

Public Audit & Assurance Committee Meeting

Tue 02 July 2024, 09:00 - 11:00

Microsoft Teams

Agenda

09:00 - 09:10 **1. Preliminaries (09:00 – 09:10)**

10 min

Rhian Thomas

1.1. Welcome & Introductions

1.2. Apologies for Absence

1.3. Declarations of Interest

1.4. Minutes of the Committee meeting held: 20.05.2024

📄 1.4 Public Audit Committee Minutes 20.05.2024.pdf (10 pages)

1.5. Actions following meeting held: 20.05.2024

📄 1.5 Action Log - Public Audit & Assurance (1).pdf (1 pages)

1.6. Any Other Urgent Business

09:10 - 10:50 **2. Items for Review & Assurance (09:10 – 10:50)**

100 min

2.1. (30 MINUTES) Internal Audit Progress Report including:

Ian Virgil

1. *Follow-up: Management of Health Board Policies (Reasonable Assurance)*
2. *Follow-up: Medical Records Tracking (CD&T CB) (Reasonable Assurance)*
3. *Eyecare Digitisation Programme (Reasonable Assurance)*
4. *PCIC CB Governance Arrangements (Reasonable Assurance)*
5. *IMTP Development Process (Reasonable Assurance)*
6. *Temporary Staffing Costs (Limited Assurance)*
7. *Decarbonisation (Limited Assurance)*

The full copies of the final reports can be located in the Supporting Documents Folder on AdminControl and the Cardiff and Vale UHB website.

📄 2.1 Internal Audit Progress Report Cover.pdf (3 pages)

📄 2.1a Internal Audit Progress Report July 24.pdf (21 pages)

2.2. (15 MINUTES) Head of Internal Audit Opinion

Ian Virgil

📄 2.2 HIA Opinion & Annual Report 23-24 Cover (1).pdf (2 pages)

📄 2.2a HIA Opinion & Annual Report 23-24 (1).pdf (39 pages)

Saunders, Nathan
01/07/2024 10:00:49

2.3. (15 MINUTES) Audit Wales Update

Wales Audit

- 📄 2.3 CVUHB Audit Wales Update.pdf (12 pages)

2.4. (5 MINUTES) Declarations of Interest, Gifts & Hospitality Report

Matt Phillips

- 📄 2.4 Declarations of Interest Report July Audit 24.pdf (4 pages)

2.5. (15 MINUTES) Recommendation Tracker Update

Matt Phillips

- 📄 2.5 Recommendation Tracking Report - July 2024.pdf (3 pages)

2.6. (5 MINUTES) Policy Update

Matt Phillips

- 📄 2.6 Policy Management Report.pdf (4 pages)

2.7. (10 MINUTES) Structured Assessment Response

Francesca Thomas

- 📄 2.7 CG Structured Assessment Response Cover Report.pdf (2 pages)
- 📄 2.7a Structured Assessment 2023 Report.pdf (36 pages)
- 📄 2.7b Appendix 2 - CG Structured Assessment.pdf (2 pages)

2.8. (5 MINUTES) Procurement Compliance Report / Single Tender Actions

Catherine Phillips / Claire Salisbury

- 📄 2.8 Procurement Compliance Report - Single Tender Actions.pdf (7 pages)

10:50 - 11:00 3. Items for Approval/Ratification

10 min

3.1. (10 MINUTES) Losses and Special Payments Panel Report 2023-2024 (10:50 - 11:00)

Steve Monk

- 📄 3.1 Losses and Special Payments Panel Report 2023-2024.pdf (3 pages)
- 📄 3.1a Appendix 1 - Minutes of the November 2023 Losses & Special Payments Panel.pdf (8 pages)
- 📄 3.1b Appendix 2 - Minutes of the May 2024 Losses & Special Payments Panel.pdf (11 pages)

11:00 - 11:00 4. Items for Noting & Information

0 min

4.1. Counter Fraud Progress Update

Catherine Phillips / Gareth Lavington

- 📄 4.1 Counter Fraud Progress Update Cover Report.pdf (2 pages)
- 📄 4.1a Counter Fraud Progress Report Update.pdf (8 pages)

11:00 - 11:00 5. Agenda for Private Audit and Assurance Committee

0 min

- i) Approval of Private Committee Minutes

Saunders Nathan
01/07/2024 10:50:49

ii) Counter Fraud Progress Update (Confidential – ongoing investigations)

iii) Health Board Salaries Overpayment Update

11:00 - 11:00 6. Any Other Business
0 min

11:00 - 11:00 7. Review & Final Closure
0 min

7.1. Items to defer to the Board / Committees & Review of Future Actions

7.2. Date and Time of the next Committee meeting: Special 11 July 2024

7.3. Declaration

To consider a resolution that representatives of the press and other members of the public be excluded from the remainder of this meeting having regard to the confidential nature of the business to be transacted, publicity on which would be prejudicial to the public interest [Section 1(2) Public Bodies (Admission to Meetings) Act 1960].

11:00 - 11:00 8. BREAK - 10 minutes prior to Private Meeting
0 min

Saunders, Nathan
01/07/2024 10:00:49

**Minutes of the Public Audit & Assurance Committee Meeting
Held On 20 May 2024 at 9:30am
Via MS Teams**

Chair:		
Rhian Thomas	RT	Independent Member for Capital and Estates and Committee Chair (CC)
Present:		
David Edwards	DE	Independent Member for ICT
Mike Jones	MJ	Independent Member for Trade Union
John Union	JU	Independent Member for Finance
In Attendance:		
Darren Griffiths	DG	Audit Wales Manager
Hannah Jones	HJ	Senior Auditor – Audit Wales
Mark Jones	MJ	Audit Manager – Audit Wales
Lucy Jugessur	WW	Interim Deputy Head of Internal Audit (IDHIA)
Gareth Lavington	GL	Lead Local Counter Fraud Specialist (LLCFS)
Helen Lawrence	HL	Assistant Director of Finance
Robert Mahoney	RM	Deputy Director of Finance
Lianne Morse	LM	Deputy Director of People & Culture
Catherine Phillips	CP	Executive Director of Finance (EDF)
Ceri Phillips	CP	UHB Vice Chair
Matt Phillips	MP	Director of Corporate Governance (DCG)
Ian Virgil	IV	Head of Internal Audit (HIA)
Observers:		
Glynis Mulford	GM	Risk & Regulation Officer
Frankie Thomas	FT	Head of Corporate Governance
Laura Tovey	LT	Internal Audit Manager
Secretariat:		
Nathan Saunders	NS	Senior Corporate Governance Officer
Apologies:		
Paul Bostock	PB	Chief Operating Officer
Rachel Gidman	RG	Executive Director of People and Culture
Urvisha Perez	UP	Audit Lead - Audit Wales
David Thomas	DT	Director of Digital & Health Intelligence

Item No	Agenda Item	Action
AAC 24/05/001	Welcome & Introduction The Committee Chair (CC) welcomed everyone to the meeting.	
AAC 24/05/002	Apologies for Absence Apologies for absence were received. The Committee resolved that:	

	a) Apologies were noted.	
AAC 24/05/003	Declarations of Interest The Committee resolved that: a) No Declarations of Interest were noted.	
AAC 24/05/004	Minutes of the Meeting Held on 6 February 2024 The Minutes of the Meeting Held on the 6 February 2024 were received. The Committee resolved that: a) The draft minutes of the meetings held on 6 February 2024, were held to be a true and accurate record of the meeting.	
AAC 24/05/005	Actions– Following Meeting held on 6 February 2024 The Actions were received. The Committee resolved that: a) The Actions were discussed and noted.	
AAC 24/05/006	Internal Audit Progress Report The Internal Audit Progress Report was received. The Head of Internal Audit (HIA) advised the Committee that he would take the report as read and highlight key areas which included: <ul style="list-style-type: none"> • Section 2 noted that 5 audits had been scheduled to come to the Committee in May 2024 but deadlines were not met and the reasons for the delays were outlined within the report. • Section 3 noted that 9 audits had been finalised since the previous meeting of the committee with scores which included: <ul style="list-style-type: none"> - Core Financial Systems - Financial Management within Clinical Boards - UHL Endoscopy Development - Information Governance - Cyber Security - Cancer Services - Patient Safety Incident Management - Mortality Reviews - Risk Management / Board Assurance Framework The HIA provided assurance to the Committee that each report had received positive outcomes with Core Finance Systems receiving a	

Saunders, Nathan
01/07/2024 10:00:49

substantial assurance rating and the other 8 receiving reasonable assurance.

- Section 4 noted the delivery of the 2023/24 Internal Audit Plan which stated that there were a total of 34 reviews within the 2023/24 Internal Audit Plan and the overall progress was outlined within the paper which highlighted that 24 had been finalised, 5 were in draft form and the remaining 5 were in progress.

The HIA advised the Committee that there were 3 audits from the 2022/23 that had not been finalised in time for the previous year and so that they had been finalised in 2023/24 and would be feed into the annual opinion bringing the total number of audits for 2023/24 to 37.

- Appendix C of the report provided an update on the performance against the Key Performance Indicators (KPIs) for the service where it was noted that one status was highlighted red on performance around the Health Board providing responses to Internal Audit within 15 working days.
- Section 5 of the report noted that 1 audit had been identified for deferral from the 2023/24 plan:
 - UHW Tertiary Tower due to delays with the progression of the scheme on site.

The CC noted that the Committee needed to have a closer eye on the delay in responses identified to Internal Audit.

The Independent Member – Finance (IMF) asked how the Health Board looked against others in Wales.

The HIA responded that response times was a KPI that caused the most issues to Internal Audit Teams across Wales but noted that there was an awareness of the ongoing pressures against Health Board and key individuals.

The Independent Member – ICT (IMICT) noted that if delays in response continued to be an issue for the Health Board, a detailed report would need to be received by the Committee.

The CC agreed and noted that it would be helpful for Internal Audit to provide the Committee with what was expected in terms of a response and would help to inform the Committee.

The Committee received details of the 9 Internal Audit Reports which included the assurance rating and objectives for each;

- Core Financial Systems – substantial assurance
- UHL Endoscopy Development – reasonable assurance
- Information Governance – reasonable assurance
- Cyber Security – reasonable assurance

Saunders, Nathan
01/07/2024 10:00:49

	<ul style="list-style-type: none"> - Financial Management within Clinical Boards – reasonable assurance - Cancer Services – reasonable assurance - Patient Safety Incident Management – reasonable assurance - Mortality Reviews – reasonable assurance - Risk Management / Board Assurance Framework – reasonable assurance <p>The CC advised the Committee that it was her understanding that following an audit, if it received a limited assurance rating, there would be a 12 month follow up undertaken and asked if it was the same for audits that had received a reasonable assurance rating but with actions that were deemed limited.</p> <p>The HIA responded that the tracker would be used to actively track the actions and reported back to the Committee.</p> <p>The Committee resolved that:</p> <ul style="list-style-type: none"> a) The Internal Audit Progress Report, including the findings and conclusions from the finalised individual audit reports were considered. b) The proposed adjustment to the 2023/24 plan was approved. 	
<p>AAC 24/05/007</p>	<p>Audit Wales Update to include Primary Care Services - Follow-up Review (2022 Local Work).</p> <p>The Audit Wales Update to include Primary Care Services -Follow-up Review (2022 Local Work) was received.</p> <p>The Senior Auditor – Audit Wales (SAAW) advised the Committee that she would take the report as read and would identify key points which included:</p> <ul style="list-style-type: none"> • The review focussed on the follow up review of Audit Wales’ review of Primary Care services in 2018 and the work that focussed on the Health Boards strategic planning, investment, workforce oversight and leadership. • In relation to previous recommendations outlined by Audit Wales, it was found that the Health Board had progressed work to improve strategic planning, cluster maturity and leadership through cluster led training and development. • Whilst the Board successfully shifted some services from Secondary care to Primary Care, more work was required to establish a financial baseline to establish the true cost of Primary Care. • In relation to Board visibility and focus on Primary Care, Audit Wales found that Primary Care was reflected well in Health Board strategies and plans and there was reasonable oversight and 	

Saunders, Nathan
01/07/2024 10:00:49

	<p>scrutiny of Primary Care at Board and Committee meetings, although there was opportunity to strengthen the reporting.</p> <ul style="list-style-type: none"> In relation to capacity and capability of the Primary Care Central Team, it was identified that the Team remained stretched due to workloads associated with local national priorities it was noted that good arrangements were in place to support the development of staff within the Team. <p>The CC asked that in terms of management responses provided to Audit Wales, and the timescales given, was that something Audit Wales felt satisfied with.</p> <p>The SAAW responded that they had been satisfied with the management response following discussion with the relevant Teams.</p> <p>The Audit Wales Manager (AWM) provided the Committee with an update on the general Audit Wales Update report which included:</p> <ul style="list-style-type: none"> Review of unscheduled care – Audit Wales would be undertaking the work in several parts and the current work being drafted related to regional arrangements around discharge planning and the field work for the second part would look at demand for urgent emergency care. Field work for the review of financial efficiencies had concluded and verbal feedback had been provided to the Health Board. National reports had been published since the Committee last met and the annual plan for 2024/25 had also been published. <p>The Committee resolved that:</p> <p>a) The Audit Wales Update was noted.</p>	
<p>AAC 24/05/008</p>	<p>Internal Audit Recommendation Tracking Report, Audit Wales Recommendation Tracking Report & Regulatory Compliance Tracking Report</p> <p>The Internal Audit Recommendation Tracking Report, Audit Wales Recommendation Tracking Report & Regulatory Compliance Tracking Report were received by the Committee.</p> <p>The Director of Corporate Governance (DCG) advised the Committee that he would take all 3 reports together and would take them as read.</p> <p>He noted that the overarching comment against all 3 trackers was the need to evolve the system in the auspices of the Audit Committee's view.</p> <p>The Committee was advised that the risk register system also required a new system to bring all of the tracking work together and that discussions</p>	

