

Financial Grip and Control measures across NHS Wales

Financial Planning and Delivery Directorate

Objective:

To provide organisations with a consolidated schedule setting out the core financial, workforce and procurement grip and control measures to safeguard financial stability during periods of significant financial pressure.

Background:

At M09 2025/26 six health boards in Wales report deficits totalling £206m, (1.9% of the reported Revenue Resource Limit).

Given the scale of the pressure, it is essential that the NHS Wales Finance Function can demonstrate that the financial governance and financial control environment mechanisms are robust and sufficient assurance is received on their effectiveness.

Scope:

The tool is designed to help organisations assess their financial grip and control. It is not an exhaustive list but is predicated on common themes and areas of risk identified through NHS Wales.

The key focus for the grip and control schedule is the practical controls, processes and actions that should be in place in year to avoid excessive or inappropriately approved financial commitments; reduce waste; and improve in year expenditure run-rates. The tool will help organisations to strengthen the underpinning financial governance and control measures that support improved financial performance.

As a first step, the focus has been placed on core financial, workforce and procurement processes and systems. There is more limited literature available on best practice grip and control within specific expenditure areas such as commissioning, CHC and prescribing systems and processes.

Preparation approach:

The schedule has been prepared by Financial Planning and Delivery by examining and consolidating examples from various sources including:-

- Grip and Control presentation report (Financial Planning and Delivery May 2022)
- Financial Grip and Control Checklist (NHS England December 2022)
- Establishment Control (HFMA May 2025)
- Budgetary Framework and Grip and Control Discussions (Directors of Finance Forum July 2024)

Structure of the document:

The schedule includes both **financial controls (in black)** that organisations should have in place and **grip actions (in blue)** that will support the reduction of expenditure run rates.

The financial grip and control measures are categorised across eight themes:- Framework and Guidance, Vacancies, Sickness and Leave, Rostering and Rotas, Bank and Agency, Other Staff Payments, Procurement and Other items.

The document includes both a summary schedule and a detailed schedule. The summary schedule identifies key thematic areas and the highest impact actions from the detailed schedule.

Other financial governance reference documents:

The checklist may be used in conjunction with:

- HFMA's "Improving NHS financial sustainability: are you getting the basics right?" checklist tool [Improving NHS financial sustainability: are you getting the basics right? \(hfma.org.uk\)](https://www.hfma.org.uk) – focus on key overarching financial processes such as planning, budget setting, reporting, financial governance, training and development
- Financial Management Maturity Model (NAO January 2010)
- Model Standing Orders, Reservation and Delegation of Powers and Model Standing Financial Instructions – NHS Wales (issued by Welsh Government)
- The Finance Academy's 'Financial Control Procedures Governance Best Practice Principles Guide' - available on the learning and development platform

All are valuable tools to support organisations to consider if they have the controls and processes in place to achieve best value for money.

Completion and next steps:-

Complete the checklist to consider whether the relevant policy or process exists and secondly to consider operational delivery and compliance. This may require input from representatives from several areas workforce, procurement, efficiency, finance and audit.

Agree priority issues and how proposed actions to address the issues identified will be taken forward. This may require assembling a working group including representatives from workforce, procurement, efficiency, finance.

Key findings from the exercise to be shared through the Director of Finance forum to identify any national areas of focus.

Update from Hywel Dda UHB:

The following sections will/have been completed by functional leads. Self-identified 'gaps' have been highlighted in **RED** text. Following the completion of the national benchmarking exercise across NHS Wales organisations, a consolidated list of gaps will be created and suggestions/recommendations made to update controls where appropriate. Critical gaps will be updated immediately.

Functional completion:

Framework and Guidance:	Finance
Establishment and Vacancies:	Workforce People Management
Sickness and Leave Management:	Workforce People Management
Rostering, Rotas and Job Planning:	Workforce People Planning and Effectiveness
Temporary Staffing:	Workforce People Planning and Effectiveness
Other Staff Payments:	Workforce People Planning and Effectiveness
Procurement:	Procurement
Other Items:	Finance

1. Summary Schedule

Framework and Guidance	Establishment and Vacancies	Sickness and Leave Management	Rostering, Rotas and Job Planning
<ul style="list-style-type: none"> • Clear and Up to Date Standing Financial Instructions and guidance. • Clear procedures & process notes. • Budget holders and all financial administrators have received up to date training on their roles & responsibilities • Clear governance process for new investment. • Delegation letters issued and signed. • Internal Escalation process in place. 	<ul style="list-style-type: none"> • Ensure robust budgeted establishments are in place and regularly reviewed and reconciled. • Regular vacancy control panel (VCP). • Automated weekly head count tracker. • Ensure managers notify HR of leaving dates. • Review all current vacancies with a view to remove or freeze posts. 	<ul style="list-style-type: none"> • Enforce compliance with the All Wales Sickness policy. • Adherence to the requirements of agreed attendance at work policies and the all-Wales Occupational Health minimum service levels. • Monitor absence and sickness on individual, service line, service and organisation level. • Monitor medical annual leave. • Policies to limit carry forward of significant leave balances 	<ul style="list-style-type: none"> • E-rostering fully deployed. • Rosters approved 12 weeks in advance (as per the Agency workforce reduction programme and control framework). • Contracted hours to be fully rostered. • Job planning policy implemented with > 90% of all Consultants having an agreed job plan in place at all times; and alignment of rota to job capacity plans.
Temporary Staffing	Other Staff Payments	Procurement	Other items
<ul style="list-style-type: none"> • Temporary Staffing Policy in place. • Clear process for booking, and compliance with process. • Review bank and agency authorisation levels – seniority and consistency across sites. • No off-contract agency & locum. • Auto enrolment for new starters onto the bank. • Review pay rates and consider weekly pay for bank as an incentive. • Ensure appropriate deduction for agency staff breaks. 	<ul style="list-style-type: none"> • Implement prior approval for overtime and enhanced payments. • A monthly 'audit' of the highest overtime earners and expenses claimants. • Non-clinical overtime controls in place. • Enhanced authorisation process for WLIs with clear demonstration that existing Programmed Activities (PAs) have been utilised before WLIs awarded. • Review process in place for additional sessions allocated. 	<ul style="list-style-type: none"> • Monitor use of Single Tender Waivers. • Consolidate a list of supplier discounts. • Robust contract management processes in place. • Enforce the 'No PO No Pay' policy. • Review and reduce those able to requisition and order. • Targeted approach for clinical preference variation (as identified by V&S procurement group). 	<ul style="list-style-type: none"> • Review and ensure all eligible VAT is being reclaimed. • Income management policies to minimise bad debt costs. • Stock management policies to minimise wastage. • Review all credit balances on the Balance sheet for potential over accrual. • Journals are based on latest relevant data and assumptions.

