

# Standards of Business Conduct

## Final Internal Audit Report

2025/26

Cardiff & Vale University Health Board



Reasonable Assurance

**Contents**

Executive Summary .....1

Findings & Agreed Action Plan .....3

Appendix A ..... 10

**Review Reference**

CVU-2526-02

**Fieldwork**

October - November 2025

**Executive Sign Off**

December 2025

**Audit Committee**

February 2026

**Executive Lead**

Matt Phillips, Director of Corporate Governance

**Audit Team**

Ian Virgill, Head of Internal Audit  
Lucy Jugessur, Deputy Head of Internal Audit



# Executive Summary

## Purpose

Our review of the Standards of Business Conduct was completed in line with the 2025/26 Internal Audit Plan for the Cardiff and Vale University Health Board ('the Health Board'). The purpose of the audit was to review the adequacy of the systems and controls in place within the Health Board for the management of standards of behaviour. Including declarations of interests and declarations of gifts, hospitality and sponsorship.

The Welsh Government's 'Citizen-Centred Governance Principles' apply to all public bodies in Wales. These principles integrate all aspects of governance and embody the values and standards of behaviour expected at all levels of public services in Wales.

All Health Boards should have a Standards of Behaviour Framework in place that sets out the arrangements for ensuring that all staff comply with the principles, including recording and declaring potential conflicts of interest and handling of gifts, hospitality and sponsorship.

## Overview

We have concluded **Reasonable assurance** on this area. Our audit confirmed that appropriate procedures and processes are in place for the Standards of Business Conduct, however, declaration rates within the Health Board are low. The matters requiring management attention include:

- There was inadequate staff communication on ensuring that staff were informed that they had to declare Gifts, Hospitality, and Interests.
- There were low declaration rates within the Health Board.

Full details of matters arising are detailed within the Findings & Agreed Action Plan. The below opportunity for enhancement has been identified that do not impact the overall opinion and are highlighted for management information:

- Three Independent Members had yet to declare any interests, two had only been in post since October 2025 but one had been in post since June 2025.

## Scope & Assurance Summary

Objectives	Related Findings	Assurance
1 The Health Board has an appropriate and up to date Standards of Behaviour Framework Policy in place and this is widely available to all relevant parties		<b>Substantial</b>
2 Effective processes are in place to ensure that all employees and Independent Members are aware of the requirements of the Standards of Behaviour Framework and have access to appropriate information, support and advice	1	<b>Reasonable</b>
3 Effective arrangements are in place to ensure that specific groups of Employees and Independent Members complete a Declaration of Interest on initial employment with the UHB and that declarations are updated following any changes in circumstances	2	<b>Reasonable</b>
4 The Health Board has an up-to-date Register of Interests in place, and the content is reported to the Audit and Assurance Committee at agreed intervals		<b>Substantial</b>
5 Effective processes are in place for ensuring that employees and Independent Members declare any offer of a gift, hospitality or sponsorship which requires recording	1	<b>Reasonable</b>
6 A Register of all declared Gifts, Hospitality and Sponsorship whether, accepted or declined, is maintained and the content is reported to the Audit and Assurance Committee at agreed intervals		<b>Substantial</b>

## Management Actions

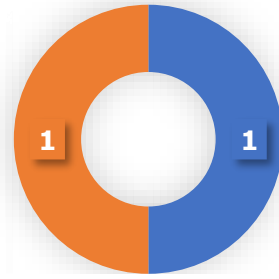


High Priority



Medium Priority

## Themes



■ Communication & Engagement

■ Performance Monitoring

## Risk Types

Public Perception & Reputational Risk

# Findings & Agreed Action Plan

**Objective 1:** The Health Board has an appropriate and up to date Standards of Behaviour Framework Policy in place and this is widely available to all relevant parties

**Substantial**

## **Overview / Summary of Observations**

The Health Board has an up to date Standards of Behaviour Framework Policy in place which is available on SharePoint. The policy includes the following procedures:

- UHB 473- Declarations of Interest Procedure;
- UHB 474- Declaration of Gifts, Hospitality and Sponsorship Procedure; and
- UHB 472- Declaration of Outside Employment and Clinical Private Practice Procedure.