	<p>were ongoing with the company that the Health Board used to manage audits (AMaT) to develop a new risk module which would then be used to transfer all of the regulatory tracker items onto.</p> <p>The DCG noted that the internal audit tracker had the most aged risks on and that there were still 7 from 2022 and before and so work would be undertaken to dig into those older risks and to check if they would be implemented or if they needed to be captured as risks.</p> <p>He added that the Audit Wales tracker had been updated to reflect the structured assessment recommendations but noted that further detail would be received at the next Audit & Assurance Committee.</p> <p>The DCG concluded that assurance could be provided to the Committee that the work on the trackers was evolving and additional details would be received by the Committee in July 2024.</p> <p>The HIA added that Internal Audit would work closely with the Corporate Governance Team to ensure that older risks were managed effectively and noted that he met with the DCG and Risk & Regulation Officer prior to each Audit & Assurance Committee meeting.</p> <p>The Committee resolved that:</p> <ul style="list-style-type: none"> a) The tracking report for tracking audit recommendations made by Internal Audit was noted. b) The Committee noted and was assured by the progress which had been made since the previous Audit and Assurance Committee Meeting in November 2023. c) The Committee received assurance from the progress which had been made in relation to the completion of Audit Wales recommendations. d) The continuing development of the Audit Wales Recommendation Tracker was noted. e) The updates shared were reviewed and assurance was taken from the continuing development and review of the Legislative and Regulatory Compliance Tracker. 	NS
<p>AAC 24/05/009</p> <p style="font-size: small; transform: rotate(-45deg); opacity: 0.5;">Saunders, Nathan 01/07/2024 10:00:49</p>	<p>Procurement Compliance Report / Single Tender Actions</p> <p>The Procurement Compliance Report / Single Tender Actions report was received.</p> <p>The Executive Director of Finance (EDF) advised the Committee that the Procurement Compliance Report / Single Tender Actions was received at each meeting and that it worked through the areas of activity outside of the Health Boards procurement which were in breach of its Standing</p>	

	<p>Financial Instructions (SFIs) or Single Tender Actions (STA) or Single Quotation Actions (SQA).</p> <p>She added that the work was being done alongside the procurement improvement work which was looking to make sure that everything that could be brought through procurement was brought through procurement.</p> <p>The IMF noted that whilst looking at the STA and SQA, one of the largest was around Thornberry Nursing Services and asked if there were any alternative services that could be used.</p> <p>The EDF responded that the package identified within the STA/SQA was for very intensive care and a very specific patient who required care at short notice.</p> <p>She added that the package of care had been put in with the hope that the patient would be transferred to a more specialised facility but unfortunately that did not occur and so the Health Board had to issue the contract to Thornberry but noted it was a very specific case and was being tracked closely with a lot of learning taken and that the contract was with a different provider at the current time.</p> <p>The Committee resolved that:</p> <ul style="list-style-type: none"> a) The contents of the Report were noted. b) The contents of the Report were agreed. 	
<p>AAC 24/05/010</p>	<p>Internal Audit Plan 2024/25</p> <p>The Internal Audit Plan 2024/25 was received.</p> <p>The HIA advised the Committee that the Internal Audit Plan 2024/25 had been developed following a review of the Health Boards key objectives, Corporate Risk Register, relevant Committee papers, previous audits undertaken and other key documents.</p> <p>He added that the plan detailed the proposed audits to be undertaken in 2024/25 along with an analysis of the corresponding resources for delivery of the plan as well as an Audit Charter which defined the purpose, the authority and the responsibilities of Internal Audit.</p> <p>It was noted that section 2 of the report confirmed that the plan had been developed in accordance with the requirements of the public sector internal audit standards and that a risk based approach had been taken in the development of the plan.</p> <p>It was noted that section 2.4 outlined the engagement undertaken with the Health Board to discuss and refine the draft plan.</p> <p>The HIA added that Internal Audit had met with the CEO and other Executive Directors to obtain their views and thoughts on the approach to</p>	

	<p>the list of audits that was being developed and that it was also discussed with the Audit & Assurance Committee's Chair and Chair of the Health Board.</p> <p>He added that section 4 of the plan explained the full detail of the plan and showed 32 audits which was 3 to 4 less than the previous year but noted that the plan would be kept under review as the year progressed.</p> <p>The HIA concluded that section 5 confirmed that Internal Audit had sufficient resource to deliver the plan outlined and that appendix B of the report confirmed the KPIs that would be used to monitor the plan.</p> <p>The CC thanked the HIA and noted that the plan showed a wide breadth of themes for the year.</p> <p>The DCG expressed his thanks to the HIA and their team on how the report had been put together and noted the audits would help the Health Board's financial situation.</p> <p>The Committee resolved that:</p> <ul style="list-style-type: none"> a) The Internal Audit plan for 2024/25 was approved b) The Internal Audit Charter as at April 2024 was approved. c) The associated Internal Audit resource requirements and Key Performance Indicators were noted. 	
<p>AAC 24/05/011</p>	<p>Audit Wales - 2024 Audit Plan</p> <p>The Audit Wales - 2024 Audit Plan was received.</p> <p>The AMAW advised the Committee he would take the report as read and would make one key point:</p> <ul style="list-style-type: none"> • The audit materiality had changed since papers were drafted and Audit Wales had received the 2023/24 count and therefore the main materiality was based on gross expenditure which had gone up from £18.6m to £19.8m. <p>The AMW advised the Committee that in terms of the Audit Wales planned performance audit work, they would deliver the core structured assessment and that there would not be any changes to the methodology applied in the previous year and would include 4 areas:</p> <ul style="list-style-type: none"> • Board and Committee effectiveness • Systems of assurance • Corporate Planning Arrangements • Corporate Financial Management Arrangements <p>He added that the 2024/25 deep dive module would look at Digital Transformation</p>	

	<p>The Committee resolved that:</p> <p>The Audit Wales - 2024 Audit Plan was noted.</p>	
<p>AAC 24/05/012</p>	<p>Counter Fraud Annual Plan 2023/24 and Outline 2024/24</p> <p>The Counter Fraud Annual Plan Outline 2023/24 and outline 2024/25 was received.</p> <p>The Lead Local Counter Fraud Specialist (LLCFS) advised the Committee that the annual plan was received each year and aimed to show the Committee how the Counter Fraud Team would comply with Counter Fraud standard and the work continuing toward compliance.</p> <p>He added that in the year 2024/25, focus would be heavier on pro-active work.</p> <p>The Committee resolved that:</p> <p>a) The report was approved as an accurate assessment of the work undertaken during the year and a measure of compliance with the standards set out by the NHS CFA.</p>	
<p>AAC 24/05/013</p>	<p>Counter Fraud Progress Update</p> <p>The Counter Fraud Progress Update was received.</p> <p>The Lead Local Counter Fraud Specialist (LLCFS) advised the Committee that he would take the report as read and noted that referrals into the Counter Fraud Team had increased.</p> <p>He added that he would meet with the Risk and Regulation Officer to discuss adding Counter Fraud activity onto the relevant trackers.</p> <p>The CC asked what was driving the increased referrals.</p> <p>The LLCFC responded that there was better awareness across the Organisation on Counter Fraud activity thanks to increased training and educational activity.</p> <p>The Committee resolved that:</p> <p>a) The report was noted.</p>	
<p>AAC 24/05/014</p>	<p>Agenda for Private Audit and Assurance Committee</p> <p>i. <i>Counter Fraud Progress Update (Confidential – ongoing investigations)</i></p> <p>ii. <i>Health Board Salaries Overpayment Update</i></p>	

Saunders Nathan
01/07/2024 10:00:49

AAC 24/05/015	Any Other Business No Other Business was discussed.	
AAC 24/05/016	Items to be deferred to Board / Committee The follow up internal audit report on Cyber Security would be received by the Digital & Health Intelligence Committee.	
	Date and time of next committee meeting Tuesday 2 nd July 2024 at 9am via MS Teams	

Saunders, Nathan
 01/07/2024 10:00:49

Public Action Log
Following Audit & Assurance Committee Meeting
20 May 2024
(Updated for the meeting being held 02 July 2024)

REF	SUBJECT	AGREED ACTIONS	LEAD	DATE	STATUS/COMMENTS
Actions					
AAC 24/05/006	Internal Audit Progress Report	Committee to receive an update on what was expected from Internal Audit in relation to management responses.	Ian Virgil	02.07.2024	COMPLETED Update to be given in July 2024
AAC 24/02/007 AAC 24/05/008	Audit Wales Recommendation Tracking Report	Further detail on responses to Structured Assessment to be received at Committee meeting in July	Matt Phillips	02.07.2024	COMPLETED Update to be given in July 2024
AAC 24/05/008	Recommendation Trackers	Update to be provided at July Meeting on Recommendation Trackers and format moving forward	Matt Phillips	02.07.2024	COMPLETED Update to be given in July 2024
Actions referred to Board / Committees					
AAC 24/05/016 / AAC 24/05/006	Internal Audit Progress Report – Cyber Security	Audit Actions to be received by the Digital & Health Intelligence Committee	Ian Virgil / David Thomas	02.07.2024	COMPLETED Update to be given at DHIC meeting in May 2024 <i>On Forward Plan</i>

Saunders Nathan
01/07/2024 10:00:49

Report Title:	Internal Audit Progress Report			Agenda Item no.	2.1
Meeting:	Audit & Assurance Committee	Public	X	Meeting Date:	02/07/24
		Private			
Status <i>(please tick one only):</i>	Assurance	X	Approval	Information	X
Lead Executive:	Director of Corporate Governance				
Report Author (Title):	Head of Internal Audit				

Main Report

Background and current situation:

The NHS Wales Shared Services Partnership (NWSSP) Audit and Assurance Service provides an Internal Audit service to the Cardiff and Vale University Health Board.

The work undertaken by the Audit & Assurance Service is in accordance with its annual plan, which is prepared following a detailed planning process, including consultation with the Executive Directors, and is subject to Audit & Assurance Committee approval. The plan sets out the program of work for the year ahead as well as describing how we deliver that work in accordance with professional standards and the engagement process established with the Health Board.

The 2024/25 plan was formally approved by the Audit Committee at its May 24 meeting.

The progress report provides the Audit & Assurance Committee with information regarding the progress of Internal Audit work in accordance with the agreed plan; including details and outcomes of reports finalised since the previous meeting of the committee.

Appendix A of the progress report sets out the Internal Audit plan as agreed by the committee, including commentary as to progress with the delivery of assignments.

Executive Director Opinion and Key Issues to bring to the attention of the Board/Committee:

The progress report highlights the conclusions and assurance ratings for audits finalised in the current period.

The following reports from the 2023/24 plan have been finalised since the May 24 meeting:

- Follow-up: Management of Health Board Policies (Reasonable Assurance)
- Follow-up: Medical Records Tracking (CD&T CB) (Reasonable Assurance)
- Eyecare Digitisation Programme (Reasonable Assurance)
- PCIC CB Governance Arrangements (Reasonable Assurance)
- IMTP Development Process (Reasonable Assurance)
- Temporary Staffing Costs (Limited Assurance)
- Decarbonisation (Limited Assurance)

The full copies of the final reports can be located in the Supporting Documents Folder on AdminControl and the Cardiff and Vale UHB website: <https://cavuhb.nhs.wales/about-us/governance-and-assurance/committees-and-advisory-groups/audit-committee/>

The progress report also includes details of proposed adjustments to the 2024/25 plan.

Recommendation:

The Audit & Assurance Committee are requested to:

- **Consider** the Internal Audit Progress Report, including the findings and conclusions from the finalised individual audit reports.
- **Approve** the proposed adjustments to the 2024/25 plan.

Link to Strategic Objectives of Shaping our Future Wellbeing:

Please tick as relevant

1. Reduce health inequalities	X	6. Have a planned care system where demand and capacity are in balance	
2. Deliver outcomes that matter to people	X	7. Be a great place to work and learn	
3. All take responsibility for improving our health and wellbeing		8. Work better together with partners to deliver care and support across care sectors, making best use of our people and technology	
4. Offer services that deliver the population health our citizens are entitled to expect	X	9. Reduce harm, waste and variation sustainably making best use of the resources available to us	X
5. Have an unplanned (emergency) care system that provides the right care, in the right place, first time		10. Excel at teaching, research, innovation and improvement and provide an environment where innovation thrives	

Five Ways of Working (Sustainable Development Principles) considered

Please tick as relevant

Prevention		Long term	X	Integration	x	Collaboration	x	Involvement	
------------	--	-----------	---	-------------	---	---------------	---	-------------	--

Impact Assessment:

Please state yes or no for each category. If yes please provide further details.

Risk: Yes/No

The progress report provides the Committee with a level of assurance around the management of a series of risks covered within the specific audit assignments delivered as part of the Internal Audit Plan. The report also provides information regarding the areas requiring improvement and assigned assurance ratings.

Safety: Yes/No

The progress report includes the outcome from an audit that provides assurance around controls and processes relating to patient safety.

Financial: Yes/No

Workforce: Yes/No

The progress report includes the outcome from audits that provide assurance around controls and processes relating to workforce.

Legal: Yes/No

Reputational: Yes/No

Socio Economic: Yes/No

Equality and Health: Yes/No

Decarbonisation: Yes/No

The progress report includes the outcome from an audit that provides assurance around controls and processes relating to decarbonisation.

Approval/Scrutiny Route:

Committee/Group/Exec

Date:

Saunders, Nathan
01/07/2024 10:00:49

Cardiff and Vale University Health Board

Internal Audit Progress Report

Audit & Assurance Committee July 2024

NWSSP Audit and Assurance Services



GIG
CYMRU
NHS
WALES

Partneriaeth
Cydwasaethau
Cydwasaethau Archwilio a Sicrwydd
Shared Services
Partnership
Audit and Assurance Services



Contents

<i>1.Introduction</i>	<i>3</i>
<i>2.Assignments with Delayed Delivery</i>	<i>3</i>
<i>3.Outcomes from Completed Audit Reviews</i>	<i>3</i>
<i>4.Delivery of the 2024/25 Internal Audit Plan</i>	<i>4</i>
<i>5.Changes to the 2024/25 Internal Audit Plan</i>	<i>5</i>
<i>6.Assurance on Recommendation Tracking</i>	<i>5</i>
<i>7.Final Report Summaries</i>	<i>6</i>

Appendix A Assignment Status Schedule

Appendix B Assurance on Recommendation Tracking

Appendix C Assurance Ratings

Saunders,Nathan
01/07/2024 10:00:49

1. Introduction

This progress report provides the Audit & Assurance Committee with the current position regarding the work to be undertaken by the Audit & Assurance Service as part of the delivery of the approved 2024/25 Internal Audit plan.

The report includes details of the progress made to date against individual assignments along with details regarding the delivery of the plan and any required updates.

The plan for 2024/25 was agreed by the Audit & Assurance Committee in May 2024 and is delivered as part of the arrangements established for the NHS Wales Shared Service Partnership - Audit and Assurance Services.

2. Assignments with Delayed Delivery

The assignments noted in the table below are those which had been planned to be reported to the July Audit Committee but have not met that deadline.

Audit	Current Position	Draft Rating	Reason
Medical Staff Additional Sessions	Draft Report	Reasonable	Report not agreed and finalised in time for submission to the Committee.
Implementation of the People & Culture Plan	Draft Report	Substantial	Report not agreed and finalised in time for submission to the Committee.
Performance Reporting	Work in progress		Delay in completion of fieldwork.
Maternity Care – Ockenden Review	Work in Progress		Delay in completion of fieldwork.