2. Detailed Schedule

1. Framework and Guidance	Controls / Processes in place	Assurance that processes are operational
<p>Clear and Up to Date Standing Financial Instructions</p> <ul style="list-style-type: none"> SFIs are up to date and readily accessible to all relevant officers. 	<p>Documented policies, Standing Financial Instructions and All-Wales frameworks are in place and approved by the Board. Operational procedures are supported by defined approval thresholds, system controls, segregation of duties and clearly assigned responsibilities. Controls are designed to prevent unauthorised activity, identify variance at the earliest opportunity, and enable timely corrective action.</p>	<p>Assurance is obtained through routine financial and workforce reporting, executive and committee oversight, exception reporting, internal performance reviews and periodic Internal Audit coverage. Compliance is monitored via dashboards, variance analysis and escalation through service and executive governance structures.</p> <p>Gap 1: Subsequent supporting principle documents are not accessible to relevant officers in the same location and are housed locally within functions, e.g. detailed examples of budgeting principles to support the Budgetary Control Financial Control Procedure.</p>
<p>Clear Process Notes</p> <ul style="list-style-type: none"> All Financial Control Procedures are up to date; accessible and minimum provision aligns with the Finance Academy best practice guide. (e.g. month end close down processes, financial reforecasts). All Financial Control Procedures are widely available to all relevant team members. Adequate training is provided to all relevant staff members to ensure awareness and understanding of relevant financial control procedures. 	<p>Documented policies, Standing Financial Instructions and All-Wales frameworks are in place and approved by the Board. Operational procedures are supported by defined approval thresholds, system controls, segregation of duties and clearly assigned responsibilities. Controls are designed to prevent unauthorised activity, identify variance at the earliest opportunity, and enable timely corrective action.</p>	<p>Assurance is obtained through routine financial and workforce reporting, executive and committee oversight, exception reporting, internal performance reviews and periodic Internal Audit coverage. Compliance is monitored via dashboards, variance analysis and escalation through service and executive governance structures. Audits are undertaken to assess management compliance; this can be utilised as a management tool to assess learning needs, compliance or wider system issues. Links to Gap 3</p>

		<p>Gap 1: Subsequent supporting principle documents are not accessible to relevant officers in the same location and are housed locally within functions, e.g. detailed examples of budgeting principles to support the Budgetary Control Financial Control Procedure.</p> <p>Gap 2: Some training is offered to first time managers via the Managers Passport programme, but this does not systematically cover all employees that enter management posts. Systemic analysis required for grip & control gaps, as training may not be the solution in itself.</p> <p>Gap 3: Periodic refresher training is not currently available to continuously educate all relevant staff members of the controls in place that are to be adhered to.</p>
<p>Roles and Responsibilities</p> <ul style="list-style-type: none"> • Roles and responsibilities of budget holders clearly defined and clearly communicated, including responsibilities with respect to core budgets, cost reduction element of their budgets and procurement. • Delegation letters have been issued and have been signed. • All budget holders have objectives supporting the delivery of financial objectives in Performance appraisal process. • Budget holders receive training on their roles responsibilities and objectives at reasonable intervals and monitoring of this can be demonstrated. • Consider whether the number of budget holders is appropriate - reduced budget holders can improve control over expenditure. 	<p>Documented policies, Standing Financial Instructions and All-Wales frameworks are in place and approved by the Board. Operational procedures are supported by defined approval thresholds, system controls, segregation of duties and clearly assigned responsibilities. Controls are designed to prevent unauthorised activity, identify variance at the earliest opportunity, and enable timely corrective action.</p>	<p>Assurance is obtained through routine financial and workforce reporting, executive and committee oversight, exception reporting, internal performance reviews and periodic Internal Audit coverage. Compliance is monitored via dashboards, variance analysis and escalation through service and executive governance structures.</p> <p>Gap 1: there is not a consistent onward delegation of financial objectives via Performance appraisals as far as currently known.</p>

	<p>Annual budget delegation Accountability Letters are issued to Executive Directors and Deputies; Functional Leads and Clinical Care Group Directors. This sets out responsibilities and reminds budget holders of the procedures in place that are to be adhered to.</p> <p>A scheme of delegation is in place, with changes approved by Board, and a consistent Oracle sub-scheme of delegation is in place with consistent approval levels and budget holders across all Revenue, Capital and Charitable Fund cost centres.</p>	<p>Gaps 2 and 3 from 1. Framework and Guidance – Clear Process Notes apply.</p>
<p>Investments and Business Cases</p> <ul style="list-style-type: none"> • Clear Business Case review procedures for reviewing and approving any new projects across the organisation. • The above includes a relevant committee structure where robust review and challenge take place. • Post implementation benefit realisation reviews process in place. • Review previous 12 months of business cases to ensure savings/benefits realisation. • Establish list of ongoing and planned projects and determine what can be ceased or delayed. 	<p>Documented policies, Standing Financial Instructions and All-Wales frameworks are in place and approved by the Board. Operational procedures are supported by defined approval thresholds, system controls, segregation of duties and clearly assigned responsibilities. Controls are designed to prevent unauthorised activity, identify variance at the earliest opportunity, and enable timely corrective action.</p> <p>All investment business cases are to be included on an annual basis within the annual financial planning cycle, with the exception of the Nurse Staffing Level reviews, which occur</p>	<p>Assurance is obtained through the annual financial planning cycle, routine financial and workforce reporting, executive and committee oversight, exception reporting, internal performance reviews and periodic Internal Audit coverage. Compliance is monitored via dashboards, variance analysis and escalation through service and executive governance structures.</p> <p>Gap 1: there is an absence of a medium-term plan to provide multi-year strategic direction to business cases.</p> <p>Gap 2: there is a lack of consistency across business cases, with financial benefits being ambiguous in a lot of cases. Further structure and consistency are required, with a regular</p>

	<p>during a year and are submitted to Board for approval, with central reserve funding allocated to services if approved.</p> <p>Initially, the Financial and Performance Committee scrutinise business cases, before they are submitted to Board for final review and approval/rejection.</p>	<p>organisation process for capturing, reviewing, prioritising and scrutinising them before being submitted for formal scrutiny to the Finance and Performance committee. NB Business Cases do not routinely explore alternative workforce design; to optimise “value” in workforce models. Integration of VBHC as a model for integrated workforce planning may be possible here. Query further gap?</p> <p>Gap 3: Limited evidence of benefits realisation or systematic reviews on historic cases</p>
<p>Internal Escalation</p> <ul style="list-style-type: none"> Clear internal escalation processes in place for service areas that are not delivering their financial plans with appropriate financial or non-financial controls or remedial actions applied. 	<p>An internal escalation framework is in place, with four levels of escalation across seven domains. Procedures are supported by defined approval thresholds, system controls, segregation of duties and clearly assigned responsibilities. Controls are designed to prevent unauthorised activity, identify variance at the earliest opportunity, and enable timely corrective action.</p>	<p>Assurance is obtained through routine monthly performance reporting, executive and committee oversight, exception reporting, internal reviews and periodic Internal Audit coverage. Compliance is monitored via dashboards, variance analysis and escalation through service and executive governance structures.</p> <p>Gap 1: Repeated examples of continued escalation does not employ an appropriate and timely response to deliver impactful actions to achieve de-escalation. Level 4 is not available presently.</p>

