staff.
- A programme of equality impact assessment training is facilitated alongside coaching support and guidance. Scrutiny of equality impact assessments was strengthened this year.
- Risks associated with compliance have been identified and included in the Corporate Risk Register.
- The Equality and Human Rights Strategic Forum monitors compliance against the Strategic Equality Plan.
- Progress is presented to the external Equality Stakeholder Reference Group. This group includes representation from members of the public with an interest in equality issues, including Llais.
- The Equality and Human Rights Annual Report is submitted to the Board via the People and Culture Committee governance route; published and accessible to the public.

Further information is provided in the Remuneration Report.

### **The NHS Pension Scheme and Payroll Arrangements**

As an employer with staff entitled to membership of the NHS Pension Scheme, the Health Board has control measures in place to ensure we comply with all employer obligations of the Scheme regulations. This includes ensuring that deductions from salary, employer's contributions and payments into the Scheme are in accordance with the Scheme rules, and that member pension scheme records are accurately updated in accordance with the timescales detailed in the Regulations.

These systems and processes are subject to regular audit and review by Audit Wales as part of the annual audit of the financial statements, and internal audit of the payroll systems.

As a significant employer, the Health Board also has controls that ensure it deals with deduction of employee taxes and payment of employer taxes correctly. In addition, we have controls in place to ensure we manage significant other taxes correctly (e.g., VAT). HMRC have assessed the Health Board with a business risk rating of low based on their assessment and our track record. This was reported to the Audit Committee.

### **Carbon Reduction Delivery Plans**

The Health Board has developed a Decarbonisation Action Plan for short and medium term actions, which will deliver a major boost in our objective of achieving Net Zero Carbon Emissions by 2030. The Action Plan was approved by the Health Board in September 2022 and includes delivering a series of energy efficiency improvements and renewable electricity generation across the estate. These programmes combine both energy efficiency measures such as insulation, high efficiency lighting and Building Management Systems as well as the generation of electrical energy through schemes such as photovoltaic panels (solar electricity). In addition, the Health Board is looking to embed sustainable services considering the carbon impact of changes, the development of climate-resilient facilities but also the efficient and effective use of estate and the strategic reduction in the space held. The Health Board receives support throughout the process from Local Government Partnership and the Welsh Government Energy Service.

Acknowledging the work to do, the Health Board recruited a Director of Environment and Estates early 2025 with sustainability included within that portfolio and will be implementing further actions during 2025/2026.

As part of the Decarbonisation Action Plan, a risk register has been developed to identify risks associated with delivering the programme.

In January 2024, the Health Board initiated a procurement process through the Re:fit framework to support developing a number of Energy Conservation Measures to align with the Decarbonisation Action Plan. The initial High Level Assessment of viable proposals was published in March 2025 to progress and included works to the value of c. £7.1m to save a total of over the lifetime of the measures of over 14,650 tonnes of CO<sub>2</sub>. These proposals are now being developed further for implementation subject to grant funding.

Separately and funded through the Welsh Government, the Health Board are currently developing a proposal for a solar farm on one acute site. The facility has the potential to deliver 15.6% of the peak energy demand of the site with an anticipated completion early 2027.

The Health Board is unable to confirm compliance with the following statement: "The organisation has undertaken risk assessment and Carbon Reduction Delivery Plans are in place in accordance with emergency preparedness and civil contingency requirements as based on UKCIP 2009 weather projections to ensure that the organisation's obligation under the Climate Change Act and the Adaptation Reporting requirements are complied with.

As work on a climate adaptation toolkit continues through the Public Services Board the Health Board to undertake climate risk assessments using weather projection scenarios. The Health Board will then revisit these reporting requirements when appropriate and are able to comply.

### **Data Quality Assurance**

The Health Board is seeking to continually improve its data quality arrangements to enhance the quality and accuracy of key information.

The lack of a single electronic patient record and reliance on fragmented systems poses the challenge of poor data quality and duplicate records of patients (within and across systems). Since moving to a single instance of the Welsh Patient Administration System (WPAS) in June 2023, we have been working to standardise practices and improve data collection and quality across the health board. A number of standard operating procedures have been developed following the review of processes however, variation in practice and service models between sites and specialties make this challenging. Data Quality operational groups have been established across our West, Central and East regions. These provide the opportunity to discuss issues of concern, priorities actions, identify best practice and monitor progress of improvement initiatives. Targeted training is provided where there are recurrent data quality errors or points of concern and principles of data quality and best practice are built into (WPAS) system training.

The Health Board completed a proof-of-concept using Robotic Process Automation that will help us to automate the correction of some of the backlog of simple data quality errors. This is a useful tool for addressing large volume, low risk errors but cannot replace good practice and appropriate use of WPAS.

The reported position referred to below relates to the national target of clinical coding completeness within one month of discharge. The clinical coding department due to numerous constraints has been unable to deliver that target for some time and has been working to clear a backlog of clinical coding to a locally agreed target of 75%. Our approach in addressing the backlog is to code the oldest records first and so coding completion of recent activity appears to be low. We are on course to achieve 75% completeness for 2024/25's activity by the end of quarter 1 and in quarter 2 having removed the backlog will work towards delivery the 95% target with a month later in 2025/26.

### **Ministerial Directions and Welsh Health Circulars**

The Welsh Government has issued a number of Non-Statutory Instruments during 2023/24. Details of these and a record of any Ministerial Direction given is available on the following link: <https://www.gov.wales/publications>.

Welsh Health Circulars (WHCs) are published by the Welsh Government to provide a streamlined, transparent and traceable method of communication between NHS Wales and NHS organisations. These Circulars relate to different areas such as policy, performance and delivery, planning, legislation, workforce, finance, quality and safety, governance, information technology, science, research, public health and letters to health professionals. Details of WHCs is available on the following link: <https://www.gov.wales/health-circulars>

Following receipt, these are assigned to a lead director who is responsible for the implementation of required actions. The board has designated oversight of this process to board level committees, with end-of-year reports to be provided to the Audit Committee.

### **Emergency Preparedness Resilience Response (EPRR)**

NHS organisations must ensure that they have in place emergency response plans and business continuity arrangements that take full account of their statutory duties under the Civil Contingencies Act 2004 and NHS Wales Emergency Planning Core Guidance 2015.

Health Boards and Trusts, Digital Health and Care Wales and NHS Wales Shared Services Partnership are required to submit an EPRR Annual Report setting out broadly their level of compliance in meeting the requirements of the above legislation and guidance.

The EPRR activities of the past twelve months have focused upon maintaining the EPRR function whilst the Health Board’s permanent Resilience Team has been established, including the adaptation and maintenance of existing plans and arrangements to ensure the Health Board and associated health care organisations can plan and respond to local emergencies (major incidents) appropriately. This capability has been tested on several occasions over the reporting period (as referenced in the incidents section of this report), protecting both patients in North Wales health economy and ensuring that critical Health Board services can continue with as little disruption as possible. It is important to acknowledge that the Health Board’s EPRR activity is continually adaptive and improving based on dynamic learning and action. The hard work and flexibility of NHS staff responding to incidents is widely recognised. The Health Board’s EPRR Annual Report details the team’s 2024/25 and 2025/26 workstreams and priorities; its close working with multi-agency partners; participation in training and exercises; and the Health Board’s response to ‘live’ incidents and events. Within this annual report where gaps in resilience have been identified, the key actions and milestones have been incorporated in to the annual work plan.

**Review of Effectiveness**

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the system of internal control is informed by the work of the internal auditors, and the executive officers within the organisation who have responsibility for the development and maintenance of the internal control framework, and comments made by external auditors in their audit letter and other reports.

**Internal Audit**

Internal Audit provide me as Accountable Officer and the Board through the Audit Committee with a flow of assurance on the system of internal control. I have commissioned a programme of audit work which has been delivered in accordance with public sector internal audit standards by the NHS Wales Shared Services Partnership. The scope of this work is agreed with the Audit Committee and is focussed on significant risk areas and local improvement priorities.

The overall opinion by the Head of Internal Audit on governance, risk management and control is a function of this risk-based audit programme and contributes to the picture of assurance available to the Board in reviewing effectiveness and supporting our drive for continuous improvement.

**The Head of Internal Audit has concluded:**

The purpose of the annual Head of Internal Audit opinion is to contribute to the assurances available to the Chief Executive as Accountable Officer and the Board which underpin the Board’s own assessment of the effectiveness of the system of internal control. The approved Internal Audit plan is focused on risk and therefore the Board will need to integrate these results with other sources of assurance when making a rounded assessment of control for the purposes of the Annual Governance Statement.

The overall opinion for 2024/25 is:

<p>Limited assurance</p>		<p>The Board can take limited assurance that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. More significant matters require management attention. <b>Moderate impact</b> on residual risk exposure until resolved.</p>
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In relation to Delivery of the Audit Plan, the plan has been delivered substantially in accordance with the agreed schedule and changes required during the year, as approved by the Audit Committee (the 'Committee'). In addition, regular audit progress reports have been submitted to the Committee. Although changes have been made to the plan during the year, we can confirm that we have undertaken sufficient audit work during the year to be able to give an overall opinion in line with the requirements of the Public Sector Internal Audit Standards. The Internal Audit Plan for 2024/25 year, was presented to the Committee in March and November 2024 (two six-month plans). Changes to the plan have been made during the year and these changes have been reported to the Audit Committee as part of our regular progress reporting.

There are, as in previous years, audits undertaken at NHS Wales Shared Services Partnership (NWSSP), Digital Health & Care Wales (DHCW) and the new NHS Wales Joint Commissioning Committee (JCC) that support the overall opinion for NHS Wales health bodies.

While summarising Audit Assignments, in some cases, audit work from previous years may also be included and where this is the case, details are given. This report also references assurances received through the internal audit of control systems operated by other NHS Wales organisations.

The audit coverage in the plan agreed with management has been deliberately focused on key strategic and operational risk areas; the outcome of these audit reviews may therefore highlight control weaknesses that impact on the overall assurance opinion.

Overall, Internal Audit can provide the following assurances to the Board that arrangements to secure governance, risk management and internal control are suitably designed and applied effectively in the substantial and reasonable areas in the table below.

Where Limited or Unsatisfactory Assurance has been given, management are aware of the specific issues identified and have agreed action plans to improve control in these areas.

**Table 1 - Summary of Audits 2024/25**

Substantial Assurance	-
Reasonable Assurance	<ul style="list-style-type: none"> <li>Special Measures</li> <li>Transformation &amp; Improvement</li> <li>Charitable Funds (Deferred from 2023/24)</li> <li>Value Based Healthcare</li> <li>Discretionary Capital Funding Allocation (previously Capital Business Cases)</li> <li>Intelligence led organisation</li> <li>Network and Disaster Recovery</li> <li>Recruitment of substantive and interim executive and senior posts (Deferred from 2023/24)</li> <li>Establishment Control and Recruitment</li> <li>Board Assurance Framework &amp; Risk Management</li> <li>Standing Financial Instructions – Procurement</li> </ul>

	Corporate Legislative Compliance: Health and Social Care (Quality and Engagement) (Wales) Act 2020 - Duty of Quality (Draft) Budgetary Control & Financial reporting (Draft) Grievance Management (Draft) Waste Management (Draft)
Limited Assurance	Corporate Legislative Compliance: Fire Safety Clinical Audit Waiting List Initiative – IHC Centre Performance Management Framework & Reporting (Draft) Partnerships, Engagement and Communications Effective Governance: Cancer Services (Draft) Effective Governance: Integrated Health Community – East (Draft)
Unsatisfactory	Consultant Job Planning Integrated Assurance and Approval Plans (IAAP): Orthopaedic Surgical Hub Llandudno Hospital (Draft)
Advisory/Non-Opinion	Follow-Up of Internal Audit recommendations Follow-up: Standards of Business Conduct - Declarations of interest, gifts, and hospitality Follow-up: Contracted Patient Services: Quality and Safety arrangements - Follow up (Deferred from 2023/24) Job Evaluation

The overall opinion has also considered both the number and significance of any audits that have been deferred during the year and other information obtained during the year that we deem to be relevant to our work.

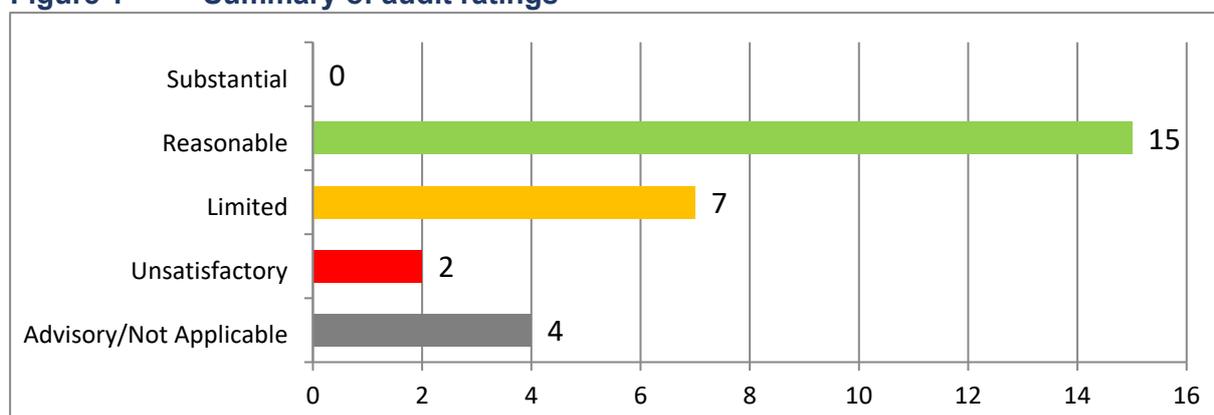
The Internal Audit Plan has been delivered substantially in accordance with the schedule agreed with the Audit Committee, subject to changes agreed as the year progressed. Regular audit progress reports have been submitted to the Audit Committee during the year. Audits that remain to be reported, but are reflected within this Annual Report, will be reported alongside audits from the 2024/25 operational audit plan.

The audit plan approved by the Committee in March and November 2024 (two six-month plans) contained thirty (31) planned reviews. Changes have been made to the plan with one (1) audit added and five (5) deferred/cancelled. All these changes have been reported to, and approved by, the Audit Committee.

### Overall summary of results

In total, 28 audit reviews were reported during the year. Figure 1 below presents the assurance ratings, and the number of audits derived for each.

**Figure 1 Summary of audit ratings**



In addition to the above, there were several audits which did not proceed following preliminary planning and agreement with management. In some cases, it was recognised that there was action required to address issues and/or risks already known to management and an audit review at that time would not add additional value. These audits are documented in section 5.7.

The following sections provide a summary of the scope and objective for each assignment undertaken within the year along with the assurance rating.

**Reasonable Assurance (Light Green)**



In the following review areas, the Board can take **reasonable assurance** that arrangements to secure governance, risk management and internal control are suitably designed and applied effectively. Some matters require management attention in either control design or operational compliance and these will have low to moderate impact on residual risk exposure until resolved.

Review Title	Objective
Special Measures	To review progress and delivery against the five stated Outcomes and, where relevant, corroborate whether the actions have resulted in improvement. We have reviewed the work undertaken by the Programme Management Office and relevant divisions / directorates / services across the Health Board.
Transformation & Improvement	To review how the Transformation and Improvement Team have delivered on its purpose "...to support and enable the organisation to transform and improve itself."
Charitable Funds (Deferred from 2023/24)	To review whether there are robust processes and controls in place within the Health Board to support the management and administration of BCU Charitable Funds.
Value Based Healthcare	To review the outcomes related to the Health Board investment of £3.1m in 2023/24 in Value Based Healthcare, including the Value Based Care Function, as detailed in the Financial Plan approved by the Board.
Discretionary Capital Funding Allocation (previously Capital Business Cases)	To assess the risk-based approach and scrutiny applied to the allocation of discretionary funds, and in addition where there is slippage or new funding, how this has been managed.
Intelligence led organisation	To review the capabilities in place, from a people, process, and technology perspectives, for the Health Board to manage and transform its data to deliver the appropriate and accurate intelligence to inform better decisions.
Network and Disaster Recovery	To review the Health Boards processes for managing the IT Infrastructure and network, to ensure the appropriate enactment of resilience and fault domains

Review Title	Objective
	to prevent disruption to services, and to ensure that disaster recovery plans enable rapid and focused recovery from disruptions.
Recruitment of substantive and interim executive and senior posts (Deferred from 2023/24)	To assess implementation of both the management actions agreed to because of the limited assurance review in 2022/23 and the independent report commissioned under special measures.
Establishment Control and Recruitment	To review the Establishment Control process and whether the Health Board is complying with Standing Financial Instruction 14.2 Funded Establishment. We have not reviewed the system and processes relating to recruitment as this will be subject to a separate review.
Board Assurance Framework & Risk Management	To review the efficacy of the Health Board's Risk Management and Board Assurance processes.
Standing Financial Instructions – Procurement	To review progress and delivery of the twenty-four actions identified in the Independent Review of Betsi Cadwaladr University Health Board Contract Procurement Management issued on 29 January 2024.
Corporate Legislative Compliance: Health and Social Care (Quality and Engagement) (Wales) Act 2020 - Duty of Quality (Draft)	To provide assurance that the Health Board is implementing the requirements of the Duty of Quality (the Duty), which came into force on 1 April 2023. The Duty aims to improve the quality of healthcare services and the health outcomes for people in Wales.
Budgetary Control (Draft)	To review whether the Health Board has effective controls in place to manage its financial budgets, including delegation and information available to budget holders.
Grievance Management (Draft)	To provide assurance on the effectiveness and efficiency of the process to manage grievance cases within the Health Board.
Waste Management (Draft)	To review the Health Board's compliance with WHTM 07-01 Welsh Health Technical Memorandum Safe management of healthcare waste and ascertain how it is preparing for implementation of the Waste Separation Requirements (Wales) Regulations 2023 in April 2026.

### Limited Assurance (Amber)



In the following review areas, the Board can take only **limited assurance** that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. More significant matters require management attention with moderate impact on residual risk exposure until resolved.

Review Title	Objective
Corporate Legislative Compliance: Fire Safety	To assess compliance with the requirements of Welsh Health Technical Memorandum (WHTM) 05-01 'Firecode – Managing healthcare fire safety', which provides practical guidance in the application of statutory regulation in healthcare premises.
Clinical Audit	To review operational compliance with Health Board Policy for Clinical Audit, review and sharing of audit findings and delivery of National (Tier 1), Organisational Priority (Tier 2) and Local (Tier 3) clinical audits.
Waiting List Initiative – IHC Centre	To review arrangements in the Integrated Health Community (IHC) Centre for identifying, agreeing, and approving Waiting List Initiative (WLIs) payments.
Performance Management Framework & Reporting (Draft)	To review the implementation of, and confirm that, the Integrated Performance Framework (IPF) 2023-25 is operating as expected.
Partnerships, Engagement and Communications	To review progress made by the Health Board in implementing its Strategy for 2022-2025 along with review of actions emanating from Special Measures and internally commissioned reviews that focus on stakeholder engagement.
Effective Governance: Cancer Services (Draft)	To review the effectiveness of the governance arrangements within Cancer Services.
Effective Governance: IHC East (Draft)	To review the effectiveness of the governance arrangements within IHC East.

### Unsatisfactory assurance (Red)



In the following areas, the Board has **unsatisfactory assurance** that arrangements to secure governance, risk management and internal control are suitably designed and applied effectively, or where action remains to be taken to address the whole control framework with high impact on residual risk exposure until resolved.

Review Title	Objective
Consultant Job Planning	To review arrangements across the health board for management of the systems and controls in place for consultant job planning.
Integrated Assurance and Approval Plans (IAAP) - Orthopaedic Surgical Hub Llandudno Hospital (Draft)	To evaluate the progression and delivery of the project against the key business case objectives and to assess the adequacy of the systems and controls in place to support the successful delivery of the project.

### Advisory/Assurance Not Applied (Grey)



The following reviews were undertaken as part of the audit plan and reported without the standard assurance rating indicator, owing to the nature of the audit approach. The level of assurance given for these reviews are deemed not applicable – these are reviews and other assistance to management, provided as part of the audit plan, to which the assurance definitions are not appropriate, but which are relevant to the evidence base upon which the overall opinion is formed.

Review Title	Objective
Follow-Up of Internal Audit recommendations	To provide the Health Board with assurance concerning Executive approved implementation of agreed management actions.
Follow-up: Standards of Business Conduct - Declarations of interest, gifts, and hospitality	To provide the Health Board with assurance regarding the implementation of the agreed management actions from the Standards of Business Conduct (BCU-2324-21) review that was reported as part of our 2023/24 work programme.
Follow-up: Contracted Patient Services: Quality and Safety arrangements - Follow up (Deferred from 2023/24)	To review implementation that the agreed management action has been applied to address risks identified and reported in the 2022/23 Contracted Patient Services: Quality and Safety Arrangements (BCU-2223-19) audit report which concluded unsatisfactory (no) assurance.
Job Evaluation	To assess how effectively the requirements of the NHS Job Evaluation Handbook are being applied by the Health Board.

**Audits not undertaken**

Additionally, the following audits were deferred for the reasons outlined below. These have been considered and the reason for their deferment when compiling the Head of Internal Audit Opinion.

Review Title	Reason for deferment
People & OD Strategy: Operational implementation (Deferred from 2022/23 & 2023/24)	On 11 April 2024, the People and Culture Committee received the Audit Wales report <i>Review of Workforce Planning Arrangements – Betsi Cadwaladr University Health Board</i> with recommendations made that cut across several of our identified objectives – Management response has recorded latest implementation by March 2025.
Civil Contingencies Act	There have been delays in obtaining evidence for the review. Following escalation to the Director of Corporate Governance, we met with the recently appointed Head of Emergency Preparedness, Planning and Response. We are advised there is limited recent evidence available to meet the objectives of the review. We considered little merit in undertaking the review at this time. This is a significant risk area for the Health Board as a Category One Responder, but also for its own service continuity, that will require some additional assurance through to the Executive on progress.

Review Title	Reason for deferment
Quality Governance: Concerns and Complaints	<p>The Health Board has recently approved the Integrated Concerns Policy, which supersedes current process. Noting the implementation plan presented at the Health Board implies all expected actions will have been completed, we note that operationally there will need to be a lead time for the policy and associated governance arrangements to bed-down and do not believe there is merit in auditing the current process.</p> <p>Deferral to Quarter 1 2025/26 will allow eight months for the policy and standard operating procedures to bed down and provided us with meaningful evidence whether the policy and procedures are operating effectively, as well as confirming the changes have made the stated improvements.</p>
Contracted Patient Services: Quality and Safety arrangements - Follow up (Deferred from 2023/24)	<p>Management advised that little progress had been made on implementing the agreed actions. The Audit Committee agreed deferment from the April to September 2024 plan but required the follow-up to be undertaken before the end of the financial year – The review was added to the plan for October 2024 to March 2025.</p>
Integrated Assurance and Approval Plans (IAAP) Wrexham Maelor Business Continuity	<p>Through discussions with our Specialist Services Unit who undertake reviews on the all-Wales funded capital schemes, through IAAP provision in the business case, they have advised that through the current plans to address the backlog at the hospital, funding is being allocated on a risk basis and therefore is not being progressed under an IAAP. Should assurance on the progress at the Wrexham Maelor be required, this will need to be charged directly to the Health Board.</p>

## Audit Wales Structured Assessment

The Audit Wales Structured Assessment is a process that looks at whether we have made proper arrangements to secure economy, efficiency, and effectiveness in our use of resources. The report was received at the Audit Committee on 16 January 2025, and the Health Board on [27 March 2025](#)

The Structured Assessment 2024 focused on our corporate arrangements for ensuring that resources are used efficiently, effectively, and economically. The overall assessment concluded that *'since last year's structured assessment and our follow up work on board effectiveness, there have been positive developments in some of the Health Board's key corporate governance arrangements and progress in recruiting to some business-critical senior roles. However, there remains much to do especially in respect of establishing a stable, cohesive and high performing Executive Team, developing a longer-term strategy and supporting Clinical Services Plan, and ensuring the Health Board's organisational structure and operating model is fit for purpose.'*

The key focus of the work has been on the Health Board's corporate arrangements for ensuring that resources are used efficiently, effectively and economically. Key messages in this regard from the Audit Wales Structured Assessment include:

**Does the Health Board's Board conduct its business appropriately, effectively, and transparently?** Audit Wales found that there is now a full cadre of substantive independent members on the Board and that board and committee meetings are conducted appropriately and transparently. However, ongoing instability within the Executive Team, gaps in wider senior leadership structures, and ongoing challenges with the operating model are compromising the Health Board's ability to tackle the significant challenges it faces.

**Does the Health Board have a sound corporate approach to managing risks, performance, and the quality and safety of services?** Audit Wales found that whilst the Health Board is making reasonable progress in strengthening its systems of assurance, there is more to do in relation to the Board Assurance Framework and ensuring systems of assurance are fully owned and utilised to drive improvements across the organisation.

**Does the Health Board have a sound corporate approach to producing strategies and corporate plans and overseeing their delivery?** Audit Wales found that the Health Board is planning to develop sustainable long-term organisational and clinical plans; however, to support this work, it will need to strengthen its approach to planning and ensure that plans are achievable.

**Does the Health Board have a sound corporate approach to managing its financial resources?** Audit Wales found that whilst there are improvements in the Health Board's approach to financial management and delivery of savings, significant challenges remain in terms of spending within budget. The Health Board was not able to meet its statutory financial duties for 2023-24 despite significant financial assistance from Welsh Government. Whilst the Health Board is predicting it will achieve its financial targets for 2024-25, this will be challenging and is also reliant on an element of one-off savings.

## Conclusion

As Accountable Officer for Betsi Cadwaladr University Health Board, based on the assurance process outlined above, I have reviewed the relevant evidence and assurances in respect of internal control. I can confirm that the Board and its Executive Directors are alert to their accountabilities in respect of internal control and the Board has had in place during the year a system of providing assurance aligned to corporate objectives to assist with identification and management of risk. I note that, as a result of our internal control arrangements, Betsi Cadwaladr University Health Board continues to be on 'Special Measures' monitoring as part of NHS Wales Escalation and Intervention arrangements.

During 2024/25, the Health Board proactively identified areas requiring improvement alongside those identified in the Special Measures framework and requested that Internal Audit undertake detailed assessments in order to manage and mitigate associated risks. Further work will be undertaken in 2025/26 to ensure implementation of recommendations arising from audit reviews, in particular where a limited assurance rating is applied. Work will also continue in 2025/26 to embed risk management and the assurance framework at a corporate and operational level. Implementation of the Board's Annual Governance Priorities, set out within the IMTP 2025-28, will see a further strengthening of the Board's effectiveness and the system of internal control in 2025/26.

This Annual Governance Statement confirms that Betsi Cadwaladr University Health Board has continued to mature as an organisation and, whilst there are areas for strengthening, no significant internal control or governance issues have been identified. The Board and the Executive Team has had in place a sound and effective system of internal control that provides regular assurance aligned to the organisation's strategic objectives and strategic risks. Together with the Board, I will continue to drive improvements and will seek to provide assurance for our citizens and stakeholders that the services we provide are efficient, effective and appropriate, and are designed to meet patient needs and expectations.

It is widely known that the demands on the health and care system remain significantly pressured, increasing health inequalities, and sustained economic and cost of living challenges. The Health Board will therefore need to continually reflect and respond to the demands and challenges it faces in 2025/26 and beyond. I will ensure our Governance Framework considers and responds to this need.

.....  
**Carol Shillabeer, Chief Executive**

**Date xxxx**

## Appendix 1 - Board and Committee Membership 2024-25

Name	Position	Board Committee membership
Dyfed Edwards	Chair	<ul style="list-style-type: none"> <li>• Board Chair</li> <li>• Chair Remuneration Committee</li> </ul>
Carol Shillabeer	Chief Executive	<ul style="list-style-type: none"> <li>• Board Member</li> <li>• In attendance Remuneration Committee</li> <li>• Member Local Partnership Forum</li> <li>• Lead Director People and Culture Committee</li> </ul>
Dr Sreeman Andole	Interim Executive Medical Director	<ul style="list-style-type: none"> <li>• Board Member (from 01.12.25)</li> <li>• In attendance Quality, Safety and Experience Committee</li> <li>• In attendance Audit Committee</li> </ul>
Karen Balmer	Independent Member	<ul style="list-style-type: none"> <li>• Board Member</li> <li>• Audit Committee – Chair</li> <li>• Charitable Funds Committee</li> <li>• Remuneration Committee</li> <li>• People and Culture Committee</li> </ul>
Clare Budden	Independent Member	<ul style="list-style-type: none"> <li>• Board Member</li> <li>• Chair Planning, Population Health &amp; Partnership Committee</li> <li>• Member Remuneration Committee</li> <li>• Member People &amp; Culture Committee</li> </ul>
Russell Caldicott	Interim Executive Director of Finance	<ul style="list-style-type: none"> <li>• Board Member (until 31.03.25)</li> <li>• Role as Interim Executive Director of Finance came to an end at 31.03.25 and commenced as Executive Director of Finance on 01.04.25</li> <li>• In attendance Audit Committee</li> <li>• Lead Director Charitable Funds Committee</li> <li>• Lead Director Performance, Finance and Information Governance Committee</li> <li>• Member Local Partnership Forum</li> </ul>
Imran Devji	Interim Chief Operating Officer	<ul style="list-style-type: none"> <li>• Board Member (02.09.24 to 31.03.25)</li> <li>• In attendance Quality, Safety and Experience Committee</li> </ul>
Gareth Evans	Acting Executive Director Therapies & Health Sciences	<ul style="list-style-type: none"> <li>• Board Member (until 31.03.24)</li> <li>• Lead Director Healthcare Professionals Forum</li> <li>• In attendance Quality, Safety and Experience Committee</li> </ul>
Urtha Felda	Independent Member	<ul style="list-style-type: none"> <li>• Board Member</li> <li>• Member Remuneration Committee</li> <li>• Member Audit Committee</li> <li>• Quality Safety and Experience</li> </ul>
Christopher Lothian-Field	Independent Member	<ul style="list-style-type: none"> <li>• Board Member</li> <li>• Member Remuneration Committee</li> <li>• Member Performance, Finance and Information Governance Committee</li> <li>• Member Quality, Safety and Experience Committee</li> <li>• Member of Charitable Funds Committee</li> </ul>

<b>Name</b>	<b>Position</b>	<b>Board Committee membership</b>
Dyfed Jones	Independent Member	<ul style="list-style-type: none"> <li>• Board Member</li> <li>• Chair People &amp; Culture Committee</li> <li>• Chair Charitable Funds Committee</li> <li>• Member Remuneration Committee</li> <li>• Member Audit Committee</li> </ul>
Professor Mike Larvin Dean of Medicine	Independent Member	<ul style="list-style-type: none"> <li>• Board Member</li> <li>• Member Quality, Safety and Experience Committee</li> <li>• Member Remuneration Committee</li> </ul>
Dr Nick Lyons	Executive Medical Director	<ul style="list-style-type: none"> <li>• Board Member (Up to 14.11.24)</li> <li>• Deputy Chief Executive</li> <li>• In attendance Quality, Safety and Experience Committee</li> <li>• Member Charitable Funds Committee</li> <li>• In attendance Planning, Population Health &amp; Partnership Committee</li> </ul>
Dr Jane Moore	Executive Director of Public Health	<ul style="list-style-type: none"> <li>• Board Member</li> <li>• In attendance Quality, Safety and Experience Committee</li> <li>• In attendance Planning, Population Health &amp; Partnership Committee</li> </ul>
William Nichols Trade	Independent Member	<ul style="list-style-type: none"> <li>• Board Member</li> <li>• Member Remuneration Committee</li> <li>• Member Local Partnership Forum</li> <li>• Member People &amp; Culture Committee</li> <li>• Member Planning, Population Health &amp; Partnerships Committee</li> </ul>
Teresa Owen	Executive Director of Allied Health Professionals and Health Science	<ul style="list-style-type: none"> <li>• Board Member (From 01.08.24)</li> <li>• Lead Director Mental Health and Capacity Compliance Committee</li> <li>• In attendance Quality, Safety and Experience Committee</li> <li>• In attendance Partnerships, People and Population Health Committee</li> <li>• In attendance People and Culture</li> </ul>
Mike Parry	*Associate Board Member	<ul style="list-style-type: none"> <li>• Associate Board Member</li> <li>• Chair of Stakeholder Reference Group</li> </ul>
Fôn Roberts	*Associate Board Member	<ul style="list-style-type: none"> <li>• Associate Board Member</li> </ul>
Dr Chris Stockport	Executive Director of Transformation, Strategic Planning and Commissioning	<ul style="list-style-type: none"> <li>• Board Member (until 28.02.25)</li> <li>• In attendance, Quality, Safety and Experience Committee</li> <li>• Lead Director Planning, Population Health &amp; Partnership Committee</li> <li>• In attendance Performance, Finance and Information Governance Committee</li> </ul>

Name	Position	Board Committee membership
Paolo Tardivel	Interim Executive Director of Transformation, and Strategic Planning	<ul style="list-style-type: none"> <li>• Board Member (from 01.03.25)</li> <li>• In attendance, Quality, Safety and Experience Committee</li> <li>• Lead Director Planning, Population Health &amp; Partnership Committee</li> <li>• In attendance Performance, Finance and Information Governance Committee</li> </ul>
Dr Caroline Turner	Independent Member	<ul style="list-style-type: none"> <li>• Board Member</li> <li>• Member Remuneration Committee</li> <li>• Chair Quality, Safety and Experience Committee</li> <li>• Member Planning, Population Health &amp; Partnership Committee</li> </ul>
Rhian Watcyn Jones	Independent Member	<ul style="list-style-type: none"> <li>• Board Member</li> <li>• Member Audit Committee</li> <li>• Member Remuneration Committee</li> <li>• Member Performance, Finance and Information Governance Committee</li> <li>• Member Mental Health Legislation Committee</li> </ul>
Gareth Williams	Vice Chair	<ul style="list-style-type: none"> <li>• Board Member</li> <li>• Vice Chair</li> <li>• Performance, Finance &amp; Information Governance Committee – Chair</li> <li>• Mental Health Legislation Committee Member - Chair</li> <li>• Remuneration Committee Member</li> <li>• Planning, Population Health and Partnerships Committee Member</li> </ul>
Jane Wild	*Associate Board Member	<ul style="list-style-type: none"> <li>• Associate Board Member</li> </ul>
Angela Wood	Executive Director Nursing and Midwifery	<ul style="list-style-type: none"> <li>• Board Member</li> <li>• Lead Director Quality, Safety and Experience Committee</li> <li>• Member Local Partnership Forum</li> <li>• In attendance Performance, Finance and Information Governance Committee</li> <li>• In attendance Planning, Population Health &amp; Partnership Committee</li> </ul>

**NB** Positions marked as \* are not formal members of the Board for voting purposes  
A number of Board Members have been appointed as Board Champions in addition to their Independent Member role

## Appendix 2 - Meetings of the Health Board and Committees held in public 2024-25

Meeting	April 2024	May 2024	June 2024	July 2024	Aug 2024	Sept 2024	Oct 2024	Nov 2024	Dec 2024	Jan 2025	Feb 2025	March 2025
<b>Health Board</b>	11.04.24	30.05.24	-	10.07.24 and 25.07.25	-	26.09.24	-	28.11.24	-	30.01.25	-	27.03.25
<b>Quality, Safety and Experience Committee</b>	18.04.24	-	06.06.24	-	15.08.24	-	24.10.24	-	17.12.24	-	20.02.25	-
<b>Performance, Finance and Information Governance Committee</b>	30.04.24	-	25.06.24	-	27-08-24	-	29.10.24	-	23.12.24		25.02.25	-
<b>Remuneration Committee</b>	-	13.05.24*	11.06.24 21.06.24*	04.07.24* 24.07.24*	06.08.24* 19.08.24	11.09.24* 23.09.24*	16.10.24* 28.10.24	-	10.12.24	29.01.25	-	-
<b>Mental Health Legislation Committee</b>	-	02.05.24	-	-	01.08.24	-	-	07.11.24	-	-	06.02.25	-
<b>Audit Committee</b>	-	07.05.24	-	09.07.24 18.07.24	-	12.09.24	-	05.11.24	-	16.01.25	-	04.03.25
<b>Charitable Funds Committee</b>	15.04.24	-	-	01.07.24	13.08.24	-	-	12.11.24	-	28.01.25	-	25.03.25
<b>Planning, Population Health and Partnerships Committee</b>	23.04.24	-	18.06.24	-	20.08.24	-	22.10.24	-	10.12.24	-	18.02.25	01.05.25
<b>People and Culture Committee</b>	11.04.24	-	13.06.24	-	08.08.24	-	10.10.24	-	19.12.24	-	-	03.03.25

### Appendix 3 - BCUHB Health Board Member Attendance at Board Meetings held in public 2024-25

Y = Present N = Not Present

Name	Position	11/04/2024	30/05/2024	10/07/2024*	25/07/2024	26/09/2024	28/11/2024	30/01/2025	27/03/2025
<b>Angela Wood</b>	Executive Director of Nursing and Midwifery	Y	Y	Y	Y	Y	Y	N	Y
<b>Carol Shillabeer</b>	Chief Executive	Y	Y	Y	Y	Y	Y	Y	Y
<b>Caroline Turner</b>	Independent Member	Y	Y	N	Y	N	Y	Y	Y
<b>Chris Lothian-Field</b>	Independent Member	Y	Y	Y	Y	Y	Y	Y	N
<b>Chris Stockport</b>	Executive Director of Transformation and Planning	N	N	N	Y	N	Y	Y	
<b>Clare Budden</b>	Independent Member	N	Y	Y	Y	Y	Y	Y	Y
<b>Dr Nick Lyons</b>	Executive Medical Director/Deputy Chief Executive	Y	Y	N	N	N			
<b>Dyfed Edwards</b>	Chair	Y	Y	Y	Y	Y	Y	Y	Y
<b>Dyfed Jones</b>	Independent Member	Y	Y	Y	N	Y	Y	Y	Y
<b>Gareth Evans</b>	Acting Executive Director of Therapies and Health Science	N	N	Y	Y				

Name	Position	11/04/2024	30/05/2024	10/07/2024*	25/07/2024	26/09/2024	28/11/2024	30/01/2025	27/03/2025
<b>Gareth Williams</b>	Independent Member/Vice Chair	Y	Y	N	Y	Y	Y	Y	Y
<b>Imran Devji</b>	Interim Chief Operating Officer					Y	Y	Y	N
<b>Jane Moore</b>	Executive Director of Public Health	Y	Y	Y	Y	Y	Y	Y	Y
<b>Karen Balmer</b>	Independent Member	Y	N	Y	Y	Y (P)	N	Y	Y
<b>Prof Mike Larvin</b>	Independent Member	Y	Y	Y	N	N	Y	Y	Y
<b>Rhian Watcyn Jones</b>	Independent Member	N	Y	Y	Y	Y	Y	Y	Y
<b>Russell Caldicott</b>	Interim Executive Director of Finance	Y	Y	Y	Y	Y	Y	Y	Y
<b>Dr Sreeman Andole</b>	Interim Executive Medical Director							Y	Y
<b>Teresa Owen</b>	Executive Director of Allied Health Professionals and Health Science	N	Y	N	Y	Y	Y	Y	Y
<b>Urtha Felda</b>	Independent Member	Y	Y	Y	Y	Y	Y	Y	Y
<b>William Nichols</b>	Independent Member	N	N	N	N	Y	Y	Y	Y

## In Attendance

Name	Position	11/04/2024	30/05/2024	10/07/2024	25/07/2024	26/09/2024	28/11/2024	30/01/2025	27/03/2025
<b>Jason Brannan</b>	Deputy Director of People	Y	Y	Y	Y	N	N	Y	N
<b>Dylan Roberts</b>	Chief Digital and Information Officer	N	Y	Y	Y	Y	Y	Y	Y
<b>Fôn Roberts</b>	Associate Independent Member	Y	N	Y	Y	N	Y	Y	Y
<b>Helen Stevens-Jones</b>	Director of Communications and Engagement	Y	Y	Y	Y	Y	Y	Y	Y
<b>Teresa Owen</b>	Interim Lead for Mental Health & Welsh Language	N	Y	N					
<b>Stuart Keen*</b>	Director of Environment and Estates								Y
<b>Mike Parry</b>	Associate Independent Member	Y	Y	Y	N	Y	Y	Y	Y
<b>Stephen Powell*</b>	Director of Performance and Commissioning						Y	Y	Y
<b>Pam Wenger *</b>	Director of Corporate Governance	Y	Y	Y	Y	Y	Y	N	Y

Name	Position	11/04/2024	30/05/2024	10/07/2024	25/07/2024	26/09/2024	28/11/2024	30/01/2025	27/03/2025
<b>Jane Wild</b>	Associate Independent Member	N	Y	Y	Y	Y	Y	Y	N

\* Extraordinary Meeting

## 2. Remuneration and Staff Report

### Remuneration Report 2024-25

#### Policies for the Remuneration of Staff and Senior Managers

Senior Managers are defined as those who have authority or responsibility for directing and controlling the major activities of the Health Board as a whole, this definition includes those employees and Independent Members who are regular attendees at Board meetings. The names and titles of Board members are disclosed in the salary table below.