All of these procedures are up to date with a review date of July 2028. It has been agreed that UHB 472 and UHB 474 are due to be withdrawn and incorporated into UHB 473. The policies and procedures are available to staff on SharePoint and the internet.

The roles and responsibilities of staff are clearly defined within the Standards of Behaviour Framework Policy. The policy highlights that the Chief Executive is identified as the Accountable Officer, whilst the Director of Corporate Governance acts as the policy adviser, and the Executive Directors ensure awareness by completing their declaration and leading by example, and line managers are responsible for reinforcing policy requirements during staff appraisals.

**Overview / Summary of Observations**

Staff are informed of the requirement to complete a declaration of interest during induction and as part of their employment conditions. The policy mandates annual declarations for Board and Independent Members, while all other staff must submit a declaration at least once upon joining.

Independent Members receive an induction pack referencing the requirement to make declarations. The Head of Corporate Governance highlighted that engagement activities, such as team meetings and induction sessions, have been used to reinforce awareness of the Standards of Behaviour Framework. The reinstated Clinical Board reviews now include declaration compliance data to improve oversight which is a pie chart illustrating the proportion of Band 7 and above staff who have submitted declarations compared to those who have not.

Staff guidance on submitting a declaration of Interest is also accessible on the Corporate Governance SharePoint page. Despite these resources, communication gaps remain as staff are not requested to declare their interests on a regular basis. There has been no consistent communication to all staff regarding their declaration of interest obligations.

Key Findings	Risk & Impact	Agreed Management Action
<p>1 <b>Insufficient Staff Communication on Declaration Requirements</b></p> <p>Staff are advised on requirements regarding interests, gifts and hospitality within the policy and procedures; however, communication and reinforcement mechanisms are not sufficient.</p> <ul style="list-style-type: none"> <li>• Communication was limited to the Independent Members who received email notifications when declarations for the year end were due for updating</li> <li>• There was no initial, reminder or routine communication sent to all staff ahead of the 2024/25 end of year declaration.</li> <li>• Posters referenced outdated paper forms.</li> <li>• Awareness activities, such as screen savers were acknowledged but not evidenced.</li> </ul>	<p>Staff are unaware of their obligations.</p> <p>Incomplete declarations and low compliance rates.</p> <p>Non-compliance and pose a reputational risk.</p>	<p><b>Proposed Action:</b></p> <p>Management will:</p> <ul style="list-style-type: none"> <li>• Update the posters to align with the current electronic completion form on ESR for declaring their interests.</li> <li>• Update the communication plan to confirm the communications that will be utilised for enabling staff to declare their interests.</li> </ul> <hr/> <p><b>Expected Evidence of Implementation:</b></p> <p>Updated Posters: Copies or screenshots of posters showing references to the electronic ESR process.</p> <p>Proof of Communication: Copies of DOI Target comms emails throughout the year sent to all staff, along with screenshots of awareness activities (e.g., screen savers, intranet banners).</p>

		<b>Medium Priority</b>	<b>Officer:</b> Andrew Partridge, Corporate Archivist & Records Management Manager
	<b>Theme:</b> Communication & Engagement	Control Operation	<b>Target Implementation Date: Dec 2026</b>

**Objective 3:** Effective arrangements are in place to ensure that specific groups of Employees and Independent Members complete a Declaration of Interest on initial employment with the UHB and that declarations are updated following any changes in circumstances

**Reasonable**

**Overview / Summary of Observations**

The Health Board requires all employees and Independent Members (IMs) to complete a Declaration of Interest (DOI) upon joining and update it as required. Independent Members and Board members are expected to declare interests annually. A review found that two new Board members had not completed declarations of interests since joining on the 2<sup>nd</sup> June 2025 and 13<sup>th</sup> October 2025.

