

Item: 16**Title:** Consider Increasing External Scrutiny of NWSSP Accounts

Gweithredu / Action required	Note and support the proposed actions.
Amseru / Timing	Routine
Argymhelliad o'r adolygiad / Review recommendation	Recommendation 16. Welsh Government should consider whether greater external scrutiny and visibility of the detailed accounts of NWSSP would improve governance and public transparency and whether suitable arrangements can be put in place under the current governance model.
Risg / Risk	<p>Medium</p> <p>Currently, the accounts are prepared following accepted accounting practice and International Financial Reporting Standards and His Majesty's Treasury Financial Reporting Manual (FreM). The Trust has followed this model since NWSSP was absorbed into the Trust. They do not contravene any financial reporting requirements.</p> <p>Improvements can be made to the financial reporting requirements to increase the transparency between Velindre University NHS Trust and the hosted body NWSSP, which will help users of the accounts without being over burdensome or bureaucratic to the those preparing the accounts.</p>
Cyllid / Finance	No financial impact
Cyfathrebu / Communications	To introduce any changes to the Velindre University NHS Trust Annual Accounts proforma, discussions should be held with the respective financial accounting teams in Velindre and NWSSP. This would need to be communicated through updated guidance and instructions in the NHS Wales Manual for Accounts. It would be developed after consultation with the Trust and Audit Wales and written and presented by the Welsh Government NHS Finance Accounts and Governance team.
Ystyriaeth gyfreithiol / Legal consideration	There are no legal considerations for this recommendation. It relates purely to the presentation of accounts.
Cymeradwyaeth / Approval/Clearance	The decision is for Welsh Government, specifically, NHS Finance
Ymateb cyhoeddus cychwynnol Llywodraeth Cymru / Welsh Government Initial Public Response	Initially, the recommendation was accepted. This position has not changed.
Trafodaethau/ Penderfyniadau	No previous papers or discussions have been tabled. Welsh Government have held discussions with Audit Wales on its proposed actions and response.

Blaenorol / Previous discussions/decisions	
Awdur/ Cyflwyno / Author/presenting	Author – redacted s40(2), redacted s40(2) Presenter - redacted s40(2), redacted s40(2)
Dyddiad / Date	23rd June 2026
Cefndir / Background	<p>Review recommendation 16 states that Welsh Government should consider whether greater external scrutiny and visibility of the detailed accounts of NWSSP would improve governance and public transparency and whether suitable arrangements can be put in place under the current governance model.</p> <p>This recommendation has been considered in detail by HCP Finance, who have also discussed the recommendation and recommended solutions with Audit Wales.</p>
Manylion / Detail	<p>In assessing the position following this recommendation, there are four key areas for consideration:</p> <ul style="list-style-type: none"> • The disclosure and visibility of the accounts • The disclosure and visibility of the annual governance statement • Senior Managers remuneration disclosures • Reflections on other documents that support end users e.g. performance report. <p>From an account perspective, currently NWSSP income and expenditure is reported as an operating segment note in Velindre Trust Accounts. This is in accordance with accounting standards, but it does not present a headline split between the main Trust and the hosted body in the main primary statement. It is therefore produced; however, it is considered that improvements could be made to strengthen visibility.</p> <p>With regards the Annual Governance Statement, NWSSP prepare an Annual Governance Statement which is submitted to Velindre Trust who consider if any aspects should be incorporated into the main Trust Governance Statement. The Velindre NHS Trust governance statement is the only governance statement which is published as part of the supporting statements to the accounts.</p> <p>Therefore, from both an account and annual governance statement perspective the base information for NWSSP accounts and governance statement is produced however not consistently visible to the end user.</p> <p>At the latter stages of the 2024/25 accounts process, Velindre NHS Trust made representations for the disclosures of senior managers remuneration to be considered as part of the annual accounts process. This issue was considered and updated guidance provided in the 2025/26 accounts as follows: <i>“hosted bodies with a designated Accountable Officer, currently NHS Wales Shared Services Partnership and NHS Wales Joint Commissioning Committee, should review their senior management arrangements in line with NHS Pension Agency timelines and inform this host body of the senior managers to be included in the Greenbury request for information. The hosted body single total remuneration line details, should be clearly identified as those of the relevant hosted body, and included as a separate disclosure to those of the Statutory body in the remuneration section of the Statutory Annual Report”</i></p>

In considering other accounts and statements from a comparability perspective, Cwm Taf Morgannwg (CTM) are the only other NHS body which presents a segmented approach in the primary statements given the hosting arrangements associated with the NJCC.

There is some variation in approach. From a CTM perspective for example the account discloses the Cwm Taf Morgannwg income and expenditure totals and Statement of Financial Position totals and the corporate total, it does not present the JCC element directly on the Primary Statements.

This is important because it increases the detail available to users of the accounts to understand the in-year financial performance and assets and liabilities of the hosted body but the downside is that activities between the host and JCC are eliminated in the total column, so that the main statement does not present the full economic activity of the JCC.

Welsh Governments assessment, which is supported by Audit Wales, is that the presentation of the accounts is fundamentally sound, however WG is open to continuous review and improvement going forward.

Having considered the above issues, the group is asked to note and support the four changes below to the accounts and supporting statements which will be enacted from the 2026/27 account on an ongoing basis:

1. Increasing the transparency of the NWSSP operating segment in the Velindre NHS Trust account. Specifically, this will include preparing a Statement of Financial Position (Balance Sheet) for NWSSP and the Welsh Risk Pool in addition to the I&E segment. Both the I&E and balance sheet segments should be clearly signposted in the accounts foreword to direct the accounts user to the relevant note and page number.
2. Increase the visibility of the NWSSP Annual Governance Statement within the Velindre Annual Report and Accounts, by directly making available the NWSSP statement.
3. Continue to maintain and present the remuneration details of the Senior Managers at NWSSP as became a requirement in accounts guidance from 2025/26.
4. Velindre NHS Trust should review and consider strengthening its performance report to more consistently reflect the activities of NWSSP.

The changes above will enable management, the system, and other users to have a clearer view and analysis of the main Trust and hosted body benefits.

The presentation is consistent with the principle laid out in the HM Treasury Simplifying and Streamlining Annual Reporting project and can be accomplished without a substantial re-write of the existing accounts format which has operated competently since NWSSP was hosted by Velindre and included in their Annual Report and Accounts.

Argymhelliad / Recommendation

The group are recommended to endorse the actions proposed by Welsh Government above which have been discussed with Audit Wales who are supportive of the approach.

Camau gweithredu angenrheidiol a'r camau nesaf / Action required and next steps

Agreement - Reach an agreed common position on presentational improvements and Governance Statement disclosures with Velindre University NHS Trust, NWSSP, Audit Wales and Welsh Government NHS Finance.

Action - Arrange meetings to discuss the proposal by October 2026 and include any amendments in the draft NHS Wales Manual for Accounts 2026-27 and final Version for issue in March 2027.