From October 2004, the NHS Agenda for Change (AfC) process was introduced to achieve consistency in contracts and terms and conditions across NHS Wales. Separate All Wales contracts are agreed for Doctors and Dentists. The relevant all-Wales contract is issued to all staff and managers (excluding directors) upon appointment.

Pay letter AfC (W) 02/2024 uplifted pay scales by 5.5% with effect from 1 April 2024 for all staff on AfC terms and conditions, actioned in November 2024.

Pay letter AfC(W) 02/2024 V2 introduced an intermediate pay point for staff in pay bands 8a and above. The uplift was applied in January 2025 back dated to 1 April 2024.

NHS Wales follows the Living Wage Foundation recommendations for the Real Living Wage. With effect from 1 April 2025 a top up rate is applied to make the minimum hourly rate £12.60 per hour. This has lifted the wages for staff on pay Band 2 and the bottom of pay Band 3 to a full-time equivalent salary of £24,638. It will be reviewed again, when the 2025/26 annual pay uplift is published.

Medical and Dental staff are governed by Medical and Dental Terms and Conditions, which apply across NHS Wales. The Medical and Dental (W) 02/2024 pay letter, published 28 June 2024, reformed the consultant (amended Welsh 2003 contract) pay scale from 1 January 2024. The reformed pay scales for consultants on the Welsh amended 2003 contract has been modernised to include a removal of commitment awards bringing these into basic pay. Starting pay has been increased to £100,000 and the scale has been reduced from 14 pay points to 8, reducing the number of years taken to reach the top pay point to 23 years. These changes were effective from 1 January 2024.

The Medical and Dental (W) 04/2024 (v2) pay letter, published on 28 June 2024 detailed pay arrangements applicable from 1 April 2023 for doctors and dentists in training employed on national terms and conditions in Wales. Effective from 1 April 2023, junior doctors were awarded an overall 12.4% pay award back dated to the 1 April 2023 including the 5% pay award already implemented for 2023-24.

The Pay Letter M&D(W) 05/2024 letter confirmed an ongoing contractual right for Speciality Doctors on the 2008 contract to transfer to the 2021 Speciality Doctor contract. Doctors wishing to transfer were required to apply in writing to their employer, any increase in pay would be backdated to the date of written expression of interest.

In addition to the above payments made in the 2024-25 financial year to medical staff, a consolidated payment of 6%, in relation to Financial Year 2024-25, was actioned in accordance with pay circular M&D(W) 07/2024 published in September 2024. Additionally, the

pay circular provided for an additional £1,000 consolidated payment added to basic pay for Junior doctors and dentists back dated to 1 April 2024.

Executive Directors are remunerated by use of the Very Senior Manager Pay Scale, introduced by the Welsh Government. Pay awards are determined nationally and applied locally based upon instructions from Welsh Government. The pay letter ESP(W) 02/2024 provided for an increase of 5% applicable from 1 April 2024 for individuals holding Executive and Senior posts. The Health Board does not operate a performance related pay system for Very Senior Managers. All contracts for substantive roles are permanent and notice periods for Very Senior Managers are three months.

Independent Members are appointed for a term of up to four years (and can be re-appointed for a maximum of eight years). Independent Members receive nationally determined remuneration during their period of appointment.

The Remuneration Committee at the meeting on the 19 August 2024 agreed a protocol for the payment of hybrid working allowance for Executive and Senior Posts (ESP) contracted staff. The protocol applies to newly appointed ESP contracted staff who are not fully relocating to North Wales. Each application in line with this protocol must be agreed by the Chief Executive and approved by the Remuneration Committee. A non-pensionable sum of up to £8,000 is paid annually until costs of living awards have eroded the payment. The sum is comparable with relocation allowance and where it is used the employee cannot claim any expenses from their home location to North Wales.

The Health Board is pleased that it has been able to maintain its Level 3; Disability Confident Leader position in the Governments Disability Confident scheme. To achieve Level 3, organisations are independently assessed which involves providing evidence of support for prospective and current disabled staff.

The evidence includes policies, support and resources that the Health Board has in place which are listed below.

- NHS Wales Special Leave Policy
- NHS Wales Flexible Working Policy
- NHS Wales Respect and Resolution Policy
- Guidelines on the Fair Treatment of Disabled People at Work in BCUHB
- Appendix A - Reasonable and Tailored Adjustments – Further Information
- Appendix B - NHS Wales Managing Attendance at Work Policy Reasonable
- Redeployment Policy
- HS01 Occupational Health, Safety & Security Policy
- Flexitime Procedure
- [The Values and Behaviours Framework](#)
- Temporary Injury Allowance Procedure
- [Occupational Health - Home](#)
- [Financial Wellbeing](#)

The Health Board has a number of staff networks, including RespectAbility and ND Network, which focuses on supporting the needs of neurodivergent staff.

During the onboarding process for new staff, the Staff Handbook is shared which includes details of available networks, as well as support and training opportunities. There are a number of resource pages on the intranet that include advice for managers regarding reasonable adjustments and Access to Work support.

The Health Board's Equality Team provide advice and support across all protected characteristics under the Equality Act 2010 as well as Human Rights Act 1998, including the Socio-Economic Duty, Wellbeing of Future Generations as well as key Welsh Government led action plans such as the Anti-racist Action Plan, LGBTQ+ Action Plan, Women's Plan, Accessible Communications Standards and the new Disability plan when published.

### **The Remuneration Committee**

The Remuneration and Terms of Service for Executive Directors and the Chief Executive are agreed, and kept under review, by the Health Board's Remuneration Committee. The Committee also monitors and evaluates the annual performance of the Chief Executive and individual Directors (the latter with the advice of the Chief Executive). The Committee was chaired by Dyfed Edwards, Chair of the Health Board.

The Remuneration Committee considers issues of equality and diversity when evaluating and setting remuneration for Directors', particularly in relation to gender and ethnicity in pay levels, in line with Welsh Government's Framework.

The Committee was scheduled to meet bi-monthly during the reporting period, with four routine meetings held. Due to the turnover of Executive and Senior Staff during the year, additional nine meetings were held in order to proceed with recruitment, or approval appointments. Therefore, during the reporting period, the Remuneration Committee met on 13 occasions.

At the Remuneration Committee held on 11 June 2024 the Terms of Reference for the Committee was reviewed and the following would report directly to the Board:

- Reports on behalf of the Board giving an account of progress where any exclusion in respect of Upholding Professional Standards in Wales (UPSW) has lasted more than six months.
- Reports on behalf of the Board giving an account of progress on performer's list regulatory cases.

In addition, it was agreed that the following be transferred to the People and Culture Committee:

- 'The Committee must monitor compliance with issues of professional registration, including the revalidation process for medical and dental staff and registered nurses, midwives and health visitors and all other registered professionals'.

The key substantive agenda items considered during the 2024/25 reporting period were as follows: -

- Executive Director appointments, changes and appraisals, including Portfolio changes;
- Case Management and Tribunals (Executives and Very Senior Managers);
- Senior Interim Manager Update;
- Foundations for the Future – Operating Model;
- Medical and Dental Conduct, Capability and Health;
- Uplift of pay for employees and workers on ad hoc pay rates;
- Review of Terms of Reference and Cycle of Business of the Committee;
- Independent Review – Management Response;
- Protocol for the payment of Hybrid Working Allowance for ESP Contracted Staff / Management Allowance;
- Special Advisor appointments;

- Confirmation of Consultant appointments from the Advisory Appointment Committee Panels.

The Committee members during the year were:

Role on Committee	Name	Job Title	Dates
Chair	Dyfed Edwards	Chair of the Health Board	1 April 2024 to 31 March 2025
Member	Gareth Williams	Vice Chair of the Health Board	1 April 2024 to 31 March 2025
Member	Karen Balmer	Independent Member of the Health Board	1 April 2024 to 31 March 2025
Member	Rhian Watcyn Jones	Independent Member of the Health Board	1 April 2024 to 31 March 2025
Member	Professor Mike Larvin	Independent Member of the Health Board	1 April 2024 to 31 March 2025
Member	Clare Budden	Independent Member of the Health Board	1 April 2024 to 31 March 2025
Member	Cllr Dyfed Jones	Independent Member of the Health Board	1 April 2024 to 31 March 2025
Member	Urtha Felda	Independent Member of the Health Board	1 April 2024 to 31 March 2025
Member	Caroline Turner	Independent Member of the Health Board	1 April 2024 to 31 March 2025
Member	Christopher Lothian Field	Independent Member of the Health Board	1 April 2024 to 31 March 2025
Member	William Nichols	Independent Member of the Health Board	1 April 2024 to 31 March 2025

In Attendance:

Role on Committee	Name	Job Title	Dates
In attendance	Carol Shillabeer	Chief Executive	1 April 2024 to 31 March 2025
In attendance	Jason Brannan	Deputy Director of People	1 April 2024 to 31 March 2025
In attendance	Pam Wenger	Director of Corporate Governance	1 April 2024 to 31 March 2025

### Remuneration Relationships

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director/employee in their organisation and the 25th percentile, median and 75th percentile remuneration of the organisation's workforce. This information can be found in the Annual Accounts, Note 9.6.

The highest paid director in 2024/25 was the Chief Executive (2023-24 Interim Executive Director of Finance). In 2024/25, 19 (2023/24, 14) employees received remuneration in excess of the highest paid director.

### Exit Packages and Severance Payments

Details of all severance payments agreed during the year can be found in Note 9.5 to the Annual Accounts and Appendix 1 within this document.

### Senior Manager Salary and Pension Disclosures and Single Total Figure of Remuneration

The total figures in the table below (Single Total Figure of Remuneration) for each Senior Manager includes a figure for the in-year pension benefit, calculated using information supplied by the NHS Pensions Agency. The figure does not represent the actual amount paid to an individual during the year and reflects an accounting assessment of the increase in long term benefits adjusted for inflation. These figures can be influenced by many factors including changes to a person's salary, additional contributions made by individuals and underlying valuation factors on the scheme as a whole.

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the NHS pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

**Real Increase in CETV:** The real increase is the increase due to additional benefit accrual (i.e., as a result of salary changes and service) that is funded by the employer. It will be smaller than the difference between the start and end CETVs because it does not include any increase in the value of the pension due to inflation or due to the contributions paid by the employee or the value of any benefits transferred from another pension scheme. Nor does it include any increases (or decreases) because of any changes during the year in the actuarial factors used to calculate CETVs.

## Single Total Figure of Remuneration

Notes	Name	Role	Effective Dates	2024-25					2023-24				
				Salary £'000	Benefit in Kind	Pension Benefit	Total	Full Year Equivalent Salary (If Part Year)	Salary £'000	Benefit in Kind	Pension Benefit	Total	Full Year Equivalent Salary (If Part Year)
				Bands of £5,000	Nearest £100	Nearest £1,000	Bands of £5,000	£'000	Bands of £5,000	Nearest £100	Nearest £1,000	Bands of £5,000	£'000
1	C Shillabeer	Chief Executive	01/04/2024 - 31/03/2025	260 - 265	-	180	440 - 445	-	40 - 45	-	-	40 - 45	250 - 255
2	D Edwards	Chair	01/04/2024 - 31/03/2025	65 - 70	900	-	70 - 75	-	5 - 10	-	-	5 - 10	65 - 70
3	I Devji	Interim Chief Operating Officer	02/09/2024 - 31/03/2025	-	-	-	-	-					
4	P Wenger	Director of Corporate Governance	01/04/2024 - 31/03/2025	150 - 155	200	40	190 - 195	-					
5	S Hill	Executive Director of Finance	01/04/2024 - 13/12/2024	175 - 180	-	22	195 - 200	165 - 170	160 - 165	-	35	195 - 200	-
6	R Caldicott	Interim Executive Director of Finance	01/04/2024 - 31/03/2025	175 - 180	-	162	340 - 345	-	120 - 125	-	-	120 - 125	160 - 165
7	T Owen	Executive Director of Allied Health Professionals and Health Science	01/08/2024 - 31/03/2025	100 - 105	-	-	100 - 105	150 - 155	130 - 135	-	-	130 - 135	145 - 150
8	J Moore	Acting Executive Director of Public Health	01/04/2024 - 31/07/2024	40 - 45	-	-	40 - 45	130 - 135	10 - 15	-	-	10 - 15	125 - 130
8	J Moore	Executive Director of Public Health	01/08/2024 - 31/03/2025	90 - 95	-	-	90 - 95	135 - 140					
9	N Lyons	Executive Medical Director	01/04/2024 - 14/11/2024	145 - 150	700	-	145 - 150	235 - 240	225 - 230	300	-	225 - 230	-



Notes	Name	Role	Effective Dates	2024-25					2023-24				
				Salary £'000	Benefit in Kind	Pension Benefit	Total	Full Year Equivalent Salary (If Part Year)	Salary £'000	Benefit in Kind	Pension Benefit	Total	Full Year Equivalent Salary (If Part Year)
				Bands of £5,000	Nearest £100	Nearest £1,000	Bands of £5,000	£'000	Bands of £5,000	Nearest £100	Nearest £1,000	Bands of £5,000	£'000
9	N Lyons	Acting Deputy Chief Executive	01/04/2024 - 14/11/2024	-	-	-	-	-	-	-	-	-	-
10	S Andole	Interim Executive Medical Director	01/12/2024 - 31/03/2025	70 - 75	-	101	170 - 175	210 - 215					
11	J C Stockport	Executive Director of Transformation, Strategic Planning & Commissioning	01/04/2024 - 28/02/2025	150 - 155	900	-	150 - 155	165 - 170	160 - 165	3,000	-	160 - 165	-
12	P Tardivel	Interim Executive Director of Transformation and Strategic Planning	01/03/2025 - 31/03/2025	10 - 15	100	3	10 - 15	135 - 140					
13	S G Evans	Acting Executive Director of Therapies and Health Sciences	01/04/2024 - 31/07/2024	40 - 45	400	48	85 - 90	125 - 130	120 - 125	1,600	-	120 - 125	-
	A Wood	Executive Director of Nursing & Midwifery	01/04/2024 - 31/03/2025	155 - 160	-	58	210 - 215	-	145 - 150	-	-	145 - 150	-
14		Executive Director of People Services & Organisational Development	01/04/2024 - 31/03/2025										
15	G Williams	Independent Member	01/04/2024 - 31/03/2025	15 - 20	300	-	15 - 20	-	15 - 20	100	-	15 - 20	-
15	G Williams	Vice Chair	01/04/2024 - 31/03/2025	40 - 45	600	-	40 - 45	-	15 - 20	100	-	15 - 20	40 - 45



Notes	Name	Role	Effective Dates	2024-25					2023-24				
				Salary £'000	Benefit in Kind	Pension Benefit	Total	Full Year Equivalent Salary (If Part Year)	Salary £'000	Benefit in Kind	Pension Benefit	Total	Full Year Equivalent Salary (If Part Year)
				Bands of £5,000	Nearest £100	Nearest £1,000	Bands of £5,000	£'000	Bands of £5,000	Nearest £100	Nearest £1,000	Bands of £5,000	£'000
16	R Watcyn Jones	Independent Member	01/04/2024 - 31/03/2025	15 - 20	2,100	-	15 - 20	-	15 - 20	1,200	-	15 - 20	-
16	K Balmer	Independent Member	01/04/2024 - 31/03/2025	15 - 20	700	-	15 - 20	-	15 - 20	700	-	15 - 20	-
17	Prof M Larvin	Independent Member	01/04/2024 - 31/03/2025	-	-	-	-	-	-	-	-	-	-
16	D Jones	Independent Member	01/04/2024 - 31/03/2025	15 - 20	300	-	15 - 20	-	10 - 15	900	-	10 - 15	15 - 20
16	C Budden	Independent Member	01/04/2024 - 31/03/2025	15 - 20	200	-	15 - 20	-	10 - 15	-	-	10 - 15	15 - 20
16	U Felda	Independent Member	01/04/2024 - 31/03/2025	15 - 20	1,200	-	15 - 20	-	5 - 10	400	-	5 - 10	15 - 20
16	C Turner	Independent Member	01/04/2024 - 31/03/2025	15 - 20	3,000	-	15 - 20	-	5 - 10	300	-	5 - 10	15 - 20
18	W Nichols	Independent Member	01/04/2024 - 31/03/2025	-	-	-	-	-	-	-	-	-	-
	C Lothian-Field	Independent Member	01/04/2024 - 31/03/2025	15 - 20	-	-	15 - 20	-	0 - 5	-	-	0 - 5	15 - 20
19	J Wild	Associate Board Member	01/04/2024 - 31/03/2025	-	-	-	-	-	-	-	-	-	-
19	F Roberts	Associate Board Member	01/04/2024 - 31/03/2025	-	-	-	-	-	-	-	-	-	-
19	M Parry	Associate Board Member	01/04/2024 - 31/03/2025	-	-	-	-	-	-	-	-	-	-

## Notes

1. C Shillabeer, Chief Executive. Included in the salary figure is responsibility allowance of £13,237.92.
2. D Edwards, Chair, was in receipt of taxable travel to the value of £900.
3. I Devji, Interim Chief Operating Officer, effective from 2 September 2024 to 31 March 2025 was seconded from East Lancashire Hospitals NHS Trust at a total cost to the Health Board of £111,945.80.
4. P Wenger, Director of Corporate Governance. The substantive role includes duties and responsibilities for the post of Board Secretary. Included in the salary figure is management allowance of £8,000. The employee was in receipt of taxable travel to the value of £200.
5. S Hill, Executive Director of Finance, was in post until 13 December 2024 following a leave of absence. Included in the salary figure is pay in lieu of notice and annual leave to the combined value of £57,608.75.
6. R Caldicott, Interim Executive Director of Finance, from the period 1 April 2024 to 31 March 2025.
7. T Owen, Executive Director of Allied Health Professionals and Health Science, was appointed substantively effective from 1 August 2024.
8. J Moore, Executive Director of Public Health, was appointed substantively effective from 1 August 2024 following a period as Acting Executive Director of Public Health.
9. N Lyons, Executive Medical Director, was in post until 14 November 2024. The employee also stood down from the interim post of Acting Deputy Chief Executive on this date. Included in the salary figure is responsibility allowance of £6,222.20 for the interim post. The employee was in receipt of salary sacrifice benefit to the value of £700 and has opted out of the NHS Pension arrangements.
10. S Andole, Interim Executive Medical Director effective from 1 December 2024. Included in the salary figure is management allowance of £2,666.68.
11. C Stockport, Executive Director of Transformation, Strategic Planning & Commissioning, was in post until 28 February 2025. The employee was in receipt of salary sacrifice benefit to the value of £900 and has opted out of the NHS Pension arrangements.

12. P Tardivel, Interim Executive Director of Transformation and Strategic Planning, effective from 1 March 2025. Prior to 1<sup>st</sup> March 2025, P Tardivel was employed by the Health Board in a substantive post. The pension benefit disclosed has been calculated using contributions made from the substantive post remuneration.
13. G Evans, Acting Executive Director of Therapies and Health Sciences, was in post until 31 July 2024. The employee was in receipt of salary sacrifice benefit to the value of £400.
14. The Executive Director of People Services and Organisational Development post has remained vacant throughout the financial year. The Health Board has agreed plans to progress recruitment both on an interim and substantive basis.
15. G Williams, Vice Chair and Independent Member, receives remuneration for both roles. The employee was in receipt of taxable travel to the value of £900 which has been disclosed based on the proportion of remuneration applicable to each role.
16. Independent Members in receipt of taxable travel includes R Watcyn Jones (£2,100), K Balmer (£700), D Jones (£300), C Budden (£200), U Felda (£1,200) and C Turner (£3,000).
17. Professor M Larvin, Independent Member, is Pro Vice Chancellor for Medicine and Health and Dean of Medicine, Bangor University. Professor Larvin is a university representative and is not paid by the Health Board in respect of this role.
18. W Nichols, Independent Member, is employed substantively by the Health Board. W Nichols is a Trade Union Representative on the Board and is not paid by the Health Board in respect of this role.
19. Associate Board Members J Wild, F Roberts and M Parry are non-voting members on the Board and are not paid by the Health Board in respect of these roles.

## Pension Benefit Table

Name	Role	Effective Dates	Real Increase in Accrued Pension	Real Increase in Lump Sum	Total accrued pension at 31 March 2025	Lump Sum Related to Accrued Pension at 31 March 2025	Cash Equivalent Transfer Value as at 31 March 2024	Cash Equivalent Transfer Value as at 31 March 2025	Real Increase in Cash Equivalent Transfer Value
			Bands of £2,500	Bands of £2,500	Bands of £5,000	Bands of £5,000	£'000	£'000	£'000
			£'000	£'000	£'000	£'000	£'000	£'000	£'000
C Shillabeer	Chief Executive	01/04/2024 - 31/03/2025	7.5 - 10.0	12.5 - 15.0	95 - 100	250 - 255	1,915	2,274	198
P Wenger	Director of Corporate Governance	01/04/2024 - 31/03/2025	2.5 - 5.0	-	15 - 20	-	233	296	30
*S Hill	Executive Director of Finance	01/04/2024 - 13/12/2024	0.0 - 2.5	-	35 - 40	-	499	-	-
R Caldicott	Interim Executive Director of Finance	01/04/2024 - 31/03/2025	7.5 - 10.0	12.5 - 15.0	60 - 65	150 - 155	1,077	1,333	162
T Owen	Executive Director of Allied Health Professionals and Health Science	01/08/2024 - 31/03/2025	-	-	60 - 65	155 - 160	1,396	1,434	-
J Moore	Acting & Substantive Executive Director of Public Health	01/04/2024 - 31/03/2025	-	-	80 - 85	-	1,512	1,579	-

Name	Role	Effective Dates	Real Increase in Accrued Pension	Real Increase in Lump Sum	Total accrued pension at 31 March 2025	Lump Sum Related to Accrued Pension at 31 March 2025	Cash Equivalent Transfer Value as at 31 March 2024	Cash Equivalent Transfer Value as at 31 March 2025	Real Increase in Cash Equivalent Transfer Value
			Bands of £2,500	Bands of £2,500	Bands of £5,000	Bands of £5,000	£'000	£'000	£'000
			£'000	£'000	£'000	£'000	£'000	£'000	£'000
S Andole	Interim Executive Medical Director	01/12/2024 - 31/03/2025	2.5 - 5.0	10.0 - 12.5	45 - 50	130 - 135	728	1,117	104
S G Evans	Acting Executive Director of Therapies and Health Sciences	01/04/2024 - 31/07/2024	0.0 - 2.5	2.5 - 5.0	55 - 60	145 - 150	1,083	1,329	53
A Wood	Executive Director of Nursing & Midwifery	01/04/2024 - 31/03/2025	2.5 - 5.0	0.0 - 2.5	35 - 40	85 - 90	759	889	60
P Tardivel	Interim Executive Director of Transformation and Strategic Planning	01/03/2025 - 31/03/2025	0.0 - 0.25	-	35 - 40	-	377	441	2

\*S Hill began claiming pension during the financial year and therefore applicable values as at 31 March 2025 are nil.

## Staff Report

The average number of full time equivalent (FTE) staff employed by the Health Board during 2024-25 is reported below.

Professional Group	Permanent Staff	Staff on Inward Secondment	Agency Staff	Speciality Trainee (SLE)	Collaborative Bank Staff	Other	Total
Administrative, clerical and board members	3,603	9	11	0	0	0	3,623
Medical and dental	1,157	12	4	479	0	83	1,736
Nursing, midwifery registered	5,744	0	238	0	0	0	5,982
Professional, Scientific, and technical staff	773	7	1	0	0	0	781
Additional Clinical Services	3,916	2	3	0	0	0	3,921
Allied Health Professions	1,212	0	25	0	0	31	1,268
Healthcare Scientists	321	0	0	0	0	1	322
Estates and Ancillary	1,330	0	1	0	0	0	1,331
Students	15	0	0	0	0	0	15
<b>Total</b>	<b>18,071</b>	<b>30</b>	<b>283</b>	<b>479</b>	<b>0</b>	<b>115</b>	<b>18,979</b>

The actual number of staff in post as at 31 March 2025 was 21,101 and the gender composition is provided in the table below.

Staff Composition	Female	Male	Grand Total
Executive	4	3	7
Manager	144	71	215
Staff	16,895	3,984	20,879
<b>Grand Total</b>	<b>17,043</b>	<b>4,058</b>	<b>21,101</b>

\*For the purpose of this report manager is defined as a member of staff at Band 8c and above (or equivalent level for medical staff) based in a corporate function or operational Division with significant managerial and decision-making responsibilities affecting the whole organisation. Managers exclude the posts Nurse Consultant, Consultant Midwife and Clinical Scientist Consultant

The sickness absence data for 2024-25 is provided below.

	2023-24	2024-25
FTE Days lost (long term)*1	261,234	280,894
FTE Days lost (short term)*1	126,611	124,545
<b>Total days lost</b>	<b>387,846</b>	<b>405,439</b>
Average working days lost*2	14	14
Total staff employed in period (headcount)*2	20,676	20,958
Total staff employed in period with no absence (headcount)*3	6,116	5,944
<b>Percentage staff with no sick leave</b>	<b>29.5%</b>	<b>28%</b>

\*1 - These figures are calculated on a Full Time Equivalent basis. Sickness absence is measured using calendar days on the Electronic Staff Record system, which includes all days from the start to end of a period of absence, including weekends or

days when a member of staff would not have been rostered to work. Therefore, the number of working days lost is lower than the days lost figure.

\*2 - Average over 12 months

\*3 - Headcount is count of Primary Assignments

\*Please note this includes starters within the reporting period as recommended by All Wales data standards.

The overall percentage sickness absence in 2024/25 was 6.05% (2023/24 5.85%). Levels of sickness absence increased slightly during the year. The main cause of absence remains anxiety, stress, and depression. Anecdotally we are told that this is a combination of work and personal stress due to financial hardship and caring responsibilities. The People Services Teams are working with managers to encourage an uptake in flexible working to help staff manage their personal and professional lives which may assist with lowering overall levels of absence. Other reported reasons for long periods of absence are waiting time for treatments, and an increase in chronic conditions and age-related health conditions. With an increasing number of staff choosing to work for longer there is a strong correlation between the age of the workforce and overall levels of absence. It is also anecdotally reported that General Practitioners are issuing fit notes for longer periods of time.

### Off Payroll Engagements and Consultancy

Off-payroll working is the term used by HM Revenue and Customs (HMRC) to describe a situation where an individual worker provided their own personal service to an organisation.

The Health Board is required to disclose Off-payroll and Consultancy expenditure. The tables below outline the details of the Off Payroll Engagements that the Health Board has in place. It should be noted that HMRC introduced new rules in relation to compliance with tax regulations that took effect from 6 April 2017. These changes have widened the responsibilities of the Health Board in managing the Off Payroll engagements and most engagements will be subject to tax and National Insurance at source.

The Health Board has undertaken IR35 assessments for all relevant off-payroll engagements.

Highly paid off-payroll worker engagements as at 31 March 2025, earning £245 per day or greater

Number (No.) of existing engagements as of 31 March 2025	320
Of which...	
No. that have existed for less than one year	139
No. that have existed for between one and two years	67
No. that have existed for between two and three years	45
No. that have existed for between three and four years	7
No. that have existed for four or more years	62

All highly paid off-payroll workers engaged at any point during the year ended 31 March 2025, earning £245 per day or greater

No. of temporary off-payroll workers engaged during the year ended 31 March 2025	140
Of which;	
Not subject to off-payroll legislation	139
Subject to off-payroll legislation and determined as in-scope of IR35	1
Subject to off-payroll legislation and determined as out-of-scope of IR35	0
No. of engagements reassessed for compliance or assurance purposes during the year	0
Of which: No. of engagements that saw a change to IR35 status following review	0

The above tables detail all off-payroll engagements within the payroll system. The numbers above include those individuals who are paid less than £245 per day.

For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2024 and 31 March 2025

No. of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year.	2
Total no. of individuals on payroll and off-payroll that have been deemed "board members, and/or, senior officials with significant financial responsibility", during the financial year. This figure should include both on payroll and off-payroll engagements.	27

\*The Board Members and Senior Officials who are deemed to be Senior Managers are those individuals whose salary details are disclosed on pages x to x of this report.

During the year the Health Board incurred expenditure of £1.057m on external consultancy services.

