

## **Bundle BCU Audit Committee 19 August 2025**

- 1 SUPPORTING PAPERS
- 1.1 AC25/111 Supporting Papers for Review of the SORD
  - AC25.111 Schedule 1 - Scheme of Delegation and Reservation of Powers 14-2 v2 RC copy and new SFI v5.01 PW
  - AC25.111 Standing Financial Instructions - November 2023 changes for 2025 v3.1
- 1.2 Documents Circulated Relating to Action Log
  - Action AC25/59.3 Strategic Occupational Health & Safety Presentation*
  - Action AC25/32.2 Access Control Standard Document*
  - AC25.59.3 Presentation - Strategic Occupational Health and Safety Report (Final Draft)
  - AC25.32.2 Identity and Access Management Standard - ICT-ST 008 1.0



**GIG**  
CYMRU  
**NHS**  
WALES

Bwrdd Iechyd Prifysgol  
Betsi Cadwaladr  
University Health Board

# STANDING ORDERS

## Scheme of Reservation and Delegation of Powers

(Schedule 1 of the Standing Orders)

### **SCHEME OF RESERVATION AND DELEGATION OF POWERS**

**This Schedule forms part of, and shall have effect as if incorporated in the  
Local Health Board Standing Orders**

**Date approved by Health Board:**

# MODEL SCHEME OF RESERVATION AND DELEGATION OF POWERS

## Introduction

As set out in Standing Order 2, the Board, subject to any directions that may be made by the Welsh Ministers, shall make arrangements for certain functions to be carried out on its behalf so that the day to day business of the LHB may be carried out effectively, and in a manner that secures the achievement of its aims and objectives. The Board may delegate functions to:

- i) A Committee, e.g., Performance, Finance and Information Governance Committee (PFIG);
- ii) A sub-Committee, e.g., a locality based Performance, Finance and Information Governance (PFIG) Committee taking forward matters within a defined area. Any such delegation would, subject to the Board's authority, usually be via a main Committee of the Board;
- iii) A joint-Committee or joint sub-Committee, e.g., with other LHBs or Local Authorities established to take forward matters relating to services; and
- iv) Officers of the LHB (who may, subject to the Board's authority, delegate further to other officers and, where appropriate, other third parties, e.g., shared/support services, through a formal scheme of delegation)

and in doing so, must set out clearly the terms and conditions upon which any delegation is being made. These terms and conditions must include a requirement that the Board is notified of any matters that may affect the operation and/or reputation of the LHB.

The Board's determination of those matters that it will retain, and those that will be delegated to others are set out in the following:

- Schedule of matters reserved to the Board;
- Scheme of delegation to Committees and others; and
- Scheme of delegation to officers.

all of which must be formally adopted by the Board in full session and form part of the LHB's SOs.

## DECIDING WHAT TO RETAIN AND WHAT TO DELEGATE: GUIDING PRINCIPLES

The Board will take full account of the following principles when determining those matters that it reserves, and those which it will delegate to others to carry out on its behalf:

- Everything is retained by the Board unless it is specifically delegated in accordance with the requirements set out in Standing Orders or Standing Financial Instructions.
- The Board must retain that which it is required to retain (whether by statute or as determined by the Welsh Ministers) as well as that which it considers is essential to enable it to fulfil its role in setting the organisation's direction, equipping the organisation to deliver and ensuring achievement of its aims and objectives through effective performance management
- Any decision made by the Board to delegate functions must be based upon an assessment of the capacity and capability of those to whom it is delegating responsibility
- The Board must ensure that those to whom it has delegated powers (whether a Committee, partnership or individuals) remain equipped to deliver on those responsibilities through an ongoing programme of personal, professional and organisational development
- The Board must take appropriate action to assure itself that all matters delegated are effectively carried out
- The framework of delegation will be kept under active review and, where appropriate, will be revised to take account of organisational developments, review findings or other changes
- Except where explicitly set out, the Board retains the right to decide upon any matter for which it has statutory responsibility, even if that matter has been delegated to others
- The Board may delegate authority to act, but retains overall responsibility and accountability
- When delegating powers, the Board will determine whether (and the extent to which) those to whom it is delegating will, in turn, have powers to further delegate those functions to others.

## **HANDLING ARRANGEMENTS FOR THE RESERVATION AND DELEGATION OF POWERS: WHO DOES WHAT**

### **The Board**

The Board will formally agree, review and, where appropriate revise schedules of reservation and delegation of powers in accordance with the guiding principles set out earlier.

### **The Chief Executive**

The Chief Executive will propose a Scheme of Delegation to Officers, setting out the functions they will perform personally and which functions will be delegated to other officers. The Board must formally agree this scheme.

In preparing the scheme of delegation to officers, the Chief Executive will take account of:

- The guiding principles set out earlier (including any specific statutory responsibilities designated to individual roles);
- Their personal responsibility and accountability to the Chief Executive, NHS Wales in relation to their role as designated Accountable Officer; and
- Associated arrangements for the delegation of financial authority to equip officers to deliver on their delegated responsibilities (and set out in Standing Financial Instructions).

The Chief Executive may re-assume any of the powers they have delegated to others at any time.

### **The Director of Corporate Governance**

The Director of Corporate Governance will support the Board in its handling of reservations and delegations by ensuring that:

- A proposed schedule of matters reserved for decision by the Board is presented to the Board for its formal agreement;
- Effective arrangements are in place for the delegation of LHB functions within the organisation and to others, as appropriate; and
- Arrangements for reservation and delegation are kept under review and presented to the Board for revision, as appropriate.

### **The Audit Committee**

The Audit Committee will provide assurance to the Board of the effectiveness of its arrangements for handling reservations and delegations.

## **Individuals to who powers have been delegated**

Individuals will be personally responsible for:

- Equipping themselves to deliver on any matter delegated to them, through the conduct of appropriate training and development activity; and
- Exercising any powers delegated to them in a manner that accords with the LHB's values and standards of behaviour.

Where an individual does not feel that they are equipped to deliver on a matter delegated to them, they must notify the Chief Executive or the Director of Corporate Governance of their concern as soon as possible in so that an appropriate and timely decision may be made on the matter.

In the absence of an officer to whom powers have been delegated, those powers will be exercised by the individual to whom that officer reports, unless the Board has set out alternative arrangements.

If the Chief Executive is absent their nominated Deputy may exercise those powers delegated to the Chief Executive on their behalf. However, the guiding principles governing delegations will still apply, and so the Board may determine that it will reassume certain powers delegated to the Chief Executive or reallocate powers, e.g., to a Committee or another officer.

### **SCOPE OF THESE ARRANGEMENTS FOR THE RESERVATION AND DELEGATION OF POWERS**

The Scheme of Delegation to officers referred to here shows only the "top level" of delegation within the LHB. The Scheme is to be used in conjunction with the system of control and other established procedures within the LHB.

## SCHEDULE OF MATTERS RESERVED TO THE BOARD<sup>1</sup>

THE BOARD		AREA	DECISIONS RESERVED TO THE BOARD
1	FULL	GENERAL	Board may determine any matter for which it has statutory or delegated authority in accordance with SOs (except for those decisions delegated to the NHS Wales Joint Commissioning Committee (the JCC)).
2	FULL	GENERAL	The Board must determine any matter that will be reserved to the whole Board. These will be set out within Schedule of Matters Reserved to the Board.
3	FULL	GENERAL	Approve the LHB's Governance Framework
4	FULL	OPERATING ARRANGEMENTS	<p>Approve, vary and amend:</p> <ul style="list-style-type: none"> <li>▪ Standing Orders;</li> <li>▪ Standing Financial Instructions;</li> <li>▪ Schedule of matters reserved to the LHB;</li> <li>▪ Scheme of delegation to Committees and others; and</li> <li>▪ Scheme of delegation to officers.</li> </ul> <p>In accordance with any directions set by the Welsh Ministers.</p>
5	FULL	OPERATING ARRANGEMENTS	Ratify any urgent decisions taken by the Chair and the Chief Executive in accordance with Standing Order requirements
6	NO – Audit Committee	OPERATING ARRANGEMENTS	Formal consideration of report of Director of Corporate Governance on any non-compliance with Standing Orders, making proposals to the Board on any action to be taken.

<sup>1</sup> Any decision to reserve a matter, and the manner in which that retained responsibility is carried out will be in accordance with any regulatory and/or Welsh Government requirements.

7	FULL	OPERATING ARRANGEMENTS	Receive report and proposals regarding any non-compliance with Standing Orders, and where required ratify in public session any action required in response to failure to comply with SOs.
8	FULL	OPERATING ARRANGEMENTS	Authorise use of the LHB's official seal.
9	FULL	OPERATING ARRANGEMENTS	Approve the Standards of Business Conduct Policy.
10	NO - Chair on behalf of Joint Committee, Vice-Chair on behalf of Joint Committee if Chair is declaring interest	ORGANISATION STRUCTURE & STAFFING	Require, receive and determine action in response to the declaration of Board members' interests, in accordance with advice received, e.g. from Audit Committee or Director of Corporate Governance
11	FULL	STRATEGY & PLANNING	Determine the LHB's strategic aims, objectives and priorities
12	FULL	STRATEGY & PLANNING	Approve the LHB's key strategies and programmes related to: <ul style="list-style-type: none"> <li>▪ Population Health Needs Assessment and Commissioning Plan</li> <li>▪ The development and delivery of patient and population centred health and care/clinical services</li> <li>▪ Improving quality and patient safety outcomes</li> <li>▪ Workforce and Organisational Development</li> <li>▪ Infrastructure, including IM &amp;T, Estates and Capital (including major capital investment and disposal plans)</li> </ul>
13	FULL	STRATEGY & PLANNING	Approval of Joint Area Plan prepared under the direction of the Regional Partnership Board and in response to the population assessment

14	FULL	STRATEGY & PLANNING	Agreement of Well-being objectives in accordance with the requirements of the Well-being and Future Generations (Wales) Act 2015
15	FULL	STRATEGY & PLANNING	Approval of Well-being Plan prepared and agreed by the Public Service Board
16	FULL	STRATEGY & PLANNING	Approve the LHB's Integrated Medium Term Plan, including the balanced Medium-Term Financial Plan
17	FULL	STRATEGY & PLANNING	Approve the LHB's budget and financial framework (including overall distribution of the financial allocation and unbudgeted expenditure)
18	FULL	OPERATING ARRANGEMENTS	Approve the LHB's framework and strategy for performance management.
19	FULL	STRATEGY & PLANNING	Approve the LHB's framework and strategy for risk and assurance.
20	FULL	OPERATING ARRANGEMENTS	Ratify policies for dealing with raising concerns, complaints and incidents in accordance with the Putting Things Right and health and safety requirements.
21	FULL	OPERATING ARRANGEMENTS	Agree the arrangements for ensuring the adoption of standards of governance and performance (including the quality and safety of healthcare, and the patient experience) to be met by the LHB, including standards/ requirements determined by Welsh Government, regulators, professional bodies/others, e.g. National Institute of Health and Care Excellence (NICE)
22	FULL	STRATEGY & PLANNING	Approve the LHB's patient, public, staff, partnership and stakeholder engagement and co-production strategies.
23	FULL	OPERATING ARRANGEMENTS	Approve the introduction or discontinuance of any significant activity or operation. Any activity or operation shall be regarded as significant if the Board determines it so based upon its contribution/impact on the achievement of the LHB's aims, objectives and priorities
24	FULL	ORGANISATION STRUCTURE & STAFFING	Appointment of officer members of the Board (Chief Executive and Directors) in accordance with the provisions of the Regulations and in accordance with Ministerial Instructions

25	NO – Remuneration and Terms of Service Committee	ORGANISATION STRUCTURE & STAFFING	Termination of appointment and suspension officer members in accordance with the provisions of the Regulations and in accordance with Ministerial instructions
26	NO – Remuneration and Terms of Service Committee	ORGANISATION STRUCTURE & STAFFING	Consider appraisal of officer members of the Board (Chief Executive and Directors)

DRAFT FOR AUDIT COMMITTEE

27	NO – Remuneration and Terms of Service Committee	ORGANISATION STRUCTURE & STAFFING	Approve the appointment, appraisal, discipline and dismissal of any other Board level appointments and other senior employees, in accordance with Ministerial Instructions e.g. the Director of Corporate Governance
28	NO – Remuneration and Terms of Service Committee	ORGANISATION STRUCTURE & STAFFING	Consider and approve redundancy and Early Release Applications, noting that where the settlement is £50,000 or above subsequent agreement of Welsh Government is required.
29	FULL	ORGANISATION STRUCTURE & STAFFING	Approve, [arrange the] review, and revise the LHB’s top level organisation structure and corporate policies
30	FULL	ORGANISATION STRUCTURE & STAFFING	Appoint, [arrange the] review, revise and dismiss LHB Committees, including any joint-Committees directly accountable to the Board
31	FULL	ORGANISATION STRUCTURE & STAFFING	Appoint, equip, review and (where appropriate) dismiss the Chair and members of any Committee, joint-Committee or Group set up by the Board
32	FULL	ORGANISATION STRUCTURE & STAFFING	Appoint, equip, review and (where appropriate) dismiss individuals appointed to represent the Board on outside bodies and groups
33	FULL	ORGANISATION STRUCTURE & STAFFING	Approve the standing orders and terms of reference and reporting arrangements of all Committees, joint-Committees and groups established by the Board
34	NO – Audit Committee	OPERATING ARRANGEMENTS	Approve arrangements relating to the discharge of the LHB’s responsibility as a bailee for patients’ property
35	FULL - except where Chapter 6	OPERATING ARRANGEMENTS	Approve individual compensation payments in line with the provisions of Annex 4 to Chapter 6 of the Welsh Government Manual for Accounts

	specifies appropriate to delegate to a committee, Chief Executive or Officers		
36	FULL - except where Chapter 6 specifies appropriate to delegate to a committee, Chief Executive or Officers	OPERATING ARRANGEMENTS	Approve individual cases for the write off of losses or making of special payments above the limits of delegation to the Chief Executive and officers
37	FULL	OPERATING ARRANGEMENTS	Approve proposals for action on litigation on behalf of the LHB
38	FULL	ORGANISATION STRUCTURE & STAFFING	Approve the arrangements relating to the discharge of the LHB's responsibilities as a corporate trustee of funds held on trust in accordance with the provision of Paragraph 20 of the Standing Financial Instructions.

39	FULL	STRATEGY & PLANNING	Approve new contracts for the LHB to provide, or to secure provision from providers for Personal Medical; Dental; Pharmacy; Optometry services to some or all of the LHB's population where the value exceeds the delegated limit of the Chief Executive
40	FULL	STRATEGY & PLANNING	Approve individual contracts (other than NHS contracts) above the limit delegated to the Chief Executive set out in the Standing Financial Instructions
41	FULL	PERFORMANCE & ASSURANCE	Approve the LHB's audit and assurance arrangements
42	FULL	PERFORMANCE & ASSURANCE	Receive reports from the LHB's Executive on progress and performance in the delivery of the LHB's strategic aims, objectives and priorities and approve action required, including improvement plans, as appropriate
43	FULL	PERFORMANCE & ASSURANCE	Receive reports from the LHB's Committees, groups and other internal sources on the LHB's performance and approve action required, including improvement plans, as appropriate
44	FULL	PERFORMANCE & ASSURANCE	Receive reports on the LHB's performance produced by external regulators and inspectors (including, e.g., Audit Wales, HIW, etc) that raise significant issue or concerns impacting on the LHB's ability to achieve its aims and objectives and approve action required, including improvement plans, taking account of the advice of Board Committees (as appropriate)
45	FULL	PERFORMANCE & ASSURANCE	Receive the annual opinion of the LHB's Chief Internal Auditor and approve action required, including improvement plans
46	FULL	PERFORMANCE & ASSURANCE	Receive the annual management report from the Auditor General for Wales and approve action required, including improvement plans
47	FULL	PERFORMANCE & ASSURANCE	Receive assurance regarding the LHB's performance against the Health and Care Standards for Wales and the arrangements for approving required action, including improvement plans.
48	FULL	REPORTING	Approve the LHB's Reporting Arrangements, including reports on activity and performance locally, to citizens, partners and stakeholders and nationally to the Welsh Government where required
49	FULL	REPORTING	Receive, approve and ensure the publication of LHB reports, including its Annual Report and annual financial accounts in accordance with directions and guidance issued

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DRAFT FOR AUDIT COMMITTEE

## DELEGATION OF POWERS TO COMMITTEES AND OTHERS<sup>2</sup>

Standing Order 2 provides that the Board may delegate powers to Committees and others. In doing so, the Board has formally determined:

- the composition, terms of reference and reporting requirements in respect of any such Committees; and
- the governance arrangements, terms and conditions and reporting requirements in respect of any delegation to others,

in accordance with any regulatory requirements and any directions set by the Welsh Ministers.

The Board has delegated a range of its powers to the following Committees and others:

- Audit Committee
- Charitable Funds Committee
- Mental Health Legislation Committee
- Quality, Safety and Experience Committee
- Partnership, People and Population Health Committee
- Performance, Finance and Information Governance Committee
- Executive Committee
- Remuneration Committee

The scope of the powers delegated, together with the requirements set by the Board in relation to the exercise of those powers are as set out in i) Committee terms of reference, and ii) Formal arrangements for the delegation of powers to others. Collectively, these documents form the LHB's Scheme of Delegation to Committees.

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<sup>2</sup> As defined in Standing Orders

## SCHEME OF DELEGATION TO EXECUTIVE DIRECTORS, OTHER DIRECTORS AND OPERATIONAL BUDGET MANAGERS

The LHB Standing Orders and Standing Financial Instructions specify certain key responsibilities of the Chief Executive, the Executive Director of Finance and other officers.

The Chief Executive's Job Description, together with their Accountable Officer Memorandum, sets out their specific responsibilities. The individual job descriptions determined for Executive Director level posts also define in detail the specific responsibilities assigned to those post holders. These documents, together with the schedule of additional delegations below and the associated financial delegations set out in the Standing Financial Instructions, form the basis of the LHB's Scheme of Delegation to Officers.

This scheme only relates to matters delegated by the Board to the Chief Executive and their Executive Directors, together with certain other specific matters referred to in Standing Financial Instructions.

The following principles will apply:

- i. Financial limits at the discretion of the Board;
- ii. In an officer's absence, financial limits can be delegated in part or in total either generally or for specific items;
- iii. Directors can limit delegated budget holders to less than £150k at their discretion
- iv. These limits apply to requisition authorisation, which is where the control lies;
- v. In exceptional circumstances, the Chair may have delegated authority on behalf of the Board and the use of the delegated authority to the Chair must be included in the minutes of the next meeting of the Board;
- vi. Each Director (Tier 3 and 4) has the responsibility of cascading the delegation within their area and ensuring that authorised signatories are in place, it may be appropriate for some areas of expenditure to be notified to the Board even if they are within the budget holders limits

Responsibility for **authorising** contracts for goods and services including capital and Service Level agreements and Memorandum of Understandings with **non-NHS bodies** are subject to the delegated level of authority as follows:

### Financial Delegations

TIER	FINANCIAL DELEGATION	Authority Delegated to	Oracle Approvers
0	Board	Above £1,000,000	Chief Executive following approval by Board and Welsh Government
1	Chief Executive	Up to £1,000,000	Executive Director of Finance or Chief Executive
2	Executive Director of Finance	Up to £500,000	An Executive Director and Executive Director of Finance (2 to sign)
3	Executive Directors	Up to £300,000	Executive Directors
4	Executive Team Members ( <i>not included in tier 3 including Director of Corporate Governance, Director of Performance and Commissioning, Director of Communications and Engagement and Director of Estates and Environment</i> )	Up to £250,000	Executive Team Members Service Directors
5	Assistant / Associate / Deputy Directors or Heads of Service	Up to £150,000	Assistant / Associate / Deputy Directors or Heads of Service
6	Nominated Budget Holder for specific cost centres	Up to £50,000	Nominated Budget Holder for specific cost centres
7	Service Lead or Site / General Manager	Up to £30,000	Service Lead or Site / General Manager
8	Contracts Manager or Head of Operations	Up to £25,000	Contracts Manager or Head of Operations

Delegated Matter	Table Reference No.
MEETINGS	1
PERSONNEL & PAY	2
ENGAGEMENT OF STAFF (NOT ON THE ESTABLISHMENT)	3
REPORTING INCIDENTS TO THE POLICE	4
LEGAL PROCEEDINGS	5
INSURANCE POLICIES AND RISK MANAGEMENT	6
CLINICAL AUDIT	7
PUTTING THINGS RIGHT REGULATIONS	8
SEAL	9
GIFTS & HOSPITALITY	10
DECLARATION OF INTERESTS	11
INFORMATICS AND THE DATA PROTECTION ACT	12
AUTHORISATION OF NEW DRUGS	13
AUTHORISATION OF RESEARCH PROJECTS	14
AUTHORISATION OF CLINICAL TRIALS	15
INFECTIOUS DISEASES & NOTIFIABLE OUTBREAKS	16
REVIEW OF FIRE PRECAUTIONS	17
HEALTH & SAFETY	18
MEDICINES INSPECTORATE REGULATIONS	19
ENVIRONMENTAL REGULATIONS	20
COSTS/NOTIONAL RENT/THIRD PARTY DEVELOPER/IMPROVEMENT GRANTS	21
COMPLIANCE LEAD ROLES: CALDICOTT GUARDIAN, DPO, SIRO	22
EMERGENCY PLANNING	23
STATUTORY COMPLIANCE WITH RESPECTIVE LEGISLATION	24
APPOINTMENT OF MEDICAL & DENTAL CONSULTANT POSTS	25
HUMAN TISSUE ACT 2004	26
IONISING RADIATION (MEDICAL EXPOSURE) REGULATIONS 2017 [IR(ME)R]	27
NURSE STAFFING LEVELS (WALES) ACT 2016	28
WELSH LANGUAGE STANDARD REPORTING	29
CONTROLLED DRUGS ACCOUNTABLE OFFICER	30

Delegated Matter	Table Reference No.
UPHOLDING PROFESSIONAL STANDARDS IN WALES (UPSW)	31

**Board Member Responsible (Tiers 2, 3 or 4):** in line with the Standing Orders, delegated approval to the relevant Board Member, Board Committee or Executive Director. Where there is more than one Executive Director named the applicable responsibility is in relation to their individual service area.

**Specific Delegation Where Applicable:** The intention is to delegate to the Operational Divisions wherever possible, however some Matters are either delegated through a Director, Associate or Assistant then to the Operational Division, or they are not delegated beyond this secondary level. This column sets out the delegation flow where relevant. Where there is more than one 'Accountable Lead' named the applicable responsibility is in relation to their individual service area.

**Operational Responsibility (Tier 4):** – where Matters are delegated to the Operational Divisions, the generic term "Service Director" has been used to identify the Accountable Lead, for example IHC Director, Director of Mental Health, Cancer, and Support Functions. It is also recognised that these Matters are delegated within Health Board Policy and where relevant are directly supported by Finance, People Services and other Support Functions.

DRAFT FOR AUDIT COMMITTEE

DELEGATED MATTER	BOARD MEMBER RESPONSIBLE	SPECIFIC DELEGATION WHERE APPLICABLE	OPERATIONAL RESPONSIBILITY
<b>1. Meetings</b>			
a) Calling meetings of the LHB	Chair	Director of Corporate Governance	Not Delegated
b) Chair all LHB Board meetings and associated responsibilities	Chair or Vice Chair in Chair's absence	Not Delegated	Not Delegated
<b>2. Personnel &amp; Pay</b>			
All Matters locally supported by CFO / FD / People			
a) Nominate officers to enter into contracts of employment regarding staff, agency staff or consultancy service contracts in accordance with the "Policy for the Safe Recruitment and Selection Practices" together with accompanying guidance, particularly the need for pre-employment checks.	Executive People and OD	Supported by Members of the Executive Committee	Service Director (Tier 4)
b) Approve the commencement of employment prior to all pre-employment checks being completed.	Executive People and OD	Associate Director People Services	Not delegated
c) Authority to fill funded post on the establishment with permanent staff.	Executive People and OD	Deputy Director Workforce & OD / Associate Director of People Services (IHC / PAN BCU / Support Services)	Service Director
d) The granting of additional increments to staff within budget in accordance with Terms & Conditions of Service	Executive People and OD	Executive Directors with advice from Associate Director of People Services	(Tier 4)
e) All requests for upgrading/ regrading/ major skill mix changes shall be dealt with in accordance with LHB Procedure	Executive People and OD	Executive Directors with advice from Associate Director of people Services	Service Director (Tier 4)

DELEGATED MATTER	BOARD MEMBER RESPONSIBLE	SPECIFIC DELEGATION WHERE APPLICABLE	OPERATIONAL RESPONSIBILITY
f) Authority to agree acting up salaries for staff other than Executive Directors, within budget (Approval of acting up salaries for interim Executive Directors to be retained by Remuneration Committee)	Chief Executive to agree acting up arrangements of Band 9 and above (Excluding Executive Directors)	Executive Directors lead for acting up salaries up to Band 9.	<p><b>Service Director (Tier 4)</b> (supported by Local People Services Team)</p> <p>Up to Band 9 only.</p>
g) Establishments:			
Locum/additional staff to the agreed establishment <b>with</b> specifically allocated finance	Executive People and OD / Executive Director of Finance	Direct to Operational Services	<p><b>Service Director (Tier 4)</b></p>
Locum/additional staff to the agreed establishment <b>without</b> specifically allocated finance.	Chief Executive	Executive Director of Finance and Executive People and OD	<p><b>Service Director (Tier 4)</b> (via ECR &amp; Budget Virement)</p>
Variation to the funded establishment	Chief Executive	Executive People and OD and Executive Director of Finance	<p><b>Service Director (Tier 4)</b> (Via ECR &amp; Budget Virement)</p>
h) Pay			
Authority to complete standing data forms effecting pay, new starters, changes and leavers. Responsibility to ensure forms are processed in timely manner to prevent errors occurring.	Executive People and OD	Direct to Operational Services	<p><b>Service Director (Tier 4)</b></p>
Authority to complete and authorise timesheets and payroll returns	Executive People and OD	Direct to Operational Services	<p><b>(Tier 4)</b></p>
Authority to authorise overtime	Executive People and OD	Direct to Operational Services	<p><b>Service Director (Tier 4)</b></p>
Authority to authorise travel & subsistence expenses	Executive People and OD	Direct to Operational	<p><b>(Tier 4)</b></p>

DELEGATED MATTER	BOARD MEMBER RESPONSIBLE	SPECIFIC DELEGATION WHERE APPLICABLE	OPERATIONAL RESPONSIBILITY
		Services	
Maintenance of a list of managers authorised to sign payroll and travel expense documentation. (and via e-expense systems)	Executive People and OD	Deputy Director of Workforce & OD	Service Director
Responsibility for the recovery of any overpayments	Executive Director of Finance	Finance Director: Operational Finance	(Tier 4)
i) Leave			
Approval of annual leave in accordance with LHB policy	Executive People and OD	Direct to Operational Services	Service Director
Carry-over of annual leave in exceptional circumstances up to a maximum of 5 days	Executive People and OD	Direct to Operational Services	(Tier 4)
Compassionate leave	Executive People and OD	Direct to Operational Services	Service Director
Special leave arrangements (to be applied in accordance with All Wales Policy)	Executive People and OD	Direct to Operational Services	Service Director
Leave without pay	Executive People and OD	Direct to Operational Services	(Tier 4)
Medical Staff Leave of Absence – paid and unpaid	Executive People and OD	Direct to Operational Services	Service Director
Consultants Special Leave	Executive Medical Director	Direct to Operational Services	(Tier 4)
Time off in lieu	Executive People and OD	Direct to Operational Services	Service Director

DELEGATED MATTER	BOARD MEMBER RESPONSIBLE	SPECIFIC DELEGATION WHERE APPLICABLE	OPERATIONAL RESPONSIBILITY
Maternity / Paternity Leave – paid and unpaid	Executive People and OD	Direct to Operational Services	(Tier 4)
j) Annualised hours/flexible working hours system-maintenance of adequate records	Executive People and OD	Direct to Operational Services	Service Director
k) Sick Leave	Executive People and OD		
Extension of sick leave on half pay up to three months	Executive People and OD	Direct to Operational Services in conjunction with Associate Director of People Services	Not delegated
Return to work part-time on full pay to assist recovery	Executive People and OD	Direct to Operational Services in conjunction with Associate Director of People Services	Service Director (Tier 4)
Extension of sick leave on full pay	Executive People and OD	Direct to Operational Services in conjunction with Associate Director of People Services	Not delegated
l) Study Leave			
Study leave outside the UK (non-medical staff excluding clinical staff)	Executive People and OD	Direct to Operational Services	Service Director
Medical staff study leave (UK)	Executive Medical Director / Executive People and OD	Direct to Operational Services	(Tier 4)
Consultant Medical Staff Leave (UK)	Executive Medical Director	Direct to Operational Services	Service Director
All Medical and non-Medical Clinical Staff study leave outside the UK (as per relevant professional lead)	Executive Medical Director / Executive Director of Nursing & Midwifery / Executive Director of Therapies	Direct to Operational Services	(Tier 4)

DELEGATED MATTER	BOARD MEMBER RESPONSIBLE	SPECIFIC DELEGATION WHERE APPLICABLE	OPERATIONAL RESPONSIBILITY
	& Health Science / Executive Director of Operations		
All other study leave (UK)	Executive People and OD	Direct to Operational Services	Service Director
m) Removal Expenses			
Authorisation of payment of removal expenses incurred by officers taking up new appointments (providing consideration was promised at interview)	Executive People and OD	Direct to Operational Services → In accordance with BCUHB policy / approval from the Executive People and OD	Service Director
n) Respect & Resolution Procedure	Executive People and OD	Direct to Operational Services	(Tier 4)
o) Professional Misconduct/Competence-Medical and Dental Staff	Executive Medical Director / Executive People and OD	Deputy Responsible Officer / Deputy Medical Director / Deputy Director of Workforce & OD	Not Delegated
p) Suspension of Doctors employed directly by the LHB	Executive Medical Director	Deputy Responsible Officer / Deputy Medical Director / Deputy Director of Workforce & OD	Not Delegated
q) Formal actions as required under The Performers List	Chief Executive	Executive Medical Director supported Executive People and OD and Chief Operating Officer	Not Delegated to Operational Divisions, cover for Executive Medical Director provided through the Deputy Responsible Officer or Deputy Medical Director
r) Requests for new posts to be authorised as car users	Executive Director of Finance	Direct to Operational Services	Service Director

DELEGATED MATTER	BOARD MEMBER RESPONSIBLE	SPECIFIC DELEGATION WHERE APPLICABLE	OPERATIONAL RESPONSIBILITY
s) Renewal of Fixed Term Contract	Executive People and OD	Direct to Operational Services	(Tier 4)
t) Voluntary Early Release Scheme	Remuneration Committee (supported by Executive People and OD)	Executive People and OD, with Executive Director of Finance for sign off of financial viability	Not Delegated
u) Settlement on termination of employment	Remuneration Committee (supported by Executive People and OD)	Executive People and OD with approval from Welsh Government where the payment is Ex-gratia and exceeds the delegated limit of £50,000	Not Delegated. Service Directors to operate within Policy as set through the Executive People and OD
v) Ill Health Retirement Decision to pursue retirement on the grounds of ill-health following advice from Workforce & OD Department	Executive People and OD	Associate Director of People Services	Service Director for local implementation:  Ultimate Approval is via NHS Pensions Agency
w) Disciplinary Procedure (excluding Executive Directors)	Executive People and OD	Executive Directors and <b>Members of the Executive Committee</b>	Service Director (Tier 4)
<b>3. Engagement of Staff Not On the Establishment (refer to additional delegations for limits)</b>		All Matters locally supported by CFO / FD / People	

DELEGATED MATTER	BOARD MEMBER RESPONSIBLE	SPECIFIC DELEGATION WHERE APPLICABLE	OPERATIONAL RESPONSIBILITY
a) Non clinical Consultancy Staff	Executive Director of Finance	Supported by Executive Team	Service Director
b) Medical Locum staff	Executive Medical Director	Direct to Operational Services	(Tier 4)
c) Booking of Agency Nursing Staff	Executive Director of Nursing & Midwifery	Direct to Operational Services	Service Director (Tier 4)
d) Booking of Bank Staff:			
Nursing	Executive Director of Nursing & Midwifery	Direct to Operational Services	Service Director (Tier 4)
Other Staffing Groups	Executive People and OD	Direct to Operational Services	Service Director (Tier 4)
<b>4. Procedure to follow after reporting of incidents to the Police (refer to Standing Operating Process in relation to reporting requirement to Security Advisors)</b>			
a) Where a criminal offence is suspected	Executive Director of Finance and Executive Director of People and OD	Direct to Operational Services	Service Director For Implementation and compliance
b) Criminal offence of a sexual or violent nature	Ex Executive Director of People and OD ecutive Director of Workforce & OD	Direct to Operational Services	Service Director For implementation and compliance
c) Arson or theft	Executive Director of Finance and Executive Director of People and OD	Direct to Operational Services	Service Director for implementation and compliance
d) Other	Chief Executive and Executive Director of	Direct to Operational Services →	Service Director for implementation and

DELEGATED MATTER	BOARD MEMBER RESPONSIBLE	SPECIFIC DELEGATION WHERE APPLICABLE	OPERATIONAL RESPONSIBILITY
	Finance and Executive Director of People and OD	dependent upon the nature of the suspected offence	compliance
<b>5. Legal Proceedings</b>			
a) Engagement of the LHB's lawyers	Director of Corporate Governance	Any Director of the Board or the Deputy Director for Legal Services	List of officers authorised to instruct approved lawyers will be detailed in the Legal Services Policy  Out of Hours approval via Gold On-Call.
b) Approve and sign all documents on behalf of the LHB which will be necessary in legal proceedings	Director of Corporate Governance	Any Director of the Board or the Deputy Director for Legal Services provided such approval is in accordance with advice from a regulated legal professional – all contrary decisions are reserved for the Chief Executive	Not Delegated
c) Sign on behalf of the LHB any agreement or document not requested to be executed as a deed	Chief Executive	Any Executive Director of the Board or an officer formally nominated by the Chief Executive	Not Delegated
<b>6. Insurance Policies (incorporating Risk Management)</b>			
Insurance Policies (incorporating Risk Management)	Chief Executive	Executive Director of Finance and	Not Delegated except for matters relating to

DELEGATED MATTER	BOARD MEMBER RESPONSIBLE	SPECIFIC DELEGATION WHERE APPLICABLE	OPERATIONAL RESPONSIBILITY
		Director of Corporate Governance	the Welsh Risk Pool where the Deputy Director for Legal Services may act
<b>7. Clinical Audit</b>			
Clinical Audit	Chief Executive	Executive Medical Director	Service Director (Tier 4)
<b>8. Putting Things Right Regulations (in line with WRP Policy &amp; Guidance)</b>			
a) Overall responsibility for ensuring that all concerns (as defined in PTR Regulations) are dealt with effectively	Chief Executive	Executive Director of Nursing & Midwifery / Director of Corporate Governance (for redress, personal injury claims and clinical negligence claims)	Service Director Patient Safety Team, and Patient and Carer Experience/Complaints Team/Legal Services Team for implementation
b) Responsibility for ensuring complaints are investigated thoroughly, and learning is embedded.	Chief Executive	Executive Director of Nursing & Midwifery	Service Director and Patient and Carer Experience/Complaints Team for implementation
c) Medico – Legal Matters - Co-ordination of their management (including redress, personal injury claims and clinical negligence claims)	Director of Corporate Governance	Deputy Director for Legal Services	Not Delegated
<b>9. Seal</b>			
a) The keeping of a register of seal and safekeeping of the seal	Chief Executive	Director of Corporate Governance	Not Delegated
b) Attestation of seal in accordance with Standing Orders	Chief Executive and Chair	Director of Corporate Governance	Not Delegated
c) Signing and sealing documents in accordance with Standing Orders	Chief Executive and Chair	Director of Corporate Governance	Not Delegated