2. People Costs – Establishment and Vacancies	Controls / Processes in place	Assurance that processes are operational

<p>Policy and Procedure</p> <ul style="list-style-type: none"> Criteria in place for annual and other leave (e.g. study and parental leave) to be notified to the organisation and signed off (where applicable) with sufficient notice to minimise impact on rotas. Processes in place to ensure compliance with the All-Wales Sickness policy - Rigorous sickness policy and procedure is in place and communicated to minimise absences (inc. return to work meeting). Consider increasing sign off levels for sick leave to ensure transparency. 	<p>Documented policies, Standing Financial Instructions and All-Wales frameworks are in place and approved by the Board. Operational procedures are supported by defined approval thresholds, system controls, segregation of duties and clearly assigned responsibilities. Controls are designed to prevent unauthorised activity, identify variance at the earliest opportunity, and enable timely corrective action.</p> <p>Carry Over of annual leave is defined in the Agenda for Change handbook. There is an annual leave carryover proforma on SharePoint. Internal process for communication and completion is handled within the People Planning pillar with communications being issued via Global/Viva Engage.</p> <p>The PowerBI dashboard has a tab for annual leave balances which managers have access to and is updated monthly.</p> <p>Functional leads are sent monthly absence reports by the Workforce Intelligence team in the People Planning pillar.</p> <p>There is an all-Wales Absence Management policy which identifies the key responsibilities of each manager in respect of absence.</p>	<p>Assurance is obtained through routine financial and workforce reporting, executive and committee oversight, exception reporting, internal performance reviews and periodic Internal Audit coverage. Compliance is monitored via dashboards, variance analysis and escalation through service and executive governance structures. Audits are undertaken to ensure compliance to policy; this can be utilised as a management tool to assess learning, compliance or system issues.(Links to Gap 3)</p> <p>Gap 1: Line managers are not consistently using the sickness and annual leave report that are available to them.</p> <p>Gap 2: Line managers are not consistently applying the all-Wales Absence Management policy as identified in the recent internal audit report on sickness absence.</p> <p>Gap 3: There is no process in place to provide assurance that annual leave balances are well managed within the target of 14.6% defined within the Rostering Policy.</p>
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2. People Costs – Establishment and Vacancies	Controls / Processes in place	Assurance that processes are operational
<p>Establishment (Establishment control HFMA)</p> <ul style="list-style-type: none"> • Workforce plans are in place, are of a sufficiently granular level of detail (for example, by service, workforce type and substantive/ temporary); and align to approved establishment levels and budget. • Workforce plans are regularly reviewed by service and service leads to ensure compliance with or action to move to compliance against both establishment and budget. • Reconciliation process in place to ensure that WTEs per financial and HR systems reconcile. 	<p>Holistic workforce planning is undertaken as part of the annual planning cycle, which focuses on clinical service and staff group.</p> <p>Establishment report in place from Workforce and Finance but not accessible to service users.</p> <p>Monitoring forms part of the WOD escalation framework meetings</p> <p>The Health Board established a Financial control group, and whilst this overarching group has been dissolved, Workforce and OD have retained their own Internal FCG (initially established in October 2025) as part of its own control mechanisms.</p>	<p>Assurance is obtained through routine financial and workforce reporting, executive and committee oversight, exception reporting, internal performance reviews and periodic Internal Audit coverage. Compliance is monitored via dashboards, variance analysis and escalation through service and executive governance structures.</p> <p>Gap 1: Executive Function planning to be undertaken consistently for all.</p> <p>Gap 2: Integration of financial establishment / budget to be included through a collaborative approach to planning with Service, Workforce and Finance, including formally sign-off for WTE plans compared to budgets. This needs to look beyond numbers to skill mix/workforce model design (VBHC may be a helpful mechanism here.</p> <p>Gap 3: Budget holder review of established budgets is inconsistent, with reactive resolution when posts are to be replaced and finance instigate a change due to mis-aligned budgets.</p> <p>Gap 4: Establishment report is not easily accessible to service users and budget holders combining Workforce actual WTE with Finance budgeted WTE.</p>

2. People Costs – Establishment and Vacancies	Controls / Processes in place	Assurance that processes are operational
		<p>Gap 5: Not all services have a workforce plan in place however, there each CCG and corporate directorate is required to establish its own internal FCG controls before vacancies are approved, as part of the new arrangements from 1st April 2026. Not all arrangements are currently in place.</p> <p>Gap 6: Assurance is needed that the reporting of variable pay usage, previously reported into FSCG group, will be picked up in the new arrangements.</p>

2. People Costs – Establishment and Vacancies	Controls / Processes in place	Assurance that processes are operational
<p>Vacancy Review (Establishment control HFMA)</p> <ul style="list-style-type: none"> Establish a regular vacancy control panel (VCP) or equivalent to check and challenge recruitment to ensure all vacancies remain within authorised budgetary limits. Ensure the VCP terms of reference enable flexibility to avoid operationally delaying opportunities for savings and considering clinical need. Implement an automated weekly head count tracker (temporary and substantive). Assess the recruitment process and remove blockers/ bottle necks that may lead to higher agency & locum costs. Review all current vacancies with a view to remove or freeze posts. Focus on long term/ 6-month vacant posts – can these be removed or re-engineered? Review the establishment to remove partial posts not required and identify unfunded posts. Implement non-clinical recruitment freeze unless it can be evidenced that role is business critical or key for financial/ quality and safety improvement. 	<p>Documented policies, Standing Financial Instructions and All-Wales frameworks are in place and approved by the Board. Operational procedures are supported by defined approval thresholds, system controls, segregation of duties and clearly assigned responsibilities. Controls are designed to prevent unauthorised activity, identify variance at the earliest opportunity, and enable timely corrective action.</p> <p>Systematic approach to approval with vacancy's routed to Finance for approval or rejection depending on budget availability prior to recruitment episode commencing.</p> <p>Service management deploy internal vacancy panels prior to recruitment episodes being triggered.</p> <p>All Wales KPIs exist for “time to hire” and are included within the PODCC Metrics report for assurance of compliance and reported to the all-Wales Recruitment Modernisation Board.</p> <p>TRAC acts as the compliance tool here for financial authorisation.</p>	<p>Assurance is obtained through routine financial and workforce reporting, executive and committee oversight, exception reporting, internal performance reviews and periodic Internal Audit coverage. Compliance is monitored via dashboards, variance analysis and escalation through service and executive governance structures.</p> <p>The Health Board is consistently exceeding the all-Wales KPIs for “time to hire”.</p> <p>Gap 1: Management override can occur within the Service, Finance or Workforce for by-passing the control environment.</p> <p>Gap 2: Manual ESR changes from service managers without timely/appropriate Workforce and Finance review, i.e. re-banding, acting up arrangements.</p> <p>Gap 3: CCGs do not always have exit strategies in place to align with the on-boarding of new staff which results in higher agency and locum costs.</p>

<p>Leavers</p> <ul style="list-style-type: none"> Processes in place to ensure line managers notify HR of leaving dates and any other pay-impacting staff changes in a timely manner to reduce risk of overpayments. 	<p>Documented policies, Standing Financial Instructions and All-Wales frameworks are in place and approved by the Board. Operational procedures are supported by defined approval thresholds, system controls, segregation of duties and clearly assigned responsibilities. Controls are designed to prevent unauthorised activity, identify variance at the earliest opportunity, and enable timely corrective action.</p> <p>SMA tool assisting managers for an easy-to-use interface to instigate terminations and reduce overpayments.</p> <p>Payroll issues automated reminders to line managers regarding the monthly payroll cut-off dates, which highlights the importance of new starters, leavers and changes being processed in a timely manner. An example is given in the email of a mid-month leave and the importance of submission before the cut of date for that month.</p>	<p>Assurance is obtained through routine financial and workforce reporting, executive and committee oversight, exception reporting, internal performance reviews and periodic Internal Audit coverage. Compliance is monitored via dashboards, variance analysis and escalation through service and executive governance structures.</p> <p>To ensure monies can be claimed back Recruitment monitor exits of IENs or Medics recruited via the WG programme.</p> <p>Gap 1: Without positive confirmation of employees being marked as present on the ESR system (default assumes employees as present opposed to absent), management inconsistency gives rise to overpayments on a regular basis and lengthy financial disputes with no recovery occurring for a number of cases.</p> <p>Gap 2: HR does not get notified of leavers or pay impacting changes. The manager will input directly into ESR or the SMA App.</p> <p>Gap 3: Who is responsible for monitoring end dates (and then associated actions) for Fixed Term Contracts or Secondments – likely a cost pressure.</p> <p>Gap 4: Termination forms are still being completed late by Line Managers which gives rise to overpayments.</p>
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2. People Costs – Establishment and Vacancies	Controls / Processes in place	Assurance that processes are operational
		<p>Gap 5: Delays in termination forms can lead to lengthy financial disputes with no recovery occurring for a number of cases.</p>
<p>Workforce management monitoring (Establishment control HFMA)</p> <ul style="list-style-type: none"> • Process in place to review levels of poorly performing staff and consider options for more rapid improvement and/ or staff exit. • Periodical review of actual temporary staff rates against rates charged to identify and address issues (specific and themes). 	<p>Documented policies, Standing Financial Instructions and All-Wales frameworks are in place and approved by the Board. Operational procedures are supported by defined approval thresholds, system controls, segregation of duties and clearly assigned responsibilities. Controls are designed to prevent unauthorised activity, identify variance at the earliest opportunity, and enable timely corrective action.</p> <p>There is an all-Wales policy on Improving Performance at Work for A4C staff and UPSW for M&D staff.</p>	<p>Assurance is obtained through routine financial and workforce reporting, executive and committee oversight, exception reporting, internal performance reviews and periodic Internal Audit coverage. Compliance is monitored via dashboards, variance analysis and escalation through service and executive governance structures.</p> <p>Hywel Dda has been piloting the new Improving Performance at Work policy, and this has resulted in staff progressing through the informal and formal elements of the procedure. Since the pilot, staff have been progressed through the policy.</p> <p>New NHS policy comes into effect across Wales on 1st April 2026 and workshops are being held to roll-out to managers.</p> <p>Gap 1: A comprehensive and live temporary staff reporting is not available to service managers.</p> <p>Gap 2: Services do override rate cards on a daily basis to ensure gaps are filled.</p>