## Appendix 1 – Exit Packages and Severance Payments

Exit packages cost band (including any special payment element)	2024-25							2023-24		
	Number of Compulsory Redundancies	Cost of Compulsory Redundancies	Number of Other Departures	Cost of Other Departures	Total Number of Exit Packages	Total Cost of Exit Packages	Number of Departures Where Special Payments Have Been Made	Cost of Special Element Included in Exit Package	Total Number of Exit Packages	Total Cost of Exit Packages
	Whole numbers only	£	Whole numbers only	£	Whole numbers only	£	Whole numbers only	£	Whole numbers only	£
less than £10,000	0	0	60	222,254	60	222,254	0	0	1	8,775
£10,000 to £25,000	1	11,667	9	167,181	10	178,848	0	0	0	0
£25,000 to £50,000	0	0	0	0	0	0	0	0	0	0
£50,000 to £100,000	0	0	0	0	0	0	0	0	1	59,295
£100,000 to £150,000	0	0	0	0	0	0	0	0	0	0
£150,000 to £200,000	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>1</b>	<b>11,667</b>	<b>69</b>	<b>389,435</b>	<b>70</b>	<b>401,102</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>68,070</b>

### 3. Parliamentary Accountability and Audit Report

## Part Three – The Financial Statements

### 1. The Audited Annual Accounts 2024-25

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Part Three: Annual Accounts will be inserted here



<b>Teitl adroddiad:</b> <i>Report title:</i>	Head of Internal Audit Opinion & Annual Report 2024/2025 Briefing paper - Head of Internal Audit Opinion 2024/2025			
<b>Adrodd i:</b> <i>Report to:</i>	Audit Committee			
<b>Dyddiad y Cyfarfod:</b> <i>Date of Meeting:</i>	Tuesday, 24 June 2025			
<b>Crynodeb Gweithredol:</b> <i>Executive Summary:</i>	<p>In accordance with the Public Sector Internal Audit Standards: Standard 2450 – Overall Opinions, the Head of Internal Audit (HIA) is required to provide an annual opinion, based upon and limited to the work performed on the overall adequacy and effectiveness of the Health Board’s risk management, control and governance processes (i.e. the system of internal control).</p> <p>The annual opinion for 2024/25 is <b>Limited Assurance</b>. We issued twenty-eight reports with the following assurance ratings:</p> <ul style="list-style-type: none"> <li>• Substantial assurance (dark green) – none (0).</li> <li>• Reasonable assurance (light green) – fifteen (15).</li> <li>• Limited assurance (amber) – seven (7).</li> <li>• Unsatisfactory (red) – two (2).</li> <li>• Advisory/Not applicable opinion (grey) – four (4).</li> </ul> <p>The assurance opinion, for the first time in several years, has not been clear cut and reflects the management action taken by the Health Board to review and improve the system of internal control in several high-risk areas. A Briefing Paper has been developed and sets out in some detail the rationale for the Opinion for 2024/25.</p>			
<b>Argymhellion:</b> <i>Recommendations:</i>	<p>The Audit Committee is asked to:</p> <ul style="list-style-type: none"> <li>• Note and receive the Head of Internal Audit opinion and annual report for 2024/25 and associated Briefing Paper detailing the rationale for the 2024/25 Opinion.</li> </ul>			
<b>Arweinydd Gweithredol:</b> <i>Executive Lead:</i>	<p>Carol Shillabeer, Accountable Officer (Chief Executive)</p> <p>Pam Wenger, Director of Corporate Governance</p>			
<b>Awdur yr Adroddiad:</b> <i>Report Author:</i>	Dave Harries, Head of Internal Audit			
<b>Pwrpas yr adroddiad:</b> <i>Purpose of report:</i>	<p>I’w Nodi <i>For Noting</i></p> <p><input checked="" type="checkbox"/></p>	<p>I Benderfynu arno <i>For Decision</i></p> <p><input type="checkbox"/></p>	<p>Am sicrwydd <i>For Assurance</i></p> <p><input checked="" type="checkbox"/></p>	
<b>Lefel sicrwydd:</b> <i>Assurance level:</i>	<p>Arwyddocaol <i>Significant</i></p> <p><input type="checkbox"/></p> <p>Lefel uchel o hyder/tystiolaeth o ran darparu'r mecanweithiau / amcanion presennol</p> <p><i>High level of confidence/evidence in delivery of existing mechanisms/objectives</i></p>	<p>Derbyniol <i>Acceptable</i></p> <p><input type="checkbox"/></p> <p>Lefel gyffredinol o hyder/tystiolaeth o ran darparu'r mecanweithiau / amcanion presennol</p> <p><i>General confidence / evidence in delivery of existing mechanisms / objectives</i></p>	<p>Rhannol <i>Partial</i></p> <p><input type="checkbox"/></p> <p>Rhywfaint o hyder/tystiolaeth o ran darparu'r mecanweithiau / amcanion presennol</p> <p><i>Some confidence / evidence in delivery of existing mechanisms / objectives</i></p>	<p>Dim Sicrwydd <i>No Assurance</i></p> <p><input type="checkbox"/></p> <p>Dim hyder/tystiolaeth o ran y ddarpariaeth</p> <p><i>No confidence / evidence in delivery</i></p>

<p><b>Cyfiawnhad dros y gyfradd sicrwydd uchod. Lle bo sicrwydd 'Rhannol' neu 'Dim Sicrwydd' wedi'i nodi uchod, nodwch gamau i gyflawni sicrwydd 'Derbyniol' uchod, a'r terfyn amser ar gyfer cyflawni hyn:</b></p> <p><b><i>Justification for the above assurance rating. Where 'Partial' or 'No' assurance has been indicated above, please indicate steps to achieve 'Acceptable' assurance or above, and the timeframe for achieving this:</i></b></p>	
<p>The report details internal audit assurance against specific reviews which emanate from the corporate risk register and/or assurance framework, as outlined in the internal audit plan. The Health Board assurance ratings differ from those agreed across NHS Wales for internal audit opinions and therefore the assurance level has intentionally been left blank.</p>	
<p><b>Cyswllt ag Amcan/Amcanion Strategol:</b></p> <p><b><i>Link to Strategic Objective(s):</i></b></p>	<p>N/A other than those relating to individual audit reviews / recommendations.</p>
<p><b>Goblygiadau rheoleiddio a lleol:</b></p> <p><b><i>Regulatory and legal implications:</i></b></p>	<p>The Head of Internal Audit Opinion and Annual Report is required in accordance with the Welsh Government NHS Wales Audit Committee Handbook – Section 4.6 Reviewing the Head of Internal Audit's annual opinion.</p>
<p><b>Yn unol â WP7, a oedd EqIA yn angenrheidiol ac a gafodd ei gynnal?</b></p> <p><b><i>In accordance with WP7 has an EqIA been identified as necessary and undertaken?</i></b></p>	<p>The Equality duty is not applicable. The Head of Internal Audit Opinion and Annual Report is required in accordance with the Welsh Government NHS Wales Audit Committee Handbook – Section 4.6 Reviewing the Head of Internal Audit's annual opinion. The associated public sector duties are not engaged (there are no associated impacts on any of the protected groups).</p>
<p><b>Yn unol â WP68, a oedd SEIA yn angenrheidiol ac a gafodd ei gynnal?</b></p> <p><b><i>In accordance with WP68, has an SEIA identified as necessary been undertaken?</i></b></p>	<p>The Socio-Economic duty is not applicable. The Head of Internal Audit Opinion and Annual Report is required in accordance with the Welsh Government NHS Wales Audit Committee Handbook – Section 4.6 Reviewing the Head of Internal Audit's annual opinion. The associated public sector duties are not engaged (the report does not relate to a decision, strategic or otherwise).</p>
<p><b>Manylion am risgiau sy'n gysylltiedig â phwnc a chwmpas y papur hwn, gan gynnwys risgiau newydd (croesgyfeirio at y BAF a'r CRR)</b></p> <p><b><i>Details of risks associated with the subject and scope of this paper, including new risks( cross reference to the BAF and CRR)</i></b></p>	<p>N/A other than those relating to individual audit reviews / recommendations reported throughout the financial year and detailed within the annual report.</p>
<p><b>Goblygiadau ariannol o ganlyniad i roi'r argymhellion ar waith</b></p> <p><b><i>Financial implications as a result of implementing the recommendations</i></b></p>	<p>The Head of Internal Audit Opinion and Annual Report may record issues/risks, identified as part of a specific review, which has financial implications for the Health Board.</p>
<p><b>Goblygiadau gweithlu o ganlyniad i roi'r argymhellion ar waith</b></p> <p><b><i>Workforce implications as a result of implementing the recommendations</i></b></p>	<p>N/A other than those relating to individual audit reviews / recommendations.</p>
<p><b>Adborth, ymateb a chrynodeb dilynol ar ôl ymgynghori</b></p>	

<p><b>Feedback, response, and follow up summary following consultation</b></p>	<p>The Head of Internal Audit Opinion and Annual Report has been prepared independently of management and free of any undue influence.</p> <p>The opinion and annual report have been shared with the Accountable Officer (Chief Executive) and Director of Corporate Governance.</p>
<p><b>Cysylltiadau â risgiau BAF:</b> (neu gysylltiadau â'r Gofrestr Risg Gorfforaethol)</p> <p><b>Links to BAF risks:</b> (or links to the Corporate Risk Register)</p>	<p>N/A other than those relating to individual audit reviews.</p>
<p><b>Rheswm dros gyflwyno adroddiad i fwrdd cyfrinachol (lle bo'n berthnasol)</b></p> <p><b>Reason for submission of report to confidential board (where relevant)</b></p>	<p>N/A</p>
<p><b>Camau Nesaf:</b> <b>Gweithredu argymhellion</b></p> <p><b>Next Steps:</b> Follow-up of the limited and unsatisfactory management actions will be undertaken as part of the 2025/26 internal audit plan.</p>	
<p><b>Rhestr o Atodiadau:</b></p> <p><b>List of Appendices:</b></p> <ul style="list-style-type: none"> <li>• Appendix 1: Head of Internal Audit Opinion &amp; Annual Report 2024/2025</li> <li>• Appendix 2: Briefing Paper: Head of Internal Audit Opinion 2024/2025</li> </ul>	

# Head of Internal Audit Opinion & Annual Report 2024/25

Betsi Cadwaladr University Local Health  
Board



## Contents

<b>1. Executive Summary .....</b>	<b>1</b>
<b>2. Head of Internal Audit Opinion .....</b>	<b>3</b>
<b>3. Other work relevant to the Health Board</b>	<b>16</b>
<b>4. Delivery of the Internal Audit Plan .....</b>	<b>19</b>
<b>5. Risk based audit assignments .....</b>	<b>20</b>
<b>6. Acknowledgement .....</b>	<b>26</b>
<b>Appendix A .....</b>	<b>27</b>
<b>Appendix B.....</b>	<b>29</b>

**Report status:**

Final

**Draft report issued:**

30 May 2025

**Final report issued:**

9 June 2025

**Author:**

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of Internal Audit  
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Accountable  
Officer & Chief  
Executive

**Executive Clearance:**

Pam Wenger,  
Director of  
Corporate  
Governance

**Audit Committee:**

24 June 2025

# 1. Executive Summary

## 1.1 Purpose of this Report

Betsi Cadwaladr University Health Board's (Health Board) Board is accountable for maintaining a sound system of internal control that supports the achievement of the organisation's objectives and is also responsible for putting in place arrangements for gaining assurance about the effectiveness of that overall system. A key element in that flow of assurance is the overall assurance opinion from the Head of Internal Audit.

This report sets out the Head of Internal Audit Opinion together with the summarised results of the internal audit work performed during the year. The report also includes a summary of audit performance and an assessment of conformance with the Public Sector Internal Audit Standards.

## 1.2 Head of Internal Audit Opinion 2024/25

The purpose of the annual Head of Internal Audit opinion is to contribute to the assurances available to the Chief Executive as Accountable Officer and the Board which underpin the Board's own assessment of the effectiveness of the system of internal control. The approved Internal Audit plan is focused on risk and therefore the Board will need to integrate these results with other sources of assurance when making a rounded assessment of control for the purposes of the Annual Governance Statement. The overall opinion for 2024/25 is:

<b>Limited assurance</b>		<p>The Board can take limited assurance that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. More significant matters require management attention.</p> <p><b>Moderate impact</b> on residual risk exposure until resolved.</p>
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## 1.3 Delivery of the Audit Plan

The plan has been delivered substantially in accordance with the agreed schedule and changes required during the year, as approved by the Audit Committee (the 'Committee'). In addition, regular audit progress reports have been submitted to the Committee. Although changes have been made to the plan during the year, we can confirm that we have undertaken sufficient audit work during the year to be able to give an overall opinion in line with the requirements of the Public Sector Internal Audit Standards.

The Internal Audit Plan for 2024/25 year, was presented to the Committee in March and November 2024 (two six-month plans). Changes to the plan have been made during the year and these changes have been reported to the Audit Committee as part of our regular progress reporting.

There are, as in previous years, audits undertaken at NHS Wales Shared Services Partnership (NWSSP), Digital Health & Care Wales (DHCW) and the new NHS Wales Joint Commissioning Committee (JCC) that support the overall opinion for NHS Wales health bodies (see section 3).

Our latest External Quality Assessment (EQA), conducted by the Chartered Institute of Public Finance and Accountancy (CIPFA) in March 2023, reported in April 2023, stated we 'Fully Conform', and our own annual Quality Assurance and Improvement Programme (QAIP) confirmed that our internal audit work continues to 'generally conform' to the

requirements of the Public Sector Internal Audit Standards for 2024/25. We can state that our service 'conforms to the IIA's professional standards and to PSIAS.'

#### 1.4 Summary of Audit Assignments

This report summarises the outcomes from our work undertaken in the year. In some cases, audit work from previous years may also be included and where this is the case, details are given. This report also references assurances received through the internal audit of control systems operated by other NHS Wales organisations (again, see section 3).

The audit coverage in the plan agreed with management has been deliberately focused on key strategic and operational risk areas; the outcome of these audit reviews may therefore highlight control weaknesses that impact on the overall assurance opinion.

Overall, we can provide the following assurances to the Board that arrangements to secure governance, risk management and internal control are suitably designed and applied effectively in the substantial and reasonable areas in the table below.

Where we have given Limited or Unsatisfactory Assurance, management are aware of the specific issues identified and have agreed action plans to improve control in these areas. These planned control improvements should be referenced in the Annual Governance Statement where it is appropriate to do so.

In addition, we also undertook advisory and non-opinion reviews to support our overall opinion. A summary of the audits undertaken in the year and the results are summarised in table 1 below.

**Table 1 – Summary of Audits 2024/25**

Substantial Assurance	-
Reasonable Assurance	<ul style="list-style-type: none"> <li>Special Measures</li> <li>Transformation &amp; Improvement</li> <li>Charitable Funds (Deferred from 2023/24)</li> <li>Value Based Healthcare</li> <li>Discretionary Capital Funding Allocation (previously Capital Business Cases)</li> <li>Intelligence led organisation</li> <li>Network and Disaster Recovery</li> <li>Recruitment of substantive and interim executive and senior posts (Deferred from 2023/24)</li> <li>Establishment Control and Recruitment</li> <li>Board Assurance Framework &amp; Risk Management</li> <li>Standing Financial Instructions – Procurement</li> <li>Corporate Legislative Compliance: Health and Social Care (Quality and Engagement) (Wales) Act 2020 - Duty of Quality</li> <li>Budgetary Control &amp; Financial reporting</li> <li>Grievance Management</li> <li>Waste Management (Draft)</li> </ul>

Limited Assurance	Corporate Legislative Compliance: Fire Safety Clinical Audit Waiting List Initiative – IHC Centre Performance Management Framework & Reporting (Draft) Partnerships, Engagement and Communications Effective Governance: Cancer Services Effective Governance: Integrated Health Community – East (Draft)
Unsatisfactory	Consultant Job Planning Integrated Assurance and Approval Plans (IAAP): Orthopaedic Surgical Hub Llandudno Hospital (Draft)
Advisory/Non-Opinion	Follow-Up of Internal Audit recommendations Follow-up: Standards of Business Conduct - Declarations of interest, gifts, and hospitality Follow-up: Contracted Patient Services: Quality and Safety arrangements - Follow up (Deferred from 2023/24) Job Evaluation

Please note that our overall opinion has also considered both the number and significance of any audits that have been deferred during the year (see section 5.7) and other information obtained during the year that we deem to be relevant to our work.

## 2. Head of Internal Audit Opinion

### 2.1 Roles and Responsibilities

The Board is collectively accountable for maintaining a sound system of internal control that supports the achievement of the organisation’s objectives and is responsible for putting in place arrangements for gaining assurance about the effectiveness of that overall system.

The Annual Governance Statement is a statement made by the Accountable Officer, on behalf of the Board, setting out:

- how the individual responsibilities of the Accountable Officer are discharged with regard to maintaining a sound system of internal control that supports the achievement of policies, aims and objectives.
- the purpose of the system of internal control, as evidenced by a description of the risk management and review processes, including compliance with the Health & Care Quality Standards. and
- the conduct and results of the review of the effectiveness of the system of internal control including any disclosures of significant control failures, together with assurances that actions are or will be taken where appropriate to address issues arising.

The Health Board’s risk management process and system of assurance should bring together all the evidence required to support the Annual Governance Statement.

In accordance with the Public Sector Internal Audit Standards (PSIAS), the Head of Internal Audit (HIA) is required to provide an annual opinion, based upon and limited to the work performed on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control. This is achieved through an audit plan that has been focussed on key strategic and operational risk areas and known improvement opportunities, agreed with executive management and approved by the Audit Committee, which should provide an appropriate level of assurance.

The opinion does not imply that Internal Audit has reviewed all risks and assurances relating to the Health Board. The opinion is substantially derived from the conduct of risk-based audit work formulated around a selection of key organisational systems and risks. As such, it is a key component that the Board considers but is not intended to provide a comprehensive view.

The Board, through the Audit Committee, will need to consider the Head of Internal Audit opinion together with assurances from other sources including reports issued by other review bodies, assurances given by management and other relevant information when forming a rounded picture on governance, risk management and control for completing its Governance Statement.

## **2.2 Purpose of the Head of Internal Audit Opinion**

The purpose of the annual Head of Internal Audit opinion is to contribute to the assurances available to the Accountable Officer and the Board of Betsi Cadwaladr University Health Board which underpin the Board's own assessment of the effectiveness of the organisation's system of internal control.

This opinion will in turn assist the Board in the completion of its Annual Governance Statement and may also be considered by regulators, including Healthcare Inspectorate Wales, in assessing compliance with the Health and Care Quality Standards in Wales, and by Audit Wales in the context of both their external audit and performance reviews.

The overall opinion by the Head of Internal Audit on governance, risk management and control results from the risk-based audit programme and contributes to the picture of assurance available to the Board in reviewing effectiveness and supporting our drive for continuous improvement.

## **2.3 Assurance Rating System for the Head of Internal Audit Opinion**

The overall opinion is based primarily on the outcome of the work undertaken during the 2024/25 audit year. We also consider other information available to us such as our overall knowledge of the organisation, the findings of other assurance providers and inspectors, and the work we undertake at other NHS Wales organisations. The Head of Internal Audit considers the outcomes of the audit work undertaken and exercises professional judgement to arrive at the most appropriate opinion for each organisation.

A quality assurance review process has been applied by the Director of Audit & Assurance and the Head of Internal Audit in the annual reporting process to ensure the overall opinion is consistent with the underlying audit evidence.

We take this approach into account when considering our assessment of our compliance with the requirements of PSIAS.

The assurance rating system based upon the colour-coded barometer and applied to individual audit reports remains unchanged. The descriptive narrative used in these definitions has proven effective in giving an objective and consistent measure of assurance in the context of assessed risk and associated control in those areas examined.

This same assurance rating system is applied to the overall Head of Internal Audit opinion on governance, risk management and control as to individual assignment audit reviews. The assurance rating system together with definitions is included at **Appendix B**.

The individual conclusions arising from detailed audits undertaken during the year have been summarised by the assurance ratings received. The aggregation of audit results gives a better picture of assurance to the Board and provides a rational basis for drawing an overall audit opinion. However, please note that for presentational purposes we have shown the results using the eight areas that were previously used to frame the audit plan at its outset.

## 2.4 Head of Internal Audit Opinion

### Scope of opinion

As noted already, the scope of my opinion covers both those areas examined in the risk-based audit plan which has been agreed with senior management and approved by the Audit Committee, and other information obtained during the year that we deem to be relevant to our work. The Head of Internal Audit assessment should be interpreted in this context when reviewing the effectiveness of the system of internal control and be seen as an internal driver for continuous improvement. The Head of Internal Audit opinion on the overall adequacy and effectiveness of the organisation's framework of governance, risk management, and control is set out below.

<b>Limited assurance</b>		<p>The Board can take limited assurance that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. More significant matters require management attention.</p> <p><b>Moderate impact</b> on residual risk exposure until resolved.</p>
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This opinion will need to be reflected within the Annual Governance Statement along with confirmation of action planned to address the issues raised from reviews.

Focus should be placed on the agreed response to any Unsatisfactory and Limited Assurance opinions issued during the year and the significance of the recommendations made (of which there were nine audits in 2024/25) as well as addressing implementation of recommendations from previous year reviews, where a number are significantly overdue having been subject to follow-up.

### Basis for Forming the Opinion

The audit work undertaken during 2024/25, and reported to the Audit Committee, has been aggregated at Section 5.

The evidence base upon which the overall opinion is formed is as follows:

- An assessment of the range of individual opinions and outputs arising from risk-based audit assignments contained within the Internal Audit plan that have been reported to the Audit Committee throughout the year. In addition, and where appropriate, work at either draft report stage or in progress but substantially complete has also been considered, and where this is the case then it is identified in the report. This assessment has taken account of the relative materiality of these areas and the results of any follow-up audits in progressing control improvements.
- The impact of the Health Board placed into Special Measures since 28 February 2023 by the Minister for Health and Social Services and the ongoing arrangements in

place for the Health Board to deliver against the eight domains for improvement stipulated by Welsh Government.

- The Health Board pleaded guilty to breaching Section 3 (1) of the Health and Safety at work Act 1974 and was fined £250,000 plus costs following enforcement action taken by the Health & Safety Executive.
- The Health Board is not complying with the timely submission of Learning from Events Reports (LFER) which underpin any reimbursement from the Welsh Risk Pool.
- The results of any audit work related to the Health & Care Quality Standards including, if appropriate, the evidence available by which the Board has arrived at its declaration in respect of the self-assessment for the leadership standard.

Other assurance reviews which impact on the Head of Internal Audit opinion including audit work performed at other organisations (see Section 3).

- Other knowledge and information that the Head of Internal Audit has obtained during the year including cumulative information and knowledge over time; observation of Board and other key Committee meetings; meetings with Executive Directors, senior managers and Independent Members; the results of *ad hoc* work and support provided; liaison with other assurance providers and Inspectors; research; and cumulative audit knowledge of the organisation that the Head of Internal Audit considers relevant to the Opinion for this year.

As stated above, these detailed results have been aggregated to build a picture of assurance across the Health Board.

In reaching this opinion we have identified some reviews during the year concluded positively with effective control arrangements operating in some areas.

From the opinions issued during the year, none were allocated Substantial Assurance, fifteen (15) were allocated Reasonable Assurance, seven (7) were allocated Limited Assurance with two (2) allocated an Unsatisfactory Assurance opinion. Four (4) advisory or non-opinion reports were also issued.

In addition, the Head of Internal Audit has considered residual risk exposure across those assignments where unsatisfactory/limited assurance was reported. Further, the Head of Internal Audit has considered the impact where audit assignments planned this year did not proceed to full audits following preliminary planning work and these were either: removed from the plan; removed from the plan and replaced with another audit; or deferred until a future audit year. The reasons for changes to the audit plan were presented to the Audit Committee for consideration and approval. Notwithstanding that the opinion is restricted to those areas which were subject to audit review, the Head of Internal Audit has considered the impact of changes made to the plan when forming the overall opinion.

A summary of the findings is shown below. We have reported the findings using the eight areas of the Health Board's activities that we had previously used to structure our strategic and one-year operational plans.

### **Corporate Governance, Risk Management and Regulatory Compliance**

We have undertaken six (6) reviews in this area.

**Special Measures** – We issued **reasonable assurance** on this area. We found that whilst a significant number of deliverables / milestones were achieved, these were not always completed within the specified timescales. The quality of evidence submitted to

the PMO to support delivery of milestones was inconsistent. Evidence is focused on action delivery rather than the benefit, impact, and outcome of implementation.

**Corporate Legislative Compliance: Health and Social Care (Quality and Engagement) (Wales) Act 2020 - Duty of Quality** – We issued **reasonable assurance** on this area. We found that a Quality Regulatory Policy, which is designed to ensure compliance with the Duty of Quality by defining roles and responsibilities, is drafted but has not yet been finalised and issued to staff. The Quality Management System (QMS) is due to be rolled out to areas across the Health Board, however there is no guide available for staff to ensure this is utilised effectively. There is limited information available on Duty of Quality training for staff, and no evidence of a training needs analysis and subsequent monitoring of training.

**Board Assurance Framework & Risk Management** – We issued **reasonable assurance** on this area. Good progress has been made since our previous review although we found no Level 1 risk management training is happening across the Health Board at the time of the review but recognise the plan to upload a training video to address this gap. There are no clear metrics available that determine the number of staff who require Level 2 and/or Level 3 risk management training, thus contributing to embedding the principles of risk management throughout the Health Board. The quality of operational risk registers continues to be an issue across some services - risk owners must take responsibility to address overdue risk review and target dates coupled with development of SMART action plans.

**Follow-up: Standards of Business Conduct - Declarations of interest, gifts, and hospitality** – We issued this as an **advisory review**. We observed good progress in some areas, such as the updating of the Standards of Business Conduct Policy and development of additional guidance material to support staff and management, however some of the issues of significance identified in our 2023/24 review remain outstanding. These include but are not limited to the approval of declarations; accuracy / transparency of the published Board Member Register of Declarations of Interest; frequency of reporting to Audit Committee; and approval and timeliness of Gifts, Hospitality, and Sponsored Events declarations.

**Standing Financial Instructions – Procurement** – We issued **reasonable assurance** for this review. We found that two actions have not been completed within the specified timescales, and no revised delivery deadline had been set. We were unable to verify all actions reported as complete due to incomplete evidence / supporting documents provided to us. Further, Conformance Reports were not presented to the Audit Committee at the frequency stipulated in the Committee's Cycle of Business and a small number of purchase orders had been issued and noted as being sent to '#N/A' or '-' where the Health Board should receive assurance from NWSSP Procurement Services where these have been applied. Further work is required on the Scheme of Reservation and Delegation (SoRD) as there is a lack of clarity where post titles / positions are not defined.

**Follow-up of Internal Audit Recommendations** - This was an **advisory review** that was completed throughout the year. We reviewed one hundred and forty-five (145) executive approved recommendations/actions for closure; we could only verify sixty-five (65) recommendations/actions (45%) where the evidence provided supported implementation; eighty (80) recommendations/actions (55%) were not approved for closure – We remain concerned that the implementation of agreed recommendations/actions is not at a level we would expect to ensure reported risks are reduced.

## Strategic Planning, Performance Management & Reporting

We have undertaken three (3) reviews in this area.

**Transformation & Improvement** – We issued **reasonable assurance** on this area. We found that centralising teams with a remit for transformation and development, obstacles that could have potentially impeded, rather than increase, team effectiveness have been removed. We did find that there are costs allocated to the Transformation & Improvement (T&I) cost centre that are not applicable to the T&I team, which is impacting the overall financial position of the cost centre. We were unable to confirm the Transformation and Improvement team are subject to effective oversight through reporting progress via the Health Board’s governance structure on areas they are either supporting or accountable for, and whether changes made in transformation have made a difference.

**Performance Management Framework & Reporting (Draft)** – We issued **limited assurance** on this area. We were unable to corroborate that the Substructure for integrated performance reporting, as detailed in every performance report since May 2024, is operating as presented. We were not provided with evidence underpinning the identification of local performance measures reported in addition to the national measures – we are unclear whether the local measures focus on areas of greatest risk. We could not evidence any outcomes of performance meetings between operational services and the executive; consequently, we are unable to provide assurance that corrective actions are formally communicated/set for services to improve performance where this is below expected measures. Good practice could be seen within the directorates where operational accountability/service performance reports are presented at the directorate finance and performance meetings.

**Partnerships, Engagement and Communications (PEC)** – We issued **limited assurance** on this area. We found that not all improvement actions had been delivered within the specified timescales. No delivery deadlines had been set for the Independent Review recommendations. We were unable to fully verify the status of some completed actions in our review sample due to the robustness of evidence provided. We found no standard operating procedure in place outlining the engagement process and requirements with some published resources require updating. We also noted some Engagement Toolkit resources require the use of personal email addresses to access. There was no consistent benefits realisation process in place to review and monitor benefits / improvements post-implementation and we could not find any assurance concerning the implementation progress / delivery of the PEC Strategy or Listening to Citizens Independent Review provided to the Board or its Committees between January 2024 and March 2025 - Updated action plans / comprehensive updates were not submitted for Board / Committee scrutiny during this period.

## Financial Governance and Management

We have undertaken three (3) reviews in this area.

**Charitable Funds (Deferred from 2023/24)** – We issued **reasonable assurance** on this area. We noted a lack of formal controls to ensure procedural compliance - monitoring and administration of Fund Advisor list, Accountability Agreements, and registered fundraising events. The Charitable Support Operational Plan had not been finalised, reviewed, or recommended for approval by the Charitable Funds Committee or Board of Trustees. The Charitable Funds Committee was not fulfilling its expenditure approval

responsibilities per the Committee Terms of Reference and Scheme of Reservation and Delegation and the expenditure approval requirements specified in the Charitable Funds Standing Financial Instructions are not consistent with other written control documents.

**Value Based Healthcare** – We issued **reasonable assurance** on this area. We noted Value Based Healthcare (VBHC) is not reported into existing accountability and reporting frameworks as well as no evident oversight via the Health Board’s committees to monitor VBHC's progress within the Health Board.

**Budgetary Control & Financial reporting** – We issued **reasonable assurance** on this area. We noted whilst 90% of Accountability Letters have been signed, and those who have not signed have been subject to follow-up by Finance, there is no further escalation or consequence for those officers who do not sign these, despite this being a requirement of Standing Financial Instructions. There is a procedure for the sign-off of journal entries over £100k, however this is not applied consistently across finance teams. There is guidance in place for budget holders, and in the absence of ESR mandatory training (which is being revised), training is available and delivered by finance, however attendance for this is not monitored effectively.

## Quality & Safety

We have undertaken two (2) reviews in this area.

**Follow-up: Contracted Patient Services: Quality and Safety arrangements (Deferred from 2023/24)** – We issued this as an **advisory review**. Our follow-up review identified that none of the agreed actions have been implemented. On 28 February 2025, we were advised that executive leadership for this review had transferred to the Director of Performance and Commissioning, however it must be noted that all agreed actions had implementation dates pre-dating the appointment of the Director and should, in our view, already have progressed.

In identifying a sample of contracts for review, of the fourteen NHS England providers the Health Board commissions services from directly, totalling £78,988,225 (excluding those services facilitated by the NHS Wales Joint Commissioning Committee) we were advised that seven (50%) had been signed by the provider and the Chief Executive/Director of Finance.

The delegation for signing all healthcare contracts is set out in the Scheme of Reservation and Delegation (SoRD). We have found no evidence the initial contract schedule has been presented to the Health Board in 2024/25 as part of the annual budget approval process or any subsequent presentation of this information for the Board to consider – consequently there is no delegated approval for Executive officers to sign and agree contracts on behalf of the Health Board.

We note the SoRD is subject to review as clarity is required surrounding Delegated Matter 13a Primary Care Patient Services/ Healthcare Agreements that state Contract negotiation and provision of service agreements is operationally delegated to System Oversight – we are unclear what post(s) System Oversight refers.

**Clinical Audit** – We issued **limited assurance** on this area. Whilst there has been progress in addressing issues with clinical audit since our previous reviews in 2022 and 2023, there are still several areas where further improvements are needed. It is unclear how the Tier 2 clinical audit plan for the Health Board has been developed. The audits should be based on Health Board risks and priorities, however there is no formal assessment that has been undertaken that provides a rationale for the areas on the plan.

There is a lack of evidence to demonstrate oversight and collation of data on lessons learnt and where these are shared, and in developing action plans to address areas of risk. A high percentage (75%) of Tier 3 audits have not been undertaken by the agreed completion date. Whilst the Clinical Effectiveness Team are starting to enquire about these, this is a recent process that has not yet resulted in an increase in compliance with audit completion.

### **Information Governance & Security**

We have undertaken two (2) reviews in this area.

**Intelligence led organisation** – We issued **reasonable assurance** on this area. The aim of being an intelligence lead organisation is with the digital strategy and within the three-year plan. This is underpinned by a Digital & Intelligence roadmap which contains key actions to improve the position. There is a good structure in place to engage with stakeholders to identify information needs and the resources and skills required are generally understood, however they are not currently sufficient to provide the full information needs. We found that the Health Board need to ensure that skills and resources for information provision are sufficient; define a data quality policy and ensuring that data literacy is improved across the organisation.

**Network and Disaster Recovery** – We issued **reasonable assurance** on this area. We found that despite switches being covered by the patch process, there are a large number that were not patched to the latest, secure software version. We noted weaknesses in physical security, with a lack of identity checking and challenge and excessive access provided to digital areas within the door access management system. We also noted some specific weaknesses in the environmental controls over Digital areas and datacentres and there is no planned, full testing of the resilience position or application failovers - without fully testing there is a risk that the provision does not work as anticipated. Finally, there was an absence of detailed technical recovery documents, with a reliance on restoration from backups.

### **Operational Service and Functional Management**

We have undertaken three (3) reviews in this area.

**Effective Governance: Integrated Health Community – East (Draft)** – We issued **limited assurance** on this area. There are established governance structures in place, however a review of key group papers shows low attendance at meetings. This is recognised by the IHC. There is regular reporting of financial performance however the IHC is forecasting an overspend position at year end which is a breach of Standing Financial Instruction 5.2.2 “...and delegated budget holders must not exceed the budgetary total or virement limits set by the Board”. At the time of our review the service was not forecast to achieve its set savings target. There are also several Accountability Letters that have not been signed by budget holders. The Clinical Effectiveness Group is not meeting on a regular basis, we are therefore unable to confirm there is effective oversight and monitoring of clinical audit. The increasing number of incidents is cause for concern and management should put arrangements in place to close open and overdue incidents.

**Effective Governance: Cancer Services** – We issued **limited assurance** on this area. We are unable to evidence regular review of Cancer Pathway Performance information at the Senior Leadership Team over the last three meetings despite this being a standard agenda item for the meeting. There is regular reporting of financial performance however

the service is forecasting an overspend position at year end which is a breach of Standing Financial Instruction 5.2.2 "...and delegated budget holders must not exceed the budgetary total or virement limits set by the Board". At the time of our review the service was not forecast to achieve its set savings target. The service is not progressing or monitoring tier 2/3 clinical audits however we recognise this has been identified as a risk area and subject to focus in 25/26. The number of open/overdue incidents is a cause for concern.

**Waiting List Initiative – IHC Centre** – We issued **limited assurance** on this area. The significant matters identified in this review included no standard operating procedure within the Health Board ensuring standardisation and equity across all its services. We received no evidence of advised local procedures being present. We were unable to verify actual WLI activity to the majority of job plans as the job plans had not been agreed and we therefore could not verify that WLI activity was undertaken outside of a contracted session. We also found that recorded on some approved claims WLI activity was undertaken on a Supporting Professional Activity (SPA) session, with the displaced SPA then undertaken at another time. We were unclear how this complies with paragraph 2.38 of the National Contract.

### **Workforce Management**

We have undertaken five (5) reviews in this area.

**Recruitment of substantive and interim executive and senior posts (Deferred from 2023/24)** – We issued **reasonable assurance** on this area. Overall, we have seen improvement in compliance with both Welsh Government and the Health Board's own procedure. However, the Health Board is not formally approving the appointment at Board for all Executive and other Board level Director posts in line with its own governing documents and NHS Wales Regulations (Statute). We recognise the appointments process have complied with expected controls and are considered at Remuneration Committee where all Independent Members are Members. The Remuneration Committee has been asked on several occasions to consider additional allowances to Officers following their appointment, with some job descriptions omitting the JESP salary. We recognise this is a risk area that has been identified by People & OD and believe this requires immediate focus to ensure the Health Board delivers value for money in all its appointments and requests for additional allowances do not become a usual agenda item for the Committee.

There is a conflict between the local Schemes of Reservation and Delegation and Procedure WP1E Recruitment to Very Senior Posts that requires review concerning the submission of electronic documentation to NWSSP Payroll Services by the Strategic Recruitment Team. Again, there continues to be issues of compliance with the No Purchase Order, No Pay requirement of the Standing Financial Instructions concerning Agency interim appointments and payments.

**Establishment Control and Recruitment** – We issued **reasonable assurance** on this area. We found that the Establishment Control Procedure has not been reviewed since 2018 and requires updating to incorporate the updated Standing Financial Instructions. A review of a sample of Accountability Letters found one (of four) had not been agreed, as required by the Health Boards Standing Financial Instructions. There are variances between funded posts in the General Ledger and the establishment within the Electronic Staffing Record (ESR) system, suggesting the Health Board has approximately 390 Whole Time Equivalent (WTE) more vacancies than funded for.

**Consultant Job Planning** – We issued **unsatisfactory assurance** on this area. There is no agreed Health Board policy in place for job planning. The Health Board must agree and publish its draft policy Job Planning for Consultants, Speciality and Specialist Doctors: Betsi Cadwaladr University Health Board as a matter of urgency to ensure standardisation and equity across all its services. Overall, the Health Board is not compliant with the requirements set out in the Amendment to the National Consultant Contract in Wales where annual job plans are required. Compliance is generally poor, at the time of this report thirty-four percent (34%) of job plans had expired. There were limited personal and service/team objectives evident throughout our sample and it is unclear why operational management are approving job plans without a key element of the national contract included. The Health Board pays Consultants for whole sessions and does not include part sessions (where agreed in the job plan) which may adversely impact the delivery of clinical sessions and impact the timely delivery of services to patients.

It is unclear how the delivery and outcomes of sessions agreed in job plans are measured to ensure that clinical capacity is utilised effectively. For example, the number of patients to be seen in clinics/session time and theatre time and whether this is being achieved.

Generally, there is inadequate reporting of job plan performance and scrutiny at operational management level, with limited use advised of the job plan dashboard. The Medical Workforce Group has not been meeting in accordance with its Terms of Reference, however its assurance reporting to the Executive has not happened due to the People & Culture Executive Delivery Group also not meeting. There is little focus on medical and dental workforce matters reported to the People & Culture Committee.

**Job evaluation** – We issued this as an **advisory review** and did not assign an assurance rating as the evidence we requested and required to undertake part of the review was not provided by the Health Board; we advised officers of this on 5 December 2024.

Job evaluation procedures do not comply with Scheme of Reservation and Delegation (SoRD) Matter 10e, which states only the Service Director can approve review/re-band requests. Allowing a Head of Service and Line manager to submit requests is a breach and must be corrected immediately to comply with the SoRD. Due to non-provision of evidence, we were unable to provide assurance that controls are embedded to ensure there are no conflicts of interest in job matching panels and that consistency checking is undertaken in line with procedures and the job evaluation handbook. The implementation of approved re-banding/review outcomes are not, in the main, being actioned by operational management in a timely manner. Establishment control and/or lack of funding should not become a barrier to timely implementation of formal outcomes, as current procedures do not require outcomes to progress through another control process.

**Grievance Management** – We issued **reasonable assurance** on this area. We found that information on employee relations is reported locally and via the People & Culture Committee, however this is for disciplinary cases and does not include grievance case information / data. Reporting should be revisited to ensure the Health Board is sighted on all areas of employee relations. Whilst there is informal feedback from those involved in the grievance process, there is no documented learning from cases, or analysis, to identify potential themes and take appropriate action i.e. where there may be opportunity to provide additional training / awareness on areas of concern to management.

