

Decarbonisation Final Internal Audit Report

June 2024

Cardiff & Vale University Health Board



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Contents

Executive Summary	3
1. Introduction	5
2. Detailed Audit Findings	6
Appendix A: Management Action Plan	13
Appendix B: Assurance opinion and action plan risk rating	19

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Acknowledgement

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Executive Summary

Purpose

To consider progress against the NHS Wales decarbonisation strategic delivery plan and the Health Board's decarbonisation action plan, demonstrating how they will implement the strategic delivery plan initiatives. Following on from the advisory review delivered in 2022/23, the proposed scope includes governance, strategy progress and implementation.

Overview

We have issued limited assurance on this area. We acknowledge that a lot of positive work has been done to promote decarbonisation within the Health Board and the team have highlighted a number of initiatives to potentially reduce the carbon emissions within the Health Board.


The Health Board has stated that it has a grip on broadly what needs to be done around prevention, operational efficiency, reducing expenditure on products to deliver healthcare, etc. The Programme Director was able to demonstrate that to get to a 16% reduction, big shifts in the way the organisation operates are required. The SOFW strategy however contains all of the components, and the delivery approach is being formed, led by the Executive Director of Strategic Planning.

However, our current assurance level reflects the fact that the Health Board has no line of sight to achieving the Welsh Government targets for reducing carbon emissions and there is currently no effective funding strategy in place to enable this.

The key matters requiring management attention include:

- The Decarbonisation Delivery and working Group ToRs are currently showing as draft.
- It has been acknowledged that the decarbonisation targets set by Welsh Government are not going to be achieved and this was reported to the Board at the March meeting. It was also highlighted in this meeting that the risk of not achieving the targets is not currently included on the Corporate Risk Register or Board Assurance Framework.

Report Opinion

		Trend
 <p>Limited</p>	<p>More significant matters require management attention.</p> <p>Moderate impact on residual risk exposure until resolved.</p>	NA

Assurance summary¹

Objectives	Assurance
1 Governance	Limited
2 Localised Strategies	Reasonable
3 Funding Strategy	Limited
4 Monitoring and Reporting	Reasonable
5 Project Delivery	Substantial

¹The objectives and associated assurance ratings are not necessarily given equal weighting when formulating the overall audit opinion.

- Although there is training available for sustainability and decarbonisation, the uptake is very low.
- The Decarbonisation Action Plan is not currently fully costed, and as such a funding strategy has not been developed.

Other recommendations / advisory points are within the detail of the report.

Key Matters Arising

		Objective	Control Design or Operation	Recommendation Priority
1	Delivery and Working Group ToR	1	Operation	Medium
2	BAF risk recording	1	Operation	High
3	Training	1	Operation	Medium
5	Costing the plan	3	Design	High

1. Introduction

- 1.1 The Welsh Government (WG) is party to international agreements to reduce carbon emissions and control climate change, most notably as arising from the 2016 Paris Accord. Accordingly, they have sought to create a framework of controls, guidance and support to achieve these aims.
- 1.2 Targets include waste reduction, and reductions in supply chain carbon as part of the overall carbon footprint.
- 1.3 To support these aims, the Welsh Government published a number of strategic documents entitled *Prosperity for All – Economic Action Plan*, *Prosperity for All – A Low Carbon Wales* and *Prosperity for All – A Climate Conscious Wales*.
- 1.4 In March 2021, the Welsh Government approved a net zero target for the public sector of 2030. Net zero means balancing the greenhouse gas emissions with the amount of gases being removed from the atmosphere. For NHS Wales, an accompanying 'Strategic Delivery Plan' was published, setting interim targets (from a 2018/19 base) of:

	Carbon budget reduction
2025	16%
2030	34%

- 1.5 Category targets were also set for:
- buildings;
 - procurement;
 - fleet and business travel; and
 - staff, patient, and visitor travel.
- 1.6 All Wales activity support streams have been created, including estates planning, and approaches to healthcare.
- 1.7 The Welsh Government has made funding available of circa £19.9m for decarbonisation initiatives via the Estates Funding Advisory Board in both 2023/24 and 2024/25. This funding is based on each organisation matching 30% of the WG contribution from their own discretionary programme.
- 1.8 This audit is part of the Cardiff and Vale University Health Board (CVUHB or the 'Health Board') 2023/24 audit plan. It seeks to build upon our 2022/23 All Wales advisory review which identified that the implementation plans across Wales had not been sufficiently developed to allow meaningful testing to be able to provide an assurance rating to respective audit committees. Accordingly, we provided an overview of the overarching position across NHS Wales and an action plan of common themes which were considered by the Health Board. Noting the advisory nature of the report, the recommendations were not included formally on the Health Board's Internal Audit recommendation tracker.