3. Outcomes from Completed Audit Reviews

Nine audit reports from the 2023/24 plan were not finalised in time for submission to the Audit Committee in May 24, although the outcomes have been included within the Head of Internal Audit Opinion and Annual Report for 2023/24.

Seven of the audits have now been finalised, as detailed in the table below. The Executive Summaries from the final reports are provided in Section six. The full reports are included separately within the Audit Committee agenda for information.

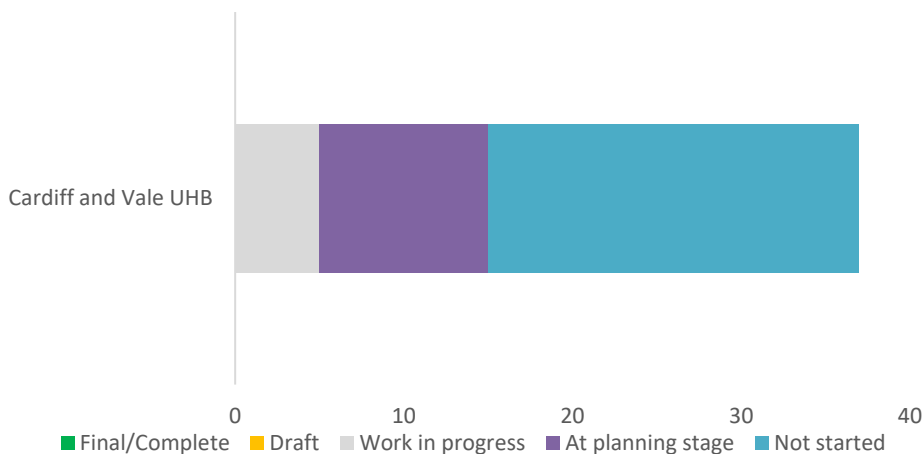
The remaining two audits are currently at the draft report stage and will be reported to the September meeting of the Committee.

Saunders, Nathan
01/07/2024 10:00:49

FINALISED AUDIT REPORTS	ASSURANCE RATING	
Follow-up: Management of Health Board Policies	Reasonable	
Follow-up: Medical Records Tracking (CD&T CB)		
Eyecare Digitisation Programme		
PCIC CB Governance Arrangements		
IMTP Development Process		
Temporary Staffing Costs	Limited	
Decarbonisation		

4. Delivery of the 2024/25 Internal Audit Plan

There are a total of 37 reviews within the 2024/25 Internal Audit Plan, (including the changes highlighted below), and overall progress at this early stage of the year is summarised below.



The illustration shows that there are five audits that are currently work in progress with a further ten at the planning stage.

Full details of the current year’s audit plan along with progress with delivery and commentary against individual assignments regarding their status is included at Appendix A.

Appendix A also includes details of the two audits from the 2023/24 plan that were not sufficiently progressed to be included within the Head of Internal Audit Opinion for 2023/24. The outcomes from these audits will feed into the 2024/25 Opinion.

Saunders, Nathan
01/07/2024 10:00:49

5. Changes to the 24/25 Internal Audit Plan

The following audits have been proposed for addition to the plan:

- Follow-up: Temporary Staffing Costs – The audit was reported as Limited Assurance after the 2024/25 plan had been agreed; and
- Follow-up: Decarbonisation – The audit was reported as Limited Assurance after the 2024/25 plan had been agreed.

The following audits have also been identified for completion during 2024/25 as part of the work around the development of Integrated Audit Plans for capital projects:

- UHW Tertiary Tower;
- UHW Lifts; and
- UHW / UHL Mortuary Refurbishment.

The planned timing of the audit of Business Continuity Planning has moved from Q1 to Q3 at the request of the service.

6. Assurance on Recommendation Tracking

The Health Board's Internal Audit Recommendation Tracker provides the Audit Committee with information on the current progress that has been made towards the implementation of outstanding Internal Audit Recommendations. The information within the Tracker is based on responses provided by Health Board management confirming the current progress.

Each year we undertake a process of reviewing a sample of the entries within the tracker, in order to validate the stated position and provide additional assurance to the Audit Committee.

Appendix B provides detail of the entries from the Tracker for which we attempted to validate implementation.

Our audit sample focused on the recommendations reported as being complete to the Audit Committee through 2023/24. From a total of 54 High and Medium priority recommendations reported as complete, we selected 14 to form our sample across the following split of committees; April 2023 (1), July 2023 (3) and November 2023 (10). We then requested evidence from the relevant Health Board management lead to establish if the recommendations were complete.

Sufficient information was provided as part of our testing to confirm that all 14 sampled recommendations had been correctly recorded as complete.

The exercise has highlighted that the Audit Committee can be reasonably assured that the progress information detailed within the Tracker for 2023/24 was accurate.

Saunders, Nathan
01/07/2024 10:00:49

7. Final Report Summaries

7.1 Follow-up: Management of Health Board Policies

Purpose

The overall objective of this audit was to provide the Health Board with assurance regarding the implementation of the agreed management actions from the 'Management of Health Board Policies' review that was reported as part of our 2022/23 work programme.

Overview of findings

Since completion of our original audit there have been a number of changes to the staff within the Corporate Governance Department, including appointment of a new Director of Corporate Governance. This had led to changes in the arrangements and processes for the management of policies.



However, management have made good progress in introducing the new arrangements and therefore addressing the recommendations detailed in the initial Final Internal Audit Report.

Of the nine recommendations made, six of them have been closed and the one high recommendation has been moved down to medium.










However, further work is required in the following areas:

- While the number of out-of-date policies has fallen since our previous review, further work is required to get all policies up to date.
- While draft changes have been made to 'UHB 242 - Written Control Documents - Development and Approval Procedure' to reflect the new arrangements, it has not yet been formally reviewed, approved and communicated to relevant personnel.
- The Health Board's website and Sharepoint have not yet been fully reviewed and updated to ensure that all relevant information is readily and easily accessible.

Follow-up Report Classification

Reasonable 	Follow up: All high priority recommendations implemented and progress on the medium and low priority recommendations.	Trend 
-------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------

Progress Summary

Previous Matters Arising	Previous Priority Rating	Direction of Travel	Current Priority Rating
1 Policy for the management of policies	Medium		Medium
2 Out of date policies and procedures	High		Medium
3 Tracker spreadsheet	Medium		Closed
4 Consultation process	Medium		Closed
5 Policies and Procedures Sharepoint home page	Low		Closed
6 Standing Operating Procedure	Medium		Closed
7 Corporate Policies Management System Plan	Medium		Low
8 Published policies and procedures	Medium		Closed
9 Notifying staff and stakeholders	Medium		Closed

7.2 Follow-up: Medical Records Tracking (CD&T CB)

Purpose

The overall objective of this audit was to provide the Health Board with assurance regarding the implementation of the agreed management actions from the 'Medical Records Tracking, Clinical Diagnostics & Therapeutics (CD&T) Clinical Board' review that was reported as part of our 2022/23 work programme.

Overview of findings

Management have made reasonable progress in addressing the recommendations, and the management actions detailed in the initial Final Internal Audit Report.

Of the seven recommendations made, three of them have been closed, including two of the high priority recommendations. The Health Board's Records Management Policy and Procedure have both been updated and a Health Records Security & Storage action Plan has been developed.

A further two recommendations are partially complete with one of the high recommendations having moved down to medium, and one of the medium recommendations moved to a low priority, as actions have been undertaken within these areas.

The remaining two recommendations, with a high and medium priority, have not moved. Whilst some underlying actions have been undertaken, the new Programme Board is yet to be established and processes to track lessons learned and ensure staff are returning medical records have not therefore been introduced.

Follow-up Report Classification

Reasonable 	Follow up: All high priority recommendations implemented and progress on the medium and low priority recommendations.	Trend 
-------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------

Progress Summary

Previous Matters Arising	Previous Priority Rating	Current Priority Rating
1 Policy and Procedure require review	High	Closed
2 Health Records governance requires review	High	Medium
3 Security and storage of medical records	High	Closed
4 Lessons learnt require formal tracking	Medium	Medium
5 Inaccuracies of medical records location	High	High
6 Operational effectiveness to be improved and harmonised	Medium	low
7 Barriers which prohibit the digitalisation of Health Records	low	Closed

Saunders Nathan
 01/07/2024 10:00:49

7.3 Eyecare Digitisation Programme

Purpose

At the request of Cardiff and Vale University Health Board (CVUHB), an audit was undertaken to comment on the current status of contractual commitments entered into by CVUHB to deliver the Eye Care Digitisation Programme. The review has focused on the Eye Care Digitisation Programme NHS Wales contract CAV-ITT-Project 42019 entered into between CVUHB and Toukaneyes Limited, trading as ToukanLabs UK, and its compliance with procurement legislation and CVUHB procurement processes.

Overview

While we have provided reasonable assurance over this review, in coming to this position we took into account the Variation Agreement that was completed during 2023, which clarified and updated several requirements from the original contract.

We have included the following matters arising:

- discrepancies on the contract award notice and wording relating to the contract term;
- the delay on the contract variation process;
- the completion of the Exit Plan during 2023; and
- further enhancements to the internal procurement process – i.e. the incorporation of a quality assurance process.

Additional conclusions identified outside of the scope of this review will be incorporated into the annual national NWSSP Procurement audit. All matters arising have been included within Appendix A.

Report Opinion

Reasonable



Some matters require management attention in control design or compliance.

Low to moderate impact on residual risk exposure until resolved.

Assurance summary¹

Objectives	Assurance
1 Compliance procurement legislation.	with Reasonable
2 CVUHB procurement processes.	with Reasonable

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

Matters arising

	Assurance Objectives	Control Design or Operation
1 Term of Contract	1, 2	Operation
2 CVUHB Procurement Process	1, 2	Design
3 Contract Award Notice	1, 2	Operation
4 Contract Variation	1, 2	Design
5 Exit Plan	2	Operation

Recommendation*

	Assurance Objectives	Priority Rating
1 CVUHB Procurement Process	1, 2	Medium

* We have raised one recommendation to enhance the controls associated with the five matters arising. This medium priority recommendation is reported within Appendix A.

7.4 PCIC CB Governance Arrangements

Purpose

The overall objective of this review was to review the structure and Governance arrangements within the Clinical Board including escalation processes and how the Clinical Board feeds into the Health Board’s Committees and Board.

Overview

We have issued reasonable assurance on this area.

The matters requiring management attention include:

- Terms of References (TOR) were out of date for some of the groups/committees within the Clinical Board.
- Non-compliance with the frequency of meeting requirements set out in the TOR.
- Meetings were not always attended in line with the terms of reference.

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

Report Opinion

Reasonable



Some matters require management attention in control design or compliance.

Low to moderate impact on residual risk exposure until resolved.

Assurance summary¹

Objectives	Assurance
1 An appropriate governance structure is in place.	Substantial
2 Terms of Reference (TOR) are in place for all groups within the Clinical Board.	Limited
3 Meetings are conducted in line with the requirements of the Terms of Reference	Reasonable
4 Adequate meetings notes or minutes are maintained.	Substantial
5 Key issues are effectively escalated.	Substantial

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

Key Matters Arising

	Objective	Control Design or Operation	Recommendation Priority
1	Terms of References have not been kept up to date	2 Operation	High
2	Frequency of meetings	3 Operation	Medium
3	Attendance at meetings	3 Operation	Medium

Saunders, Nathan
01/07/2024 10:00:49

7.5 IMTP Development Process

Purpose



The overall objective of the audit was to review the process undertaken for the development of the 2024/25 IMTP.

Overview

We have issued reasonable assurance on this area. The significant matters which require management attention include:

- At the point of submitting the MDS to Welsh Government, only £5.2M of schemes had been identified against the total £47.2M savings required.
- There was unreconcilable data within the Minimum Data Set (MDS) submitted to the Welsh Government (WG).
- We identified an error in the labelling of financial data within the Annual plan.
- The Strategy Development and Delivery Groups terms of reference had not been reviewed and were highlighted as draft.

Report Opinion

		Trend
Reasonable	Some matters require management attention in control design or compliance.	 2022/23
	Low to moderate impact on residual risk exposure until resolved.	

Assurance summary¹

Objectives	Assurance
1 Planning aligned to WG Planning Framework	Substantial
2 Measurable targets and actions	Reasonable
3 Critical enablers developed in the plan	Substantial
4 Appropriate governance arrangements	Limited
5 Lessons learnt undertaken	Substantial

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

Key Matters Arising

	Objective	Control Design or Operation	Recommendation Priority
1	Plans not identified to fully deliver the financial savings requirement	2 Design	High
2	Unreconcilable data within Minimum Data Set submitted to WG	4 Design	High
3	The IMTP Financial data is labelled in error.	4 Design	Medium
4	Strategy Development and Delivery Group Terms of reference.	4 Design	Medium

Saunders Nathan
01/07/2024 10:00:49

7.6 Temporary Staffing Costs

Purpose

The overall objective of this audit was to review the processes and controls in place relating to the Health Board’s costs in relation to Temporary Staffing (Agency & Bank).

Overview

We have issued Limited assurance on this area.

The Health Board has and continues to make significant progress with its ambition to curb reliance on agency staffing. We note that since spring 2023, the Health Board has implemented additional controls and mechanisms to scrutinise the use of temporary staff and ensure that these are only engaged where necessary after alternative and more cost-effective options have been explored.

As of the end of March 2024, the Health Board met its target to cut Nurse agency staffing costs by 50% and we recognise this as an important achievement. However, workforce challenges remain as the Health Board and the wider NHS continues to tackle unprecedented levels of service demand compounded by vacancy levels and sickness rates.

For the short term and in order to deliver high-quality and safe care for patients, the Health Board must consider all options available including the sourcing of temporary staffing. For the longer term, consistent and concerted action at both local and national level will be required to address wide ranging issues such as workforce planning, pay, training and staff wellbeing. We note that the Health Board is undertaking a number of projects to improve its ability to recruit and retain.

The matters that require management attention include:

- Inconsistent staff rostering approaches within Capital, Estates and Facilities.
- Requirement to drive efficiencies and savings through the timely and correct use of Health Roster system as a workforce planning tool.
- Bank shifts are not always being advertised in a timely manner and/or in line with the Rostering Procedures.
- Capital, Estates and Facilities are not approving bank shifts in line with the Workforce Sustainability Scheme of Delegations.

Report Opinion

Limited



More significant matters require management attention.

Moderate impact on residual risk exposure until resolved.

N/A

Assurance summary¹

Objectives	Assurance
1 Policies and Procedures	Substantial
2 Efficient use of temporary staffing	Limited
3 Shift justification and authorisation	Limited
4 Provision for temporary staff	Reasonable
5 Shift verification and finalisation before payment	Reasonable
6 Temporary staff usage and cost reporting	Reasonable

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

- Nursing staff agency requests are not always being produced, reviewed and signed off in line with the Workforce Scheme of Delegation.
- Shift verification and finalisation within the Health Roster system continues to be an issue.