DELEGATED MATTER	BOARD MEMBER RESPONSIBLE	SPECIFIC DELEGATION WHERE APPLICABLE	OPERATIONAL RESPONSIBILITY
<b>10. Gifts and Hospitality</b>			
a) Keeping of gifts and hospitality register	Chief Executive	Director of Corporate Governance	Service Director for implementation and compliance
<b>11. Declaration of Interests</b>			
a) Maintaining a register of interests	Chief Executive	Director of Corporate Governance	Service Director for implementation and compliance
<b>12. Informatics and the Data Protection Act</b>			
a) Review of LHB's compliance with the Data Protection Act	Chief Executive	Chief Digital and Information Officer	Data Protection Officer
b) Responsibility for Informatics policy and strategy	Chief Executive	Chief Digital and Information Officer	Service Director
c) Responsibility for ensuring that adequate management (audit) trails exist in Informatics systems	Chief Executive	Chief Digital and Information Officer	(Tier 4)
<b>13. Authorisation of New Drugs</b>			
Authorisation of New Drugs	Chief Executive	Executive Medical Director on the advice of the appropriate professional bodies (Clinical approval via NICE Implementation Group and Drugs and Therapy Group for onward financial approval by Executive Committee, see additional delegations)	Not Delegated

DELEGATED MATTER	BOARD MEMBER RESPONSIBLE	SPECIFIC DELEGATION WHERE APPLICABLE	OPERATIONAL RESPONSIBILITY
<b>14. Authorisation of Research Projects (individuals responsible for their own declaration of interest to UKPI and BCUHB)</b>			
Authorisation of Research Projects (individuals responsible for their own declaration of interest to UKPI and BCUHB)	Executive Medical Director	Director of Research & Development	Service Director (Tier 4)
<b>15. Authorisation of Clinical Trials</b>			
Authorisation of Clinical Trials	Chief Executive	Executive Medical Director	Service Director (Tier 4)
<b>16. Infectious Diseases &amp; Notifiable Outbreaks – outbreak control / public health monitoring and surveillance / provision of public health advice</b>			
	Chief Executive	Executive Director of Public Health	Not Delegated
<b>17. Review of Fire Precautions</b>			
Review of Fire Precautions	Chief Executive	Director of Environment and Estates	Not Delegated
<b>18. Health &amp; Safety</b>			
Review of all statutory compliance legislation and Health and Safety requirements (including associated mandatory staff awareness training).	Chief Executive	Director of Environment and Estates	Not Delegated
<b>19. Medicines Inspectorate Regulations</b>			
Review Regulations Compliance	Chief Executive	Executive Medical Director supported by Chief Pharmacist	Service Director via Head of Medicines Management
<b>20. Environmental Regulations</b>			

DELEGATED MATTER	BOARD MEMBER RESPONSIBLE	SPECIFIC DELEGATION WHERE APPLICABLE	OPERATIONAL RESPONSIBILITY
Review of compliance with environmental regulations, for example those relating to clean air and waste disposal	Chief Executive	Director of Estates and Environment	Not Delegated
<b>21. Cost/Notional Rent/Third Party Developer/Improvement Grants</b>			
			All Matters locally supported by CFO / FD
Approval of all schedules of payments	Chief Executive	Chief Operating Officer	Service Director (Tier 4)
Submission to Welsh Government for all new GP premises or major extensions in accordance with BCU Strategy	Chief Executive	Chief Operating Officer and Director of Estates and Environment	Not Delegated
<b>22. Compliance Lead Roles:</b>			
a) Caldicott Guardian	Chief Executive	Executive Medical Director	Deputy Medical Director
b) Data Protection Officer	Chief Executive	Data Protection Officer	Head of Information Governance
c) Senior Information Risk Owner	Chief Executive	Chief Digital Information Officer	Not Delegated
<b>23. Emergency Planning &amp; Major Incidents – Civil Contingencies Act (Category 1 Responder)</b>			
Emergency Planning & Major Incidents – Civil Contingencies Act (Category 1 Responder)	Chief Executive	Director of Public Health	Head of Emergency Preparedness Response and Resilience
<b>24. Statutory compliance with respective Legislation</b>			

DELEGATED MATTER	BOARD MEMBER RESPONSIBLE	SPECIFIC DELEGATION WHERE APPLICABLE	OPERATIONAL RESPONSIBILITY
Individual Board Members responsible for the implementation of respective legislation	Chief Executive	Director of Corporate Governance	Service Director for implementation
<b>25. National Health Service (Appointment of Consultants) (Wales) (Amendment) Regulations 2005 (Statutory Instrument 2005: 3039) Appointment of all Medical and Dental Consultant posts. Consultant posts within Public Health that are open to both medically qualified and those qualified in other disciplines other than medicine should follow this process, even though they fall outside of the requirements of the Statutory Instrument.</b>			
Appointment of all Medical and Dental Consultant posts	Board	Chair of ACC's and reported to the People and Culture Committee	Not Delegated
<b>26. Human Tissue Act 2004</b>			
Compliance with the Human Tissues Act	Chief Executive	Executive Medical Director	Service Director for implementation
<b>27. Ionising Radiation (Medical Exposure) Regulations 2017</b>			
Compliance Ionising Radiation (Medical Exposure) Regulations 2017	Chief Executive	Executive Director of Allied Health Professionals and Health Science / Executive Medical Director	Service Director for implementation
<b>28. Nurse Staffing Levels Act (Wales) 2016</b>			
Compliance with Nurse Staffing Levels Act (Wales) 2016	Chief Executive	Executive Director of Nursing & Midwifery	Service Director for implementation
<b>29. Welsh Language Standard Reporting</b>			

DELEGATED MATTER	BOARD MEMBER RESPONSIBLE	SPECIFIC DELEGATION WHERE APPLICABLE	OPERATIONAL RESPONSIBILITY
Compliance with the Welsh Language Standards	Chief Executive	Executive Director of Allied Health Professionals and Health Science	Service Director for implementation
<b>30. Controlled Drugs Accountable Officer</b>			
Controlled Drugs Accountable Officer	Chief Executive	Chief Pharmacist	Not Delegated
<b>31. Upholding Professional Standards in Wales (UPSW)</b>			
Responsible Officer	Executive Medical Director (SRO)	Deputy Medical Director (Deputy Responsible Officer)	Service Director for implementation
Appointing a Designated Board Member	Health Board Chair	Remuneration Committee	Not Delegated

## **SCHEME OF DELEGATION LINKED TO STANDING FINANCIAL INSTRUCTIONS (additional section added to replace table A and B)**

### **Introduction**

This Schedule of additional delegations identifies those specific areas within Standing Financial Instructions which require additional delegations from the Board, Chief Executive and the Executive Director of Finance and other Officers.

This Schedule should not be read in isolation and needs to be used alongside the full set of Standing Financial Instructions at Schedule 3 of Standing Orders.

DRAFT FOR AUDIT COMMITTEE

## 1. General Requirements, Overriding Financial Instructions and Financial Provisions and Obligations

Ref	SFI requirement	SFI Ref.	Accountability for deliver and compliance with the SFI sits with	Related responsibilities delegated to
1A	Health Board's must agree Standing Financial Instructions (SFIs) for the regulation of their financial proceedings and business. They shall have the effect as if incorporated in the Standing Orders (SOs).	1.1.1	Board	Director of Corporate Governance working with the Executive Director of Finance to ensure SFIs are in place and agreed by the full Board.
1B	All financial procedures must be approved by the Executive Director of Finance and Audit Committee.	1.1.3	Executive Director of Finance  Audit Committee	No further delegation
1C	Should any difficulties arise in the interpretation of any of the SFIs then advice of the Board Secretary and Executive Director of Finance should be sought before acting.  The users of SFIs should also be familiar with the provisions of the health boards SOs.	1.1.4	All Board Members and Officers of the Health Board	Director of Corporate Governance is responsible for ensuring all Board members are aware of this requirement  Executive Directors are responsible for ensuring that their teams are aware of this requirement.
1D	Full details of any non-compliance with SFIs and explanation of the reasons for non-compliance to be reported to the Executive Director of Finance and Board	1.2.1	All Board Members and Officers of the Health Board	Director of Corporate Governance is responsible for ensuring all Board members are

Ref	SFI requirement	SFI Ref.	Accountability for deliver and compliance with the SFI sits with	Related responsibilities delegated to
	Secretary.			aware of this requirement  Members of the Executive Committee are responsible for ensuring that their teams are aware of this requirement.
1E	Executive Director of Finance and Board Secretary to refer any matters of non-compliance to the Audit Committee to formally consider the matter.  Audit Committee to make proposals to the Board on any action to be taken.	1.2.1	Executive Director of Finance/ Director of Corporate Governance  Audit Committee	Director of Finance – Commissioning and Financial Planning in the absence of the Executive Director of Finance <u>and</u> the Head of Corporate Affairs in the absence of the Director of Corporate Governance.
1F	The Board as a whole and the Chief Executive in particular, in their role as the Accountable Officer must ensure that the health board meets its statutory obligation to perform its functions within the available financial resources.	1.3.1	Board  Chief Executive specifically	No further delegation.  Guidance on the responsibility of budget holders is set out later in this document.

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## 2. Responsibilities and delegation

Ref	SFI requirement	SFI Ref.	Accountability for deliver and compliance with the SFI sits with	Related responsibilities delegated to
2A	<p>The Board exercises financial supervision and control by:</p> <p>a) Formulating the Medium-Term Financial Plan (MTFP) as part of the Integrated Medium-Term Plan (IMTP);</p> <p>b) Requiring the submission and approval of budgets within approved allocations/overall funding</p> <p>c) Defining and approving essential features in respect of important financial policies, systems and controls (including the need to obtain value for money and sustainability); and</p> <p>d) Defining specific responsibilities placed on Board members and Health Board officers, and Health Board committees and Advisory Groups as indicated in the 'Scheme of delegation' document.</p>	2.1.1	Board	<p>Coordination and management of the development of the IMTP - Executive Director of Transformation, Strategic Planning &amp; Commissioning</p> <p>Coordination and development of the MTFP – Executive Director of Finance</p>
2B	Responsibility for the health board's system of internal control.	2.2.2	Chief Executive	Executive Directors are responsible for ensuring adequate systems of internal control are in place across their areas of responsibility.
2C	It is the duty of the Chief Executive to ensure that Board members, health board officers, and all new appointees are notified of, and put in a position to understand their	2.2.3	Chief Executive	Director of Corporate Governance and Executive Director of Finance are

Ref	SFI requirement	SFI Ref.	Accountability for deliver and compliance with the SFI sits with	Related responsibilities delegated to
	responsibilities within these SFIs			<p>responsible for ensuring all Board members understand their responsibilities.</p> <p>Executive Directors are responsible for ensuring that their teams understand their responsibilities.</p>
2D	<p>The Executive Director of Finance is responsible for:</p> <p>a) Implementing the health board’s financial policies and for coordinating any corrective action necessary to further these policies;</p> <p>b) Maintaining an effective system of internal financial control including ensuring that detailed financial procedures and systems incorporating the principles of separation of duties and internal checks are prepared, documented and maintained to supplement these instructions;</p> <p>c) Ensuring that sufficient records are maintained to show and explain the health board’s transactions, in order to disclose, with reasonable accuracy, the financial position of the health board at any time; and</p>	2.3.1	Executive Director of Finance	<p>Finance Director: Commissioning and Financial Planning</p> <p>Finance Director: Commissioning and Financial Planning</p> <p>Finance Director: Commissioning and Financial Planning</p>

Ref	SFI requirement	SFI Ref.	Accountability for deliver and compliance with the SFI sits with	Related responsibilities delegated to
	<p>d) Without prejudice to any other functions of the health board, Board members and health board officers, the duties of the Executive Director of Finance include:</p> <p>(i) the provision of financial advice to other Board members and health board officers, and health board committees and Advisory Groups,</p> <p>(ii) the design, implementation and supervision of systems of internal financial control, and</p> <p>(iii) the preparation and maintenance of such accounts, certificates, estimates, records and reports as the health board may require for the purpose of carrying out its statutory duties.</p>			No further delegation
2E	The Executive Director of Finance is responsible for ensuring an ongoing training and communication programme is in place to affect these SFIs.	2.3.2	Executive Director of Finance	Finance Director: Commissioning and Financial Planning
2F	<p>All Board members and health board officers, and health board Committees and Advisory Groups, severally and collectively, are responsible for:</p> <p>a) The security of the property of the health board;</p> <p>b) Avoiding loss;</p> <p>c) Exercising economy, efficiency and sustainability in the use of resources; and</p> <p>d) Conforming to the requirements of SOs, SFIs,</p>	2.4.1	All Board members, officers, Committees and Advisory Groups	No further delegation

Ref	SFI requirement	SFI Ref.	Accountability for deliver and compliance with the SFI sits with	Related responsibilities delegated to
	Financial Procedures and the Scheme of delegation.			
2G	Any contractor or employee of a contractor who is empowered by the health board to commit the health board to expenditure or who is authorised to obtain income shall be covered by the SFIs. It is the responsibility of the Chief Executive to ensure that such persons are made aware of this.	2.5.1	Chief Executive	Executive Directors are responsible for ensuring this is understood by contractors working in their area.

DRAFT FOR AUDIT

### 3. Audit, Fraud and Corruption, and Security Management

Ref	SFI requirement	SFI Ref.	Accountability for deliver and compliance with the SFI sits with	Related responsibilities delegated to
3A	In accordance with SOs the Board shall formally establish an Audit Committee with clearly defined terms of reference.	3.1.1	Board	No further delegation.  Director of Corporate Governance will support the establishment of the Committee and ensure clear terms of reference are in place.
3B	The Audit Committee will follow the guidance set out in the NHS Wales Audit Committee Handbook.  <i>Note: if new or revised guidance is issued in addition to / replacement of the Handbook, the Committee should follow the revised guidance.</i>	3.1.1	Chair of Audit Committee	No further delegation.  Chair of Audit Committee to be supported by Director of Corporate Governance.
3C	Ensuring there are arrangements in place to review, evaluate and report on the effectiveness of internal financial control, including the establishment of an effective Internal Audit function.	3.2.1 (a)	Chief Executive	Director of Corporate Governance
3D	Ensuring that the Internal Audit function meets the required standards and provides sufficient independent and objective assurance to the Audit Committee and the Accountable Officer.	3.2.1 (b)	Chief Executive	Chief Executive to be supported by Director of Corporate Governance  Head of Internal Audit
3E	Deciding at what stage to involve the police in cases of misappropriation and other irregularities not involving	3.2.1 (c)	Chief Executive	Director of Corporate Governance and Executive

Ref	SFI requirement	SFI Ref.	Accountability for deliver and compliance with the SFI sits with	Related responsibilities delegated to
	fraud or corruption			Director of Finance or Executive Director of People Services and Organisational Development
3F	Ensuring that an annual Internal Audit report is prepared for the consideration of the Audit Committee and the Board.	3.2.1 (d)	Chief Executive	Head of Internal Audit and Director of Corporate Governance
3G	The health board's Audit Committee must ensure that a cost-effective external audit service is delivered.	3.4.1	Audit Committee	Director of Corporate Governance and Executive Director of Finance to support the Audit Committee.
3H	The Audit Committee should consider the annual audit plan prepared by the external auditors and the associated fees.  The Audit Committee should consider material changes to the annual audit plan.	3.4.3	Audit Committee	No further delegation.  Director of Corporate Governance to ensure review scheduled in to the Committees work programme
3I	The Auditor General's representative should be invited to attend every Audit Committee.	3.4.4	Director of Corporate Governance	

Ref	SFI requirement	SFI Ref.	Accountability for deliver and compliance with the SFI sits with	Related responsibilities delegated to
3J	The health board will provide the Auditor General and his representatives with whatever facilities are necessary to facilities audits, including accommodation and access to IT facilities.	3.4.7	Executive Director of Finance	Finance Director: Commissioning and Financial Planning
3K	The Chief Executive and Executive Director of Finance shall monitor and ensure compliance with Directions issued by the Welsh Ministers on fraud and corruption.	3.5.1	Chief Executive and Executive Director of Finance	No further delegation  The Executive Director of Finance will be responsible for regular liaison with Counter Fraud Services
3L	The health board shall nominate a suitable person to carry out the duties of the Local Counter Fraud Specialist.	3.5.2	Board	Executive Director of Finance to put arrangements in place.  Audit Committee to review adequacy of arrangements.
3M	Local Counter Fraud Specialist to provide a written report to the Executive Director of Finance and Audit Committee at least annually, on counter fraud work within the health board	3.5.4	Local Counter Fraud Specialist	No further delegation.  Director of Corporate Governance to ensure report scheduled in to the work programme of the Audit Committee.

Ref	SFI requirement	SFI Ref.	Accountability for deliver and compliance with the SFI sits with	Related responsibilities delegated to
3N	<p>The health board must participate in the annual National Fraud Initiative.</p> <p>The Audit Committee should consider the health board's participation in additional dataset matching in order to support the detection of fraud across the whole public sector.</p>	3.5.5	<p>Executive Director of Finance</p> <p>Audit Committee</p>	Director of Corporate Governance to ensure review scheduled in to the work programme of the Audit Committee.
3O	The Chief Executive will monitor and ensure compliance with Directions issued by the Welsh Ministers on NHS security management.	3.6.1	Chief Executive	Executive Director of Finance, with support from relevant Directors.
3P	The Chief Executive has overall responsibility for controlling and co-ordinating security.	3.6.2	Chief Executive	Executive Director of Finance, with support from relevant Directors.

#### 4. Financial Duties

Ref	SFI requirement	SFI Ref.	Accountability for deliver and compliance with the SFI sits with	Related responsibilities delegated to
4A	<p>The Executive Director of Finance of the Health Board will:</p> <p>a) Prior to the start of each financial year, submit to the Board for approval a report showing the total allocations received, assumed in-year adjustments and their proposed distribution, including any sums to be held in reserve;</p> <p>b) Ensure that any ring-fenced or non-discretionary allocations are disbursed in accordance with Welsh Ministers' requirements;</p> <p>c) Periodically review any assumed in-year allocations to ensure that these are reasonable and realistic; and</p> <p>d) Regularly update the Board on significant changes to the initial allocation and the application of such funds.</p>	4.2.4	Executive Director of Finance	No further delegation
4B	The Chief Executive has overall executive responsibility for the health board's activities and is responsible to the Board for ensuring that it meets its financial duty to breakeven.	4.2.5	Chief Executive	Executive Directors
4C	The Chief Executive will compile and submit to the Board, on an annual basis, the rolling 3 year Integrated Medium Term Plan.	4.3.7	Chief Executive	Executive Director of Transformation and Strategic Planning &

Ref	SFI requirement	SFI Ref.	Accountability for deliver and compliance with the SFI sits with	Related responsibilities delegated to
4D	<p>The Board will:</p> <ul style="list-style-type: none"> <li>a) Approve the Integrated Medium-Term Plan (IMTP) prior to the beginning of the financial year of implementation.</li> <li>b) Approve a balanced Medium Term Financial Plan (MTFP) as part of the Integrated Medium-Term Plan, which meets all probity and value for money requirements; and</li> <li>c) Prepare and agree with the Welsh Government a robust and sustainable recovery plan in accordance with Welsh Ministers' guidance where the health board plan is not in place or in balance.</li> </ul>	4.3.8	Board	Performance, Finance and Information Governance Committee and the Planning, Population and Health Partnership Committee will scrutinise the draft IMTP and MTFP and make recommendations to the Board.
4E	The Board approved Integrated Medium-Term Plan will be submitted to the Welsh Government in line with the requirements of the Integrated Planning Framework.	4.3.9	Board	Chief Executive on Board's behalf

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## 5. Financial Management and Budgetary Control

Ref	SFI requirement	SFI Ref.	Accountability for deliver and compliance with the SFI sits with	Related responsibilities delegated to
5A	Prior to the start of the financial year the Executive Director of Finance will, on behalf of the Chief Executive, prepare and submit budgets for approval and delegation by the Board.	5.1.1	Executive Director of Finance	No further delegation
5B	Approval and Delegation of budgets	5.1.1	Board	No further delegation
5Bi	Approval of annual detailed budget for Directorates within budget approved by Board	Local	Executive and Associate Directors	No further delegation
5Bii	Delegation of budgets to budget holders including ensuring the appropriate documentation is completed and returned to the Finance Directorate	Local	Executive and Associate Directors	No further delegation
5Biii	Authorisation of expenditure above budget	Local	Chief Executive	Reported to Audit Committee See <a href="#">Table 5B (1) below</a>
5C	The Chief Executive may delegate, via the Executive Director of Finance, the management of a budget to permit the performance of a defined range of activities, including pooled budget arrangements under Regulations made in accordance with Section 33 of the NHS (Wales) Act 2006 (C.42).	5.2.1	Chief Executive	Executive Director of Finance

Ref	SFI requirement	SFI Ref.	Accountability for deliver and compliance with the SFI sits with	Related responsibilities delegated to
	<p>This delegation must be in writing, in the form of a letter of accountability, and be accompanied by a clear definition of:</p> <ul style="list-style-type: none"> <li>a) The amount of the budget;</li> <li>b) The purpose(s) of each budget heading;</li> <li>c) Individual or committee responsibilities;</li> <li>d) Arrangements during periods of absence;</li> <li>e) Authority to exercise virement;</li> <li>f) Achievement of planned levels of service; and</li> <li>g) The provision of regular reports.</li> </ul>			
5D	Delegation to include the authority to exercise virement and budget transfers	5.2.1	Chief Executive	Executive Director of Finance See <b>Table 5D (1) below</b>
5E	The Chief Executive, Executive Director of Finance and delegated budget holders must not exceed the budgetary total or virement limits set by the Board.	5.2.2	Chief Executive	Executive Director of Finance  Budget Holders
5F	Non-recurring budgets should not be used to finance recurring expenditure without the authority in writing of the Chief Executive, as advised by the Executive Director of Finance.	5.2.4	Chief Executive <i>[advised by Executive Director of Finance]</i>	No further delegation
5G	All budget holders must provide information as required by the Executive Director of Finance to enable budgets to be compiled and managed appropriately.	5.2.5	Budget Holders	No further delegation
5H	All budget holders are required to sign up to their allocated budgets at the start of the financial year.	5.2.6	Budget Holders	<b>See Table 5H (1) below</b>

Ref	SFI requirement	SFI Ref.	Accountability for deliver and compliance with the SFI sits with	Related responsibilities delegated to
5I	The Executive Director of Finance has a responsibility to ensure that appropriate and timely financial information is provided to budget holders and that adequate training is delivered on an on-going basis to assist budget holders managing their budgets successfully.	5.2.7	Executive Director of Finance	Chief Finance Officers

**Table 5B (1) - Authority to commit resources above expenditure baselines set within delegated budgets**

Ref	Revenue Case Value	Approved by:
1	Up to £0.25m	Chief Executive and Executive Director of Finance  All approvals retrospectively reported to Executive Committee
2	Above £0.25m, up to £0.5m	Relevant Executive Director and Executive Director of Finance and then approval by Executive Committee
3	Above £0.5m, up to £1.0m	Relevant Executive Director and Executive Director of Finance and then approval by Executive Committee plus the Performance, Finance & Information Governance Committee
4	Above £1.0m	Relevant Executive Director and Executive Director of Finance and then approval by Executive Committee plus the Performance, Finance & Information Governance

		Committee plus approval by Board and Welsh Government
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**Table 5D (1) -Approval of variation of budgets, including authority to vire**

Delegated Authority	Between budget lines	Capital to revenue & vice versa
Within a department	Budget manager	<b>Executive Director of Finance in liaison with Welsh Government</b>
Within a directorate; between departments	Executive Director and Chief Finance Officer	
Between directorates: Up to £0.5m	Executive Director of both directorates and the Finance Director – Commissioning and Financial Planning	
Between directorates: Above £0.5m, up to £1.0m	Executive Director of both directorates and the Executive Director of Finance or Chief Executive	
Between directorates: Above £1.0m	Board	
Budget transfers between Reserves and Delegated budgets	<b>Finance Director: Commissioning and Financial Planning</b>	
Notification of virement to Directorate of Finance to ensure budget updated	Individual authorising the virement	

**Table 5H (1)**

Delegated Matter	Delegated to:	Agreed by:
Delegation of the management of defined Revenue budgets to budget holders:		
i. Revenue budgets for Clinical Directorates	i. Budget Holders	i. Executive Directors
ii. Revenue budgets for Corporate directorates	ii. Budget Holders	ii. Executive Directors
iii. Reserves	iii. Finance Director: Commissioning and Financial Planning	iii. Executive Director of Finance

Ref	SFI requirement	SFI Ref.	Accountability for deliver and compliance with the SFI sits with	Related responsibilities delegated to
5J	<p>Monitor financial performance against budget and plans and report the current and forecast position, and financial risks, on a monthly basis and at every Board meeting.</p> <p>Any significant variances should be reported to the Board as soon as they come to light and the Board shall be advised on any action to be taken in respect of such variances.</p>	5.3.1	Executive Director of Finance	No further Delegation [Finance Director: Commissioning and Financial Planning <i>supports preparation</i> ]

Ref	SFI requirement	SFI Ref.	Accountability for deliver and compliance with the SFI sits with	Related responsibilities delegated to
5K	Devise and maintain systems of financial management, performance reporting and budgetary control.	5.3.2	Executive Director of Finance	Finance Director: Commissioning and Financial Planning
5L	<p>Each Budget Holder is responsible for ensuring that:</p> <p>a) Any likely overspending or reduction of income that cannot be met by virement is not incurred without the prior consent of the Chief Executive subject to the Board's scheme of delegation;</p> <p>b) The amount provided in the approved budget is not used in whole or in part for any purpose other than that specifically authorised, subject to the rules of virement;</p> <p>c) No permanent employees are appointed without the approval of the Chief Executive other than those provided for within the available resources and workforce establishment as approved by the Board.</p>	5.3.4	Budget Holders	No further delegation
5M	The Chief Executive is responsible for identifying and implementing cost and efficiency improvements and income generation initiatives in accordance with the requirements of the Medium-Term Financial Plans.	5.3.5	Chief Executive	Executive Director of Finance with Executive and Associate Directors
5N	All monitoring returns must be supported by a detailed commentary signed by the Executive Director of Finance and Chief Executive. This commentary should also highlight and quantify any significant risks with an assessment of the impact and likelihood of these risks maturing.	5.5.2	Chief Executive and Executive Director of Finance	No further delegation <i>[if not available these are delegated to their deputies]</i>

Ref	SFI requirement	SFI Ref.	Accountability for deliver and compliance with the SFI sits with	Related responsibilities delegated to
50	All information made available to the Welsh Ministers must be made available to the Board.	5.5.3	Chief Executive and Executive Director of Finance	Director of Corporate Governance

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## 6. Annual Accounts and Reports

Ref	SFI requirement	SFI Ref.	Accountability for deliver and compliance with the SFI sits with	Related responsibilities delegated to
6A	The Board must approve the health board's annual accounts prior to submission to the Welsh Ministers and the Auditor General for Wales in accordance with the annual timetable.	6.1	Board	No further delegation  The Audit Committee will provide advice and make recommendations.
6B	The Chair and Chief Executive have responsibility for signing the accounts on behalf of the health board.  The Chief Executive has responsibility for signing the Performance Report, Accountability Report, Statement of Financial Position and the Governance Statement.	6.2	Chair and Chief Executive  Chief Executive	No further delegation  No further delegation
6C	Ensuring that financial reports and returns are prepared in accordance with the accounting policies, guidance and timetable determined by the Welsh Ministers and consistent with Financial Reporting Manual and International Financial Reporting Standards.	6.3	Executive Director of Finance	Finance Director: Commissioning and Financial Planning
6D	The health board's audited annual accounts must be adopted by the Board at a public meeting and made available to the public.	6.4	Board	No further delegation  <i>[Director of Corporate Governance responsible for ensuring arrangements for a public meeting are made]</i>
6E	The health board will publish an annual report, in accordance with guidelines on local accountability, and present it at its Annual General Meeting. The document	6.5	Board	Director of Corporate Governance to prepare draft for Board consideration.

Ref	SFI requirement	SFI Ref.	Accountability for deliver and compliance with the SFI sits with	Related responsibilities delegated to
	will comply with the Welsh Government's Manual for Accounts.			

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## 7. Banking arrangements

Ref	SFI requirement	SFI Ref.	Accountability for deliver and compliance with the SFI sits with	Related responsibilities delegated to
7A	<p>The Executive Director of Finance is responsible for managing the Health Board's banking arrangements and for advising the Board on the provision of banking services and operation of accounts. This advice will take into account guidance/ Directions issued from time to time by the Welsh Ministers.</p> <p>Health boards are required to use the Government Banking Service (GBS) for its banking services.</p>	7.1.1	Executive Director of Finance	Finance Director: Commissioning and Financial Planning
7B	Approval of banking arrangements	7.1.2	Board	Audit Committee
7C	<p>The Executive Director of Finance is responsible for:</p> <ul style="list-style-type: none"> <li>a) Establishing bank accounts;</li> <li>b) Establishing additional commercial accounts (exceptionally);</li> <li>c) Establishing separate bank accounts for the health board's non-exchequer funds;</li> <li>d) Ensuring payments made from bank accounts do not exceed the amount credited to the account except where arrangements have been made;</li> <li>e) ensuring accounts are not overdrawn except in exceptional and planned situations;</li> <li>f) Reporting to the Board all arrangements made with the</li> </ul>	7.2.1	Executive Director of Finance	Finance Director: Commissioning and Financial Planning

Ref	SFI requirement	SFI Ref.	Accountability for deliver and compliance with the SFI sits with	Related responsibilities delegated to
	health board's bankers for accounts to be overdrawn; g) Monitoring compliance with Welsh Ministers' guidance on the level of cleared funds.			
7D	All accounts should be held in the name of the health board. No officer other than the Executive Director of Finance shall open any account in the name of the health board or for the purposes of furthering health board activities	7.2.2	Executive Director of Finance	No further delegation
7E	The Executive Director of Finance will prepare detailed instructions on the operation of bank accounts which must include:  i) The conditions under which bank accounts are to be operated; ii) Those authorised to sign cheques or other orders drawn on the health board's accounts; iii) Authorised signatories are identified with sufficient seniority, and in the case of e-banking approvers, together with an appropriate approval hierarchy.	7.3.1	Executive Director of Finance	i) Finance Director: Commissioning and Financial Planning  ii) See <b>Table 7E (1) below</b>
7F	The Executive Director of Finance must advise the Health Board's bankers in writing of the conditions under which each account will be operated.	7.3.2	Executive Director of Finance	No further delegation

Ref	SFI requirement	SFI Ref.	Accountability for deliver and compliance with the SFI sits with	Related responsibilities delegated to
7G	The Executive Director of Finance shall approve security procedures for any cheques issued without a hand-written signature	7.3.3	Executive Director of Finance	Finance Director: Commissioning and Financial Planning
7H	The Executive Director of Finance will review banking arrangements of the health board at regular intervals to ensure they reflect best practice, that they are efficient and effective and represent best value for money.	7.4.1	Executive Director of Finance	Finance Director: Commissioning and Financial Planning
7I	The results of the review should be reported to the Audit Committee.	7.4.1	Executive Director of Finance	Director of Corporate Governance to ensure that such reports go to the Committee.

**Table 7E (1)**

<p><b>Day to day operation of bank accounts:</b></p> <ul style="list-style-type: none"> <li>i. maintain list of approved signatories for manual payments</li>   <li>ii. approval to authorise automated payments: <ul style="list-style-type: none"> <li>• accounts payable*</li> <li>• payroll</li> <li>• primary care contractors</li> </ul> </li> <li>iii. maintain list of bankline users and authorisers for internet banking transactions</li> </ul>	<ul style="list-style-type: none"> <li>i. Finance Director: Commissioning and Financial Planning</li> <li>ii. NHS Wales Shared Services Partnership</li>   <li>iii. Finance Director: Commissioning and Financial Planning</li> </ul>
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**\*after confirmation from Head of Financial Control that sufficient funds are available in the bank account**

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## 8. Cash, cheques, Payment Cards and other negotiable instruments

Ref	SFI requirement	SFI Ref.	Accountability for deliver and compliance with the SFI sits with	Related responsibilities delegated to
8A	<p>The Executive Director of Finance is responsible for:</p> <ul style="list-style-type: none"> <li>a) Approving the form of all receipt books, agreement forms, or other means of officially acknowledging or recording monies received or receivable;</li> <li>b) Ordering and securely controlling any such stationery with management responsibility given to a duly designated employee;</li> <li>c) The provision of adequate physical facilities and systems for officers whose duties include collecting and holding cash, including the provision of safes or lockable cash boxes, the procedures for keys, and for coin operated machines;</li> <li>d) establishing systems and procedures for handling cash and negotiable securities on behalf of the health board;</li> <li>e) Ensuring effective control systems are in place for the use of payment cards;</li> <li>f) Ensuring that there are adequate control systems in place to minimise the risk of cash/card misappropriation.</li> </ul>	8.1.1	Executive Director of Finance	Finance Director: Commissioning and Financial Planning

8B	Purchases from petty cash are restricted in value and by type of purchase in accordance with instructions issued by the Executive Director of Finance	8.2.1	Executive Director of Finance	Finance Director: Commissioning and Financial Planning
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**9. Income, fees and charges**

Ref	SFI requirement	SFI Ref.	Accountability for deliver and compliance with the SFI sits with	Related responsibilities delegated to
9A	Designing and maintaining procedures to ensure compliance with systems for the proper recording, invoicing, and collection and coding of all monies due.	9.2.1	Executive Director of Finance	Finance Director: Commissioning and Financial Planning
9B	Ensuring that systems are in place for the prompt banking of all monies received.	9.2.2	Executive Director of Finance	Finance Director: Commissioning and Financial Planning
9C	Approving and regularly reviewing the level of all fees and charges, other than those determined by the Welsh Ministers or by statute ( <i>Private patients, overseas visitors, income generation and other related services</i> )	9.3.1	Executive Director of Finance	Associate Director of Healthcare Contracting
9D	All officers must inform the Executive Director of Finance promptly of money due arising from transactions which they initiate/deal with, including all contracts, leases, tenancy agreements, private patient undertakings and other transactions.	9.3.2	All Officers of the Health Board	Executive Directors are responsible for ensuring that all their teams are aware of this requirement. <b>Table 9D (1) sets out details of delegations related to fees and charges.</b>

**Table 9D (1)**

Fees and Charges:	Authority Delegated to
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<p><b>Service Level Agreements / Contracts with other NHS bodies</b></p> <p>Agreement to <b>provide</b> services with an <b>annual income value must be approved by the Chief Operating Officer and Director of Performance and Commissioning.</b></p> <ul style="list-style-type: none"> <li>i. Up to £30,000</li> <li>ii. Up to £50,000</li> <li>iii. Up to £150,000</li> <li>iv. Up to £250,000</li> <li>v. Between £250,000 and £5 million</li> <li>vi. Between £5 million and £10 million</li> <li>vii. Over £10 million</li> </ul>	<ul style="list-style-type: none"> <li>i. Specific Budget Holders as per operational Schemes of Delegation</li> <li>ii. Contracts Manager</li> <li>iii. Director / Head of Service</li> <li>iv. Relevant IHC / Service Director)</li> <li>v. Relevant Executive Director and Finance Director: Commissioning and Financial Planning (<b>following Executive Committee approval</b>)</li> <li>vi. Executive Director of Finance or Chief Executive (<b>following Executive Committee approval</b>)</li> <li>vii. Chief Executive (<b>following approval by the Executive Committee and the Board</b>)</li> </ul>
<p><b>Grant Funding Agreements</b></p> <p>Agreement to <b>receive</b> a grant with a <b>total income value:</b></p> <ul style="list-style-type: none"> <li>i. up to £75,000</li> <li>ii. up to £250,000</li> <li>iii. up to £500,000</li> <li>iv. up to £1 million</li> <li>v. over £1 million</li> </ul>	<ul style="list-style-type: none"> <li>i. Assistant Directors Associate / Deputy Directors (<b>Tier 5</b>)</li> <li>ii. Service Directors (<b>Tier 4</b>)</li> <li>iii. An Executive Director and Finance Director: Commissioning and Financial Planning (following approval by the Executive Committee)</li> <li>iv. Executive Director of Finance or Chief Executive (following approval by the Executive Committee)</li> <li>v. Chief Executive (following approval by</li> </ul>

	the Board and Welsh Government)
<p><b>Healthcare Agreements / Contracts with non-NHS bodies</b>  Authority to sign Agreement to <b>provide</b> services with a <b>total income value</b> over life of contract (following relevant governance approvals):</p> <ul style="list-style-type: none"> <li>i. up to £75,000</li> <li>ii. up to £250,000</li> <li>iii. up to £500,000</li> <li>iv. up to £1 million</li> <li>v. over £1 million</li> </ul>	<ul style="list-style-type: none"> <li>i. Assistant / Associate / Deputy Directors (Tier 5)</li> <li>ii. Service Directors (Tier 4)</li> <li>iii. An Executive Director and Finance Director: Commissioning and Financial Planning (following approval by the Executive Committee)</li> <li>iv. Executive Director of Finance or Chief Executive (following approval by the Executive Committee)</li> <li>v. Chief Executive (following approval by the Board and Welsh Government)</li> </ul>
<p><b>Individual NHS patient treatment charges outside of Agreements / Contracts</b></p> <p>Agreement to provide treatment</p>	Executive Director of Finance
<p><b>Private Patients and overseas patients without reciprocal agreements</b></p> <ul style="list-style-type: none"> <li>i. pricing policy and price structure</li> <li>ii. payment policy, including use of deposits, income guarantees, arrangements with insurance companies</li> </ul>	Executive Director of Finance with relevant Director