3. People Costs – Sickness and Leave Management	Controls / Processes in place	Assurance that processes are operational
<p>Monitoring and Reporting</p> <ul style="list-style-type: none"> • Monitor adherence to the requirements of agreed attendance at work policies and the all-Wales Occupational Health minimum service levels. • Monitor absence and sickness on individual, service line, service and organisation level. • Sickness is regularly reviewed at the board level, and problem areas identified and examined. • There is a set % target for staff off sick at any time and performance is measured against this target. • There is a set % target for staff on leave at any time and performance is measured against this target. • Monitor staff compliance with core organisational HR policies (e.g. annual leave requests, sickness absence) and ensure outliers are identified and addressed through appropriate routes. • Monitor medical annual leave. • Limits to the amount of annual leave, training and other influenceable absences that can be taken at any time. • Global policies for the management of leave to prevent excessive use of annual leave at the end of the year or carry forward of significant balances. 	<ul style="list-style-type: none"> • Clear policies in place for study, parental and sickness leave with notice periods. • Local processes in place (SOPs) for annual leave. • Limits on carry-forward i.e. up to 5 days but should more leave be carried forward due to absence or maternity leave, there is an escalation process to Exec Director level for approval. • Linkage of leave planning to e-rostering to ensure cover and minimise premium costs for staff on Allocate. • The Health Board provides monthly reports on its compliance with the all-Wales Occupational Health minimum service levels which is reported to PODCC. • The PowerBI dashboard has a tab for annual leave balances which managers have access to and is updated monthly. 	<p>Board-level review of sickness and leave KPIs by service and inclusion in Improving Together Executive Team led function reviews.</p> <p>Monthly reports indicate that the Health Board is fully meeting the all-Wales Occupational Health minimum standards.</p> <p>A deep dive into the specific reasons for absence e.g. Section 10 have been submitted to PODCC.</p> <p>Gap 1: Inconsistent application of concerns identified in the monthly functional sickness absence report are not being addressed by senior managers when the data indicates more than 5 days to enter sickness absence.</p> <p>Gap 2: There are a number of different routes to entering annual leave i.e. Allocate, ESR, Paper, Email. This inconsistent practice impacts on control measures which are available.</p> <p>Gap 3: Inconsistent monitoring of use of annual leave via PowerBI dashboard by Line Managers and senior leaders.</p> <p>Gap 4: Back-dated sickness or unrecorded leave transactions no escalated with no function lead approvals in place</p>

		Gap 5: Monitoring of some medical leave is difficult due to leave years being linked to date commenced in service and not financial year.
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4. Rostering, Rotas and Job Planning	Controls / Processes in place	Assurance that processes are operational
<p>General rostering and rotas</p> <ul style="list-style-type: none"> • E-rostering is fully deployed • Rosters are approved 12 weeks in advance (as per the Agency workforce reduction programme and control framework), and minimal changes to rosters once approved, for all staff grades. • Processes to ensure contracted hours are fully rostered. • Clear timeline for submission of rotas. 	<p>The Health Board has a Rostering Policy and includes key performance indicators and a rostering approval process.</p> <p>Compliance with the rostering policy is monitored through:</p> <ul style="list-style-type: none"> - E-rostering system metrics (approval timelines etc). <p>Executive-level dashboards present:</p> <ul style="list-style-type: none"> - Roster approval compliance. - Use of bank, agency and locum by roster group. - Correlation between late rota approval and premium staffing costs. 	<p>Persistent non-compliance is escalated through:</p> <ul style="list-style-type: none"> - Workforce escalation forums. - Executive performance reviews. <p>Internal audit reviews are undertaken periodically to assess:</p> <ul style="list-style-type: none"> - Policy compliance. - Effectiveness of controls. - Reliability of reported data. <p>This is reported through Value & Sustainability and to Professional Leads for Nursing & Medical Workforce through appropriate forums including exception reports identifying rosters not approved within required timescales.</p> <p>Gap 1: There is no process in place to provide assurance that annual leave balances are well managed within the target of 14.6% defined within the Rostering Policy.</p> <p>Gap 2: SOP adherence for annual leave and training controls is inconsistent.</p> <p>Gap 3: Night shift gaps persist despite substantive establishment.</p> <p>Gap 4 Whilst significant progress has been made it is not being sustained and Job Planning compliance and transparency varies between services.</p>

4. Rostering, Rotas and Job Planning	Controls / Processes in place	Assurance that processes are operational
<p>Robust Nursing Rota Management</p> <ul style="list-style-type: none"> • Staff levels are matched to patient demand patterns to avoid waits and avoidable admissions. • Weekly monitoring for shift requests vs. shift fill rate and any associated care and safety issues. • Review staffing levels against patient ratios vs current guidelines (inc. safer staffing tools) and provide constructive challenge to clinical leads on achieving efficiency while maintaining quality. • Review specialising policy, approvals, and tracking process to ensure standardised approach linked to patient need/acuity. • Review nursing agency & locum use before, during and after school holiday periods (tests the strength of rota planning). • Review options for: <ul style="list-style-type: none"> ○ reduced handover periods; ○ back-to-the ward for nursing management staff for a number of shifts per week; and ○ specialist nurses to provide a number of clinical shifts on wards to reduce agency & locum bill, cover vacancies, and improve staff rotation. 	<p>As above</p>	<p>As above</p>

4. Rostering, Rotas and Job Planning	Controls / Processes in place	Assurance that processes are operational
<p>Robust Medical Job Planning Management</p> <ul style="list-style-type: none"> • Job planning policy implemented with > 90% of all Consultants having an agreed job plan in place at all times. • Process in place to ensure alignment of rota to job plans. • Monitoring in place to support Medical Director leadership track medical productivity for example: - <ul style="list-style-type: none"> ○ job plan delivery (individual and then team job plans); ○ PAs over 12. ○ % Direct Clinical Care; and ○ theatre/clinic throughput. • Review consultant job planning compliance (assess current level of rollout) to identify opportunities for greater productivity (review of low and high Professional Activity “PA” staff). • Improve transparency of medical workforce holiday planning to core planning teams, linking to theatre and clinic planning. • Review on-call run rate for utilisation trends. 	<p>Clear policies for study, parental and sickness leave with notice periods.</p> <p>Rollout of Allocate is progressing; to be completed by June 2026.</p> <p>Metrics/reporting being developed to test efficacy of system/protocols.</p> <p>During 2025/26 job planning was reported as part of the suite of WOD escalation measures.</p>	<p>Reports to Medical Workforce Planning & Stabilisation on progress.</p> <p>Gap 1: Not all Job plans align activity, management duties, education and clinical delivery to funded hours.</p> <p>Gap2: There are no consequences for individuals who do not positively engage in the annual job planning process.</p> <p>Gap 3: The Health Board is yet to agree the parameters of the 52-hours CPD for its staff.</p>
<p>Other Clinical Staff</p> <ul style="list-style-type: none"> • Review compliance with / introduce Clinical Nurse Specialist and Allied Health Professional job planning process to identify opportunities for greater productivity. 		<p>Gap 1: Not all Job plans align activity, management duties, education and clinical delivery to funded hours.</p>