## **Capital & Estates Management**

We have undertaken four (4) reviews in this area.

### **Discretionary Capital Funding Allocation (previously Capital Business Cases) –**

We issued **reasonable assurance** on this area. We found the 'Procedure Manual for Managing Capital Projects' and associated Addendum, were last updated in December 2020. Whilst not necessarily dedicated to Discretionary Capital, both require updating to reflect current working practices and changes in governance / Committee arrangements. Our sample testing of approved business cases identified some that were lacking management and finance approvals. We are advised the business case template is under review, and the process has changed. From information provided, we were unable to establish justification as to why some potential investments have taken priority over others.

### **Integrated Assurance and Approval Plans (IAAP): Orthopaedic Surgical Hub Llandudno Hospital (Draft) –**

We issued **unsatisfactory assurance** on this area. The project had been subject to further prolongation since the last audit undertaken in early 2024. The current estimated completion date was reported as January 2026, a further 11 months delay, noting the project was originally envisaged as being completed within 12 months. Delays have been attributed to several factors, including design co-ordination, delays in ordering/procuring materials along with issues of procured components not meeting the tolerances required for the build. The project was forecasting an anticipated overspend of approximately £1.6m over the approved budgeted allocation, with no contingency remaining at the time of the current review. Quality issues were observed both with regard to the delivery of the scheme and the robustness of the quality assurance regime in place. We also noted the following:

- The need to address several High priority recommendations arising from the previous audit.
- Address 'Gateway Review' outstanding recommendations detailed as 'Critical'.
- Ensure the regularity of the Project Board meetings (which forms one of the key pillars of the Project Governance arrangements).
- Review approval process for changes/variations ensuring compliance with Standing Orders/SFI's.
- Maintain agreed improvements to project progress reporting to the Board/Executive level.
- Provide qualitative explanations to support reported VAT and equipment cost calculations as reported, noting changes or indeed the lack of anticipated changes in budget.
- Apply Project Bank account requirements which remain outstanding, with no clear rationale of why the same had not been implemented.
- Address site inspection arrangements and preparation for commissioning.

**Corporate Legislative Compliance: Fire Safety** – We issued **limited assurance** on this area. The fire safety reporting and committee structure required review as some group meetings are not taking place at the required frequency and there is a lack of assurance to the Health Board. The Policy for the Management of Fire Safety (ES04) is overdue for review (April 2022) and does not reflect current management structure and existing governance arrangements. We identified non-compliance with Mandatory fire training requirements as stated in the Fire Safety policy which is an operational management responsibility to ensure compliance. A number of issues were identified through site testing that are non-compliant with the Management of Fire Safety Policy,

such as Fire Fighting Equipment (FFE) not being regularly serviced, out of date risk assessments and a lack of regular fire drills and evacuations.

**Waste Management (Draft)** – We issued **reasonable assurance** on this area. We noted some areas of non-compliance were identified during site visits, such as a build-up of waste/equipment. In addition, we noted that:

- A systematic approach is not followed for the verification of invoices, to ensure both accuracy and legitimacy of amounts being claimed by the service provider.
- Recycling/waste data has been produced; however, this has not been analysed/reviewed to consider whether waste across the Health Board can be reduced and if any improvements can be made.
- Progress on the implementation of Waste Separation Requirements (Wales) Regulations 2023 and associated risks / implications are not reported regularly to the Strategic Infection Prevention Group (SIPG), and we are unsighted whether assurance has been provided to the Health Board via its Committees.
- There are several concerns relating to implementation of the new waste separation requirements, however there is no documented risk on the Estates risk register relating to this.

## **2.5 Approach to Follow Up of Recommendations**

As part of our audit work, we consider the progress made in implementing the actions agreed from our previous reports for which we were able to give only Unsatisfactory or Limited Assurance. In addition, where appropriate, we also consider progress made on high priority findings in reports where we were still able to give Reasonable Assurance. We also undertake some testing on the accuracy and effectiveness of the audit recommendation tracker.

In addition, Audit Committees monitor the progress in implementing recommendations (this is wider than just Internal Audit recommendations) through their own recommendation tracker processes. We attend all Audit Committee meetings and observe the quality and rigour around these processes.

However, it remains the role of the Audit Committee to consider and agree the adequacy of management responses and the dates for implementation, and any subsequent request for revised dates, proposed by Management. Where appropriate, we have adjusted our approach to follow-up work to reflect these challenges.

We have considered the impact of both our follow-up work and where there have been delays to the implementation of recommendations, on both our ability to give an overall opinion (in compliance with the PSIAS) and the level of overall assurance that we can give.

The Health Board's recommendation tracking process continued during 2024/25 although there is a need for operational management to actively engage in the process; we reviewed one hundred and forty-five (145) recommendations approved for closure by the Executive however we could only verify sixty-five (65) as implemented (45%). In addition, several recommendations are either past the advised implementation date or require Executive approval as implemented.

## **2.6 Limitations to the Audit Opinion**

Internal control, no matter how well designed and operated, can provide only reasonable and not absolute assurance regarding the achievement of an organisation's objectives.

The likelihood of achievement is affected by limitations inherent in all internal control systems.

In accordance with auditing standards, and with the agreement of senior management and the Board, Internal Audit work is deliberately prioritised according to risk and materiality. Accordingly, the Internal Audit work and reported outcomes will bias towards known weaknesses as a driver to improve governance risk management and control. This context is important in understanding the overall opinion and balancing that across the various assurances which feature in the Annual Governance Statement.

Caution should be exercised when making comparisons with prior years. Audit coverage will vary from year to year based upon risk assessment and cyclical coverage on key control systems.

## **2.7 Period covered by the Opinion**

Internal Audit provides a continuous flow of assurance to the Board and, subject to the key financials and other mandated items being completed in-year, the cut-off point for annual reporting purposes can be set by agreement with management. To enable the Head of Internal Audit opinion to be better aligned with the production of the Annual Governance Statement a pragmatic cut-off point has been applied to Internal Audit work in progress.

By previous agreement with the Health Board, audit work reported to draft stage has been included in the overall assessment, with all other work in progress rolled-forward and reported within the overall opinion for next year.

Most audit reviews will relate to the systems and processes in operation during 2024/25 unless otherwise stated and reflect the condition of internal controls pertaining at the point of audit assessment.

Follow-up work will provide an assessment of action taken by management on recommendations made in prior periods and will therefore provide a limited scope update on the current condition of control and a measure of direction of travel.

There are some specific assurance reviews which remain relevant to the reporting of the organisation's Annual Report required to be published after the year end. Where required, any specified assurance work would be aligned with the timeline for production of the Health Board's Annual Report and accordingly will be completed and reported to management and the Audit Committee after this Head of Internal Audit Opinion. However, the Head of Internal Audit's assessment of arrangements in these areas would be legitimately informed by drawing on the assurance work completed as part of this current year's plan.

## **2.8 Required Work**

Please note that following discussions with Welsh Government we were not mandated to audit any areas in 2024/25.

## **2.9 Statement of Conformance**

The Welsh Government determined that the Public Sector Internal Audit Standards (PSIAS) would apply across the NHS in Wales from 2013/14.

The provision of professional quality Internal Audit is a fundamental aim of our service delivery methodology and compliance with PSIAS is central to our audit approach. Quality is controlled by the Head of Internal Audit on an ongoing basis and monitored by the Director of Audit & Assurance. In addition, at least once every five years, we are required

to have an External Quality Assessment. This was undertaken by the Chartered Institute of Public Finance and Accountancy (CIPFA) in March 2023, reported in April 2023 stated who concluded we 'Fully Conform' with the Standards.

The NWSSP Audit and Assurance Services can assure the Audit Committee that it has conducted its audit at Health Board in conformance with the Public Sector Internal Audit Standards for 2024/25.

Our conformance statement for 2024/25 is based upon:

- the results of our internal Quality Assurance and Improvement Programme (QAIP) for 2024/25 which will be reported formally in the Summer of 2025; and
- The results of the External Quality Assessment.

We have set out, in **Appendix A**, the key requirements of the Public Sector Internal Audit Standards and our assessment of conformance against these requirements. The full results and actions from our QAIP will be included in the 2024/25 QAIP report. There are no significant matters arising that need to be reported in this document.

We also note that there have been no impairments to the independence of the Head of Internal Audit or to any other members of NWSSP's Audit & Assurance Service who undertook work on the Health Board's audit programme for 2024/25.

The Head of Internal Audit has unfettered access to the Chief Executive, Chair of the Audit Committee and Chair of the Health Board.

## **2.10 Completion of the Annual Governance Statement**

While the overall Internal Audit opinion will inform the review of effectiveness for the Annual Governance Statement, the Accountable Officer and the Board need to consider other assurances and risks when preparing their Statement. These sources of assurances will have been identified within the Board's own performance management and assurance framework and will include, but are not limited to:

- direct assurances from management on the operation of internal controls through the upward chain of accountability.
- internally assessed performance against the Health & Care Standards.
- results of internal compliance functions including Local Counter-Fraud, Post Payment Verification, and Risk Management.
- reported compliance via the Welsh Risk Pool regarding claims standards and other specialty specific standards reviewed during the period. and
- reviews completed by external regulation and inspection bodies including Audit Wales, Healthcare Inspectorate Wales and Health and Safety Executive.

## **3. Other work relevant to the Health Board**

As our internal audit work covers all NHS Wales organisations there are several audits that we undertake each year which, while undertaken formally as part of a particular health organisation's audit programme, will cover activities relating to other Health bodies. These are set about below, with relevant comments and opinions attached, and relate to work at:

- NHS Wales Shared Services Partnership.
- Digital Health & Care Wales.

- NHS Wales Joint Commissioning Committee.

### NHS Wales Shared Services Partnership (NWSSP)

As part of the internal audit programme at NHS Wales Shared Services Partnership (NWSSP), a hosted body of Velindre University NHS Trust, a number of audits were undertaken which are relevant to the Health Board. These audits of the financial systems operated by NWSSP, processing transactions on behalf of the Health Board, derived the following opinion ratings:

Audit	Opinion	Outline scope
Accounts Payable	Reasonable	To review the adequacy of the systems and controls in place for key risk areas in the accounts payable process, including progress in implementing the actions agreed with management to address the issues identified in the previous audit report.
PCS Pharmacy	Substantial	To provide assurance that Primary Care Services is maintaining a robust system to facilitate timely and accurate payments to pharmacy contractors.
Payroll	Substantial	To evaluate the design and operation of the systems and controls in place within payroll services.
Recruitment Services	Substantial	To review the adequacy of systems and controls in place for Recruitment Services.

Please note that other audits of NWSSP activities are undertaken as part of the overall NWSSP internal audit programme. All audits in this programme are reported to the Velindre University NHS Trust Audit Committee for NHS Wales Shared Services Partnership. The overall Head of Internal Audit Opinion for NWSSP is Reasonable Assurance.

### Digital Health & Care Wales (DHCW)

As part of the internal audit programme at DHCW, a Special Health Authority that started operating from 1 April 2021, a number of audits were undertaken which are relevant to the Health Board. These audits derived the following opinion ratings:

Audit	Opinion	Outline scope
Financial Sustainability	Reasonable	To review the financial management arrangements in place to ensure the ongoing sustainability of services and project delivery, with a particular focus on sustainable funding requirements for projects (e.g. DPIF, WASPI).

Audit	Opinion	Outline scope
Programme Management	Reasonable	To establish the effectiveness of the portfolio management model used by DHCW and the controls that are in place to ensure it operates across the range of active projects.
Mission One – National Data Resource	Reasonable	To provide assurance over the National Data Resource (NDR) Platform programme of work, including progress towards implementing local datastores, and reference, demographics and medicines data.
Mission One – Cloud Services	Substantial	To provide assurance over the programme of work to move live services from datacentres into the cloud.

Please note that other audits of DHCW activities are undertaken as part of the overall DHCW internal audit programme. The overall Head of Internal Audit Opinion for DHCW is Reasonable Assurance.

### NHS Wales Joint Commissioning Committee (JCC)

The work at the JCC is undertaken as part of the Cwm Taf Morgannwg internal audit plan. These audits are listed below and derived the following opinion ratings:

Audit	Opinion	Outline scope
Mental Health Quality Commissioning arrangements	Reasonable	The purpose of the review was to assess the effectiveness of the arrangements in the JCC to oversee the quality and safety aspects of the commissioning of mental health and learning disability placements.
Governance	Advisory	To assess the arrangements that have been put in place at the JCC for embedding the statutory governance framework and the establishment of operational governance arrangements to provide effective oversight in the new organisation.
Financial arrangements (Draft)	Reasonable	To consider the financial arrangements in relation to financial management and budgetary control, procurement and income.
Review of Traumatic Stress Wales (Draft)	Limited	The purpose of the review was to provide information to assist the Director of Commissioning for Mental Health, Learning Disabilities and Vulnerable Groups within the JCC to determine the optimum delivery mechanism for the national objective of Traumatic Stress Wales (TSW), by review of the adequacy of the systems

Audit	Opinion	Outline scope
		and controls in place within TSW and the JCC in relation to its management of TSW. The review sought to provide assurance to the Chief Commissioner via the Director of Commissioning for Mental Health, Learning Disabilities and Vulnerable Groups, that TSW is operating effectively, systems are being managed appropriately, and there is clarity on the purpose and objectives of TSW within the new arrangements for the JCC.
Mental Health Quality Commissioning arrangements	Reasonable	The purpose of the review was to assess the effectiveness of the arrangements in the JCC to oversee the quality and safety aspects of the commissioning of mental health and learning disability placements.

While these audits do not form part of the annual plan for the Health Board, they are listed here for completeness as they do impact on the organisation’s activities. The Head of Internal Audit has considered if any issues raised in the audits could impact on the content of our annual report and concluded that there are no matters of this nature.

Full details of the NWSSP audits are included in the NWSSP Head of Internal Audit Opinion and Annual Report and are summarised in the Velindre NHS Trust Head of Internal Audit Opinion and Annual Report. DHCW audits are summarised in the DHCW Head of Internal Audit Opinion and Annual Report, and the JCC audits are summarised in the Cwm Taf Morgannwg University Health Board Head of Internal Audit Opinion and Annual Report.

## 4. Delivery of the Internal Audit Plan

### 4.1 Performance against the Audit Plan

The Internal Audit Plan has been delivered substantially in accordance with the schedule agreed with the Audit Committee, subject to changes agreed as the year progressed. Regular audit progress reports have been submitted to the Audit Committee during the year. Audits that remain to be reported, but are reflected within this Annual Report, will be reported alongside audits from the 2024/25 operational audit plan.

The audit plan approved by the Committee in March and November 2024 (two six-month plans) contained thirty (31) planned reviews. Changes have been made to the plan with one (1) audit added and five (5) deferred/cancelled. All these changes have been reported to, and approved by, the Audit Committee.

The assignment status summary is reported at section 5.

In addition, we may respond to requests for advice and/or assistance across a variety of business areas across the Health Board. This advisory work, undertaken in addition to the assurance plan, is permitted under the standards to assist management in improving governance, risk management and control. This activity is reported during the year within our progress reports to the Audit Committee.

### 4.2 Service Performance Indicators

In order to monitor aspects of the service delivered by Internal Audit, a range of service performance indicators have been developed.

Indicator Reported to Audit Committee	Status	Actual	Target	Red	Amber	Green
Operational Audit Plan agreed for 2024/25	<b>G</b>	March and November 2024	By 30 June	Not agreed	Draft plan	Final plan
Total assignments reported against adjusted plan for 2024/25	<b>G</b>	100% (28/28)	100%	v>20%	10%<v<20%	v<10%
Report turnaround: time from fieldwork completion to draft reporting [10 working days]	<b>G</b>	100%	80%	v>20%	10%<v<20%	v<10%
Report turnaround: time taken for management response to discussion & draft report [20 working days]	<b>G</b>	85%	80%	v>20%	10%<v<20%	v<10%
Report turnaround: time from management response to issue of final report [10 working days]	<b>G</b>	100%	80%	v>20%	10%<v<20%	v<10%

Key: v = percentage variance from target performance

## 5. Risk based audit assignments

The overall opinion provided in Section 1 and our conclusions on individual reviews is limited to the scope and objectives of the reviews we have undertaken, detailed information on which has been provided within the individual audit reports.

### 5.1 Overall summary of results

In total 28 audit reviews were reported during the year. Figure 1 below presents the assurance ratings, and the number of audits derived for each.

**Figure 1 Summary of audit ratings**

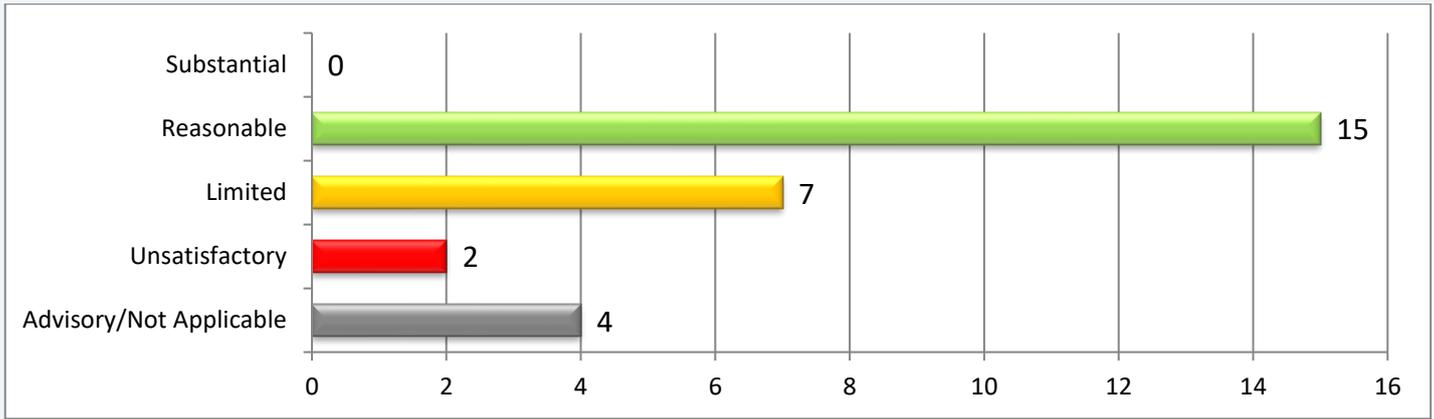


Figure 1 above does not include the audit ratings for the reviews undertaken at NWSSP, DHCW, WHSSC or EASC.

The assurance ratings and definitions used for reporting audit assignments are included in **Appendix B**.

In addition to the above, there were several audits which did not proceed following preliminary planning and agreement with management. In some cases, it was recognised that there was action required to address issues and/or risks already known to management and an audit review at that time would not add additional value. These audits are documented in section 5.7.

The following sections provide a summary of the scope and objective for each assignment undertaken within the year along with the assurance rating.

### 5.2 Substantial Assurance (Dark Green)



In the following review areas, the Board can take **substantial assurance** that arrangements to secure governance, risk management and internal control are suitably designed and applied effectively. Those few matters that may require attention are compliance or advisory in nature with low impact on residual risk exposure.

**No reviews were issued with Substantial Assurance in 2024/25.**

### 5.3 Reasonable Assurance (Light Green)



In the following review areas, the Board can take **reasonable assurance** that arrangements to secure governance, risk management and internal control are suitably designed and applied effectively. Some matters require management attention in either control design or operational compliance and these will have low to moderate impact on residual risk exposure until resolved.

Review Title	Objective
Special Measures	To review progress and delivery against the five stated Outcomes and, where relevant, corroborate whether the actions have resulted in improvement. We have reviewed the work undertaken by the Programme Management Office and relevant divisions / directorates / services across the Health Board.
Transformation & Improvement	To review how the Transformation and Improvement Team have delivered on its purpose "...to support and enable the organisation to transform and improve itself."
Charitable Funds (Deferred from 2023/24)	To review whether there are robust processes and controls in place within the Health Board to support the management and administration of BCU Charitable Funds.
Value Based Healthcare	To review the outcomes related to the Health Board investment of £3.1m in 2023/24 in Value Based Healthcare, including the Value Based Care Function, as detailed in the Financial Plan approved by the Board.
Discretionary Capital Funding Allocation (previously Capital Business Cases)	To assess the risk-based approach and scrutiny applied to the allocation of discretionary funds, and in addition where there is slippage or new funding, how this has been managed.
Intelligence led organisation	To review the capabilities in place, from a people, process, and technology perspectives, for the Health Board to manage and transform its data to deliver the appropriate and accurate intelligence to inform better decisions.
Network and Disaster Recovery	To review the Health Boards processes for managing the IT Infrastructure and network, to ensure the appropriate enactment of resilience and fault domains to prevent disruption to services, and to ensure that disaster recovery plans enable rapid and focused recovery from disruptions.
Recruitment of substantive and interim executive and senior posts (Deferred from 2023/24)	To assess implementation of both the management actions agreed to because of the limited assurance review in 2022/23 and the independent report commissioned under special measures.
Establishment Control and Recruitment	To review the Establishment Control process and whether the Health Board is complying with Standing Financial Instruction 14.2 Funded Establishment. We have not reviewed the system and processes relating to recruitment as this will be subject to a separate review.
Board Assurance Framework & Risk Management	To review the efficacy of the Health Board's Risk Management and Board Assurance processes.
Standing Financial Instructions – Procurement	To review progress and delivery of the twenty-four actions identified in the Independent Review of Betsi Cadwaladr University Health Board Contract Procurement Management issued on 29 January 2024.

Review Title	Objective
Corporate Legislative Compliance: Health and Social Care (Quality and Engagement) (Wales) Act 2020 - Duty of Quality	To provide assurance that the Health Board is implementing the requirements of the Duty of Quality (the Duty), which came into force on 1 April 2023. The Duty aims to improve the quality of healthcare services and the health outcomes for people in Wales.
Budgetary Control	To review whether the Health Board has effective controls in place to manage its financial budgets, including delegation and information available to budget holders.
Grievance Management	To provide assurance on the effectiveness and efficiency of the process to manage grievance cases within the Health Board.
Waste Management (Draft)	To review the Health Board's compliance with WHTM 07-01 Welsh Health Technical Memorandum Safe management of healthcare waste and ascertain how it is preparing for implementation of the Waste Separation Requirements (Wales) Regulations 2023 in April 2026.

## 5.4 Limited Assurance (Amber)



In the following review areas, the Board can take only **limited assurance** that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. More significant matters require management attention with moderate impact on residual risk exposure until resolved.

Review Title	Objective
Corporate Legislative Compliance: Fire Safety	To assess compliance with the requirements of Welsh Health Technical Memorandum (WHTM) 05-01 'Firecode – Managing healthcare fire safety', which provides practical guidance in the application of statutory regulation in healthcare premises.
Clinical Audit	To review operational compliance with Health Board Policy for Clinical Audit, review and sharing of audit findings and delivery of National (Tier 1), Organisational Priority (Tier 2) and Local (Tier 3) clinical audits.
Waiting List Initiative – IHC Centre	To review arrangements in the Integrated Health Community (IHC) Centre for identifying, agreeing, and approving Waiting List Initiative (WLIs) payments.
Performance Management Framework & Reporting (Draft)	To review the implementation of, and confirm that, the Integrated Performance Framework (IPF) 2023-25 is operating as expected.

Review Title	Objective
Partnerships, Engagement and Communications	To review progress made by the Health Board in implementing its Strategy for 2022-2025 along with review of actions emanating from Special Measures and internally commissioned reviews that focus on stakeholder engagement.
Effective Governance: Cancer Services	To review the effectiveness of the governance arrangements within Cancer Services.
Effective Governance: IHC East (Draft)	To review the effectiveness of the governance arrangements within IHC East.

## 5.5 Unsatisfactory assurance (Red)



In the following areas, the Board has **unsatisfactory assurance** that arrangements to secure governance, risk management and internal control are suitably designed and applied effectively, or where action remains to be taken to address the whole control framework with high impact on residual risk exposure until resolved.

Review Title	Objective
Consultant Job Planning	To review arrangements across the health board for management of the systems and controls in place for consultant job planning.
Integrated Assurance and Approval Plans (IAAP) - Orthopaedic Surgical Hub Llandudno Hospital (Draft)	To evaluate the progression and delivery of the project against the key business case objectives and to assess the adequacy of the systems and controls in place to support the successful delivery of the project.

## 5.6 Advisory/Assurance Not Applied (Grey)



The following reviews were undertaken as part of the audit plan and reported without the standard assurance rating indicator, owing to the nature of the audit approach. The level of assurance given for these reviews are deemed not applicable – these are reviews and other assistance to management, provided as part of the audit plan, to which the assurance definitions are not appropriate, but which are relevant to the evidence base upon which the overall opinion is formed.

Review Title	Objective
Follow-Up of Internal Audit recommendations	To provide the Health Board with assurance concerning Executive approved implementation of agreed management actions.

Review Title	Objective
Follow-up: Standards of Business Conduct - Declarations of interest, gifts, and hospitality	To provide the Health Board with assurance regarding the implementation of the agreed management actions from the Standards of Business Conduct (BCU-2324-21) review that was reported as part of our 2023/24 work programme.
Follow-up: Contracted Patient Services: Quality and Safety arrangements - Follow up (Deferred from 2023/24)	To review implementation that the agreed management action has been applied to address risks identified and reported in the 2022/23 Contracted Patient Services: Quality and Safety Arrangements (BCU-2223-19) audit report which concluded unsatisfactory (no) assurance.
Job Evaluation	To assess how effectively the requirements of the NHS Job Evaluation Handbook are being applied by the Health Board.

## 5.7 Audits not undertaken

Additionally, the following audits were deferred for the reasons outlined below. We have considered these reviews and the reason for their deferment when compiling the Head of Internal Audit Opinion.

Review Title	Reason for deferment
People & OD Strategy: Operational implementation (Deferred from 2022/23 & 2023/24)	On 11 April 2024, the People and Culture Committee received the Audit Wales report <i>Review of Workforce Planning Arrangements – Betsi Cadwaladr University Health Board</i> with recommendations made that cut across several of our identified objectives – Management response has recorded latest implementation by March 2025.
Civil Contingencies Act	<p>There have been delays in obtaining evidence for the review. Following escalation to the Director of Corporate Governance, we met with the recently appointed Head of Emergency Preparedness, Planning and Response. We are advised there is limited recent evidence available to meet the objectives of the review.</p> <p>We considered little merit in undertaking the review at this time. This is a significant risk area for the Health Board as a Category One Responder, but also for its own service continuity, that will require some additional assurance through to the Executive on progress.</p>
Quality Governance: Concerns and Complaints	<p>The Health Board has recently approved the Integrated Concerns Policy, which supersedes current process. Noting the implementation plan presented at the Health Board implies all expected actions will have been completed, we note that operationally there will need to be a lead time for the policy and associated governance arrangements to bed-down and do not believe there is merit in auditing the current process.</p> <p>Deferral to Quarter 1 2025/26 will allow eight months for the policy and standard operating procedures to bed down and provided us with meaningful evidence whether the policy and</p>

Review Title	Reason for deferment
	procedures are operating effectively, as well as confirming the changes have made the stated improvements.
Contracted Patient Services: Quality and Safety arrangements - Follow up (Deferred from 2023/24)	Management advised that little progress had been made on implementing the agreed actions. The Audit Committee agreed deferment from the April to September 2024 plan but required the follow-up to be undertaken before the end of the financial year – The review was added to the plan for October 2024 to March 2025.
Integrated Assurance and Approval Plans (IAAP) Wrexham Maelor Business Continuity	Through discussions with our Specialist Services Unit who undertake reviews on the all-Wales funded capital schemes, through IAAP provision in the business case, they have advised that through the current plans to address the backlog at the hospital, funding is being allocated on a risk basis and therefore is not being progressed under an IAAP. Should assurance on the progress at the Wrexham Maelor be required, this will need to be charged directly to the Health Board.

In addition, at the time of this annual report there were no reviews that were 'work in progress'.

## 6. Acknowledgement

In closing I would like to acknowledge the time and co-operation given by Directors and staff of the Health Board to support delivery of the Internal Audit assignments undertaken within the 2024/25 plan.

Dave Harries CMIIA QiCA

Pennaeth Archwilio Mewnol/Head of Internal Audit

Gwasanaethau Archwilio a Sicrwydd/Audit and Assurance Services

Partneriaeth Cydwasanaethau GIG Cymru/NHS Wales Shared Services Partnership

30 May 2025

# Appendix A

ATTRIBUTE STANDARDS	
<b>1000 Purpose, authority and responsibility</b>	Internal Audit arrangements are derived ultimately from the NHS organisation’s Standing Orders and Financial Instructions. These arrangements are embodied in the Internal Audit Charter adopted by the Audit Committee on an annual basis.
<b>1100 Independence and objectivity</b>	Appropriate structures and reporting arrangements are in place. Internal Audit does not have any management responsibilities. Internal audit staff are required to declare any conflicts of interests. The Head of Internal Audit has direct access to the Chief Executive and Audit Committee chair. There have been no impairments to our independence during 2024/25.
<b>1200 Proficiency and due professional care</b>	Staff are aware of the Public Sector Internal Audit Standards and code of ethics. Appropriate staff are allocated to assignments based on knowledge and experience. Training and Development exist for all staff. The Head of Internal Audit is professionally qualified.
<b>1300 Quality assurance and improvement programme</b>	Head of Internal Audit undertakes quality reviews of assignments and reports as set out in internal procedures. Internal quality monitoring against standards is performed by the Head of Internal Audit and Director of Audit & Assurance. An EQA was undertaken in 2023.
PERFORMANCE STANDARDS	
<b>2000 Managing the internal audit activity</b>	<p>The Internal Audit activity is managed through the NHS Wales Shared Services Partnership. The audit service delivery plan forms part of the NWSSP integrated medium term plan. A risk based strategic and annual operational plan is developed for the organisation. The operational plan gives detail of specific assignments and sets out overall resource requirement. The audit strategy and annual plan is approved by Audit Committee.</p> <p>Policies and procedures which guide the Internal Audit activity are set out in an Audit</p>

	Quality Manual. There is structured liaison with Audit Wales, HIW and LCFS.
<b>2100 Nature of work</b>	The risk-based plan is developed and assignments performed in a way that allows for evaluation and improvement of governance, risk management and control processes, using a systematic and disciplined approach.
<b>2200 Engagement planning</b>	The Audit Quality Manual guides the planning of audit assignments which include the agreement of an audit brief with management covering scope, objectives, timing and resource allocation.
<b>2300 Performing the engagement</b>	The Audit Quality Manual guides the performance of each audit assignment and report is quality reviewed before issue.
<b>2400 Communicating results</b>	<p>Assignment reports are issued at draft and final stages. The report includes the assignment scope, objectives, conclusions and improvement actions agreed with management. An audit progress report is presented at each meeting of the Audit Committee.</p> <p>An annual report and opinion is produced for the Audit Committee giving assurance on the adequacy and effectiveness of the organisation's framework of governance, risk management and control.</p>
<b>2500 Monitoring progress</b>	An internal follow-up process is maintained by management to monitor progress with implementation of agreed management actions. This is reported to the Audit Committee. In addition, audit reports are followed up by Internal Audit on a selective basis as part of the operational plan.
<b>2600 Communicating the acceptance of risks</b>	If Internal Audit considers that a level of inappropriate risk is being accepted by management, it would be discussed and will be escalated to Board level for resolution.

# Appendix B

## 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.

## 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 Betsi Cadwaladr University Health Board 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 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 Betsi Cadwaladr University Health Board. 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.

## 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.

## 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.



Website: [Audit & Assurance Services - NHS Wales Shared Services Partnership](https://www.nhs.uk/auditandassuranceservices)

# Head of Internal Audit Opinion 2024/2025

## Briefing Paper

June 2025

Betsi Cadwaladr University Health Board



GIG  
CYMRU  
NHS  
WALES

Partneriaeth  
Cydwasaethau  
Gwasanaethau Archwilio a Sicrwydd  
Shared Services  
Partnership  
Audit and Assurance Services



## Introduction and Background

At the end of the audit year, the Head of Internal Audit is required to issue an Opinion and Annual Report. The purpose of the annual Head of Internal Audit opinion is to contribute to the assurances available to the Chief Executive as Accountable Officer and to the Board, which underpin the Board's own assessment of the effectiveness of the system of internal control. The Opinion given provides a level of assurance as to the adequacy of an organisation's arrangements for governance, risk management and internal control.

This overall Opinion and Annual Report document sets out the Head of Internal Audit Opinion together with the summarised results of the internal audit work performed during the year. The Opinion given provides a level of assurance as to the adequacy of an organisation's arrangements for Governance, Risk and Control.

A quality assurance review process has been applied by the Director of Audit & Assurance and the Head of Internal Audit in the annual reporting process to ensure the overall opinion is consistent with the underlying audit evidence.

This briefing paper sets out in some detail our rationale for the Opinion intended to be issued to the Health Board for 2024/25. At the time of producing the Annual Report, all reviews had been issued as final or in draft.

## Head of Internal Audit Opinion 2024/25

The Head of Internal Audit Opinion 2024/25 is limited assurance.

<b>Limited Assurance</b>		<p>The Board can take limited assurance that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively.</p> <p>More significant matters require management attention.</p> <p><b>Moderate impact</b> on residual risk exposure until resolved.</p>
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## Development of Opinion and Rationale

The opinion by the Head of Internal Audit results from the risk-based audit programme of audit work delivered as part of the approved plan. It is predominantly based on the number / percentage of unsatisfactory/limited assurance audit ratings, the significance of the areas/findings, and also the broader position regarding overall governance, risk management and control and any improvements made to address agreed management actions.

We also consider a comparison of outcomes across years and against other NHS Wales Bodies as part of that process to inform our judgment, the significance of the unsatisfactory/limited assurance areas and any progress to date, including from agreed follow up work. Consideration is also given to the impact of the deferred audits, together with other relevant information relating to the organisation's overall system of governance, risk management and internal control.

Key points noted in developing the Opinion:

- There has been evidenced improvement in the system of internal control and risk management, borne out by the number of reasonable assurance opinions issued in areas of previous risk subject to executive oversight and challenge – these must now become embedded and not slip once executive focus shifts to other areas of the Health Board.
- The internal audit plan is focused on risk and many audits undertaken this year have been in key priority areas and reported positive outcomes. Examples include Board Assurance Framework & Risk Management, Budgetary Control and Financial Reporting, Recruitment of

substantive and interim executive and senior posts and Special Measures.

- A decrease in the number and percentage of limited assurance ratings with an increase in the number of reasonable ratings.
- Several limited assurance rating audits in key areas such as Clinical Audit, Statutory Compliance: Fire Safety and Performance Management Framework and Reporting.
- Unsatisfactory assurance assigned to the Llandudno Hospital Orthopaedic Hub where the project is forecast to overspend, is delayed and outstanding actions assigned 'Critical' within the 'Gateway Review' noted.
- Consultant Job Planning (unsatisfactory assurance) and Job Evaluation (not rated due to information being withheld) were reviews identified and requested by the Chief Executive and are recognised as known risk areas.
- Follow-up progress has, in the main, been limited – In reviewing one hundred and forty-five (145) executive approved recommendations/actions for closure, we could only verify sixty-five (65) recommendations/actions (45%) where the evidence provided supported implementation; eighty (80) recommendations/actions (55%) could not be evidenced as closed, exposing the Health Board to on-going risk.
- The Health Board pleaded guilty to breaching Section 3 (1) of the Health and Safety at work Act 1974 and was fined £250,000 plus costs following enforcement action taken by the Health & Safety Executive.
- The follow-up review concerning *Contracted Patient Services: Quality and Safety arrangements* (previous unsatisfactory assurance report) and was deferred from 2023/24 found that none of the agreed actions had been implemented. This is compounded by the recent Public Services Ombudsman for Wales report [Clinical treatment in hospital : Betsi Cadwaladr University Health Board - Public Services Ombudsman for Wales](#) which reported "The Ombudsman was concerned that in its contract monitoring of commissioned care, the Health Board prioritised financial reporting over patient safety and service quality. She considered that effective contract monitoring might have prevented some failings in Ms A's care." This issue is the main finding from our report in 2022/23 where no progress has been identified.
- The deferment of our planned review on Civil Contingencies Act, where we were advised that little progress had been made on establishing a sound system of expected control and compliance in this area following our previous limited assurance review.

A comparison of opinions across year is set out in the table below.