- 1.9 All NHS organisations now report progress against their own Decarbonisation Action Plans (DAP), supporting delivery of the national NHS Wales decarbonisation strategic delivery plan.
- 1.10 The risks considered during this review were:
- Regulatory/legislative risk through not achieving mandated reductions in carbon emissions.
 - Reputational risk by failing to meet emission targets.
 - Failing key stakeholders by not reducing carbon emissions which have a detrimental effect on health. In so doing, not meeting the requirements of the Wellbeing of Future Generations Act (2016).
- 1.11 The wider role of NHS Wales Shared Services Partnership (NWSSP) Procurement, in the decarbonisation agenda, has not been audited as part of this review. Additionally, verifying the accuracy of carbon emission declarations and estimates was excluded from the scope of this audit.

2. Detailed Audit Findings

Objective 1: Governance – appropriate governance arrangements have been established in relation to decarbonisation that integrate with existing organisational accountability and reporting structures.

- 2.1 The 'NHS Wales Decarbonisation Strategic Delivery Plan (SDP) 2020-2030' published in March 2021 lays out 46 initiatives across six work streams that will facilitate reducing carbon emissions. These initiatives should form the basis of health board decarbonisation action plans. Each health board has to implement actions to achieve these initiatives in support of the NHS Wales carbon reduction targets as part of the Welsh Government's 'Net Zero' agenda.
- 2.2 The Health Board has had annual Decarbonisation Action Plans (DAPs) since 2020. These were put in place even after the release of the SDP as the Health Board felt that implementation of the SDP would not allow for achievement of the 16% target. The current version of the DAP at the time of our fieldwork was CAVUHB Decarbonisation Action Plan 2023-24. The plan is integrated with other sustainability plans, e.g. the Bio-diversity action plan. We note that the 'Decarbonisation Action Plan 2024-25' was presented to the Finance and Performance Committee on 20th March 2024 and approved by the Board on 28th March 2024.
- 2.3 In 2022/23 the Health Board established a Decarbonisation Delivery Group chaired by the Executive Director of Strategic Planning. The group has a Terms of Reference (ToR), and its remit is to lead on the development of the health boards decarbonisation plan and oversee the delivery of any actions in support of achieving the plans objectives.
- 2.4 Reporting into the Delivery Group is the Decarbonisation Working Group with its own ToR. The purpose of the Decarbonisation Working Group is to act as an operational working group to consider, discuss and resolve day to day tasks and

issues related to the UHB's Decarbonisation Action Plan. We note that the ToR for the Delivery Group and the Working Group are still in draft form and in need of review and finalisation. **(Matter Arising 1 – Medium Priority)**

- 2.5 The Health Board has a clearly defined structure for managing and administering their Sustainability, Environmental Sustainability and Decarbonisation strategies and initiatives. There is a clear reporting line on decarbonisation from the operational level Decarbonisation Working Group up to the Board, as follows:
- Cardiff and Vale UHB Board
 - Finance & Performance Committee (F&PC)
 - Senior Leadership Board
 - Decarbonisation Delivery Group
 - Decarbonisation Working Group
- 2.6 The January 2024 Board Assurance Framework (BAF) has a strategic objective 'Acting for the Future' which includes the decarbonisation targets and links to the strategic risk register. Risk 10 on that register refers to 'Sustainable Culture Change'. This is not specifically linked to any individual sustainability action, but rather the overall culture and approach, which aligns to the strategic approach adopted by the board with regard to their sustainability objectives. We note at the Board meeting on the 28th March 2024, Board members were made aware that it was highly unlikely that the decarbonisation targets set by the Welsh Government would be achieved and members therefore felt this risk should be considered for inclusion onto the BAF and Corporate Risk Register. **(Matter Arising 2 – High Priority)**
- 2.7 We note that a board development session with training on decarbonisation is scheduled for April 2024. Additionally, there are a number of ESR courses on decarbonisation and other environmental issues which are open to all Health Board staff including Board members. This training is not mandatory but has been advertised across the Health Board and within the CAVUHB Green Group and training information has also been shared by sustainability leads. However, we note that the take up of training for the decarbonisation and other sustainability courses on ESR is low in comparison to the staff count. **(Matter Arising 3 – Medium Finding)**