<p><b>Commercial sponsorship offers (including funding contributions for staff &amp; non staff costs)</b></p> <p>i. Agreement to receive commercial sponsorship or funding (in accordance with the relevant Health Board Policy)</p>	<p>Chief Executive or Executive Director of Finance</p>
<p><b>Commercial and non-commercial research projects and trials</b></p> <p>Agreement to receive funding:</p> <p>i. up to £50,000</p> <p>ii. £50,000 to £100,000</p> <p>iii. Over £100,000</p>	<p>i. Executive Medical Director and Director of Finance – Commissioning &amp; Financial Planning</p> <p>ii. Executive Medical Director and Executive Director of Finance</p> <p>iii. Executive Director of Finance (following approval by Executive Committee)</p>

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Ref	SFI requirement	SFI Ref.	Accountability for deliver and compliance with the SFI sits with	Related responsibilities delegated to
9E	The Executive Director of Finance is responsible for recovering income due and for ensuring debt recovery procedures are in place.	9.4.3	Executive Director of Finance	Finance Director: Commissioning and Financial Planning
9F	Ensuring the Welsh Ministers' guidance on disputed debt arbitration is strictly adhered to.	9.4.6	Chief Executive & Executive Director of Finance	Finance Director: Commissioning and Financial Planning

## 10. Non-Pay expenditure

Ref	SFI requirement	SFI Ref.	Accountability for deliver and compliance with the SFI sits with	Related responsibilities delegated to
10A	The Chief Executive will approve the level of non-pay expenditure and operational scheme of delegation and authorisation to budget holders and managers within the parameters set out in the health board's scheme of delegation	10.1.2	Chief Executive	Executive and Service Directors  See Below for Oracle and non-Oracle requisitions

**Note: All Financial Limits shown below are inclusive of VAT irrespective of recovery arrangements**

**ALL DIRECTORATES MUST HAVE A LOCAL / OPERATIONAL SCHEME OF DELEGATION LINKING ACTIVITIES TO THE MAXIMUM DELEGATED LIMITS SET OUT BELOW AT A GRANULAR LEVEL OF APPLICATION WITHIN THEIR SERVICE AREA.**

ORACLE REQUISITIONS	Authority Delegated to
Up to £25,000	Nominated Budget Holder for specific cost centres
Up to £30,000	Service Lead or Site / General Manager
Up to £50,000	Contracts Manager or Head of Operations
Up to £150,000	Assistant / Associate / Deputy Directors or Heads of Service
Up to £250,000	Service Director including Finance Director: Commissioning and Financial Planning
Up to £300,000	Executive Director

ORACLE REQUISITIONS	Authority Delegated to
Up to £500,000	An Executive Director and Finance Director: Commissioning and Financial Planning (2 to sign)
Up to £1 million	Executive Director of Finance or Chief Executive
Above £1 million	Chief Executive following approval by Board and Welsh Government

Expenditure commitments made outside of the ORACLE requisition process		Authority Delegated to
Contracts for HealthCare Services	See Section 12	See Section 12
Pharmacy drugs ordered via Pharmacy system	<ul style="list-style-type: none"> <li>i. Up to £250,000</li> <li>ii. Above £250,000</li> </ul>	i.
Pension Agency Invoices (Injury Benefit/Compensation)		Executive Director of Finance
<b>Legal Claims and Defence costs*</b> All claims and defence costs to be supported by formal legal advice	<ul style="list-style-type: none"> <li>i. up to £0.5 million</li> <li>ii. up to £1 million</li> <li>iii. Above £1 million</li> </ul>	<ul style="list-style-type: none"> <li>i. Deputy Director of Legal Services</li> <li>ii. Director of Corporate Governance</li> <li>iii. Chief Executive (following Board approval unless otherwise delegated)</li> </ul>
Legal Advice Requests	Chief Executive	Director of Corporate Governance (or Deputy Director of Legal Services)  Executive Director of People Services and Organisational Development for all

employment related matters )

Ref	SFI requirement	SFI Ref.	Accountability for deliver and compliance with the SFI sits with	Related responsibilities delegated to
10B	<p>The Chief Executive will set out in the operational scheme of delegation and authorisation:</p> <p>a) The list of managers who are authorised to place requisitions for the supply of goods, services and works and for the awarding of contracts; and</p> <p>b) The maximum level of each requisition and the system for authorisation above that level.</p>	10.1.3	Chief Executive	Executive and Service Directors
10C	<p>The Executive Director of Finance will:</p> <p>a) Advise the Board regarding the thresholds above which quotations (competitive or otherwise) or formal tenders must be obtained; and, once approved, the thresholds would be incorporated in SOs and SFIs;</p> <p>b) Preparation of instructions and guidance on non-pay expenditure;</p> <p>c) Ensure systems of authorisation are in place;</p> <p>d) Ensure Directors and officers strictly follow NHS Wales system and procedures of verification, recording and payment of all amounts payable;</p> <p>e) Maintain a list of Executive Directors and officers (including specimens of their signatures) authorised to certify invoices;</p> <p>f) Be responsible for ensuring compliance with the</p>	10.2.1	Executive Director of Finance	See <b>Table 10C (1) below</b> for competition requirements for 'Goods and Non-Health Services Only' where there is no suitable procurement framework to source the required item(s)

Ref	SFI requirement	SFI Ref.	Accountability for deliver and compliance with the SFI sits with	Related responsibilities delegated to
	<p>Public Sector Payment policy;</p> <p>g) Ensure that where consultancy advice is being obtained, the procurement of such advice must be in accordance with applicable procurement legislation, guidance issued by the Welsh Ministers and SFIs;</p> <p>h) Be responsible for Petty Cash system, procedures, authorisation and record keeping, and ensure purchases from petty cash are restricted in value and by type of purchase in accordance with procedures</p>			
10D	<p>Compliance with the requirements below:</p> <p>a) All contracts (except as otherwise provided for in the Scheme of Delegation), leases, tenancy agreements and other commitments which may result in a liability are notified to the Executive Director of Finance in advance of both any commitment being made and NWSSP Procurement Services being engaged;</p> <p>b) Contracts above specified thresholds are advertised and awarded, through NWSSP Procurement Services, in accordance with EU and HM Treasury rules on public procurement;</p> <p>c) Contracts above specified thresholds are approved by the Welsh Ministers prior to any commitment being made;</p> <p>d) goods have been duly received, examined and are in accordance with specification and order;</p> <p>e) work done or services rendered have been satisfactorily carried out in accordance with the order, and, where applicable, the materials used are of the requisite standard and the charges are correct;</p>	10.3.1	Budget Holders	<p>Executive Director of Finance to put arrangements to ensure compliance</p> <p>Executive Directors to ensure all budget holders within their Directorate are aware of the requirements</p>

Ref	SFI requirement	SFI Ref.	Accountability for deliver and compliance with the SFI sits with	Related responsibilities delegated to
	<p>f) No requisition/order shall be issued for any item or items to any firm which has made an offer of gifts, reward or benefit to Board members or LHB officers, other than:</p> <p>(i) Isolated gifts of a trivial character or inexpensive seasonal gifts, such as calendars,</p> <p>(ii) Conventional hospitality, such as lunches in the course of working visits;</p> <p>g) No requisition/order is placed for any item or items for which there is no budget provision unless authorised by the Executive Director of Finance on behalf of the Chief Executive;</p> <p>h) All goods, services, or works are ordered on official orders;</p> <p>i) Requisitions/orders are not split or otherwise placed in a manner devised so as to avoid the financial thresholds;</p> <p>j) Goods are not taken on trial or loan in circumstances that could commit the LHB to a future uncompetitive purchase.</p>			
10E	<p>The Chief Executive and Executive Director of Finance shall ensure that the arrangements for financial control and financial audit of building and engineering contracts and property transactions comply with the guidance issued by the Welsh Ministers.</p> <p>The technical audit of these contracts shall be the responsibility of the relevant Director.</p>	10.3.2	<p>Chief Executive</p> <p>Executive Director of Finance</p>	No further delegation

Ref	SFI requirement	SFI Ref.	Accountability for deliver and compliance with the SFI sits with	Related responsibilities delegated to
10F	<p>Prepayments should be exceptional and are only permitted where either:</p> <ul style="list-style-type: none"> <li>▪ The financial advantages outweigh the disadvantages (i.e., cash flows must be discounted to Net Present Value (NPV) using the National Loans Fund (NLF) rate plus 2%);</li> <li>▪ It is the industry norm e.g., courses and conferences; There is specific Welsh Ministers' approval to do so e.g., voluntary services compact.</li> </ul>	10.6.1	Executive Director of Finance	Executive Directors
10G	<p>In exceptional circumstances prepayments can be made subject to:</p> <p>a) The appropriate Executive Director must provide, in the form of a written report, a case setting out all relevant circumstances of the purchase. The report must set out the effects on the Health Board if the supplier is at some time during the course of the prepayment agreement unable to meet their commitments;</p> <p>b) The Executive Director of Finance will need to be satisfied with the proposed arrangements before contractual arrangements proceed (taking into account the EU public procurement rules where the contract is above a stipulated financial threshold);</p>	10.6.2	Executive Director of Finance	Executive Directors
10H	<p>The budget holder is responsible for ensuring that all items due under a prepayment contract are received and they must immediately inform the appropriate Director or Chief Executive if problems are encountered.</p>	10.6.2 part c)	Budget Holders	No further delegation

Ref	SFI requirement	SFI Ref.	Accountability for deliver and compliance with the SFI sits with	Related responsibilities delegated to
10I	Approval for all external consultancy support (total contract value for duration of service) to be approved by Executive Committee.  Approvals above £0.5m to also be approved by Board and above £1.0m to be approved by Welsh Government	Local	Executive Committee	As per Table below

Consultancy (Total contract value)	Contract to be signed by
Up to £0.25 million	An Executive Director and Finance Director: Commissioning and Financial Planning (2 to sign)
Up to £0.5 million	Executive Director of Finance or Chief Executive
Up to £1 million	Chief Executive (following Board approval)
Above £1 million	Chief Executive (following approval by Board and Welsh Government)

**Table 10C (1) 'Goods and Non-Health Services Only'**

Goods/Services/Works (Whole Life Cost Contract Value)	Minimum Competition	Lead	Waivers, or exceptions to tender rules
Below £5,000	Evidence of value for money has been achieved	Budget owners	-
£5,000 to £24,999	Evidence of 3 written quotations	Procurement Services	Executive Director of Finance and NWSSP Procurement Services
£25,000 plus to the prevailing Procurement Act 2023 threshold	Advertised open call for competition. Minimum of 4 tenders received if available	Procurement Services	Single Tender Action authorised by Executive Director of Finance and Chief Executive
Over the prevailing Procurement Act 2023 threshold	Advertised open call for competition. Minimum of 5 tenders received if available or appropriate to the procurement route	Procurement Services	Single Tender Action prohibited
Contracts above £1m	Welsh Gov approval required	Procurement Services	-

**Notes:**

*Total value excluding VAT.*

*Subject to the existence of suitable suppliers*

## 11. Procurement and contracting for goods and services

Ref	SFI requirement	SFI Ref.	Accountability for deliver and compliance with the SFI sits with	Related responsibilities delegated to
11A	The health board shall maintain detailed policies and procedures for all aspects of procurement including tendering and contracting processes.	11.2.1	Board <i>[Chief Executive is ultimately responsible]</i>	NWSSP Procurement Services
11B	The Procurement Act 2023 and associated subordinate instruments, the Health Services (Provider Selection Regime) (Wales) Regulations 2025 and associated subordinate instruments, and the Welsh Procurement Policy Notices are the key pieces of legislation which governs public sector procurement in the UK. All Directors and their staff are responsible for ensuring that all legal requirements in the area of public procurement are understood and fully complied with.	11.3.5	Executive Directors	Officers of the Health Board
11C	To help towards ensuring that the LHB is compliant with the legislation governing public sector procurement in the UK, and Welsh Ministers' guidance and policy, the LHB shall, through Procurement Services, ensure that it shall have procedures that set out: a) requirements for, and exceptions to, formal competitive tendering ('Goods and Non-Health Services Only');	11.5.1	Board <i>[Chief Executive is ultimately responsible]</i>	Executive Director of Finance

	<p>b) tendering processes including post tender discussions;</p> <p>c) requirements and exceptions to obtaining quotations ('Goods and Non-Health Services Only');</p> <p>d) evaluation and scoring methodologies; and</p> <p>e) approval of firms for providing goods and services.</p> <p>All procurement procedures must comply with all relevant legislation, the Welsh Ministers' guidance and the Health Board's delegation arrangements and approval processes.</p>	11.5.2		
<b>Ref</b>	<b>SFI requirement</b>	<b>SFI Ref.</b>	<b>Accountability for deliver and compliance with the SFI sits with</b>	<b>Related responsibilities delegated to</b>
11D	<p>The health board shall develop sustainable procurement solutions consistent with the Wellbeing of Future Generations (Wales) Act 2015 (the WBFG Act 2015).</p> <p>The health board is required to consider the Welsh Government Guidance on Ethical Employment Practices in Public Sector Supply Chains and the Code of Practice on ethical employment in supply chains.</p>	11.7.1  11.7.5	Board	<p>No further delegation</p> <p>Executive Director of Transformation, Strategic Planning and Commissioning – to develop on behalf of Board</p>
<b>Ref</b>	<b>SFI requirement</b>	<b>SFI Ref.</b>	<b>Accountability for deliver and compliance with the SFI sits with</b>	<b>Related responsibilities delegated to</b>
11E	The health board shall benchmark its performance in sustainable procurement against the Wellbeing of Future Generations (Wales) Act 2015 (WBFG Act 2015).	11.7.6	Board	Executive Director of Finance

	For all contracts over £25,000, the health board shall take into account the social, economic, environmental and cultural goals in the WBSG Act 2015 using the Sustainable Risk Assessment Template (SRA).			
11F	Minimum thresholds for quotes and competitive tendering arrangements for 'Goods and Non-Health Services' are to be complied with.	11.10.2	Executive Director of Finance	All Officers of the Health Board See <b>Table 10(C)1</b>
11G	In exceptional circumstances it may be necessary to secure goods/services/works from a single supplier. In these circumstances a Single Quote / Tender Application (Waiver) must be completed. The Executive Director of Finance must approve such applications up to £25,000; the Chief Executive or designated deputy, and Executive Director of Finance, are required to approve applications exceeding £25,000.  This requirement for a Single Quote / Tender Application (Waiver) applies even if the award is a Direct Award under a 'procurement framework'.	11.13	Executive Director of Finance	No further delegation
11H	The relevant budget holder shall oversee and manage each contract on behalf of the health board so as to ensure that obligations on delivery of business and operational objectives, and achieving value for money, are met	11.16.1	Budget Holders	No further delegation
11I	The budget manager in choosing the item to be supplied (or the service to be performed) shall always obtain the best value for money for the health board. In so doing, the health board's approved catalogue shall be used.	11.18.1	Budget Holders	All individuals authorised to requisition items

	Where a required item is not included within the catalogue, advice must be sought from procurement services.			
<b>Ref</b>	<b>SFI requirement</b>	<b>SFI Ref.</b>	<b>Accountability for deliver and compliance with the SFI sits with</b>	<b>Related responsibilities delegated to</b>
11J	Where a required item is not included within the catalogue or on a framework contract, the budget manager shall request procurement services to undertake quotation / tendering exercises ('Goods and Non-Health Services Only') on their behalf.	11.18.2	Budget Holders	All individuals authorised to requisition items
11K	All orders for goods ('Goods and Non-Health Services Only') and services must be accompanied by an official order number, available from the Procurement Department. In no circumstances must a requisition number be used as an order number.	11.18.3	Budget Holders	All individuals authorised to requisition items

**\*\*Current delegated limit for contracts before requiring Ministerial approval is £1m**

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## 12. Health Care Agreements and Contracts for Health Care Services

Ref	SFI requirement	SFI Ref.	Accountability for deliver and compliance with the SFI sits with	Related responsibilities delegated to
12A	<p>The Chief Executive is responsible for ensuring the health board enters into suitable Health Care Agreements, or Individual Patient Commissioning Agreements, where appropriate for the provision of health care services from external providers.</p> <p>All agreements must be in accordance with the functions conferred on the Health Board by the Welsh Ministers.</p>	<p>12.1.1</p> <p>12.1.3</p>	Chief Executive	See <b>12A (1) – 12A (11)</b> below
12A (i)	All Continuing Health Care Pre-Placement Agreements (PPA) are to be approved by the Chief Executive	Local	Chief Executive	No further delegation
12B	The Chief Executive will need to ensure that regular reports are provided to the Board detailing performance, quality and associated financial implications of all Health Care Agreements with external providers.	12.3	Chief Executive	<p>Executive Director of Finance and <b>Director of Performance and Commissioning</b></p> <p>Director of Corporate Governance to ensure that such reports are built in to work programmes.</p>

<b>Agreements for the purchase of services</b>	<b>Authority delegated to</b>
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<p>12A (1)</p>	<p><b>Long Term Agreements / Contracts with other NHS bodies</b></p> <p>Approval and Signing of the Long-Term Agreements (annual renewal of contracts). New agreements / contracts, or any variations to agreement / contracts, are to be approved as per section 12A (2) below</p>	<p>Annual contract schedule approved via annual budget approval process</p>
<p>12A (2)</p>	<p><b>Service Level Agreements / Contracts with other NHS bodies</b></p> <p>Agreement to purchase services with an <b>annual value must be approved by the Chief Operating Officer and Director of Performance and Commissioning.</b></p> <ul style="list-style-type: none"> <li>i. up to £30,000</li> <li>ii. up to £50,000</li> <li>iii. up to £150,000</li> <li>iv. up to £250,000</li> <li>v. between £250,000 and £5 million</li> <li>vi. between £5 million and £10 million</li> <li>vii. above £10 million</li> </ul>	<ul style="list-style-type: none"> <li>i. Specific Budget Holders as per operational Schemes of Delegation</li> <li>ii. Contracts Manager</li> <li>iii. Directors / Heads of Service</li> <li>iv. Relevant IHC / Service Director</li> <li>v. Relevant Executive Director and Finance Director: Commissioning and Financial Planning (<b>following approval by the Executive Committee</b>)</li> <li>vi. Executive Director of Finance or Chief Executive (<b>following approval by the Executive Committee</b>)</li> <li>vii. Executive Director of Finance or Chief Executive (<b>following approval at Executive Committee and the Board</b>)</li> </ul>

		All new contracts or variations over £1 million to be retrospectively reported to Board.
	<b>Agreements for the purchase of services</b>	<b>Authority delegated to</b>
12A (3)	<p><b>Healthcare Agreements / Contracts with non-NHS bodies</b> <b>(Private / 3rd Sector / Grants / Primary Care / Local Authorities)</b></p> <p>Agreement to purchase services with a <b>total contract value</b> over life of contract <b>must be approved by the Executive Director (Tier 3) and Executive Director of Finance (Tier 2)</b></p> <ul style="list-style-type: none"> <li>i. up to £75,000</li> <li>ii. up to £150,000</li> <li>iii. up to £250,000</li> <li>iv. between £250,000 and £500,000</li> <li>v. between £500,000 and £1 million</li> <li>vi. above £1 million (contract on framework)</li> <li>vii. above £1 million (not under any framework)</li> </ul>	<ul style="list-style-type: none"> <li>i. Assistant Directors</li> <li>ii. Associate / Deputy Directors</li> <li>iii. Service Directors</li> <li>iv. Relevant Executive Director and Finance Director: Commissioning and Financial Planning <b>(following approval by the Executive Committee)</b></li> <li>v. Executive Director of Finance or Chief Executive <b>(following approval by the Executive Committee)</b></li> <li>vi. Chief Executive <b>(following approval at Executive Committee and the Board)</b></li> <li>vii. Chief Executive <b>(following approval at Executive Committee and the Board and from Welsh Government)</b></li> </ul> <p>Welsh Government approval required in advance of contract planning</p>

	Agreements for the purchase of services	Authority delegated to
<p>12A (4)</p>	<p><b>Individual Continuing Health Care (CHC) Placements/Packages -</b>            Authorisation of individual placements/packages following recommendation from the 'Local' CHC Panel.            For placements above £200,000 per annum, recommendation is required from the Complex, Value for Money and High Risk CHC Panel</p> <p><b>APPROVAL REQUIREMENTS EXCLUDES 'FAST TRACK' PROCESS AS PER THE WALES NATIONAL FRAMEWORK</b></p> <p>Agreement to purchase services with an <b>annual value:</b></p> <ul style="list-style-type: none"> <li>i. Up to £125,000</li> <li>ii. Between £125,000 and £250,000</li> <li>iii. Between £250,000 and £1 million</li> <li>iv. Above £1 million</li> <li>v.</li> </ul>	<ul style="list-style-type: none"> <li>i. Service Director and Chief Operating Officer</li> <li>ii. Chief Operating Officer and Executive Director of Finance</li> <li>iii. Executive Director of Finance (<b>following approval at Executive Committee</b>)</li> <li>iv. Chief Executive (<b>following approval at Executive Committee and Board</b>)</li> <li>v.</li> </ul>
<p>12A (5)</p>	<p><b>Individual Patient Commissioning Agreements (for example, Mental Health Out of Area Placements)</b></p> <p>Agreement to purchase services with an <b>annual value:</b></p> <ul style="list-style-type: none"> <li>i. Up to £125,000</li> <li>ii. Between £125,000 and £250,000</li> </ul>	<ul style="list-style-type: none"> <li>i. Service Director and Chief Operating Officer</li> <li>ii. Chief Operating Officer and Executive Director of Finance</li> <li>iii. Executive Director of Finance (<b>following approval at Executive Committee</b>)</li> </ul>

	<ul style="list-style-type: none"> <li>iii. Between £250,000 and £1 million</li> <li>iv. Above £1 million</li> </ul>	<ul style="list-style-type: none"> <li>iv. Chief Executive (<b>following approval at Executive Committee and Board</b>)</li> </ul>
<p><b>12A (6)</b></p>	<p><b>NHS Funded Nursing Care (FNC)</b></p> <ul style="list-style-type: none"> <li>i. Authorisation of individual placements/packages following recommendation from a Nurse Assessor</li> <li>ii. Agreement of changes to annual standard rates</li> </ul>	<ul style="list-style-type: none"> <li><b>i.</b></li> <li><b>ii. Board (following approval at Executive Committee)</b></li> </ul>
<p><b>12A (7)</b></p>	<p><b>Individual Patient Funding Requests (IPFR) - Authorisation of individual agreements following recommendation from the IPFR Panel:</b></p> <ul style="list-style-type: none"> <li>i. Up to £125,000</li> <li>ii. Between £125,000 and £299,000</li> <li>iii. Between £300,000 and £1 million</li> <li>iv. Above £1 million</li> </ul>	<ul style="list-style-type: none"> <li>i. Chair and Vice-chair of BCUHB IPFR Panel</li> <li>ii. Chief Executive</li> <li>iii. Wales IPFR Panel</li> <li>iv. Welsh Government</li> </ul>
<p><b>12A (8)</b></p>	<p><b>Primary Care Contracts – General Medical Services (excluding enhanced services)</b></p> <ul style="list-style-type: none"> <li>i. Approval and Signing of the GMS contracts with practices</li> <li>ii. Variations to the Agreement</li> <li>iii. Payments under the contracts</li> </ul>	<ul style="list-style-type: none"> <li><b>i. Authority delegated as per Table 12A (3)</b></li> <li><b>ii. Authority delegated as per Table 12A (3)</b></li> <li>iii. Delegated to NWSSP</li> </ul>
<p><b>12A (9)</b></p>	<p><b>Primary Care Contracts – General Medical Services (Enhanced services)</b></p> <ul style="list-style-type: none"> <li>i. Approval and Signing of agreements to provide Enhanced services</li> <li>ii. Variations to the Agreement</li> <li>iii. Payments under the Agreements</li> </ul>	<ul style="list-style-type: none"> <li><b>i. Authority delegated as per Table 12A (3)</b></li> <li><b>ii. Authority delegated as per Table 12A (3)</b></li> <li>iii. Delegated to NWSSP</li> </ul>

<p>12A (10)</p>	<p><b>Primary Care Contracts – General Dental Services</b>  i. Approval and Signing of the GDS contracts with practices  ii. Amendments to the Agreement  iii. Payments under the contracts</p>	<p>i. Authority delegated as per Table 12A (3)  ii. Authority delegated as per Table 12A (3)  iii. Delegated to NWSSP</p>
<p>12A (11)</p>	<p><b>Primary Care Contracts – Pharmaceutical Services (including enhanced and advanced services)</b>  i. Payments under the contracts or enhanced service agreements  ii. Approval and signing of agreements to provide enhanced services</p>	<p>i. Delegated to NWSSP  ii. Authority delegated as per Table 12A (3)</p>
<p>12A (12)</p>	<p><b>Primary Care Contracts – General Ophthalmic Services</b>  i. Payments under the contracts or enhanced service agreements  ii. Approval and signing of agreements to provide enhanced services</p>	<p>i. Delegated to NWSSP  ii. Authority delegated as per Table 12A (3)</p>
<p>12A (13)</p>	<p><b>Providing services jointly with Local authorities under Section 32 and 33 of NHS (Wales) Act 2006.</b>  i. Approval and Signing of the pooled budget arrangements  ii. Amendments to the Agreement</p>	<p>As per Table 12A(3) above</p>

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### 13. Grant funding

Ref	SFI requirement	SFI Ref.	Accountability for deliver and compliance with the SFI sits with	Related responsibilities delegated to
13A	Maintaining detailed policies and procedures for all aspects of grant funding- i.e., awarding of grants. Where appropriate these should comply with the Welsh Government's Code of Practice to funding the third sector.	13.2.1	Board <i>[Chief Executive is ultimately responsible]</i>	Executive Director of Finance
13B	Health Boards are responsible for ensuring that appropriate procedures exist in relation to all the grants and funding for which they are accountable.  They are also responsible for ensuring that any grant provided to an entity that engages in economic activity complies with the State aid rules.	13.4.3	Board <i>[Chief Executive is ultimately responsible]</i>	Executive Director of Finance

13C	Health Boards are required to undertake due diligence checks on all potential delivery organisations to determine the economic and financial viability of any organisation(s) to administer public funds, and the reliability of the organisation(s).	13.4.4	Board <i>[Chief Executive is ultimately responsible]</i>	Executive Director of Finance
<b>Ref</b>	<b>SFI requirement</b>	<b>SFI Ref.</b>	<b>Accountability for deliver and compliance with the SFI sits with</b>	<b>Related responsibilities delegated to</b>
13D	The health board must enter into legally binding funding agreements  The health board is responsible for ensuring that all third-party delivery organisations comply with and adhere to the terms and conditions of the Funding Agreement.	13.4.5  13.4.6	Board <i>[Chief Executive is ultimately responsible]</i>	Executive Director of Finance

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## 14. Pay expenditure

Ref	SFI requirement	SFI Ref.	Accountability for deliver and compliance with the SFI sits with	Related responsibilities delegated to
14A	In accordance with SOs the Board shall establish a Remuneration Committee, with clearly defined terms of reference and operating arrangements that specify which posts fall within its area of responsibility.	14.1.1	Board	Director of Corporate Governance to ensure Committee in place
14B	<p>The Remuneration Committee shall report in writing to the Board the basis for its recommendations.</p> <p>The Board shall use the report as the basis for their decisions, but remain accountable for taking decisions on the remuneration and terms of service of Directors and other senior employees, in accordance with the framework set by the Welsh Ministers.</p> <p>Minutes of the Board's meetings should record such decisions.</p>	14.1.2	<p>Remuneration Committee Chair</p> <p>Board</p> <p>Chair supported by Director of Corporate Governance</p>	<p>Director of Corporate Governance to ensure reports from the Committee go to the Board</p> <p>No further delegation</p> <p>No further delegation</p>
14C	The Board will, after due consideration and amendment, if appropriate approve proposals presented by the Chief Executive for the setting of remuneration and terms of service for those employees and officers not covered by the Committee.	14.1.3	Board	People and Culture Committee
14D	The workforce plans incorporated within the approved Integrated Medium-Term Plan will form the funded establishment, i.e., the budget for all approved posts.	14.2.1	Board to approve	Executive Director of People and Organisational Development

Ref	SFI requirement	SFI Ref.	Accountability for deliver and compliance with the SFI sits with	Related responsibilities delegated to
				All Executive Directors to contribute
14E	The funded establishment of any department may not be varied without the approval of the Chief Executive or an officer with delegated authority.	14.2.2	Chief Executive	Executive Director of People and Organisational Development and Executive Director of Finance
14F	No Board member or health board official may engage, re-engage, or re-grade employees, either on a permanent or temporary nature, or hire agency staff, or agree to changes in any aspect of remuneration outside the limit of their approved budget and funded establishment unless authorised to do so by the Chief Executive.	14.3.2	Chief Executive	Executive Director of People and Organisational Development and Executive Director of Finance

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	New Appointments, Bank and agency costs (within funded establishment and delegated budget)	Delegated Approval / Sign Off by:
B1	Employment of all fixed term and permanent staff – except Medical consultants	Direct to Operational Services. Budget Holder to approve but engagement must be within approved delegated budget and funded establishment.
B2	Employment of fixed term and permanent staff including locums (subject to any vacancy review policy in place)- Medical consultants only	Direct to Operational Services. Budget Holder to approve but engagement must be within approved delegated budget and funded establishment.  Appointments are made by the Chair of the AAC and ratified by the People and Culture Committee.
	Employment of fixed term and permanent staff including locums (subject to any vacancy review policy in place)- SAS Doctors	Budget Holder to approve but engagement must be within approved delegated budget and funded establishment.
B3	Nursing bank	Direct to Operational Services  Budget Holder (within delegated budget)
	On Contract Agency	Integrated Health Community Nurse Director or deputy
B4	Nursing agency Off contract	Executive Director of Nursing and Midwifery
B5	Medical agency	TO
	<ul style="list-style-type: none"> <li>ii. On Contract</li> <li>iii. Off Contract</li> </ul>	Executive Medical Director

	New Appointments, Bank and agency costs (within funded establishment and delegated budget)	Delegated Approval / Sign Off by:
	Medical Bank	Executive Medical Director
B6	Engage non-medical, non-payroll staff (subject to contracting and tax assurance rules):	
	- Below £25k gross commitment	Executive Director only supported by advice from the People Services Team
	- up to £50k gross commitment	Executive Directors and Finance Director: Commissioning and Financial Planning
	- > £50k gross commitment	Chief Executive & Executive Director of Finance

**Note: Agency and Waiting List Initiatives must generally be approved in advance. However, in exceptional circumstances when staff are required out of hours, they can be approved retrospectively**

Ref	SFI requirement	SFI Ref.	Accountability for deliver and compliance with the SFI sits with	Related responsibilities delegated to
14G	Procedures to be presented by the Chief Executive for Board approval for the determination of commencing pay rates, condition of service, etc. for employees in accordance with pay, terms and conditions set out in Agenda for Change and other pay review bodies.	14.4.1	Chief Executive	Executive Director of People and Organisational Development

Ref	SFI requirement	SFI Ref.	Accountability for deliver and compliance with the SFI sits with	Related responsibilities delegated to
14H	The Executive Director of People and Organisational Development has responsibility for securing an efficient, well controlled payroll service.	14.5.1	Executive Director of People and Organisational Development	No further delegation
14I	<p>The Executive Director of People and Organisational Development is responsible for:</p> <p>a) The control framework and detailed procedures which are in place to:</p> <ul style="list-style-type: none"> <li>• ensure all payments comply with HMRC, Pensions Agency and other regulation in relation to the deduction and payment of tax, national insurance, pension or other payments,</li> <li>• reduce the risk of fraud and error within the payroll function.</li> </ul> <p>b) Specifying timetables for submission of properly authorised time records and other notifications;</p> <p>c) The final determination of pay and allowances including verification that the rate of pay and relevant conditions of service are in accordance with current agreements;</p> <p>d) Agreeing the timing and method of payment with the payroll service;</p> <p>e) Authorising the release of payroll data where in accordance with the applicable Data Protection Legislation;</p> <p>f) Verification and documentation of data;</p> <p>g) The timetable for receipt and preparation of payroll data and</p>	14.5.2	Executive Director of People and Organisational Development	No further delegation

Ref	SFI requirement	SFI Ref.	Accountability for deliver and compliance with the SFI sits with	Related responsibilities delegated to
	<p>the payment of employees and allowances;</p> <p>h) Maintenance of subsidiary records for superannuation, income tax, social security and other authorised deductions from pay;</p> <p>i) Security and confidentiality of payroll information;</p> <p>j) Checks to be applied to completed payroll before and after payment; and</p> <p>k) A system to ensure the recovery from those leaving the employment of the Health Board of sums of money and property due by them to the Health Board.</p>			
14J	<p>The Chief Executive is responsible for:</p> <p>a) Ensuring that any shared or hosted service arrangement is supported by appropriate Service Level Agreements, terms and conditions, adequate internal controls and audit review procedures;</p> <p>b) Ensuring a sound system of internal control and audit review of any internally provided payroll service;</p> <p>c) Maintenance and/or the authorisation of regular and independent reconciliation of pay control accounts.</p>	14.5.3	Chief Executive	<p>a) Director of Corporate Governance</p> <p>b) Finance Director: Commissioning and Financial Planning</p> <p>c) Finance Director: Commissioning and Financial Planning</p>
14K	<p>Appropriately nominated managers have delegated responsibility for:</p> <p>a) Submitting time records, and other notifications in accordance with agreed timetables;</p>	14.5.4	Line Managers	No further delegation

Ref	SFI requirement	SFI Ref.	Accountability for deliver and compliance with the SFI sits with	Related responsibilities delegated to
	<p>b) Completing time records and other notifications in accordance with the Service Level Agreements; and  c) Submitting termination forms in the prescribed form immediately upon knowing the effective date of an employee's or officer's resignation, termination or retirement.</p> <p>Where an employee fails to report for duty or to fulfil obligations in circumstances that suggest they have left without notice, the Executive Director of People and Organisational Development and/or Chief Executive must be informed immediately. In circumstances where fraud is suspected, this must be reported to the Executive Director of Finance.</p>			

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Ref	SFI requirement	SFI Ref.	Accountability for deliver and compliance with the SFI sits with	Related responsibilities delegated to
14L	Ensuring that all employees are issued with a Contract of Employment in a form approved by the Board and which complies with employment legislation; and dealing with variations to, or termination of, contracts of employment	14.6.1	Executive Director of People and Organisational Development	No further delegation

<p><b>Approve departure under compromise agreement (VERs)</b></p> <ul style="list-style-type: none"> <li>○ Up to £50k (i &amp; ii)</li> <li>○ Above £50k (i, ii &amp; iii)</li> </ul>	<p>i. All applications to be approved by Executive Director of People and Organisation Development, Chief Executive and Executive Director of Finance.</p> <p>ii. All applications also need to be approved by the Remuneration Committee</p> <p>iii. Any VER payments over £50k also need to be approved by Welsh Government.</p>
<b>Approve redundancy</b>	Chief Executive and Executive Director of Finance and Remuneration Committee (subject to any Welsh Government approval mechanisms)
<b>Approve departure under compromise agreement (other than VERs)</b>	Executive Director of People and Organisation Development (subject to any Welsh Government approval mechanisms), Chief Executive and Executive Director of Finance

**\*Note: Any agreements that are deemed contentious to be referred to Remuneration Committee**

## 15. Capital Plan, Capital Investment, Fixed Asset Registers and Security of Assets

Ref	SFI requirement	SFI Ref.	Accountability for deliver and compliance with the SFI sits with	Related responsibilities delegated to
15A	<p>The Chief Executive is responsible for:</p> <ul style="list-style-type: none"> <li>(i) ensuring that there is an adequate appraisal and approval process in place for determining capital expenditure priorities and the effect of each proposal upon plans;</li> <li>(ii) the management of all stages of capital schemes and for ensuring that schemes are delivered on time and to cost;</li> <li>(iii) ensuring that any capital investment above the Welsh Ministers' delegated limit is not undertaken without approval of the Welsh Ministers and that confirmation of capital resources has been received;</li> <li>(iv) ensuring that the three-year Capital Plan and detailed annual Capital Programme is approved by the Board, as part of the IMTP, prior to the commencement of the financial year;</li> <li>(v) ensuring the availability of resources to finance all revenue consequences of the investment, including capital charges; and</li> <li>(vi) ensuring that any 3rd party use of NHS estate is properly controlled, reimbursed and reported.</li> </ul>	15.4.1	Chief Executive	<ul style="list-style-type: none"> <li>(i) Executive Director of Transformation and Strategic Planning</li> <li>(ii) Director of Environment and Estates</li> <li>(iii) Executive Director of Finance</li> <li>(iv) Executive Director of Transformation and Strategic Planning</li> <li>(v) Executive Director of Finance</li> <li>(vi) Director of Environment and</li> </ul>

				Estates
15B	<p>For every capital expenditure proposal, the Chief Executive shall ensure:</p> <p>a) That a business case is produced in line with Welsh Ministers' guidance and where appropriate the 5-case Model;</p> <p>b) That the Executive Director of Finance has certified professionally to the costs and revenue consequences detailed in the business case and involved appropriate Health Board personnel and external agencies in the process.</p>	15.4.2	Chief Executive	Executive Director of Finance
15C	<p>For capital schemes where the contracts stipulate stage payments, the Chief Executive will issue procedures for their management in accordance with the Welsh Ministers' guidance.</p>	15.4.3	Chief Executive	Director of Environment and Estates and Executive Director of Finance
15D	<p>The Chief Executive shall issue to the manager responsible for any scheme:</p>	15.4.5	Chief Executive	Executive Director of Finance

	a) Specific authority to commit expenditure; b) Authority to proceed to tender; c) Approval to accept a successful tender.			
15E	The Chief Executive will issue a scheme of delegation for capital investment management in accordance with the Welsh Ministers' guidance and the health board's SOs.	15.4.6	Chief Executive <i>[with advice from Executive Director of Finance]</i>	See below <b>Table 15E(1)</b>  Detailed procedures are contained in the Health Board's Capital Manual

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**Table 15E(1) - Capital Schemes funded by Discretionary Allocation**

Discretionary Capital Programme Approvals		Gross Expenditure on Whole Project		
Approval / Sign Off by:	Initial Annual Discretionary Programme	New Approvals Schemes under £500k	Scheme over £500K to £1m	Schemes over £1m*
Strategic Planning and Service Change Group (SPSC)			Agree project mandate and priority	
Tier 4	Sign Abbreviated Business Case up to £50K	Sign Abbreviated Business Case up to £50K	-	Sign Abbreviated Business Case
Tier 3 or 4	Sign Abbreviated Business Case over £50K	Sign Abbreviated Business Case over £50K	Sign Abbreviated Business Case and BJC	Sign Business Justification Case
Executive Director / Senior Responsible Officer (Tier 3 or 4)	-	-	Sign Business Justification Case	Sign Business Justification Case
Executive Director of Finance (Tier 3)	-	-	Review and agreement	Review and agreement
Capital Investment Group (CIG)	Recommend	Recommend	Recommend	Recommend
Strategic Planning and Service Change Group (SPSC)	Recommend for onward consideration for board governance	Approve	Approve Business Justification Case	Recommend
Performance, Finance and Information Governance Committee (PFIG)	Recommend	-	-	Recommend
Health Board	Approve	-	-	Approve

**\* Capital Schemes funded by Welsh Government**

Strategic Planning and Service Change Group (SPSC) considers overall priorities and project mandates in advance of submission to Welsh Government for consideration (Executive approval required). For all-Wales capital schemes, the nature of the business case will be determined in discussion with Welsh Government.