5. People Costs – Temporary staffing including Bank and Agency & Locum	Controls / Processes in place	Assurance that processes are operational
<p>Policy, procedures, roles and responsibilities</p> <ul style="list-style-type: none"> • An organisation wide temporary Staffing Policy in place and up to date. • There is a clearly communicated process in place for bank / agency & locum booking. • Monitoring controls in place to monitor compliance with the process for bank / agency & locum booking. • Governance process exists to oversee temporary staffing with clear ToR (either at overall level or by key staffing group e.g. nursing, medical, corporate). • Limit who can authorise bank and agency & locum staff to increase transparency; follow up on all short notice use. • Review consistency of authorisation levels and approach across sites. 	<ul style="list-style-type: none"> • Nursing have a SOP which includes an escalation process for the booking of temporary staff e.g. bank and agency. • Auto-enrolment to bank for eligible staff; medical and A&C banks in place. • No off-framework/ off-contract engagements; self-imposed caps and rate controls. • Long-term agency policy with conversion pathways to substantive/bank. • Nursing have a full variable pay SOP covering all elements including escalation times. Work is on-going to formulate a SOP for medical teams in line with the medical e-rostering rollout. 	<p>Reporting through FCSG and Value & Sustainability.</p> <p>Specific Nursing & Medical Forums.</p> <p>Gap 1: Short-notice bookings without proper approval.</p> <p>Gap 2: Off-framework placements under exceptional justifications.</p> <p>Gap 3: Inconsistent authorisation approaches across sites.</p> <p>Gap 4: The Health Board does not have a consistent approach to the management of bank and agency staffing across different professional groups.</p>

5. People Costs – Temporary staffing including Bank and Agency & Locum	Controls / Processes in place	Assurance that processes are operational
<p>Bank utilisation</p> <ul style="list-style-type: none"> All relevant staff groups are auto enrolled on the bank. Review actual temporary staff rates against rates charged periodically to identify and address issues. Implemented and promoted a medical bank, and an Administration and Clerical bank. Promote bank staff as an alternative to agency & locum. Review pay rates and consider financial incentives for bank staff to increase bank usage, for example consider weekly pay as an incentive. 	<p>The Health Board uses STREAM which enables staff to draw down a proportion of pay as need arises during the month.</p> <p>Report due to be considered by the Executive Team on the withdrawal of the weekly payroll due to less than 70 staff members utilising this.</p>	<p>Gap 1: Inconsistent application of the rate cards due to management override for enhanced rates of pay that are not within policy.</p> <p>Gap 2: We run a weekly payroll for less than 70 staff which is inefficient and can lead to overpayments due to the speed of turnaround.</p>
<p>Agency and Locum controls</p> <ul style="list-style-type: none"> Robust controls over agency & locum usage for example: - <ul style="list-style-type: none"> self-imposed cap on agency & locum expenditure; senior sign off of agency & locum expenditure. senior sign off of off-framework expenditure; clear Board accountability defined and communicated across organisation. improved communication of planned clinic cancellations to agency/bank teams; and no direct approach for agency. Process in place to ensure non-framework or off-contract agency staff are not engaged. An organisation process in place for long term agency & locum use. Seek local agreement of agency & locum pay rates with surrounding trusts / explore use of a collaborative bank. Evaluate opportunities for moving from use of agency & locum to internal organisation resource and / or bank. 	<p>Medical Stabilisation group was established in 2025/26 and will continue in 2026/27. Significant progress made to reduce high cost locums.</p>	<p>Gap 1: Inconsistent application of the rate cards due to management override for enhanced rates of pay that are not within policy.</p> <p>Gap 2: there is no preventative control to ensure no direct approach to agencies occur.</p>

5. People Costs – Temporary staffing including Bank and Agency & Locum	Controls / Processes in place	Assurance that processes are operational
<p>Timesheet and expenses management</p> <ul style="list-style-type: none"> Ensure breaks and hours claimed are accounted for correctly in timesheets (i.e. agency workers are only paid for time worked, in accordance with HB policies). Ensure appropriate deduction for agency & locum staff breaks (lunch). Ensure mileage claims are only for required intra-site travel. 	<p>Yes</p> <p>Yes</p> <p>Yes</p>	
<p>Restrictions on non-clinical temporary staff</p> <ul style="list-style-type: none"> Review and implement exit strategies for all non-clinical temporary workers. Temporary ban on usage of non-clinical agency staff, with exceptions authorised by executive director. 	<p>Yes</p> <p>N/A no non-clinical agency staff</p>	
<p>Effective monitoring</p> <ul style="list-style-type: none"> Senior leads monitor weekly dashboard summaries of temporary staff usage, cost and trends to provide early warning signs and demonstrate progress with issues arising. Track number of interims, termination dates, delivery of objectives, and daily rates. Focus on reducing number and costs. Consider options for contract terms that enables the organisation to offer substantive role after x months use: - e.g. offer locums a suitable package to convert from locum to substantive contracts. Identify medical rotas with the highest use of temporary and bank staff and set out a plan to address Hold weekly agency & locum meetings across all staffing groups with agency & locum overspends, attended by finance and key stakeholders, to review and control agency & locum expenditure. 	<p>Yes – Nursing</p> <p>Yes</p> <p>Yes</p> <p>Yes</p>	<p>Recruitment conversion processes in place:</p> <ul style="list-style-type: none"> Temp to Perm Agency to Perm Bank to Perm <p>Weekly Recruitment ‘Hard to Fill’ meetings to ensure proactivity and innovation.</p> <p>Gap 1: There is no comprehensive physical reporting (WTE) of Medical shifts worked with the associated financial costs.</p> <p>Gap 2: clarity is lacking to articulate the nature of the requirement for temporary cover, where a number of issues are commonly conflated resulting in a lack of control surrounding the termination of a temporary worker.</p>

6. People Costs – Other Staff Payments	Controls / Processes in place	Assurance that processes are operational
<p>Overtime and enhanced payments controls</p> <ul style="list-style-type: none"> • Ensure breaks and hours claimed are accounted for correctly in timesheets. • Perform a monthly 'audit' of the top 10 highest overtime earners by division. • Implement prior approval for overtime and enhanced payments - monitor and reduce. • For non-clinical staff - implement non-clinical overtime controls to limit expenditure in this area (e.g. Exec director authorisation required). 	<p>Expenses system in place which is administered by Shared Services.</p> <p>For corporate teams there is a Time Off In Lieu (TOIL) policy.</p>	<p>Gap 1: No monthly audit of the top 10 highest overtime earners by CCG/Directorate is being undertaken.</p> <p>Gap 2: There is a lack of and inconsistent reconciliation of hours before paying bank or overtime to staff.</p> <p>Gap 3: Lack of understanding of whether the TOIL Policy is being applied before payment of bank or overtime rates.</p> <p>Gap 4: Levels of discretionary effort above contracted hours is not monitored.</p> <p>Gap 5: Compliance with Working Times regulations over a defined reference period i.e. 17 weeks/26 weeks is not undertaken. Documented “opt outs” for the 48-hour week may not be in place or monitored/reviewed.</p> <p>Gap 6: Inconsistent mileage and travel allowance across sites.</p>
<p>Expenses Monitoring</p> <ul style="list-style-type: none"> • Monthly monitoring of the highest mileage and expenses claimants. 		<p>To be introduced in May linked with other measures around high spend controls.</p>