Conclusion:

- 2.8 Decarbonisation is embedded into the boards overall sustainable healthcare activity. There is a defined governance structure; senior executives have clear responsibilities and accountabilities for all sustainability objectives. The Decarbonisation Delivery Group and Working Group TOR need to be reviewed. In addition, a risk on not achieving the decarbonisation targets needs to be included within the BAF and staff need to be made aware of the training available. We have provided **Limited Assurance** for this objective.

Objective 2: Localised Strategies – a tailored decarbonisation strategy and action plan has been developed in accordance with available legislation and guidance. Documents have been appropriately scrutinised and approved prior to submission to Welsh Government. The strategy and plan are adequately reflected within wider organisational documentation such as the IMTP.

2.9 The Health Board has a Decarbonisation Action Plan 2023-24 which was prepared by the Decarbonisation Delivery Group and Working Group. It contains actions aimed to produce carbon savings on completion, and importantly focus on setting the direction for the organisation to equip itself to deliver the savings. It categorises the actions according to five defined criteria.

- Direct Saving – where the carbon benefit of an action can be quantified before the event;
- Direct Saving Non-Quantifiable – where carbon can be saved, but it can't be quantified prior to actioning;
- Climate Conscious Leadership – where the action is demonstrating emissions reduction through leadership and decision making;
- Carbon Literacy – where the education of our colleagues has been improved; and
- Supporting Transition – where the action transitions towards low carbon solutions.

2.10 We note that the DAP clearly states that the Welsh Government reduction goal (16% by 2025) is not visible at present; i.e. the Health Board is not going to achieve the reduction target. However, the Health Board has reviewed what would need to be done to achieve 16%. This review highlighted large shifts in the way the organisation would need to approach its responsibilities, notably around financial sustainability, operational efficiency and prevention. These are enormous transformation changes that have now become apparent and The SOFW strategy and operational priorities are covering these. How the SOFW gets delivered is currently being considered, led by the Executive Director of Strategic Development. It is the aggregate of all of SOFW that will help realise carbon targets, though probably too late for 2025.

2.11 The fact that the Health Board is not going to achieve the reduction target was also highlighted within the March 24 Board meeting, and it was acknowledged that a risk for not achieving should be recorded on the BAF. This is common to the majority of health boards across Wales. It also recognises that the methods of calculating emissions have changed and that national targets are being reviewed.
(Matter Arising 2 – High Priority)

2.12 The DAP is structured with detailed actions per the key themes, namely Leadership; Estates; Travel/Fleet; Procurement; Clinical; People and Communications. Each action has an identified owner, benefit and target date. We note these themes do not exactly mirror the six workstreams in the NHS Wales Decarbonisation Strategic Delivery Plan 2022-2030 but consider the format and

actions appropriate to both and do not negatively impact on Welsh Government reporting requirements.

2.13 The CAVUHB strategy to 2035, 'Shaping Our Future Wellbeing' describes the health boards priority for decarbonisation, specifically:

- To deliver the Health Board's carbon emissions targets and fully support active and sustainable travel for staff and visitors to patients. Promote, reward and embed successful waste reduction as part of our quality programme of continuous improvement.

They have recorded key milestones to achieve the priority and by 2027 they want:

- To continue to aim to achieve the targets for delivering carbon emission-reduction (currently the target is 34%) and supporting active and sustainable travel for staff and visitors to patients. For emissions that we control directly our ambition is to reach a 40% reduction. We aim to secure carbon neutral status by 2035.

2.14 The Health Boards 2023-24 Annual plan includes decarbonisation actions and details the aim that it will create the environment from the top 'which will equip and encourage our colleagues to make a difference, which is the focus of our work over the next year.'