The Health Board is currently revising its staff induction pack to provide a comprehensive checklist of everything a new starter is required to do including highlighting key areas that employees should be aware of when they join the Health Board. The Head of Corporate Governance is supporting this work from a corporate perspective to ensure the corporate team’s requirements are incorporated into the ongoing development.

The policy requirements for new staff, agency bank staff, temporary staff and independent members are slightly different depending on staff’s role within the organisation. Where staff are decision makers and involved in procurement exercises (for instance) a declaration would be required at the time of the exercise. Non-decision makers should only be required to declare once unless circumstances change.

Once the declaration for all members of staff have been undertaken, there is no requirement for annual declarations. However, updates must be made whenever circumstances change. On reviewing the report presented at the Audit and Assurance Committee in May 2025, we note that 75% of staff overall did not make any declaration.

The Declaration of Interests Register is published on the Health Board’s internet page.

Key Findings	Risk & Impact	Agreed Management Action
<p>2 <b>Declaration Rates of Staff</b></p> <p>The Declaration of Interest and combined gifts, hospitality, and sponsorship register exists and is reported annually to the Audit and Assurance Committee. However, there is low compliance of declarations and there is limited follow-up which reduces assurance.</p> <p>Whilst we note that there is no formal compliance target, as of the 1st of May 2025, the total ESR returns factoring in staff head count was 25% while 2024 was 19.5%. This demonstrates the growth in the volume of declarations received, however, 75% are not making any form of declaration. The target group of Band 7 and above equates to a return rate of 41%.</p>	<p>Increased reputational risk due to 75% of undeclared interest.</p>	<p><b>Proposed Action:</b></p> <p>Management will ensure Clinical Board accountability by using declaration compliance data to monitor trends and identify areas of low compliance for target group of Band 7 and above within the Clinical Board performance meetings. They will follow up on compliance gaps with targeted improvement actions.</p> <hr/> <p><b>Expected Evidence of Implementation:</b></p> <ul style="list-style-type: none"> <li>• Periodic compliance reports which include documentation of actions taken to address gaps.</li> <li>• Targeted improvement initiatives (e.g., communication campaigns, and reminder emails to leads).</li> </ul>

		<b>Medium Priority</b>	<b>Officer:</b> Andrew Partridge, Corporate Archivist & Records Management Manager
	<b>Theme:</b> Performance Monitoring	Control Operation	<b>Target Implementation Date: December 2026</b>

**Objective 4:** The Health Board has an up to date Register of Interests in place and the content is reported to the Audit and Assurance Committee at agreed intervals

**Substantial**

### **Overview / Summary of Observations**

The Health Board maintains a digital Register of Interests via ESR, with declarations converted into a locked PDF for publication online. Data includes timestamps and multiple entries per staff, with sensitive details (e.g., banding) which are removed before publishing.

The declaration of interest report is presented to the Audit and Assurance Committee annually for assurance, and this was last undertaken at the meeting in May 2025. The report highlights staff of Band 7 and above who have made declarations.

Declaration of Interests reports are provided by exception for the remainder of the year such as a key or high risk declaration being made. No exception reports have been submitted since May.

Declarations / Conflicts of Interest made on ESR for Band 7s and above are now reported as part of the Clinical Boards' monthly performance meetings.

RAG ratings are applied to declarations based on risk, where there is a financial benefit that may have a conflict to their role, it will be RAG rated as high (which is rare) or where a staff member receives some confectionery for example, its RAG rate would be low. However, monitoring responsibility largely rests with Clinical Boards, and corporate governance does not actively track mitigation actions.