<p>Waiting List Initiatives (WLIs) controls</p> <ul style="list-style-type: none"> • Ensure consistent process across organisation including compliance with the WLI rate across the organisation. • Appropriate review process in place for additional sessions allocated. • Enhanced authorisation process for WLIs, with checks are undertaken before WLIs are awarded to ensure that :- <ul style="list-style-type: none"> ○ WLIs offer financial benefit or are operationally critical before approving, and ○ existing Programmed Activities (PAs) have been utilised. • Benchmark WLI rate against other Health Boards. 	<p>Yes</p> <p>Planned Care CCG</p>	<p>Gap 1: Management override occurs for rates above cap that are not within policy.</p> <p>Gap 2: Inconsistent mileage and travel allowance across sites.</p>
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7. Procurement	Controls / Processes in place	Assurance that processes are operational
<p>Procurement – Clarity of Roles</p> <ul style="list-style-type: none"> • Clear documentation and communication of roles between local managers, the procurement function and Shared Services. 	<ul style="list-style-type: none"> • Roles and responsibilities between local managers, the Procurement function, and NWSSP Shared Services are formally defined, version-controlled, and published on the HDdUHB intranet. 	<ul style="list-style-type: none"> • Intranet page link and version history showing last review date.
<p>Procurement - Tender process</p> <ul style="list-style-type: none"> • Approval limits are periodically and regularly reviewed where appropriate. • All new contracts awarded in compliance with Statutory Regulations and SFIs. • All new contracts (including agency & locum staff) are procured via appropriate tendering procedures to ensure best value for money is attained. • Single Tender Waivers controlled to minimise use. • Whole Life Costings are applied to evaluate tenders. • Appropriate SLAs and T&Cs are applied to ALL contracts to enable appropriate and effective contract management. • Breaches are reported to the relevant Executive Director and included in financial performance monitoring arrangements. 	<ul style="list-style-type: none"> • All procurements are run in accordance with Public Procurement Regulations, Standing Financial Instructions, and internal governance. • The Procurement SMT and Oracle Systems Team review compliance. • All awards go through the Health Board Financial Control Sub-Group (FCG). • Whole-Life Costing (WLC) is applied where appropriate. • Contract award packs with standard T&Cs are issued to named Contract Managers. • Single Tender Waivers (STWs) are tightly controlled, with none approved in the last 12 months due to strengthened scrutiny. • Breaches are escalated to the Deputy Head of Procurement and reported through ARAC. 	<ul style="list-style-type: none"> • SMT/Oracle compliance review logs and sample tender files • FCSG – Procurement agenda item • STW log confirming 0 STWs in the past 12 months. • Contract award pack samples with named Contract Manager acknowledgements. • ARAC papers noting any breaches and actions closed. • Internal audit outcomes on procurement compliance.

7. Procurement	Controls / Processes in place	Assurance that processes are operational
<p>Procurement – Call Off</p> <ul style="list-style-type: none"> Contract pricing is reviewed annually to attain any further increased banding cost advantages through life of contract. Product catalogues reviewed (both NHS Supply Chain and Local Catalogues) to remove duplicate items on catalogue (e.g. pens) to ensure value for money. Consolidate a list of supplier discounts and penalties for early / late payments (in alignment with contract register) - set out plans to recover / avoid these and share with accounts payable team to enact. 	<ul style="list-style-type: none"> Contract pricing is reviewed in line with contract mechanisms to secure banding advantages and value for money. Catalogue content is actively cleansed to remove duplicates and guide buyers to preferred lines. Procurement partners with Finance to ensure negotiated discounts are applied and to mitigate late-payment risks. 	<ul style="list-style-type: none"> Annual/biannual pricing review records and variation notices Enablement reports showing duplicate item removals and catalogue compliance rate Evidence of discounts applied on invoices AP on-time payment KPI trend where relevant to discount realization. <p>Gap 1: Catalogue usage not mandated and therefore is not adhered to consistently.</p>

7. Procurement	Controls / Processes in place	Assurance that processes are operational
<p>Procurement - Contract management</p> <ul style="list-style-type: none"> • Robust contract management processes are in place, including a complete and up to date contract register. • Regular contract reviews to ensure SLAs are being met - with specific focus on PFI contracts where relevant. • When contracts expire, these are retendered in accordance with the statutory regulations rather than rolled over and explore options for efficiencies/price reduction. • Contract terms are relative and proportionate to the contract matter and that there is a clear understanding of the risks transferred. • Service specifications are reviewed and ensure SLAs are being achieved or amend where suitable and do not directly affect patient care (e.g. reduce frequency of window cleaning etc.) 	<ul style="list-style-type: none"> • Contract register is maintained locally and aligned to All-Wales registers. • Contract management packs categorize contracts (e.g., critical/strategic/transactional) and set monitoring expectations. • Expiring contracts are proactively recommissioned; rollover is avoided unless justified. • PFI contracts are overseen by NWSSP Specialist Estates Services. • Service specifications and SLAs are reviewed to maintain quality while seeking efficiencies. 	<ul style="list-style-type: none"> • Contract register • Forward look of expiries (next 6–12 months) with sourcing plans • Sample completed contract review minutes/action logs • Evidence of SLA/KPI performance reports and remedial actions • Confirmation of PFI oversight by NWSSP SES and latest review output. <p>Gap 1: a live contract register is not easily accessible to service leads and does not afford proactive triggers to functional leads to highlight upcoming expiry of contracts.</p> <p>Gap 2: periodic and routine contract management reviews are not conducted to review contract KPIs and service compliance by all contract managers, overseen by Procurement.</p>

7. Procurement	Controls / Processes in place	Assurance that processes are operational
<p>Procurement – Purchase to Pay</p> <ul style="list-style-type: none"> Establish a robust purchase ordering (PO) system to enable the implementation of a 'no PO no payment' rule and no retrospective POs, in collaboration with Accounts Payable, to help control expenditure. Invoices that fail three-way match (PO, goods receipt, invoice) are rejected and returned. Source of error are identified and contract managed appropriately. Payments are only processed following sign off from the appropriate level. Sample audit batches for any possible out of policy expenditure. Continuous review of all open purchase orders that feed the monthly goods received not invoiced (GRNI) accrual for accuracy and appropriateness, ensuring any no longer valid items are removed/closed. Consider limiting and refining approval limits of requisitioners where appropriate. 	<ul style="list-style-type: none"> Robust P2P governance is in place via joint AP & Procurement working groups and All-Wales P2P forums. Three-way match is enforced; invoices failing match are returned per policy. 'No PO, No Pay' is embedded; retrospective POs are discouraged and tracked. Breaches are flagged by buyers and reported via ARAC. Requisitioner numbers and approval limits are being refined, with mandatory training for requesters and approvers. 	<ul style="list-style-type: none"> P2P dashboards Retrospective PO logged within ARAC report. Attendance/ competency records for requisitioner/approver training to be introduced ARAC reports including policy breaches and closures Working group minutes with actions completed. <p>Gap 1: Invoices that fail a three-way match are not rejected at source but are held by NWSSP pending service update.</p>
<p>Procurement - Other</p> <ul style="list-style-type: none"> Process in place to identify any "off contract" and consultancy expenditure. A strategy in place to review and market test costs to ensure best value. Contract pipeline clearly identified (and shared with NWSSP) to enable economies of scale. Ensure the number of purchasing cards in the organisation is right-fitted and balances the process efficiencies against the risk that the use of these bypasses' procurement processes. Targeted approach for clinical preference variation (as identified by V&S procurement group). 	<ul style="list-style-type: none"> Regular spend reviews identify off-contract and consultancy spend, enabling rapid short-term contracting and longer-term sourcing plans. Purchasing cards have been rationalised; Precision Pay is used to reduce risk and improve visibility. Work is progressing to better align CCGs with Procurement. A Regional Procurement Nurse is being recruited to lead clinical product standardisation and variation reduction with regional partners (e.g., SBUHB). 	<ul style="list-style-type: none"> Quarterly spend analysis highlighting off-contract spend; corrective actions and re-routing to contracts. P-card policy, cardholder list reductions, and Precision Pay usage reports; internal audit results on P-card control. Clinical variation baseline (e.g., top 10 categories) and standardisation roadmap; post-implementation savings/quality benefits. Regional collaboration team in place Regional workplan in draft