2.15 The Health Board has set up 'Green Groups' in support of the overall green agenda. There are groups in various areas across the health board, e.g. Therapies, CD&T, Critical Care, EU, Dental, Dermatology. The drive for green initiatives is sustained throughout the Health Board and operates within individual clinical areas or workstreams, all supported by the Cardiff and Vale Green Group. This is encouraging individuals and teams to consider how they can reduce carbon as part of the overall drive to provide sustainable healthcare.

2.16 We note the business case documentation for projects over £75k contains a requirement to align with the boards strategic objectives which include acting for the future, decarbonisation, and the other sustainability objectives. Consideration of the projects impact on them is part of the approval process. This is a positive move in bringing sustainability into the forefront and making it a consideration for all changes.

2.17 There are a number of national forums set up by the Welsh Government. The Health Board are represented on some of these groups by members of the sustainability team or other people who have particular interests, however there is no list of who attends the groups and any feedback from these groups. **(Matter Arising 4 – Low Priority)**

2.18 In April 2024, as part of the board's decarbonisation initiatives a 'call to arms' was launched at an 'Ask Suzanne' event. It confirmed that there are about 16,000 staff in the Health Board and that they can all make a difference with some simple changes in relation to decarbonisation, including:

- Switching off lights and equipment when not in use – to save money and energy;
- Disposing of waste correctly – to allow maximum recycling and avoid any financial penalty for incorrect waste stream processing by waste processors;
- Using sustainable modes of transport – to reduce traffic at the sites and improve air quality and promote exercise (walking, cycling); and
- Thinking about how to deliver work in a way which limits impact on the environment – with saving, throwing away properly and travelling in mind, can apply any of these principles into day-to-day work?

Conclusion:

2.19 The Health Board's decarbonisation and other sustainability strategies have clearly been considered. They highlight the problems facing the Health Board in attempting to fulfil decarbonisation and other green and sustainability objectives. There are properly structured committees and groups charged with managing and delivering the Health Board's green objectives, whilst accepting the limitations of what they consider practical and realistically achievable. We have provided **Reasonable Assurance** for this area.

Objective 3 Funding Strategy – There is an appropriate funding strategy targeting discretionary, EFAB and All-Wales funding.

2.20 The Health Board's Head of Energy and Performance is the principal lead for energy within the health board. He provides advice and support to the sustainability function, including decarbonisation.

2.21 In 2020 the Health Board used the Re.fit¹ process to appoint 'Vital Energy Services', to partner them in identifying and recommending ways to provide energy reduction measures and generation options. This is a long-term commitment that will continue with phased developments providing incremental sustainability benefits. E.G. phase 1 (started 2/3/2020) provided quick wins with LED lighting and smarter more efficient ventilation motors and test sites. Phase 2 continues with more of the same across the estate with the addition of solar power generation.

2.22 We note that in November 2023 a presentation on shaping the future of sustainable healthcare was produced by the Executive Director of Strategic Planning. It considered the decarbonisation targets and the approach taken to achieve them. It concluded it is unlikely that the Health Board will be able to obtain the capital needed to decarbonise the estate, furthermore, it is unlikely that 'unlimited funding' would enable the target to be achieved.

2.23 Our 2022/23 advisory Decarbonisation report recommended that the DAP should be costed and supported by funding strategies. While we acknowledge that the 'Decarbonisation Action Plan 2023-24 Appendix 3 Detailed Action Plan by Theme'

¹ The Re:fit framework is a competitively tendered and OJEU-advertised framework that has been developed to suit the needs of public sector organisations, providing a procurement route which is quick, efficient and economic. The framework comprises sixteen energy service companies (ESCOs) selected for their proven track record in providing energy reduction and generation measures

does include some figures for development costs and investment costs, there is no fully costed plan with potential links to possible green funding resources. **(Matter Arising 5 – High Priority)**

Conclusion:

2.24 The Health Board faces serious financial budgetary constraints and has considered the decarbonisation objectives accordingly. They have produced realistic and incremental decarbonisation and sustainability plans that take into account these constraints and have appointed staff and a contractor to try and attain maximum decarbonisation benefits within them. The Health Board has undertaken significant work to develop its knowledge around the complex and challenging actions that would be required to achieve the WG targets. However, the lack of a fully costed DAP which has been aligned to financial strategy to maximise green funding sources means we have provided **Limited Assurance** for this objective.