Scheme under £1m	Scheme over £1m
Executive Committee considers overall priorities and project mandates (unless otherwise delegated)	
↓	↓
Scoping document submitted to Welsh Government (WG) followed by a scoping meeting with WG to jointly sign off	Scoping document submitted to WG followed by a scoping meeting with WG to jointly sign off
↓	↓
Business Justification Template signed off by lead Senior Responsible Officer and Executive Director	Strategic Outline Case signed off by Strategic Planning and Service Change Group (SPSC) , Performance, Finance and Information Governance (PFIG) Committee and
↓	↓
Capital Investment Group Recommend	Outline Business Case signed off by Executive Committee, PFIG Committee and the Board
↓	↓
Strategic Planning and Service Change Group Approve	Full Business Case signed off by Executive Committee, PFIG Committee and the Board
↓	↓
Submission to WG for approval	Final approval required from WG at each stage of Business Case process

Ref	SFI requirement	SFI Ref.	Accountability for deliver and compliance with the SFI sits with	Related responsibilities delegated to
15F	The Executive Director of Transformation & Strategic Planning and Executive Director of Finance shall issue detailed procedures governing the project, financial management including variations to contract, of capital investment projects and valuation for accounting purposes.	15.4.7	Executive Director of Transformation & Strategic Planning and Executive Director of Finance	See <b>Table 15F (1) below</b>
15G	The Director of Finance shall issue procedures for the regular reporting of expenditure and commitment against authorised expenditure.	15.4.7	Executive Director of Finance	Finance Director: Commissioning and Financial Planning
15H	Approval for any new capital financing arrangements with the private sector, including Private Financing Initiatives, Mutual Investment Model and Third-party Developments, without the consent of the Welsh Ministers.	15.5.1	Welsh Ministers	No further delegation

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**Table 15F (1)- Capital orders and payment authorisation**

**ALL CAPITAL SCHEMES TO BE APPROVED AS PER TABLE 15E (1)**

**Leases up to £250,000 to be approved by an Executive Director and the Executive Director of Finance. Leases over £250,000 are to be approved by the Executive Committee and Performance, Finance and Information Governance (PFIG) committee.**

Delegated authority	Variations to Discretionary Schemes	Variations to Capital Schemes funded by WG (within Approved Sum) *	Financial monitoring and reporting responsibility	Enter lease arrangement (all types) total value**
<b>Up to £75k</b>	Head of Capital	Head of Capital	Head of Capital	Service Director or Finance Director: Commissioning and Financial Planning
<b>Up to £150k</b>	Director of Environment and Estates	Director of Environment and Estates	Director of Environment and Estates	Service Director or Finance Director: Commissioning and Financial Planning
<b>Up to £250k</b>	Finance Director: Commissioning and Financial Planning	Finance Director: Commissioning and Financial Planning	Finance Director: Commissioning and Financial Planning	Service Director or Finance Director: Commissioning and Financial Planning
<b>Up to £500k</b>	Finance Director: Commissioning and Financial Planning	Finance Director: Commissioning and Financial Planning	Finance Director: Commissioning and Financial Planning	Executive Director of Finance
<b>Up to £1 million</b>	Executive Director of Finance or Chief Executive	Executive Director of Finance or Chief Executive	Executive Director of Finance or Chief Executive	Chief Executive
<b>Above £1 million</b>	Board and Welsh Government	Board and Welsh Government	Board and Welsh Government	Board and Welsh Government

**\*Any variations to Capital Schemes funded by Welsh Government that exceed the approved sum require further approval from WG \*\*All property leases are to be signed under Seal**

Ref	SFI requirement	SFI Ref.	Accountability for deliver and compliance with the SFI sits with	Related responsibilities delegated to
15I	<p>The Chief Executive is responsible for the maintenance of registers of assets, taking account of the advice of the Executive Director of Transformation &amp; Strategic Planning and Executive Director of Finance, concerning the form of any register and the method of updating, and arranging for a physical check of assets against the asset register to be conducted periodically.</p> <p>The Health Board shall maintain an asset register recording fixed assets. The minimum data set to be held within these registers shall be in accordance with the Welsh Ministers' guidance.</p> <p>Additions to the fixed asset register must be clearly identified to the delegated budget holder and be validated by reference to appropriate documentation.</p>	15.6.1 – 15.6.3	Chief Executive	Executive Director of Finance
15J	<p>The Executive Director of Finance shall approve procedures for reconciling balances on fixed assets accounts in ledgers against balances on fixed asset registers.</p>	15.6.5	Executive Director of Finance	Finance Director: Commissioning and Financial Planning

Ref	SFI requirement	SFI Ref.	Accountability for deliver and compliance with the SFI sits with	Related responsibilities delegated to
15K	The overall control of fixed assets is the responsibility of the Chief Executive.	15.7.1	Chief Executive	Executive Director of Finance
15L	All discrepancies revealed by verification of physical assets to fixed asset register shall be notified to the Executive Director of Transformation & Strategic Planning and Executive Director of Finance.	15.7.3	Executive Director of Finance, with support from relevant Directors.	Officers of health board
15M	Approval of routine security practices in relation to NHS property as may be determined by the Board.  Any breach of agreed security practices must be reported in accordance with agreed procedures.	15.7.4	Board  All officers of health board	No further delegation

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## 16. Stores and receipt of goods

Ref	SFI requirement	SFI Ref.	Accountability for deliver and compliance with the SFI sits with	Related responsibilities delegated to
16A	<p>i) overall responsibility for the control of stores shall be delegated to a senior officer by the Chief Executive.</p> <p>(ii) The control of any pharmaceutical stocks shall be the responsibility of a designated Pharmaceutical Manager</p> <p>(iii) the control of any fuel, oil and coal shall be the responsibility of a designated Estates Manager.</p>	16.2.1	Chief Executive	<p>Executive Director of Finance</p> <p>Chief Pharmacist</p> <p>Director of Environment and Estates</p>
16B	The responsibility for security arrangements and the custody of keys for any stores and locations shall be clearly defined in writing by the designated manager/Pharmaceutical Manager. Wherever practicable, stocks should be marked as health service property.	16.2.2	Executive Director of Finance	Service Directors
16C	Stocktaking arrangements shall be agreed with the Executive Director of Finance and there shall be a physical check covering all items in store at least once a year.	16.2.4	Executive Director of Finance	Direct to Operational Services

Ref	SFI requirement	SFI Ref.	Accountability for deliver and compliance with the SFI sits with	Related responsibilities delegated to
16D	Where a complete system of stores control is not justified, alternative arrangements shall require the approval of the Executive Director of Finance	16.2.5	Executive Director of Finance	No further delegation
16E	<p>For goods supplied via NHS Wales Shared Services Partnership – Procurement Services (NWSSP-PS) or any other NHS purchasing and supplies agency central warehouses, the Chief Executive shall identify those authorised to requisition and accept goods from the store.</p> <p>The authorised person shall check receipt against the delivery note before forwarding this to the Executive Director of Finance or authorised officer who shall satisfy themselves that the goods have been received before accepting the recharge.</p>	16.3.1	Chief Executive	Executive Director of Finance

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## 17. Disposals and condemnations, losses and special payments

Ref	SFI requirement	SFI Ref.	Accountability for deliver and compliance with the SFI sits with	Related responsibilities delegated to
17A	The Executive Director of Finance must prepare detailed procedures for the disposal of assets, including condemnations, and ensure that these are notified to managers.	17.1.1	Executive Director of Finance	Finance Director: Commissioning and Financial Planning
17B	All unserviceable assets shall be condemned or otherwise disposed of by an officer authorised for that purpose by the Executive Director of Finance. The assets should be recorded on a form indicating whether they are to be converted, destroyed or otherwise disposed of. The form should be countersigned by a second officer authorised for that purpose by the Executive Director of Finance	17.1.3	Executive Director of Finance	Following advice from appropriate heads of service (e.g. IM&T, Estates, etc.) items with original value obsolete, obsolescent, redundant, irreparable or cannot be repaired cost effectively may be condemned or otherwise disposed of in accordance with the delegations set out in Table 17B(1)

**Table 17B (1)**

<b>Asset value:</b>	<b>Approved by:</b>
With current/estimated purchase price <£499	Budget Manager
with current purchase new price >£500 < £5000	Relevant Executive Director
With current purchase new price > £5,000 < £250,000	Executive Director of Finance following approval by the Executive Committee
With current purchase new price > £250,000	Performance, Finance and Information Governance (PFIG) Committee
Disposal of property or land (all values)	Board and Welsh Government

<b>Ref</b>	<b>SFI requirement</b>	<b>SFI Ref.</b>	<b>Accountability for deliver and compliance with the SFI sits with</b>	<b>Related responsibilities delegated to</b>
17C	The Executive Director of Finance shall ensure procedural instructions on the recording of and accounting for losses and special payments are in place; and that all losses and special payments cases are properly managed in accordance with the guidance set out in the Welsh Government’s Manual for Accounts.	17.2.2	Executive Director of Finance	Finance Director: Commissioning and Financial Planning

Ref	SFI requirement	SFI Ref.	Accountability for deliver and compliance with the SFI sits with	Related responsibilities delegated to
17D	The Executive Director of Finance shall ensure all financial aspects of losses and special payments cases are properly registered and maintained on the centralised Losses and Special Payments Register and that 'case write off' action is recorded on the system.	17.2.8	Executive Director of Finance	Finance Director: Commissioning and Financial Planning
17E	The Audit Committee shall approve the writing off of losses or the making of special payments within delegated limits determined by Welsh Ministers and as set out in Schedule 3 of the SOs.	17.2.9	17.2.9	See <a href="#">Table 17E (1) Below</a>

Ref	SFI requirement	SFI Ref.	Accountability for deliver and compliance with the SFI sits with	Related responsibilities delegated to
17F	The Executive Director of Finance shall ensure that all losses and special payments are reported to the Audit Committee at every meeting	17.2.13	Executive Director of Finance	Finance Director: Commissioning and Financial Planning / Director of Corporate Governance

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**Table 17E (1)**

<b>Ratify fruitless payments (including abandoned Capital Schemes)</b>	Audit Committee to regularly receive Schedule of Losses and Special Payments
Up to £250,000	Chief Executive and Executive Director of Finance
Above £250,000	Chief Executive, Executive Director of Finance and Welsh Government (following Executive Committee approval)
<b>Ratify payment for clinical negligence and personal injury claims where legal advice has been obtained and guidance applied (negotiated settlements)*</b>	Audit Committee to regularly receive Schedule of Losses and Special Payments
Up to £150,000 (including plaintiffs' costs)	Director of Corporate Governance
Up to £500,000	Executive Medical Director
Up to £1 million	Chief Executive or Executive Director of Finance
Above £1 million	Welsh Government
<b>Other clinical negligence and personal injury claims where legal advice has not been obtained</b>	Audit Committee to regularly receive Schedule of Losses and Special Payments
Up to £50,000	Executive Medical Director or Executive Director of Finance
Above £50,000	Welsh Government

<b>Authority to write off losses and authorise special payments for bad debts and claims abandoned - private patients, overseas visitors and others.</b>	Audit Committee to regularly receive Schedule of Losses and Special Payments
Up to £50,000	Chief Executive or Executive Director of Finance
Above £50,000	Welsh Government
<b>Authority to write off damage to buildings, fittings, furniture and equipment, loss of equipment and property in stores and in use due to culpable causes (e.g., fraud, theft, arson) or other.</b>	Audit Committee to regularly receive Schedule of Losses and Special Payments
Up to £50,000	Chief Executive or Executive Director of Finance
Above £50,000	Welsh Government
<b>Authorise compensation payments made under legal obligation (excluding Clinical Negligence and Personal Injury)</b>	Audit Committee to regularly receive Schedule of Losses and Special Payments
Up to £500,000	Executive Medical Director and Executive Director of Finance supported by the relevant Director after seeking appropriate legal advice, up to a max £500,000
Above £500,000	Chief Executive and Executive Director of Finance
<b>Authorise extra contractual payments to</b>	Audit Committee to regularly receive

<b>contractors.</b>	Schedule of Losses and Special Payments
Up to £50,000	Chief Executive or Executive Director of Finance
Above £50,000	Welsh Government
<b>Authorise ex-gratia payments to patients and staff for the loss of personal effects</b>	
Up to £50,000	Chief Executive or Executive Director of Finance
Above £50,000	Welsh Government
<b>Authority to write off Losses of cash due to theft, fraud, overpayment of salaries, wages, fees and allowances</b>	Audit Committee to regularly receive Schedule of Losses and Special Payments
Up to £50,000	Chief Executive and Executive Director of Finance
Above £50,000	Welsh Government

**\* For all clinical negligence and personal injury cases (including Court cases) the use of structured settlements should be considered involving costs to the NHS of £250,000 or more – All structured settlements require approval from the Welsh Government H&SSG Director of Finance**

## 18. Digital, Data and Technology

Ref	SFI requirement	SFI Ref.	Accountability for deliver and compliance with the SFI sits with	Related responsibilities delegated to
18A	The health board shall publish and maintain a Freedom of Information (FOI) publication scheme, or adopt a model publication scheme approved by the Information Commissioner.	18.1.2	Board	Chief Digital and Information officer
18B	The responsible Director for Digital Data and Technology has responsibility for the accuracy, availability and security of digital systems and data.	18.2.1	Chief Digital and Information officer	No Delegation other than responsibilities for security of patient data is delegated to the Executive Medical Director in their role of Caldicott Guardian

Ref	SFI requirement	SFI Ref.	Accountability for deliver and compliance with the SFI sits with	Related responsibilities delegated to
18C	The Executive Director of Finance shall ensure that new financial data and systems, and amendments to current financial systems, are developed in a controlled manner and thoroughly tested prior to implementation.	18.3.1	Executive Director of Finance	Finance Director: Commissioning and Financial Planning
18D	<p>The responsible Director for Digital Data and Technology has responsibility for ensuring that contracts for data and digital services for clinical, management and financial applications with another health organisation or any other agency shall clearly define the responsibility of all parties for the</p> <p>i) security, privacy, accuracy, completeness, and timeliness of data during processing, transmission and storage;</p> <p>ii) availability of the service including resilience for continuity.</p> <p>The contract should also ensure rights of access for audit purposes.</p>	18.4.1	Chief Digital Information Officer	No Delegation other than responsibilities for security of patient data is delegated to the Executive Medical Director in their role of Caldicott Guardian

Ref	SFI requirement	SFI Ref.	Accountability for deliver and compliance with the SFI sits with	Related responsibilities delegated to
18E	Where another health organisation or any other agency provides a data or digital service for clinical, management and financial applications, the responsible Director for Digital Data and Technology shall periodically seek assurances that adequate controls are in operation.	18.4.2	Chief Digital Information Officer	No Delegation other than responsibilities for security of patient data is delegated to the Executive Medical Director in their role of Caldicott Guardian
18F	The responsible Director for Digital Data and Technology has responsibility for ensuring that the risks to the health board arising from the use of data, information and digital are effectively identified and considered and that appropriate action is taken to mitigate or control risk. This shall include the preparation and testing of appropriate resilience plans, including business continuity and disaster recovery plan.	18.5.1	Chief Digital Information Officer	No Delegation other than responsibilities for security of patient data is delegated to the Executive Medical Director in their role of Caldicott Guardian
18G	All purchases of hardware and software must be undertaken in line with agreed IT policies, Procedures and contractual arrangements.	Requirement in support of SFIs	All Officers	

Ref	SFI requirement	SFI Ref.	Accountability for deliver and compliance with the SFI sits with	Related responsibilities delegated to
18H	No purchase or installation may be made of IT software whether new or upgrades to existing systems other than via the IT department	Requirement in support of SFIs	All Officers	
18I	Purchases of routine desktop hardware should be procured via health board contracts. Purchasing of servers should always be via IT	Requirement in support of SFIs	All Officers	

## 19. Patients' property

Ref	SFI requirement	SFI Ref.	Accountability for deliver and compliance with the SFI sits with	Related responsibilities delegated to
19A	Ensuring patients or their guardians are informed before or at admission, that the health board will not accept responsibility or liability for patients' property brought into Health Service premises, unless it is handed in for safe custody and a copy of an official patients' property record is obtained as a receipt	19.2.1	Chief Executive Officer	Service Directors
19B	Provide detailed written instructions on the collection, custody, investment, recording, safekeeping and disposal of patients' property	19.3.1	Executive Director of Finance	Service Directors
19C	Issuing property valued >£5,000 only on production of a probate letter of administration	Local	Executive Director of Finance	Finance Director: Commissioning and Financial Planning

## 20. Funds Held on Trust (Charitable Funds)

The Health Board's Charitable Funds are managed through the registered charity with the Charity Commission (known as Awyr Las) and through the Charitable Funds Committee and its formal Trustee status

Ref	SFI requirement	SFI Ref.	Accountability for deliver and compliance with the SFI sits with	Related responsibilities delegated to
20A	The Schedule of Matters Reserved to the Board and the Scheme of Delegation make clear where decisions regarding the exercise of discretion regarding the disposal and use of funds are to be taken and by whom	20.2.2	Board	See <b>Table 20A (1) below</b>
20B	Fundraising Appeals – Preparation/Monitoring/Reporting progress and performance	Local	Executive Director of Finance	Head of Fundraising
20C	Legacies - Authority to accept the discharge of a donor's estate	Local	Executive Director of Finance	Not delegated

**Table 20A (1) Access to Charitable Funds**

Delegated authority	Approve expenditure from charitable funds
(i) Approval and setting up of designated Fund Advisors for new funds. (ii) Approval of changes to Fund Advisors	(i) Head of Fundraising with advice from relevant Director (ii) Head of Fundraising with advice from relevant Director
Expenditure requests for Charitable funds	To be submitted to Charity Team for initial review

Up to £5,000 (non-contentious) *	Designated Fund Advisors subject to confirmation from the Assistant Financial Accountant - Charitable Funds that sufficient funds are available and expenditure complies with Charity guidelines
Over £5,000 (and under £5,000 if deemed contentious) *	Charitable Funds Committee

\*The term “contentious” refers to the appropriateness of the expenditure either due to its nature or its compatibility with fund objectives as detailed in ‘Your Charity Procedures’.

### Investment of Charitable Funds

Investments Authority	
<b>Investment of funds</b>	
i. Decision on nature and value of investment	i. Charitable Funds Committee with guidance from Executive Director of Finance
ii. Placing of investment	ii. Charitable Funds Committee with guidance from Executive Director of Finance and appointed investment managers

\*\*The term “investment” refers to stocks, shares, bonds, property, unit funds or other instruments derived to generate a rate of return and/or valuation gains, other than interest bearing bank accounts

## 21. Retention of Records

Ref	SFI requirement	SFI Ref.	Accountability for deliver and compliance with the SFI sits with	Related responsibilities delegated to
21A	The Chief Executive shall be responsible for maintaining archives for all records required to be retained in accordance with Welsh Ministers' guidance, the UK General Data Protection Legislation and any relevant domestic law considerations via the Data Protection Act 2018, and the Freedom of information Act 2000 (c.36).	21.1.1	Chief Executive	Chief Digital and Information officer / Executive Medical Director
21B	Approval for the destruction of records	Local	Chief Executive	Chief Digital and Information officer / Executive Medical Director

## Schedule 2.1

**STANDING FINANCIAL INSTRUCTIONS  
FOR BETSI CADWALADR UNIVERSITY  
HEALTH BOARD**

**This Schedule forms part of, and shall have effect as if incorporated in the Local Health Board Standing Orders (incorporated as Schedule 2.1 of SOs).**

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Model Standing Orders, Reservation and Delegation of Powers for LHBs  
Schedule 2.1: Standing Financial Instructions

Status: Update – July 2025 (v1) – Approved by BCUHB Board  
Page 1 of 86

## Foreword

These Model Standing Financial Instructions are issued by Welsh Ministers to Local Health Boards using powers of direction provided in section 12 (3) of the National Health Service (Wales) Act 2006. Local Health Boards in Wales must agree Standing Financial Instructions (SFIs) for the regulation of their financial proceedings and business. Designed to achieve probity, accuracy, economy, efficiency, effectiveness and sustainability in the conduct of business, they translate statutory and Welsh Government financial requirements for the NHS in Wales into day to day operating practice. Together with the adoption of Standing Orders (SOs), a Scheme of decisions reserved to the Board and a scheme of delegations to officers and others, they provide the regulatory framework for the business conduct of the LHB.

These documents form the basis upon which the LHB's governance and accountability framework is developed and, together with the adoption of the LHB's Values and Standards of Behaviour framework, is designed to ensure the achievement of the standards of good governance set for the NHS in Wales.

All LHB Board members and officers must be made aware of these Standing Financial Instructions and, where appropriate, should be familiar with their detailed content. The Director of Finance will be able to provide further advice and guidance on any aspect of the Standing Financial Instructions. The Board Secretary will be able to provide further advice and guidance on the wider governance arrangements within the LHB. Further information on governance in the NHS in Wales may be accessed at <https://nwssp.nhs.wales/all-wales-programmes/governance-e-manual/>

# Contents

Foreword

- 1. INTRODUCTION**
  - 1.1 General
  - 1.2 Overriding Standing Financial Instructions
  - 1.3 Financial provisions and obligations of LHBs
  
- 2. RESPONSIBILITIES AND DELEGATION**
  - 2.1 The Board
  - 2.2 The Chief Executive and Director of Finance
  - 2.3 The Director of Finance
  - 2.4 Board members and LHB officers, and LHB Committees and Advisory Groups
  - 2.5 Contractors and their employees
  
- 3. AUDIT, FRAUD AND CORRUPTION, AND SECURITY MANAGEMENT**
  - 3.1 Audit Committee
  - 3.2 Chief Executive
  - 3.3 Internal Audit
  - 3.4 External Audit
  - 3.5 Fraud and Corruption
  - 3.6 Security Management
  
- 4. FINANCIAL DUTIES**
  - 4.1 Legislation and Directions
  - 4.2 First Financial Duty – The Breakeven Duty
  - 4.3 Second Financial Duty – The Planning Duty
  
- 5 FINANCIAL MANAGEMENT AND BUDGETARY CONTROL**
  - 5.1 Budget Setting
  - 5.2 Budgetary Delegation
  - 5.3 Financial Management, Reporting and Budgetary
  - 5.4 Capital Financial Management, Reporting and Budgetary Control

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Schedule 2.1: Standing Financial Instructions

Status: Update – July 2025 (v1) – Approved by BCUHB Board

- 5.5 Reporting to Welsh Government - Monitoring Returns
- 6. ANNUAL ACCOUNTS AND REPORTS**
- 7. BANKING ARRANGEMENTS**
  - 7.1 General
  - 7.2 Bank Accounts
  - 7.3 Banking Procedures
  - 7.4 Review
- 8. CASH, CHEQUES, PAYMENT CARDS AND OTHER NEGOTIABLE INSTRUMENTS**
  - 8.1 General
  - 8.2 Petty Cash
- 9. INCOME, FEES AND CHARGES**
  - 9.1 Income Generation
  - 9.2 Income Systems
  - 9.3 Fees and Charges
  - 9.4 Income Due and Debt Recovery
- 10. NON-PAY EXPENDITURE**
  - 10.1 Scheme of Delegation, Non Pay Expenditure Limits and Accountability
  - 10.2 The Director of Finance's responsibilities
  - 10.3 Duties of Budget Holders and Managers
  - 10.4 Departures from SFI's
  - 10.5 Accounts Payable
  - 10.6 Prepayments
- 11. PROCUREMENT AND CONTRACTING FOR GOODS AND SERVICES**
  - 11.1 Procurement Services
  - 11.2 Policies and Procedures
  - 11.3 Procurement Principles
  - 11.4 Procurement Regulations and Legislation Governing Public Procurement
  - 11.5 Procurement Procedures
  - 11.6 Procurement Consent
  - 11.7 Sustainable Procurement

---

Schedule 2.1: Standing Financial Instructions

- 11.8 Small and Medium Sized Enterprises (SMEs), Third Sector Organisations (TSOs) and Supported Factories and Businesses (SFBs)
  - 11.9 Planning Procurements
  - 11.10 Procurement Process
  - 11.11 Procurement Thresholds
  - 11.12 Designing Competitions
  - 11.13 Single Quotation Application or Single Tender Application
  - 11.14 Disposals
  - 11.15 Evaluation, Approval and Award
  - 11.16 Contract Management
  - 11.17 Extending and Varying Contracts
  - 11.18 Requisitioning
  - 11.19 No Purchase Order, No Pay
  - 11.20 Official orders
  
  - 12. HEALTH CARE AGREEMENTS AND CONTRACTS FOR HEALTH CARE SERVICES**
  - 12.1 Health Care Agreements
  - 12.2 Statutory provisions
  - 12.3 Reports to Board on Health Care Agreements (HCAs)
  
  - 13. GRANT FUNDING,**
  - 13.1 Legal Advice
  - 13.2 Policies and procedures
  - 13.3 Corporate Principles underpinning Grants Management
  - 13.4 Grant Procedures
  
  - 14. PAY EXPENDITURE**
  - 14.1 Remuneration and Terms of Service Committee
  - 14.2 Funded Establishment
  - 14.3 Staff Appointments
  - 14.4 Pay Rates and Terms and Conditions
  - 14.5 Payroll
  - 14.6 Contracts of Employment
  
  - 15. CAPITAL PLAN, CAPITAL INVESTMENT, FIXED ASSET REGISTERS AND SECURITY OF ASSETS**
  - 15.1 Capital Plan
  - 15.2 Capital Investment Decisions
- 

Schedule 2.1: Standing Financial Instructions

- 15.3 Capital Projects
- 15.4 Capital Procedures and Responsibilities
- 15.5 Capital Financing with the Private Sector
- 15.6 Asset Registers
- 15.7 Security of Assets
  
- 16. STORES AND RECEIPT OF GOODS**
  - 16.1 General position
  - 16.2 Control of Stores, Stocktaking, condemnations and disposal
  - 16.3 Goods supplied by an NHS supplies agency
  
- 17. DISPOSALS AND CONDEMNATIONS, LOSSES AND SPECIAL PAYMENTS**
  - 17.1 Disposals and Condemnations
  - 17.2 Losses and Special Payments
  
- 18. DIGITAL, DATA and TECHNOLOGY**
  - 18.1 Digital Data and Technology Strategy
  - 18.2 Responsibilities and duties of the responsible Director
  - 18.3 Responsibilities and duties of the Director of Finance
  - 18.4 Contracts for data and digital services with other health bodies or outside agencies
  - 18.5 Risk assurance
  
- 19. PATIENTS' PROPERTY**
  - 19.1 LHB Responsibility
  - 19.2 Responsibilities of the Chief Executive
  - 19.3 Responsibilities of the Director of Finance
  
- 20. FUNDS HELD ON TRUST (CHARITABLE FUNDS)**
  - 20.1 Corporate Trustee
  - 20.2 Accountability to Charity Commission and the Welsh Ministers
  - 20.3 Applicability of Standing Financial Instructions to funds held on Trust
  
- 21. RETENTION OF RECORDS**
  - 21.1 Responsibilities of the Chief Executive

Schedule 1

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Schedule 2.1: Standing Financial Instructions

Status: Update – July 2025 (v1) – Approved by BCUHB Board

# Betsi Cadwaladr University Health Board

## 1. INTRODUCTION

### 1.1 General

- 1.1.1 These Model Standing Financial Instructions are issued by Welsh Ministers to Local Health Boards using powers of direction provided in section 12 (3) of the National Health Service (Wales) Act 2006. Local Health Boards (LHBs) in Wales must agree Standing Financial Instructions (SFIs) for the regulation of their financial proceedings and business. They shall have effect as if incorporated in the Standing Orders (SOs) (incorporated as Schedule 2.1 of SOs).
- 1.1.2 These SFIs detail the financial responsibilities, policies and procedures adopted by Betsi Cadwaladr University Health Board (the LHB). They are designed to ensure that the LHB's financial transactions are carried out in accordance with the law and with Welsh Government policy in order to achieve probity, accuracy, economy, efficiency, effectiveness and sustainability. They should be used in conjunction with the Schedule of decisions reserved to the Board and the Scheme of delegation adopted by the LHB.
- 1.1.3 These SFIs identify the financial responsibilities which apply to everyone working for the LHB and its constituent organisations. They do not provide detailed procedural advice and should be read in conjunction with the detailed departmental and financial control procedure notes. All financial procedures must be approved by the Director of Finance and Audit Committee.
- 1.1.4 Should any difficulties arise regarding the interpretation or application of any of the SFIs then the advice of the Board Secretary or Director of Finance must be sought before acting. The user of these SFIs should also be familiar with and comply with the provisions of the LHB's SOs.

### 1.2 Overriding Standing Financial Instructions

- 1.2.1 Full details of any non-compliance with these SFIs, including an explanation of the reasons and circumstances must be reported in the first instance to the Director of Finance and the Board Secretary, who will ask the Audit Committee to formally consider the matter and make proposals to the Board on any action to be taken. All Board members

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#### Schedule 2.1: Standing Financial Instructions

and LHB officers have a duty to report any non-compliance to the Director of Finance and Board Secretary as soon as they are aware of any circumstances that has not previously been reported.

**1.2.2 Ultimately, the failure to comply with SFIs and SOs is a disciplinary matter that could result in an individual's dismissal from employment or removal from the Board.**

### **1.3 Financial provisions and obligations of LHBs**

1.3.1 The financial provisions and obligations for LHBs are set out under Sections 174 to 177 of, and Schedule 8 to, the National Health Service (Wales) Act 2006 (c. 42). The Board as a whole and the Chief Executive in particular, in their role as the Accountable Officer for the organisation, must ensure the LHB meets its statutory obligation to perform its functions within the available financial resources.

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#### Schedule 2.1: Standing Financial Instructions

## **2. RESPONSIBILITIES AND DELEGATION**

### **2.1 The Board**

2.1.1 The Board exercises financial supervision and control by:

- a) Formulating and approving the Medium Term Financial Plan (MTFP) as part of developing and approving the Integrated Medium Term Plan (IMTP);
- b) Requiring the submission and approval of balanced budgets within approved allocations/overall funding
- c) Defining and approving essential features in respect of important financial policies, systems and financial controls (including the need to obtain value for money and sustainability); and
- d) Defining specific responsibilities placed on Board members and LHB officers, and LHB committees and Advisory Groups as indicated in the 'Scheme of delegation' document.

2.1.2 The Board has resolved that certain powers and decisions may only be exercised by the Board in formal session. These are set out in the 'Schedule of matters reserved to the Board' document. The Board, subject to any directions that may be made by Welsh Ministers, shall make appropriate arrangements for certain functions to be carried out on its behalf so that the day to day business of the Health Board may be carried out effectively, and in a manner that secures the achievement of the organisations aims and objectives. This will be via powers and authority delegated to committees, sub-committees, joint committees or joint sub-committees that the LHB has established or to an officer of the LHB in accordance with the 'Scheme of delegation' document adopted by the LHB.

### **2.2 The Chief Executive and Director of Finance**

2.2.1 The Chief Executive and Director of Finance will, as far as possible, delegate their detailed responsibilities, but they remain accountable for financial control.

2.2.2 Within the SFIs, it is acknowledged that the Chief Executive is ultimately accountable to the Board, and as Accountable Officer, to the Welsh Government, for ensuring that the Board meets its obligation to perform its functions within the available financial resources. The Chief Executive has overall executive responsibility for the LHB's activities; is responsible to the Chair and the Board for ensuring that financial

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#### Schedule 2.1: Standing Financial Instructions

provisions, obligations and targets are met; and has overall responsibility for the LHB's system of internal control.

2.2.3 It is a duty of the Chief Executive to ensure that Board members and LHB officers, and all new appointees are notified of, and put in a position to understand their responsibilities within these SFIs.

### **2.3 The Director of Finance**

2.3.1 The Director of Finance is responsible for:

- a) Implementing the LHB's financial policies and for co-coordinating any corrective action necessary to further these policies;
- b) Maintaining an effective system of internal financial control including ensuring that detailed financial control procedures and systems incorporating the principles of separation of duties and internal checks are prepared, documented and maintained to supplement these instructions;
- c) Ensuring that sufficient records are maintained to show and explain the LHB's transactions, in order to disclose, with reasonable accuracy, the financial position of the LHB at any time; and
- d) Without prejudice to any other functions of the LHB, and Board members and LHB officers, the duties of the Director of Finance include:
  - (i) the provision of financial advice to other Board members and LHB officers, and LHB Committees and Advisory Groups,
  - (ii) the design, implementation and supervision of systems of internal financial control, and
  - (iii) the preparation and maintenance of such accounts, certificates, estimates, records and reports as the LHB may require for the purpose of carrying out its statutory duties.

2.3.2 The Director of Finance is responsible for ensuring an ongoing training and communication programme is in place to effect these SFIs.