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

Key Matters Arising		Objective	Control Design or Operation	Recommendation Priority
3	Self-allocation of bank shifts by staff member	2	Design	High
6	Missing and incomplete Temporary Staffing requests	3	Operation	High
7	Bank shift allocation effectiveness	5	Operation	High
1	Inconsistent rostering practices	2	Design	Medium
2	Rostering effectiveness	2	Operation	Medium
4	Timely advertisement of temporary staffing shifts	2	Operation	Medium
5	Temporary staffing requests not approved in line with Workforce Sustainability Scheme of Delegation	3	Operation	Medium

Saunders, Nathan
01/07/2024 10:00:49

7.7 Decarbonisation

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.
- Although there is training available for sustainability and decarbonisation, the uptake is very low.

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.

- 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

Saunders, Nathan
01/07/2024 10:00:49

ASSIGNMENT STATUS SCHEDULE

Planned output.	Ref No	Exec Director Lead	Plnd Qtr	Adj Qtr	Current Status	Assurance Rating	Planned / Actual Committee
2023/24 Plan							
Performance Reporting	11	Digital & Health Intelligence			Work in Progress		September
Maternity Care – Ockenden Review	31	Nursing			Work in Progress		September
2023/24 Plan							
Health & Safety	4	People & Culture	Q1		Work in Progress		September
Safeguarding	15	Nursing	Q1		Work in Progress		September
Interventions Not Normally Undertaken (INNU)	17	Public Health	Q1		Work in Progress		September
Local Data Repository	21	Digital & Health Intelligence	Q1		Work in Progress		September
Specialist Services CB - Governance Arrangements	26	COO	Q1		Work in Progress		September
Consent Process	29	Medical	Q1		Planning		September
Capital Systems	12	Finance	Q2		Planning		September
Estates Assurance - Energy Management	13	Finance	Q2		Planning		September
Legal Services	3	Corporate Governance	Q2		Planning		November

Planned output.	Ref No	Exec Director Lead	Plnd Qtr	Adj Qtr	Current Status	Assurance Rating	Planned / Actual Committee
Core Financial Systems	10	Finance	Q2		Planning		November
Concerns/ Complaints/ Putting Things Right (Duty of Candour)	16	Nursing	Q2		Planning		November
Smoking Cessation	18	Public Health	Q2		Planning		November
Follow-up: Surgery CB - Consultant Job Plans	28	COO	Q2		Planning		November
Therapies and Health Sciences Agency and Locum Staff	31	Therapies and Health Sciences	Q2		Planning		November
Follow-up: Implementation of Health Roster System	6	People & Culture / Nursing	Q3				November
Charitable Funds	11	Finance	Q3				November
Surgery CB - Governance Arrangements	27	COO	Q2				February
Data Quality Strategy	20	Digital & Health Intelligence	Q2/3				February
Scheme of Delegation	2	Corporate Governance	Q3				February
Business Continuity Planning (Deferred from 23/24 plan)	7	Strategic Planning	Q1	Q3			February
Procurement & Contract Management	9	Finance	Q3				February
Waiting List Management	24	COO	Q3				February
Records Management	30	Digital & Health Intelligence	Q3				February
Medicine CB - Acute Position Model / Same Day Emergency Care	25	COO	Q3				May

Planned output.	Ref No	Exec Director Lead	Plnd Qtr	Adj Qtr	Current Status	Assurance Rating	Planned / Actual Committee
Occupational Health Service	5	People & Culture	Q4				May
Follow-up: Alcohol Standards	19	Public Health	4				May
Office 365 benefits realisation	22	Digital & Health Intelligence	4				May
Planned Care Programme	23	COO	Q3/4				May
Risk Management / Board Assurance Framework	1	Corporate Governance	Q4				May
Hosting of the Substance Misuse Area Planning Team and Board	8	Strategic Planning	4				May
Follow-up: Temporary Staffing Costs	33	People & Culture / Finance	4				May
Follow-up: Decarbonisation	37	Strategic Planning	4				May
<i>Follow-up: Estates Condition</i>	<i>14</i>	<i>Finance</i>	<i>TBC</i>				<i>TBC</i>
Development of Integrated Audit Plans	32						
• UHW Tertiary Tower	34	Strategic Planning	Q3/4				February
• UHW Lifts	35	Strategic Planning	Q3/4				February
• UHW / UHL Mortuary Refurbishment	36	Strategic Planning	Q2		Planning		September

Reviews removed from the plan

Saunders Nather
01/07/2024 10:00:49

ASSURANCE ON RECOMMENDATION TRACKING

Audit Information			Validation process	
Audit Title	Recommendation	Rating	Internal Audit validation result	Basis of validation
Staff Wellbeing – Cultures and Values (CVU 2223-07) Final Report Issued: 12/10/22 Audit Rating: Reasonable Assurance	1. Out of date references to the former Values and Behaviours Framework	Medium	Confirmed as Complete	Evidence provided by the Assistant Director of OD, Wellbeing and Culture confirmed completion.
	2. Completeness of the People and Culture Plan’s Priority Action Plan	Medium	Confirmed as Complete	
	4. Terms of Reference for the Strategic Wellbeing Group	Medium	Confirmed as Complete	
	7. Cultural Assessment Toolkit	Medium	Confirmed as Complete	
Community Patient Appliances (CVU 2223-33) Final Report Issued: February 2023 Audit Rating: Reasonable Assurance	1. Timeliness of updates to the BEST system to close repairs	Medium	Confirmed as Complete	Evidence provided by the Administration Manager, Service Manager, Technical Officer and Directorate Manager (ALAS) confirmed completion
	5. Terms and Conditions documentation not signed by service users	Medium	Confirmed as Complete	
	3. ‘Request for Repair’ Procedure remains draft	Medium	Confirmed as Complete	
	5. Absence and incomplete Repair Worksheet Documentation	Medium	Confirmed as Complete	

Audit Information			Validation process	
Audit Title	Recommendation	Rating	Internal Audit validation result	Basis of validation
Management of Locum Junior Doctors (Children & Women’s Clinical Board) (CVU 2223-35) Final Report issued: 23/01/23 Audit Rating: Reasonable Assurance	1. Prior approval of Locum Junior Doctors	Medium	Confirmed as Complete	Evidence provided by Paediatric Consultant, Directorate Manager for Obstetrics & Gynaecology and Medical Staffing Co-ordinator confirmed completion.
	2. Deviations from Directorate approved rates – Acute Child Health and Obstetrics & Gynaecology	Medium	Confirmed as Complete	
	3. Variations in shift length – Acute Child Health	Medium	Confirmed as Complete	
	4. Retrospective requests for bank shifts entered on the Envoy system – Acute Child Health and Obstetrics & Gynaecology	Medium	Confirmed as Complete	
Stock Management – Neuromodulation Service (CVU 2223-42) Final Report issued: 19/08/22 Audit Rating: Reasonable Assurance	3. Outcome of June 2022 Stock Count.	Medium	Confirmed as Complete	Evidence provided by Neurosciences and Directorate Manager Neurosciences confirmed completion.
	4. Good receipting process	Medium	Confirmed as Complete	

Saunders Nathan
01/07/2024 10:00:49

Assurance Ratings

	<p>Substantial assurance</p>	<p>Few matters require attention and are compliance or advisory in nature. Low impact on residual risk exposure.</p>
	<p>Reasonable assurance</p>	<p>Some matters require management attention in control design or compliance. Low to moderate impact on residual risk exposure until resolved.</p>
	<p>Limited assurance</p>	<p>More significant matters require management attention. Moderate impact on residual risk exposure until resolved.</p>
	<p>No assurance</p>	<p>Action is required to address the whole control framework in this area. High impact on residual risk exposure until resolved.</p>
	<p>Assurance not applicable</p>	<p>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.</p>

Saunders, Nathan
 01/07/2024 10:00:49



Office details:

Audit and Assurance Services
1st Floor, Woodland House
Maes y Coed Road
Cardiff
CF14 4HH.

Contact details

Ian Virgill (Head of Internal Audit) - ian.virgil@wales.nhs.uk

Report Title:	HIA Opinion & Annual Report 23-24			Agenda Item no.	2.2
Meeting:	Audit & Assurance	Public	X	Meeting Date:	02/07/24
		Private			
Status <i>(please tick one only):</i>	Assurance	X	Approval	Information	X
Lead Executive:	Director of Corporate Governance				
Report Author (Title):	Head of Internal Audit				

Main Report

Background and current situation:

In accordance with the Public Sector Internal Audit Standards (PSIAS), the Head of Internal Audit (HIA) is required to provide an annual opinion, based upon and limited to the work performed, on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.

This is achieved through delivery of the annual audit plan that has been focused on key strategic and operational risk areas and known improvement opportunities. The 2023/24 plan was formally approved by the Audit Committee at its April 23 meeting.

The Annual Report sets out the HIA Opinion together with the summarised results of the internal audit work performed during the year. The report also includes a summary of audit performance and an assessment of conformance with the Public Sector Internal Audit Standards.

The report also details the outcome of audits undertaken at NWSSP, DHCW, WHSSC and EASC that support the overall opinion for the Health Board.

Executive Director Opinion and Key Issues to bring to the attention of the Board/Committee:

The HIA Opinion for 23/24 is that 'The Board can take **reasonable assurance** that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively'.

From the individual audits completed at the time of producing the Annual Report, the following ratings have been provided:

- 5 Substantial Assurance
- 20 Reasonable Assurance
- 6 Limited Assurance.
- 4 advisory or non-opinion

The Report also includes details of the 5 audits that have been removed or deferred from the plan during 2023/24, as reported to previous meetings of the Committee. These audits and the reason for their removal / deferment have been considered when compiling the HIA Opinion.

The HIA Opinion will need to be reflected within the Health Board's Annual Governance Statement along with confirmation of action planned to address the issues raised. Particular focus should be placed on the agreed response to the 6 Limited Assurance opinions issued during the year and the significance of the recommendations made.

Recommendation:

The Audit & Assurance Committee are requested to:

- **Recommend** to the Board that it agrees and endorses the Head of Internal Audit Opinion and Annual Report for 2023/24.

Link to Strategic Objectives of Shaping our Future Wellbeing:

Please tick as relevant

1. Reduce health inequalities	x	6. Have a planned care system where demand and capacity are in balance	x
2. Deliver outcomes that matter to people	x	7. Be a great place to work and learn	x
3. All take responsibility for improving our health and wellbeing		8. Work better together with partners to deliver care and support across care sectors, making best use of our people and technology	x
4. Offer services that deliver the population health our citizens are entitled to expect	x	9. Reduce harm, waste and variation sustainably making best use of the resources available to us	x
5. Have an unplanned (emergency) care system that provides the right care, in the right place, first time	x	10. Excel at teaching, research, innovation and improvement and provide an environment where innovation thrives	

Five Ways of Working (Sustainable Development Principles) considered

Please tick as relevant

Prevention		Long term	x	Integration	x	Collaboration	x	Involvement	
------------	--	-----------	---	-------------	---	---------------	---	-------------	--

Impact Assessment:

Please state yes or no for each category. If yes please provide further details.

Risk: Yes/No

The Annual Report provides the Committee with a level of assurance around the management of a series of risks covered within the specific audit assignments delivered as part of the Internal Audit Plan. The report also provides information regarding the areas requiring improvement and assigned assurance ratings.

Safety: Yes/No

The Annual Report includes details of the outcome of audits that provide assurance around controls and processes relating to patient safety.

Financial: Yes/No

The Annual Report includes details of the outcome of audits that provide assurance around financial controls and processes.

Workforce: Yes/No

The Annual Report includes details of the outcome of audits that provide assurance around controls and processes relating to Workforce.

Legal: Yes/No

The Annual Report includes details of the outcome of audits that provide assurance around legal controls and processes.

Reputational: Yes/No

The Annual Report includes details of the outcome of audits that provide assurance around reputational risks.

Socio Economic: Yes/No

Equality and Health: Yes/No

The Annual Report includes details of the outcome of audits that provide assurance around controls and processes relating to equality and health.

Decarbonisation: Yes/No

The Annual Report includes details of the outcome of an audit around decarbonisation.

Approval/Scrutiny Route:

Committee/Group/Exec

Date:

Head of Internal Audit Opinion & Annual Report 2023/2024

June 2024

Cardiff & Vale University Health Board

Saunders Nathan
01/07/2024 10:00:49



GIG
CYMRU
NHS
WALES

Partneriaeth
Cydwasaethau
Gwasanaethau Archwilio a Sicrwydd
Shared Services
Partnership
Audit and Assurance Services



GIG
CYMRU
NHS
WALES

Bwrdd Iechyd Prifysgol
Caerdydd a'r Fro
Cardiff and Vale
University Health Board



Contents

1. EXECUTIVE SUMMARY	3
1.1 Purpose of this Report.....	3
1.2 Head of Internal Audit Opinion 2023-24	3
1.3 Delivery of the Audit Plan	3
1.4 Summary of Audit Assignments	4
2. HEAD OF INTERNAL AUDIT OPINION	6
2.1 Roles and Responsibilities.....	6
2.2 Purpose of the Head of Internal Audit Opinion.....	7
2.3 Assurance Rating System for the Head of Internal Audit Opinion ...	7
2.4 Head of Internal Audit Opinion	8
2.5 Required Work.....	21
2.6 Statement of Conformance.....	21
2.7 Completion of the Annual Governance Statement	22
3. OTHER WORK RELEVANT TO THE HEALTH BOARD.....	22
4. DELIVERY OF THE INTERNAL AUDIT PLAN.....	25
4.1 Performance against the Audit Plan	25
4.2 Service Performance Indicators	26
5. RISK BASED AUDIT ASSIGNMENTS	26
5.1 Overall summary of results.....	26
5.2 Substantial Assurance (Green).....	27
5.3 Reasonable Assurance (Yellow)	28
5.4 Limited Assurance (Amber)	31
5.5 No Assurance (Red).....	31
5.6 Assurance Not Applicable (Grey)	32
6. ACKNOWLEDGEMENT	33

Appendix A	Conformance with Internal Audit Standards
Appendix B	Audit Assurance Ratings

Report status:	Final
Draft report issued:	3 rd May 2024
Final report issued:	20 th June 2024
Author:	Ian Virgill, Head of Internal Audit
Executive Clearance:	Director of Corporate Governance
Audit Committee:	July 2024

Disclaimer notice - please note

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 & Assurance 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 and 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.

1. EXECUTIVE SUMMARY


1.1 Purpose of this Report

Cardiff and Vale University Health Board’s (The ‘Health Board’) Board is accountable for maintaining a sound system of internal control that supports the achievement of the organisation’s objectives and is also responsible for putting in place arrangements for gaining assurance about the effectiveness of that overall system. A key element in that flow of assurance is the overall assurance opinion from the Head of Internal Audit.