	Substantial		Reasonable		Limited		Unsatisfactory		Advisory		Total	Overall Opinion
2024/25	-	-	15	54%	7	25%	2	7%	4	14%	28	Limited
2023/24	2	6%	8	26%	16	52%	1	3%	4	13%	31	Limited
2022/23	3	11%	10	36%	11	39%	2	7%	2	7%	28	Limited
2021/22	1	3%	14	47%	8	27%	-	-	7	23%	30	Limited
2020/21	3	11%	9	32%	9	32%	-	-	7	25%	28	Reasonable

### **Unsatisfactory & Limited Assurance Assignment Opinions**

The table below sets out below the audits given limited assurance in the 2024/25 year and their impact to the overall opinion.

	<b>AUDIT</b>	<b>RATING</b>	<b>NOTES</b>	<b>Assessment (High, Medium, Low)</b>
1	Consultant Job Planning	Unsatisfactory	Risk identified by the Chief Executive for review. Significant issues of non-compliance with the national contract identified.	H
2	Corporate Legislative Compliance: Fire Safety	Limited	Training is a key issue across the Health Board ensuring Nominated Officer Fire and Fire Wardens receive appropriate training.	H
3	Clinical Audit	Limited	Assurance has not improved over the last two reviews	H
4	Waiting List Initiative (WLI) – IHC Centre	Limited	Issue identified as part of the Consultant Job Planning review; Unable to verify that Waiting List Initiative activity was undertaken in uncontracted time as most job plans were incomplete – this is a Health Board wide risk.	M
5	Performance Management Framework & Reporting (Draft)	Limited	Unable to corroborate that the Substructure for integrated performance reporting, as detailed in every performance report since May 2024, is operating as presented to the Board and its Committees.	H
6	Partnerships, Engagement and Communications	Limited	Not all improvement actions had been achieved within the timelines recorded with no reporting on implementation progress / delivery of the PEC Strategy/Listening to Citizens Independent Review provided to the Board or its Committees between January 2024 and March 2025.	H
7	Effective Governance: Cancer Services	Limited	The service did not achieve financial balance with clinical audit not routinely completed.	M
8	Effective Governance: Integrated Health Community – East (Draft)	Limited	The service did not achieve financial balance, accountability agreements for some senior staff had not been signed with clinical audit also a risk area.	M
9	Integrated Assurance and Approval Plans (IAAP): Orthopaedic Surgical Hub Llandudno Hospital (Draft)	Unsatisfactory	The project had been subject to further delay since the last review in early 2024. The project was forecasting an anticipated overspend of approximately £1.6m over the approved budgeted allocation, with no contingency remaining	H

	AUDIT	RATING	NOTES	Assessment (High, Medium, Low)
			at the time of the current review.	

**Deferred Audits**

As part of the process of developing the opinion we also consider any audit work deferred during the year. The table below sets out those audits and a note around rationale for deferral and any anticipated impact on the opinion.

Deferred audits	Notes
People & OD Strategy: Operational implementation (Deferred from 2022/23 & 2023/24)	On 11 April 2024, the People and Culture Committee received the Audit Wales report <i>Review of Workforce Planning Arrangements – Betsi Cadwaladr University Health Board</i> with recommendations made that cut across several of our identified objectives. Management response has recorded latest implementation by March 2025.
Civil Contingencies Act	There had been delays in obtaining evidence for the review. Following escalation to the Director of Corporate Governance, we met with the recently appointed Head of Emergency Preparedness, Planning and Response. We are advised there is limited recent evidence available to meet the objectives of the review.  We therefore considered that there was little merit in undertaking the review at this time. This is a significant risk area for the Health Board as a Category One Responder, but also for its own service continuity, that will require some additional assurance through to the Executive on progress.
Quality Governance: Concerns and Complaints	The Health Board had approved the Integrated Concerns Policy, which superseded current process. Noting the implementation plan presented at the Health Board implied that all expected actions will have been completed, we noted that operationally there will need to be a lead time for the policy and associated governance arrangements to bed-down and did not believe there was merit in auditing the current process.  Deferral to Quarter 1 2025/26 allows eight months for the policy and standard operating procedures to bed down and provide us with meaningful evidence whether the policy and procedures are operating effectively, as well as confirming the changes are making the stated improvements.
Integrated Assurance and Approval Plans (IAAP) Wrexham Maelor Business Continuity	Through discussions with our Specialist Services Unit who undertake reviews on the all-Wales funded capital schemes, through IAAP provision in the business case, they were advised that through the current plans to address the backlog at the hospital, funding is being allocated on a risk basis and therefore is not being progressed under IAAP. Should assurance on progress at the Wrexham Maelor be required, this will need to be charged directly to the Health Board.

**As part of formulating the opinion several other points of note are considered:**

- The audit plan is prepared following a risk-based approach, including areas that the Health Board had specifically identified as known risks areas and areas of potential concerns. In

the current year this did include areas that have been allocated unsatisfactory/limited assurance rating e.g. Consultant Job Planning; Job Evaluation (no assurance allocated as information not provided for us to complete the review).

- It is considered that the Health Board has stronger arrangements at a corporate level, however arrangements at an operational level within the Health Board show significant variation, with weaknesses frequently identified from a control, risk management and governance perspective.
- As part of our processes, we also consider the assurances available from audit work we have undertaken at other NHS Bodies including NWSSP, DHCW, WHSSC & EASC. There are no significant matters arising from this work that impact on the opinion.
- We also liaise regularly with other assurance providers and inspectors and have assessed the impact of their work, as well as the Health Board remaining in Special measures, the highest level of escalation set by Welsh Government.



Audit and Assurance Services conform with all Public Sector Internal Audit Standards as validated through the external quality assessment undertaken by the Institute of Internal Auditors

#### Acknowledgement

NHS Wales Audit and Assurance Services would like to acknowledge the time and co-operation given by management and staff during this review.

#### Disclaimer notice - please note

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 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



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# Audit of Accounts Report – Betsi Cadwaladr University Health Board

Audit year: 2024-25

Date issued: June 2025

Document reference: 4970A2025



# Contents

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Contents	2
Introduction	4
Your audit at a glance	5
Materiality	6
Audit Findings	7
Audit team and ethical compliance	14
Appendix 1 – Audit risks and outcomes	15
Appendix 2 – Summary of corrections made	21
Appendix 3 – Proposed audit report	24
Appendix 4 – Proposed Substantive Report to the Senedd	30
Appendix 5 – Letter of representation	32
Audit quality	36
Supporting you	37

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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.

# Introduction

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**Adrian Crompton**

Auditor General for  
Wales

I am pleased to share my Audit of Accounts Report. The Report summarises the main findings from my audit of your 2024-25 annual report and accounts. My team have already discussed these findings with the Executive Director of Finance.

My team has completed the audit work outlined in my Audit Plan dated March 2025. Since my Audit Plan, I have updated materiality to reflect the 2024-25 accounts. I have also identified two new audit risks which need to be brought to your attention. These along with my response to previously identified audit risks are set out in **Appendix 1**.

I am required to provide an opinion on whether the accounts have been properly prepared, give a true and fair view, in all material aspects and whether income and expenditure have been applied to the purposes intended. My proposed audit opinion and basis for it is set out on page 13.

It is the responsibility of those charged with governance, i.e. the Board, to address any matters raised in my report and provide me with a Letter of Representation.

I would like to extend my gratitude to the officers and staff of Betsi Cadwaladr University Health Board for their cooperation throughout the audit process which has been invaluable in completing this audit effectively.

# Your audit at a glance



We intend to issue an **unqualified true and fair opinion** on the accounts.

We intend to give a **qualified regularity opinion** in relation to one matter.

See [Appendix 3](#)



There are **other significant matters** to report.

We are also proposing to issue a **substantive report** noting the failure of both the first and second financial duties.

See [Audit findings](#)

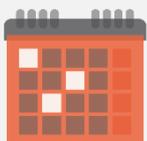


There are **uncorrected misstatements** in the accounts.

See [Audit findings](#)



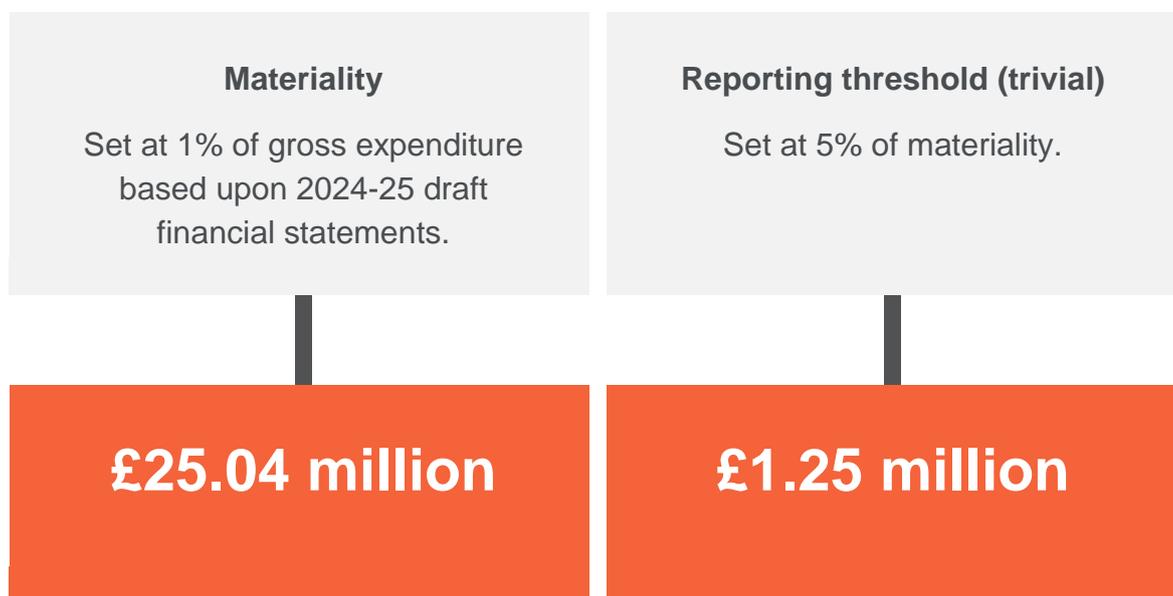
The recommendations arising from our work will be set out in an **Accounts Memorandum** which will be communicated with you in due course.



We are aiming to certify your accounts on **27 June 2025**, which is ahead of the deadline of **30 June 2025**.

# Materiality

We use professional judgement to set a materiality threshold to identify and correct misstatements that could affect users' decisions, considering both financial errors and disclosure requirements according to the applicable accounting framework and laws. We update materiality throughout the audit and include in this report matters that exceed our reporting threshold, as set out below:



There are some areas of the accounts that may be of more importance to the user of the accounts. We confirm lower materiality levels for these:



# Audit Findings

## Misstatements

A misstatement arises where information in the accounts is not in accordance with accounting standards.

### Uncorrected misstatements

We set out below the misstatements we identified in the accounts, which have been discussed with management but remain uncorrected. We request that these misstatements be corrected. If you decide not to correct the misstatements, we ask that you provide us with the reason in writing for not correcting them.

**Note 11.1 Property Plant and Equipment - Assets under Construction are overstated by £3.54 million, Note 15 Trade and Other Receivables - Other Prepayments are understated by £2.41 million and Note 18 Trade and other payables – Capital payables – Tangible are overstated by £1.14 million.**

Our year-end capital cut-off procedures identified capital additions recorded in the March 2025 accounts for which the Health Board was unable to provide supporting evidence confirming that the assets were received or that the related work was completed by 31 March 2025.

The most significant item is a £2.1 million capital payment made to Scottish Power in March 2025 for commissioned electrical works at Ysbyty Glan Clwyd. Following our review of the available documentation, including the relevant contract and associated payment obligations, we concluded that sufficient supporting evidence was not provided to confirm the payment's eligibility for recognition as capital expenditure in the 2024–25 financial year. In reaching this conclusion, we referred to the Manual for Accounts, Chapter 7, Paragraph 7.31, which states that a liability for an asset payment should generally not be recognised until at least one party has performed under the agreement. It is our view that the payment should be treated as a prepayment and not recognised as an Asset under Construction until April 2025.

The remaining errors primarily stem from the Health Board's inability to provide sufficient evidence confirming receipt of goods or services and

evidence of works completed prior to 31 March 2025. In cases where equipment additions were reviewed, there was a consistent lack of documentation verifying that the goods had been receipted

Consequently, there remains uncertainty over the remaining additions recognised in the accounts in March 2025 with a balance of £17.01 million remaining untested. Combined with the total errors identified, the maximum potential misstatement is £20.55 million. This value is below the materiality set for the audit and therefore we are able to conclude that the accounts are not misstated for this issue.

We have highlighted this matter under the 'Other Issues' section of our report, noting the insufficient documentation retained to verify the receipt of goods.

Additionally, the underspend reported against the Capital Resource Allocation in Note 2.2 is understated by a corresponding amount.

## **Corrected misstatements**

During our audit, we identified misstatements that have been corrected by management, but which we consider should be drawn to your attention.

These are set out in **Appendix 2**.

## **Other significant issues**

International Standard on Auditing 260 requires us to communicate with those charged with governance. We must tell you significant findings from the audit and other matters if they are significant to your oversight of Betsi Cadwaladr University Health Board's financial reporting process.

The following significant matters were identified during the audit.

## **Remuneration Report**

As part of our 2023–24 audit of the financial statements, we identified significant issues in the initial draft of the Remuneration Report. The version first submitted for audit required extensive revisions to ensure factual accuracy and full compliance with the NHS Manual for Accounts, as issued by the Welsh Government.

We are pleased to note a significant improvement in the quality of the Remuneration Report submitted for audit this year. Although some

amendments were still necessary (as outlined in Appendix 2), the extent of revisions required was notably reduced, and the report adhered more closely to the prescribed reporting standards.

We would like to acknowledge the constructive and collaborative approach demonstrated throughout the year in the drafting of the Remuneration Report. We are grateful to officers and staff involved in the preparation of the report for their continued support and cooperation.

## **Governance arrangements of senior officer appointments**

Our audit work conducted for the financial years 2022–23 and 2023–24 identified deficiencies in the Health Board’s governance arrangements relating to senior appointments. Consequently, this matter was identified as a significant risk for the 2024-25 audit and incorporated into the 2025 audit plan (refer to Appendix 1 for further information).

Whilst there have been notable improvements in governance arrangements during 2024-25, an issue was identified with the contract of employment of the Director of Governance, who commenced her role on 1 April 2024. Although the Director of Governance received remuneration in line with the amounts approved by the Remuneration Committee, the contract of employment specified a lower basic salary and a higher management allowance than those approved or paid.

This discrepancy between the contractual terms and the approved remuneration arrangements highlights the need for strengthened controls and oversight in the preparation and review of senior staff contracts to ensure consistency, transparency, and alignment with governance approvals.

## **Recording of declarations of interest**

Our review of the 2024–25 declarations of interest (DoI) process identified several inconsistencies in the way Board Members submitted their declarations. These procedural and documentation issues adversely affected the reliability and efficiency of the audit process.

- Declarations were submitted through two parallel systems - the 'Declare' platform and email-based submissions. This dual approach led to confusion, reducing the overall efficiency of the audit process.

- Four DoI forms (two Executive Directors, one independent member and one Associate) were either unsigned or undated, necessitating the need for supplementary evidence for the Board Members.
- For declarations submitted via the Declare platform, the Corporate Governance team completed the forms that were subsequently submitted for audit. As a result, these forms could not be relied upon as standalone audit evidence, and additional verification was required.
- Discrepancies were identified between the forms submitted, those emailed as attachments, and the declarations published on the Health Board's website. This indicated the presence of outdated or inconsistent information.
- Some Board Members submitted multiple Dols containing conflicting information, and not all relevant interests for the 2024–25 period were declared.

All issues were discussed with the Corporate Governance team, and the necessary amendments identified.

## Other matters

### Pharmacy journals

As part of our review of pharmacy expenditure, we reconciled the monthly pharmacy payment files, including core expenditure to the general ledger. We noted that multiple journal entries were processed to allocate costs within the ledger and to adjust prior month accruals. These journal entries were often complex and time-consuming to both prepare and audit.

Furthermore, as the Health Board does not operate a formal journal approval process, there is an increased risk that errors or misstatements may occur and go undetected.

### Compliance with Interim Appointment Guidance

Welsh NHS bodies are required to comply with Welsh Government guidance when appointing senior officers. In August 2024, NHS Wales issued additional requirements via a Welsh Health Circular (WHC), mandating that all interim senior appointments must receive formal approval from the Welsh Government.

Our review of interim appointments at the Health Board identified one instance of non-compliance with this guidance. While the initial appointment of the interim Chief Operating Officer was appropriately approved by the Welsh Government, a subsequent one-month extension - although approved by the Health Board's Remuneration Committee and remunerated in line with the approved Welsh Government pay scale - was not submitted for Welsh Government approval, as required by the WHC.

The matter highlights the need for the Health Board to strengthen internal controls to ensure full compliance with evolving governance requirements.

### **Care home accommodation pooled budgets**

Regulation 19(1)(a) of the Partnership Arrangements (Wales) Regulations 2015 requires partnership bodies to establish and maintain pooled funds for the purpose of exercising their care home accommodation functions.

The Health Board participates in the North Wales Older People's Accommodation Pooled Budget in collaboration with the six local authorities across North Wales. Schedule 1 of the partnership agreement regulates how payments should be made within the partnership.

Our audit identified that no payments were made during the reporting period, and that the formal partnership arrangement was not operational during this time.

This represents a breach of both Schedule 1 of the partnership agreement and Regulation 19(1)(a) of the 2015 Regulations, potentially undermining the statutory requirement to maintain a pooled fund for care home accommodation.

## **Verifying and evidencing the receipt of capital equipment**

As part of the audit, we requested evidence to support the receipt of capital equipment. In several instances, the Health Board encountered difficulties in obtaining the evidence from internal departments, having to contact suppliers directly to confirm receipt of the equipment.

As previously noted in this report, the Health Board was unable to provide sufficient audit evidence for £3.54 million of items included in the accounts in March 2025, with a non-material balance of £17.01 million remaining untested.

This highlights the need for the Health Board to review and strengthen its procedures for documenting equipment purchases, ensuring that appropriate supporting evidence is consistently maintained and readily accessible.

## **Timing of Capital Projects and Expenditure**

We noted that a significant proportion of capital expenditure, approximately £31 million, was recognised in March 2025. This represents around 60% of the Health Board's total capital expenditure for the year, with the majority of transactions occurring or being recorded in the final month of the financial year.

As a result, we were required to undertake additional, focused audit procedures to assess the appropriateness of year-end cut-off and ensure that expenditure was correctly recognised in the 2024–25 financial period. This work was in addition to our standard audit procedures on capital additions.

The timing and volume of these transactions placed considerable pressure on both the audit process and the finance team, particularly in obtaining sufficient and appropriate audit evidence. This was further compounded by the issues noted above regarding the lack of documentation to support the receipt of goods, which contributed to delays and increased audit effort.

## Proposed audit opinion

### Audit opinion

We intend to issue an unqualified audit opinion on this year's accounts once you have provided us with a Letter of Representation (see below).

We intend to issue a qualified regularity opinion as the Health Board did not meet its financial duty to break even against its Revenue Resource Limit over three years 2022-23 to 2024-25 (failure to meet its 1st financial duty).

We will submit a substantive report to the Senedd drawing attention to this matter and reporting that the Health Board did not achieve its second financial duty to submit to Welsh Government an Integrated Medium Term Financial Plan.

Our proposed audit report is set out in **Appendix 3**. Our proposed substantive report to the Senedd is set out in **Appendix 4**.

### Letter of representation

A Letter of Representation is a formal letter in which you confirm to us the accuracy and completeness of information provided to us during the audit. Some of this information is required by auditing standards; other information may relate specifically to your audit.

The letter we are requesting you to sign is included in **Appendix 5** the contents of which are in line with our standard request for representations.

## Recommendations

Recommendations arising from the audit will be shared in a separate Final Accounts Memorandum shortly. It will include all recommendations arising from our 2024-25 audit work.

We will monitor progress against the recommendations during next year's audit.

# Audit team and ethical compliance

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The main members of the team who carried out the audit work, together with their contact details, are summarised in **Exhibit 1**.

## Exhibit 1: the local audit team

**Engagement Lead**                      Matthew Edwards  
[matthew.edwards@audit.wales](mailto:matthew.edwards@audit.wales)

**Audit Manager**                        Michelle Phoenix  
[michelle.phoenix@audit.wales](mailto:michelle.phoenix@audit.wales)

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**Audit Leads**                            Natalie Cole  
[natalie.cole@audit.wales](mailto:natalie.cole@audit.wales)  
Simon Monkhouse  
[simon.monkhouse@audit.wales](mailto:simon.monkhouse@audit.wales)

## Compliance with ethical standards

We confirm that:

- we have complied with the ethical standards we are required to follow in carrying out our work;
- we have remained independent of yourselves;
- our objectivity has not been comprised;
- we have no relationships that could undermine our independence or objectivity; and
- safeguards were put into place to ensure the junior members of the financial audit team who have close relations who work in the Health Board did not have their independence threatened.

# Appendix 1 – Audit risks and outcomes

Since the issue of the Audit Plan in March, the audit team identified additional risks of material misstatement and regularity that should be brought to your attention as listed below.

## Exhibit 2: audit risks identified following issue of the Audit Plan

Audit risk	Work done	Outcome
<b>Failure of second financial duty</b>	Failure to prepare and submit a three year financially balanced Integrated Medium Term Financial plan was identified at the start of the audit.	Our audit work confirmed that the second financial duty was failed. The issue will be reported within the Substantive Report to the Senedd. See <b>Appendix 3</b> .
<b>Overstatement of Contingent Liabilities</b>	The audit team substantively tested contingent liabilities included within the accounts.	Our audit work identified that contingent liabilities was overstated by £1.67 million due to a formula issue within the contingent liabilities working paper. There was no corresponding understatement of provisions. This has been included within the summary of corrections made in <b>Appendix 2</b> .

**Exhibit 3** lists the audit risks included within the Audit Plan and sets out how they were addressed as part of the audit.

**Exhibit 3: audit risks reported previously, work done and outcome**

Audit risk	Work done	Outcome
<p><b>Risk of management override</b></p> <p>The risk of management override of controls is present in all entities. Due to the unpredictable way in which such override could occur, it is viewed as a significant risk [ISA 240.32-33].</p>	<p>The audit team:</p> <ul style="list-style-type: none"> <li>• tested the appropriateness of journal entries and other adjustments made in preparing the financial statements;</li> <li>• reviewed accounting estimates for bias; and</li> <li>• evaluated the rationale for any significant transactions outside the normal course of business.</li> </ul>	<p>Our audit work did not identify any instances of management override of controls.</p>
<p><b>Risk of Fraud in expenditure recognition</b></p> <p>Due to the financial pressures faced by the Health Board we identified a risk that cut off would not be correctly applied to expenditure incurred around the year end.</p>	<p>The audit team:</p> <ul style="list-style-type: none"> <li>• substantively tested all material areas of pay and non-pay expenditure;</li> <li>• reviewed the basis of accruals for any estimation bias;</li> <li>• reviewed the year-end cut-off of expenditure;</li> <li>• reviewed the basis of new provisions and changes in provision levels in year; and</li> <li>• reviewed the amendments made to brought forward balances to ensure valid.</li> </ul>	<p>Our audit work identified misstatements that were below the trivial reporting threshold.</p>

**Failure of first financial duty**

We identified a risk that the Health Board would fail to achieve a three-year financial breakeven if it reported a deficit in 2024-25.

The audit confirmed the year end deficit incurred by the Health Board.

The first financial duty has been failed as the Health Board breached its resource limit by spending £31.52 million over the amount that it was authorised to spend in the three-year period 2022-2023 to 2024-2025

The regularity opinion will be qualified for this.

See **Appendix 3**.

The issue will be reported within the Substantive Report to Welsh Government.

**Governance arrangements of senior officer appointments**

We identified weaknesses in the governance arrangements over senior officer appointments in 2023-24.

Due to the number of changes to interim and permanent appointments during 2024-25 these weaknesses could lead to the regularity opinion again being qualified.

The audit team reviewed the appointment process of all senior officer appointments in 2024-25.

Our audit work identified one appointment where the contract of employment included different values for salary and allowances that were approved and paid as detailed in the **Audit findings** section above.

### **Remuneration Report disclosures**

We identified significant material errors within the 2023-24 remuneration report.

The large level of new interim and permanent could lead to errors in 2024-25, with even low value errors resulting in material misstatements.

The audit team:

- understood the movements in the senior management team during 2024-25;
- ensured that remuneration disclosed was consistent with supporting evidence;
- ensured that amounts paid were consistent with those approved by the Board and in accordance with Welsh Government pay rates; and
- ensured that disclosures were complete based on the team's knowledge and were prepared in accordance with requirements.

Our audit work identified a small number of errors within the remuneration report. These have been included within the summary of corrections made in **Appendix 2**.

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**Valuation of property assets**

Property assets are required to be formally revalued every five years as a minimum, with indexation applied in interim years, but values may also change year on year, particularly where there are ongoing refurbishment projects resulting in subsequent expenditure being capitalised.

There is a risk that the carrying value of assets recognised in the accounts could be materially different to the current value of assets as at 31 March 2025.

The audit team:

- reviewed the indices used by management for reasonableness;
- evaluated the competence, capabilities and objectivity of the professional valuer who provide indices to management and undertake valuations as necessary;
- confirmed that indexation has been appropriately applied and has been correctly reflected in the financial statements; and
- tested the reconciliation between the financial ledger and the asset register.

We did not identify any issues.

**Related party disclosures**

These transactions are of high interest and are considered to be material by their nature.

There is a risk of material misstatement due to incomplete or inaccurate disclosures, even where these are of relatively low value

The audit team:

- reviewed management’s process for identifying related party relationships and associated transactions and balances;
- undertook procedures to confirm the completeness of related party relationships; and
- ensured disclosures are complete, accurate, consistent with evidence and in accordance with requirements.

Our audit work identified issues with the declaration of interests provided for audit as detailed in the **Audit findings** section above.

Audit work also identified errors within the disclosure of transactions with related party bodies that have been amended and included within the summary of corrections made in **Appendix 2**.

**Provisions**

There is a significant degree of subjectivity and uncertainty in the measurement and valuation of these provisions.

This subjectivity and uncertainty increases the risk of material misstatement

The audit team:

- reviewed management’s estimation process for the valuation of provisions;
- considered the competence, capability and objectivity of the management experts who are prepare the estimates; and
- ensured that disclosures are in accordance with HM Treasury’s Financial Reporting Manual and Welsh Government’s Manual for Accounts.

We did not identify any issues.

## Appendix 2 – Summary of corrections made

During our audit, we identified the following misstatements that have been corrected by management, but which we consider should be drawn to your attention.

Value of correction	Accounts area	Explanation
Disclosure	Remuneration Report	<p>To ensure accuracy and align with guidance, the following changes were made:</p> <p><b>Remuneration Report:</b></p> <ul style="list-style-type: none"> <li>The Executive Director of Workforce post was vacant throughout 2024-25, This post was originally omitted from the Remuneration Report. The position has now been included in the Single Total Figure of Remuneration Table</li> <li>A footnote under the Single Total Figure of Remuneration Table was amended as the total recharge for an interim post was overstated by £509.</li> <li>The Real Increase in Accrued Pension and Real Increase in Lump Sum Figures in the Pension’s Entitlement Table were revised to reflect bandings of £2,500, in accordance with reporting requirements.</li> <li>An additional footnote was included under the Pension’s Entitlement Table to clarify the inclusion of nil values for an Executive Director who left the Health Board during the year, enhancing transparency.</li> </ul> <p><b>Staff Report:</b></p> <ul style="list-style-type: none"> <li>Disclosures relating to staff policies and other employee matters, including diversity and</li> </ul>

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		<p>equality, were added, in compliance with reporting requirements.</p> <ul style="list-style-type: none"> <li>• 2023–24 comparative data was added to the sickness absence disclosures to ensure compliance with reporting requirements.</li> <li>• The average number of staff was updated in the staff report to reflect accurate figures and ensure compliance with reporting requirements.</li> <li>• A footnote was added to explain that the Health Board was unable to identify off-payroll engagements paid over £245 per day. The tables include all off-payroll engagements, disregarding the daily threshold.</li> <li>• Expenditure on consultancy and temporary staff was reduced by £30,000 to correct an overstatement.</li> </ul>
£23,577,000	Note 4 Miscellaneous Income	<p>Reclassification of income from Welsh Special Health Authorities to Education and Training in line with amended reporting requirements.</p> <p>No impact on the total value of miscellaneous income.</p>
£5,596,000	Note 18 Trade and other payables	<p>Reclassification of Non-NHS Accruals to be stated as Non-NHS payables.</p> <p>No impact on the total value of trade and other payables.</p>
£1,857,000	Note 21 Contingencies, Note 21.1 Contingent liabilities.	<p>Legal claims for alleged medical or employer negligence, Primary Care were reduced and Amounts (recovered) in event of claims being successful was increased to ensure the accuracy of disclosures.</p> <p>These adjustments had no impact on the total value of contingent liabilities.</p>

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Disclosure	Note 30 Related party transactions	Errors identified within the disclosures of expenditure with related parties. All errors were amended.
Disclosure	Note 34.3 Pooled Budgets	Various amendments to the pooled budget disclosures to reflect reporting requirements and correct budget positions. Amendments include the addition of notional contributions to the North Wales Older People Accommodation pooled budget of £53,875,000.
Disclosure	Performance report, accountability report and various disclosure notes	Several narrative and disclosure amendments, not identified separately in this table as they are not regarded as material to the financial statements.

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# Appendix 3 – Proposed audit report

## The Certificate and report of the Auditor General for Wales to the Senedd

### Opinion on financial statements

I certify that I have audited the financial statements of Betsi Cadwaladr University Health Board for the year ended 31 March 2025 under Section 61 of the Public Audit (Wales) Act 2004.

These comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Cash Flow Statement and Statement of Changes in Taxpayers' Equity and related notes, including a summary of material accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted by HM Treasury's Financial Reporting Manual.

In my opinion, in all material respects, the financial statements:

- give a true and fair view of the state of affairs of Betsi Cadwaladr University Health Board as at 31 March 2025 and of its net operating costs for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards as interpreted and adapted by HM Treasury's Financial Reporting Manual; and
- have been properly prepared in accordance with the National Health Service (Wales) Act 2006 and directions made there under by Welsh Ministers.

### Opinion on regularity

In my opinion, except for the matter described in the Basis for Qualified Regularity Opinion section of my report, in all material respects, the expenditure and income in the financial statements have been applied to the purposes intended by the Senedd and the financial transactions recorded in the financial statements conform to the authorities which govern them.

### Basis for Qualified Opinion on regularity

I have qualified my opinion on the regularity of the Betsi Cadwaladr University Health Board's financial statements because the Health Board has breached its resource limit by spending £31.52 million over the amount that it was authorised to spend in the three-year period 2022-2023 to 2024-2025.

This spend constitutes irregular expenditure.

Further detail is set out in my Report on page 30.

### **Basis for opinions**

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of financial statements and regularity of public sector bodies in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my certificate.

My staff and I are independent of the Board in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinions.

### **Conclusions relating to going concern**

In auditing the financial statements, I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the body's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this certificate.

The going concern basis of accounting for Betsi Cadwaladr University Health Board is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

### **Other Information**

The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. The Chief Executive is responsible for the other information contained within the annual report. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise

appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

### **Opinion on other matters**

In my opinion, the part of the remuneration report to be audited has been properly prepared in accordance with the National Health Service (Wales) Act 2006 and directions made there under by Welsh Ministers.

In my opinion, based on the work undertaken in the course of my audit:

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with the National Health Service (Wales) Act 2006 and directions made there under by Welsh Ministers' directions; and
- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with Welsh Ministers' guidance.

### **Matters on which I report by exception**

In the light of the knowledge and understanding of Betsi Cadwaladr University Health Board and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report or the Governance Statement.

I have nothing to report in respect of the following matters, which I report to you, if, in my opinion:

- I have not received all the information and explanations I require for my audit;
- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my team;
- the financial statements and the audited part of the Accountability Report are not in agreement with the accounting records and returns;
- information specified by HM Treasury or Welsh Ministers regarding remuneration and other transactions is not disclosed;
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual are not made or parts of the Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

## **Responsibilities of Directors and the Chief Executive for the financial statements**

As explained more fully in the Statements of Directors' and Chief Executive's Responsibilities, the Directors and the Chief Executive are responsible for:

- maintaining adequate accounting records;
- the preparation of financial statements and annual report in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- ensuring that the annual report and financial statements as a whole are fair, balanced and understandable;
- ensuring the regularity of financial transactions;
- internal controls as the Directors and Chief Executive determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and
- assessing Betsi Cadwaladr University Health Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors and Chief Executive anticipate that the services provided by Betsi Cadwaladr University Health Board will not continue to be provided in the future.

## **Auditor's responsibilities for the audit of the financial statements**

My responsibility is to audit, certify and report on the financial statements in accordance with the National Health Service (Wales) Act 2006.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

My procedures included the following:

- Enquiring of management, the audited entity's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to Betsi Cadwaladr University Health Board's policies and procedures concerned with:

- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
- the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: management override and expenditure recognition.
- Obtaining an understanding of Betsi Cadwaladr University Health Board's framework of authority as well as other legal and regulatory frameworks that Betsi Cadwaladr University Health Board operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of Betsi Cadwaladr University Health Board.
- Obtaining an understanding of related party relationships.

In addition to the above, my procedures to respond to identified risks included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above.
- Enquiring of management, the Audit Committee and legal advisors about actual and potential litigation and claims.
- Reading minutes of meetings of those charged with governance and the Board.
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all audit team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of Betsi Cadwaladr University Health Board's controls, and the nature, timing and extent of the audit procedures performed.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my auditor's report.

### **Other auditor’s responsibilities**

I am also required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by the Senedd and the financial transactions recorded in the financial statements conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

### **Report**

Please see my Report on page 30.

Adrian Crompton  
Auditor General for Wales  
[Date]

1 Capital Quarter  
Tyndall Street  
Cardiff  
CF10 4BZ

# Appendix 4 – Proposed Substantive Report to the Senedd

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## Report of the Auditor General to the Senedd

### Introduction

Under the Public Audit Wales Act 2004, I am responsible for auditing, certifying and reporting on Betsi Cadwaladr University Health Board's (the Health Board) financial statements. I am reporting on these financial statements for the year ended 31 March 2025 to draw attention to two key matters for my audit. These are the failure against the first financial duty and consequential qualification of my 'regularity' opinion and the failure of the second financial duty. I have not qualified my 'true and fair' opinion in respect of any of these matters.

### Financial duties

The Health Board is required to meet two statutory financial duties – known as the first and second financial duties.

For 2024-25, the Health Board failed to meet both the first and the second financial duty.

### Failure of the first financial duty

The first financial duty gives additional flexibility to the Health Board by allowing them to balance their income with their expenditure over a three-year rolling period. The three-year period being measured under this duty this year is 2022-2023 to 2024-2025.

As shown in Note 2.1 to the Financial Statements, the Health Board did not manage its revenue expenditure within its resource allocation over this three-year period, exceeding its cumulative revenue resource limit of £6,483 million by £31.5 million.

Where a Health Board does not balance its books over a rolling three-year period, any expenditure over the resource allocation (i.e. spending limit) for those three years exceeds the Health Board's authority to spend and is therefore 'irregular'. In such circumstances, I am required to qualify my 'regularity opinion' irrespective of the value of the excess spend.

### **Failure of the second financial duty**

The second financial duty requires the Health Board to prepare and have approved by the Welsh Ministers a rolling three-year integrated medium-term plan. This duty is an essential foundation to the delivery of sustainable quality health services. A Health Board will be deemed to have met this duty for 2024-25 if it submitted a 2024 to 2027 plan approved by its Board to the Welsh Ministers, who were required to review and consider approval of the plan.

As shown in Note 2.3 to the Financial Statements, the Health Board did not meet its second financial duty to have an approved three-year integrated medium-term plan in place for the period 2024 to 2027.

**Adrian Crompton**

**Auditor General for Wales**

**[Date]**

# Appendix 5 – Letter of representation

## Audited body's letterhead

Auditor General for Wales  
Wales Audit Office  
1 Capital Quarter  
Cardiff  
CF10 4BZ

26 June 2025

## Representations regarding the 2024-25 financial statements

This letter is provided in connection with your audit of the financial statements (including that part of the Remuneration Report that is subject to audit) of Betsi Cadwaladr University Health Board for the year ended 31 March 2025 for the purpose of expressing an opinion on their truth and fairness their proper preparation and the regularity of income and expenditure.