### **2.4 Board members and LHB officers, and LHB Committees and Advisory Groups**

2.4.1 All Board members and LHB officers, and LHB Committees and Advisory Groups, severally and collectively, are responsible for:

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#### Schedule 2.1: Standing Financial Instructions

- a) The security of the property of the LHB;
- b) Avoiding loss;
- c) Exercising economy, efficiency and sustainability in the use of resources; and
- d) Conforming to the requirements of SOs, SFIs, Financial Control Procedures and the Scheme of delegation.

2.4.2 For all Board members and LHB officers, and LHB Committees and Advisory Groups who carry out a financial function, the form in which financial records are kept and the manner in which members of the Board, Committees, Advisory Groups and employees discharge their duties must be to the satisfaction of the Director of Finance.

## **2.5 Contractors and their employees**

2.5.1 Any contractor or employee of a contractor who is empowered by the LHB to commit the LHB to expenditure or who is authorised to obtain income shall be covered by these instructions. It is the responsibility of the Chief Executive to ensure that such persons are made aware of this.

### **3. AUDIT, FRAUD AND CORRUPTION, AND SECURITY MANAGEMENT**

#### **3.1 Audit Committee**

3.1.1 An independent Audit Committee is a central means by which a Board ensures effective internal control arrangements are in place. In addition, the Audit Committee provides a form of independent check upon the executive arm of the Board. In accordance with SOs the Board shall formally establish an Audit Committee with clearly defined terms of reference. Detailed terms of reference and operating arrangements for the Audit Committee are set out in Schedule 3 to the SOs. This committee will follow the guidance set out in the NHS Wales Audit Committee Handbook.

[nwssp.nhs.wales/a-wp/governance-e-manual/governance-e-manualdocuments/useful-documents/nhs-wales-audit-committee-handbookjune-2012/](http://nwssp.nhs.wales/a-wp/governance-e-manual/governance-e-manualdocuments/useful-documents/nhs-wales-audit-committee-handbookjune-2012/)

#### **3.2 Chief Executive**

3.2.1 The Chief Executive is responsible for:

- a) Ensuring there are arrangements in place to review, evaluate and report on the effectiveness of internal financial control including the establishment of an effective Internal Audit function;
- b) Ensuring that the Internal Audit function meets the Public Sector Internal Audit Standards and provides sufficient independent and objective assurance to the Audit Committee and the Accountable Officer;

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/641252/PSAIS\\_1\\_April\\_2017.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/641252/PSAIS_1_April_2017.pdf)

- c) Deciding at what stage to involve the police in cases of misappropriation and other irregularities not involving fraud or corruption;
- d) Ensuring that an annual Internal Audit report is prepared for the consideration of the Audit Committee and the Board. The report must cover:
  - a clear opinion on the effectiveness of internal control in accordance with the requirements of the Public Sector Internal Audit Standards.

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#### Schedule 2.1: Standing Financial Instructions

- major internal financial control weaknesses discovered,
- progress on the implementation of Internal Audit recommendations,
- progress against plan over the previous year,
- a strategic audit plan covering the coming three years, and
- a detailed plan for the coming year.

3.2.2 The designated internal and external audit representatives are entitled (subject to provisions in the Data Protection Act 2018 and the UK General Data Protection Legislation without necessarily giving prior notice to require and receive:

- a) Access to all records, documents and correspondence relating to any financial or other relevant transactions, including documents of a confidential nature;
- b) Access at all reasonable times to any land or property owned or leased by the LHB;
- c) Access at all reasonable times to Board members and LHB officers;
- d) The production of any cash, stores or other property of the LHB under a Board member or a LHB official's control; and
- e) Explanations concerning any matter under investigation.

### **3.3 Internal Audit**

3.3.1 The Accountable Officer Memorandum requires the Chief Executive to have an internal audit function that operates in accordance with the standards and framework set for the provision of Internal Audit in the NHS in Wales. This framework is defined within an Internal Audit Charter that incorporates a definition of internal audit, a code of ethics and Public Sector Internal Audit Standards. Standing Order 10.1 details the relationship between the Head of Internal Audit and the Board. The role of the Audit Committee in relation to Internal Audit is set out within its Terms of Reference, incorporated in Schedule 3 of the SOs, and the NHS Wales Audit Committee Handbook.

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#### Schedule 2.1: Standing Financial Instructions

### 3.4 External Audit

- 3.4.1 Pursuant to the Public Audit (Wales) Act 2004 (c. 23), the Auditor General for Wales (Auditor General) is the external auditor of the LHB. The Auditor General may nominate his representative to represent him within the LHB and to undertake the required audit work. The cost of the audit is paid for by the LHB. The LHB's Audit Committee must ensure that a cost-efficient external audit service is delivered. If there are any problems relating to the service provided, this should be raised with the Auditor General's representative and referred on to the Auditor General if the issue cannot be resolved.
- 3.4.2 The objectives of the external audit fall under three broad headings, to review and report on:
- a) Whether the expenditure to which the financial statements relate has been incurred lawfully and in accordance with the authority that governs it;
  - b) The audited body's financial statements, and on its Annual Governance Statement and remuneration report <sup>1</sup>;
  - c) Whether the audited body has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.
- 3.4.3 The Auditor General's representatives will prepare a risk-based annual audit plan, designed to deliver the Auditor General's objectives, for consideration by the Audit Committee. The annual plan will set out details of the work to be carried out, providing sufficient detail for the Audit Committee and other recipients to understand the purpose and scope of the defined work and their level of priority. The Audit Committee should review the annual plan and the associated fees, although in so doing it needs to recognise the statutory duties of the Auditor General. The annual audit plan should be kept under review to identify any amendment needed to reflect changing priorities and emerging audit needs. The Audit Committee should consider material changes to the annual audit plan.
- 3.4.4 The Auditor General's representative should be invited to attend every Audit Committee meeting. The cycle of approving and monitoring the progress of external audit plans and reports, culminating in the opinion

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<sup>1</sup> Note: The Healthcare Inspectorate Wales will review and report on the Annual Quality Statement.

on the annual report and accounts, is central to the core work of the Audit Committee.

- 3.4.5 The Auditor General's representatives will liaise with Internal Audit when developing the external audit plan. The Auditor General's representative will ensure that planned external audit work takes into account the work of Internal Audit to avoid duplication wherever possible and considers where Internal Audit work can be relied upon for opinion purposes.
- 3.4.6 The Auditor General and his representatives shall have a right of access to the Chair of the Audit Committee at any time.
- 3.4.7 The Government of Wales Act 2006 (GOWA) provides that the Auditor General has statutory rights of access to all documents and information, as set out in paragraph 3.2.2a of these SFIs that relate to the exercise of many of his core functions, including his statutory audit of accounts, value for money examinations and improvement studies. The rights of access include access to confidential information; personal information as defined by the Data Protection Act 2018 and the UK General Data Protection Legislation; information subject to legal privilege; personal information and sensitive personal information that may otherwise be subject to protection under the European Convention of Human Rights; information held by third parties; and electronic files and IT systems. Paragraph 17 of Schedule 8 to GOWA operates to provide the Auditor General with a right of access to every document relating to the Trust that appears to him to be necessary for the discharge of any of these functions. Paragraph 17(3) of Schedule 8 also requires any person that the Auditor General thinks has information related to the discharge of his functions to give any assistance, information and explanation that he thinks necessary. It also requires such persons to attend before the Auditor General and to provide any facility that he and his representatives may reasonably require, such as audit accommodation and access to IT facilities. The rights apply not just to the LHB and its officers and staff, but also to, among others, suppliers to the LHB.
- 3.4.8 The Auditor General's independence in the exercise of his audit functions is protected by statute (section 8 of the Public Audit (Wales) Act 2013), and audit independence is required by professional and ethical standards. Accordingly, the LHB (including its Audit Committee) must be careful not to seek to fetter the Auditor General's discretion in the exercise of his functions. While the LHB may offer comments on the plans and outputs of the Auditor General, it must not seek to direct the Auditor General.
- 3.4.9 The Auditor General will issue a number of reports over the year, some

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## Schedule 2.1: Standing Financial Instructions

of which are specified in the Auditor General's Code of Audit and Inspection Practice and International Standards on Auditing. Other reports will depend on the contents of the audit plan.

The main mandatory reports are:

- Report to those charged with governance (incorporating the report required under ISA 260) that sets out the main issues arising from the audit of the financial statements and use of resources work
- Statutory report and opinion on the financial statements
- Annual audit report.

In addition to these reports, the Auditor General may prepare a report on a matter the Auditor General considers would be in the public interest to bring to the public's attention; or make a referral to the Welsh Ministers if significant breaches occur.

3.4.10 The Auditor General also has statutory powers to undertake Value for Money Examinations and Improvement Studies within the LHB and other public sector bodies. At LHBs he also undertakes a Structured Assessment to help him assess whether there are proper arrangements for securing economy, efficiency and effectiveness in the use of resources. The Auditor General will take account of audit work when planning and undertaking such examinations and studies. The Auditor General and his representatives have the same access rights in relation to these examinations and studies as they do in relation to annual audit work.

### **3.5 Fraud and Corruption**

3.5.1 In line with their responsibilities, the LHB Chief Executive and Director of Finance shall monitor and ensure compliance with Directions issued by the Welsh Ministers on fraud and corruption.

3.5.2 The LHB shall nominate a suitable person to carry out the duties of the Local Counter Fraud Specialist (LCFS) as specified by Directions to NHS bodies on Counter Fraud Measures 2005 (as amended).

<https://nwssp.nhs.wales/a-wp/governance-e-manual/knowning-who-does-what-why/supporting-good-governance/nhs-counter-fraud-service-wales/>

3.5.3 The LCFS shall report to the LHB Director of Finance and the LCFS must work with NHS Counter Fraud Authority (NHSCFA) and the NHS

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## Schedule 2.1: Standing Financial Instructions

Counter Fraud Service Wales (CFSW) Team in accordance with the Directions to NHS bodies on Counter Fraud Measures 2005.

- 3.5.4 The LCFS will provide a written report to the Director of Finance and Audit Committee, at least annually, on proactive and reactive counter fraud work within the LHB.
- 3.5.5 The LHB must participate in the annual National Fraud Initiative (NFI) led by Audit Wales and must provide the necessary data for the mandatory element of the NFI by the due dates. The LHB should participate in appropriate risk measurement or additional dataset matching exercise in order to support the detection of fraud across the whole public sector.

### **3.6 Security Management**

- 3.6.1 In line with their responsibilities, the LHB Chief Executive will monitor and ensure compliance with Directions issued by the Welsh Ministers on NHS security management.
- 3.6.2 The Chief Executive has overall responsibility for controlling and coordinating security.

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## Schedule 2.1: Standing Financial Instructions

## **4. FINANCIAL DUTIES**

### **4.1 Legislation and Directions**

4.1.1 The Health Board has two statutory financial duties, the basis for which is section 175 of the National Health Service (Wales) Act 2006, as amended by the National Health Service Finance (Wales) Act 2014. Those duties are then set out and retained in the Welsh Health Circular “WHC/2016/054 - Statutory Financial Duties of Local Health Boards and NHS Trusts.” They are as follows:

- First Duty - A duty to secure that its expenditure, which is attributable to the performance by it of its functions, does not exceed the aggregate of the funding allotted to it over a period of 3 financial years.
- Second Duty - A duty to prepare a plan to secure compliance with the first duty 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.

4.1.2 The details and requirements for the two duties are set out in the Welsh Health Circular “WHC/2016/054 - Statutory Financial Duties of Local Health Boards and NHS Trusts.”

Full details of the WHC can be obtained by contacting the HSSG Director of Finance at [hywel.jones38@gov.wales](mailto:hywel.jones38@gov.wales)

### **4.2 First Financial Duty – The Breakeven Duty**

4.2.1 The Health Board has a statutory duty to secure that its expenditure does not exceed the aggregate of the funding allotted to it over a period of 3 financial years, that is to breakeven over a 3-year rolling period.

4.2.2 Welsh Government will determine revenue and capital allocations prior to the start of each financial year and notify Health Boards.

4.2.3 Health Boards must ensure their boards approve balanced revenue and capital plans in line with their notified allocations before the start of each financial year.

4.2.4 The Director of Finance of the LHB will:

- a) Prior to the start of each financial year submit to the Board for approval a report showing the total allocations received, assumed in-year allocations and other adjustments and their proposed

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#### Schedule 2.1: Standing Financial Instructions

distribution to delegated budgets, including any sums to be held in reserve;

- b) Ensure that any ring-fenced or non-discretionary allocations are disbursed in accordance with Welsh Ministers' requirements;
- c) Periodically review any assumed in-year allocations to ensure that these are reasonable and realistic; and
- d) Regularly update the Board on significant changes to the initial allocations and the application of such funds.

4.2.5 The Chief Executive has overall executive responsibility for the LHB's activities and is responsible to the Board for ensuring that it meets its First Financial Duty.

### **4.3. Second Financial Duty – The Planning Duty**

4.3.1 The Health Board has a statutory duty to prepare a plan, the Integrated Medium Term Plan (IMTP), to secure compliance with the first duty 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.

4.3.2 The Integrated Medium Term Plan must reflect longer-term planning and delivery objectives and should be continually reviewed based on latest Welsh Government policy and local priority requirements. The Integrated Medium Term Plan, produced and approved annually, will be 3 year rolling plans. In particular the Integrated Medium Term Plan must reflect the Welsh Ministers' priorities and commitments as detailed in the NHS Planning Framework published annually by Welsh Government.

4.3.3 The NHS Planning Framework directs Local Health Boards to develop, approve and submit an Integrated Medium Term Plan (IMTP) for approval by Welsh Ministers. The plan must

- describe the context, including population health needs, within which the Health Board will deliver key policy directives from Welsh Government.
- demonstrate how the Health Board are
  - delivering their well-being objectives, including how the five ways of working have been applied
  - contributing to the seven Well-being Goals,
  - establishing preventative approaches across all care and services

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## Schedule 2.1: Standing Financial Instructions

- demonstrate how the Health Board will utilise its existing services and resources, and planned service changes, to deliver improvements in population health and clinical services, and at the same time demonstrate improvements to efficiency of services.
  - demonstrate how the three-year rolling financial breakeven duty is to be achieved.
- 4.3.4 An Integrated Medium Term Plan should be based on a reasonable expectation of future service changes, performance improvements, workforce changes, demographic changes, capital, quality, funding, income, expenditure, cost pressures and savings plans to ensure that the Integrated Medium Term Plan (including a balanced Medium Term Financial Plan) is balanced and sustainable and supports the safe and sustainable delivery of patient centred quality services.
- 4.3.5 The Integrated Medium Term Plan will be the overarching planning document enveloping component plans and service delivery plans. The Integrated Medium Term Plan will incorporate the balanced Medium Term Financial Plan and will incorporate the LHB's response to delivering the
- NHS Planning Framework,
  - Quality, governance and risk frameworks and plans and
  - Outcomes Framework
- 4.3.6 The Integrated Medium Term Plan will be developed in line with the NHS Planning Framework and include:
- A statement of significant strategies and assumptions on which the plans are based;
  - Details of major changes in activity, service delivery, service and performance improvements, workforce, revenue and capital resources required to achieve the plans; and
  - Profiled activity, service, quality, workforce and financial schedules.
  - Detailed plans to deliver the NHS Planning Framework and quality, governance and risk requirements and outcome measures;
- 4.3.7 The Chief Executive has overall executive responsibility to develop and submit to the Board, on an annual basis, the rolling 3 year Integrated Medium Term Plan (IMTP).
- 4.3.8 The Board will:
- a) Approve the Integrated Medium Term Plan prior to the beginning of

## Schedule 2.1: Standing Financial Instructions

the financial year of implementation and in accordance with the guidance issued annually by Welsh Government. Following Board approval the Plan will be submitted to Welsh Government prior to the beginning of the financial year of implementation.

- b) Approve a balanced Medium Term Financial Plan as part of the Integrated Medium Term Plan, which meets all financial duties, probity and value for money requirements; and
- c) Prepare and agree with the Welsh Government a robust and sustainable recovery plan in accordance with Welsh Ministers' guidance where the LHB plan is not in place or in balance.

4.3.9 The Board approved Integrated Medium Term Plan will be submitted to Welsh Government, for approval by the Minister, in line with the requirements set out in the NHS Planning Framework.

4.3.10 The finalised approved Integrated Medium Term Plan will form the basis of the Performance Agreement between the LHB and Welsh Government.

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## Schedule 2.1: Standing Financial Instructions

## **5. FINANCIAL MANAGEMENT AND BUDGETARY CONTROL**

### **5.1. Budget Setting**

5.1.1 Prior to the start of the financial year the Director of Finance will, on behalf of the Chief Executive, prepare and submit budgets for approval and delegation by the Board. Such budgets will:

- a) Be in accordance with the aims and objectives set out in the Board approved Integrated Medium Term Plan, and Medium Term Financial Plan, and focused on delivery of improved population health, safe patient centred quality services;
- b) Be in line with Revenue, Capital, Commissioning, Activity, Service, Quality, Performance, and Workforce plans contained within the Board approved balanced IMTP;
- c) Take account of approved business cases and associated revenue costs and funding;
- d) Be produced following discussion with appropriate Directors and budget holders;
- e) Be prepared within the limits of available funds;
- f) Take account of ring-fenced, specified and non-recurring allocations and funding;
- g) Include both financial budgets (£) and workforce establishment budgets (budgeted whole time equivalents)
- h) Be within the scope of activities and authority defined by the National Health Service (Wales) Act 2006, including pooled budget arrangements;
- i) Identify available reserves;
- j) Take account of the principles of Well-being of Future Generations (Wales) Act 2015 including the seven Well-being Goals and the five ways of working; and
- k) Identify potential risks and opportunities.

### **5.2. Budgetary Delegation**

5.2.1 The Chief Executive may delegate, via the Director of Finance, the

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#### Schedule 2.1: Standing Financial Instructions

management of a budget to permit the performance of a defined range of activities, including pooled budget arrangements under Regulations made in accordance with section 33 of the National Health Service (Wales) Act 2006 (c. 42). This delegation must be in writing, in the form of a letter of accountability, and be accompanied by a clear definition of:

- a) The amount of the budget;
- b) The purpose(s) of each budget heading;
- c) Individual or committee responsibilities;
- d) Arrangements during periods of absence;
- e) Authority to exercise virement;
- f) Achievement of planned levels of service; and
- g) The provision of regular reports.

The budget holder must sign the accountability letter formally delegating the budget.

- 5.2.2 The Chief Executive, Director of Finance and delegated budget holders must not exceed the budgetary total or virement limits set by the Board.
- 5.2.3 Budgets must only be used for the purposes designated, and any budgeted funds not required for their designated purpose(s) revert to the immediate control of the Chief Executive, subject to any authorised use of virement.
- 5.2.4 Non-recurring budgets should not be used to finance recurring expenditure without the authority in writing of the Chief Executive, as advised by the Director of Finance.
- 5.2.5 All budget holders must provide information as required by the Director of Finance to enable budgets to be compiled and managed appropriately.
- 5.2.6 All budget holders will sign up to their allocated budgets at the commencement of the financial year.
- 5.2.7 The Director of Finance has a responsibility to ensure that appropriate and timely financial information is provided to budget holders and that adequate training is delivered on an on-going basis to assist budget holders managing their budgets successfully.

### **5.3. Financial Management, Reporting and Budgetary Control**

- 5.3.1 The Director of Finance shall monitor financial performance against budget and plans and report the current and forecast position, and

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#### Schedule 2.1: Standing Financial Instructions

financial risks, on a monthly basis and at every Board meeting. Any significant variances should be reported to LHB Board as soon as they come to light and the Board shall be advised on any recommendations and action to be taken in respect of such variances.

5.3.2 The Director of Finance will devise and maintain systems of financial management, performance reporting and budgetary control. These will include:

- a) Regular financial reports, for revenue and capital, to the Board in a form approved by the Board containing sufficient information for the Board to:
  - Understand the current and forecast financial position
  - Evaluate risks and opportunities
  - Use insight to make informed decisions
  - Be consistent with other Board reports, and as a minimum the reports will cover:
    - Current and forecast year end position on statutory financial duties
    - Actual income and expenditure to date compared to budget and showing trends and run rates
    - Forecast year end positions
    - A statement of assets and liabilities, including analysis of cash flow and movements in working capital.
    - Explanations of material variances from plan
    - Capital expenditure and projected outturn against plan
    - Investigations and reporting of variances from financial, activity and workforce budgets.
    - Details of corrective actions being taken, as advised by the relevant budget holder and the Chief Executive's and/or Director of Finance's view of whether such actions are sufficient to correct the situation;
    - Statement of performance against savings targets
    - Key workforce and other cost drivers
    - Income and expenditure run rates, historic trends, extrapolation and explanations
    - Clear assessment of risks and opportunities
  - Provide a rounded and holistic view of financial and wider organisational performance.
- b) The issue of regular, timely, accurate and comprehensible advice and financial reports to each delegated budget holder, covering the areas for which they are responsible;
- c) An accountability and escalation framework to be established for the organisation to formally address material budget variances

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#### Schedule 2.1: Standing Financial Instructions

- d) Investigation and reporting of variances from financial, activity and workforce budgets;
- e) Monitoring of management action to correct variances;
- f) Arrangements for the authorisation of budget transfers and virements.

#### 5.3.3 Each Budget Holder will

- be held to account for managing services within the delegated budget
- investigate causes of expenditure and budget variances using information from activity, workforce and other relevant sources
- develop plans to address adverse budget variances.

#### 5.3.4 Each Budget Holder is responsible for ensuring that:

- a) Any likely overspending or reduction of income that cannot be met by virement is not incurred without the prior consent of the Chief Executive subject to the Board's scheme of delegation;
- b) The amount provided in the approved budget is not used in whole or in part for any purpose other than that specifically authorised, subject to the rules of virement;
- c) No permanent employees are appointed without the approval of the Chief Executive other than those provided for within the available resources and workforce establishment as approved by the Board.

5.3.5 The Chief Executive is responsible for identifying and implementing cost and efficiency improvements and income generation initiatives in accordance with the requirements of the Medium Term Financial Plans and SFI 9.1.

### **5.4. Capital Financial Management, Reporting and Budgetary Control**

5.4.1 The general rules applying to revenue Financial Management, Reporting and Budgetary Control delegation and reporting shall also apply to capital plans, budgets and expenditure subject to any specific reporting requirements required by the Welsh Ministers.

### **5.5 Reporting to Welsh Government - Monitoring Returns**

5.5.1 The Chief Executive is responsible for ensuring that the appropriate

monitoring returns are submitted to the Welsh Ministers in accordance with published guidance and timescales.

- 5.5.2 All monitoring returns must be supported by a detailed commentary signed by the Director of Finance and Chief Executive. This commentary should also highlight and quantify any significant risks with an assessment of the impact and likelihood of these risks maturing.
- 5.5.3 All information made available to the Welsh Ministers should also be made available to the Board. There must be consistency between the Medium Term Financial Plan, budgets, expenditure, forecast position and risks as reported in the monitoring returns and monthly Board reports.

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## Schedule 2.1: Standing Financial Instructions

## 6. ANNUAL ACCOUNTS AND REPORTS

- 6.1 The Board must approve the LHB's annual accounts prior to submission to the Welsh Ministers and the Auditor General for Wales in accordance with the annual timetable.
- 6.2 The Chair and Chief Executive have responsibility for signing the accounts on behalf of the LHB. The Chief Executive has responsibility for signing the Performance Report, Accountability Report, Statement of Financial Position and the Governance Statement.
- 6.3 The Director of Finance, on behalf of the LHB, is responsible for ensuring that financial reports and returns are prepared in accordance with the accounting policies, guidance and timetable determined by the Welsh Ministers, as per Welsh Government's Manual for Accounts, and consistent with Financial Reporting Manual (FReM) and International Financial Reporting Standards.
- 6.4 The LHB's annual accounts must be audited by the Auditor General for Wales. The LHB's audited annual accounts must be adopted by the Board at a public meeting and made available to the public.
- 6.5 The LHB will publish an annual report, in accordance with guidelines on local accountability, and present it at its Annual General Meeting. The Board Secretary will ensure that the Annual Report is prepared in line with the Welsh Government's Manual for Accounts. The Annual Report will include
- The Accountability Report containing:
    - o Corporate Governance Report
    - o Remuneration Report and Staff Report
    - o Accountability and Audit Report
  - The Performance Report, which must include:
    - o An overview
    - o A performance Analysis

## **7. BANKING ARRANGEMENTS**

### **7.1 General**

7.1.1 The Director of Finance is responsible for managing the LHB's banking arrangements and for advising the Board on the provision of banking services and operation of accounts. This advice will take into account guidance/Directions issued from time to time by the Welsh Ministers. LHBs are required to use the Government Banking Service (GBS) for its banking services.

7.1.2 The Board shall approve the banking arrangements.

### **7.2 Bank Accounts**

7.2.1 The Director of Finance is responsible for:

- a) Establishing bank accounts and ensuring that the Government Banking Service is utilised for main Health Board business transactions;
- b) Establishing additional commercial accounts only exceptionally and where there is a clear rationale for not utilising the Government Banking Service;
- c) Establishing separate bank accounts for the LHB's non-exchequer funds;
- d) Ensuring payments made from bank accounts do not exceed the amount credited to the account except where arrangements have been made;
- e) Ensuring accounts are not overdrawn except in exceptional and planned situations.
- f) Reporting to the Board all arrangements made with the LHB's bankers for accounts to be overdrawn;
- g) Monitoring compliance with Welsh Ministers' guidance on the level of cleared funds.

7.2.2 With the exception of Project Bank Accounts, all bank accounts should be held in the name of the LHB. No officer other than the Director of Finance shall open any account in the name of the LHB or for the purposes of furthering LHB activities.

7.2.3 Any Project Bank Account that is required may be held jointly in the name of the LHB and the relevant third party contractor.

### **7.3 Banking Procedures**

7.3.1 The Director of Finance will prepare detailed instructions on the operation of bank accounts, that ensure there are sound controls over the day-to-day operation of bank accounts, which must include:

- a) The conditions under which each bank account is to be operated;
- b) Those authorised to sign cheques or other orders drawn on the LHB's accounts.
- c) Effective divisions of duty for employees working within the banking and treasury management function to minimise the risk of fraud and error.
- d) Authorised signatories are identified with sufficient seniority, and in the case of e-banking approvers, together with an appropriate payment approval hierarchy.
- e) Procedures are in place for prompt banking of money received.
- f) Ensure there are physical security arrangements in place for cheque stationery, e-banking access devices and payment cards.
- g) Cheques and payable orders are treated as controlled stationery with management responsibility given to a duly designated employee.
- h) Frequent reconciliations are undertaken between cash books, bank statements and the general ledger so that all differences are fully understood and accounted appropriately.
- i) Commercial bank accounts should only be used exceptionally where there is a sound rationale and demonstrates value for money. Commercial accounts should be procured through a tendering exercise and the outcome reported to the Audit Committee on behalf of the Board.

7.3.2 The Director of Finance must advise the LHB's bankers in writing of the conditions under which each account will be operated.

7.3.3 The Director of Finance shall approve security procedures for any payable orders issued without a hand-written signature e.g. automatically printed. All Payable Orders shall be treated as controlled

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#### Schedule 2.1: Standing Financial Instructions

stationery, in the charge of a duly designated officer controlling their issue.

#### **7.4 Review**

- 7.4.1 The Director of Finance will review banking arrangements of the LHB at regular intervals to ensure they reflect best practice, that they are efficient and effective and represent best value for money. The results of the review should be reported to the Audit Committee.

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#### Schedule 2.1: Standing Financial Instructions

Status: Update – July 2025 (v1) – Approved by BCUHB Board

## **8. CASH, CHEQUES, PAYMENT CARDS AND OTHER NEGOTIABLE INSTRUMENTS**

### **8.1 General**

8.1.1 The Director of Finance is responsible for:

- a) Approving the form of all receipt books, agreement forms, or other means of officially acknowledging or recording monies received or receivable;
- b) Ordering and securely controlling any such stationery, ensuring all cash related stationery treated as controlled stationery with management responsibility given to a duly designated employee;
- c) The provision of adequate physical facilities and systems for officers whose duties include collecting and holding cash, including the provision of safes or lockable cash boxes, the procedures for keys, and for coin operated machines; and
- d) Establishing systems and procedures for handling cash and negotiable securities on behalf of the LHB.
- e) Ensuring effective control systems are in place for the use of payment cards,
- f) Ensuring that there are adequate control systems in place to minimise the risk of cash/card misappropriation.

8.1.2 Official money shall not under any circumstances be used for the encashment of private cheques or IOUs (informal documents acknowledging debt).

8.1.3 All cheques, postal orders, cash etc., shall be banked intact. Disbursements shall not be made from cash received, except under arrangements approved by the Director of Finance.

8.1.4 The holders of safe/cash box combinations/keys shall not accept unofficial funds for depositing in their safe/cash box unless such deposits are in special sealed envelopes or locked containers. It shall be made clear to the depositors that the LHB is not to be held liable for any loss, and written indemnities must be obtained from the organisation or individuals absolving the LHB from responsibility for any loss.

8.1.5 The opening of coin operated machines (including telephone, if applicable) and the counting and recording of takings shall be

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### Schedule 2.1: Standing Financial Instructions

undertaken by two officers together, except as may be authorised in writing by the Director of Finance and the coin box keys shall be held by a nominated officer.

- 8.1.6 During the absence (for example, on holiday) of the holder of a safe/cash box combination/key, the officer who acts in their place shall be subject to the same controls as the normal holder of the combination/key. There shall be written discharge for the safe and/or cash box contents on the transfer of responsibilities and the discharge document must be retained for inspection.

## **8.2 Petty Cash**

- 8.2.1 The Director of Finance will issue instructions restricting the use and value of petty cash purchases.
- 8.2.3 Petty cash use should be minimised and be subject to regular cash balance reviews in order to minimise cash levels held.
- 8.2.3 Petty cash should be operated under an imprest system and be subject to regular checks to ensure physical and book cash levels are consistent.

## **9. INCOME, FEES AND CHARGES**

### **9.1 Income Generation and Participation in/Formation of Companies**

9.1.1 The LHB shall only generate income for those goods and services that are approved by the Welsh Ministers. Any income generating activities must be complementary to the provision of NHS services and must be in accordance with the Welsh Ministers' policy and powers to raise money as set out in section 169 of the National Health Service (Wales) Act 2006 (c. 42).

9.1.2 The LHB can only form or participate in a company for income generation, improving health, healthcare care and health services, purposes with the consent and/or direction of Welsh Ministers. The LHB should obtain advice from Welsh Government officials prior to undertaking substantive work on formation or participation in any company.

### **9.2 Income Systems**

9.2.1 The Director of Finance is responsible for designing and maintaining procedures to ensure compliance with systems for the proper recording, invoicing, and collection and coding of all monies due.

9.2.2 The Director of Finance is also responsible for ensuring that systems are in place for the prompt banking of all monies received.

### **9.3 Fees and Charges**

9.3.1 The Director of Finance is responsible for approving and regularly reviewing the level of all fees and charges other than those determined by the Welsh Ministers or by Statute. Independent professional advice on matters of valuation shall be taken as necessary.

9.3.2 All officers must inform the Director of Finance promptly of money due arising from transactions which they initiate/deal with, including all contracts, leases, tenancy agreements, private patient undertakings and other transactions.

### **9.4 Income Due and Debt Recovery**

9.4.1 Delegated budget holders and managers are responsible for informing the Director of Finance of any income due that arises from any contracts, service levels agreements, leases, activities such as private patients or other transactions.

- 9.4.2 Delegated budget holders and managers must inform the Director of Finance when overpayment of salary or expenses have been made, in order that recovery can be made.
- 9.4.3 The Director of Finance is responsible for recovering income due and for ensuring debt recovery procedures are in place to secure early payment and minimise bad debt risk on all outstanding debts.
- 9.4.4 Income not received should be dealt with in accordance with losses procedures.
- 9.4.5 Overpayments should be detected (or preferably prevented) and recovery initiated.
- 9.4.6 The Chief Executive and the Director of Finance are responsible for ensuring the Welsh Ministers' guidance on disputed debt arbitration is strictly adhered to.

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## Schedule 2.1: Standing Financial Instructions

## **10. NON-PAY EXPENDITURE**

### **10.1 Scheme of Delegation, Non-Pay Expenditure Limits and Accountability**

10.1.1 The Board must agree a Scheme of Delegation in line with that set out in its Standing Orders Scheme of Reservation and Delegation of Powers.

10.1.2 The Chief Executive will approve the level of non-pay expenditure and the operational scheme of delegation and authorisation to budget holders and managers within the parameters set out in the LHB's scheme of delegation.

10.1.3 The Chief Executive will set out in the operational scheme of delegation and authorisation:

- The list of managers who are authorised to place requisitions for the supply of goods, services and works and for the awarding of contracts; and
- The maximum level of each requisition and the system for authorisation above that level.

### **10.2 The Director of Finance's responsibilities**

10.2.1 The Director of Finance will:

- a) Advise the Board regarding the NHS Wales national procurement and payment systems thresholds above which quotations (competitive or otherwise) or formal tenders must be obtained; and, once approved, the thresholds would be incorporated in SOs and SFIs;
- b) Prepare procedural instructions or guidance within the Scheme of Delegation on non-pay expenditure;
- c) Ensure systems are in place for the authorisation of all accounts and claims;
- d) Ensure Directors and officers strictly follow NHS Wales system and procedures of verification, recording and payment of all amounts payable.
- e) Maintain a list of Executive Directors and officers (including specimens of their signatures) authorised to certify invoices.
- f) Be responsible for ensuring compliance with the Public Sector Payment policy ensuring that a minimum of 95 percent of

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#### Schedule 2.1: Standing Financial Instructions

creditors are paid within 30 days of receipt of goods or a valid invoice (whichever is later) unless other payment terms have been agreed.

- g) Ensure that where consultancy advice is being obtained, the procurement of such advice must be in accordance with applicable procurement legislation, guidance issued by the Welsh Ministers and SFIs;
- h) Be responsible for Petty Cash system, procedures, authorisation and record keeping, and ensure purchases from petty cash are restricted in value and by type of purchase in accordance with procedures

### **10.3 Duties of Budget Holders and Managers**

10.3.1 Budget holders and managers must ensure that they comply fully with the Scheme of Delegation, guidance and limits specified by the Chief Executive and Director of Finance, and that:

- a) All contracts (except as otherwise provided for in the Scheme of Delegation), leases, tenancy agreements and other commitments which may result in a liability are notified to the Director of Finance in advance of both any commitment being made and NWSSP Procurement Services being engaged;
- b) Contracts above specified thresholds are advertised and awarded, through NWSSP Procurement Services, in accordance with EU and HM Treasury rules on public procurement;
- c) Contracts above specified thresholds are approved by the Welsh Ministers prior to any commitment being made;
- d) goods have been duly received, examined and are in accordance with specification and order,
- e) work done or services rendered have been satisfactorily carried out in accordance with the order, and, where applicable, the materials used are of the requisite standard and the charges are correct,
- f) No requisition/order shall be issued for any item or items to any firm which has made an offer of gifts, reward or benefit to Board members or LHB officers, other than:
  - (i) Isolated gifts of a trivial character or inexpensive seasonal

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#### Schedule 2.1: Standing Financial Instructions

gifts, such as calendars,

- (ii) Conventional hospitality, such as lunches in the course of working visits;

**This provision needs to be read in conjunction with Standing Order 8.5, 8.6 and 8.7.**

- g) No requisition/order is placed for any item or items for which there is no budget provision unless authorised by the Director of Finance on behalf of the Chief Executive;
- h) All goods, services, or works are ordered on official orders
- i) Requisitions/orders are not split or otherwise placed in a manner devised so as to avoid the financial thresholds;
- j) Goods are not taken on trial or loan in circumstances that could commit the LHB to a future uncompetitive purchase;

10.3.2 The Chief Executive and Director of Finance shall ensure that the arrangements for financial control and financial audit of building and engineering contracts and property transactions comply with the guidance issued by the Welsh Ministers. The technical audit of these contracts shall be the responsibility of the relevant Director as set out in the LHB's scheme of delegation.

#### **10.4 Departures from SFI's**

10.4.1 Departing from the application of Chapters 10 and 11 of these SFI's is only possible in very exceptional circumstances. Health Boards must consult with NWSSP Procurement Services, Director of Finance and Board Secretary prior to any such action undertaken. Any expenditure committed under these departures must receive prior approval in accordance with the Health Board Scheme of Delegation.