This report sets out the Head of Internal Audit Opinion together with the summarised results of the internal audit work performed during the year. The report also includes a summary of audit performance and an assessment of conformance with the Public Sector Internal Audit Standards.

1.2 Head of Internal Audit Opinion 2023-24

The purpose of the annual Head of Internal Audit opinion is to contribute to the assurances available to the Chief Executive as Accountable Officer and the Board which underpin the Board’s own assessment of the effectiveness of the system of internal control. The approved Internal Audit plan is focused on risk and therefore the Board will need to integrate these results with other sources of assurance when making a rounded assessment of control for the purposes of the Annual Governance Statement. The overall opinion for 2023/24 is that:

Reasonable assurance		<p>The Board can take Reasonable Assurance that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. Some matters require management attention in control design or compliance with low to moderate impact on residual risk exposure until resolved.</p>
-----------------------------	-------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

1.3 Delivery of the Audit Plan

Our internal audit plan is agile and responsive to ensure that key developing risks to Cardiff & Vale are covered. As a result of this approach, and with the support of officers and independent members across the Health Board, the plan has been delivered substantially in accordance with the agreed schedule and changes required during the year, as approved by the Audit and Assurance Committee (the ‘Committee’). In addition, regular audit progress reports have been submitted to the Committee. Although changes have been made to the plan during the year, we can confirm that we have undertaken sufficient audit work during the year to be able to give an

overall opinion in line with the requirements of the Public Sector Internal Audit Standards.

The Internal Audit Plan for the 2023/24 year was initially presented to the Committee in April 2023. Changes to the plan have been made during the course of the year and these changes have been reported to the Committee as part of our regular progress reporting.

There are, as in previous years, audits undertaken at NWSSP, DHCW, WHSSC and EASC that support the overall opinion for NHS Wales health bodies (see section 3).

Our latest External Quality Assessment (EQA), conducted by the Chartered Institute of Public Finance and Accountancy (CIPFA) (in March 2023), and our own annual Quality Assurance and Improvement Programme (QAIP) have both confirmed that our internal audit work 'fully conforms' to the requirements of the Public Sector Internal Audit Standards for 2023/24. We are able to state that our service 'fully conforms to the IIA's professional standards and to PSIAS.'

1.4 Summary of Audit Assignments

This report summarises the outcomes from our work undertaken in the year. In some cases, audit work from previous years may also be included and where this is the case, details are given. This report also references assurances received through the internal audit of control systems operated by other NHS Wales organisations (again, see section 3).

The audit coverage in the plan agreed with management has been deliberately focused on key strategic and operational risk areas; the outcome of these audit reviews may therefore highlight control weaknesses that impact on the overall assurance opinion.

Overall, we can provide the following assurances to the Board that arrangements to secure governance, risk management and internal control are suitably designed and applied effectively in the areas in the table below.

Where we have given Limited Assurance, management are aware of the specific issues identified and have agreed action plans to improve control in these areas. These planned control improvements should be referenced in the Annual Governance Statement where it is appropriate to do so.

In addition, we also undertook a number of advisory and non-opinion reviews to support our overall opinion. A summary of the audits undertaken in the year and the results are summarised in table 1 below.

Saunders, Nathan
01/07/2024 10:00:49

Table 1 – Summary of Audits 2023/24

Substantial Assurance	Reasonable Assurance
<ul style="list-style-type: none"> • Recommendation Tracking • Refresh of the Health Board’s Strategy • Urgent and Emergency Care – Welsh Government Six Goals Programme • Core Financial Systems (Asset Register Management) • Implementation of People & Culture Plan (Draft) 	<ul style="list-style-type: none"> • ChemoCare IT System Follow-up • Paris System • Mental Health Clinical Board Governance Arrangements • <i>Capital Systems</i> • Technical Continuity • Infection Prevention & Control • Patient Safety Incident Management • Information Governance • <i>UHL Endoscopy Development</i> • Follow-up: Cyber Security • Financial Management within Clinical Boards • Mortality Reviews • Cancer Services • Risk Management / Board Assurance Framework • Follow-up: Medical Records Tracking (CD&T CB) • Management of Health Board Policies Follow-up • Eye Care Digitisation Programme • PCIC Clinical Board Governance Arrangements • IMTP Development Process • Medical Staff Additional Sessions (From 22/23 Plan) (Draft)
Limited Assurance	Advisory & Non-Opinion
<ul style="list-style-type: none"> • Surgery CB – Consultant job Plans (From 22/23 Plan) • <i>Estates Assurance – Estate Condition</i> • Alcohol Standards • HealthRoster System • Temporary Staffing Costs • Decarbonisation 	<ul style="list-style-type: none"> • <i>Shaping Our Future Wellbeing – Future Hospitals Programme (From 22/23 Plan)</i> • Leadership and Management Training and Development • Quality, Safety & Experience Governance • Pentyrch Surgery Development – Site Evaluation Process

Please note that our overall opinion has also taken into account both the number and significance of any audits that have been deferred during the course of the year (see section 5.7) and also other information obtained during the year that we deem to be relevant to our work (see section 2.4.2).

Saunders & Partners
01/07/2024 10:00:49

2. HEAD OF INTERNAL AUDIT OPINION

2.1 Roles and Responsibilities

The Board is collectively accountable for maintaining a sound system of internal control that supports the achievement of the organisation's objectives and is responsible for putting in place arrangements for gaining assurance about the effectiveness of that overall system.

The Annual Governance Statement is a statement made by the Accountable Officer, on behalf of the Board, setting out:

- how the individual responsibilities of the Accountable Officer are discharged with regard to maintaining a sound system of internal control that supports the achievement of policies, aims and objectives;
- the purpose of the system of internal control, as evidenced by a description of the risk management and review processes, including compliance with the Health & Care Quality Standards; and
- the conduct and results of the review of the effectiveness of the system of internal control including any disclosures of significant control failures, together with assurances that actions are or will be taken where appropriate to address issues arising.

The Health Board's risk management process and system of assurance should bring together all of the evidence required to support the Annual Governance Statement.

In accordance with the Public Sector Internal Audit Standards (PSIAS), the Head of Internal Audit (HIA) is required to provide an annual opinion, based upon and limited to the work performed on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control. This is achieved through an audit plan that has been focussed on key strategic and operational risk areas and known improvement opportunities, agreed with executive management and approved by the Audit Committee, which should provide an appropriate level of assurance.

The opinion does not imply that Internal Audit has reviewed all risks and assurances relating to the Health Board. The opinion is substantially derived from the conduct of risk-based audit work formulated around a selection of key organisational systems and risks. As such, it is a key component that the Board takes into account but is not intended to provide a comprehensive view.

The Board, through the Committee, will need to consider the Head of Internal Audit opinion together with assurances from other sources including reports issued by other review bodies, assurances given by management and other relevant information when forming a rounded

picture on governance, risk management and control for completing its Governance Statement.

2.2 Purpose of the Head of Internal Audit Opinion

The purpose of the annual Head of Internal Audit opinion is to contribute to the assurances available to the Accountable Officer and the Board of Cardiff and Vale University Health Board which underpin the Board's own assessment of the effectiveness of the organisation's system of internal control.

This opinion will in turn assist the Board in the completion of its Annual Governance Statement and may also be taken into account by regulators including Healthcare Inspectorate Wales in assessing compliance with the Health & Care Quality Standards in Wales, and by Audit Wales in the context of both their external audit and performance reviews.

The overall opinion by the Head of Internal Audit on governance, risk management and control results from the risk-based audit programme and contributes to the picture of assurance available to the Board in reviewing effectiveness and supporting our drive for continuous improvement.

2.3 Assurance Rating System for the Head of Internal Audit Opinion

The overall opinion is based primarily on the outcome of the work undertaken during the course of the 2023/24 audit year. We also consider other information available to us such as our overall knowledge of the organisation, the findings of other assurance providers and inspectors, and the work we undertake at other NHS Wales organisations. The Head of Internal Audit considers the outcomes of the audit work undertaken and exercises professional judgement to arrive at the most appropriate opinion for each organisation.

A quality assurance review process has been applied by the Director of Audit & Assurance and the Head of Internal Audit in the annual reporting process to ensure the overall opinion is consistent with the underlying audit evidence.

We take this approach into account when considering our assessment of our compliance with the requirements of PSIAS.

The assurance rating system based upon the colour-coded barometer and applied to individual audit reports remains unchanged. The descriptive narrative used in these definitions has proven effective in giving an objective and consistent measure of assurance in the context of assessed risk and associated control in those areas examined.

This same assurance rating system is applied to the overall Head of Internal Audit opinion on governance, risk management and control as to individual


assignment audit reviews. The assurance rating system together with definitions is included at **Appendix B**.

The individual conclusions arising from detailed audits undertaken during the year have been summarised by the assurance ratings received. The aggregation of audit results gives a better picture of assurance to the Board and also provides a rational basis for drawing an overall audit opinion. However, please note that for presentational purposes we have shown the results using the eight assurance domains that were used to frame the audit plan at its outset (see section 2.4.2).

2.4 Head of Internal Audit Opinion

2.4.1 Scope of opinion

The scope of my opinion is confined to those areas examined in the risk-based audit plan which has been agreed with senior management and approved by the Committee. The Head of Internal Audit assessment should be interpreted in this context when reviewing the effectiveness of the system of internal control and be seen as an internal driver for continuous improvement. The Head of Internal Audit opinion on the overall adequacy and effectiveness of the organisation’s framework of governance, risk management, and control is set out below.

Reasonable Assurance		<p>The Board can take reasonable assurance that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. Some matters require management attention in control design or compliance with low to moderate impact on residual risk exposure until resolved.</p>
-----------------------------	-------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

This opinion will need to be reflected within the Annual Governance Statement along with confirmation of action planned to address the issues raised. Particular focus should be placed on the agreed response to any Limited Assurance opinions issued during the year and the significance of the recommendations made (of which there were six audits in 2023/24).

2.4.2 Basis for Forming the Opinion

The audit work undertaken during 2023/24 and reported to the Committee has been aggregated at Section 5.

The evidence base upon which the overall opinion is formed is as follows:

- An assessment of the range of individual opinions and outputs arising from risk-based audit assignments contained within the Internal Audit plan that have been reported to the Committee throughout the year. In addition, and where appropriate, work at either draft report stage or in progress but substantially complete has also been considered, and where this is the case then it is identified in the

Saunders, Nathan
01/07/2024 10:00:00

report. This assessment has taken account of the relative materiality of these areas and the results of any follow-up audits in progressing control improvements (see section 2.4.3).

- The results of any audit work related to the Health & Care Quality Standards including, if appropriate, the evidence available by which the Board has arrived at its declaration in respect of the self-assessment for the leadership standard.
- Other assurance reviews which impact on the Head of Internal Audit opinion including audit work performed at other organisations (see Section 3).
- Other knowledge and information that the Head of Internal Audit has obtained during the year including cumulative information and knowledge over time; observation of Board and other key committee meetings; meetings with Executive Directors, senior managers and Independent Members; the results of *ad hoc* work and support provided; liaison with other assurance providers and inspectors; research; and cumulative audit knowledge of the organisation that the Head of Internal Audit considers relevant to the Opinion for this year.

As stated above, these detailed results have been aggregated to build a picture of assurance across the Health Board.

In reaching this opinion we have identified that the majority of reviews during the year concluded positively with robust control arrangements operating in some areas.

From the opinions issued during the year, five were allocated Substantial Assurance, twenty were allocated Reasonable Assurance and six were allocated Limited Assurance. No reports were allocated a 'no assurance' opinion. In addition, four advisory or non-opinion reports were also issued.

At the time of producing the Annual Report, two audits were still work in progress but had not been sufficiently progressed to reliably determine the assurance rating. The outcomes for these audits will therefore feed into the Opinion for 2024/25.

In addition, the Head of Internal Audit has considered residual risk exposure across those assignments where limited assurance was reported. Further, the Head of Internal Audit has considered the impact where audit assignments planned this year did not proceed to full audits following preliminary planning work and these were either: removed from the plan; removed from the plan and replaced with another audit; or deferred until a future audit year. The reasons for changes to the audit plan were presented to the Committee for consideration and approval. Notwithstanding that the opinion is restricted to those areas which were subject to audit review, the Head of Internal Audit has considered the impact of changes made to the plan when forming their overall opinion.

A summary of the findings is shown below. We have reported the findings using the 8 areas of the Health Board's activities that we use to structure both our 3-year strategic and 1-year operational plans.

Corporate Governance, Risk Management and Regulatory Compliance

We have undertaken five reviews in this area.

Recommendation Tracking – The Health Board has trackers and associated documented procedures in place for monitoring and reporting the implementation of audit and review body recommendations. The reports provided to the Audit Committee include a satisfactory level of detail, but there is further scope to enhance the level of scrutiny and challenge. We issued a **Substantial** assurance opinion.

Pentyrch Surgery Development – Site Evaluation Process – This was an advisory review, and it was our view that the site evaluation process completed as part of the Pentyrch GP Surgery Development was appropriate and was effectively undertaken. Representatives from appropriate organisations were involved in the site evaluation process, in line with previous standard practice.

Risk Management / Board Assurance Framework - The Health Board has an up-to-date Risk Management Strategy and supporting Procedures in place, with effective Board Assurance Framework and Corporate Risk Register processes in operation. Overall, we note that the majority of the risk management processes are consistently applied throughout the Health Board. However, we identified numerous gaps of information including owners of risks not being detailed on the Clinical Boards/ directorates and departmental risk registers. The process for ensuring timely escalation of relevant risks to the Corporate Risk Register also needs improvement. We issued a **Reasonable** assurance opinion.

Management of Health Board Policies Follow-up - Since our previous Limited Assurance audit was completed, work has been undertaken to tackle the backlog of out-of-date policies, with a dedicated corporate lead now responsible for the overall management of policies. The Audit Management and Tracking tool (AMaT) is now being utilised to manage policies. However, further work is still required to ensure all policies are up to date and available via the Health Board's website and SharePoint. We issued a **Reasonable** assurance opinion.

A review of the draft Annual Governance Statement highlighted that it was generally consistent with our knowledge of the UHB through the audit work performed in the Internal Audit plan and a review of other organisational documents.

Strategic Planning, Performance Management & Reporting

We have undertaken two reviews in this area.

Refresh of the Health Board's Strategy – We reviewed the Health Board's approach in undertaking engagement with all stakeholders to inform the development of the refreshed 10-year strategy. The Health Board has an Engagement Framework in place that was utilised in the development and delivery of a Communication and Engagement Plan for the Strategy Refresh. The Health Board engaged with a wide range of stakeholders, utilising a co-production approach so that stakeholders were involved in shaping the strategy. Appropriate governance arrangements were in place which provided effective oversight of the stakeholder engagement process. We issued a **Substantial** assurance opinion.