Objective 4: Monitoring & Reporting – appropriate monitoring and reporting arrangements are in place to provide ongoing assurance on the implementation of the strategy and action plan.

2.25 There is a defined decarbonisation reporting hierarchy, as per Paragraph 2.5. The Delivery Group ToR specifies quarterly reporting to the Strategy and Delivery Committee, (now replaced by the F&PC). We have been able to verify that this schedule has been adhered to with regular reports from the working group up through the hierarchy as scheduled; the minutes confirm updates on DAP progress is being made and reported.

2.26 We have reviewed the Board updates and note that they contain summaries of progress to date and updates against the individual actions and plans. The updates contain enough qualitative information to inform the committee of the progress of the DAP.

2.27 The Welsh Government monitoring returns are submitted to the F&PC prior to submission. They are submitted on time and in the correct format. Our analysis of the monitoring return shows that for the 67 (out of 135 actions) that are applicable to the Health Board, 40 (59%) of these will have a negligible or low impact on carbon emissions, even if fully and effectively completed. The monitoring return definitions for negligible and low, are effectively 'too small to measure'.

2.28 All actions have an identified and accountable owner. For the quarterly report the sustainability manager sends the returns to all owners, responsible persons etc and they are asked to update the % complete, overall RAG and Delivery Confidence. They return them, and the complete version of the return is sent to the Wales DCR team for review who collate the returns for all boards / trusts etc. To date the DCR team have not queried and changed or questioned any return.

2.29 We note that none of the actions in the DAP, or the WG DCR returns quantify the volume of carbon dioxide emissions (CO₂e) that the action may save. Although this aligns with the boards approach to changing attitudes, the potential volume

saved could be a useful indicator in prioritising and planning actions. **(Matter Arising 5 – High Priority)**

Conclusion:

2.30 We are satisfied that the decarbonisation monitoring and reporting processes operated by the board are well designed and operating effectively. The information being supplied is sufficient to evidence progress against the DAP and WG targets. At present there is a lack of estimated quantities of CO₂e that may be reported. We have provided **Reasonable Assurance** for this objective.

Objective 5: Project Delivery - suitable progress has been made on projects included within the 2023/24 funding commitments, and that appropriate arrangements are in place to secure available funding during 2024/25.

2.31 The 2023/24 Infrastructure plan, section 2.2 engineering schemes contained a range of EFAB schemes with a total spend of £4.566m. The projects listed were at various stages of delivery from design to estimated completion in 2023/24. We note that for 2024/25 the board papers include 'Our Infrastructure Plan' at appendix 17 and presented to the March 2024 board meeting. This plan records that these projects are continuing.

2.32 There is an 'EFAB Tracker – Cardiff and Vale UHB April 2024' which lists the projects under 3 group headings, Infrastructure, Decarbonisation, and fire. It shows the funding approved for 2023/24 and 2024/25.

2.33 The tracker is a finance list of project budgets, there is no comment on project progress, RAG status, spend to date etc. This is reported to the Capital Management Group.

Conclusion:

2.34 We are satisfied that the 2023-24 projects are ongoing and note that further funding for 2024/25 is shown as approved and the projects are reported to the Capital Management Group. We have provided **Substantial Assurance** for this objective.