#### **10.5 Accounts Payable**

10.5.1 NWSSP Finance, shall on behalf of the LHB, maintain and deliver detailed policies, procedures systems and processes for all aspects of accounts payable

#### **10.6 Prepayments**

10.6.1 Prepayment should be exceptional, and should only be considered if a good value for money case can be made for them (i.e. that "need" can be demonstrated). Prepayments are only permitted where either:

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### Schedule 2.1: Standing Financial Instructions

- The financial advantages outweigh the disadvantages (i.e. cash flows must be discounted to Net Present Value (NPV) using the National Loans Fund (NLF) rate plus 2%);
- It is the industry norm e.g. courses and conferences;
- In line with requirements of [Managing Welsh Public Money](#)
- There is specific Welsh Ministers' approval to do so e.g. voluntary services compact.

10.6.2 In **exceptional** circumstances prepayments can be made subject to:

- a) The appropriate Executive Director providing, in the form of a written report, a case setting out all relevant circumstances of the purchase. The report must set out the effects on the LHB if the supplier is at some time during the course of the prepayment agreement unable to meet their commitments;
- b) The Director of Finance will need to be satisfied with the proposed arrangements before contractual arrangements proceed (taking into account the Public Contracts Regulations 2015 where the contract is above a stipulated financial threshold); and
- c) The budget holder is responsible for ensuring that all items due under a prepayment contract are received and they must immediately inform the appropriate Director or Chief Executive if problems are encountered.

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Schedule 2.1: Standing Financial Instructions

## 11. PROCUREMENT AND CONTRACTING FOR GOODS AND SERVICES

### General Information

#### 11.1 Procurement Services

11.1.1 While the Chief Executive is ultimately responsible for procurement the service is delivered by NHS Wales Shared Services Partnership (NWSSP) Procurement Services (“**Procurement Services**”).

11.1.2 Procurement staff employed by NWSSP provide a procurement support function to all health organisations in NHS Wales. Although NWSSP is responsible for the provision of a Procure to Pay service and provision of appropriate professional procurement and commercial advice, ultimate responsibility for compliance with legislation and policy guidelines remains with the Health Board. Where the term ‘procurement staff’ or ‘department’ is used in this chapter it should be read as equally applying to those departments where the procurement function is undertaken locally and outside of Procurement Services, for example ‘Pharmacy’ and ‘Works’ who undertake procurement on a devolved basis.

#### 11.2 Policies and Procedures

11.2.1 Procurement Services shall, on behalf of the LHB, maintain detailed policies and procedures for all aspects of procurement, including tendering and contracting processes. The policies and procedures shall comply with these SFIs, the NWSSP Procurement Manual (existing and future revised), and the Revised General Consent to enter Individual Contracts [included as Schedule 1 of these SFIs].

11.2.2 The Chief Executive is ultimately responsible for ensuring that the LHB’s Executive Directors, Independent Members and officers within the organisation strictly follow procurement, tendering and contracting procedures.

11.2.3 NWSSP’s Director of Procurement Services is responsible for ensuring that procurement, tendering and contracting policies and procedures are:

- kept up to date;
- conform to statutory requirements and regulations;
- adhere to guidance issued by the Welsh Ministers; and
- are consistent with the principles of sustainable development.

11.2.4 All procurement guidance issued by the Welsh Ministers should have the effect as if incorporated in these SFIs.

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### Schedule 2.1: Standing Financial Instructions

## 11.3 Legislation Governing Public Procurement

11.3.1 Legislation governs public sector procurement in the UK. From the 24 February 2025, the Procurement Act 2023 and associated subordinate instruments (together “**the 2023 Act**”) and the Health Services (Provider Selection Regime) (Wales) Regulations 2025 and associated subordinate instruments (together “**the PSR Wales Regulations**”) are the key pieces of legislation which governs public sector procurement in the UK. The PSR Wales Regulations only apply to certain health services (“**In-Scope Health Services**”) and further detail these can be found in the Welsh Government’s statutory guidance titled “Health service procurement: statutory guidance”. Goods and services which are not In-Scope Health Services (“**Goods and Non-Health Services**”) fall within the scope of the 2023 Act.

11.3.2 Where specific instruction relates only to procurements undertaken under the PSR Wales Regulations, the words ‘**In-Scope Health Services Only**’ will appear at the start of the instruction paragraph. Where specific instruction relates only to procurements undertaken under the Act, the words ‘**Goods and Non-Health Services Only**’ will appear at the start of the instruction paragraph. If such references do not appear at the start of the instruction paragraph, all information detailed is applicable to the procurement regimes under both the PSR Wales Regulations and the 2023 Act, save for any bracketed instruction reference following a phrase to either regimes applicability.

11.3.3 ‘**Goods and Non-Health Services Only**’ The Act governs the procurement of Goods and Non-Health Services. The Welsh Government’s Policy Framework and the Wales Procurement Policy Statement (WPPS) under section 14 of the 2023 Act also govern this area. A key objective of the legislation is to establish a flexible, accessible and equitable framework for public procurement in Wales that maximises social, economic, environmental and cultural outcomes for communities across Wales. Legislation, policy, and guidance setting out procedures and requirements for awarding all forms of regulated contracts shall have effect as if incorporated in the LHBs SFIs. **In the event of any conflict between what is contained in the 2023 Act and the LHB’s SFIs, the former shall prevail.**

11.3.4 ‘**In Scope Health Services Only**’ The PSR Wales Regulations governs the procurement of In-Scope Health Services. Under this legislation, relevant organisations to which the PSR Wales Regulations apply must also have regard to the Wales Procurement Policy Statement (WPPS) under section 14 of the 2023 Act. They must also have regard to the statutory guidance issued by the Welsh Government which sets out how the PSR Wales Regulations should be adopted. One of the key objectives of this legislation is to ensure

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### Schedule 2.1: Standing Financial Instructions

there is more flexibility when selecting providers for health services, with competitive tendering being one tool for the LHB to use when it is of benefit; alongside other routes that may be more proportionate, and which better enable the development of stable partnerships and the delivery of collaborative care. Legislation, policy, and guidance setting out procedures for awarding all forms of regulated contracts shall have effect as if incorporated in the LHB's SFIs. **In the event of any conflict between what is contained in the PSR Wales Regulations and the LHB's SFIs, the former shall prevail.**

11.3.5 All Directors and their staff are responsible for ensuring that all legal requirements in the area of public procurement are understood and fully complied with. The provisions set out in the 2023 Act, the PSR Wales Regulations, Welsh Procurement Policy Notices and all associated subordinate instruments are the model upon which all procurement exercises should be based.

11.3.6 Procurement advice should be sought in the first instance from Procurement Services. The commissioning of further specialist advice shall be jointly agreed between the LHB and Procurement Services e.g., engagement of NWSSP Legal and Risk Services prior to 3rd party Legal Service providers.

11.3.7 All other relevant legislation, guidance and policy documents must also be observed, including but not limited to the following:

- Social Partnership and Public Procurement (Wales) Act 2023
- The Well-being of Future Generations (Wales) Act 2015
- Welsh Language (Wales) Measure 2011
- Modern Slavery Act 2015
- Bribery Act 2010
- Equality Act 2010
- Welsh Government's Code of Practice for Ethical Employment in Supply Chains
- The Producer Responsibility Obligations (Packaging Waste) Regulations 2007
- Welsh Government 'Towards zero waste: our waste strategy'
- The Welsh Government Procurement Policy Framework, including:
  - Wales Procurement Policy Notes (extant at the time of undertaking the procurement exercise)
  - The Wales Procurement Policy Statement (WPPS) (section 14 of the Procurement Act 2023).

## **11.4 Procurement Principles and Objectives**

11.4.1 The term "procurement" embraces the complete process from

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planning, sourcing to taking delivery of all works, goods and services required by the LHB to perform its functions, and furthermore embrace all building, equipment, consumables, and services including health services. Procurement further embraces contract and/or supplier management, including market engagement and industry monitoring.

**11.4.2 'Goods and Non-Health Services Only'** The legal and governing principles guiding 'covered procurement' under the 2023 Act, and incorporated into these SFIs include but are not limited to the following:

- Having regard to the objectives of delivering value for money; maximising public benefit; sharing information for the purpose of allowing suppliers and others to understand the authority's procurement policies and decisions; acting, and being seen to act, with integrity; and removing or reducing the barriers faced by SMEs.
- Ensuring equal treatment by treating suppliers the same, unless differences between the suppliers justify different treatment (and where different treatment of suppliers is justified, to take all reasonable steps to make sure the different treatment does not put a supplier at an unfair advantage or disadvantage).

**11.4.3 'In Scope Health Services Only'** The legal and governing principles guiding procurement of In-Scope Health Services under the PSR Wales Regulations, and incorporated into these SFIs include but is not limited to the LHB doing the following:

- Making decisions in the best interests of people who use the service by acting with a view to (1) securing the needs of the people who use the services; (2) improving the quality of the services; (3) improving efficiency in the provision of the services;
- Acting transparently, fairly, and proportionately;
- Having regard to the Welsh Government's Health Service Procurement: Statutory Guidance; and
- Having regard to the Wales Procurement Policy Statement published under section 14 of the 2023 Act.

## 11.5 Procurement Procedures

**11.5.1** To help towards ensuring that the LHB is compliant with the legislation governing public sector procurement in the UK, and Welsh Ministers' guidance and policy, the LHB shall, through Procurement Services, ensure that it shall have procedures that set out:

- a) requirements for, and exceptions to, formal competitive tendering ('**Goods and Non-Health Services Only**');
- b) tendering processes including post tender discussions;
- c) requirements and exceptions to obtaining quotations ('**Goods and Non-**

### Schedule 2.1: Standing Financial Instructions

**Health Services Only');**

- d) evaluation and scoring methodologies; and
- e) approval of firms for providing goods and services.

11.5.2 All procurement procedures must comply with all relevant legislation, the Welsh Ministers' guidance and the LHB's delegation arrangements and approval processes.

**11.6 Notification to Welsh Government and consent from the Welsh Ministers**

11.6.1 **Schedule 1** details the requirement and notification process for entering into contracts.

11.6.2 The provisions of Schedule 1 do not remove the requirement for the LHB to comply with Standing Orders, SFIs or to obtain any other consents or approvals required by law for the transactions concerned.

**Planning**

**11.7 Sustainable Procurement**

11.7.1 To further nurture the Welsh economy and in support of social, environmental, economic and cultural goals in Wales, the Health Board must also be mindful to structure requirements ensuring Welsh companies have the opportunity to transparently and fairly compete to deliver services regionally or across Wales where possible and within the legislative framework. The principles of the Well-being of Future Generations (Wales) Act 2015 ("the **WBFG Act 2015**") should be adopted at the earliest stage of procurement planning.

11.7.2 For example, the WBFGA 2015 requires affected public bodies to act in a manner which seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs. The WBFG Act 2015 also provides for a shared purpose through seven well-being goals for Wales which are indivisible from each other and explain what is meant by the well-being of Wales.

11.7.3 The 7 Wellbeing goals are

- a prosperous Wales
- a resilient Wales
- a healthier Wales
- a more equal Wales
- a Wales of cohesive communities
- a Wales of vibrant culture and thriving Welsh language
- a globally responsible Wales.

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Schedule 2.1: Standing Financial Instructions

11.7.4 The WBFG Act 2015 puts in place a “sustainable development principle” which tells relevant public bodies how to go about meeting their well-being duty. Such bodies need to make sure that when making their decisions they take into account the impact they could have on people living in Wales now and in the future. The WBFG Act 2015 includes five principles that those public bodies need to think about to show they have applied the sustainable development principle, which by way of brief summary are as follows:

- **Collaboration:** acting in collaboration with any other person (or different parts of the body itself) that could help the body to meet its well-being objectives;
- **Integration:** considering how the public body’s well-being objectives may impact upon each of the well-being goals, on their other objectives, or on the objectives of other public bodies;
- **Involvement:** the importance of involving people with an interest in achieving the well-being goals, and ensuring that those people reflect the diversity of the area which the body serves;
- **Long term:** the importance of balancing short-term needs with the need to safeguard the long-term needs; and
- **Prevention:** how acting to prevent problems occurring or getting worse may help public bodies meet their objectives.

11.7.5 The LHB is required to consider the Welsh Government Guidance on Ethical Employment Practices in Public Sector Supply Chains and the Code of Practice on ethical employment in supply chains which includes aims to commit public, private and third sector organisations to a set of actions designed to eliminate modern slavery and support ethical employment practices.

11.7.6 The LHB shall make use of the tools developed by Welsh Government Commercial Delivery Team in implementing the principles of the WBFG Act 2015. The LHB shall benchmark its performance against the WBFG Act 2015. As detailed in WPPN 005, for the procurement of all contracts over £25,000, LHBs are required to take into account the social, economic, environmental and cultural goals in the WBFG Act 2015 using the Sustainable Risk Assessment Template (SRA).

## 11.8 Small and Medium Sized Enterprises (SMEs), Third Sector Organisations (TSOs) and Supported Factories and Businesses (SFBs)

11.8.1 In accordance with the ‘covered procurement’ objectives in the 2023 Act, Welsh Government’s commitments are set out in Welsh Government’s ‘technical guidance for covered procurement’ and the current and subsequent versions of the Wales Procurement Policy

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### Schedule 2.1: Standing Financial Instructions

Statement (WPPS). The LHB shall ensure that it provides opportunities for SMEs, TSOs and SFBs to quote or tender for contracts.

## 11.9 Planning Procurements

11.9.1 Health Boards must ensure that all staff with delegated budgetary responsibility or who are part of the procurement process for goods, services and works are aware of the legislative and policy frameworks and requirements governing public procurement.

11.9.2 A process of planning all procurement exercises must be undertaken with the Procurement Services and an appropriate representative from the service and other appropriate stakeholders, (depending on the value, risk and complexity of the procurement). The purpose of a planning phase is to determine:

- the likely financial value of the procurement, including whole life cost;
- the likely 'route to market' which will consider the legislative and policy framework set out above;
- the availability of funding to be able to award a contract following a successful procurement process; and
- that the procurement follows current legislative and policy frameworks including Value Based Procurement.

11.9.3 The procurement specification should factor in the 4 principles of prudent healthcare:

- equal partners through co-production;
- care for those with the greatest health need first;
- do only what is needed; and
- reduce inappropriate variation.

For '**Goods and Non-Health Services Only**' Value based outcome/experience/delivery principles must also be included where appropriate ensuring best value for money, sustainability of services and the future financial position. For '**In Scope Health Services Only**' Value Based Healthcare should be considered under the Key Criteria 'Value' where this is appropriate and applicable. Value for money is defined as the optimum combination of whole-life cost and quality to meet the requirement (and is also a core objective of the 2023 Act).

11.9.4 Where free of charge services are made available to the Health Board, Procurement Services must be consulted to ensure that any competition requirements are not breached, particularly in the case of

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### Schedule 2.1: Standing Financial Instructions

pilot activity to ensure that the Health Board does not unintentionally commit itself to a single provider or longer term commitment. Regular reports on free of charge services provided to the Health Board should be submitted by Health Board's Board Secretary to the Audit Committee.

11.9.5 The Health Board is required to participate in all-Wales collaborative planning activity where the potential to do so is identified by the procurement professional involved in the planning process. Cross sector collaboration may also be required.

### **Joint or Collaborative Initiatives**

11.9.6 Specialist advice should be obtained from Welsh Government's Health and Social Care Finance Department, and the opinions of Procurement Services and NWSSP Legal and Risk prior to external opinion being sought, where there is an undertaking to commence joint or collaborative initiatives which may be deemed as novel or contentious.

### **11.10 Procurement Process**

11.10.1 Where there is a requirement for goods or services, the manager must source those goods or services from the Health Board's approved catalogue. Where a required item is not included within the catalogue, advice must be sought from Procurement Services on opportunities to source those goods or services through public sector contract framework, such as those provided by the Welsh Government's Commercial Delivery team, NHS Supply Chain or Crown Commercial Services. The use of suitable Welsh frameworks (where access is permissible) shall take precedence over frameworks led by public sector bodies located outside of Wales.

11.10.2 '**Goods and Non-Health Services Only**' - In the absence of an existing suitable procurement framework to source the required item, a competition must be operated in accordance with the 2023 Act and the table below. The LHB must ensure the value of their requirement considers cumulative spend across the LHB for like requirements and opportunity for collaboration with other NHS Wales Organisations.

**TABLE ‘Goods and Non-Health Services Only’**

<b>Goods/Services/Works Whole Life Cost Contract value (figures excl. VAT)</b>	<b>Minimum competition<sup>1</sup></b>	<b>Form of Contract</b>
Below £5,000	Evidence of value for money has been achieved	Purchase Order
£5,000 - £24,999	Evidence of 3 written quotations	Simple Form of Contract/Purchase Order
£25,000 plus to the prevailing Procurement Act 2023 threshold <sup>2</sup>	Advertised open call for competition. Minimum of 4 tenders received if available.	Formal contract and Purchase Order
Over the prevailing Procurement Act 2023 threshold	Advertised open call for competition. Minimum of 5 tenders received if available or appropriate to the procurement route.	Formal contract and Purchase Order
Contracts above £1 million	Welsh Government approval required <sup>3</sup>	Formal contract and Purchase Order

<sup>1</sup> subject to the existence of suitable suppliers

<sup>2</sup> The Procurement Act 2023 – Schedule 1 – threshold amounts

<sup>3</sup> in accordance with the requirements set out in Schedule 1.

**11.10.3 ‘In Scope Health Services Only’** - In the absence of an existing suitable procurement framework to source the required item, the LHB is required to follow the most appropriate and proportionate procurement process as set out under the PSR Wales Regulations and the health service procurement: statutory guidance. The LHB should note that one of the key objectives of the PSR Wales Regulations are to provide more flexibility when selecting providers for health services with competitive tendering being one tool for the LHB to use when it is of benefit; alongside other routes that may be more proportionate, with a view to enabling the development of stable supplier partnerships and the delivery of collaborative care. Legislation, policy, and guidance setting out procedures for awarding all forms of regulated contracts shall have effect as if incorporated in the LHB’s SFIs.

11.10.4 Agreements awarded are required to deliver best value for money over the whole life of the agreement. Value for money is defined as the optimum combination of whole-life cost and quality to meet the requirement.

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Schedule 2.1: Standing Financial Instructions

## Competition Requirements

### 11.11 Procurement Thresholds

11.11.1 'Goods and Non-Health Services Only' The LHB must consider the minimum financial thresholds for quotes and competitive tendering arrangements when undertaking a procurement. The total value of the contract, whole life cost, over its entire period is the qualifying sum that should be applied (except in specific circumstances relating to aggregation and contracts of an indeterminate duration) as set out below, and in Schedule 1 of the 2023 Act.

11.11.2 'Goods and Non-Health Services Only' Advice from Procurement Services must be sought for all requirements in excess of £5,000 (excluding VAT).

11.11.3 'Goods and Non-Health Services Only' The deliberate sub-dividing of contracts to fall below a specific threshold is strictly prohibited. Any attempt to avoid these limits may expose the Board to risk of legal challenge and could result in disciplinary action against an individual[s].

11.11.4 'Goods and Non-Health Services Only' Deliberate re-engagement of a supplier, where the value of the individual engagement is less than £5,000 (excluding VAT), must not be undertaken where the total value of engagements taken as a whole would exceed £5,000 (excluding VAT) and require competition.

11.11.5 'In Scope Health Services Only' There is no minimum financial threshold for application of the PSR Wales Regulations.

### 11.12 Designing Competitions

11.12.1 The budget holder or manager responsible for the procurement is required to engage with the Procurement team to ensure:

- Required timescales are achievable
- Specifications are drafted which:
  - are fit for inclusion in competition documents;
  - are drafted in a manner encouraging innovation by the market;
  - are capable of being responded to and do not narrow competition;
  - deliver in line with legislative and policy frameworks.
  - include robust performance measures to effectively measure and manage supplier performance; and
  - consider the ability of the market to deliver.

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Schedule 2.1: Standing Financial Instructions

11.12.2 Appropriate performance measures are included in agreements awarded, thus ensuring best value for money decisions taken that return maximum benefit for the organisation and ultimately the improvement of patient outcomes and wider health and social care communities. **'Goods and Non-Health Services Only'**, under the 2023 Act there is a requirement to set and publish at least 3 Key Performance Indicators (KPI's) for contracts above £5m, and to publish a notice on these at least annually during the term of the contract (note: this does not apply to 'light touch regime' contracts) and in circumstances where the LHB considers that the supplier's performance under the contract could not appropriately be assessed by reference to key performance indicators (s.52(2) of the 2023 Act)).

11.12.3 **'Goods and Non-Health Services Only'** Criteria for selecting suppliers and achieving an award recommendation must be evaluated on the basis of the "Most Advantageous Tender", which provides contracting authorities with greater flexibility to take into account wider social and environmental issues where that is decided to be relevant for the best solution. Such criteria must:

- be appropriately weighted;
- be transparent and proportionate;
- deliver value for money outcomes;
- fully explore complexity/risk; and
- consider whole life cost including (where appropriate) the cost of change and / or end of life costs.

11.12.4 **'In-Scope Health Services Only'** Criteria for selecting suppliers and achieving an award recommendation must follow (where applicable) the provisions in the PSR Wales Regulations, regarding:

- Key Criteria (regulation 6);
- Basic Selection Criteria (regulation 22); and
- Exclusions (regulations 25 and 26).

The LHB is required to ensure the appropriate criteria is set with regards the selected procurement process, as set out under the PSR Wales Regulations and Health service procurement: statutory guidance".

### 11.13 Single Quotation Application (SQA) or Single Tender Application (STA) – ‘Goods and Non-Health Services Only’

11.13.1 In exceptional circumstances, there may be a need to secure goods/services/works from a single supplier. This may concern securing requirements from a single supplier, due to a special character of the firm, or a proprietary item or service of a special character. Such circumstances may include:

- Follow-up work where a provider has already undertaken initial work in the same area (and where the initial work was awarded from open competition);
- A technical compatibility issue which needs to be met e.g. specific equipment required, or compliance with a warranty cover clause;
- a need to retain a particular contractor for genuine business continuity issues (not just preferences); or
- When joining collaborative agreements where there is no formal agreement in place. Request for such a departure must be supported by written evidence from the Procurement Service confirming local agreements will be replaced by an all-Wales competition/national strategy.

11.13.2 The appropriate Executive Director must approve all single waivers for their service area prior to submission to Procurement Services. Procurement Services must be consulted prior to any such application being submitted for approval and comments provided on whether the application is supported or not from a procurement perspective (see 11.13.3) prior to the application being submitted for final approval. The Executive Director of Finance must approve such applications up to £25,000, the Chief Executive or designated deputy, and Executive Director of Finance, are required to approve applications exceeding £25,000. A register must be kept for monitoring purposes and all single tender actions must be reported to the Audit Committee.

11.13.3 In all applications, through Single Quotation Application or Single Tender Application (SQA or STA) forms, the applicant must demonstrate adequate consideration to the Chief Executive and Executive Director of Finance, as advised by the Head of Procurement, that securing best value for money is a priority. The Head of Procurement will scrutinise and endorse each request to ensure:

- robust justification is provided;
- a value for money test has been undertaken;
- no bias towards a particular supplier;
- future competitive processes are not adversely affected;
- no distortion of the market is intended;

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#### Schedule 2.1: Standing Financial Instructions

- an acceptable level of assurance is available before presentation for approval in line with the Health Board Scheme of Delegation; and
- an “or equivalent” test has been considered proving the request is justified.

**11.13.4** Under no circumstances will Procurement Services endorse a retrospective SQA/STA, where the Health Board has already entered into an arrangement directly. **A lack of sufficient time to complete the procurement process is not an acceptable reason for the requesting of an SQA/STA.**

**11.13.5** As a SQA or STA are only used in exceptional circumstances the Health Board, through the Chief Executive, must report each, including the specifics of the exceptional circumstances and the total financial commitment, in sufficient detail to its Audit Committee. The report will include any corrective action/advice provided by the Chief Executive, Executive Director of Finance or NWSSP Director of Procurement Services to prevent **repeated inappropriate use of a SQA or a STA** by the Health Board.

**11.13.6** The Audit Committee may consider further steps to be appropriate, such as:

- instruct a representative of the Health Board to attend Audit Committee;
- escalate to the Board;
- request an internal Audit Review;
- request further training or
- take internal disciplinary action.

**11.13.7** No SQA/STA is required where the seeking of competition is not possible, nor would the application of the SQA/STA procedure add value to the process/aid the delivery of a value for money outcome. The NWSSP Procurement Manual details the schedule of departures from a SQA/STA where competition not possible.

**11.13.8** For performance monitoring purposes, Procurement Services will retain a central register of all such activity including SQA/STA’s not endorsed by Procurement Services or any exceptional matters.

#### **11.14 Disposals - ‘Goods and Non-Health Services Only’**

**11.14.1** Disposal of surplus, obsolete equipment/consumables is also subject to the competition rules.

**11.14.2** Obsolete or condemned articles and stores, which may be disposed

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### Schedule 2.1: Standing Financial Instructions

of in accordance with applicable regulations and law at the prevailing time (e.g. Waste Electrical and Electronic Equipment (WEEE)) and the procedures of the Health Board making use of any agreements covering the disposal of such items.

11.14.3 The Health Board must obtain the best possible market price.

### **Approval & Award**

#### **11.15 Evaluation, Approval and Award**

- 11.15.1 The evaluation of procurement competitions must be undertaken by a minimum of 2 evaluators from within the operational service of the Health Board. Evaluation Teams for competitions of greater complexity and value must be multi-disciplinary and reach a consensus recommendation for internal approval.
- 11.15.2 The internal approval of any recommendation to award a competition must follow the Board's Scheme of Delegation.
- 11.15.3 The communication of the external notification to the market to award the contract must be managed by the Procurement Service.
- 11.15.4 Information throughout the process must be handled and retained as 'commercial in confidence' and not shared outside of staff directly involved in the competition process.
- 11.15.5 All associated communication throughout the competition process must also be managed by the Procurement Service.

### **Implementation & Contract Management**

#### **11.16 Contract Management**

- 11.16.1 Contract Management is the process which ensures that both parties to a contract fully meet their respective obligations as effectively and efficiently as possible, in order to deliver the business and operational objectives required by the contract and in particular, to achieve value for money. The relevant budget holder shall oversee and manage each contract on behalf of the LHB so as to ensure that these implicit obligations are met. This contract management will include:
- retaining accurate records;
  - monitoring contract performance measures;
  - engaging suppliers to ensure performance delivery;

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Schedule 2.1: Standing Financial Instructions

- implementing contractual sanctions in the event of poor performance in conjunction with advice from Procurement Services; and
- permitting stage payments as part of a formally agreed implementation / delivery plan which must be supported by written evidence issued by the budget holder.

11.16.2 Contract management on All Wales contracts will be provided by Procurement Services.

11.16.3 Advice on Contract Management best practice is available from Procurement Services.

## 11.17 Extending and Varying Contracts

### 11.17.1 'Goods and Non-Health Services Only'

- (i) Extending, modifying or varying the scope of an existing contract is possible, if the provision to do so was included as an option in the original awarded contract, e.g., scope of requirement, further expenditure due to unforeseen circumstances, change in regulatory requirements, etc.
- (ii) If there is no such provision, the 2023 Act defines such limitations. Further information on contract modifications can be found in sections 74-77 of the 2023 Act and in Guidance: Contract Modifications.

### 11.17.2 'In-Scope Health Services Only'

- (i) Modification of the scope of an existing contract is possible if:
  - the modification is clearly and unambiguously provided for in the original contract or framework agreement documents, or
  - the original contract was awarded under Direct Award Process 1 and the modification does not render the contract 'materially different' in character.
- (ii) If provisions set out in 11.17.2 (i) first bullet point are not met, the PSR Wales Regulations define limitations concerning modifications of contracts as being, the modification must be:
  - solely a change in the identity of the provider however continues to meet the basic selection criteria, and there are no other considerable changes to the contract; or
  - made in response to external factors beyond the control of the 'relevant authority' (as defined under section 10A of the National Health Service (Wales) 2006), and the provider, for example changes in patient or service user volume; changes in prices in accordance with a formula provided

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## Schedule 2.1: Standing Financial Instructions

for in the contract documents and neither of these modifications render the contract or framework agreement materially different in character; or

- made at the discretion of the relevant authority and does not render the contract or framework agreement materially different in character and the cumulative change in the estimated lifetime value of the contract or framework agreement is under £500,000 or is under 25% of the estimated lifetime value.

11.17.3 Further approval is not required to extend an agreement beyond the original term/scope where prior approval was granted as part of the procurement process.

11.17.4 If there was no provision to extend, further approvals are required from the Health Board budget holder and the Head of Procurement. Budget holders must also be mindful of the threshold under which the original contract was awarded. Any increase in the contract value may require a more senior level of approval in line with the Scheme of Delegation.

11.17.5 This ensures an appropriate identification and assessment of potential risks to the Health Boards compliance of approvals being granted within the Scheme of Delegation and assurance that value for money continues to be delivered from public funds.

11.17.6 The budget holder must seek advice from Procurement Services in advance of committing further expenditure to ensure the contract is reflective of requirements. The budget holder must assess whether there is sufficient evidence to support the justification and whether the budget is available to support the additional requirements.

### **Transactional Processes**

#### **11.18 Requisitioning**

11.18.1 The budget manager in choosing the item to be supplied (or the service to be performed) shall always obtain the best value for money for the LHB. The budget holder will source those goods ('**Goods and Non-Health Services Only**') or services from the approved catalogue. Where a required item is not included within the catalogue, advice must be sought from the Procurement Services on opportunities to source those goods or services through public sector contract frameworks, such as those managed by Welsh Government's Commercial Delivery Team, NHS Supply Chain or Crown Commercial Services.

11.18.2 Where a required item is not on catalogue or on framework contract the budget manager shall request the Procurement Services to undertake quotation / tendering exercises ('Goods and Non-Health Services Only') on their behalf in line with SFI 11.11 thresholds ('Goods and Non-Health Services Only').

11.18.3 All orders for goods ('Goods and Non-Health Services Only') and services must be accompanied by an official order number, available from the Procurement Department. In no circumstances must a requisition number be used as an order number.

### 11.19 No Purchase Order, No Pay

11.19.1 The Health Board will ensure compliance with the 'No Purchase Order, No Pay' policy, the All Wales policy which was introduced to ensure that Procure to Pay continues to provide world-class services on a 'Once for Wales' basis.

11.19.2 The policy ensures that a purchase order is raised at the beginning of a purchase in circumstances where a purchase order is required under the policy. This follows industry standard best practice as it provides a commitment as to what is likely to be spent. The supplier must obtain a purchase order number for their invoice in order for it to be processed for payment.

### 11.20 Official orders

11.20.1 Official Orders, issued following approved requisition and sourcing, must:

- a) Be consecutively numbered;
- b) State the Health Board's terms and conditions of trade.

11.20.2 Official Orders will be issued on behalf of the Health Board by Procurement Services.

## **12. HEALTH CARE AGREEMENTS AND CONTRACTS FOR HEALTH CARE SERVICES**

### **12.1 Health Care Agreements**

12.1.1 The Health Board will commission healthcare services for its resident population both internally, from its own LHB provided services, and externally, from other LHBs, Trusts and other providers. The Chief Executive is responsible for ensuring the LHB enters into suitable Health Care Agreements (or Individual Patient Commissioning Agreements, where appropriate) for the provision of health care services from external providers.

12.1.2 All Health Care Agreements should aim to implement the agreed priorities contained within the Integrated Medium Term Plan and wherever possible, be based upon integrated care pathways to reflect expected patient experience. In discharging this responsibility, the Chief Executive should take into account:

- The standards of service quality expected;
- The relevant quality, governance and risk frameworks and plans;
- The relevant national service framework (if any);
- The provision of reliable information on quality, volume and cost of service; and
- That the agreements are based on integrated care pathways.

12.1.3 All agreements must be in accordance with the functions conferred on the LHB by the Welsh Ministers.

### **12.2 Statutory provisions**

The National Health Service (Wales) Act 2006 (c. 42) enables Health Boards to commission certain healthcare services. The relevant sections under the Act are as follows:

- Section 7 sets out the definition of an NHS contract, being an arrangement under which one health service body arranges for the provision to it by another of goods or services which it reasonably requires for the purposes of its functions. It also provides a definition of a health service body;
- Section 9 sets out arrangements to be treated as NHS contracts for ophthalmic and pharmaceutical services;
- Section 32 makes provision in relation to services which can be provided to Health Boards by local authorities;
- Section 33 enables the Welsh Ministers to make provision which enables Health Boards and Local Authorities to enter into prescribed arrangements as to the provision of services which are

in connection with specified circumstances, if they are likely to lead to an improvement in the way in which each of their functions are exercised;

- Part 4 enables Health Boards to make arrangements for the provision of primary medical services;
- Part 5 enables Health Boards to make arrangements for the provision of primary dental services;
- Part 6 enables Health Boards to make arrangements for the provision of general ophthalmic services;
- Part 7 enables Health Boards to make arrangements for the provision of pharmaceutical services;
- Section 188 enables the Welsh Ministers to make provision which enables Health Boards and the prison service to enter into prescribed arrangements as to the provision of services which are in connection with specified circumstances, if they are likely to lead to an improvement in the way in which each of their functions are exercised;
- Section 194 sets out the Health Boards powers to make payments towards expenditure on community services; and
- Section 195 sets out the conditions for payment where expenditure proposed under section 194 is in connection with services to be provided by a voluntary organisation.

### **12.3 Reports to Board on Health Care Agreements (HCAs)**

12.3.1 The Chief Executive will need to ensure that regular reports are provided to the Board detailing performance, quality and associated financial implications of all health care agreements with external providers. These reports will be linked to, and consistent with, other Board reports on commissioning and financial performance.

## 13 GRANT FUNDING

It is a matter for LHBs to determine whether individual activities should be procured, or be eligible to receive grant funding, seeking legal advice as necessary. (Grants are defined as all non-procured payments to external bodies or individuals for activities which are linked to delivering policy objectives and statutory obligations. Payments are made to fund or reimburse expenditure on agreed items or functions in accordance with legally binding conditions.)

### 13.1 Legal Advice

13.1.1 Before the award of funding is made, legal advice where necessary must be sought to ensure that:

- The award does not breach the LHBs functions or its regularity of expenditure duty (that is, the activities for which the grant is made are within the scope of activities that the LHB has a legal remit to undertake);
- The activities would not be deemed to be normally subject to procurement legislation and policy; and
- A legally binding agreement is made with all delivery organisations.

*See attached toolkit for grants v procurement (Annex 1):*

### 13.2 Policies and procedures

13.2.1 The LHB shall maintain detailed policies and procedures for all aspects of grant funding. The policies and procedures shall comply with these SFIs, and where appropriate the Welsh Government's Code of Practice to funding the third sector:

<https://gov.wales/sites/default/files/publications/2019-01/third-sector-scheme-2014.pdf>

13.2.2 The Chief Executive is ultimately responsible for ensuring that the LHB's grant procedures:

- Are kept up to date;
- Conform to statutory requirements;
- Adhere to guidance issued by the Welsh Ministers;
- Are consistent with the principles of sustainable development; and
- Are strictly followed by all Executive Directors, Independent Members and staff within the organisation.

13.2.3 The award of grant funding must comply with the policy and principles set out in the Procurement section of these SFIs and ensure that the

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#### Schedule 2.1: Standing Financial Instructions

award meets the requirements of regularity, propriety and value for money.

13.2.4 All grant guidance issued by the Welsh Ministers should have the effect as if incorporated in these SFIs.

### **13.3 Corporate Principles underpinning Grants Management**

13.3.1 While there is a need to make the financial arrangements for awarding funding as simple and streamlined as possible, LHBs should also ensure that taxpayers' money is spent appropriately and that it provides good value for money.

13.3.2 The overarching principles for managing public resources in Wales are set out in [Managing Welsh Public Money](#). The document states that the award of funding should be made in accordance with the law and the requirements of propriety, regularity and value for money.

13.3.3 Regularity requires compliance with appropriate authorities, regulations and legislation. Propriety requires both public authorities and funded bodies to deliver appropriate standards of conduct, behaviour and corporate governance. In addition, the public expects official decisions to be made fairly and impartially with public money spent wisely and appropriately, delivering value for money and ensuring that best use is made of resources.