IMTP Development Process – The Health Board followed an appropriate process for the development of their 2023/24 Annual Integrated Plan aligned to the NHS Wales Planning Framework 2024-27 and included clear measured targets and actions toward delivering the ministerial priorities. There were good governance arrangements in place to oversee the development of the Plan which ensured that it was submitted in accordance with WG timelines. However, the governance process in place did not provide an adequate level of oversight, prior to the submission of mandatory data to the WG. There was unreconcilable data within the Minimum Data Set (MDS) and elements of the financial data did not reconcile. At the time the MDS was submitted to WG only £5.1M of amber and green savings schemes had been identified against the target of £47.2M. We issued a **Reasonable** assurance opinion.

The planned audit of Business Continuity Planning was deferred to the 2024/25 plan due to the availability of management to engage with the audit.

Financial Governance and Management

We have undertaken three reviews in this area.

Financial Management within Clinical Boards – All budget holders within the Health Board receive and are able to access reliable and relevant financial information. Alongside this, Finance Business Partners / Clinical Board Accountants meet with budget holders on a regular basis to review the financial position. The Clinical Boards' financial position, including delivery of savings plans, is presented and discussed at appropriate meetings and also as part of the monthly performance meetings held with Health Board Executive Directors. However, a number of Clinical Boards failed to fully deliver recurrent savings against their delegated targets for 23/24. We have issued a **Reasonable** assurance opinion.

Core Financial Systems (Asset Register Management) - A financial control procedure and supporting guidance booklet are in place. Asset register transactions are correctly stated and adequately supported, and an annual asset verification exercise is completed. Monthly reconciliations to

the financial ledger are also appropriately completed. We have issued a **Substantial** assurance opinion.

Eye Care Digitisation Programme – This audit was to provide assurance on the current status of contractual commitments entered into by CVUHB to deliver the Eye Care Digitisation Programme. We identified a number of issues including discrepancies on the contract award notice and wording relating to the contract term; delay on the contract variation process; the completion of the Exit Plan during 2023; and the need for further enhancements to the internal procurement process. We issued a **Reasonable** assurance opinion.

The audits of the payment systems provided by NWSSP, which we undertake each year to provide assurance to the Health Board all concluded with positive assurance. The GMS primary care contractor payment systems were given Reasonable Assurance, with the audits of Payroll and Accounts Payable receiving Substantial and Reasonable Assurance respectively.

Quality & Safety

We have undertaken five reviews in this area.

Quality, Safety & Experience Governance – This was an advisory review. The Quality and Engagement Act came into force on the 1st April 2023 which placed a Duty of Quality on all Welsh Health Boards and included a requirement to report on this duty, at least annually. To support their compliance with the Act the Health Board adopted a Quality safety and Experience Framework (QSEF) 2021 – 2026 in September 2021. Good progress has been made in implementing the QSEF and placing quality at the heart of patient care, but it is acknowledged that quality processes and controls will always be subject to opportunities for improvement and evolutionary change.

Alcohol Standards – We reviewed the processes in place within the Health Board in relation to compliance with NICE guidelines around alcohol use. We identified that there was a lack of guidance and information in place, along with limited resources within the Substance Misuse Liaison Team to meet the level of demand. Screening for alcohol consumption was not being formally undertaken and there was no documented formal referral process in place. There was also no central record maintained of staff that have received training on alcohol screening for patients. We issued a **Limited** assurance opinion.

Infection Prevention & Control (IPC) – There is an effective IPC structure in place within the Health Board along with a range of appropriate IPC policies and procedures, although these were not readily available to Health Board staff, and not all were up to date. An IPC programme is drawn up annually, although the programme for 2023/24 was still in draft at the time of our audit. Induction and classroom training is provided to Health Board staff by the IPC Team who also work to raise awareness of IPC issues.

Robust incident reporting and monitoring processes are in place but there was an absence of reporting into the Quality, Safety and Experience Committee for the period reviewed. We issued a **Reasonable** assurance opinion.

Patient Safety Incident Management – The Health Board has produced an Incident, Hazard and Near Miss Reporting Policy in line with the NHS Wales Executive policy, but we noted some issues in relation to this document. Patient safety incidents (including nationally reportable incidents) are generally identified, recorded and investigated in accordance with the Policy but we identified some stages that were taking longer than appropriate. The Health Board has a number of forums in place that provide effective mechanisms for monitoring and reporting of incidents from a localised level up to the Quality, Safety and Experience Committee. We issued a **Reasonable** assurance opinion.

Mortality Reviews – Whilst the Health Board has various documents in place relating to the mortality review process and interaction with the Medical Examiner Service, an overarching policy and procedure has not yet been developed. Robust processes are in place for interacting with the Medical Examiner Service and providing all required information following a patient's death. However, there was a backlog of cases referred back to the Health Board which were awaiting internal review and closure. There were also a number of key priorities that needed to be implemented by the Health Board in order to further develop the mortality review processes. We issued a **Reasonable** assurance opinion.

Information Governance & Security

We have undertaken five reviews in this area.

ChemoCare IT System Follow-up - Good progress has been made in addressing the recommendations contained within the original Limited Assurance report. The system has been upgraded to version 6, and as part of this the database and servers have been upgraded to a newer, more secure version. There are enhanced controls in place for user access and training is fully recorded. We noted that two items were still in progress. The first related to the development of a Business Continuity plan, which by necessity required the upgrade to be completed and changes to operating procedures made first. The second related to implementing an automated alert process in the event of interface failures. We issued a **Reasonable** assurance opinion.

PARIS System – There is an up-to-date contract in place covering the services provided by Civica and maintenance of the system. Access to the database is effectively controlled along with inputs to and outputs from the system. We noted that improvements were required around development of the Civica Service Report, reporting of leavers, review of the criteria for locking down dormant accounts and appropriate storage of system backups. We issued a **Reasonable** assurance opinion.

Technical Continuity - Hardware is securely hosted and there is extensive use of virtualisation to enable resilience. There have been recent improvements to the provision of services with upgrades to the virtual environment and the backup process, with work ongoing to provide alternative sites to enable disaster recovery. However, there is currently no geographical resilience, and the disaster recovery plan is incomplete, with no order of restoration of services. We issued a **Reasonable** assurance opinion.

Information Governance (IG) - Our review highlighted that the Health Board has a robust governance structure in place to effectively manage IG and overall, core IG activities are undertaken well and compliance levels with UK GDPR are good. However, IG workplans did not capture improvement and development activities and there was a lack of IG Leads / Champions within the Health Board to support the IG team. We issued a **Reasonable** assurance opinion.

Follow-up: Cyber Security – Good progress has been made to address the recommendations contained within the original Limited Assurance report. A Cyber Security Improvement plan was developed and implemented but it lacks assigned officers and a timetable for implementation. Terms of Reference for the CAV Cyber Security Meeting and Cyber Security Sub-Group have been implemented and action logs and meeting minutes have been maintained. Our review of Cyber reports to the Digital Health and Intelligence Committee noted that KPI's have not yet been developed. We issued a **Reasonable** assurance opinion.

Operational Service and Functional Management

We have undertaken six reviews in this area.

Surgery CB - Consultant Job Plans – The purpose of the audit was to establish if all consultants had up to date and agreed job plans in place, and if robust monitoring processes were in place to ensure sessions are delivered in line with the plans. We undertook our testing within the Orthopaedics and General Surgery Directorates within the Surgery CB, and whilst processes were in place, we noted issues relating to a number of Job plans that were out of date or not agreed and fully signed off; Personal outcomes were not being recorded within the job plans; Annual reviews of job plans were not being undertaken when due; and the need to develop and strengthen the processes for monitoring delivery against job plans. We issued a **Limited** assurance opinion.

Urgent and Emergency Care – Welsh Government Six Goals Programme – The Health Board has developed robust governance arrangements around the on-going implementation of the Six Goals Programme, including an overarching Delivery Board and four Workstream Project Groups. The governance arrangements facilitate effective and regular monitoring and reporting of progress towards delivery of the

Programme, and management and mitigation of key Programme risks. We issued a **Substantial** assurance opinion.

Mental Health Clinical Board Governance Arrangements - The current governance structure within the Clinical Board is appropriate and reflects the Health Board Committee structure where applicable. Terms of reference were either not in place for all groups/ committees within the Clinical Board or were out of date and in some cases required enhancing. We also identified some issues concerning quoracy, frequency and attendance. Improvements are required in the recording of actions identified for the minutes and notes in place for a number of the meetings reviewed. The Clinical Board was represented at Health Board meetings when required and updates to appropriate forums are provided on an exception basis. We issued a **Reasonable** assurance opinion.

Cancer Services - The Health Board has agreed an operating model to deliver cancer services as set out within the Cancer Service Strategy (2023-28). There is a Cancer Services Team in place with a clear remit for monitoring and supporting the Clinical Boards with the delivery of the Single Cancer Pathway Standard. Further clarity on the remit, roles and responsibilities of Clinical Boards and the Cancer Services Team is however required. Robust governance arrangements are in place, but the risk management arrangements require formalisation. Performance and improvement trajectories are in place for all Clinical Boards responsible for cancer service delivery. The Health Board has developed appropriate cancer metrics which adhere to the Ministerial ambitions. We issued a **Reasonable** assurance opinion.

Medical Records Tracking (CD&T) Follow-up – Reasonable progress has been made with the implementation of the recommendations from the previous Limited Assurance report. However, further work is required to ensure that all actions are fully implemented. We issued a **Reasonable** assurance opinion.

PCIC CB Governance - The governance structure in place is appropriate and reflects the Health Board's Committee structure where applicable. While TORs are in place and their purpose is generally clearly defined, most need to be brought up to date. Meetings held covered the required areas of responsibility, but some didn't comply with the frequency and attendance requirements as stated within the TOR. Meeting records are maintained to a high standard and adequately record key discussions and decisions. Information feeds up to the Health Board's Committees and the Board via a variety of routes ensuring that key issues are effectively escalated. We issued a **Reasonable** assurance opinion.

The planned audit of Acute Model / Same Day Emergency Care within the Medicine CB was deferred to the 2024/25 to allow further time for the developments to be embedded.

The planned audit of the ISO Accreditation within ALAC was removed from the plan as an external accreditation review had been completed with a positive outcome.

Workforce Management

We have undertaken five reviews in this area.

Leadership and Management Training and Development – This was an advisory review which identified that whilst there are strategic intentions in place to support the delivery of leadership and management training and development, these are not fully formalised. Once finalised they should be actualised and delivered through a formal project management-based approach that engages with Clinical Boards and is sufficiently resourced accordingly.

Health Roster System – Whilst the Health board has made progress with the implementation of the Health Roster system, we identified several significant matters around its effective use including: Rosters were not being created, approved, and published in a timely manner; A number of staff were either not meeting their contracted hours or had worked more than their contracted hours; Shifts worked by staff were not always verified adequately within the system; and SafeCare census patient data was not always updated. We issued a **Limited** assurance opinion.

Temporary Staffing Costs - The Health Board has implemented additional controls and mechanisms to scrutinise the use of temporary staff and ensure that these are only engaged where necessary after alternative and more cost-effective options have been explored. As of the end of March 2024, the Health Board met its target to cut agency staffing costs by 50% and we recognise this as an important achievement. However, workforce challenges remain as the Health Board and the wider NHS continues to tackle unprecedented levels of service demand compounded by vacancy levels and sickness rates. We identified a number of significant matters that require management attention including; The requirement to drive efficiencies and savings through the timely and correct use of Health Roster system as a workforce planning tool; Bank shifts are not always being advertised in a timely manner and/or in line with the Rostering Procedures. Nursing staff agency requests are not always being produced, reviewed and signed off in line with the Workforce Scheme of Delegation; and Shift verification and finalisation within the Health Roster system continues to be an issue. We issued a **Limited** assurance opinion.

Medical Staff Additional Sessions - The Clinical Boards are effectively utilising the new Additional Duty Hours rate card and the system of identifying and managing escalated shifts is also being used effectively. While the introduction of a new Waiting List Initiative (WLI) online form has improved controls, further enhancements need to be achieved. Implementing reconciliation processes against the tracker and understanding the need for sessions that are outside of the WLI will tighten

controls. The system for identifying and managing breaks requires further enhancement to ensure it is being utilised effectively. Monitoring, reporting and scrutiny is taking place at appropriate levels within the Health Board. We issued a draft **reasonable** assurance opinion.

Implementation of People & Culture Plan - The People and Culture Plan clearly sets out its objectives together with the actions to be taken to achieve them and milestones and performance indicators to monitor progress. However, many of the targets set for the performance indicators are Health Board wide targets and are not currently being met, and these are also not being monitored at Clinical Board level. Assurance has been provided to the People and Culture Committee and the Board throughout 2023 on the delivery of the 7 themes within the people and Culture Plan which have now been merged into three priority objectives for 2024. There has been good engagement between the People and Culture Team and the Clinical Boards who are committed to implementing and embedding the People and Culture plan. We issued a draft **Substantial** assurance opinion.

Capital & Estates Management

We have undertaken five reviews / outputs in this area.

Estates Assurance – Estate Condition - In the short to medium term, the UHB uses a combination of all Wales capital funding, targeted Estates Facilities Advisory Board (EFAB) funding, planned/ reactive maintenance, and discretionary funding to address identified high-priority areas. In the longer-term, the UHBs 10-year programme highlights an indicative funding requirement of circa £3.3 billion for the estate to address the backlog maintenance risks and meet the future healthcare needs of the population. Noting the scale of the investment required, there is a significant risk to the UHB that this strategy is not affordable. A corresponding revised long-term strategy is required for maintenance, as continued investment at historic levels is likely to result in the UHB estates being in a further deteriorating position requiring increased levels of capital investment. Whilst operational risks were well documented, reported and escalated, the Board should seek further assurance that the identified actions within the Board Assurance Framework are effective – noting their impact to date. Whilst the UHB had been focussing the available resource to high priority estate risks, an overall **Limited** assurance opinion, recognising that it may not be possible to manage all identified risks within available funding.

Capital Systems – We noted that project information was generally well organised and readily available for review. Some of the weaknesses identified at the previous audit had been addressed through use of Docusign software. Improved reporting was observed at the sampled projects including to the Capital Management Group (CMG) – with improved executive attendance at the same. The matters identified for management consideration included: Chair’s actions and contractual documentation were

not consistently completed; and The Project Issues Form was not consistently utilised to document compliance with Delegated Limits. We issued a **Reasonable** assurance opinion.