7. Procurement	Controls / Processes in place	Assurance that processes are operational
<p>Procurement – Signalling</p> <ul style="list-style-type: none"> Organisation has considered placing a hold on certain items (e.g. external venue hire). Although the savings will be low, can act as a signalling mechanism. 	<ul style="list-style-type: none"> Non-essential expenditure (e.g., external venue hire) has previously been restricted to signal financial discipline and prioritise clinical operations. Catalogue expansion (e.g., Lyreco punchout; exploring digital tail-spend catalogue) steers staff to preferred products and controlled routes. 	<ul style="list-style-type: none"> Communications/policy notice implementing restrictions with effective date Before/after spend analysis for restricted spend Catalogue adoption metrics and % of tail spend routed through approved catalogues

8. Other Items	Controls / Processes in place	Assurance that processes are operational
<p>VAT recovery management</p> <ul style="list-style-type: none"> Review latest contracted out services guidance to ensure all eligible VAT is being reclaimed. 	<ul style="list-style-type: none"> Procurement buyers follow a defined internal process to verify VAT coding on all Purchase Orders, ensuring alignment with COS rules, contract status, and service category. Specialist VAT advisory support is in place via external partners (EY/KPMG), providing periodic review, challenge, and reclaim submissions to maximise recoverable VAT and ensure compliance with HMRC requirements. All covered by a VAT Financial Control Procedure. 	<ul style="list-style-type: none"> Sample audits of POs by Procurement /Finance demonstrate correct COS categorisation and VAT coding accuracy (e.g., % accuracy rate, exceptions log, corrective actions taken). Compliance and Tax team actively review spend to ensure all eligible VAT is being reclaimed. External VAT reclaim reports: Regular outputs and assurance letters from EY/KPMG confirming claims submitted, value recovered, areas reviewed, and compliance with HMRC COS guidance. Joint review meetings between VAT Leads, Finance, and Procurement to monitor reclaim rates, review missed opportunities and validate the accuracy of coding on high-risk categories (e.g., estates, IT, outsourced services). Ad-hoc re-reviews undertaken (by different advisors) to ensure no areas missed.

8. Other Items	Controls / Processes in place	Assurance that processes are operational
<p>Income and Debt management</p> <ul style="list-style-type: none"> • A NHS visitor and migrant cost recovery programme in place. • Bad debt cost management process in place e.g.: - <ul style="list-style-type: none"> ○ Ensure debtors categorised logically (e.g. NHS, Non-NHS, Private Patients, Overseas, Salary Sacrifice, Prescriptions, Salary Overpayments, etc.) with agreed risk based, proportionate approach to collection for each category. ○ Identify strategy for key debtors and set collection targets for team members. ○ Review processes in place to ensure invoices are issued in real time or as soon as possible. ○ Consider payment in advance/on delivery where appropriate or the use of pro forma invoices in areas such as private patients backed with settlement facilities available at point of delivery. ○ Identify and address internal issues that are preventing timely collections i.e. unresponsive / untimely resolution of queries by divisions. ○ Scrutinise requests to write-off salary overpayments (if historic practice shows these are material). ○ Ensure prompt referral to external debt recovery agencies where necessary. 	<ul style="list-style-type: none"> • Identification and Charging for Overseas Visitors for NHS Treatment Financial Control Procedure. • Designated Overseas Officer employed by Health Board. • Income and Cash Collection FCP – includes credit control and debt recovery approach for different categories of debtors and referral to debt collection agency as appropriate. • Income Risk Stratification FCP – covers area to consider for all employees who engage with companies to provide a service in return for payment to reduce risk of non-payment. 	<ul style="list-style-type: none"> • Regular training provided to frontline staff regarding use of policy. • Regular monthly reviews of overdue debts are undertaken. • All write-offs where uneconomical to pursue reported to ARAC. • Area of highest interest in relation to recovery of overpayments of salary. All Wales policy in place.

<p>Stock Management</p> <ul style="list-style-type: none"> • Ensure appropriate stock rotation processes are in place and being followed to minimise wastage. Agree process with suppliers to swap out short shelf-life items or use consignment. • Review stock level minimum and maximum thresholds in line with current usage to minimise wastage. • Review delivery charges, triggers and schedules and implement changes to reduce any carriage charges where possible (e.g. standing orders, minimum order values, 3 day delivery rather than next day). • Review controls on consignment stock. 	<ul style="list-style-type: none"> • Stock Financial Control Procedure in place. • Pharmacy has Standard Operating Procedures (SOPs) governing both stock maintenance and stock checking. These SOPs outline clear responsibilities, frequency of checks, documentation requirements, and investigation pathways for discrepancies. • Separate monthly checks of the central store areas are also conducted, which ensures all stores, fridges, and other specialist storage spaces are reviewed and signed off. • Stock within the robots undergoes monthly short-dated reviews, with expired items removed and destroyed, and short-dated items redistributed where possible. • Expiry date checks of stock held outside the robot are reviewed as part of the rolling stock check process mentioned above, and all items within three months of expiry are classed as “short-dated” and logged. • Robust stock rotation processes are in place across all storage areas to minimise waste and expiry. • A weekly minimum stock level report is generated and reviewed by procurement teams. • A system program reviewing stocks within the robots (KROB) is available. 	<ul style="list-style-type: none"> • <i>Functionality within the Pharmacy Stock Control System (WellSky/CareFlow) facilitates this, by generating randomised daily lines for validation. This happens at sites on a daily basis. Any identified discrepancies, expiry issues and stock rotation needs are investigated and actioned, and all documentation are stored locally in dispensaries.</i> • <i>The system generates a specific slow moving stock report (KLSOW) to identify slow moving items across the Health Board. This is reviewed centrally on a regular basis and stock redistributed across sites or returned to suppliers (if possible) to minimise stock destruction and wastage.</i> • Scan4Safety live tracking provides real-time visibility of stock levels, expiries, and usage patterns, enabling proactive identification of slow-moving or excess items and confirming compliance with rotation processes. • Physical stock count undertaken at least annually for areas not covered by an automated process. • <i>This reviews usage-based recommended minimum and maximum levels within the system, and these are adjusted as necessary by trained staff where</i>
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- *At the Pharmacy Services Governance Group meeting, all procurement-related KPIs are presented and reviewed. This includes stock holding levels within each site along with other key indicators such as volume of ordering, receipting and invoicing.*
- Minimum and maximum stock thresholds are reviewed regularly and adjusted in line with usage data, clinical demand, new pathways, and service changes to avoid over-stocking and obsolescence.
- Delivery schedules, order triggers, and carriage charge structures are reviewed with suppliers to reduce unnecessary charges and optimise delivery frequency (e.g., consolidated weekly deliveries, minimum order values, standing orders, or 3-day delivery options instead of premium next-day services).