Appendix A: Management Action Plan

Matter Arising 1: Delivery Group and Working Group ToR (Operation)		Impact	
<p>The Health Board has established a Decarbonisation Delivery Group and a Decarbonisation Working group. We note that the Terms of Reference for both Groups were still in draft and were not dated, and it cannot be confirmed if/when they have both been reviewed. Furthermore, the TOR states that the Decarbonisation Delivery Group will report into the Strategy and Delivery Committee which ceased on the 1st April 2023.</p> <p>We note that one of the Decarbonisation Delivery Group meetings reviewed was not officially quorate in line with the TOR. The TOR states that "a quorum constitutes the Chair and 50% of the attendees." However, the meeting that was held in December was not attended by 50% of the membership recorded on the TOR. The minutes highlighted that some of the attendees "were held up in another meeting." The minutes did not clarify whether these attendees subsequently attended the meeting.</p>		<p>Potential risk of:</p> <ul style="list-style-type: none"> Inappropriate governance arrangements are in place leading to lack of ownership and oversight of decarbonisation work and failure to achieve Welsh Government targets. 	
Recommendations		Priority	
1.1	The Terms of reference for both groups should be reviewed and updated with version control information including date of document and next review date.	Medium	
1.2	Meetings should be held in line with the TOR and management should ensure that they are quorate.	Medium	
Agreed Management Action		Target Date	Responsible Officer
1.1	These have been amended and will be shared at the next Decarbonisation Delivery and Working Groups	Next Meeting	Marie Davies, Interim Executive Director of Strategic Planning
1.2	Noted that meetings need to be quorate.	Next Meeting	Marie Davies, Interim Executive Director of Strategic Planning

Matter Arising 2: Risk of not meeting carbon reduction targets (Design)		Impact
<p>The DAP states that the current Welsh Government carbon reduction targets are likely to be missed, as even if the plan is fully completed and all the individual objectives are achieved the required reductions will not be met. This was reported to and accepted by the Health Board in March 2024. However, it was noted that this risk is not yet identified and recorded on the Board Assurance Framework.</p> <p>Furthermore, we were advised that there is no specific risk on achieving the reduction targets on the corporate risk register, but it was acknowledged that a risk would be added.</p>		<p>Potential risk of:</p> <ul style="list-style-type: none"> Identification of risks and threats
Recommendations		Priority
2.1	The reasons for the likely failures to achievement of the decarbonisation reduction targets should be identified and articulated as appropriately scored risks which are then recorded on the appropriate risk registers, with a summary escalation to the board assurance framework if appropriate.	High
Agreed Management Action		Target Date
2.1	It has already been recognised that climate risk needs to be raised as a Board level risk and will appear on our BAF under a theme of Equity. The BAF is being re-engineered at the time of writing by our Corporate Governance team to better align with the SOFW strategy.	TBD
		Responsible Officer
		Marie Davies, Interim Executive Director of Strategic Planning

Matter Arising 3: Training (Operation)		Impact
<p>There are several training courses on ESR covering sustainability issues, namely Environmental Sustainability in Quality Improvement (ESR), Building a Net Zero NHS (ESR), NHS Wales - Climate Change and Sustainability (ESR), NHS Wales - Achieving Net Zero in Wales (ESR), Climate Smart champions (HEIW) which staff are encouraged to complete. We were provided with numbers that had attended the courses and note that they are low in comparison to the total number of staff within the Health Board, as detailed below:</p> <ul style="list-style-type: none"> • 14 staff undertook courses on ESR which are linked to Sustainability / Net Zero Agenda between April and December 2023; • 23 staff members completed the Climate Smart Champion training during 2023; and • Three corporate induction sessions were run during 2023 and there was between 20-24 staff per session. 		<p>Potential risk of:</p> <ul style="list-style-type: none"> • Failure to increase awareness of issues and missed opportunity for potential solutions.
Recommendations		Priority
3.1	Management should ensure that staff complete the sustainability courses on ESR and also raise awareness of the availability of the training modules.	Medium
Agreed Management Action		Target Date
3.1	We have been advertising the existence of training but as its not mandatory, we have limited influence to make more people do it. An action in the 24/25 action plan is to re-consider making it mandatory.	31/3/25
		Responsible Officer
		Marie Davies, Interim Executive Director of Strategic Planning

Matter Arising 4: National group memberships (Operation)		Impact	
<p>There are several Wales and UK national groups working to support and promote sustainability issues including carbon zero. Representation at these groups is being encouraged, but not mandated, for all Health Boards. There is no record of whom (if anyone) attends these groups and no feedback on the initiatives that may have been identified and promoted.</p>		<p>Potential risk of:</p> <ul style="list-style-type: none"> • Missed opportunities for small scale carbon savings schemes. • Duplication of representation at some groups, no representation at others. 	
Recommendations		Priority	
4.1	The Health Board should consider creating and maintaining a register of potentially helpful external groups with a Health Board representative for each of them. Furthermore, those attending should provide regular feedback on the group's activity.	Low	
Agreed Management Action		Target Date	Responsible Officer
4.1	<p>Noted.</p> <p>The ownership of decarbonisation in the organisation is likely to change over the next six months. A handover document has been created (in draft at the time of writing) and this information and need has been inserted in there.</p>	30/9/24	Marie Davies, Interim Executive Director of Strategic Planning