Shaping Our Future Wellbeing – Future Hospitals Programme – This was an advisory review and we observed many positive arrangements and standardised governance procedures to provide clarity and consistency. A comprehensive “Gathering Intelligence” exercise had been undertaken on other new hospital programmes across the UK. This will inform the development of the Shaping Our Future Hospitals Programme. However, at the time of review the Health Board had not received formal approval to the PBC, or approval of funding to develop the SOC, with the outcome of the WG commissioned clinical review also awaited. The Health Board was therefore progressing at risk in the continuation of Programme governance arrangements and in the development of SOC plans. We recommended that further investment of resources (time/effort/financial) should be limited pending the outcome of the clinical review, the receipt of WG funding for the SOC development and confirming the future of the project.

University Hospital Llandough Endoscopy Development - At the time of our audit, the project remained within the approved budget allocation. However, a significant number of design changes had impacted contingency funds. Savings made elsewhere within the project have ensured a balanced financial position had been maintained. Project changes had been effectively managed with appropriate approvals in place in line with the Scheme of Delegation. We identified issues around the need to undertake a post-completion review of the design and change processes applied, to learn lessons for future projects; The application of contract conditions (at future projects) in accordance with the applied form of contract; and the development of a performance framework for monitoring of contractor and adviser performance at future projects. We issued a **Reasonable** assurance opinion.

Decarbonisation – Decarbonisation is clearly embedded into the Health Board’s overall sustainable healthcare activity and there is a defined governance structure in place for decarbonisation. The Health Board has a Decarbonisation Delivery Action plan in place, but it was not fully costed at the time of our audit. There was also no risk recorded on the Health Board’s BAF around the failure to achieve the Welsh Government decarbonisation targets. Although there is training available for sustainability and decarbonisation, the uptake is very low. We issued a **Limited** assurance opinion.

Advice and support were also provided to the Health Board through the year in relation to the future development of integrated audit plans.

The planned 2023/24 audit of Shaping Our Future Hospitals Programme was removed from the plan as the Programme is not currently progressing.

The planned audit of the UHW Tertiary Tower capital project was deferred to the 2024/25 plan due to delays in progressing the project on site.

2.4.3 Approach to Follow Up of Recommendations

As part of our audit work, we consider the progress made in implementing the actions agreed from our previous reports for which we were able to give only Limited Assurance. In addition, where appropriate, we also consider progress made on high priority findings in reports where we were still able to give Reasonable Assurance. We also undertake some testing on the accuracy and effectiveness of the audit recommendation tracker.

In addition, Audit Committees monitor the progress in implementing recommendations (this is wider than just Internal Audit recommendations) through their own recommendation tracker processes. We attend all audit committee meetings and observe the quality and rigour around these processes.

It is the role of audit committees to consider and agree the adequacy of management responses and the dates for implementation, and any subsequent request for revised dates, proposed by Management.

We have considered the impact of both our follow-up work and where there have been delays to the implementation of recommendations, on both our ability to give an overall opinion (in compliance with the PSIAS) and the level of overall assurance that we can give.

From the specific follow up audits undertaken in 2023/24, it was identified that progress had been made by management in implementing recommendations from the following previous Limited Assurance audits, with improved assurance ratings, as identified:

- Follow-up: ChemoCare IT System – Reasonable Assurance;
- Follow-up: Cyber Security – Reasonable Assurance;
- Follow-up: Medical Records Tracking – Reasonable Assurance; and
- Follow-up: Management of Health Board Policies – Reasonable Assurance.

The Health Board has continued to develop its recommendation tracking process during 2023/24. The Corporate Governance team continue to review all outstanding recommendations with management and the outcomes have been periodically reported to the Audit & Assurance Committee.

We completed a specific audit of the Recommendation Tracking process as part of the 2023/24 plan and were able to provide Substantial assurance. We have worked with the Corporate Governance team through the year to review and provide feedback on the tracker prior to its submission to the Committee.

We have also undertaken work towards the end of the year to validate the stated position for a sample of recommendations within the tracker. We were able to confirm the recorded position for all of the sampled

recommendations and therefore provide the Audit Committee with additional assurance around the accuracy of the tracker.

2.4.4 Limitations to the Audit Opinion

Internal control, no matter how well designed and operated, can provide only reasonable and not absolute assurance regarding the achievement of an organisation's objectives. The likelihood of achievement is affected by limitations inherent in all internal control systems.

As mentioned above the scope of the audit opinion is restricted to those areas which were the subject of audit review through the performance of the risk-based Internal Audit plan. In accordance with auditing standards, and with the agreement of senior management and the Board, Internal Audit work is deliberately prioritised according to risk and materiality. Accordingly, the Internal Audit work and reported outcomes will bias towards known weaknesses as a driver to improve governance risk management and control. This context is important in understanding the overall opinion and balancing that across the various assurances which feature in the Annual Governance Statement.

Caution should be exercised when making comparisons with prior years. Audit coverage will vary from year to year based upon risk assessment and cyclical coverage on key control systems. In addition, the impact of COVID-19 on previous year's programme makes any comparison even more difficult.

2.4.5 Period covered by the Opinion

Internal Audit provides a continuous flow of assurance to the Board and, subject to the key financials and other mandated items being completed in-year, the cut-off point for annual reporting purposes can be set by agreement with management. To enable the Head of Internal Audit opinion to be better aligned with the production of the Annual Governance Statement a pragmatic cut-off point has been applied to Internal Audit work in progress.

By previous agreement with the Health Board, audit work reported to draft stage has been included in the overall assessment, with all other work in progress rolled-forward and reported within the overall opinion for next year.

The majority of audit reviews will relate to the systems and processes in operation during 2023/24 unless otherwise stated and reflect the condition of internal controls pertaining at the point of audit assessment.

Follow-up work will provide an assessment of action taken by management on recommendations made in prior periods and will therefore provide a limited scope update on the current condition of control and a measure of direction of travel.

There are some specific assurance reviews which remain relevant to the reporting of the organisation's Annual Report required to be published after

the year end. Where required, any specified assurance work would be aligned with the timeline for production of the Health Board's Annual Report and accordingly will be completed and reported to management and the Committee subsequent to this Head of Internal Audit Opinion. However, the Head of Internal Audit's assessment of arrangements in these areas would be legitimately informed by drawing on the assurance work completed as part of this current year's plan.

2.5 Required Work

Please note that following discussions with Welsh Government we were not mandated to audit any areas in 2023/24.

2.6 Statement of Conformance

The Welsh Government determined that the Public Sector Internal Audit Standards (PSIAS) would apply across the NHS in Wales from 2013/14.

The provision of professional quality Internal Audit is a fundamental aim of our service delivery methodology and compliance with PSIAS is central to our audit approach. Quality is controlled by the Head of Internal Audit on an ongoing basis and monitored by the Director of Audit & Assurance. In addition, at least once every five years, we are required to have an External Quality Assessment. This was undertaken by the Chartered Institute of Public Finance and Accountancy (CIPFA) in March 2023. The CIPFA concluded that NWSSP's Audit & Assurance Services conforms with all 64 fundamental principles and 'it is therefore appropriate for NWSSP Audit & Assurance Services to say in reports and other literature that it fully conforms to the IIA's professional standards and to PSIAS.'

The NWSSP Audit and Assurance Services can assure the Committee that it has conducted its audit at the Health Board in conformance with the Public Sector Internal Audit Standards for 2023/24.

Our conformance statement for 2023/24 is based upon:

- the results of our internal Quality Assurance and Improvement Programme (QAIP) for 2023/24 which will be reported formally in the Summer of 2024; and
- the results of the External Quality Assessment.

We have set out, in **Appendix A**, the key requirements of the Public Sector Internal Audit Standards and our assessment of conformance against these requirements. The full results and actions from our QAIP will be included in the 2023/24 QAIP report. There are no significant matters arising that need to be reported in this document.

We also note that there have been no impairments to the independence of the Head of Internal Audit or to any member of NWSSP's Audit & Assurance Service who undertook work on the Cardiff & Vale audit programme for 2023/24.

2.7 Completion of the Annual Governance Statement

While the overall Internal Audit opinion will inform the review of effectiveness for the Annual Governance Statement, the Accountable Officer and the Board need to take into account other assurances and risks when preparing their statement. These sources of assurances will have been identified within the Board's own performance management and assurance framework and will include, but are not limited to:

- direct assurances from management on the operation of internal controls through the upward chain of accountability;
- internally assessed performance against the Health & Care Quality Standards;
- results of internal compliance functions including Local Counter-Fraud, Post Payment Verification, and risk management;
- reported compliance via the Welsh Risk Pool regarding claims standards and other specialty specific standards reviewed during the period; and
- reviews completed by external regulation and inspection bodies including Audit Wales and Healthcare Inspectorate Wales.

3. OTHER WORK RELEVANT TO THE HEALTH BOARD

As our internal audit work covers all NHS Wales organisations there are a number of audits that we undertake each year which, while undertaken formally as part of a particular health organisation's audit programme, will cover activities relating to other Health bodies. These are set about below, with relevant comments and opinions attached, and relate to work at:

- NHS Wales Shared Services Partnership;
- Digital Health & Care Wales;
- Welsh Health Specialised Services Committee; and
- Emergency Ambulance Services Committee.

NHS Wales Shared Services Partnership (NWSSP)

As part of the internal audit programme at NHS Wales Shared Services Partnership (NWSSP), a hosted body of Velindre University NHS Trust, a number of audits were undertaken which are relevant to the Health Board. These audits of the financial systems operated by NWSSP, processing transactions on behalf of the Health Board, derived the following opinion ratings:

Saunders, Nathan
01/07/2024 10:00:49

Audit	Opinion	Comments
Accounts Payable	Reasonable	To evaluate and determine the adequacy of the systems and controls in place over the management of the NWSSP Accounts Payable service.
Payroll	Substantial	To evaluate the design and operation of the systems and controls in place within payroll services.
Primary Care (GMS)	Reasonable	To provide assurance that Primary Care Services is maintaining a robust system to facilitate timely and accurate payments to General Medical Services primary care contractors.
Procurement	TBC	To review the adequacy of the systems and controls in place for procurement of contracts above OJEU thresholds.

Please note that other audits of NWSSP activities are undertaken as part of the overall NWSSP internal audit programme. The overall Head of Internal Audit Opinion for NWSSP is Reasonable Assurance.

Digital Health & Care Wales (DHCW)

As part of the internal audit programme at DHCW, a Special Health Authority that started operating from 1 April 2021, a number of audits were undertaken which are relevant to the Health Board. These audits derived the following opinion ratings:

Audit	Opinion	Comments
Benefits Realisation	Reasonable	To determine if the principles of an appropriate benefits realisation framework have

		been implemented to support decision making.
Programme Management	Reasonable	To provide an opinion of the project management being operated over the Digital Services for Patients and Public (DSPP) programme.
Business Continuity (Ransomware)	Reasonable	To assess the adequacy and effectiveness of business continuity arrangements, including in the event of a cyber-attack (including ransomware).
Legacy Software Modernisation	Reasonable	To review the management of risks associated with older technology.

Please note that other audits of DHCW activities are undertaken as part of the overall DHCW internal audit programme. The overall Head of Internal Audit Opinion for DHCW is Reasonable Assurance.

Welsh Health Specialised Services Committee (WHSSC) and Emergency Ambulance Services Committee (EASC)

The work at both the Welsh Health Specialist Services Committee (WHSSC) and the Emergency Ambulance Services Committee (EASC) is undertaken as part of the Cwm Taf Morgannwg internal audit plan. These audits are listed below and derived the following opinion ratings:

Audit	Opinion	Objectives
WHSCC – Welsh kidney network	Substantial	To consider the governance arrangements in place for the Welsh Kidney Network following the independent governance review undertaken in 2022. We also aimed to provide assurance that there are robust and effective risk management arrangements in place that strengthen and contribute to the overall governance framework.

Saunders, Nathan
01/07/2024 10:00:49

WHSSC – Integrated commissioning plan development process	Substantial	The overall purpose of the review was to provide assurance on the processes that WHSSC has in place to develop its Integrated Commissioning Plan, with a focus on the financial planning element.
EASC – Adult critical care transfer service	Substantial	Our review focused on the governance arrangements, financial monitoring, meeting outcomes and performance monitoring, and the process to meeting longer term needs.

While these audits do not form part of the annual plan for the Health Board, they are listed here for completeness as they do impact on the organisation’s activities. The Head of Internal Audit has considered if any issues raised in the audits could impact on the content of our annual report and concluded that there are no matters of this nature.

Full details of the NWSSP audits are included in the NWSSP Head of Internal Audit Opinion and Annual Report and are summarised in the Velindre NHS Trust Head of Internal Audit Opinion and Annual Report. DHCW audits are summarised in the DHCW Head of Internal Audit Opinion and Annual Report, and the WHSSC and EASC audits are summarised in the Cwm Taf Morgannwg University Health Board Head of Internal Audit Opinion and Annual Report.

4. DELIVERY OF THE INTERNAL AUDIT PLAN

4.1 Performance against the Audit Plan

The Internal Audit Plan has been delivered substantially in accordance with the schedule agreed with the Committee, subject to changes agreed as the year progressed. Regular audit progress reports have been submitted to the Committee during the year. Audits that remain to be reported but are reflected within this Annual Report will be reported alongside audits from the 2024/25 operational audit plan.

The audit plan approved by the Committee in April 2023 contained 34 planned reviews. Changes have been made to the plan through the year with 5 audits deferred/cancelled and 5 audits added. All these changes have been reported to and approved by the Committee. In addition, 3 reviews from the 2022/23 plan were delivered during 2023/24. As a result, we planned to deliver a total of 37 reviews.

The assignment status summary is reported at section 5.

In addition, we may respond to requests for advice and/or assistance across a variety of business areas across the Health Board. This advisory work, undertaken in addition to the assurance plan, is permitted under the standards to assist management in improving governance, risk management and control. This activity is reported during the year within our progress reports to the Committee.

4.2 Service Performance Indicators

In order to monitor aspects of the service delivered by Internal Audit, a range of service performance indicators have been developed. The key performance indicators are summarised as follows:

Indicator Reported to Audit and Assurance Committee	Status	Actual	Target	Red	Amber	Green
Operational Audit Plan agreed for 2023/24	G	April 2023	By 30 June	Not agreed	Draft plan	Final plan
Total assignments reported against adjusted plan for 2023/24	G	95% (35/37)	100%	v>20%	10%<v<20%	v<10%
Report turnaround: time from fieldwork completion to draft reporting [10 working days]	G	91% (32/35)	80%	v>20%	10%<v<20%	v<10%
Report turnaround: time taken for management response to draft report [15 working days]	R	58% (19/33)	80%	v>20%	10%<v<20%	v<10%
Report turnaround: time from management response to issue of final report [10 working days]	G	97% (32/33)	80%	v>20%	10%<v<20%	v<10%

5. RISK BASED AUDIT ASSIGNMENTS

The overall opinion provided in Section 1 and our conclusions on individual assurance domains is limited to the scope and objectives of the reviews we have undertaken, detailed information on which has been provided within the individual audit reports.