We confirm that to the best of our knowledge and belief, having made enquiries as we consider sufficient, we can make the following representations to you.

## Management representations

### Responsibilities

As Chief Executive and Accountable Officer I have fulfilled my responsibility for:

- preparing the financial statements in accordance with legislative requirements and the Treasury's Financial Reporting Manual. In preparing the financial statements, I am required to:
  - Observe the accounts directions issued by Welsh Ministers, including the relevant accounting and disclosure requirements and apply appropriate accounting policies on a consistent basis.
  - Make judgements and estimates on a reasonable basis.

- State whether applicable accounting standards have been followed and disclosed and explain any material departures from them.
- Prepare them on a going concern basis on the presumption that the services of Betsi Cadwaladr University Health Board will continue in operation.
- Ensuring the regularity of any expenditure and other transactions incurred.
- The design, implementation and maintenance of internal control to prevent and detect error.

### Information provided

We have provided you with:

- Full access to:
  - all information of which we are aware that is relevant to the preparation of the financial statements such as books of account and supporting documentation, minutes of meetings and other matters;
  - additional information that you have requested from us for the purpose of the audit; and
  - unrestricted access to staff from whom you determined it necessary to obtain audit evidence.
- The results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- Our knowledge of fraud or suspected fraud that we are aware of and that affects Betsi Cadwaladr University Health Board and involves:
  - management;
  - employees who have significant roles in internal control; or
  - others where the fraud could have a material effect on the financial statements.
- Our knowledge of any allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, regulators or others.
- Our knowledge of all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.
- The identity of all related parties and all the related party relationships and transactions of which we are aware.
- Our knowledge of all possible and actual instances of irregular transactions.

## Financial statement representations

All transactions, assets and liabilities have been recorded in the accounting records and are reflected in the financial statements.

The methods, the data and the significant assumptions used in making accounting estimates, and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.

Related party relationships and transactions have been appropriately accounted for and disclosed.

All events occurring subsequent to the reporting date which require adjustment or disclosure have been adjusted for or disclosed.

All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to the auditor and accounted for and disclosed in accordance with the applicable financial reporting framework.

The financial statements are free of material misstatements, including omissions. The effects of uncorrected misstatements identified during the audit are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

There are uncorrected misstatements:

- Note 11.1 Property Plant and Equipment - Assets under Construction is overstated by £3.54 million, Note 15 Trade and Other Receivables - Other Prepayments is understated by £2.41 million and Note 18 Trade and other payables – Capital payables – Tangible is overstated by £1.14 million as capital payments were not eligible to be included within the 2024-25 financial year as insufficient audit evidence was available to confirm recognition.

**BCU to provide response**

## Representations by the Board

We acknowledge that the representations made by management, above, have been discussed with us.

We acknowledge our responsibility for the preparation of true and fair financial statements in accordance with the applicable financial reporting framework. The financial statements were approved by the Board on 26 June 2025.

We confirm that we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that it has been communicated to you. We confirm that, as far as we are aware, there is no relevant audit information of which you are unaware.

Signed by:

Signed by:

Chief Executive

Chair

Date:

Date:

# Audit quality

Our commitment to audit quality in Audit Wales is absolute. We believe that audit quality is about getting things right first time.

We use a three lines of assurance model to demonstrate how we achieve this. We have established an Audit Quality Committee to co-ordinate and oversee those arrangements. We subject our work to independent scrutiny by the Institute of Chartered Accountants in England and Wales and our Chair of the Board, acts as a link to our Board on audit quality. For more information see our [Audit Quality Report 2024](#).



## Our People

- Selection of right team
- Use of specialists
- Supervisions and review



## Arrangements for achieving audit quality

### Selection of right team

- Audit platform
- Ethics
- Guidance
- Culture
- Learning and development
- Leadership
- Technical support



## Independent assurance

- EQRs
- Themed reviews
- Cold reviews
- Root cause analysis
- Peer review
- Audit Quality Committee
- External monitoring

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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.



## Audit Committee Update – Betsi Cadwaladr University Health Board

Date issued: June 2025

Document reference: 4960A2025

This document has been prepared for the internal use of Betsi Cadwaladr University Health Board as part of work performed / to be performed in accordance with statutory functions.

The Auditor General has a wide range of audit and related functions, including auditing the accounts of Welsh NHS bodies, and reporting on the economy, efficiency, and effectiveness with which those organisations have used their resources. The Auditor General undertakes his work using staff and other resources provided by the Wales Audit Office, which is a statutory board established for that purpose and to monitor and advise the Auditor General.

Audit Wales is the non-statutory collective name for the Auditor General for Wales and the Wales Audit Office, which are separate legal entities each with their own legal functions as described above. Audit Wales is not a legal entity and itself does not have any functions.

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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, the Wales Audit Office and, where applicable, the appointed auditor 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).

# Contents

## Audit Committee update

About this document	4
Accounts audit update	5
Performance audit update	6
Other relevant publications	9
Additional information	9

## About this document

- 1 This document provides the Audit Committee with an update on our current and planned accounts and performance audit work at Betsi Cadwaladr University Health Board. We presented our most recent Audit Plan to the committee on 3 March 2025.
- 2 We also provide additional information on:
  - Other relevant examinations and studies published by the Audit General.
  - Relevant corporate documents published by Audit Wales (e.g. fee schemes, annual plans, annual reports), as well as details of any consultations underway.
- 3 Details of future and past Good Practice Exchange (GPX) events are available on our [website](#).

## Accounts audit update

4 Exhibit 1 summarises the status of our current and planned accounts audit work.

### Exhibit 1 – Accounts audit work

Area of work	Executive Lead	Focus of the work	Current status	Planned date for consideration
<b>Audit of Accounts 2024-25</b>	Russell Caldicott, Executive Director of Finance	We will follow the audit approach designed as part of our planning work and undertake appropriate audit testing to enable the Auditor General to provide his opinions on the financial statements of the Health Board.	We received the 2024-25 draft accounts and annual report in line with the submission timetable. Audit fieldwork is nearing completion.	The Audit of the Accounts report will be presented to the Audit Committee on 24 June 2024. The Auditor General is scheduled to certify the financial statements on 27 June ahead of the 30 June deadline.

## Performance audit update

5 Exhibit 2 summarises the status of our current and planned performance audit work.

Exhibit 2 – Performance audit work

Area of work	Executive Lead	Focus of the work	Current status	Planned date for consideration
<b>Planned Care</b>	Executive Medical Director	<p>This work follows on from the national <a href="#">report on tackling the planned care backlog</a>. It considers:</p> <ul style="list-style-type: none"> <li>the extent that health boards have achieved Welsh Government targets for recovering planned care services;</li> <li>the efficacy of local plans and activity to recover waiting lists; and</li> <li>Use of the additional Welsh Government financial allocations to improve waiting lists.</li> </ul>	In clearance	August 2025
<b>All Wales thematic work on Urgent and Emergency Care</b>	Chief Operating Officer	<p>This work examines different aspects of the urgent and emergency care system in three parts:</p> <ul style="list-style-type: none"> <li>Part One: Flow out of hospital.</li> <li>Part Two: accessing urgent and emergency care.</li> </ul>	<p>Part One: Completed</p> <p>Part Two: Report drafting</p>	<p>July 2024</p> <p>August 2025</p>

Area of work	Executive Lead	Focus of the work	Current status	Planned date for consideration
<b>Use of the strategic financial assistance provided by the Welsh Government for the period October 2020 onwards</b>	Executive Director of Finance and Corporate Resources	This audit will encompass a high-level examination of the Health Board's arrangements for using the additional £297m financial assistance provided by the Welsh Government as part of the targeted intervention package announced in October 2020.	Drafting	August 2025
<b>Structured Assessment - deep dive review of investment in digital systems to support service resilience and transformation</b>	Director of Digital Services	This audit will examine digital arrangements, with a particular focus on how NHS bodies are investing in digital technologies, solutions, and capabilities to support the workforce, transform patient care, meet demand, and improve productivity and efficiency.	Planning	October / December 2025
<b>Structured Assessment 2025 - core</b>	Director of Corporate Governance / Board Secretary	This work will review the following core areas: <ul style="list-style-type: none"> <li>• Board and committee effectiveness, cohesion, and transparency.</li> <li>• Corporate systems of assurance.</li> <li>• Corporate planning arrangements.</li> <li>• Corporate financial planning arrangements.</li> </ul> This work will also seek to provide an update on the Health Board's progress in addressing audit recommendations made in previous structured assessment reports.	Planning	December 2025

Area of work	Executive Lead	Focus of the work	Current status	Planned date for consideration
<b>Review of quality governance arrangements</b>	Executive Director of Nursing	This audit will examine progress in addressing issues identified in previous audit work. The scope of the work will be determined during the audit planning process.	Planning	December 2025
<b>Thematic review of cancer services</b>	To be confirmed	<p>Following on from our recent review of the national leadership arrangements for cancer services, this work will consider:</p> <ul style="list-style-type: none"> <li>• The progress NHS bodies are making towards achieving Welsh Government targets and quality standards for cancer services;</li> <li>• The efficacy of local plans and associated actions to recover cancer waiting lists; and</li> <li>• Use of the additional Welsh Government financial allocations to improve cancer services.</li> </ul>	Not yet started	April 2026
<b>Structured Assessment - deep dive review of the arrangements to manage estates</b>	Executive Director of Finance and Corporate Resources	This work will examine the effectiveness of corporate arrangements to manage the Health Board's estate with a particular focus on how NHS bodies are prioritising resources to meet strategic priorities whilst also ensuring the current estate remains fit for purpose.	Planning	April 2026

## Other relevant publications

- 6 **Exhibit 3** provides information on other relevant examinations and studies published by the Auditor General in the last six months. The links to the reports on our website are provided. The reports highlighted in **bold** have been published since the last committee update.

### Exhibit 3 – Relevant examinations and studies published by the Auditor General

Title	Publication date
<a href="#"><u>Cost Savings Arrangements: A Checklist for NHS Board Members</u></a>	June 2025
<a href="#"><u>The Wales Infrastructure Investment Strategy</u></a>	May 2025
<a href="#"><u>No time to lose: Lessons from our work under the Well-being of Future Generations Act</u></a>	April 2025
<a href="#"><u>The Biodiversity and Resilience of Ecosystems Duty</u></a>	March 2025
<a href="#"><u>Addressing workforce challenges in NHS Wales</u></a>	February 2025

## Additional information

- 7 **Exhibit 4** provides information on corporate documents recently published by Audit Wales. Links to the documents on our website are provided. There are no relevant Audit Wales consultations currently underway.

### Exhibit 4 – Audit Wales corporate documents

Title	Publication Date
<a href="#"><u>Annual Plan 2025-26</u></a>	April 2025

Title	Publication Date
<u>Fee Scheme</u>	January 2025
<u>Audit Quality Report 2024: Strengthening trust in audit</u>	January 2025





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<b>Teitl adroddiad:</b> <i>Report title:</i>	BCUHB Local Counter Fraud Annual Report 2024-25			
<b>Adrodd i:</b> <i>Report to:</i>	Audit Committee			
<b>Dyddiad y Cyfarfod:</b> <i>Date of Meeting:</i>	Tuesday, 24 June 2025			
<b>Crynodeb Gweithredol:</b> <i>Executive Summary:</i>	The purpose of this paper is to provide assurance to the Audit Committee around the progress of the Local Counter Fraud Service for the Health Board by way of an annual report.			
<b>Argymhellion:</b> <i>Recommendations:</i>	<ol style="list-style-type: none"> <li>1) Audit Committee to track progress of the annual workplan through progress reports by the Head of Local Counter Fraud</li> <li>2) Action plan to be created by the Head of Local Counter Fraud for the implementation of recommendations made in the NHSCFA Engagement Visit report. The action plan should be monitored by the Committee until implemented.</li> <li>3) Head of Local Counter Fraud to review the Counter Fraud resource alongside the Executive Director of Finance as per Audit Wales recommendation from September 2020.</li> </ol>			
<b>Arweinydd Gweithredol:</b> <i>Executive Lead:</i>	Mr. Russell Caldicott – Interim Executive Director of Finance			
<b>Awdur yr Adroddiad:</b> <i>Report Author:</i>	Danielle Kerr-Timmins – Head of Local Counter Fraud Service			
<b>Pwrpas yr adroddiad:</b> <i>Purpose of report:</i>	I'w Nodi <i>For Noting</i> <input checked="" type="checkbox"/>	I Benderfynu arno <i>For Decision</i> <input type="checkbox"/>	Am sicrwydd <i>For Assurance</i> <input checked="" type="checkbox"/>	
<b>Lefel sicrwydd:</b> <i>Assurance level:</i>	<b>Arwyddocaol Significant</b> <input type="checkbox"/> Lefel uchel o hyder/tystiolaeth o ran darparu'r mecanweithiau / amcanion presennol  <i>High level of confidence/evidence in delivery of existing mechanisms/objectives</i>	<b>Derbyniol Acceptable</b> <input checked="" type="checkbox"/> Lefel gyffredinol o hyder/tystiolaeth o ran darparu'r mecanweithiau / amcanion presennol  <i>General confidence / evidence in delivery of existing mechanisms / objectives</i>	<b>Rhannol Partial</b> <input type="checkbox"/> Rhywfaint o hyder/tystiolaeth o ran darparu'r mecanweithiau / amcanion presennol  <i>Some confidence / evidence in delivery of existing mechanisms / objectives</i>	<b>Dim Sicrwydd No Assurance</b> <input type="checkbox"/> Dim hyder/tystiolaeth o ran y ddarpariaeth  <i>No confidence / evidence in delivery</i>
<b>Cyfiawnhad dros y gyfradd sicrwydd uchod. Lle bo sicrwydd 'Rhannol' neu 'Dim Sicrwydd' wedi'i nodi uchod, nodwch gamau i gyflawni sicrwydd 'Derbyniol' uchod, a'r terfyn amser ar gyfer cyflawni hyn:</b>  <b><i>Justification for the above assurance rating. Where 'Partial' or 'No' assurance has been indicated above, please indicate steps to achieve 'Acceptable' assurance or above, and the timeframe for achieving this:</i></b>				

<p><b>Cyswllt ag Amcan/Amcanion Strategol:</b></p> <p><i>Link to Strategic Objective(s):</i></p>	<p>To ensure NHS financial resources are protected from fraud.</p>
<p><b>Goblygiadau rheoleiddio a lleol:</b></p> <p><i>Regulatory and legal implications:</i></p>	<p>None</p>
<p><b>Yn unol â WP7, a oedd EqlA yn angenrheidiol ac a gafodd ei gynnal?</b></p> <p><i>In accordance with WP7 has an EqlA been identified as necessary and undertaken?</i></p>	<p>No</p> <p>Equality Assessment is not required to be carried out, as this report is administrative in nature and reports the quarterly progress relating to Fraud, Bribery and Corruption.</p> <p><a href="#"><u>Gweithdrefn ar gyfer Asesu Effaith ar Gydraddoldeb WP7</u></a></p> <p><a href="#"><u>WP7 Procedure for Equality Impact Assessments</u></a></p>
<p><b>Yn unol â WP68, a oedd SEIA yn angenrheidiol ac a gafodd ei gynnal?</b></p> <p><i>In accordance with WP68, has an SEIA identified as necessary been undertaken?</i></p>	<p>No</p> <p>Socio-economic Impact Assessment is not required to be carried out, as this report does not deal with Health Board's strategic decisions.</p> <p><a href="#"><u>Gweithdrefn WP68 ar gyfer Asesu Effaith Economaidd-Gymdeithasol.</u></a></p> <p><a href="#"><u>WP68 Procedure for Socio-economic Impact Assessment.</u></a></p>
<p><b>Manylion am risgiau sy'n gysylltiedig â phwnc a chwmpas y papur hwn, gan gynnwys risgiau newydd (croesgyfeirio at y BAF a'r CRR)</b></p> <p><i>Details of risks associated with the subject and scope of this paper, including new risks( cross reference to the BAF and CRR)</i></p>	<p>The programme of Counter Fraud work targets the NHS Requirements of the UK Government Functional Standard 013 Counter Fraud (GovS013) from the Cabinet Office, to protect NHS financial resources from Fraud, Bribery and Corruption.</p>
<p><b>Goblygiadau ariannol o ganlyniad i roi'r argymhellion ar waith</b></p> <p><i>Financial implications as a result of implementing the recommendations</i></p>	<p>N/A</p>
<p><b>Goblygiadau gweithlu o ganlyniad i roi'r argymhellion ar waith</b></p> <p><i>Workforce implications as a result of implementing the recommendations</i></p>	<p>N/A</p>
<p><b>Adborth, ymateb a chrynodeb dilynol ar ôl ymgynghori</b></p> <p><i>Feedback, response, and follow up summary following consultation</i></p>	<p>The paper has been subject to Executive review and sign off.</p>

<p><b>Cysylltiadau â risgiau BAF:</b> (neu gysylltiadau â'r Gofrestr Risg Gorfforaethol)</p> <p><b>Links to BAF risks:</b> (or links to the Corporate Risk Register)</p>	
<p><b>Rheswm dros gyflwyno adroddiad i fwrdd cyfrinachol (lle bo'n berthnasol)</b></p> <p><b>Reason for submission of report to confidential board (where relevant)</b></p>	N/A
<p><b>Next Steps:</b></p> <p>The Committee is required to note the contents of the Annual Local Counter Fraud Service Progress Report 2024/2025 and agree the recommendations.</p>	
<p><b>List of Appendices:</b></p> <p><i>Appendix B – Counter Fraud Activity</i>  <i>Appendix C – Counter Fraud Costs</i>  <i>Appendix D – Nominations Overview</i>  <i>Appendix E – FIRST Case Information Overview</i>  <i>Appendix F – CLUE Investigation Information</i>  <i>Appendix G – Fraud Risk Based Exercises</i>  <i>Appendix H - Sanction &amp; Redress Overview</i>  <i>Appendix I – Counter Fraud Functional Standard Return 2024</i>  <i>Appendix J - NHSCFA Engagement Visit Report</i></p>	

**BCUHB Local Counter Fraud Annual Report 2024-25**

**Contents**

1.0 Introduction/Background .....	5
2.0 Executive Summary .....	5
3.0 Strategic Governance .....	6
3.1 Accountable Individual .....	6
3.2 Counter fraud bribery and corruption strategy.....	7
3.3 Policy and response plan .....	7
3.4 Annual Action Plan / Workplan 2024/25.....	7
3.5 Outcome-based metrics .....	8
4.0 Counter Fraud, Bribery and Corruption Practices .....	8
4.1 Access to and completion of training .....	8
4.2 Access to trained investigators.....	9
4.3 Fraud bribery and corruption risk assessment.....	9
4.4 Undertake detection activity.....	10
4.5 Policies and registers for gifts and hospitality and Conflicts of Interest .....	11
4.6 Reporting routes for staff, contractors and members of the public .....	11
4.7 Report identified loss.....	11
5.0 Counter Fraud Functional Standard Return 2024/25.....	11
6.0 Conclusion and Recommendations .....	12
Appendix A – Annual Counter Fraud Workplan 2024-25 .....	13
Appendix B – Counter Fraud Activity.....	35
Appendix C – Counter Fraud Costs .....	35
Appendix D – Nominations Overview.....	36
Appendix E – FIRST Case Information Overview .....	37
Appendix F – CLUE Investigation Information.....	37
Appendix G – Fraud Risk Based Exercises.....	38
Appendix H - Sanction & Redress Overview .....	39
Appendix I – Counter Fraud Functional Standard Return 2024- .....	39
Appendix J – NHSCFA Engagement Visit Report.....	39

## **1.0 Introduction/Background**

This report is intended to provide the Audit Committee with assurance regarding the progress of the Local Counter Fraud Service. As this is an assurance-focused report, it has not been presented to any other forums for consultation prior to submission.

The purpose of this report is to inform the Audit Committee of key updates and progress in the following areas: compliance with NHS Counter Fraud Authority Standards, delivery of the Annual Workplan, ongoing and concluded investigations, training initiatives, risk management, and any other relevant developments. The report will focus on the two overarching themes of the Counter Fraud Requirements which are Governance and Counter Fraud, Bribery and Corruption Practices. The Committee is invited to review and note the contents of this report.

## **2.0 Executive Summary**

Betsi Cadwaladr University Health Board maintains a strong strategic commitment to countering fraud, bribery, and corruption, with executive oversight led by the Executive Director of Finance. Key responsibilities are delegated to the Head of Local Counter Fraud, supported by a dedicated team. Despite having three trained investigators, resource levels remain the lowest per budget among Welsh Health Boards. A formal review of staffing needs is overdue.

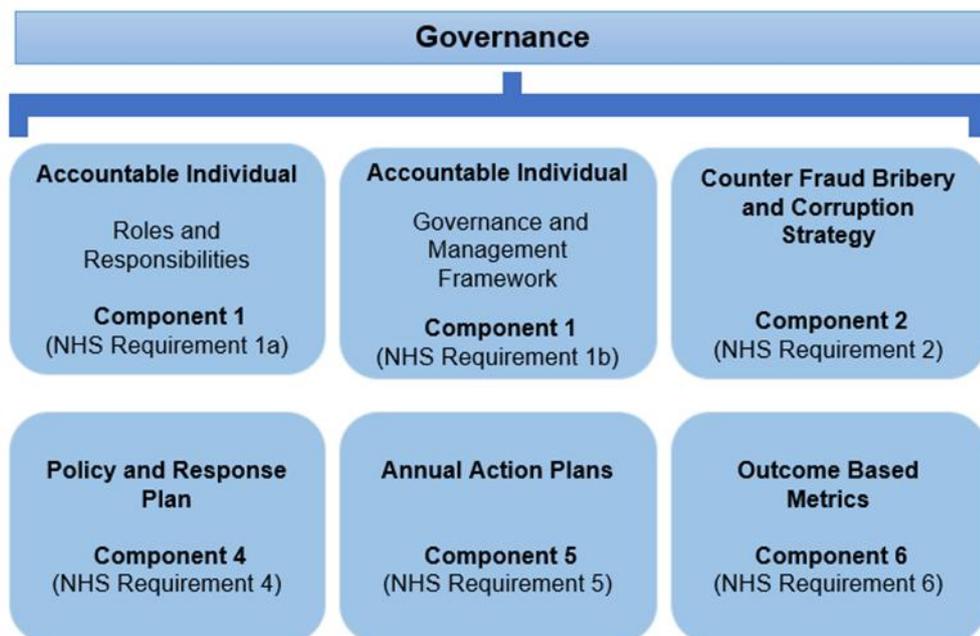
An updated list of nominated personnel ensures clarity in roles and responsibilities, including representation at key national forums and compliance reporting to NHS bodies. Reporting mechanisms are clearly publicised through multiple platforms, with further promotion planned. BCUHB adopts the NHSCFA's strategy built around four pillars: Understand, Prevent, Respond, and Assure, opting not to develop a separate organisational strategy.

The 2024/25 Workplan was only partially delivered due to leadership transition and staff illness; these gaps are being addressed in the 2025/26 plan. Ongoing efforts ensure policy and strategy compliance with new legislation, such as the "Failure to Prevent Fraud" offence. Mandatory e-learning has 87.98% staff compliance; bespoke training and awareness sessions are provided as needed. Key policies, including the Standards of Business Conduct Policy and the Counter Fraud Bribery and Corruption Policy, were updated to ensure legislative compliance.

Risk assessment processes have improved, with outdated or mitigated risks removed from the register. Further refinement and ownership assignment are ongoing. No local proactive exercises were conducted during the financial year due to staffing shortages, but they are scheduled for the following year. Investigations are recorded using the Clue system, but system weaknesses and LPEs were not logged, highlighting a compliance gap. No confirmed fraud-related financial recoveries were recorded in 2024/25, however there were some non-fraud-related recoveries..

The Counter Fraud Functional Standards Return (CFFSR) for 2024/25 received an overall 'Green' rating, with some downgrades in risk assessment, action planning, detection, and loss reporting. NHSCFA's March 2025 engagement visit resulted in recommendations for improving risk assessments, case logging, and proactive activity processes, all of which are being actively addressed.

### 3.0 Strategic Governance



#### 3.1 Accountable Individual

The Executive Director of Finance holds executive responsibility for overseeing and providing strategic leadership and support for all anti-fraud, bribery, and corruption activities across the organisation.

There is a clear and consistent commitment at the senior level to driving forward the organisation’s Counter Fraud, Bribery and Corruption agenda. This includes both proactive measures to prevent and deter fraudulent activity, as well as reactive interventions to investigate and hold individuals accountable for committing fraud, bribery, or corruption against NHS Wales.

Operational responsibility for the Local Counter Fraud Service (LCFS) is formally delegated by the Executive Director of Finance to the Head of Local Counter Fraud, who acts as the designated lead for delivering the workplan and reporting progress to the Audit Committee.

A full list of the current nominated individuals and their designated roles for Betsi Cadwaladr University Health Board (BCUHB), as recorded with the NHS Counter Fraud Authority for 2024/25, is as follows:

Role	Nominated Person
<b>Executive Director of Finance</b>	Russell Caldicott
<b>Audit Committee Chair</b>	Karen Balmer
<b>Fraud Champion</b>	Pam Wenger (Director of Corporate Governance)
<b>Lead LCFS (current)</b>	Danielle Kerr-Timmins (Head of Local Counter Fraud)
<b>Supporting LCFS</b>	Sjef Molmans (Deputy Head of Local Counter Fraud)
<b>Supporting LCFS</b>	*Role Vacant*
<b>Administrative Support</b>	Claire Oakley

The Health Board has actively supported and participated in national counter fraud initiatives led by NHSCFA and CFS Wales, including participation in the NHSCFA Engagement Visit in March 2025,

attendance at the NHSCFA Conference in Leeds in January 2025, regular attendance at the newly restructured All Wales Counter Fraud Leads Group (which now feeds directly into the NHS Wales Counter Fraud Steering Group), implementation of prevention guidance and intelligence sharing, and quarterly submission of data to inform Welsh Government and the NHS Wales Counter Fraud Steering Group via NHS Counter Fraud Service Wales.

The board receives assurance from the Executive Committee and Audit Committee regarding Counter Fraud, Bribery and Corruption work undertaken. The Counter Fraud Champion actively supports the counter fraud agenda at a strategic level.

There are clear routes for the reporting of Fraud, Bribery and Corruption. Reporting routes are advertised as part of the F03 Counter Fraud, Bribery and Corruption Policy, on the Counter Fraud BetsiNet page, on Counter Fraud publications which include the use of Viva Engage and Microsoft Teams and as of April 2025, on the BCUHB Public Website. Further work will be undertaken in 2025/26 as per the agreed Annual Workplan to publicise reporting routes.

### **3.2 Counter fraud bribery and corruption strategy**

The Health Board aligns with the NHSCFA Counter Fraud Bribery and Corruption Strategy, including the four strategic pillars which are to Understand, Prevent, Respond and Assure. The Counter Fraud Annual Workplan for 2024/25 aimed to address all elements within these four strategic pillars and NHSCFA guidance has been followed throughout the year. The organisation has chosen not to create an organisation specific strategy as the overarching NHSCFA strategy aligns with the strategic objectives of the organisation, particularly around building an effective organisation.

Much of the NHSCFA strategy is based on stakeholder engagement. The LCFS' have continued to meet with the Health Board's Controlled Drugs and Local Intelligence Network Committee, providing guidance on fraud related incidents and cases involving Controlled Drugs. These meetings are held on a quarterly basis and provide an opportunity for experiences to be shared for the prevention and detection of fraud, relating to the supply of Controlled Drugs. The Counter Fraud Team continues to work closely, as required, with partner agencies such as North Wales Police and Home Office; in criminal investigations and assisting in relevant matters which are led by both agencies. Regular online meetings between CFS Wales and Lead LCFS are also in place.

### **3.3 Policy and response plan**

The Local Counter Fraud, Bribery and Corruption Policy (F03) was reviewed and updated with the approval of both the Executive Committee and Audit Committee in March 2024. The revised policy incorporates the forthcoming "Failure to Prevent Fraud" offence, introduced under the Economic Crime and Corporate Transparency Act, which is anticipated to come into force in September 2025.

To support understanding and preparedness, an Audit Committee Development Session was held on 18 February 2025, covering the key updates to the policy, an overview of the new legislation, and the sufficient procedures required to protect the Health Board from liability under the new legal requirements.

The Policy also includes a response plan which details the roles and responsibilities of different stakeholders in countering fraud, bribery and corruption.

### **3.4 Annual Action Plan / Workplan 2024/25**

In line with the UK Government Functional Standard GovS 013: Counter Fraud, all public sector organisations are required to produce an Annual Counter Fraud Workplan, which must be approved by the Audit Committee. This workplan outlines the key activities, objectives, and performance indicators for the Counter Fraud Team for the forthcoming financial year, and aligns

with both NHS Counter Fraud Authority (NHSCFA) requirements and the expectations set out in GovS 013. The 2025/26 Annual Counter Fraud Workplan was presented to the Executive Committee on 19 February 2025 and subsequently to the Audit Committee on 4 March 2025, receiving formal approval from both.

The 2024/25 Workplan, previously approved by the Audit Committee, is considered to have been partially delivered. The primary factors contributing to this shortfall were a period during which the Head of Local Counter Fraud post remained vacant following retirement, and staff sickness which impacted overall team capacity. All outstanding actions from the 2024-25 Workplan have been carried forward into the 2025-26 plan.

The Audit Committee will continue to receive regular updates throughout the year to monitor progress against the 2025-26 Workplan.

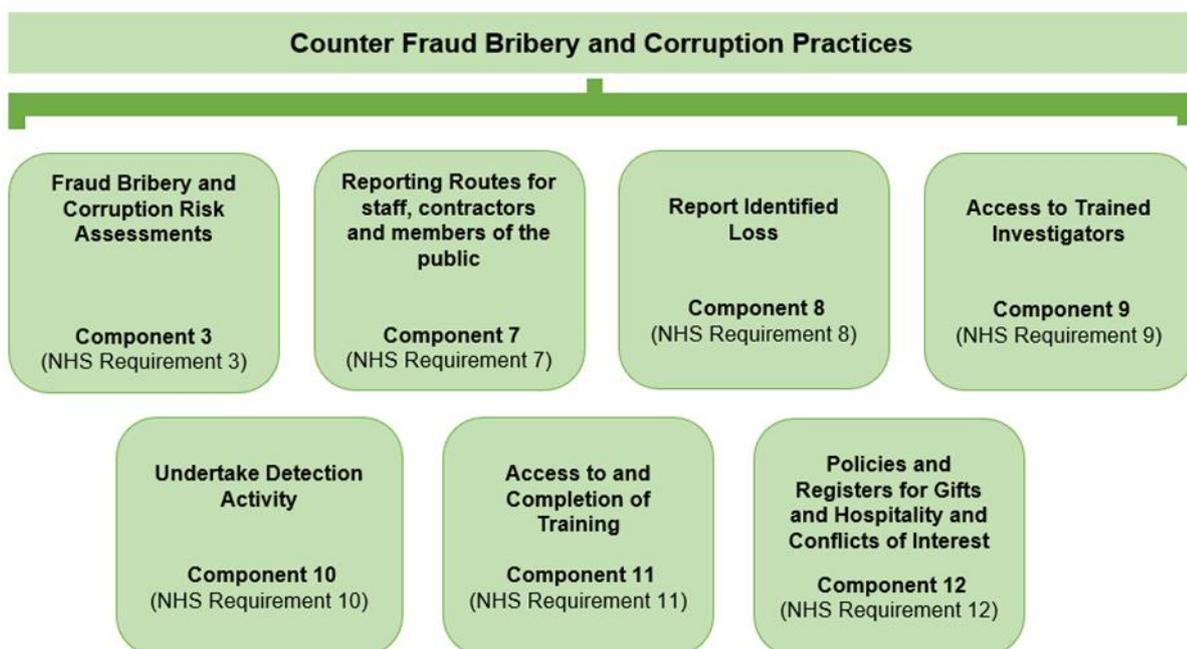
A detailed summary of the achievements and outstanding items from the 2024/25 Workplan can be found in Appendix A.

### 3.5 Outcome-based metrics

The outcome-based metrics and objectives relating to Counter Fraud, Bribery and Corruption are included as part of the Annual Workplan and progress is presented to the Audit Committee as a standing agenda item.

A summary of metrics including number of reported incidents, the value of identified loss, recovery and prevention and any sanctions can be found in Appendices B - H.

### 4.0 Counter Fraud, Bribery and Corruption Practices



#### 4.1 Access to and completion of training

Fraud Awareness e-learning remains mandatory for all staff, providing a baseline understanding of fraud offences and how they affect the NHS. Workbooks are made available for anyone who is unable to complete the e-learning which provides the same compliance. Compliance remains high at 87.98%.

Bespoke training is undertaken on request or where areas of need are identified. This includes an input on Counter Fraud in the Budget Holder Training.

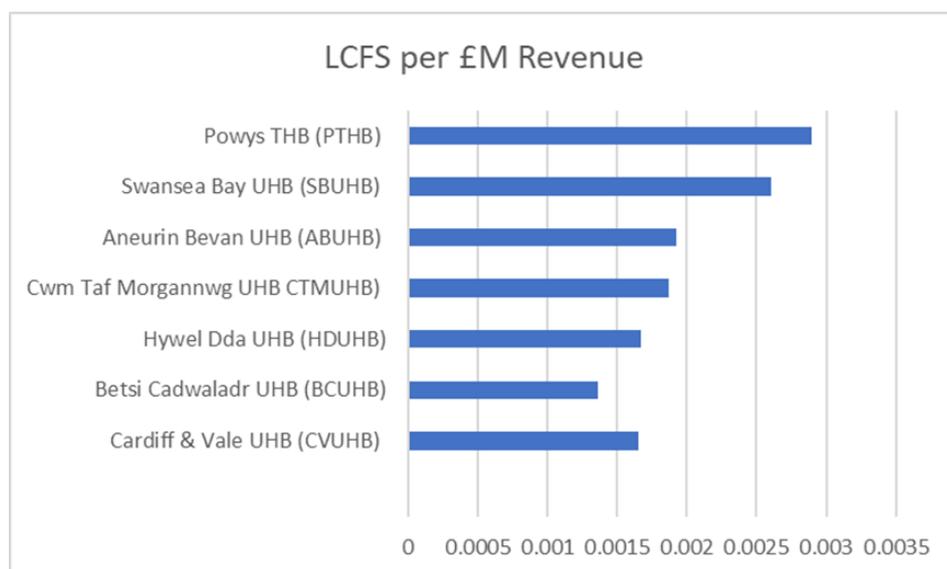
#### 4.2 Access to trained investigators

BCUHB Counter Fraud Team continues to have three trained investigators which includes the Head of Local Counter Fraud, the Deputy Head of Local Counter Fraud and a Local Counter Fraud Specialist (LCFS). The LCFS role is currently vacant with recruitment currently ongoing. The team also benefits from a 0.5 FTE Administrative Support.

The total cost of counter fraud staffing for the financial year was £166,473.13.

Following a report from Audit Wales on the Effectiveness of Counter Fraud Arrangements at BCUHB in September 2020, a recommendation was made to reflect on whether counter-fraud resources and balance between proactive and reactive work match the fraud risks the Health Board is exposed to. It does not appear that this recommendation has been formally addressed.

Benchmarking data will show that when viewed in line with budget, BCUHB has the lowest number of LCFS of any Health Board in Wales and that investigation referrals have increased by 185.7% in the past ten years with no additional resource.



Work will continue to address opportunities reflect on whether the current resource remains appropriate for the level of risk to the organisation.

During 2024-25 a total of 40 investigation referrals were recorded by the BCUHB Counter Fraud Team. Three cases resulted in a disciplinary sanction. No criminal sanctions were recorded during 2024-25, however one case has been referred to the Crown Prosecution for charging advice. As of 31/03/2025, NHS Counter Fraud Service Wales have four investigations open which relate to BCUHB. All four of these investigations included an element of financial investigation by an accredited financial investigation officer. NHS CFS Wales have reported no fraud loss identified or recovered in any of their investigations relating to BCUBC during the financial year.

#### 4.3 Fraud bribery and corruption risk assessment

At the beginning of the financial year there were nine risks listed on the Corporate Risk Register relating to Counter Fraud, these included.