Matter Arising 5: DAP Funding strategy and quantification (Design)		Impact
<p>Although there has been some attempt to cost the DAP detailed action plan by theme, there is currently no fully costed DAP in place that identifies the total cost and potential links to sources of green funding. From review of the DAP there was evidence that there was a requirement for some development and investment costs.</p> <p>An all-Wales recommendation was made in last year’s advisory review that “DAPs should be fully costed to fully determine the total funding required”.</p> <p>It has also been identified that there is currently no line of sight to achieving the Welsh Government carbon reduction targets of 16% by 2025 and 34% by 2030. This was highlighted within the Board meeting in March 2024.</p> <p>The detailed plan also fails to quantify the potential CO2e savings per action. At a time of strained resource availability this information could be useful in identifying CO2e saved per £ spent and assist in prioritising the order the actions are commenced/delivered.</p>		<p>Potential risk of:</p> <ul style="list-style-type: none"> • Costs not fully identified • CO2e savings not fully identified • Action prioritisation failures
Recommendations		Priority
5.1	To aid the Health Board in identifying the commitment required to meet the WG 2030 Decarbonisation target, an assessment of those initiatives that can be quantified should take place and a costed plan developed. Initiatives that cannot be quantified should be recorded as unquantifiable, but with a brief assessment to identify if the investment could be significant or not.	High
5.2	The amount of potential CO2e saving per action should be recorded and linked to the potential cost as per action. This could inform and support the prioritisation of delivery of the action.	Medium

Agreed Management Action	Target Date	Responsible Officer
5.1	<p>The actions required to hit 2030 are profound and transformative to C&V. We have not been in a position to develop a plan, though we now broadly know what to do. What we need to do isn't covered by a stand-alone carbon plan however, but an overall operational transformation as described by SOFW (that hits our operational efficiency, financial sustainability, prevention agenda and our estates, plus others). This will be done through the portfolio approach being led by the Dir Strategy where the delivery of the portfolio will in aggregate deliver against our commitments such as 2030.</p> <p>Also note that actions that relate to improving on our carbon emissions don't necessarily need specific money (infrastructure aside).</p>	31/12/24 Marie Davies, Interim Executive Director of Strategic Planning
5.2	<p>Noted for when 5.1 is formed. Given the transformative, new and novel approaches required to reduce carbon emissions by such large amounts, it might not be possible to attribute carbon savings up front. This is why in our action plan we have stated that many actions will likely have carbon savings, but not able to be committed to up front.</p>	31/12/24 Marie Davies, Interim Executive Director of Strategic Planning

Appendix B: Assurance opinion and action plan risk rating

Audit Assurance Ratings

We define the following levels of assurance that governance, risk management and internal control within the area under review are suitable designed and applied effectively:

	Substantial assurance	Few matters require attention and are compliance or advisory in nature. Low impact on residual risk exposure.
	Reasonable assurance	Some matters require management attention in control design or compliance. Low to moderate impact on residual risk exposure until resolved.
	Limited assurance	More significant matters require management attention. Moderate impact on residual risk exposure until resolved.
	Unsatisfactory assurance	Action is required to address the whole control framework in this area. High impact on residual risk exposure until resolved.
	Assurance not applicable	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 Recommendations

We categorise our recommendations according to their level of priority as follows:

Priority level	Explanation	Management action
High	Poor system design OR widespread non-compliance. Significant risk to achievement of a system objective OR evidence present of material loss, error or misstatement.	Immediate*
Medium	Minor weakness in system design OR limited non-compliance. Some risk to achievement of a system objective.	Within one month*
Low	Potential to enhance system design to improve efficiency or effectiveness of controls. Generally issues of good practice for management consideration.	Within three months*

* Unless a more appropriate timescale is identified/agreed at the assignment.



GIG
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Partneriaeth
Cydwasaethau
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Shared Services
Partnership
Audit and Assurance Services

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