13.3.4 The **corporate principles** of grants management are:

- The development of grant management processes and procedures that are transparent, accountable, proportionate and consistent;
- The delivery of a high quality regulatory framework that responds to demands but does not place unnecessary administrative burdens on LHBs or funded bodies;
- A regulatory framework that will take into consideration the need for proportionality, balancing the need for governance with the burden of administration, thus striking an appropriate balance between accountability and simplicity;
- An effective grant management process to ensure funded bodies spend the funding efficiently, transparently and for the purpose intended, with a view to maximising the impact and outcome from budgets;
- An appropriate evidence-based approach to underpin the design and development of all new funding programmes to ensure efficient and effective use of public funds, ensuring that the funding programme is the optimal solution and that funding is targeted

- where it is most needed and where it can have most impact;
- A consistent framework that will reinforce respect and effectiveness of the rules for both administrators and funded bodies; and
  - Compliance of the grant funding with State aid requirements in accordance with the State aid rules.

#### 13.4 Grant Procedures

It is vital that money is put to use in a way that delivers the maximum benefit to the people of Wales. Grants funding programmes need to be managed as efficiently and cost effectively as possible to make sure that every penny is spent appropriately and in an accountable manner. When establishing grant funding programmes, LHBs should ensure principles of good practice available from a number of external sources are considered and reflected in grant programmes.

- 13.4.1 Health Boards must agree a clear purpose for each grant and how it will measure the delivery organisation's success in delivering those purposes. It should also agree appropriate targets with the delivery organisation.
- 13.4.2 For grant programmes that span a number of financial years, the LHB is responsible for evaluating the programmes to ensure they are fit for purpose, achieving required outcomes and continue to provide value for money.
- 13.4.3 LHBs are responsible for ensuring that appropriate procedures exist in relation to all the grants and funding for which they are accountable. **They are also responsible for ensuring that any grant provided to an entity that engages in economic activity complies with the State aid rules.**
- 13.4.4 LHBs are required to undertake due diligence checks on all potential delivery organisations to determine the economic and financial viability of any organisation(s) to administer public funds, and the reliability of the organisation(s). These checks are important in order to identify any risks or issues that could expose the LHB to potential financial loss, fraud or reputational damage. A proportionate level of due diligence should be carried out, both prior to the award of any grant funding and throughout the life of the award.
- 13.4.5 The LHB must enter into legally binding funding agreements with all delivery organisations. When developing funding agreements, the LHB should ensure principles of good practice available from a number of external sources are considered and reflected.

13.4.6 The LHB is responsible for ensuring that all third party delivery organisations comply with and adhere to the terms and conditions of the Funding Agreement.

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Schedule 2.1: Standing Financial Instructions

Status: Update – July 2025 (v1) – Approved by BCUHB Board

## **14. PAY EXPENDITURE**

### **14.1 Remuneration and Terms of Service Committee**

- 14.1.1 In accordance with SOs the Board shall establish a Remuneration and Terms of Service Committee, with clearly defined terms of reference and operating arrangements that specify which posts fall within its area of responsibility. This Standing Financial Instruction should be read in conjunction with Standing Order 3.4.
- 14.1.2 The Committee shall report in writing to the Board the basis for its recommendations. The Board shall use the report as the basis for their decisions, but remain accountable for taking decisions on the remuneration and terms of service of Directors and other senior employees, in accordance with the framework set by the Welsh Ministers. Minutes of the Board's meetings should record such decisions.
- 14.1.3 The Board will, after due consideration and amendment if appropriate approve proposals presented by the Chief Executive for the setting of remuneration and terms of service for those employees and officers not covered by the Committee.
- 14.1.4 The LHB will remunerate the Chair, Chief Executive, Executive Directors and Independent Members of the Board in accordance with instructions issued by the Welsh Ministers. Welsh Ministers approval will be required in the exceptional event that remuneration needs to be above the maximum of the salary band range, administratively this approval will be exercised by the Director General HSSG.
- 14.1.5 The Remuneration and Terms of Service Committee will consider cases of redundancy and Voluntary Early Release applications. The Remuneration and Terms of Service Committee will consider any novel employment and pay cases, such as compromise agreements and non-disclosure agreements, ensuring Welsh Government advice has been sought and considered.

### **14.2 Funded Establishment**

- 14.2.1 The workforce plans incorporated within the approved Integrated Medium Term Plan will form the funded establishment, i.e., the budget for all approved posts. (The financial budgets (£) and workforce establishment budgets (budgeted whole time equivalents) as per SFI 5.1.1 g)
- 14.2.2 The funded establishment of any department may not be varied without

the approval of the Chief Executive or an officer with delegated authority.

### **14.3 Staff Appointments**

14.3.1 Staff must only be engaged by authorised managers, in accordance with the Board's Scheme of Delegation. The engagement must be within the approved budget and funded establishment.

14.3.2 No Board member or LHB official may engage, re-engage, or re-grade employees, either on a permanent or temporary nature, or hire agency staff, or agree to changes in any aspect of remuneration outside the limit of their approved budget and funded establishment unless authorised to do so by the Chief Executive.

### **14.4 Pay Rates and Terms and Conditions**

14.4.1 The Board will approve procedures presented by the Chief Executive for the determination of commencing pay rates, condition of service, etc, for employees in accordance with pay, terms and conditions set out in Ministerial directions on Agenda for Change and Medical and Dental pay, and any staff with pre-existing terms and conditions of service, following a TUPE transfer into employment or ad hoc salaried staff.

14.4.2 The Remuneration Committee will determine pay rates and conditions of services for board members, and other senior employees, in accordance with ministerial instructions.

### **14.5 Payroll**

14.5.1 The Director of Workforce and Organisational Development, has responsibility for securing an efficient, well-controlled payroll service from NHS Wales Shared Services Partnership that:

- pays the correct staff with the correct amount,
- all payments are supported by properly authorised documentation.

14.5.2 The Director of Workforce and Organisational Development is responsible for:

- a) The control framework and detailed procedures which are in place to:
  - To ensure all payments comply with HMRC, Pensions Agency and other regulation in relation to the deduction and payment of tax, national insurance, pension or other payments,
  - reduce the risk of fraud and error within the payroll function.

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## Schedule 2.1: Standing Financial Instructions

- b) Specifying timetables for submission of properly authorised time records and other notifications;
- c) The final determination of pay and allowances including verification that the rate of pay and relevant conditions of service are in accordance with current agreements;
- d) Agreeing the timing and method of payment with the payroll service;
- e) Authorising the release of payroll data where in accordance with the provisions of the applicable Data Protection Legislation (the Data Protection Act 2018 and the UK General Data Protection Legislation);
- f) Verification and documentation of data;
- g) The timetable for receipt and preparation of payroll data and the payment of employees and allowances;
- h) Maintenance of subsidiary records for superannuation, income tax, social security and other authorised deductions from pay;
- i) Security and confidentiality of payroll information;
- j) Checks to be applied to completed payroll before and after payment; and
- k) A system to ensure the recovery from those leaving the employment of the LHB of sums of money and property due by them to the LHB.

#### 14.5.3 The Chief Executive is responsible for:

- a) Ensuring that arrangements for a payroll service from NHS Wales Shared Services Partnership (NWSSP) is supported by appropriate Service Level Agreements, terms and conditions, adequate internal controls and internal audit review procedures;
- b) Ensuring a sound system of internal control and audit review of any internally provided payroll service; and
- c) Maintenance and/or the authorisation of regular and independent reconciliation of pay control accounts.

#### 14.5.4 Appropriately nominated managers have delegated responsibility for:

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### Schedule 2.1: Standing Financial Instructions

- a) Submitting time records, and other notifications in accordance with agreed timetables;
- b) Completing time records and other notifications in accordance with the Service Level Agreements; and
- c) Submitting termination forms in the prescribed form immediately upon knowing the effective date of an employee's or officer's resignation, termination or retirement. Where an employee fails to report for duty or to fulfil obligations in circumstances that suggest they have left without notice, the Director of Workforce and Organisational Development and/or Chief Executive must be informed immediately. In circumstances where fraud is suspected, this must be reported to the Director of Finance.

## **14.6 Contracts of Employment**

14.6.1 The Director of Workforce and Organisational Development must:

- a) Ensure that all employees are issued with a Contract of Employment in a form approved by the Board and which complies with employment legislation; and
- b) Deal with variations to, or termination of, contracts of employment.

## **15. CAPITAL PLAN, CAPITAL INVESTMENT, FIXED ASSET REGISTERS AND SECURITY OF ASSETS**

### **15.1 Capital Plan**

15.1.1 Capital plans, and annual capital programmes, must be approved by the Board before the commencement of a financial year and should be in line with the objectives set out in the approved Integrated Medium Term Plan (IMTP) for the organisation. The actual capital plan and programmes must be delivered within Welsh Government capital finance resource limits.

15.1.2 The Director of Planning (or nominated responsible director) will develop a capital plan, and detailed capital programme, for the organisation that sets out a detailed capital investment plan to support the objectives set out in the IMTP. The capital programme must be affordable and within the capital allocations, as set out in the Welsh Government (WG) Capital Resource Limit for the year, and the LHB must not exceed the allocation resource limit. There must be an approved revenue funding plan in place to support any revenue costs associated with the capital plan. Regular updates must be provided to the Board, and relevant Board Committees, during the financial year.

15.1.3 The Board must approve a three year Capital Plan, and an annual Capital Programme, as set out in the Integrated Medium Term Plan and Budgetary Control chapters of these SFI.

### **15.2 Capital Investment Decisions**

15.2.1 Robust business case and capital investment appraisal must be undertaken prior to formal submission to Welsh Government, the level of detail within the appraisal commensurate with the value and risk of the investment. Capital investment decisions should be undertaken in line with Welsh Government requirements and guidance for the development of business cases as set out in:

- NHS Wales Infrastructure Investment Guidance (Welsh Health Circular WHC (2018) 043)  
<https://gov.wales/nhs-wales-infrastructure-investment-guidance>
- Better business cases: investment decision-making framework  
<https://gov.wales/better-business-cases-investment-decision-making-framework>

15.2.2 The Director of Finance must provide a professional opinion on the financial elements of the business case. Capital investment decisions will be taken by the organisation in line with the financial thresholds specified by Welsh Government and in the Health Board's Scheme of Delegation

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#### Schedule 2.1: Standing Financial Instructions

### **15.3 Capital Projects**

15.3.1 The Chief Executive shall ensure that any capital investment above the Welsh Ministers' delegated limit is not undertaken without approval of the Welsh Ministers and that formal confirmation of capital resources has been received.

15.3.2 When capital investment decisions are taken and a Capital Programme is approved the project cannot be initiated until the authority to commit expenditure is formally delegated to a manager, in line with the organisation's Scheme of Delegation. The capital project must then be procured in line with normal procurement procedures or the Designed for Life or other approved procurement framework and in line with Welsh Government requirements and guidance and the applicable procurement legislation. Management control and financial reporting systems must be established to ensure that the project is:

- delivered on time;
- on budget; and
- within contractual obligations.

15.3.3 Project management controls and financial reporting systems must be established to ensure these objectives are met. Reporting requirements to Welsh Government will be set out in the approval letter provided post Ministerial approval.

15.3.4 Regular updates must be provided to the Board, and relevant Board Committees, during the financial year.

### **15.4 Capital Procedures and Responsibilities**

15.4.1 The Chief Executive:

- a) Shall ensure that there is an adequate appraisal and approval process in place for determining capital expenditure priorities and the effect of each proposal upon plans;
- b) Is responsible for the management of all stages of capital schemes and for ensuring that schemes are delivered on time and to cost;
- c) Shall ensure that any capital investment above the Welsh Ministers' delegated limit is not undertaken without approval of the Welsh Ministers and that confirmation of capital resources has been received;
- d) Shall ensure that the three year Capital Plan, and detailed annual

Capital Programme, is approved by the Board, as part of the IMTP, prior to the commencement of the financial year;

- e) Shall ensure the availability of resources to finance all revenue consequences of the investment, including capital charges; and
- f) Shall ensure that any 3<sup>rd</sup> party use of NHS estate is properly controlled, reimbursed and reported. This will include ensuring that appropriate security, insurance and indemnity arrangements are in place and that there is a written agreement as to each party's responsibilities and liabilities.

15.4.2 For every capital expenditure proposal the Chief Executive shall ensure:

- a) That a business case is produced in line with Welsh Ministers' guidance and where appropriate the 5-case Model;
- b) That the Director of Finance has certified professionally to the costs and revenue consequences detailed in the business case and involved appropriate LHB personnel and external agencies in the process.

15.4.3 For capital schemes where the contracts stipulate stage payments, the Chief Executive will issue procedures for their management in accordance with the Welsh Ministers' guidance.

15.4.4 The approval of a capital programme by the Health Board shall not constitute approval for the initiation of expenditure on any scheme.

15.4.5 The Chief Executive shall issue to the manager responsible for any scheme:

- a) Specific authority to commit expenditure;
- b) Authority to proceed to tender; and
- c) Approval to accept a successful tender.

15.4.6 The Chief Executive will issue a scheme of delegation for capital investment management in accordance with the Welsh Ministers' guidance and the LHB's SOs.

15.4.7 The Director of Planning and Director of Finance shall issue detailed procedures governing the project, financial and contractual management, including variations to contract, of capital investment projects and valuation for accounting purposes. These procedures shall

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## Schedule 2.1: Standing Financial Instructions

fully take into account the requirements and delegated limits for capital schemes set out in Welsh Ministers' guidance and approval letters. The procedures will also cover post project benefits realisation to ensure benefits set out in the business case supporting the investment are delivered. The Director of Finance shall issue procedures for the regular reporting of expenditure and commitment against authorised expenditure.

15.4.8 The Director of Finance shall ensure, for each capital project over £2m, that the Welsh Government Project Bank Accounts policy is applied unless there are compelling reasons not to do so. The Director of Finance should apply to Welsh Government officials for exemption from use of Project Bank Accounts, setting out the compelling reasons.

## **15.5 Capital Financing with the Private Sector**

15.5.1 The LHB must not enter into any new capital financing arrangements with the private sector, including Private Financing Initiatives, Mutual Investment Model and 3<sup>rd</sup> Party Developments, without the consent of the Welsh Ministers.

## **15.6 Asset Registers**

15.6.1 The Chief Executive is responsible for the maintenance of registers of assets, taking account of the advice of the Director of Planning and Director of Finance, concerning the form of any register and the method of updating, and arranging for a physical check of assets against the asset register to be conducted periodically.

15.6.2 The LHB shall maintain an asset register recording fixed assets. The minimum data set to be held within these registers shall be in accordance with the Welsh Ministers' guidance and to satisfy the financial disclosure requirements for the Annual Accounts.

15.6.3 Additions to the fixed asset register must be clearly identified to the operational or departmental manager or delegated budget holder and be validated by reference to appropriate documentation to provide evidence of the financial value recorded, including:

- a) Properly authorised and approved agreements, architect's certificates, supplier's invoices and other documentary evidence in respect of purchases from third parties;
- b) Stores, requisitions and wages records for own materials and labour including appropriate overheads; and
- c) Lease agreements in respect of assets held under a finance lease

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### Schedule 2.1: Standing Financial Instructions

and included on the LHB's balance sheet.

15.6.4 Where capital assets are sold, scrapped, lost or otherwise disposed of, their value must be removed from the accounting records and each disposal must be validated by reference to authorisation documents and invoices (where appropriate). Disposal receipts are to be treated in accordance with the Welsh Ministers' guidance and clearly set out in the over-arching business case.

15.6.5 The Director of Finance shall apply accounting policies for fixed assets in line with Welsh Government guidance and accounting standards and values recorded in the asset register, including depreciation and revaluations. The Director of Finance shall approve procedures for reconciling balances on fixed assets accounts in general ledgers against balances on fixed asset registers.

15.6.6 The value of each asset, and depreciation, shall be considered annually in accordance with valuation guidance and methods specified by the Welsh Ministers. Assets should be considered for early revaluation where there is the likelihood of impairment as a result in a change of valuation or asset life.

## **15.7 Security of Assets**

15.7.1 The overall control of fixed assets is the responsibility of the Chief Executive.

15.7.2 Asset control procedures (including fixed assets, cash, cheques and negotiable instruments, and also including donated assets) must be approved by the Director of Finance. This procedure shall make provision for:

- a) Recording managerial responsibility for each asset;
- b) Identification of additions and disposals;
- c) Identification of all repairs and maintenance expenses;
- d) Physical security of assets;
- e) Regular verification of the existence of, condition of, and title to, assets recorded;
- f) Identification and reporting of all costs associated with the retention of an asset; and
- g) Reporting, recording and safekeeping of cash, cheques, and

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### Schedule 2.1: Standing Financial Instructions

negotiable instruments.

15.7.3 All discrepancies revealed by verification of physical assets to fixed asset register shall be notified to the Director of Planning and Director of Finance.

15.7.4 Whilst individual officers have a responsibility for the security of property of the LHB, it is the responsibility of Board members and senior LHB officers in all disciplines to apply such appropriate routine security practices in relation to NHS property as may be determined by the Board. Any breach of agreed security practices must be reported in accordance with agreed procedures.

15.7.5 Any damage to the LHB's premises, vehicles and equipment, or any loss of equipment, stores or supplies must be reported by Board members and LHB officers in accordance with the procedure for reporting losses.

15.7.6 Where practical, assets should be marked as LHB property.

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## Schedule 2.1: Standing Financial Instructions

Status: Update – July 2025 (v1) – Approved by BCUHB Board

## **16. STORES AND RECEIPT OF GOODS**

### **16.1 General position**

16.1.1 Stores, defined in terms of controlled stores and departmental stores (for immediate use) should be:

- a) Kept to a minimum;
- b) Subjected to annual stock take; and
- c) Valued at the lower of cost and net realisable value.

### **16.2 Control of Stores, Stocktaking, condemnations and disposal**

16.2.1 Subject to the responsibility of the Director of Finance for the systems of financial control, overall responsibility for the control of stores shall be delegated to a senior officer by the Chief Executive. The day-to-day responsibility may be delegated by them to departmental officers/managers and stores managers/keepers, subject to such delegation being entered in a record available to the Director of Finance. The control of any Pharmaceutical stocks shall be the responsibility of a designated Pharmaceutical Manager; the control of any fuel oil and coal of a designated estates manager.

16.2.2 The responsibility for security arrangements and the custody of keys for any stores and locations shall be clearly defined in writing by the designated manager/Pharmaceutical Manager. Wherever practicable, stocks should be marked as health service property.

16.2.3 The Director of Finance is responsible for developing financial control systems and procedures for the regulation and operation of the stores, to include the accounting arrangements for receipt, issues, and returns of goods to stores, and losses.

16.2.4 Stocktaking arrangements shall be agreed with the Director of Finance and there shall be a physical check covering all items in store at least once a year.

16.2.5 Where a complete system of controlled stores is not justified, alternative stores arrangements shall require the approval of the Director of Finance.

16.2.6 The designated officer/manager shall be responsible for a system approved by the Director of Finance for a review of slow moving and obsolete items and for condemnation, disposal, and replacement of all unserviceable articles. The designated officer/manager shall report to the Director of Finance any evidence of significant overstocking and of any negligence or malpractice (see also overlap with SFI 17, Disposals)

and Condemnations, Losses and Special Payments). Procedures for the disposal of obsolete stock shall follow the procedures set out for disposal of all surplus and obsolete goods.

### **16.3 Goods supplied by an NHS supplies agency**

16.3.1 For goods supplied via NHS Wales Shared Services Partnership – Procurement Services (NWSSP-PS) or any other NHS purchasing and supplies agency central warehouses, the Chief Executive shall identify those authorised to requisition and accept goods from the store. The authorised person shall check receipt against the delivery note before forwarding this to the Director of Finance or authorised officer who shall satisfy themselves that the goods have been received before accepting the recharge.

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## **17. DISPOSALS AND CONDEMNATIONS, LOSSES AND SPECIAL PAYMENTS**

### **17.1 Disposals and Condemnations**

17.1.1 The Director of Finance must prepare detailed procedures for the disposal of assets and goods, including condemnations, and ensure that these are notified to managers.

17.1.2 When it is decided to dispose of a LHB asset and goods, the head of department or authorised deputy will determine and advise the Director of Finance of the estimated market value of the item, taking account of professional advice where appropriate.

17.1.3 All unserviceable assets and goods shall be:

- a) Condemned or otherwise disposed of by an officer, the Condemning Officer, authorised for that purpose by the Director of Finance;
- b) Recorded by the Condemning Officer in a form approved by the Director of Finance which will indicate whether the assets and goods are to be converted, destroyed or otherwise disposed of. All entries shall be confirmed by the countersignature of a second officer authorised for the purpose by the Director of Finance.

17.1.4 The Condemning Officer shall satisfy themselves as to whether or not there is evidence of negligence in use and shall report any such evidence to the Director of Finance who will take the appropriate action.

### **17.2 Losses and Special Payments**

17.2.1 Losses and special payments are items that the Welsh Government would not have contemplated when it agreed funds for NHS Wales 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, and special notation in the accounts to draw them to the attention of the Welsh Government.

17.2.2 The Director of Finance is responsible for ensuring procedural instructions on the recording of and accounting for losses and special payments are in place; and that all losses or special payments cases are properly managed in accordance with the guidance set out in the Welsh Government's Manual for Accounts.

- 17.2.3 Any officer discovering or suspecting a loss of any kind must either immediately inform their head of department, who must immediately inform the Chief Executive and/or the Director of Finance or inform an officer charged with responsibility for responding to concerns involving loss. This officer will then appropriately inform the Director of Finance and/or the Chief Executive.
- 17.2.4 Where a criminal offence is suspected, the Director of Finance must immediately inform the police if theft or arson is involved. In cases of fraud and corruption or of anomalies which may indicate fraud or corruption, the Director of Finance must inform the Local Counter Fraud Specialist (LCFS) and the CFS Wales Team in accordance with Directions issued by the Welsh Ministers on fraud and corruption.
- 17.2.5 The Director of Finance or the LCFS must notify the Audit Committee, the Auditor General's representative and the fraud liaison officer within the Welsh Government's Health and Social Services Group Finance Directorate of all frauds.
- 17.2.6 For losses apparently caused by theft, arson, neglect of duty or gross carelessness, except if trivial, the Director of Finance must notify:
- a) The Audit Committee on behalf of the Board, and
  - b) An Auditor General's representative.
- 17.2.7 The Director of Finance shall be authorised to take any necessary steps to safeguard the LHB's interests in bankruptcies and company liquidations.
- 17.2.8 The Director of Finance shall ensure all financial aspects of losses and special payments cases are properly registered and maintained on the centralised Losses and Special Payments Register and that 'case write-off' action is recorded on the system (i.e. case closure date, case status, etc.).
- 17.2.9 The Audit Committee shall approve the writing-off of losses or the making of special payments within delegated limits determined by the Welsh Ministers and as set out by Welsh Government in its Losses and Special Payments guidance as detailed in Schedule 3 of the SOs.
- 17.2.10 For any loss or special payments, the Director of Finance should consider whether any insurance claim could be made from the Welsh Risk Pool or from other commercial insurance arrangements.
- 17.2.11 No losses or special payments exceeding delegated limits shall be authorised or made without the prior approval of the Health and Social

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Schedule 2.1: Standing Financial Instructions

Services Group Director of Finance.

17.2.12 All novel, contentious and repercussive cases must be referred to the Welsh Government's Health and Social Services Group Finance Directorate, irrespective of the delegated limit.

17.2.13 The Director of Finance shall ensure all losses and special payments are reported to the Audit Committee at every meeting.

17.2.14 The LHB must obtain the Health and Social Services Group Director General's approval for special severance payments.

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Schedule 2.1: Standing Financial Instructions

Status: Update – July 2025 (v1) – Approved by BCUHB Board

## **18. DIGITAL, DATA and TECHNOLOGY**

### **18.1 Digital Data and Technology Strategy**

18.1.1 The Board shall approve a Digital Data and Technology Strategy which sets out the development needs of the LHB for the medium term based on an appropriate assessment of risk. The Integrated Medium Term Plan shall include costed implementation plans of the strategy. The Board shall also ensure that a Director has responsibility for Digital Data and Technology.

18.1.2 The LHB shall publish and maintain a Freedom of Information (FOI) Publication Scheme, or adopt a model Publication Scheme approved by the Information Commissioner. A Publication Scheme is a complete guide to the information routinely published by a public authority. It describes the classes or types of information about the LHB that are made publicly available.

### **18.2 Responsibilities and duties of the responsible Director**

18.2.1 The responsible Director for Digital Data and Technology has responsibility for the accuracy, availability and security of the LHB digital systems and data and shall:

- a) Devise and implement any necessary procedures to ensure adequate (reasonable) protection and availability of the LHB's digital systems and data, for which they are responsible from accidental or intentional disclosure to unauthorised persons, deletion or modification, theft or damage, having due regard for the Network and Information Systems Regulations 2018, the UK General Data Protection Legislation and any relevant domestic law considerations via the Data Protection Act 2018;
- b) Ensure that, following risk assessment of threats, adequate (reasonable) controls exist over access to systems, data entry, processing, storage, transmission and output to ensure security, privacy, accuracy, completeness, and timeliness of the data, as well as the efficient and effective operation of the system;
- c) Ensure that an adequate management (audit) trail is maintained of access to digital systems and data and that such audit reviews as the Director may consider necessary to meet the organisational requirements under the Network and Information System Regulations 2018 are being carried out;

- d) Shall ensure that policies, procedures and training arrangements are in place to ensure compliance with information governance law and the Network and Information System Regulations 2018; and
- e) Shall ensure comprehensive incident reporting.

### **18.3 Responsibilities and duties of the Director of Finance**

18.3.1 The Director of Finance shall need to ensure that new financial data and systems, and amendments to current financial data and systems, are developed in a controlled manner and thoroughly tested prior to implementation and business as usual phases. Where this is undertaken by another organisation, assurances of adequacy must be obtained from them prior to implementation and business as usual phases.

### **18.4 Contracts for data and digital services with other health bodies or outside agencies**

18.4.1 The responsible Director for Digital Data and Technology shall ensure that contracts for data and digital services for clinical, management and financial applications with another health organisation or any other agency shall clearly define the responsibility of all parties for

- the security, privacy, accuracy, completeness, and timeliness of data during processing, transmission and storage, and
- the availability of the service including the resilience required to maintain continuity of the service.

The contract should also ensure rights of access for audit purposes.

18.4.2 Where another health organisation or any other agency provides a data or digital service for clinical, management and financial applications, the responsible Director for Digital Data and Technology shall, to maintain the confidentiality, integrity and availability of the service provided, periodically seek assurances that adequate controls, based on risk assessment, are in operation.

### **18.5 Risk assurance**

18.5.1 The responsible Director for Digital Data and Technology shall ensure that the risks to the LHB arising from the use of data, information and digital are effectively identified and considered and that appropriate action is taken to mitigate or control risk. This shall include the preparation and testing of appropriate resilience plans, including both a business continuity and disaster recovery plan.

## **19. PATIENTS' PROPERTY**

### **19.1 LHB Responsibility**

- 19.1.1 The LHB has a responsibility to provide safe custody for money and other personal property (hereafter referred to as "property") handed in by patients, in the possession of patients that lack capacity, or found in the possession of patients dead on arrival.
- 19.1.2 Where the Welsh Ministers' instructions require the opening of separate accounts for patient monies, these shall be opened and operated under arrangements agreed by the Director of Finance.
- 19.1.3 In all cases where property, including cash and valuables, of a deceased patient is of a total value in excess of £5,000 (or such other amount as may be prescribed by any amendment to the Administration of Estates (Small Payments) Act 1965 (c. 32)), the production of Probate or Letters of Administration shall be required before any of the property is released. Where the total value of property is £5,000 or less, forms of indemnity shall be obtained.
- 19.1.4 Staff should be informed, on appointment, by the appropriate departmental or senior manager of their responsibilities and duties for the administration of the property of patients.
- 19.1.5 Where patient property or income is received for specific purposes and held for safekeeping the property or income shall be used only for that purpose, unless any variation is approved by the donor or patient in writing.

### **19.2 Responsibilities of the Chief Executive**

- 19.2.1 The Chief Executive is responsible for ensuring that patients or their guardians, as appropriate, are informed before or at admission, that the Health Board will not accept responsibility or liability for patient property brought onto health service premises, unless it is handed in for safe custody and a copy of an official patient property record is retained as a receipt, by:
- a) Notices and information booklets;
  - b) Hospital admission documentation and property records; and
  - c) The oral advice of administrative and nursing staff responsible for admissions.

### **19.3 Responsibilities of the Director of Finance**

19.3.1 The Director of Finance must provide detailed written instructions on the collection, custody, investment, recording, safekeeping, and disposal of patient property (including instructions on the disposal of the property of deceased patients and of patients transferred to other premises) for all staff whose duty is to administer, in any way, the property of patients. Due care should be exercised in the management of a patient's money in order to maximise the benefits to the patient.

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## **20. FUNDS HELD ON TRUST (CHARITABLE FUNDS)**

### **20.1 Corporate Trustee**

- 20.1.1 Paragraph (x) of Section A to the SOs refers to the LHB having specified powers to act as corporate trustee for the management of funds it holds on trust (charitable funds). SFI 20.2 defines the need for compliance with Charities Commission latest guidance and best practice.
- 20.1.2 The discharge of the LHB's corporate trustee responsibilities for funds held on trust are distinct from its responsibilities for exchequer funds and may not necessarily be discharged in the same manner, but there must still be adherence to the overriding general principles of financial regularity, prudence and propriety. Trustee responsibilities cover both charitable and non-charitable purposes.
- 20.1.3 The LHB shall establish a Charitable Funds Committee as set out in Standing Order 3.4 to ensure that each fund held on trust which the LHB is responsible for managing is managed appropriately with regard to its purpose and to its requirements.

### **20.2 Accountability to Charity Commission and the Welsh Ministers**

- 20.2.1 The trustee responsibilities must be discharged separately and full recognition given to the LHB's dual accountabilities to the Charity Commission for charitable funds and to the Welsh Ministers for exchequer funds.
- 20.2.2 The Schedule of Matters Reserved to the Board and the Scheme of Delegation make clear where decisions regarding the exercise of discretion regarding the disposal and use of the funds are to be taken and by whom. All Board members and LHB officers must take account of that guidance before taking action.
- 20.2.3 The LHB shall make appropriate arrangements for the Annual Accounts and audit of Funds held on Trust in accordance with Charity Commission requirements.

### **20.3 Applicability of Standing Financial Instructions to funds held on Trust**

- 20.3.1 In so far as it is possible to do so, most of the sections of these SFIs will apply to the management of funds held on trust.
- 20.3.2 The over-riding principle is that the integrity of each Trust must be maintained and statutory and Trust obligations met. Materiality must be assessed separately from Exchequer activities and funds.

## **21. RETENTION OF RECORDS**

### **21.1 Responsibilities of the Chief Executive**

21.1.1 The Chief Executive shall be responsible for maintaining archives for all records required to be retained in accordance with the Welsh Ministers' guidance, the UK General Data Protection Legislation and any relevant domestic law considerations via the Data Protection Act 2018, and the Freedom of Information Act 2000 (c. 36).

21.1.2 The records held in archives shall be capable of retrieval by authorised persons.

21.1.3 Records held shall only be destroyed in accordance with the applicable data protection laws and at the express instigation of the Chief Executive. Details shall be maintained of records so destroyed.

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# Schedule 1

## GENERAL CONSENT TO ENTER INDIVIDUAL CONTRACTS

This schedule included as “General Consent to enter individual contracts” replaces all previous versions of Schedule 1 and should be read in conjunction with the revised Model Standing Financial Instructions (SFI’s) issued in relation to Chapter 11 for Local Health Boards and NHS Trusts and Chapter 12 for Health Education and Improvement Wales (HEIW) and Digital Health and Care Wales (DHCW).

### PROCESSES FOR NHS WALES CONTRACTS, AND INTERESTS IN PROPERTY

Paragraph 13 of Schedule 2 to the National Health Service (Wales) Act 2006 states as follows:

*“(1) Subject to sub-paragraph (3), a Local Health Board may do anything which appears to it to be necessary or expedient for the purposes of or in connection with its functions.*

*(2) In particular it may—*

*(a) acquire and dispose of property,*

*(b) enter into contracts,*

*(c) accept gifts of property (including property to be held on trust, either for the general or any specific purposes of the Local Health Board or for any purposes relating to the health service).*

*(3) A Local Health Board may not do anything mentioned in sub-paragraph (2) without the consent of the Welsh Ministers (which may be given in general terms covering one or more descriptions of case).”*

Section 10.1 of the NHS Wales Infrastructure Investment Guidance issued on 22 October 2018 (“**the Investment Guidance**”) includes the following in relation to Local Health Boards:

*“Contract approvals over £1m for individual schemes will be sought as part of the normal business case submission process where funding from the NHS Capital Programme is required. For schemes funded via discretionary allocations, a request for approval will need to be submitted to Chief Executive NHS Wales, copying in the Deputy Director of Capital, Estates & Facilities Division.*

*Detailed arrangements in respect of approval process linked to the acquisition and disposal of leases, where consent does not form part of the business case process are included in Welsh Health Circular WHC(2015)031. Organisations should ensure that the monitoring arrangements and the requisite forms and returns are included as part of their own assurance arrangements.”*

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Schedule 2.1: Standing Financial Instructions

Status: Update – July 2025 (v1) – Approved by BCUHB Board

Page 83 of 86

**This is also to be regarded as being applicable to HEIW and DHCW, which were both established after the two WHC's mentioned above were issued.**

Section 10.2 of the Investment Guidance includes the following in relation to Trusts:

*"Whilst formal Cabinet Secretary consent is not required for Trusts as detailed above, general consent arrangements are still applicable in terms of relevant transactions. Detailed requirements in terms of appropriate notifications were sent in the Welsh Health Circular referenced above."*

Section 11 of the Investment Guidance also includes provision as to disposals and property protocols.

Welsh Health Circular WHC (2015) 031 issued 22 June 2015 includes arrangements for consent to acquire or dispose of a lease in property (where not covered by any business case approval process).

**That WHC is also to be regarded as being applicable to HEIW and DHCW in the same way as it applies to LHBs.**

### **Entering into contracts**

This schedule confirms to all NHS Wales bodies that the authorisation and consideration of notified contracts and applications for the acquisition or disposal of a lease or any interest in property are delegated to the Director General, Health Social Care and Early Years.

The Director General may, as with any other matter relating to the operation of the NHS in Wales, brief the Cabinet Secretary for Health and Social Care on any arrangement of particular policy note, or with a novel, contentious or innovative nature.

Accordingly, any issues relevant to the exercise of the Cabinet Secretary for Health, and Social Care's consent will, as a matter of course, be drawn to his attention.

The process which NHS Wales bodies entering into contracts must follow is:

- All NHS contracts (unless exempt) >£1m in total to be notified to the Director General HSCEY prior to tendering for the contract;
- All eligible LHB and HEIW and DHCW contracts >£1m in total to be submitted to the Director General HSCEY for consent prior to award;
- All eligible NHS Trust contracts >£1m in total to be submitted to the Director General HSCEY for notification prior to award; and
- All eligible NHS contracts >£0.5m in total to be submitted to the Director General HSCEY for notification prior to award.

The requirement for consent does not apply to any contracts entered into pursuant to a specific statutory power, and therefore does not apply to:

- i. Contracts of employment between LHBs, HEIW, or DHCW and their staff;

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## Schedule 2.1: Standing Financial Instructions

- ii. Transfers of land or contracts effected by Statutory Instrument following the creation of LHBs, HEIW, or DHCW
- iii. Out of hours contracts;
- iv. All NHS contracts; that is where one health services body contracts with another health service body;
- v. Contracts entered into by HEIW for services which are the consequences of annual commissioning approved by the Cabinet Secretary e.g., annual education and training commissioning also do not require further Ministerial notification or consent; and
- vi. Contracts between £500k - £1 million (for noting) and £1 million + (for approval).
  - a) Wales Public Sector Framework Agreements e.g., Frameworks established by the Welsh Government's Commercial Delivery team or NWSSP (not exhaustive) – no written approval required to award contracts under these Frameworks through a direct award or mini competition.
  - b) Third-Party Public-Sector Framework Agreements e.g., Frameworks established by Crown Commercial Services, NHS Supply Chain (not exhaustive) – no further approval required to award contracts under these Frameworks through a direct award. Approval will however be required for award of contracts under these Framework Agreements through mini-competition or where the specification of the product/service required is modified from that stated within the Framework Agreement.