1. Risk of significant financial loss due to Salary Overpayments (Risk Register 2601)

2. Potential Loss of income to Overseas Visitor Patients (Risk Register 3058)
3. General Medical Services - Capitation /Patient Registration Fees (Risk register 3061)
4. Pharmaceutical Fraud (Risk Register 3064)
5. Private Patients (Risk Register 3060)
6. Cyber Enabled Salary Diversion (Risk Register 4165)
7. Continence Services (Risk Register 4170)
8. Payroll Fraud – Misrepresentation of Qualifications, Skills and Experience (Risk Register 4171)
9. Hospital Mortality Services (Risk Register 4172)

Many of the risks has no detailed progress for a number of years and no SMART action plans in order to identify the appropriate mitigation. All of these risks related to different business areas but the 'risk owner' remained the Head of Local Counter Fraud.

Work was undertaken to determine whether these risks remained relevant to the organisation and ensure they were graded appropriately. Of the nine open risks, seven were considered to have been mitigated to an appropriate level and as a result closed on the Corporate Risk Register with this action being highlighted to the Audit Committee in the regular progress report.

In line with guidance from the NHSCFA on risk management, work has been undertaken relating to those risks which remain open to identify the appropriate risk owner. The risk owner relating to Salary Overpayments is at this time undecided and advice has been sought at Executive level to ensure that the correct risk owner is assigned.

Work is now needed over the next financial year to ensure that an organisational risk assessment for fraud related risks is updated and that any new emerging risks are scored and assigned to ensure mitigation.

The Local Counter Fraud Service team continued to review and fraudproof policies, procedures and Health Board forms on request, to ensure that they are and remain fit for purpose and ensure public funds remain safe from economic crime.

#### **4.4 Undertake detection activity**

The Health Board is compliant with the National Fraud Initiative (NFI), which forms part of the Cabinet Office's Counter Fraud Function. The Local Counter Fraud Service team have undertaken actions to resolve identified NFI matches during 2024-25.

Regrettably, no Local Proactive Exercises (LPEs) were conducted by the Counter Fraud Team during the 2024–25 period. This was primarily due to prolonged staff absences caused by illness and a leadership gap following the retirement of the previous Head of Local Counter Fraud, prior to the appointment of the new Head of Counter Fraud. LPEs play a critical role in identifying risk areas and evaluating the effectiveness of existing processes. They enable the organisation to assess and improve systems using real-time data, rather than relying solely on assumed risk areas. These exercises may be informed by intelligence from the NHS Counter Fraud Authority (NHSCFA) or recommendations from internal audit.

LPEs have been scheduled for the upcoming financial year, and we are confident they will be successfully carried out.

Partnership working has continued to take place despite the resourcing issues within the team. The team has established connections with both internal and external stakeholders.

Publication has also continued with 90 publications released in 2024-25, mainly consisting of deterrence articles. As well as these articles the team publicised using the ESR banner and payslip messages.

#### **4.5 Policies and registers for gifts and hospitality and Conflicts of Interest**

An updated Standards of Business Conduct Policy is now in place and appropriately references the Bribery Act 2010 as required.

#### **4.6 Reporting routes for staff, contractors and members of the public**

Work has been undertaken to update the Counter Fraud BetsiNet Site to ensure that reporting routes for staff can be easily identified. The updated posts allow for data analytics to be used to measure site usage to inform future publications.

The BCUHB Public Website has also been updated to appropriately inform members of the public of reporting routes. The routes include internally through LCFS and via the NHSCFA reporting line and online portal.

#### **4.7 Report identified loss**

This Component relates to the organisations use of the approved NHS fraud case management system to record all allegation and investigative activity. Including all outcomes, recoveries and system weaknesses identified during the course of investigations and/or proactive prevention and detection exercise.

Whilst the case management system has been used to record investigations, no system weakness reports were created in 2024-25.

Losses were identified and a small number of financial recoveries made from non-fraud cases, however no losses were directly attributed to fraudulent activity, and therefore no fraud recoveries recorded.

#### **5.0 Counter Fraud Functional Standard Return 2024/25**

The Health Board submitted its Counter Fraud Functional Standards Return (CFFSR) for the 2024/25 financial year, achieving an overall 'Green' rating.

The submission highlighted changes in five individual standard ratings compared to the previous return:

- *Requirement 3: Fraud, Bribery and Corruption Risk Assessment (downgraded from Green to Amber)*
- *Requirement 5: Annual Action Plan (downgraded from Green to Amber)*
- *Requirement 10: Report Identified Loss (downgraded from Green to Red)*
- *Requirement 10: Undertake Detection Activity (downgraded from Green to Amber)*
- *Requirement 12: Policies and Registers for Gifts, Hospitality and Conflicts of Interest (improved from Amber to Green)*

The draft 2024/25 CFFSR was presented to the Audit Committee on 20 May 2025 prior to submission, including a detailed overview of areas requiring improvement, along with assurances on the planned actions to address them. The CFFSR has now been submitted with no changes from the draft presented to the Audit Committee. As per NHSCFA requirements, a full copy of the submitted CFFSR for 2024-25 can be found in Appendix I.

On 4 March 2025, the NHS Counter Fraud Authority (NHSCFA) conducted an Engagement Visit at BCUHB, with a particular focus on Requirements 3 and 10. A report has since been received on the 5<sup>th</sup> June 2025, outlining the following key recommendations:

1. *The organisation should review the FRA process in collaboration with risk specialists at the organisation. Ensure all fraud risks are identified for appropriate assessment and FRAs are sufficiently detailed to reflect the impact of specific local factors. Local risk owners should be allocated to all fraud risks identified and assessed.*

2. *The organisation should use the approved case management system Clue to record all system weaknesses identified and LPEs undertaken, including outcomes, to inform the local, regional and national intelligence picture. User guides for Clue are available via the digital fraud manual - NHS Fraud Case Management System User Guide*
3. *The organisation should utilise LPE guidance that was published by NHSCFA - New guidance for planning, designing and conducting Local Proactive Exercises (nhscfaextranet.oak.com) and review GCFP guidance on FRAs - Fraud Risk Assessment Standards (2022-03-25) to inform how the FRA process is refined.*

Work is already underway to address these recommendations. The recommendations made in the report will be used to develop an action plan for implementation, for presentation to the Audit Committee with progress against the action plan subject to monitoring by the Audit Committee until all actions have been fully implemented.

A copy of the full report can be found in Appendix J.

## **6.0 Conclusion and Recommendations**

While the Health Board demonstrates strong strategic intent and compliance with national counter fraud standards, resource constraints and gaps in proactive detection remain challenges. Action plans and structural improvements are underway to strengthen governance, increase effectiveness, and ensure ongoing protection of public funds.

The recommendations are as follows:

- 1) Audit Committee to track progress of the annual workplan through progress reports by the Head of Local Counter Fraud
- 2) Action plan to be created by the Head of Local Counter Fraud for the implementation of recommendations made in the NHSCFA Engagement Visit report. The action plan should be monitored by the Committee until implemented.
- 3) Head of Local Counter Fraud to review the Counter Fraud resource alongside the Executive Director of Finance as per Audit Wales recommendation from September 2020.

## Appendix A – Annual Counter Fraud Workplan 2024-25

NHS Requirement	Task	Comment	Outcome (date)
<p><b>Component 1A: Accountable individual</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 of all counter fraud bribery and corruption work undertaken.</p> <p>The accountable board member is responsible for ensuring that nominations to the NHS CFA for the accountable board member, audit committee chair and counter fraud champion are accurate and that any changes are notified to the NHS CFA and CFS Wales at the earliest opportunity and in accordance with the nominations process. 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>Head of LCFS to hold regular meetings with DoF, to review objectives and evaluate the work to date.</p> <p>Head of LCFS to meet regularly with the Fraud Champion to identify target audiences for Fraud Awareness presentations and discuss promoting counter fraud work and awareness within BCUHB.</p> <p>The Executive DoF ensures the required documentation is provided to support the NHS CFA nomination process.</p> <p>The Executive DoF to act as the link between the Audit Committee and Risk Management Group to allow key risks to be identified, managed and mitigated.</p> <p>Head of LCFS to meet in private quarterly with the Chair of Audit Committee at the request of the Executive DoF.</p> <p>The Executive DoF ensures that relevant and timely information regarding counter fraud, bribery and corruption work is shared with CFS Wales and NHS CFA upon request.</p> <p>LCFS to produce the BCUHB Counter Fraud Annual Report, Quarterly Progress Reports and Annual Workplan which is to be agreed with the DoF and ratified by the Audit Committee.</p>	<p>Proactive</p>	<p>Achieved</p> <p>Achieved</p> <p>Achieved</p> <p>Achieved</p> <p>Partly achieved (meetings take place where necessary)</p> <p>Achieved</p> <p>Achieved</p>
<p><b>Component 1B: Accountable individual</b></p> <p>The organisation's non-executive directors, counter fraud champion or lay members and board/governing body level senior management</p>	<p>Head of LCFS to privately meet quarterly with the Chair of Audit Committee, at the recommendation of the Executive DoF, where organisational and emerging risks are raised. In addition, and when requested Head of LCFS to attend pre-</p>	<p>Proactive</p>	<p>Partly achieved (meetings take place where necessary)</p>

NHS Requirement	Task	Comment	Outcome (date)
<p>are 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 NHS CFA 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 requirements set by NHS CFA and CFS Wales in relation to counter fraud, bribery and corruption work, and details corrective action where requirements have not been met.</p>	<p>audit committee meetings with non-executive Audit Committee and Board Members.</p>		Achieved
	<p>Preparation and attendance at Audit Committee meetings. Local Counter Fraud Service is a standing agenda item at Audit Committee where produced Quarterly Progress and Annual Report including Workplan, are presented. Head of LCFS also to provide oral report to questions raised during Audit Committee.</p>		Achieved
	<p>Head of LCFS to prepare and submit CFFSR annually and include this in the Annual Report with the appropriate signed statement of assurance, to present to Audit Committee.</p>		Achieved
	<p>The Audit Committee ensure LCFS recommendations are minuted, recorded on the Action Tracker control tool and actioned.</p>		Achieved
	<p>The Board Secretary has been nominated to act as the Fraud Champion; which had been approved by the Audit Committee and will continue to liaise on a regular basis with the LCFS.</p>		Achieved
	<p>LCFS to facilitate BCUHB's ongoing commitment to promote NHS Fraud awareness and identifying LCFS to both internal and external customers (staff, contractors and suppliers) and stakeholders. The role of Fraud Champion to assist.</p>		Achieved
	<p>Undertake a local annual staff survey to evaluate the level of fraud, bribery and corruption awareness.</p>		Achieved
	<p>Survey outcomes to direct corrective and preventative measures to ensure a lower level of risk to economic crime for BCUHB.</p>		Achieved
	<p>Review of Local Counter Fraud Service resources and contingency planning.</p>		Not Achieved

NHS Requirement	Task	Comment	Outcome (date)
<p><b>Component 2: Counter fraud, bribery and corruption strategy</b></p> <p>The organisation aligns counter fraud, bribery and corruption work to the NHS CFA 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>(The organisation may have its own counter fraud, bribery and corruption strategy, however, this must be aligned to and referenced to the NHS CFA counter fraud, bribery and corruption strategy)</p> <p><b>And Component 4: Policy and response plan</b></p> <p>The organisation has a counter fraud, bribery and corruption policy and response plan (the policy and plan) that follows NHS CFA's strategic guidance 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>The Health Board's Local Counter Fraud, Bribery and Corruption Policy F03 including response plan, which covers BCUHB's Counter Fraud, Bribery and Corruption strategy, was agreed end of 2021/22 to include and make reference to the Government Functional Standard GovS013: Counter Fraud.</p>	<p>Proactive</p>	<p>Achieved</p>
	<p>The Local Counter Fraud, Bribery and Corruption Policy F03 will be required to be reviewed and updated with effect from August 2024.</p>		<p>Achieved</p>
	<p>Provide evidence of the updated F03 Policy, the Local Counter Fraud Service strategy and response plan on request of the NHS CFA.</p>		<p>Not Achieved</p>
	<p>Ensure promotion of the F03 Policy including the do's and don'ts on how to report fraud, bribery and corruption. Include the Fraud Reporting Telephone Line and Online tool and include CFS Wales and LCFS contact details on all media available to LCFS including the Counter Fraud page on the Health Board intranet.</p>		<p>Achieved</p>
	<p>Ensure reference to the updated F03 Policy in all Health Board policies and protocols deemed to be immediately critical to the Local Counter Fraud Service function (point 4.6 Workplan) to confirm that these policies and protocols are adequately robust to counter the risk of BCUHB to economic crime.</p>		<p>Achieved</p>
	<p>Measure staff awareness of the F03 Policy and response plan through the local annual staff survey. And establish if staff besides the policy and plan, are aware of correct procedures associated with reporting fraud, bribery and corruption. Take corrective action when and where appropriate.</p>		<p>Achieved</p>

NHS Requirement	Task	Comment	Outcome (date)
	<p>BCUHB's Local Counter Fraud Service Workplan and Annual Report are presented to the Audit Committee and Welsh Government.</p> <p>Review if LCFS resources continue to be adequate or require changing as they no longer align to locally identified risks to economic crime.</p>		Not Achieved
<p><b>Component 3: Fraud, bribery and corruption risk assessment</b></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 fraud risks within any associated sub company of the NHS organisation.</p> <p><b>And Component 5: Annual action plan</b></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</p>	<p>Undertake honest, realistic and comprehensive risk assessment against the Health Board's Risk Management Policy to identify local fraud, bribery and corruption risks and when identified, record these on the BCUHB Risk Management Register.</p> <p>Monitor and report identified fraud risks to Senior Management, to ensure that these risks are mitigated to a low or acceptable level for the Health Board, before considering closure on the Risk Register and, since the start of the new case management system, on Clue when recorded as a Local Proactive Exercise (LPE, asterisk below recorded on Clue).</p> <p>Report progress on and status of identified fraud risks to DoF and through Progress Reports to Audit Committee including if allocated resources to mitigate the fraud risk are adequate.</p> <p>Recorded and current identified fraud risks to BCUHB:</p> <ul style="list-style-type: none"> <li>• Risk of significant financial loss due to Salary Overpayments (Risk Register 2601)</li> <li>• Potential Loss of income to Overseas Visitor Patients (Risk Register 3058)</li> <li>• Patient Registration Fees (Risk Register 3061)</li> <li>• Pharmaceutical Fraud (Risk Register 3064)</li> <li>• Private Patients (Risk Register 3060)</li> <li>• Cyber Enabled Salary Diversion (Risk Register 4165)</li> <li>• Continence Services (Risk Register 4170)</li> </ul>	Proactive	<p>Not Achieved</p> <p>Not Achieved</p> <p>Achieved</p>

NHS Requirement	Task	Comment	Outcome (date)
<p>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>	<ul style="list-style-type: none"> <li>Payroll Fraud – Misrepresentation of Qualifications, Skills and Experience (Risk Register 4171)</li> <li>Hospital Mortality Services (Risk Register 4172)</li> </ul> <p>Similar, record two recently identified on the corporate Risk Register:</p> <ul style="list-style-type: none"> <li>Optical Fraud</li> <li>Non-compliance of staff to the Declaration of Interest, Hospitality and Gifts Protocol and Registers</li> </ul>		Not Achieved
	<p>LCFS to develop a mechanism using Data Analytics techniques, to identify outliers against common themes of incorrect General Ophthalmic Services claiming and record this as an LPE on Clue.</p>		Not Achieved
	<p>Review NWSSP-PPV reports issued and identify contractors who score poorly against these outliers and decide if further enquiries are required.</p>		Achieved
	<p>Risk assess newly issued Fraud Prevention Notices (FPN) by the NHS CFA during the year. Record on Clue as an LPE and on the corporate Risk Register when the perceived risk to the Health Board is considered too high. When necessary, address the need of additional resources to mitigate the fraud risk to the Health Board.</p>		Achieved
	<p>Assist NHS CFA with mandatory National Proactive Exercises (NPE), for instance the Procurement Fraud Exercise which will take during 2024 -24 and adopt new recommendation internally at BCUHB and NWSSP.</p>		Not Achieved
	<p>LCFS to review and assist with fraud proofing existing or new local policies and protocols for BCUHB, ensuring these remain or are fit for purpose. Maintain records of which local policies and protocols were reviewed for reporting purposes.</p>		Achieved
	<p>Review if NWSSP and BCUHB internally have incorporated any such recommendations which are made as a result of the National Proactive Exercise on Procurement Fraud.</p>		Achieved

NHS Requirement	Task	Comment	Outcome (date)
	This will require checks with NWSSP and with BCUHB corporate departments like Finance.		
<p><b>Component 6: Outcome-based metrics</b></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>The annual Local Counter Fraud Service Workplan contains resource metrics against proactive and reactive activities including activities following from risk assessments and identified risks, FPNs, LPEs and investigations.</p> <p>A National Proactive Exercise on Procurement fraud is to be undertaken during 2024/25, under the direction of the NHS CFA.</p> <p>Report progress quarterly and annually on proactive and reactive activities to the Audit Committee and also through established quarterly statistical reporting via CFS Wales to Welsh Government.</p> <p>Ensure to immediately report inadequate resource levels when these occur throughout the year.</p> <p>Undertake organisational data bench marking to identify if the current LCFS resource remains adequate to match the increased threat of fraud which is being faced by the Health Board.</p> <p>Measure performance against planned LCFS resources and costs and report to the Audit Committee in the Annual Report which is shared with Welsh Government, for the Chair of Audit Committee to prepare a briefing report to the Board of Directors. Include the actual LCFS resources and costs in the submitted CFFSR at the end of the financial year.</p> <p>Utilise the case management system Clue for proactive activities like LPEs and report on progress and outcomes.</p>	Proactive	<p>Achieved</p> <p>Not Achieved</p> <p>Achieved</p> <p>Achieved</p> <p>Not Achieved</p> <p>Not Achieved</p> <p>Not Achieved</p>



NHS Requirement	Task	Comment	Outcome (date)
<p><b>Component 7: Reporting routes for staff, contractors and members of the public</b></p> <p>The organisation has well established and documented reporting routes for staff, contractors and members of the public to report incidents of fraud, bribery and corruption. Reporting routes should include NHS CFA'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>The Health Board's Local Counter Fraud, Bribery and Corruption Policy F03 including response plan, which covers BCUHB's Counter Fraud, Bribery and Corruption strategy will be required to be reviewed and updated with effect from August 2024 to take account of the Economic Crime and Corporate Transparency Act 2023 which introduces a new corporate criminal offence of failure to prevent fraud (clauses 199-206 and Schedule 13). Its introduction is to be reviewed against the criminal offences already included in F03 and requires amendment where needed.</p>	Proactive	Achieved
	<p>Provide evidence of the updated F03 Policy, the Local Counter Fraud Service strategy and response plan on request of the NHS CFA.</p>		Achieved
	<p>Ensure promotion of the F03 Policy including the do's and don'ts on how to report fraud, bribery and corruption. Include the Fraud Reporting Telephone Line and Online tool and include, CFS Wales and LCFS contact details on all media available to LCFS including the Counter Fraud page on the Health Board intranet.</p>		Not Achieved
	<p>Ensure reference to the updated F03 Policy in all Health Board policies and protocols deemed to be immediately critical to the Local Counter Fraud Service function (point 4.6 Workplan) to confirm that these policies and protocols are adequately robust to counter the risk of BCUHB to economic crime.</p>		Achieved
	<p>Measure staff awareness of the F03 Policy and response plan through the local annual staff survey. And establish if staff besides the policy and plan, are aware of correct procedures associated with reporting fraud, bribery and corruption. Take corrective action when and where appropriate.</p>		Achieved
			Achieved

NHS Requirement	Task	Comment	Outcome (date)
	Ensure there are effective lines of communication between LCFS and other key staff groups and managers within BCUHB.		Achieved
	Maintain unrestricted access to key staff groups e.g. Audit Committee, Chair and non-executive members.		Achieved
	Continue with regular liaison with the Head of CFS Wales on all operational matters, ensure information reports are reviewed and all cases are recorded on case management system Clue timely.		Achieved
	Liaise with Senior Security Officers at BCUHB, keeping each other informed of local concerns and issues.		Not Achieved
	Attend regular Senior Management meetings internally at BCUHB with the following Corporate Functions; Finance, W&OD, Information Governance and Estates.		Achieved
	Interact and meet on behalf of BCUHB when required with key managers and stakeholder groups at NWSSP; Internal Audit, Procurement and Payroll. Exchanging relevant information and providing necessary support and guidance.		Not Achieved
	Maintain existing regular meetings in place internally with Primary Care Contracting including Dental and externally with NWSSP-PPV nationally and locally.		Achieved
	Attend quarterly CD LIN meetings. Maintain a close working relation with Pharmacy & Medicines Management colleagues and the CDLO of North Wales Police.		Achieved
	Where fraud, bribery or corruption has been identified, the LCFS will consider the full range of available sanctions available; criminal, civil, disciplinary and/or regulatory in line with "Parallel Criminal and Disciplinary Investigations Policy" guidelines.		Achieved



NHS Requirement	Task	Comment	Outcome (date)
	<p>corruption which are recorded on the Risk Register, but before case management system Clue was in place, should be included in formal reports.</p> <p>Agree a mechanism and standard of recording prevented fraud losses (savings) with NHS CFA and CFS Wales across all LCFS work undertaken.</p> <p>The Internal Audit team to review and test fraud prevention controls.</p>		<p>Achieved</p> <p>Achieved</p> <p>Not Achieved</p>
<p><b>Component 9: Access to trained investigators</b></p> <p>The organisation employs or contracts in an accredited, person (or persons) nominated to the NHS CFA 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 NHS CFA at the earliest opportunity and in 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>BCUHB has a Local Counter Fraud Service team of 3 LCFS (equates to 2.91 FTE) who are accredited, nominated and appropriately trained counter fraud staff, employed to conduct the full range of duties associated with countering fraud, bribery and corruption on behalf of the organisation for North Wales.</p> <p>In addition, the team is supported by the CFASO (0.5 FTE) who was trained by the NHS CFA to assist LCFS.</p> <p>There is a clear structure set out at the Health Board of roles and responsibilities in relation to Local Counter Fraud Service. Monitor resources and decide if the roles and responsibilities remain fit for purpose against the overall risk of economic crime to BCUHB. Consider contingency planning.</p> <p>Notify the NHS CFA and CFS Wales of any changes in LCFS nominations and other roles to manage the local counter fraud function for BCUHB, on the earliest opportunity and complete nomination forms on request.</p> <p>Local Counter Fraud Service team members to attend appropriate training to enhance skills and specialised professional knowledge. LCFS to attend regional All Wales LCFS Forums for discussion and guidance, and where NHS CFA training may be provided.</p>	<p>Proactive</p>	<p>Not Achieved</p> <p>Achieved</p> <p>Achieved</p>

NHS Requirement	Task	Comment	Outcome (date)
	Regular attendance of LCFS at NHS CFA, Wales Fraud Forum (WFF) or University of Portsmouth (UoP) Webinars.		Achieved
	Attendance of LCFS at Cabinet Office's Fraud & Error, WFF and/or UoP Conference.		Not Achieved
	Reference of continuous professional development including mandatory training is made during annual staff appraisals (PADR) and recorded on ESR.		Achieved
	The LCFS maintains the appropriate standards of confidentiality and security. Investigations carried out will comply with all relevant legislation.		Achieved
	LCFS continue to have secure access to the tools, NHS systems and resources including offices and storage facilities in their office and on site utilised effectively for retention and storage of evidential data only accessible by them, necessary to professionally carry out their role and comply with legal requirement.	Reactive	Achieved
	Record investigations on case management system Clue and enter investigation plan. Progress sheets and decision logs are updated. In addition, all relevant documentation, statements, exhibits and evidential files relating to the investigation of cases are regularly updated and attached in Clue.		Achieved
	LCFS ensures to undertake all investigative tasks in line with NHS CFA guidance provided in their Fraud Manual and Investigation Case File Toolkit.		Achieved
	LCFS will complete all witness statements and evidential case files in line with NHS CFA best practice model and National File Standard ensuring compliance with legal requirements.		Achieved

NHS Requirement	Task	Comment	Outcome (date)
	<p>LCFS will plan and prepare for all Interviews Under Caution (IUC), develop and interview plan, assess the suspect's fitness for interview, and setting up an appropriate location. IUCs are conducted and evaluated in accordance with legislation (PACE) and other guidelines using appropriate interview techniques and communication skills.</p>		Achieved
	<p>LCFS to maintain comprehensive records of investigation time spent in each individual case to ensure inclusion in any compensation claim made by BCUHB. Identify and maintain a record of the actual proven loss to the Health Board in order that appropriate recovery procedures can be initiated and progressed where viable.</p>		Achieved
	<p>LCFS to compile formal case file and produce all relevant MG forms in cases progressing to Court. Liaise with CFS Wales and The Crown Prosecution Service on the earliest opportunity.</p>		N/A (no cases progressed to CPS/Court)
	<p>Ensure a procedure is in place to recover funds that have been lost or diverted as a result of fraud, bribery and corruption in line with the Health Board's own F03 Policy and as described in the NHS CFA Fraud Manual.</p>		Achieved
	<p>Undertake effective liaison with other Health Board members of staff including W&amp;OD and where necessary other relevant Health organisations and Professional Bodies for example NMC, GMC and GDC, to ensure that sanctions, such as internal disciplinary action is not applied in isolation where there are indications of potential wider fraudulent activity and/or professional misconduct.</p>		Achieved
	<p>LCFS will engage with external investigators from other organisations and agencies including Police, Home Office/UKBA, DWP, HMRC, Local Authorities, Regulatory and Professional bodies, complying with relevant legislation and organisational policies when countering fraud bribery and corruption.</p>		Achieved

NHS Requirement	Task	Comment	Outcome (date)
<p><b>Component 10: Undertake detection activity</b></p> <p>The organisation undertakes proactive work to detect fraud using relevant information and intelligence to identify anomalies that may be indicative of 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 NHS CFA led loss measurement exercises. The findings are acted upon promptly.</p>	<p>LCFS to use relevant information and intelligence available to BCUHB, including Data Analytics techniques to identify anomalies that may be indicative of fraud, bribery and corruption and suitable arrangements to support the prevention and detection of fraud are in place to be able to respond appropriately where fraud occurs.</p>	<p>Proactive</p>	<p>Not Achieved</p>
	<p>Relevant information and intelligence may include, but is not limited to, FPNs received from NHSCFA, an embedded Risk Register which is regularly reviewed by Senior Management and analysis of NHS data available internally and from NWSSP.</p>		<p>Achieved</p>
	<p>Work closely with Patient Registration at NWSSP and Primary Care Contractors and communicate 'best practice' to GP surgeries including guidance to minimise the impact of multiple or incorrect patient registration fraud. Inform Finance where and when appropriate.</p>		<p>Achieved</p>
	<p>Monitor patient and Suspected Drug Abuse alerts received from NWSSP or LCFS colleagues and ensure these are communicated through established internal channels to relevant staff at BCUHB.</p>		<p>Achieved</p>
	<p>Ensure reported Lost/Stolen Prescriptions and Suspected Drug Abuse is actioned by informing relevant Health Board staff and externally by completion of NWSSP template alerts distributed effectively to Primary Care Contractors through their communication channels. LCFS to liaise with the CDLO for North Wales Police.</p>		<p>Achieved</p>
	<p>LCFS to review and process Pharmacy Reward Scheme forms.</p> <p>Regular meetings with Security at BCUHB keeping each other informed of local concerns and issues and if incidents require further inquiry from Security or LCFS.</p>		<p>Achieved</p>

NHS Requirement	Task	Comment	Outcome (date)
	<p>Discuss with Internal Audit potential system weaknesses identified during audits undertaken or from investigations to establish areas of concern which may be at risk to fraud, bribery or corruption for preventative action to be taken. Highlight LCFS work undertaken on LPEs and mandatory NPEs.</p> <p>LCFS to maintain existing relationship with NWSS-Payroll and Accounts Receivable at BCUHB Finance encouraging data sharing on salary overpayments and advise where appropriate.</p> <p>LCFS to review all NWSSP-PPV reports issued to GMS and GOS practices on behalf of the Health Board, advise where appropriate and highlight those practices which stand out against outliers and may require further scrutiny. Local quarterly meetings are held with PPV and Primary Care Contracting staff to discuss individual GP and Ophthalmic Practices. National quarterly meetings are held with PPV and all LCFS in NHS Wales to discuss overall claiming trends and highlight areas of concern.</p> <p>LCFS continues to analyse prescribing and Choose Pharmacy data discussing this internally with Pharmacy colleagues, with LCFS colleagues and with the national NWSSP-PPV to protect the NHS against unwanted claiming from Community Pharmacies. This should ultimately lead to either more meaningful PPV (electronic) visits in GPhS or checks that can be undertaken internally at BCUHB by Pharmacy and/or Primary Care Contracting staff. Concerning claims for prescribing should be reported to LCFS.</p> <p>LCFS to meet quarterly with the Dental Contracting team at BCUHB. Reports of concerning dental claims of UDAs/UOAs should be shared with LCFS for further enquiries. LCFS will work with and advise the Dental</p>		<p>Not Achieved</p> <p>Achieved</p> <p>Achieved</p> <p>Not Achieved</p> <p>Achieved</p> <p>Achieved</p>



NHS Requirement	Task	Comment	Outcome (date)
	<p>fraudulent activity from internal and external sources. Staff to be briefed in relation to current trends of criminal activity.</p> <p>LCFS to attend quarterly Senior Finance Management meetings with the view to ascertain variances are scrutinised as unusual high or sudden expenditure might indicate unwanted diversion of BCUHB funds. Suggested areas could include: overtime payments, on call payments, expenses or even overpayments of external contractors or suppliers.</p> <p>LCFS to maintain clear segregation of duties to prevent potential diversion of NHS funds by Finance staff.</p> <p>LCFS to ensure that information reports and intelligence received from NHS CFA Central Intelligence Unit are all acted upon, internal enquiries are made promptly and outcome is reported to NHS CFA via CFS Wales. And vice versa intelligence detected at BCUHB which may affect other NHS organisations, is reported to CFS Wales and NHS CFA if required.</p> <p>Liaison with Information Governance, Clinical Governance and Complaints on incidents which may require LCFS advice or their further enquiries.</p> <p>Liaison with North Wales Police and Home Office Immigration/UKBA.</p> <p>Activities undertaken for the National Fraud Initiative (NFI) exercise may indicate matches which after enquiries are made, cannot be closed and anomalies detected may then require formal recording as an investigation on case management system Clue.</p> <p>When data analysis, formal reports, enquiries, NFI Data, liaison or meetings etc. detect an anomaly that requires investigation and formal recording on Clue, LCFS activities change from proactive to reactive.</p>	<p></p> <p></p> <p></p> <p></p> <p></p> <p></p> <p>Reactive</p>	<p></p> <p>Achieved</p> <p>Achieved</p> <p>Achieved</p> <p>Achieved</p> <p></p> <p>Achieved</p>

NHS Requirement	Task	Comment	Outcome (date)
<p><b>Component 11: Access to and completion of training</b></p> <p>The organisation has an ongoing programme of work to raise awareness 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 NHS CFA, CFS Wales, 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 NHS CFA's fraud awareness toolkit as appropriate. The effectiveness of the awareness programme is measured.</p>	<p>There is an ongoing programme to raise awareness at BCUHB of fraud, bribery and corruption in line with the NHS CFA strategy.</p> <p>Use a range of methods appropriate to different staff groups at BCUHB which may include induction, presentations incl. mandatory e-learning, quarterly newsletters, posters etc.</p> <p>Internal reporting channels for suspicions of economic crime, show besides LCFS contact details also the national Fraud and Corruption Reporting Line and online fraud reporting tool, are publicised in the Counter Fraud, Bribery and Corruption F03 Policy, on relevant documents and the Health Board's intranet.</p> <p>Review local fraud material generated to promote Counter Fraud, Bribery and Corruption work being undertaken by LCFS at BCUHB and ensure it remains fit for purpose, where necessary remove/update information accordingly and to reflect any changes in legislation, policy or working practices.</p> <p>Where appropriate use electronic and written information/newspaper articles, from other Health Boards, the NHS CFA NGage page or other web pages to inform and to publicise successful cases and sanctions, not only regularly internally to BCUHB staff, but also externally to contractors through quarterly newsletters and demonstrate commitment to deter fraud, bribery and corruption in NHS Wales and England.</p> <p>Fraud Awareness training to staff is mandatory at BCUHB. An e-Learning module is available. LCFS is to attend all Health Board corporate induction training events to provide an input to new staff on the role(s) of the Local Counter Fraud Service team, CFS Wales and NHS CFA.</p> <p>In person fraud awareness presentations to be delivered in person at the Acute Hospitals Post Graduate Education</p>	<p>Proactive</p>	<p>Achieved</p> <p>Achieved</p> <p>Achieved</p> <p>Achieved</p> <p>Achieved</p>





NHS Requirement	Task	Comment	Outcome (date)
	<p>LCFS to arrange monthly payslip messages promoting counter fraud to be published to BCUHB staff when facility is free to use.</p> <p>LCFS to explore other channels to publish fraud awareness including International Fraud Awareness Week (normally in November) through for example Social Media and newsfeeds on the counter fraud intranet site.</p> <p>Evaluate feedback on fraud awareness including from fraud awareness presentations, and where appropriate amend.</p> <p>Use of annual local counter fraud surveys to measure effectiveness of all information channels used and if this has led to improved fraud awareness at the Health Board.</p>		<p>Achieved</p> <p>Achieved</p> <p>Achieved</p>
<p><b>Component 12: Policies and registers for gifts and hospitality and COI</b></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. Staff awareness of the requirements of the policy are tested sufficiently regularly to demonstrate effectiveness of the process.</p>	<p>An embedded, Standards of Business Conduct OBS02 Policy which contains specific guidance on the prevention of Fraud, Bribery and Corruption and effectively deals with the management of conflicts of interest, gifts and hospitality is in place at the Health Board.</p> <p>Office of the Board Secretary to regularly remind all Health Board staff of the OBS02 policy and the need to register any conflict of interest by submitting Dol annually or when circumstances change, any gifts or hospitality when these arise, on the relevant electronic registers.</p> <p>LCFS to actively promote the OBS02 Policy and electronic registers for Dol, gifts and hospitality actively as part of their fraud awareness programme. The BCUHB Counter Fraud intranet page makes reference to the Bribery Act 2010.</p> <p>BCUHB does not measure levels of staff awareness of the OBS02 Policy and actively managing if there are conflicts of interest which may indicate deliberate non-compliance of staff is lacking.</p>	<p>Proactive</p>	<p>Achieved</p> <p>Achieved</p>

NHS Requirement	Task	Comment	Outcome (date)
	<p>Management of records on the electronic registers should regularly be reviewed and when queried, returned to line management for explanation and correctness to formally authorise the record. The Staff Code of Conduct which is proactively communicated to all staff and includes reference to fraud, bribery and corruption and the requirements of Section 7 "Failure to Prevent Bribery" of the Bribery Act 2010. The issue of lack in active management of conflicts of interest does not manifest itself only at BCUHB. It is a recurrent theme across the NHS and is why this area is highlighted in the Government Functional Standard and the potential exposure of the NHS organisation or its staff to allegations of bribery or failure of the NHS organisation to prevent bribery.</p> <p>Regular liaison between the Office of the Board Secretary and LCFS is planned to provide advice on conflicts of interest and any DoI, gifts and hospitality queries, as and when required and to assist with the process of developing a new system to deal with the above conflict of interest issues and to measure staff's awareness of the OBS02 Policy and conflicts of interest registers in their annual Local Counter Fraud staff survey.</p> <p>Conflicts of interest entries and their status on the DoI, Gifts and Hospitality electronic registers should be regularly measured. Office of the Board Secretary and LCFS should undertake actions to raise staff awareness fine-tuned against measurements to test effectiveness of the implementation of the process and to promote an anti-bribery culture. This continuous process will ultimately lead to a better compliance of all BCUHB staff to the OBS02 Policy and its requirements, and strengthen the Health Board's Section 7 Bribery Act 2010 defence against "Failure to Prevent Bribery."</p>		<p>Achieved</p> <p>Achieved</p> <p>Achieved</p>

### Appendix B – Counter Fraud Activity

This section of the annual report details the total counter fraud resources used by the organisation. The following information must be included in the counter fraud annual report in order for the organisation to be compliant with the Functional Standard NHS Requirement 1B.

Area of activity	Days used
Proactive work	325
Reactive work	281
<b>Total days used</b>	<b>606</b>

### Appendix C – Counter Fraud Costs

This section of the annual report details the total costs of the counter fraud resources used by the organisation. The following information must be included in the counter fraud annual report in order for the organisation to be compliant with the Functional Standard NHS Requirement 1B.