- *clinically and financially appropriate.*
- *This process needs refinement to its functionality as currently it is very challenging due to the manual workload involved and needs resourcing and process support. The regular rolling stock checks mitigate this risk, but this could be more efficient if working appropriately.*
- *Current rolling stock checks are held manually on paper within each separate pharmacy department. The team are working on a central electronic process to provide this oversight and improve assurance on the processes.*
- *This enables identification of anomalies and opportunities for efficiencies.*
- *Carriage charge reduction project during financial year 2026/27.*
- *Stock ownership and replenishment controls: The introduction of four dedicated stores staff ensures consistent delivery-to-ward processes, accurate stock rotation, and controlled top-up cycles. Compliance is evidenced through observed practice audits and supervisor sign-off.*

8. Other Items	Controls / Processes in place	Assurance that processes are operational
		<ul style="list-style-type: none"> Internal audit / peer review: Results from internal audits or stock spot checks, with actions tracked to completion. <p>Gap 1: operational stocktakes are not conducted on a regular and routine basis, resulting in the annual financial stocktake generating a higher volume of adjustments.</p>

<p>Estates</p> <ul style="list-style-type: none"> • Review outliers identified from benchmarking overall running costs for facilities and estates (inc. estates footprint use) (see the VAULT). • Ensure appropriate maintenance schedules in place to ensure asset kept in good working order. • Ensure an estates strategy is in place and regularly reviewed, to include estate rationalisation consideration to determine where savings might be delivered. • Establish list of ongoing and planned estates and maintenance projects and ensure it has been prioritised and has Board approval. 	<ul style="list-style-type: none"> • Data collected through the Estates & Facilities Performance Management returns are available for internal benchmarking purposes. • All Planned Preventative Maintenance Schedules (PPM) are routinely assessed in line with Welsh Health Technical Memorandum (WHTM) requirements and processed using our online Computer Aided Facilities Management (CAFM) system which offers dynamic reporting against benchmarks set for each maintenance schedule. This is reviewed monthly at the Estates Maintenance Operations Governance Group Meeting and again at the Estates Governance Group Meeting. Any concerns are picked up there. Specific disciplines e.g. Electrical Safety and Water Safety are picked up in those meetings are reported into the Health & Safety Compliance Group Meeting and then Health and Safety Committee. • A Property Asset Strategic Plan is in place and provides an overview of existing and planned changes to the HB's estate. • All contractual work in Estates team is tendered in line with procurement and SFIs and utilises framework contractors that have been vetted and approved e.g. Grounds 	<ul style="list-style-type: none"> • Data collection is undertaken in-house and reported annually via NWSSP Specialist Estate Services. • Day to day operational Maintenance & Engineering teams utilise CAFM for PPM schedules daily and report into governance groups for check and challenge as mentioned. • The strategy was endorsed by the Board in May 2023 and covers the period between 2023 to 2026. This strategy will be updated in 2026/27 to align with the HB's refreshed Clinical & Estate Strategic plan. • All Terms of Reference for the aforementioned boards and committees contain explicit purpose and instructions with minutes available to demonstrate compliance.
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8. Other Items	Controls / Processes in place	Assurance that processes are operational
	<p>Maintenance and Lift Inspections. Other planned estates projects report through the Estates Governance Group, Capital Subcommittee and Strategy and Planning Committee for appropriate approvals. Any projects over £1m go to Public Board for formal approval following Executive Team sign off.</p>	
<p>Journal Approvals</p> <ul style="list-style-type: none"> Internal journal review process in place and regular accruals and prepayments have been reviewed to ensure they remain current and the method of calculation is based on up-to-date assumptions. Controls over journals are appropriate including posting authorisation levels, review and sign off process. 	<ul style="list-style-type: none"> Oracle E-Business Suite – System Access and Ledger Security FCP – includes General Ledger Input Procedures covering Journal processing, postings and approval. Oracle keeps an automated record of all journals posted which can be linked back to source. Feeders Control Sheet completed by Core Accounting Team for all external feed journals from outside the Oracle system. Quarterly extract of all manual and Application Desktop Integrator (ADI) journals selected at random for retrospective approval by the originator’s line manager. 	<ul style="list-style-type: none"> For all ‘actual’ journals automated posting is active within Oracle and scheduled to meet the organisation’s prescribed monthly closedown timetable. Due to the volume of journals and critical path required to meet timetable, Audit Wales has recognised that it is not practical to approve journals before posting and hence review our retrospective journal process as part of the Annual Accounts audit. All budget journals are posted by the Corporate Reporting Team.

8. Other Items	Controls / Processes in place	Assurance that processes are operational
<p>Fixed Assets and Capital</p> <ul style="list-style-type: none"> • Fixed asset register is in place and regularly updated including a fixed asset verification exercise. • Review capital programme for subsequent revenue affordability, deferring, reducing or stopping schemes as appropriate. • Asset lives regularly reviewed to ensure appropriate and that depreciation is consistent with consumption. • Consider reprioritising the capital programme to prioritise spend-to-save projects. • Review assets held on SoFP (buildings, equipment etc) and dispose of any no longer in use or needed. • Consider VfM of ownership options such as lease v purchase. 	<ul style="list-style-type: none"> • Capital Investment FPC – covers capital planning process; how to bid for capital; procedure for capital purchases; monitoring arrangements of capital programme and accounting arrangements for the Fixed Asset Register. • Yes, operated by the Finance Capital Team. • Revenue implications are considered as part of the prioritisation process for capital. It is not the only consideration taken into account when the programme is developed, clinical risk and patient impact are key considerations. • Reviewed annually by the Finance Capital Team as part of the Annual Audit process. • A spend to save allocation has been earmarked in the programme for 24/25, 25/26 and 26/27. • The UHB has an Estates Strategy that reviews estates assets that can be disposed as new projects complete. • The UHB currently has a mixed portfolio of capital developments some in the more traditional build and own category and a few where collaboration with local authority and WG has led to various lease options being developed. 	<ul style="list-style-type: none"> • Three-year cyclical asset verification process – current year (Ceredigion) with 70%+ response rate at 9/3/26. • Subject to Audit. • Large projects are considered by Executive Team, Capital Sub Committee and Strategy and Planning Committee prior to being presented to Board for approval. • Subject to audit. • The split of the UHB discretionary capital is considered by Executive Team, Capital Sub Committee, Strategy and Planning Committee prior to being presented to Board for approval. • All plans and major developments are reported through the Governance process described above.

8. Other Items	Controls / Processes in place	Assurance that processes are operational
<p>Balance Sheet Review</p> <ul style="list-style-type: none"> • Ensure all balance sheets are reconciled at appropriate intervals and action is taken to address historical balances. • Monthly assessment of existing provisions to determine whether these can be released during year as opposed to later in the year/year end. • Review all credit balances on the Balance sheet for potential over accrual (e.g. Annual Leave Accrual or GRNI balances). 	<ul style="list-style-type: none"> • Blackline system in place used to perform monthly reconciliations. • Balance sheet accounting principles implemented in year (and documented for clarity in Quarter 3 2025/26). Includes: <ul style="list-style-type: none"> ○ proactive assessment on a monthly basis of current provisions to determine whether they can be released in year as opposed to traditional year-end approach. ○ quarterly review of historic annual adjustments, recognising these are at a point in time and may not be indicative of year-end position. 	<ul style="list-style-type: none"> • Historic balances (particularly in CHC) reviewed and released where not required. • Wellsky balances were assessed as high at 2024/25 year end but due to time and staff constraints the erroneous over accrual was not addressed. • Balance sheet process is still bedding in but improving as staff are becoming more familiar with it. <p>Gap 1: a comprehensive aged balance sheet review does not currently exist.</p>