**Objective 5:** Effective processes are in place for ensuring that employees and Independent Members declare any offer of a gift, hospitality or sponsorship which requires recording

**Reasonable**

### **Overview / Summary of Observations**

Staff and Independent Members are made aware of the requirement to declare any offer of a gift, hospitality or sponsorship during the induction process.

The Health Board's electronic system, ESR, for capturing declarations has improved transparency, allowing filtering by categories such as financial and non-financial interests, employment, sponsorship, gifts, and hospitality. The Corporate Governance Team are able to undertake periodic downloads to show compliance.

Current efforts focus on reporting completion rates by Clinical Board and Directorate, with the introduction of dashboards to drive improvement in staff declaration numbers.

However, the current communication and reinforcement mechanisms are not sufficient, as detailed within finding 1.

**Objective 6:** A Register of all declared Gifts, Hospitality and Sponsorship whether, accepted or declined, is maintained and the content is reported to the Audit and Assurance Committee at agreed intervals





**Substantial**

**Overview / Summary of Observations**

The register of Gifts, Hospitality, and Sponsorship are recorded on ESR and maintained electronically and combined with the register of interests. They are managed and reported as previously stated in objective four whereby the register of Gifts, Hospitality and Sponsorship was presented to the Audit and Assurance Committee at the meeting in May 2025.

# Appendix A

## Assurance Opinion

	<b>Substantial</b>	Few matters require attention and are compliance or advisory in nature. <b>Low impact</b> on residual risk exposure.
	<b>Reasonable</b>	Some matters require management attention in control design or compliance. <b>Low to moderate impact</b> on residual risk exposure until resolved.
	<b>Limited</b>	More significant matters require management attention. <b>Moderate impact</b> on residual risk exposure until resolved.
	<b>Unsatisfactory</b>	Action is required to address the whole control framework in this area. <b>High impact</b> on residual risk exposure until resolved.
	<b>Advisory</b>	Given to reviews and support provided to management which form part of the internal audit plan, to which the assurance definitions are not appropriate. These reviews are still relevant to the evidence base upon which the overall opinion is formed.

## Prioritisation of Findings

Priority	Explanation
<b>High</b>	Significant risk to achievement of a system objective OR evidence present of material loss, error, or misstatement. Poor system design OR widespread non-compliance.
<b>Medium</b>	Some risk to achievement of a system objective. Minor weakness in system design OR limited non-compliance.

Website: [Audit & Assurance Services - NHS Wales Shared Services Partnership](#)

## Disclaimer

This audit report has been prepared for internal use only. Audit and Assurance Services reports are prepared, in accordance with the agreed audit brief, and the Audit Charter as approved by the Audit Committee.

Audit reports are prepared by the staff of the NHS Wales Audit and Assurance Services and addressed to Independent Members or officers including those designated as Accountable Officer. They are prepared for the sole use of the Cardiff & Vale University Health Board, and no responsibility is taken by the Audit and Assurance Services Internal Auditors to any director or officer in their individual capacity, or to any third party.

The report is based on the review work undertaken and is not necessarily a complete statement of all weaknesses that exist or potential improvements. Whilst every care has been taken to ensure that the information provided in this report is as accurate as possible, no complete guarantee or warranty can be given with regard to the advice and information contained.

Our work does not provide absolute assurance that material errors, loss or fraud do not exist. Responsibility for a sound system of internal controls and the prevention and detection of fraud and other irregularities rests with management of the Cardiff & Vale University Health Board. Work performed by internal audit should not be relied upon to identify all strengths and weaknesses in internal controls, or all circumstances of fraud or irregularity. Effective and timely implementation of recommendations is important for the development and maintenance of a reliable internal control system.

## Public Sector Internal Audit Standards

Audit work undertaken by NHS Wales Audit and Assurance Services conforms with the International Standards for the Professional Practice of Internal Auditing and associated Public Sector Internal Audit Standards as validated through the external quality assessment undertaken by the Chartered Institute of Public Finance & Accountancy in April 2023.