Cost of Counter Fraud, Bribery and Corruption Work	Total Costs £
Proactive costs	£89,280.14
Reactive costs	£77,192.99
<b>Total costs</b>	<b>£166,743.13</b>

## Appendix D – Nominations Overview

This section of the annual report details the nominated officers at the organisation during the reporting period, including all supporting LCFS. If any of the nominations have changed during the year, the date of the change should be included.

The following information must be included in the counter fraud annual report in order for the organisation to be compliant with the Functional Standard NHS Requirement 1B and 9.

<b>Role</b>	<b>Name of Nominated Person</b>	<b>Date of change</b>
<b>Accountable Board Member</b>	Russell Caldicott	
<b>Audit Committee Chair</b>	Karen Balmer	
<b>Counter Fraud Champion</b>	Pam Wenger	
<b>Lead LCFS</b>	Karl Woodward (now retired)	30/06/2024
<b>Lead LCFS</b>	Danielle Kerr-Timmins	01/12/2024
<b>Supporting LCFS</b>	Sjef Molmans	
<b>Supporting LCFS</b>	Graham Jones (now retired)	01/06/2025
<b>Supporting LCFS</b>	Claire Oakley (admin)	

### Appendix E – FIRST Case Information Overview

This section of the annual report details all the activity recorded on the FIRST Case Management System. The following information must be included in the counter fraud annual report in order for the organisation to be compliant with the Functional Standard NHS Requirement 1B, 6, 7 and 8.

<b>FIRST Information</b>	<b>Number</b>
Information Reports carried forward from previous year	0
Cases carried forward from previous years	1
Information Reports closed during period	0
Cases Opened during the period	0 (FIRST no longer used)
Cases Closed during period	0
Cases Ongoing	1 (awaiting repayment)

### Appendix F – CLUE Investigation Information

This section of the annual report details all the activity recorded on the CLUE Case Management System. The following information must be included in the counter fraud annual report in order for the organisation to be compliant with the Functional Standard NHS Requirement 1B, 6, 7 and 8.

<b>CLUE Information</b>	<b>Number</b>
Investigations carried forward from last year	36
Investigations Opened during the period	40
Investigations Closed during period	35
Investigations Ongoing	36

## Appendix G – Fraud Risk Based Exercises

This section of the annual report details all the Fraud Risk Assessments (FRAs), Local Proactive Exercises (LPEs) and System Weakness Reports (SWRs) undertaken. The following information must be included in the counter fraud annual report in order for the organisation to be compliant with the NHS Counter Functional Standard NHS Requirement 1B, 3, 5, 6, 8 and 10.

<b>Fraud Risk Assessments</b>	<b>Number</b>
Number of FRAs reviewed in line with the organisations risk management policy	9
Number of new FRAs recorded in line with the organisations risk management policy	0

<b>Local Proactive Exercises</b>	<b>Number</b>
Number of LPEs conducted during the year	0
Number of LPEs recorded on the NHS CFA Case management system as per component 8	0
Number of LPEs concluded during the year	0

<b>System Weakness Reports</b>	<b>Number</b>
Number of SWRs identified during the year	0
Number of SWRs concluded during the year on the NHS CFA Case management system as per component 8	0
Number of new processes adapted or introduced as a result of SWRs	0

## Appendix H - Sanction & Redress Overview

This section of the annual report should detail of any sanctions and redress activity undertaken. The following information must be included in the counter fraud annual report in order for the organisation to be compliant with the Functional Standard NHS Requirement 1B, 6 and 8.

Sanction Imposed	Number
Disciplinary	2
Civil	0
Criminal	0
<b>Total Sanctions</b>	<b>2</b>

Redress Imposed	Total Amount £
Fraud identified	0
Fraud Prevented	0
Fraud Recovered	0

## Appendix I – Counter Fraud Functional Standard Return 2024-

This item has been provided separately as a PDF.

## Appendix J – NHSCFA Engagement Visit Report

This item has been provided separately as a PDF.



**Counter Fraud Authority**

# **Counter Fraud Functional Standard Return (2024/2025)**

**BETSI CADWALADR UNIVERSITY LHB**

**Your Overall Self-Assessment Rating is: GREEN**

**Submitted By: Icfs20215 - Danielle Kerr-Timmins**

# Organisational information

Name of the organisation	BETSI CADWALADR UNIVERSITY LHB
Annual budget of the organisation	Over £ 1 billion
Staff headcount at the organisation including contracted employees	Over 15,000
Organisation code	7A1
Organisation/provider type	Health Board
For which provider organisations are you the commissioner? Co-ordinating Commissioner for this provider	WALES Co-ordinating Commissioner for this provider
NHS England region	Wales

## Personnel information

Name of the member of the executive board or equivalent body responsible for overseeing and providing strategic management	Executive Director of Finance Russell Caldicott
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Name of the Local Counter Fraud Specialist	Danielle Kerr-Timmins
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Email of the Local Counter Fraud Specialist	danielle.timmins@wales.nhs.uk
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Name of the counter fraud supplier organisation (including in-house)	In House (Wales)
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Counter fraud supplier type	Wales
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Name of the Chair of the Audit Committee / equivalent body	Karen Balmer
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Email of the Chair of Audit Committee / equivalent body	karen.balmer@wales.nhs.uk
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Name of the Counter Fraud Champion	Pam Wenger
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Email of the Counter Fraud Champion	pam.wenger@wales.nhs.uk
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## Costs and days information

Proactive days used (Maximum 3 digits)	325
Reactive days used (Maximum 3 digits)	281
Total days used for counter fraud work	606
Cost of counter fraud staffing per financial year - Proactive	89280.14
Cost of counter fraud staffing per financial year - Reactive	77192.99
Total costs for counter fraud work	166473.13

## Reactive information

Number of allegations received and recorded as an investigation during the most recent financial year	40
Number of allegations received during the most recent financial year and recorded as an investigation on the case management system	48
Rationale for any discrepancy between case management system investigations received and expected	Clue will show 45 investigations as created between 01/04/2024 and 31/03/2025, however, information on clue shows the following investigations as created within that search parameter despite creation date showing as 10/04/2025: INV/24/01765, INV/24/02058, INV/24/02322, INV/24/02791, INV/24/03095. It would appear that these investigations though created in 24/25 were not assigned to LCFS until 25/26 and therefore should not be counted in the stats for 24/25. The remaining three investigations were received by Counter Fraud Service Wales rather than Betsi Cadwaladr University Health Board (INV/25/00220, INV/24/02786 and INV/24/01127).
Number of investigations recorded and closed during the most recent financial year	35
Number of investigations closed during the most recent financial year as recorded on the case management system	38
Rationale for any discrepancy between case management system investigations closed and expected	Clue will show 35 investigations as closed between 01/04/2024 and 31/03/2025 by BCUHB. The other three were closed by CFS Wales (INV/24/01127, INV/23/02257 and INV/23/00571).

## Counter Fraud Functional Standard Return (2024/2025)

Number of investigations open as at 31 /03/2025	36
Number of investigations open as at 31 /03/2025 as recorded on the case management system	36
Rationale for any discrepancy between case management system investigations open as of 31/03/2025 and expected	N/A
Amount of fraud losses identified and recorded during the most recent financial year	0.00
Amount of fraud losses recovered and recorded during the most recent financial year	0.00
Amount of fraud losses prevented from reactive work and recorded during the most recent financial year	0.00
Number of criminal sanctions applied and recorded during the year	0
Number of civil sanctions applied and recorded during the year	0
Number of disciplinary sanctions applied and recorded during the year	2

## Proactive information

Number of proactive exercises conducted and recorded during the most recent financial year	0
Amount of fraud losses identified and recorded from proactive exercises during the most recent financial year	0.00
Amount of fraud losses prevented and recorded from proactive exercises during the most recent financial year	0.00
Amount of fraud losses recovered and recorded from proactive exercises during the most recent financial year	0.00

## Engagement information

Have you had an engagement visit which provided recommendations by NHSCFA to improve counter fraud work in the last two financial years

Yes

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Have you actioned the recommendations

No

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Please provide a statement outlining your progress against your recommendations

No recommendations received as of 31st March 2025. Visit only conducted 4th March 2025.

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# 1: Accountable individual

## NHS Requirement 1A:

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 of all counter fraud bribery and corruption work undertaken. 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. 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

Your Rating is: **GREEN**

### Comments:

The Executive Director of Finance is the designated member of the Executive Board responsible for the strategic oversight and support of counter fraud, bribery, and corruption. Private meetings between the LCFS and the Chair of the Audit Committee are convened as needed at the request of the Executive Director of Finance. The Executive DoF ensures that relevant and timely information regarding counter fraud, bribery, and corruption is provided to CFS Wales upon request. The Audit Committee approves and monitors work plan objectives through progress reports, with discussions formally recorded in minutes. To further support counter fraud initiatives, the Audit Committee Chair presents a summary report of committee activities to the Executive Board. All counter fraud activities are formally documented, with action points recorded. Additionally, the Executive Director of Finance ensures that all necessary documentation is submitted and that all nominations remain up to date.

## NHS Requirement 1B:

The organisation's non-executive directors, counter fraud champion or lay members and board/governing body level senior management are accountable for gaining assurance that sufficient control and management mechanisms in relation to counter fraud, bribery and corruption are present within the organisation. The counter fraud champion understands the threat posed and promotes awareness of fraud, bribery and corruption within the organisation. 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. 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.

Your Rating is: **GREEN**

Comments:

LCFS meets privately with the Chair of the Audit where necessary. Members of the Audit Committee regularly pose questions to LCFS, with discussions formally recorded in minutes. Strong support is in place for the personnel responsible for counter fraud work, including a Counter Fraud Development Session for committee members. The Audit Committee ensures that all recommendations are fully implemented through an Action Tracker. The Counter Fraud Champion ensures that fraud-related issues requiring action are escalated and addressed at the Executive level. Meetings take place between the LCFS and Counter Fraud Champion to discuss relevant matters arising and to assist as an additional link with the board. 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. All nominated individuals took part in CFA engagement visit

## 2: Counter fraud bribery and corruption strategy

### NHS Requirement 2:

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. (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)

Your Rating is: **GREEN**

#### Comments:

Both the Counter Fraud, Bribery and Corruption Policy and Annual Workplan have been reviewed, updated and agreed by the Executive Committee and Audit Committee. Both documents are aligned to the NHSCFA counter fraud, bribery and corruption strategy, with the four key principles serving as benchmarking points for the workplan, which is designed to meet locally identified risks as documented on the Organisations Corporate Risk Register. The Audit Committee monitors the success of the workplan through a standing agenda item for Counter Fraud Progress Report and will be responsible for agreement to alter the plan where necessary to fully meet the Health Board's Counter Fraud requirements and risks. The Health Board produces an Annual Report on the Counter Fraud work which has been undertaken and this is received by the Audit Committee and is shared with Welsh Government.

## 3: Fraud bribery and corruption risk assessment

### NHS Requirement 3:

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). For NHS organisations the fraud risk assessments should also consider the fraud risks within any associated sub company of the NHS organisation.

Your Rating is: **AMBER**

#### Comments:

Fraud, bribery and corruption risks are recorded on the Organisational Risk Management Registers. Progress is continuously monitored by senior management to ensure that risks are mitigated and that resources remain suitable for this purpose. Measures to mitigate the risks are included in the Counter Fraud Workplan and fed back to the Audit Committee for assurance and to measure progress. The work to mitigate the risks is reported to Health Board Management and the Audit Committee on a quarterly basis. However, the recorded risks have not included SMART action plans to assist with the measurable mitigation of risk, and further work is required to identify appropriate risk managers to mitigate risks with the support of LCFS. An updated comprehensive organisational risk assessment relating to counter fraud risks is required to ensure that the Health Board can allocate its resources which are proportionate to the risk levels identified.

## 4: Policy and response plan

### NHS Requirement 4:

The organisation has a counter fraud, bribery and corruption policy and response plan (the policy and plan) that follows NHSCFA's strategic guidance and has been approved by the executive body or senior management team. The plan is reviewed, evaluated and updated as required, and levels of staff awareness are measured.

Your Rating is: **GREEN**

#### Comments:

The Health Board's Executive Committee and Audit Committee has approved a revised version of the Counter Fraud, Bribery and Corruption Policy (F03- which includes the Counter Fraud response plan) following feedback from respondents of the 2023/2024 staff survey showing some lack of understanding of the policy. Awareness of the previous version was measured by the Local Counter Fraud Survey which is circulated to Staff and reported on in 2023/24 and will continue to do so. The F03 policy has is aligned to the latest NHS CFA guidance including GovS013 and underwent full consultation by different business areas including trade unions to ensure staff awareness of the new policy was measured. An updated staff awareness survey was conducted 24 /25 which showed improvement. Fraud awareness e-learning is mandatory for all staff with a mandatory 3 year refresher period.

## 5: Annual action plan

### NHS Requirement 5:

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).

Your Rating is: **AMBER**

#### Comments:

A comprehensive Annual Counter Fraud Workplan has been agreed by the Audit Committee and Executive Committee and implemented. Progress of the workplan is monitored by the Audit Committee. The workplan is aligned to the NHSCFA Counter Fraud Strategy and is informed by risks relevant to the organisation. The workplan has clear defined objectives and is considered to be specific, measurable, achievable and relevant, with clear time frames. Risk-based Workplan objectives are demonstrably achieved, and reported to the Audit Committee in the Counter Fraud Annual Report. Audit Committee minutes are maintained to evidence the delivery and achievement of Workplan objectives. Due to staff resourcing issues, some of the planned objectives of the workplan were not achieved in the financial year and have been added to the 2025/2026 annual workplan.

## 6: Outcome-based metrics

### NHS Requirement 6:

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. 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.

Your Rating is: **GREEN**

#### Comments:

The Health Board has in place an Annual Counter Fraud Workplan which is approved by the Audit Committee. The Workplan contains key performance targets and resources which are used as metrics, to measure performance. The performance is reported to the Audit Committee in the Counter Fraud Annual Report which is shared with Welsh Government and the Chair of Audit Committee prepares a briefing report to the Board. New metrics may be introduced during the year following risk assessments and fraud prevention notices. Successful metric outcomes can be evidenced through quarterly statistical reporting to NHSCFS Wales and via the approved NHS fraud case management system. Counter fraud costs and sanctions are reported to the Audit Committee, to NHS CFS Wales and on CLUE. Organisational data benchmarking takes place through All-Wales Lead LCFS meetings and NHS CFS Wales quarterly reports.

## 7: Reporting routes for staff, contractors and members of the public

### NHS Requirement 7:

The organisation has well established and documented reporting routes for staff, contractors and members of the 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. The incident reporting routes are publicised, reviewed, evaluated and updated as required, and levels of staff awareness are measured.

Your Rating is: **GREEN**

#### Comments:

Reporting routes for staff are advertised locally utilising the Health Board's intranet site, viva engage, and email and payroll banners. The reporting routes include directly to LCFS, CFS Wales and the NHSCFA's Fraud and Corruption Reporting Line and online reporting tool. The Health Board's Local Counter Fraud, Bribery and Corruption Policy includes a counter fraud response plan which details reporting routes. The Health Board has appropriate Code of Conduct, Whistleblowing and Cyber Security policies in place. The effectiveness of the organisation's reporting routes have been publicised, reviewed, evaluated and updated as required and levels of staff awareness is measured via the counter fraud survey and through policy scrutiny groups prior to approval. There is regular liaison with the Head of the CFS Wales team, and all cases are recorded on the Case Management system.

## 8: Report identified loss

### NHS Requirement 8:

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

Your Rating is: **RED**

#### Comments:

The Health Board ensures that the approved case management system is used to record all reports of suspected fraud, bribery and corruption, investigative activity, including all outcomes, financial recoveries and financial savings. Though all system weakness are reported to the Audit Committee and remedial actions are taken to address identified systems weaknesses, the Health Board has not reported on any system weaknesses identified during the course of investigations and/or proactive prevention and detection exercises in the last year via CLUE. Progress sheets and decision logs have not been regularly updated and, in addition, all relevant documentation, exhibits and attachments relating to the investigation of cases have not been uploaded to the approved case management system in the past year.

## 9: Access to trained investigators

### NHS Requirement 9:

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 accordance with the nominations process. 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.

Your Rating is: **GREEN**

#### Comments:

The Health Board has notified all changes to nominations to the NHSCFA, including a change to the Lead LCFS and Counter Fraud Champion in the past year. The Health Board has a team of three accredited, nominated and appropriately trained counter fraud staff who are employed to conduct the full range of counter fraud, bribery and corruption work, on behalf of the Health Board. Investigations carried out will comply with all relevant legislation. The LCFS and counter fraud staff have access to all systems, records and secure offices which are required to undertake Counter Fraud work. The nominated counter fraud personnel attend appropriate training and undertake continuous professional development training, as required to fulfil their role, on an ongoing basis. The LCFS team attend regional All Wales Forums hosted by NHSCFA and NHS CFS Wales. All training and development is referenced during annual staff appraisals and recorded on ESR.

## 10: Undertake detection activity

### NHS Requirement 10:

The organisation undertakes proactive work to detect fraud using relevant information and intelligence to identify anomalies that may be indicative of 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. 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.

Your Rating is: **AMBER**

#### Comments:

The Health Board responds to intelligence and relevant information such as IBURN's, Fraud Prevention Notices and information from the All-Wales LCFS Forum, ensuring that these risks are appropriately considered, shared and actioned promptly. However, the Health Board has not undertaken any local proactive exercises or participated in any national proactive exercises within the last year. The understanding of the LCFS on what constituted an LPE was different from the recent guidance issues by NHSCFA and therefore work will be undertaken to ensure that LPE's are conducted in line with guidance in the next financial year. LCFS do meet with internal audit and finance and payroll staff.

# 11: Access to and completion of training

## NHS Requirement 11:

The organisation has an ongoing programme of work to raise awareness 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. 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.

Your Rating is: **GREEN**

### Comments:

There is a ongoing programme to raise awareness of fraud, bribery and corruption in line with NHS CFA's strategy, using a range of methods appropriate to different staff groups which includes mandatory counter fraud training to all staff, (the completion of which is continuously measured and recorded). Awareness content includes, F03 (Counter Fraud Policy), posters, Fraud Awareness Week publications, quarterly newsletters (internally to all staff and externally to Primary Care contractors), details of successful prosecutions, published to all staff weekly, in the electronic Newsletter. Fraud awareness material is regularly reviewed and updated at the Health Board, ensuring it remains fit for purpose and includes relevant contact details for the LCFS team, NHS CFA FCRL and the On-Line reporting tool. Feedback on fraud awareness methodologies is used to improve fraud awareness methods, where appropriate. Effectiveness of the fraud awareness methodologies is measured by the staff survey.

## 12: Policies and registers for gifts and hospitality and COI.

### NHS Requirement 12:

The organisation has a managing conflicts of interest policy and registers that includes reference to gifts and hospitality with reference to fraud, bribery and corruption, and the requirements of the Bribery Act 2010. Staff awareness of the requirements of the policy are tested sufficiently regularly to demonstrate effectiveness of the process.

Your Rating is: **GREEN**

#### Comments:

An embedded, Standards of Business Conduct Policy is in place which contains specific guidance on the prevention of Fraud, Bribery and Corruption and effectively deals with the management of conflicts of interest, that is proactively communicated to all relevant staff. All ESR information is input into the Declare system which monitors gifts and hospitality. Managers have to approve any declarations. All declarations are reviewed on a weekly basis by the Corporate Governance team and an updated Standard of Business Conduct Policy has been drafted to include detailed guidance. The Staff Code of Conduct which is proactively communicated to all staff and includes reference to fraud, bribery and corruption and the requirements of Section 7, Bribery Act 2010. Regular liaison between the Fraud Champion ( Board Secretary) and LCFS takes place to provide advice on conflicts of interest, gifts and hospitality queries, as and when required.

# ACC Declaration

I declare that the anti-fraud, bribery and corruption work carried out during the year to date has been self reviewed against the NHS CFA requirements for anti-fraud, bribery and corruption. As the Audit Committee Chair, and in line with the audit committee's responsibility for the strategic assurance and oversight of counter fraud work as described in chapter 11 of the NHS Audit Committee Handbook, I confirm that the information contained in this self review reflects the work reported to and considered by the Audit Committee.

acc14518 - Karen Balmer  
Fri May 16 12:46:06 BST 2025

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Opportunity to comment

Progress over actions and investigations has been slower this year due to staff changes and capacity issues as a result of sickness absence and retirement of the former Head of Counter Fraud Services. I am confident that following the appointment of a new Head of Counter Fraud that overdue activity will be rectified and improved levels of monitoring, investigation and progress against underperforming areas will be forthcoming in 2025-26.

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# DOF Declaration

I declare that the anti-fraud, bribery and corruption work carried out during the year to date has been self reviewed against the NHS CFA requirements for anti-fraud, bribery and corruption.

dof11303 - Russell Caldicott  
Tue May 20 14:04:25 BST 2025

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Opportunity to comment

There is an annual process for review of the programme of works associated with Counter Fraud. This has been refreshed and new appointments completed that will ensure sufficient capacity to deliver in the new financial year. I am therefore content with the current ratings and ability to enhance delivery in the 2025/26 financial year.

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# Declaration

Overall Rating

Green

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Please ensure that this functional standard return has been fully completed. If your Director of Finance and/ or audit committee chair have not authorised or reviewed the functional standard return you will not be able to submit it. Once you have submitted the functional standard return, no further changes are possible.

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lcfs20215 - Danielle Kerr-Timmins  
Tue May 20 15:05:57 BST 2025

# Requirements 3 and 10 – Betsi Cadwaladr University Health Board

**May 2025**

**Version 2.0**

**Working together, to find,  
report and stop NHS fraud**  
Report NHS fraud  
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## Version control

Version	Name	Date	Comment
0.1	R Barker-Jones	April 2025	
0.2	F McIlwraith	May 2025	
1.0	R Barker-Jones	May 2025	
2.0	R Barker-Jones	May 2025	

# Table of contents

<b>Executive summary .....</b>	<b>4</b>
Background .....	4
Summary of Findings.....	4
Next Steps.....	6
Purpose .....	6
<b>Methodology .....</b>	<b>6</b>
Scope / Out of Scope.....	6
Organisation Overview .....	7
<b>Stakeholder Findings .....</b>	<b>7</b>
Recommendations.....	10

# Executive summary

## Background

The NHS Counter Fraud Authority (NHSCFA) is a Special Health Authority, established on 1 November 2017 and charged with identifying, investigating and preventing fraud within the NHS and the wider health group. The NHSCFA is independent from other NHS bodies and is directly accountable to the Department of Health and Social Care.

In Wales, the NHSCFA provides specialist counter fraud support functions to the Welsh Government under section 83 of the Government of Wales Act 2006. On 1st November 2017, a new section 83 arrangement was finalised and signed by both parties following the establishment of the NHSCFA.

Since April 2021, all NHS funded services have been required to provide assurance against the Government Functional Standard GovS 013: Counter Fraud to the DHSC and the Public Sector Fraud Authority. To enable NHS funded services to meet the Government Functional Standard, the NHSCFA released a suite of NHS requirements in January 2021. These requirements provide a detailed description of the necessary counter fraud arrangements and how to meet them to comply with the Functional Standard. The requirements are published annually for NHS funded organisations.

Organisations are required to provide an annual statement of compliance with the twelve requirements via an on-line Counter Fraud Functional Standard Return (CFFFSR). Once received, the data from these returns is amalgamated with referral and investigations data entered throughout the year on the NHS case management system, Clue.

Requirements 3 and 10 are inherently linked in that a comprehensive fraud risk assessment will inform the detection activity and proactive work at an organisation, and in turn, outcomes from such activity informs the Fraud Risk Assessments (FRAs). We therefore devised a thematic exercise to consider how the two areas are approached and applied in practice.

## Summary of Findings

We would like to thank Betsi Cadwaladr University Health Board (the organisation) for their hospitality and professionalism during this exercise. Oliver Stopnitzky, Fraud Hub Prevention Lead and Ruth Barker-Jones, Senior Fraud Hub Engagement Officer visited the organisation on 4th March 2025.

During the engagement visit, we spoke with Danielle (Dani) Kerr-Timmins and Sjef Molmans as the organisation's Head and Deputy of Local Counter Fraud Services respectively, both nominated as Local Counter Fraud Specialist (LCFS), as well as Director of Finance (DoF) Russell Caldicott and Audit Committee Chair (ACC) Karen

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Balmer. We also met with Director of Corporate Governance and nominated Counter Fraud Champion Pamela (Pam) Wenger and Head of Risk Management Nesta Collingridge-Padbury.

The nature of the visit was to consider fraud risk assessments (FRAs) and detection activity undertaken in the organisation, related to NHS Requirements 3 and 10 respectively. In advance of the visit, we reviewed data available to us through documentation shared by Dani and as submitted in the most recent Counter Fraud Functional Standard Return and contained within the NHSCFA approved case management system, Clue.

As part of the engagement visit, we considered FRAs, system weakness reporting and proactive work carried out at the organisation, starting with FRAs and specifically how they underpin and inform the local proactive work carried out. We discussed the organisation's approach to counter fraud, which is primarily reactive-driven. System weaknesses are identified through investigations, informing proactive work; greater understanding of the organisation's fraud risks would enable activities to be planned and prioritised to maximise impact of resource, by targeting areas they can have the greatest effect.

The organisation uses Datix for the corporate risk register, with Dani and Sjeff able to record directly onto the register, as well as a FRA document, in line with the GCFP template previously shared by NHSCFA. Nine fraud risks have been identified and assessed, which whilst reasonable individually, do not represent all fraud risks relevant to the organisation and require review including assignment of local risk owners. It is recommended an exercise is conducted to identify all relevant fraud risks and ensure FRAs are undertaken to consider all risks.

Significant work is in progress to improve risk management across the organisation, including risk dashboards to increase readability for risk owners alongside training, all of which will support the progression and integration of FRA.

In discussing System Weakness Reports, as none were recorded on Clue during the last year, we were advised that a number are identified as a result of investigations, with action is taken to reduce those weaknesses. It is encouraging to confirm system weaknesses are identified and addressed; however, it is essential to record these on Clue to support the intelligence picture across the NHS.

We were advised proactive work has been carried out in the last year, including development of a new fraud impact assessment tool which is intended for us with new and reviewed controlled documents. This work, whilst valuable to the organisation had not been linked to relevant risks and was not recorded on Clue to demonstrate benefits and impacts as well as enable the intelligence and learning to be shared for the benefit of the wider NHS. No LPEs were recorded on Clue during the previous year; however, review of the annual counter fraud workplan confirmed two LPEs have been agreed for the year, with the areas to be confirmed during the year.

We discussed the potential resource implications of undertaking the detailed FRAs, and how, whilst an initial investment of resource from the counter fraud team, it will ultimately support existing resource to have greater value and impact through prioritisation of counter fraud activities.

Following the engagement visit, several guidance documents were shared to support the organisation's progress with the FRAs and LPEs going forward.

## Next Steps

The NHSCFA shares this report with the organisation and LCFS with the expectation that the recommendations made will be used to develop an action plan for implementation. The action plan should be presented to Audit Committee with progress against the action plan subject to monitoring by the Audit Committee until all actions have been fully implemented.

The NHSCFA will assist and continue to provide support to organisations as required to drive up standards and reduce the risk of fraud occurring and can be contacted directly for support in implementing the action plan resulting from this report.

## Purpose

The purpose of the visit was to review compliance with NHS Requirements 3 and 10 against what has been input into Clue, to establish effective links between proactive work undertaken (such as LPEs) and the organisation's Fraud Risk Assessments (FRAs) undertaken.

This workstream aims to support organisations in producing effective FRAs, which inform more impactful proactive work, as well as improved outcomes for the organisation.

## Methodology

### Scope / Out of Scope

The selection of organisations for the purposes of this engagement were based on risk analysis from the data recorded on Clue (approved NHS case management system) and the CFFSR data return for 22/23 and 23/24.

The selection of organisations for the purposes of this engagement were based on those organisations that self-assessed as Green NHS Requirements 3 and 10 for the previous two years, with consideration to the level of activity recorded on Clue and through the CFFSR during the period.

## Organisation Overview

Betsi Cadwaladr University Health Board are the largest health organisation in Wales, with a budget of £1.87 billion and a workforce of over 19,000. The organisation is responsible for the delivery of health care services to more than 700,000 people across the six counties of north Wales (Anglesey, Gwynedd, Conwy, Denbighshire, Flintshire and Wrexham). The organisation coordinates the work of 96 GP practices, and NHS services provided by 78 dental and orthodontic practices, 70 optometry practices and opticians and 145 pharmacies in North Wales.

The counter fraud service is provided by LCFS directly employed by the organisation. At the time of reporting, the counter fraud service consisted of Dani Kerr-Timmins as the Head of Local Counter Fraud and Sjef Molmans as the Deputy Head of Local Counter Fraud, as well as two additional LCFS nominated for the organisation, one of which primarily works in a support capacity rather than as an LCFS.

## Stakeholder Findings

On Tuesday 4th March 2025, Oliver Stopnitzky, Fraud Hub Prevention Lead and Ruth Barker-Jones, Senior Fraud Hub Engagement Officer visited Betsi Cadwaladr University Health Board and met with Danielle Kerr-Timmins as the recently appointed Head of Local Counter Fraud Services and Sjef Molmans as nominated Local Counter Fraud Specialist (LCFS). We then met with Russell Caldicott as Director of Finance (DoF) and Karen Balmer as Audit Committee Chair (ACC), as well as Director of Corporate Governance and nominated Counter Fraud Champion Pamela Wenger and Head of Risk Management Nesta Collingridge-Padbury.

In advance of the visit, documentation including the organisation's fraud risk assessments (FRAs), counter fraud work plan, annual report and progress reports were requested to enable review to support meaningful discussions during the visit. We also reviewed data submitted in the most recent Counter Fraud Functional Standard Return and contained within the approved case management system, Clue.

We first met with Dani and Sjef to discuss FRAs, system weakness reporting and proactive work carried out at the organisation. To better understand the current position, we were advised of the timescales involved in the previous Head of Local Counter Fraud leaving the organisation to Dani commencing in post. Additionally, there was sickness absence in the team impacting resource available to undertake activity against the counter fraud workplan during the year.

We began with detailed discussion around FRAs, specifically how it can underpin and inform the local proactive work carried out. The organisation can maximise the benefits of a locally conducted and detailed FRA, managed in line with the organisation's own risk

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management policy and used as a tool to plan and prioritise proactive work to maximise the impact of the resource available. Dani was aware of some issues with the organisation's FRAs and was keen to learn more to support the organisation to be more risk-lead rather than reactive-lead, as is currently the case, with any weaknesses identified and proactive work undertaken as a result of investigations.

In respect of fraud risks, Dani and Sjef advised they are able to record directly onto the corporate risk register, Datix, with recorded risks subject to oversight by the corporate risk team and their monthly review processes. At the time of the engagement visit, there were nine open fraud risks recorded on the corporate risk register, and we were advised these were initially assessed and recorded by the previous Head of Local Counter Fraud.

Supporting the fraud risks held on the corporate risk register is a FRA document, again completed by the previous Head of Local Counter Fraud using a template previously shared by NHSCFA and in line with Government Counter Fraud Profession (GCFP) FRA methodology.

The use of the GCFP template and risk management arrangements were encouraging and will support the organisation in moving forward with FRAs. However, the previous Head of Local Counter remained assigned as the risk owner for each identified fraud risk, and whilst the fraud risks were valid, they did not reflect all fraud risks relevant to the organisation.

The value and impact of the organisation's FRAs would be significantly improved by ensuring all fraud risks relevant to the organisation are identified and subject to assessment and ensuring relevant risk owners are assigned and aware of their responsibilities in respect of those fraud risks, as well as ensuring clear links between the working FRA document and the corporate risk register.

We then discussed System Weakness Reports, as it had been noted that none had been recorded on Clue. Sjef advised that a number are identified as a result of investigations, and action is taken to reduce those weaknesses, discussing various examples in detail. As such,

It was encouraging to confirm system weaknesses are not only identified and considered but also addressed; we further discussed the need to record system weaknesses on Clue to support building an intelligence picture across the NHS and the work that is in development to ensure that organisations can better benefit from intelligence shared through system weakness reporting.

We further discussed proactive work on process and policies presents an opportunity to test systems in place, record outcomes and identify system weaknesses, which are required to be recorded on Clue as local proactive exercises (LPEs). LPEs focus on a fraud risk area and test compliance with a view to tightening existing controls and processes and reducing the future opportunity to commit fraud. It can involve a broad

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range of activities such as critically reviewing records, scrutinising systems / processes, identifying patterns or unusual transactions.

Dani and Sjef discussed some proactive work carried out around processes and policy, including a new fraud impact assessment tool that has been in development for use with new and reviewed controlled documents. This work, whilst valuable to the organisation had not been linked to relevant risks and it was not recorded to demonstrate its benefit and impact. No LPEs had been recorded on Clue during the previous year; however, review of the annual counter fraud workplan confirmed two LPEs have been agreed for the year, with the areas to be confirmed during the year.

LPE guidance was developed and shared in January 2024 to support LCFS in undertaking LPEs, including recording details and outcomes in Clue. The guidance can be found at - [New guidance for planning, designing and conducting Local Proactive Exercises \(nhscfaextranet.oak.com\)](https://nhscfaextranet.oak.com). LPEs must be recorded on the approved case management system, Clue, to enable the intelligence and learning to be shared for the benefit of the wider NHS and the NHSCFA Fraud Hub Prevention team are available to support with proactive work.

We also discussed the incoming Economic Crime and Corporate Transparency Act, which will establish a corporate offence of failure to prevent fraud, to ensure there was awareness. Dani confirmed she has delivered a development session to Audit Committee on the new offence, to ensure they are aware of the Act and potential implications.

On meeting Pam, we were advised of the risk team in Pam's area of responsibility, with much work going into improving risk management across the organisation. Local risks are managed regionally and through the development of risk dashboards, risk owners and managers are able to drill down to service level, supporting monitoring and oversight. Local actions are discussed at risk scrutiny group and reported to audit committee through risk management reporting arrangements.

In discussing assigning fraud risks to local risk owners, Pam was keen to use this to better integrate fraud risks into the wider organisation, confirming this is consistent with arrangements for local services to be responsible for risk identification, assessment and management within their areas. Pam and the risk team support this through the risk management policy, systems and ensuring training and quality assurance processes are in place and robust.

Pam invited Nesta to join the meeting to further discuss the risk dashboards and demonstrate them in action. This development clearly has potential to be a great resource to embed fraud risk awareness and actions across risk owners at every level.

We then met with Russell and Karen, summarising what we had previously covered with Dani, Sjef and Pam, as well as considering the action needed to the FRAs and the benefits that could be realised by the organisation as a result, particularly in respect of LPEs.

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Russell was particularly keen to explore the potential for proactive work around cybercrime, following the widespread use in various frauds including mandate fraud.

We discussed the potential resource implications of undertaking the detailed FRAs, and how, whilst an initial investment of resource, it will ultimately support existing resource to have greater value and impact through prioritisation of counter fraud activities. We also considered the benefits of assigning fraud risk owners within the organisation; in that it reinforces responsibility and enables fraud risk to be embedded as part of the organisation.

Following the engagement visit, several guidance documents were shared with Dani to support the organisation's progress with the FRAs and LPEs going forward.

## Recommendations

We make the following recommendations based upon the evidence provided and from discussions that took place on 4th March 2025.

- The organisation should review the FRA process in collaboration with risk specialists at the organisation. Ensure all fraud risks are identified for appropriate assessment and FRAs are sufficiently detailed to reflect the impact of specific local factors. Local risk owners should be allocated to all fraud risks identified and assessed.
- The organisation should use the approved case management system Clue to record all system weaknesses identified and LPEs undertaken, including outcomes, to inform the local, regional and national intelligence picture. User guides for Clue are available via the digital fraud manual - [NHS Fraud Case Management System User Guide](#)
- The organisation should utilise LPE guidance that was published by NHSCFA - [New guidance for planning, designing and conducting Local Proactive Exercises \(nhscfaextranet.oak.com\)](#) and review GCFP guidance on FRAs - [Fraud Risk Assessment Standards \(2022-03-25\)](#) to inform how the FRA process is refined.

The recommendations made in this report should be used to develop an action plan for implementation, for presentation to Audit Committee with progress against the action plan subject to monitoring by the Audit Committee until all actions have been fully implemented.

The NHSCFA can be contacted directly for support in implementing the action plan resulting from this report through [fraudhub@nhscfa.gov.uk](mailto:fraudhub@nhscfa.gov.uk).