For non-capital contracts requiring DG approval, the request for approval or notification should be sent to Rob Eveleigh in the Financial Control and Governance team:  
[Robert.Eveleigh@gov.wales](mailto:Robert.Eveleigh@gov.wales)

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## Schedule 2.1: Standing Financial Instructions



12<sup>th</sup> June 2025: People and Culture Committee

# Strategic Occupational Health and Safety Report

Presented by:

Stuart Keen, Director of Environment and Estates

Lynne Bushell, Head of Health, Safety and Security



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# Strategic Occupational Health and Safety Report

## Contents:

- Health and Safety Self-Assessment: initial findings and planned approach going forward
- Manual Handling
- Fire Safety Training
- Overview of Health, Safety and Security Strategic Plan
- Health and Safety Audit Update (May 2024)
- Recommendations



# Health and Safety Self-Assessment - Background

- Transition to NHS Employer Health and Safety Standards



NHS Staff Council  
Health, Safety & Wellbeing Group

Workplace  
health and  
safety standards

Source Ref.:

[https://www.nhsemployers.org/system/files/2023-08/HSWPG%20workplace-health-safety-standards%20May%202022\\_Final.pdf](https://www.nhsemployers.org/system/files/2023-08/HSWPG%20workplace-health-safety-standards%20May%202022_Final.pdf)

Standard A: The Management of Health and Safety
Standard A: The Management of Health and Safety. Do - Control
Standard A: The Management of Health and Safety. Do - Competence
Standard A: The Management of Health and Safety. Do - Risk Profiling and Assessment
Standard A: The Management of Health and Safety. Check - Measuring Performance, monitoring before events and investigate post events
Standard A: The Management of Health and Safety. Check - Reviewing Performance and act on lessons learnt
Standard B: Incident Reporting
Standard D: Slips and Trips
Standard E: Musculoskeletal Disorders/Manual Handling
Standard G: Violence and Aggression/Challenging Behaviour
Standard H: Lone Working
Standard I: Work-related Stress
Standard K: Hazardous Substances
Standard K: Management of Sharps
Standard L: Provision and Use of Work and Lifting Equipment
Standard L: Display Screen Equipment
Standard M: Legionella
Standard M: Asbestos Containing Materials (ACMs)
Standard M: The Workplace. Temperature
Standard M: The Workplace. Workplace Transport
Standard M: The Workplace. Noise
Standard M: The Workplace. Contractors and Subcontractors
Standard N: Radiation
Standard O: First Aid



# Health and Safety Self-Assessment - Checklist

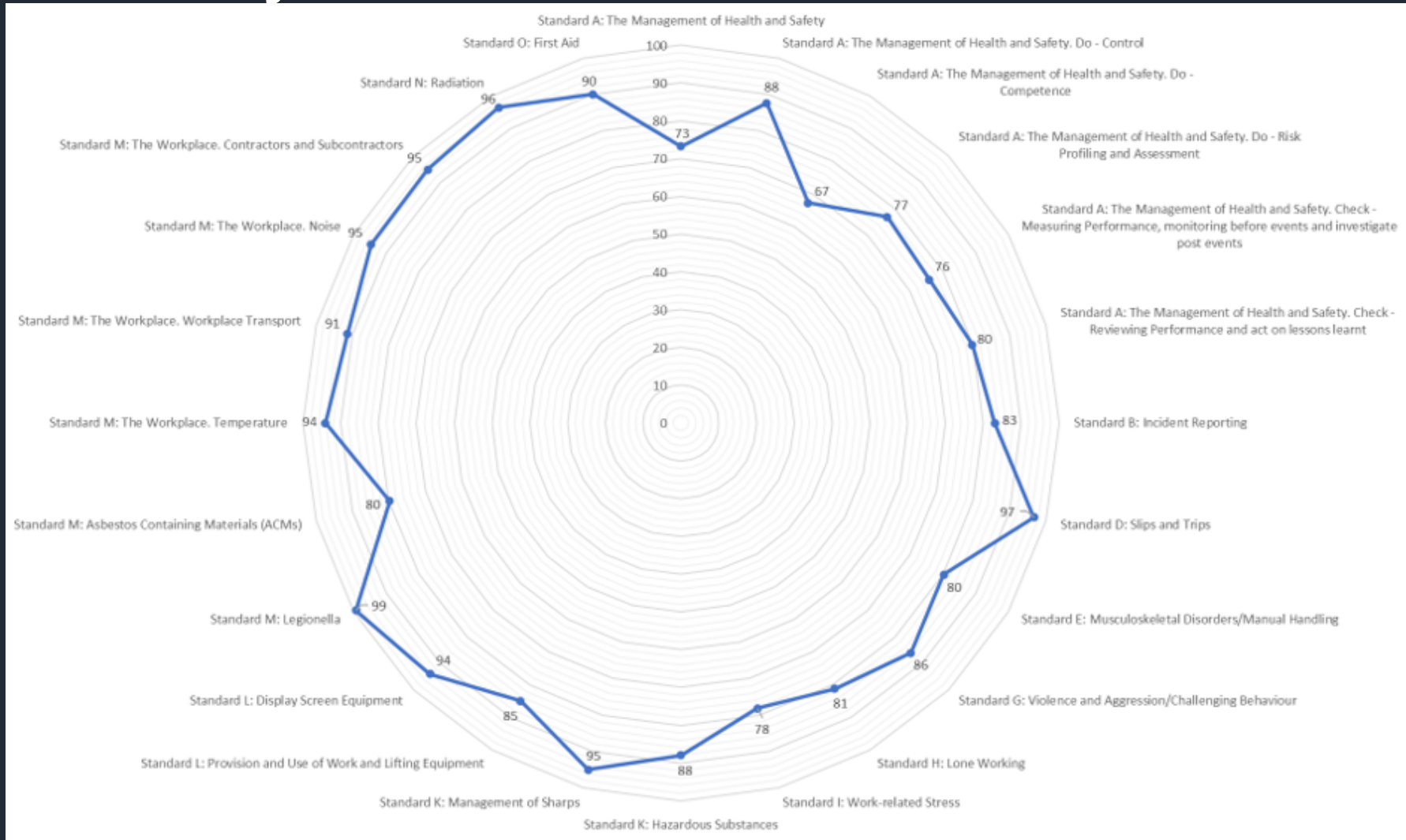
<b>Health and Safety Self-Assessment Template (April 2025)</b>									
<b>Ward/Dept./Service:</b>									
<b>Service:</b>									
<b>Location:</b>									
<b>Date completed:</b>									
<b>Compiled By:</b>									
<b>Job Title:</b>									
<p><b>Guidance:</b> (for more detailed guidance see H&amp;S Self-Assessment Guide (yellow tab))</p> <p>Please evidence all answers and rate your compliance for each question in Columns E-I:</p> <p>NC (non-compliant) - insufficient evidence, or no system in place or a system that requires improvement to achieve compliance against policy.</p> <p>C (compliant) - good strong evidence and a demonstrably functional system that is supported by effective risk management.</p> <p>N/A - not applicable to this ward, department, service</p> <p>Some questions cannot have an "N/A" score. Where "N/A" is selected, there should be a statement recorded in column J explaining why the question is not applicable.</p> <p>Actions required aligned to BCUHB Policies and Procedures, should be recorded to demonstrate how compliance can be improved.</p>									

## Health and Safety Self Assessment

Indicator	Criteria/Theme	Legal Reference	Example of a key document / evidence	C	NC	N/A	Result	Evidence Observations (O) / Interview (I) / Document (D)	Actions
<b>Standard A: The Management of Health and Safety. Plan - Determining your Policy and Planning for Implementation</b>									
<b>Standard A: The Management of Health and Safety. Plan - Determining your policy and planning for implementation</b>	Are the Senior Managers familiar with HS01 Occupational Health, Safety and Security Policy and know where it is located and how to access it?	Management of Health and Safety at Work Regulation 1999, Regulation 5	Details of location of Policy						



# Health and Safety Self-Assessment - Results



# Health and Safety Self-Assessment - Findings

Areas of good compliance were indicated as follows (standards scoring 95 or above):

- Legionella Management (score 99)
- Slips and Trips (score 97)
- Radiation (score 96)
- Management of Sharps (score 95)
- Management of Contractors and Subcontractors (score 95)
- Noise (score 95)

Areas of weakness in compliance were indicated as follows (standards scoring 80 or below):

- The Management of Health and Safety (score range 73-88)
- Work-related Stress (score 78)
- Asbestos Containing Materials (score 80)
- Musculoskeletal Disorders and Manual Handling (score 80)

It is important to note that responses in relation to 'slips and trips' and the 'management of sharps' is not corroborated from incident data contained within the Health and Safety Annual Report.

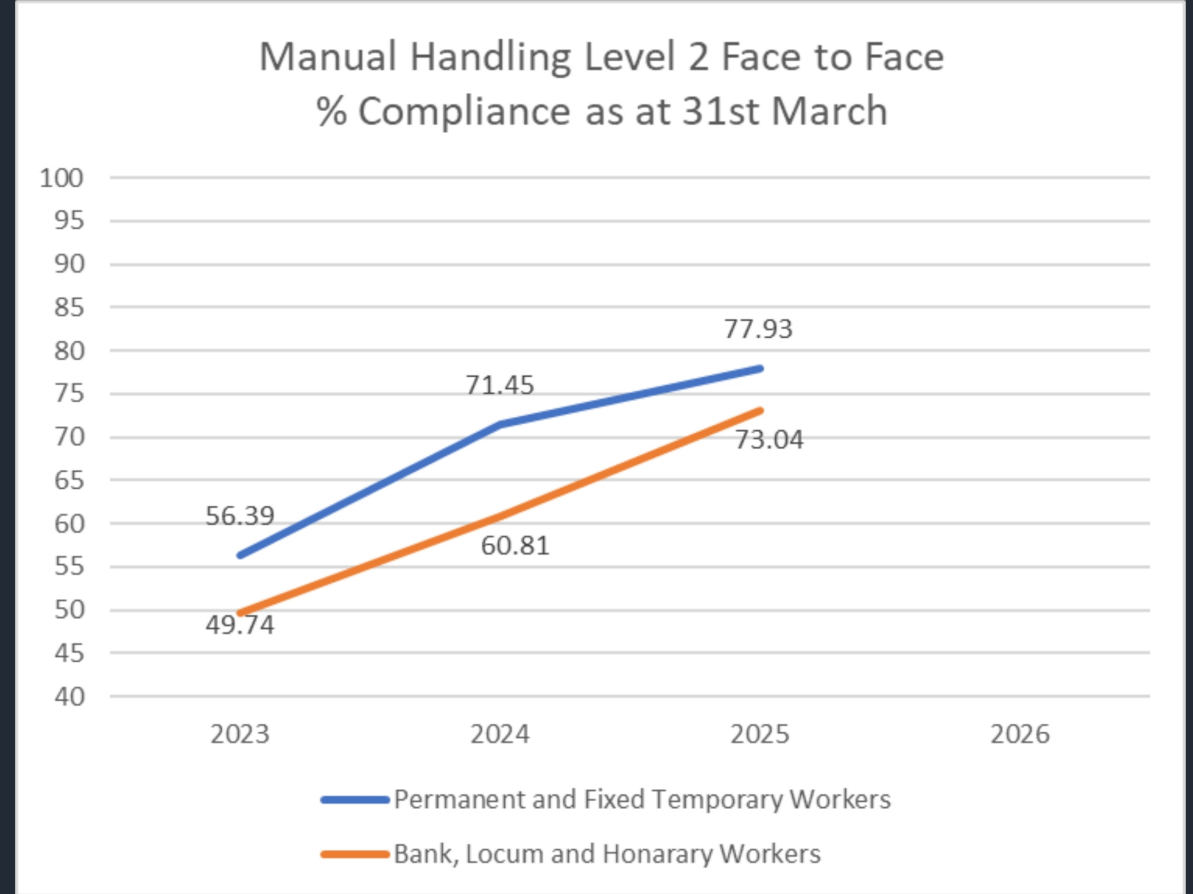
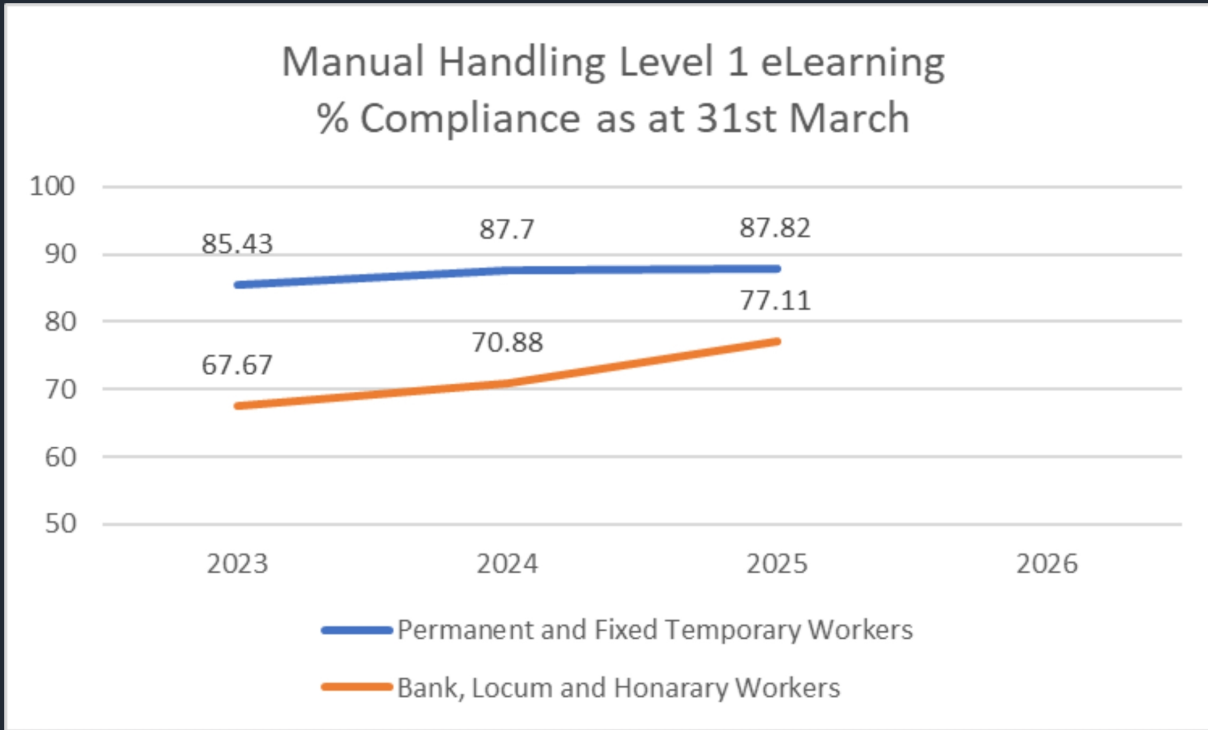


# Health and Safety Self-Assessment – The Approach

1. Undertake a 1-day review and audit of Wards and Departments that scored less than 85.
2. Review processes, including training courses and communication for the Standards that scored less than 80 overall. Where subjects matters don't sit with the Corporate Health, Safety and Security Team, the findings will be transferred to the relevant service for action and future updates via the Strategic Occupational Safety and Health Group (SOSHG). This captures:
  - a. The Management of Health and Safety (score range 73-88) – Health and Safety
  - b. Work-related Stress (score 78) – Workforce and Organisational Development
  - c. Asbestos Containing Materials (score 80) – Environment and Estates
  - d. Musculoskeletal Disorders and Manual Handling (score 80) – Health and Safety
3. Audit the top 5% of responses from each region or service sector for accuracy and using their skills, knowledge and experience, the Corporate Health, Safety and Security Team will adjust/recalibrate the original response based on evidence and findings leading to a more true and accurate picture.
4. Deeper interrogation into standards where incidents reported don't corroborate responses submitted e.g. medical sharps and slips and trips.



# Manual Handling Training Compliance



Source: Workforce BI Dashboard.  
All data correct as at 20/05/2025



# Fire Safety Training Compliance



Source: Workforce BI Dashboard.  
All data correct as at 20/05/2025



# Overview of Health, Safety and Security Strategic Plan

## POD Annual Delivery Plan 2024-25: Health, Safety & Security



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### High level priorities

- Building an effective Organisation
- Developing strategy and longlasting change
- Compassionate Leadership and Organisational Development
- Improving quality, outcomes and experience
- Establishing an effective environment for Learning

Delivery of Special Measures requirements, BCUHB

3 Year Plan 2024 -27



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# Health and Safety Audit (May 2024) Findings

- HS01: Occupational Health and Safety Policy was out of date and a small number of other procedures/ guidance papers.
- There was no Executive Lead in place for Occupational Health and Safety.
- There was no regular and consistent monitoring and reporting on health and safety matters through the appropriate governance structure.
- There was no annual Health & Safety report for 2022-23 presented at Health Board meetings.
- There was a lack of senior and executive level attendance at health and safety training.
- There was no consistent approach to reviewing and analysing findings of reviews undertaken by the Health and Safety team.
- The gap analysis, undertaken to identify areas of risk, was not current and last updated in January 2022.
- There was no consistent collation/review of self-assessments, with some areas not completing or returning any assessments..
- A review of the Estates action plans from Health and Safety reviews identified there was no regular review of implementation dates and progress to ensure agreed action(s) were on track etc.



# Recommendations

- **Background to the Self-Assessment:** The Committee is requested to support the upskilling of the Health, Safety and Security Team to support the process.
- **Key Performance Indicators:** The Committee are kindly requested to debate and agree the overall scores to determine key performance indicators to help identify high, medium, and low priorities for Corporate focus.
- **The Approach:** The Committee are requested support the suggested approach and/or provide steer.
- **Manual Handling:** The Committee are asked to:
  - Support the identification of suitable training venues for the delivery of statutory and mandatory training. The venues used is impacting effective delivery.
  - Consider and agree to exploring the Introduction of a process for the recharge for workers who fail to attend/cancel booked training without appropriate notice and/or without a valid reason e.g. demonstrable ward based pressures.
- **Fire Safety Training Compliance:** The Committee are asked to support the proposed plan to undertake a review of the current fire safety training delivery against the guidance provided within the new document on publication (WHTM 05-03 Part A Training). The Fire Team will also use this opportunity to review the current reporting tools to ensure they reflect Policy and the needs of the Healthboard.



Diolch  
Thank you

Any questions?





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## ICT-SD 008 Identity and Access Management Standard

### **Document Purpose**

The purpose of this standard is to define the Identify and Access requirements to maintain the security of information and to prevent unauthorised access and tampering to the Health Board's systems and data.

## Document Control

<b>Document Owner</b>	Cyber Security and Compliance Manager
<b>Document Author</b>	Cyber Security and Compliance Manager
<b>Next Author Review Date</b>	03/03/2026
<b>Approving Body</b>	ICT Security Steering Group
<b>Version Number</b>	1.0
<b>Valid from date</b>	03/03/2025
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## Document History

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## Distribution List

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## Documents to be read alongside this document

<b>Title</b>	<b>Date</b>	<b>Version</b>

## Contents

1.	Purpose of the Standard.....	4
2.	Frequency of use of Standard .....	4
3.	Prerequisites.....	4
4.	Scope.....	4
5.	Roles and Responsibilities.....	5
6.	Standard .....	5
6.1	General Account Principles.....	5
6.2	Account Types and Classification .....	7
6.2.1	Unprivileged Accounts .....	8
6.2.2	Local Administrator Accounts .....	8
6.2.3	Privileged Accounts .....	9
6.2.4	Service Accounts .....	10
6.2.5	Generic Shared Accounts.....	10
6.2.6	System Accounts .....	10
6.3	Password Management.....	11
6.4	Identity and Access Lifecycle .....	13
6.4.1	Identity Provisioning.....	13
6.4.2	Access Management .....	13
6.4.3	Authentication .....	14
6.4.4	Authorisation.....	14
6.4.5	Monitoring and Auditing .....	14
6.4.6	Identity De-Provisioning.....	15

## 1. Purpose of the Standard

The purpose of this standard is to define the Identify and Access requirements to maintain the security of information and to prevent unauthorised access and tampering to the Health Board's systems and data.

All information, system and physical access for BCUHB must be controlled such that all persons are registered, assigned rights/privileges, identified, authenticated and authorised.

Access should be granted and understood against three core areas (CIA):

- **Confidentiality** - systems and information will only be accessible to authorised persons.
- **Integrity** – the accuracy and completeness of systems and information will be safeguarded.
- **Availability** – systems and information must be physically secure and accessible to authorised persons when required.

## 2. Frequency of use of Standard

This standard serves as a point of reference for all BCUHB staff and contractors, however, its intended audience is primarily those who hold technical support positions or hold responsibility for system ownership.

As such, this procedure shall be accessible to staff who require guidance in relation to Identity and Access Management, provisioning of user accounts and the management of confidential, authentication information.

## 3. Prerequisites

Access to the ICT SharePoint System for access to this document and other supporting documents.

A requirement to understand the concepts covered within this document as part of day-to-day role. e.g. a basic level of technical knowledge and understanding of ICT concepts.

## 4. Scope

This standard applies to Betsi Cadwaladr University Health Board (BCUHB).

This standard applies to all individuals working for or with BCUHB, whether employees (permanent or temporary), contractors or third parties.

This standard applies to all information stored electronically.

This standard supports BCUHB's IG14 ICT Security Procedure and should be read in conjunction with other related local and national policies, procedures, and standards in relation to ICT and Information Security.

## **5. Roles and Responsibilities**

The Cyber Security and Compliance Manager is responsible for the effective operation of this standard and for ensuring compliance with BCUHB's Cyber security framework.

System Owners are responsible for ensuring that they manage the Identity and Access of systems they own in compliance with this standard.

It is the responsibility of all relevant employees to read, understand and adhere to the controls set out in this standard.

## **6. Standard**

It is a criminal offence for an unauthorised person to attempt to access a system or information within the system, or to attempt to exceed or subvert the computer facilities and grant privileges to themselves or others.

Should BCUHB believe that misuse is taking place then it may be appropriate to seek criminal proceedings under The Computer Misuse Act 1990 or to take disciplinary action in line with the Health Board's Disciplinary policies and procedures.

### **6.1 General Account Principles**

The following Principles apply to all account types.

- Accounts shall be created and configured in line with the roles and responsibilities of the user.
- Account access requests must be documented and require approval by the head of department, or appropriate, approved delegates. All account access provided by ICT Services must be requested through the ICT Service Desk Halo Portal.
- External consultants, partners, and vendors shall request and be granted access appropriate to their contractual or business requirements. This shall only be granted for an agreed period and disabled as soon as access is no longer required.
- If user account details are shared through email, username and password shall be communicated through 2 separate channels, e.g., email, phone or in person to ensure that there is no possibility of a security breach.

- All account access requests must be defined, restricted, and controlled based on the least privilege principle and based on a user's function or role.
- Break glass accounts shall be used for emergency access and be securely managed by ICT or an appointed supplier.
- Accounts shall be automatically or manually locked immediately based on the following criteria:
  - After five consecutive failed logins
  - When inactive for 60 days
  - If suspected of being involved in a security incident
- An account's login activity must be logged within audit trails; this includes failed and successful login attempts.
- An account's lockout duration shall be 30 minutes when a user reaches five unsuccessful login attempts.
- An account's unsuccessful login counter shall be reset automatically whenever a successful login is achieved.
- Staff must contact the IT Service Desk by telephoning 03000 858 585 or use the Halo Self Service portal to unlock or reset the password of an application account.
- Unlocking an account shall be an audited event.
- When a request is made over the phone to ICT Service Desk to unlock or reset the password on an account, ICT shall verify that the requester is also the account owner through a series of security questions.
- Account owners must never share their login details with any other person.
- Logging in with another person's username or login ID (including any staff who have left BCUHB) is not acceptable and may lead to disciplinary action.
- Accounts managed by applications shall be granted, managed, and revoked (automatically, where possible) by the applications or the Administrators managing the applications.
- Vendor-supplied default passwords shall be removed or disabled before commissioning a system.
- Multi-Factor authentication shall be implemented for all accounts that provide access to the BCUHB's ICT systems from remote locations.

## 6.2 Account Types and Classification

The below table provides an overview of the various account types and the associated classification:

Type of Account	Description	Classification
<b>User Accounts</b>	<p>Unique user account, assigned to a single user to enable the user to login to the domain and applications.</p> <p>User accounts use the following naming convention.</p> <p>AA000000 which is made up of the first two characters of the user's name, along with a unique number.</p>	Privileged / Unprivileged
<b>Local Administrator Accounts</b>	<p>An account which provides administrative access to the local host/instance or system only (servers, databases, network devices, etc.)</p> <p>Local accounts use the following naming convention.</p> <p>BCU_ prefix to the users standard account name e.g. BCU_AA000000</p>	Privileged
<b>Domain Admin Accounts</b>	<p>Accounts of the highest privilege level assigned within Active Directory and typically have Administrator.</p> <p>BCUHB does not have any domain admins, access is restricted to DHCW.</p> <p>BCUHB administrators have delegated access to the Betsi Cadwaladr University Health Board (BCU-7A1) OU via the BCU_AA000000 admin accounts. Access is controlled via the BCU_DataAdmins group.</p>	Privileged
<b>M365 Admin Accounts</b>	<p>Accounts of the highest privilege level assigned within Microsoft 365 and typically have Administrator access across specific products as required by the user's role.</p>	Privileged

Type of Account	Description	Classification
	<p>M365 admin accounts use the following naming convention.</p> <p>BCU_O354_AA000000@cymru.nhs.uk</p>	
<b>Service Accounts</b>	<p>An account is created when systems or applications must authenticate from other systems or applications.</p> <p>Service accounts use the following naming convention.</p> <p>SVCXXXXXX which is SVC, short for service, along with a unique number.</p>	Privileged
<b>Generic Shared Accounts</b>	<p>An account created to support multiple users sharing the same identity and credentials (These accounts shall only be established where a valid business reason exists and will all be managed by the ICT department.)</p> <p>Generic accounts are used to gain access to a workstation but are not permitted to access specific clinical applications.</p> <p>Generic accounts use the following naming convention.</p> <p>GENXXXXXX which GEN, short for Generic, along with a unique number.</p>	Unprivileged
<b>System Accounts</b>	<p>An account that exists on an application or system by default, like administrator, root, etc.</p>	Privileged

### 6.2.1 Unprivileged Accounts

An unprivileged account has standard levels of access to business systems and applications. This shall be defined based on a user's role on the principle of least privilege, only providing the minimum level of access necessary to perform their day-to-day business activities.

Standard user account access and access rights shall be granted on a least privilege basis.

### 6.2.2 Local Administrator Accounts

Local administrator accounts shall only be established where a valid business reason exists and shall be requested through in line with the [ICT Administrative Account Policy](#).

### 6.2.3 Privileged Accounts

A privileged account can bypass, modify or disable standard security controls on applications and systems. An enhanced set of controls shall be applied to privileged accounts. These accounts must be restricted to specific roles. These controls are defined in section **Error! Reference source not found.** of this standard.

Users must only use privileged accounts to perform privileged tasks. Activities without privilege shall be performed using a standard user account, even if the user possesses a privileged account

In addition to the General Account Principles, the below are applicable for all privileged accounts:

- Activities not requiring any privilege shall be performed using a standard user account even if the user possesses a privileged account.
- Privileged accounts shall not be part of Active Directory distribution groups or have any associated mailboxes.
- Privileged accounts shall not be used for web browsing or to access and send emails.
- Privileged accounts must have a different password than the user's standard account.
- Privileged accounts must have complex passwords as outlined in this standard.
- An automated discovery of privileged accounts shall be carried out every quarter.
- Privileged account activities must be recorded for one year with a minimum of three months' history immediately available for analysis.
- All privileged account usage on IT systems must be linked to a unique individual to maintain accountability.
- A valid and approved change ticket should exist to access privileged user accounts such as Application, Database, Infrastructure, Platform and Domain Administrators.
- Privileged user accounts shall require multi-factor authentication when accessing applications and systems.

#### **6.2.4 Service Accounts**

- An application or service shall only use service accounts. These accounts must only be used programmatically and have no interactive login capability.
- The system owner or application using the service account shall be designated as the account owner.
- A service account shall be assigned to only a single application or service.
- The access rights of the service account shall be limited to the specific service/application, and access shall be granted on a least privilege basis.
- Account credentials shall be stored in an encrypted format, such as a password vault/privileged access management system; passwords shall never be stored in clear text.
- A Service account shall be disabled when there is no longer a legitimate business need for the account.
- Passwords for service accounts in production/live environments shall differ from those for the corresponding accounts in development/testing environments.

#### **6.2.5 Generic Shared Accounts**

Generic group accounts shall only be established where a valid business reason exists, which will all be managed by the ICT department.

If the use of shared accounts is unavoidable. Risk assessments shall be completed, and exceptions shall be raised in line with the Information security exceptions procedure.

Generic accounts shall be provided on the basis of least privilege and shall only be used for their originally intended purpose.

Where a case is made for a Generic account, this case will be reviewed in terms of suitability for BCUHB's single sign-on solution as a preferred alternative.

#### **6.2.6 System Accounts**

In addition to the General Account and Privileged Account principles, the below are applicable for all system accounts:

- Where possible, out-of-the-box system accounts/default passwords on applications and systems shall not be used for administrative purposes. These accounts shall be disabled, and the credentials of these accounts shall be stored in a password vault /privileged access management system.

- Named privileged accounts shall perform comparable administrative actions as an alternative to system accounts.

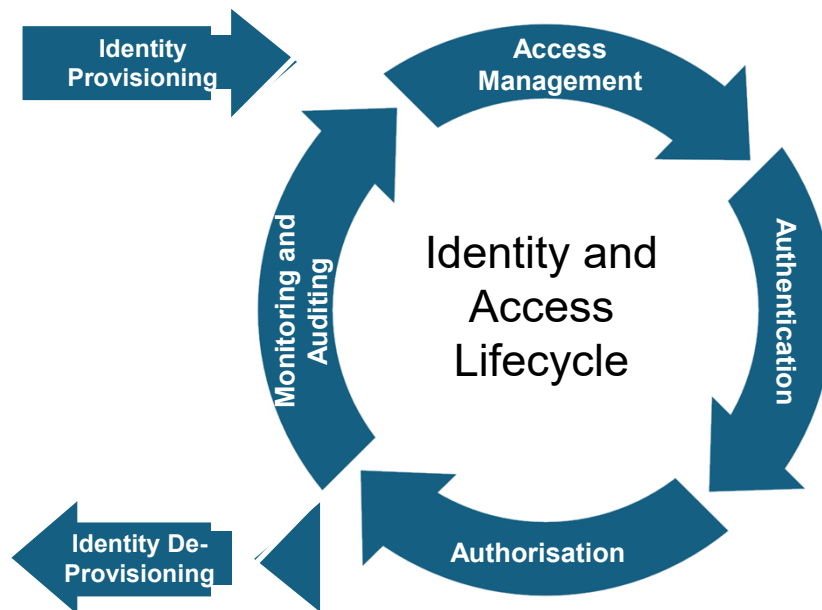
### **6.3 Password Management**

- The preferred authentication method for new Information Systems is integration with Microsoft Entra ID. This requirement shall be included in the procurement specification for all new systems.
- Default passwords (e.g., vendor default passwords) must be changed before a system or application is placed into production or when ICT equipment is installed.
- Passwords for standard user accounts must be at least ten characters and contain a mixture of upper/lowercase letters, numbers, and special characters (e.g., % \$ £).
- Passwords for Privilege user accounts must be a minimum of 14 characters and must contain a mixture of upper/lowercase letters, numbers, and special characters (e.g., % \$ £).
- For systems where special characters are not accepted or unusable due to character mapping issues, passwords for privileged users and system accounts must be at least 16 characters. In addition, they must contain a mixture of upper/lowercase letters and numbers.
- No blank passwords shall be allowed on any information systems.
- Where an information system cannot integrate with Entry ID/Active Directory, newly created accounts shall be set to 'Change Password on First Logon'.
- For ICT systems, screen lockout timeout shall be set to 15 minutes.
- Passwords must not equal or contain the user's name, BCUHB User ID, or any other personal information easily known to others. Where possible, dictionary support must be enabled to prevent the usage of common words.
- Initial passwords for new accounts created on systems and applications shall not be repeated.
- The password shall not be displayed when logging into an application.
- Passwords shall not be hard coded or stored unencrypted in BCUHB's ICT systems.
- Passwords shall be appropriately secured in all systems and applications. The password must be encrypted during the transmission over the network.

- Information used for identity authentication (e.g., passwords or PINs) must be stored and securely hashed with strong algorithms to ensure this information remains appropriately secured.
- Passwords must be changed immediately where they are suspected to be known by an unauthorised user or otherwise compromised.
- BCUHB ICT systems and applications must prevent accounts from re-using their last eight passwords.

## 6.4 Identity and Access Lifecycle

All User Accounts will be created, managed and disposed of through the Identify and Access Lifecycle process outlines below.



### 6.4.1 Identity Provisioning

Login accounts will be created upon a member of staff's appointment to the organisation. The line manager is responsible for verifying the identity of the member of staff through the recruitment process. Once identify has been verified, the line manager is responsible for requesting the account through ICT Services, and any other system level accounts through System Owners.

The request for a login account will be reviewed for necessity and appropriateness by ICT Services before an NHS Wales login account is created with a unique identifier for the user.

**Identity Verification:** Verify the identity of the user before account creation. This can involve checking official documents or using multi-factor authentication methods.  
**Account Setup:** Create the user account with the minimum necessary privileges, following the principle of least privilege.

### 6.4.2 Access Management

The line manager is responsible for identifying the access rights required by the user based on the principles of least privilege – this ensures users have only the minimum necessary access to perform their duties.

Where possible, Role-Based Access Control (RBAC) is used to standardise provision of access rights, assigning roles based on the user's job responsibilities.

Line managers are responsible for conducting periodic reviews of user accounts and access rights to ensure they are still appropriate. This includes checking for any changes in the user's role or responsibilities. Access Adjustments may be request through ICT Services or the System Owner as appropriate to modify access rights as needed based on the results of the reviews.

To ensure that access is current and necessary, account access must be reviewed periodically in line with the below table:

Type	Review Frequency
Standard User Accounts	6 Monthly basis.
Privileged User Accounts	At least on a 3-month basis for critical systems and half yearly for other systems.
Service Accounts	At least on a 12-month basis to validate if accounts need to exist and to validate ownership.

Access rights provided, amended or revoked through ICT Services will be documented through the Service Desk Halo ITSM. For systems which are not managed by ICT Service, System Owners are responsible for maintaining these records.

### 6.4.3 Authentication

This involves verifying the identity of users or systems attempting to access resources. Common methods include passwords, biometrics, and multi-factor authentication

This stage determines what an authenticated user or system is allowed to do. It involves setting and enforcing policies that control access to resources

Secure Authentication: Implement strong authentication mechanisms, such as multi-factor authentication (MFA), to protect user accounts.

Credential Management: Ensure that authentication information (e.g., passwords, tokens) is securely managed, including regular updates and secure transmission.

### 6.4.4 Authorisation

This stage determines what an authenticated user or system is allowed to do. It involves setting and enforcing policies that control access to resources

### 6.4.5 Monitoring and Auditing

Regular Audits: ICT will conduct annual audits of user account management processes to ensure compliance with NIS guidance and ISO 27001 standards.

Documentation and Reporting: Maintain detailed records of all user account activities, including creation, modification, and deletion. Ensure that these records are available for audit and compliance purposes.

Monitoring results/logs shall be reviewed regularly by ICT to ensure that systems' confidentiality, integrity, and availability are maintained. Access control mechanisms shall:

- Log successful and failed system authentication attempts.
- Record the use of privileged accounts.
- Control user access to information based on least privilege.

Monitoring and Detection: Continuously monitor user accounts for suspicious activity. Implement automated alerts for potential security incidents.

Response and Recovery: Have a defined process for responding to and recovering from security incidents involving user accounts. This includes investigating the incident, mitigating any damage, and restoring normal operations.

#### **6.4.6 Identity De-Provisioning**

When there is no longer a legitimate need for an account (e.g. an employee leaves BCUHB or a temporary assignment ends), including third parties (e.g. suppliers, contractors etc.), access must be immediately revoked or disabled.

It is the Line Manager's responsibility to [complete a Leaver's Checklist](#), ensuring that access is revoked or disabled when:

- The colleague no longer requires it.
- the colleague moves department.
- the colleague leaves BCUHB
- the colleague is absent for a significant length of time, e.g. through illness or maternity
- In addition, there may be instances where appropriate access is revoked or disabled when the colleague is subject to investigation.

Access must be disabled on the colleague's last working day – or sooner if circumstances (as communicated by HR) dictate.

Deactivation: Temporarily disable accounts that are no longer in use but may be needed in the future. Ensure that deactivated accounts cannot be accessed without reactivation.