5.1 Overall summary of results

In total 35 audit reviews were reported during the year. Figure 2 below presents the assurance ratings and the number of audits derived for each.

Saunders, Nathan
01/07/2024 10:00:49

Figure 2 Summary of audit ratings

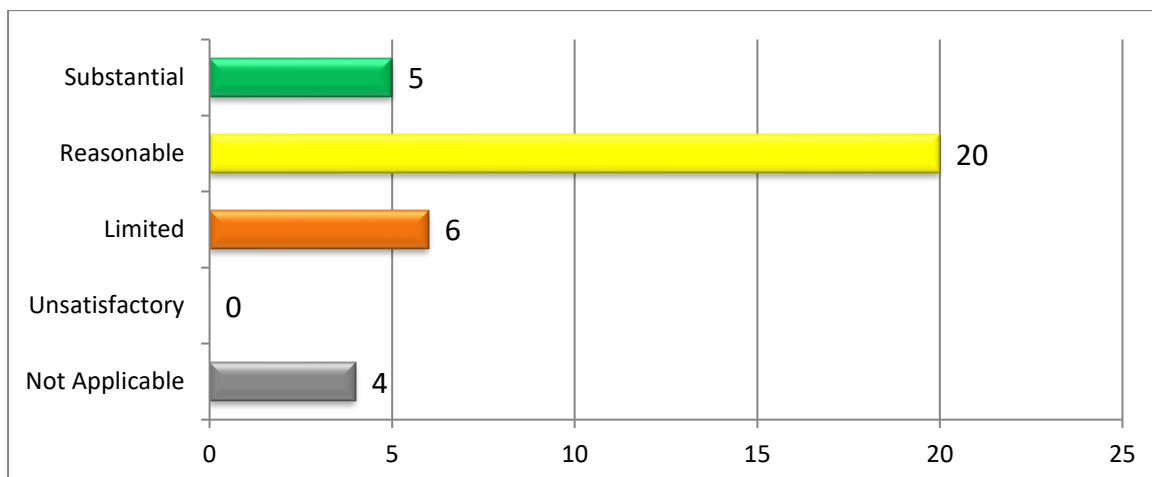


Figure 2 above does not include the audit ratings for the reviews undertaken at NWSSP and DHCW.

The assurance ratings and definitions used for reporting audit assignments are included in **Appendix B**.

In addition to the above, there were several audits which did not proceed following preliminary planning and agreement with management. In some cases, the impact of service pressures on the Health Board was the reason for the deferral or cancellation and in other cases, it was recognised that there was action required to address issues and/or risks already known to management and an audit review at that time would not add additional value. These audits are documented in section 5.7.

The following sections provide a summary of the scope and objective for each assignment undertaken within the year along with the assurance rating.

5.2 Substantial Assurance (Green)



In the following review areas, the Board can take **substantial assurance** that arrangements to secure governance, risk management and internal control are suitably designed and applied effectively. Those few matters that may require attention are compliance or advisory in nature with low impact on residual risk exposure.

Review Title	Objective
Recommendation Tracking	To review the Health Board’s processes for monitoring the implementation of recommendations from internal and external

Sauleen Nathan
 01/07/2024 10:00:49

Review Title	Objective
	assurance and review bodies and reporting into the Audit and Assurance Committee.
Refresh of the Health Board’s Strategy	Review of the Health Board’s approach in undertaking engagement with all stakeholders to inform the development of the refreshed 10-year strategy.
Urgent and Emergency Care – Welsh Government Six Goals Programme	To review the development of controls and actions relating to the governance arrangements for the implementation of the Welsh Government ‘Six Goals for Urgent and Emergency Care’ Programme.
Core Financial Systems (Asset Register Management)	To review the adequacy of the systems and controls in place for Asset Register Management.
Implementation of People & Culture Plan (Draft)	To review the processes in place for ensuring appropriate implementation of the Plan, with a specific focus on how the plan is being embedded within the Clinical Boards.

5.3 Reasonable Assurance (Yellow)



In the following review areas, the Board can take **reasonable assurance** that arrangements to secure governance, risk management and internal control are suitably designed and applied effectively. Some matters require management attention in either control design or operational compliance and these will have low to moderate impact on residual risk exposure until resolved.

Review Title	Objective
Follow-up: ChemoCare IT System	To provide the Health Board with assurance regarding the implementation of the agreed management actions from the 22/23 ChemoCare IT System review that reported ‘Limited’ assurance.
PARIS System	To provide the Health Board with assurance that data held within the system is accurate,

Sauleh Mathan
 01/07/2024 10:30:49

Review Title	Objective
	secure from unauthorised access and loss, and that the system fits the needs of the service.
Mental Health Clinical Board Governance Arrangements	To review the structure and governance arrangements within the Clinical Board noting escalation processes and updates to Health Board Committees.
Capital Systems	To evaluate the ongoing progression and delivery of the Action Plan designed to remedy compliance issues associated with the procurement, governance and financial monitoring arrangements of capital schemes and expenditure.
Technical Continuity	To provide the Health Board with assurance that there is appropriate provision of technical continuity and fault domain awareness to ensure that the Health Board can maintain acceptable service levels through, and beyond, severe disruptions to its critical processes and the IT systems which support them.
Infection Prevention & Control	To provide assurance that there are effective infection prevention and control processes and procedures in place to prevent the spread of infection.
University Hospital Llandough Endoscopy Development	To review the delivery and management arrangements for the University Hospital Llandough Endoscopy Development project, and the performance against its key delivery objectives i.e., time, cost, and quality.
Patient Safety Incident Management	To review the arrangements in place within the Health Board for the identification, recording, investigation, and management of incidents and learning lessons.
Information Governance	To review the resourcing, capacity, and resilience of the Information Governance structures to achieve compliance with GDPR and FoI requirements.
Follow-up: Cyber Security	To provide the Health Board with assurance regarding the implementation of the agreed management actions from the 22/23 Cyber

Review Title	Objective
	Security review that reported 'Limited' assurance.
Financial Management within Clinical Boards	To review the processes operating within the Clinical Boards around financial management, budgetary control and delivery of savings.
Mortality Reviews	To review the adequacy of the systems and controls in place for the completion of Mortality Reviews and interaction with the Medical Examiner Service.
Cancer Services	Review the effectiveness of the structures and processes in place to provide sustainable cancer services that deliver the single cancer pathway standards.
Risk Management / Board Assurance Framework	To determine and evaluate the ongoing development, implementation and application of the Health Boards Risk Management and Board Assurance processes.
Follow-up: Management of Health Board Policies	To provide the Health Board with assurance regarding the implementation of the agreed management actions from the 22/23 Management of Health Board Policies review that reported 'Limited' assurance.
Follow-up: Medical Records Tracking (CD&T)	the implementation of the agreed management actions from the 22/23 Medical Records Tracking review that reported 'Limited' assurance.
Eye Care Digitisation Programme	To provide the Health Board with assurance regarding the current status of contractual commitments entered into by the Health Board to deliver the Eye Care Digitisation Programme.
PCIC Clinical Board Governance	To review the structure and governance arrangements within the Clinical Board noting escalation processes and updates to Health Board Committees.
IMTP Development Process	To review the process undertaken by the Health Board for development of the 2024/25 IMTP.

Saunders, Nathan
01/07/2024 10:00:49

Review Title	Objective
Medical Staff Additional Sessions (22/23) (Draft)	Review of the application of the priorities that have been developed by the Health Board in relation to additional sessions worked by medical staff.

5.4 Limited Assurance (Amber)



In the following review areas, the Board can take only **limited assurance** that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. More significant matters require management attention with moderate impact on residual risk exposure until resolved.

Review Title	Objective
Surgery CB - Consultant Job Plans	To provide assurance to the Board that there are effective arrangements in place to manage the risks associated with consultant job planning within selected areas of the Surgery Clinical Board.
Estates Assurance – Estate Condition	To evaluate the arrangements put in place by the Health Board to identify and manage key risks associated with the existing estate and the implementation of resulting strategies to manage/mitigate the risk.
Alcohol Standards	Review the processes in place within the Health Board in relation to compliance with NICE guidelines around alcohol use and relevant NICE guidelines for screening, brief intervention and onward referral or action in departments that represent the main routes through which patients are admitted to/enter Health Board hospital services.
HealthRoster System	To review the usage of the HealthRoster system within the Health Board.
Temporary Staffing Costs	Review the processes and controls in place relating to the Health Board's costs in relation to Temporary Staffing.

Saunders, Nathan
01/07/2024 10:00:49

Review Title	Objective
Decarbonisation	To determine the adequacy of management arrangements to ensure compliance with the requirements of the Welsh Government’s decarbonisation strategic delivery plan and ensure that the Health Board has appropriate controls and management arrangements in place to achieve the same.

5.5 Unsatisfactory Assurance (Red)



No reviews were assigned an ‘unsatisfactory assurance’ opinion.

5.6 Assurance Not Applicable (Grey)



The following reviews were undertaken as part of the audit plan and reported without the standard assurance rating indicator, owing to the nature of the audit approach. The level of assurance given for these reviews are deemed not applicable – these are reviews and other assistance to management, provided as part of the audit plan, to which the assurance definitions are not appropriate but which are relevant to the evidence base upon which the overall opinion is formed.

Review Title	Objective
Leadership and Management Training and Development	An advisory review of the on-going work to develop leadership and management training and development within the Health Board.
Quality, Safety & Experience Governance	An advisory review of the Health Boards Quality & Safety Governance arrangements and any supporting implementation programmes to ensure compliance with the requirements set out in the Health and Social Care (Quality and Engagement) (Wales) Act 2020.

Saunders, Nathan
01/07/2024 10:00:49

Review Title	Objective
Pentyrch Surgery Development – Site Evaluation Process	An advisory review of the evaluation undertaken by the Health Board of the potential sites for the location of the Pentyrch GP surgery development and to identify whether there were any weaknesses in the evaluation process.
Shaping Our Future Wellbeing – Future Hospitals Programme	An advisory review to provide proactive advice on the proposed governance arrangements to see the Future Hospitals Programme through the development of a Strategic Outline Case.

5.7 Deferred Audits

Additionally, the following audits were deferred for the reasons outlined below. We have considered these reviews and the reason for their deferment when compiling the Head of Internal Audit Opinion.

Review Title	Reason for Deferral
ISO Accreditation within ALAC	The external accreditation review had been completed with a positive outcome, so there was no additional value in completing the planned audit.
Medicine CB – Acute Model / Same Day Emergency Care	To allow further time for the developments to be embedded.
Business Continuity Planning	Due to the availability of the lead manager to engage in the audit.
Shaping Our Future Hospitals Programme	The Programme is not currently progressing as planned.
UHW – Tertiary Tower	Delays with the progression of the scheme on site.

5.8 Work in Progress

At the time of producing the Annual Report, the following audits were still work in progress and the assurance ratings had not been determined. The outcomes of these audits will therefore feed into the HIA Opinion for 2024/25.

Saunders, Nathan
01/07/2024 10:00:49

Review Title	Objective
Maternity Care – Ockenden Review	To assess the progress made by the Health Board in implementing the actions from the Ockenden review and ensuring compliance with recommendations.
Performance Reporting	Following on from the previous advisory review, to undertake an assurance review of the operation / effectiveness of the Integrated Performance Report.

6. ACKNOWLEDGEMENT

In closing I would like to acknowledge the time and co-operation given by Directors and staff of the Health Board to support delivery of the Internal Audit assignments undertaken within the 2023/24 plan.

Ian Virgill
 Head of Internal Audit
 Audit and Assurance Services
 NHS Wales Shared Services Partnership
 June 2024

Saunders, Nathan
 01/07/2024 10:00:49

Appendix A

ATTRIBUTE STANDARDS	
1000 Purpose, authority and responsibility	Internal Audit arrangements are derived ultimately from the NHS organisation’s Standing orders and Financial Instructions. These arrangements are embodied in the Internal Audit Charter adopted by the Audit Committee on an annual basis.
1100 Independence and objectivity	Appropriate structures and reporting arrangements are in place. Internal Audit does not have any management responsibilities. Internal audit staff are required to declare any conflicts of interests. The Head of Internal Audit has direct access to the Chief Executive and Audit Committee chair. There have been no impairments to our independence during 2023/24.
1200 Proficiency and due professional care	Staff are aware of the Public Sector Internal Audit Standards and code of ethics. Appropriate staff are allocated to assignments based on knowledge and experience. Training and Development exist for all staff. The Head of Internal Audit is professionally qualified.
1300 Quality assurance and improvement programme	Head of Internal Audit undertakes quality reviews of assignments and reports as set out in internal procedures. Internal quality monitoring against standards is performed by the Head of Internal Audit and Director of Audit & Assurance. An EQA was undertaken in 2023.
PERFORMANCE STANDARDS	
2000 Managing the internal audit activity	The Internal Audit activity is managed through the NHS Wales Shared Services Partnership. The audit service delivery plan forms part of the NWSSP integrated medium term plan. A risk based strategic and annual operational plan is developed for the organisation. The operational plan gives detail of specific assignments and sets out

Saunders, Nathan
01/07/2024 10:00:49

	<p>overall resource requirement. The audit strategy and annual plan is approved by Audit Committee.</p> <p>Policies and procedures which guide the Internal Audit activity are set out in an Audit Quality Manual. There is structured liaison with Audit Wales, HIW and LCFS.</p>
2100 Nature of work	<p>The risk based plan is developed and assignments performed in a way that allows for evaluation and improvement of governance, risk management and control processes, using a systematic and disciplined approach.</p>
2200 Engagement planning	<p>The Audit Quality Manual guides the planning of audit assignments which include the agreement of an audit brief with management covering scope, objectives, timing and resource allocation.</p>
2300 Performing the engagement	<p>The Audit Quality Manual guides the performance of each audit assignment and report is quality reviewed before issue.</p>
2400 Communicating results	<p>Assignment reports are issued at draft and final stages. The report includes the assignment scope, objectives, conclusions and improvement actions agreed with management. An audit progress report is presented at each meeting of the Audit Committee.</p> <p>An annual report and opinion is produced for the Audit Committee giving assurance on the adequacy and effectiveness of the organisation's framework of governance, risk management and control.</p>
2500 Monitoring progress	<p>An internal follow-up process is maintained by management to monitor progress with implementation of agreed management actions. This is reported to the Audit Committee. In addition audit reports are followed-up by Internal Audit on a selective basis as part of the operational plan.</p>

Saunders, Nathan
01/07/2024 10:00:49

2600 Communicating the acceptance of risks

If Internal Audit considers that a level of inappropriate risk is being accepted by management it would be discussed and will be escalated to Board level for resolution.

Saunders, Nathan
01/07/2024 10:00:49

Appendix B - 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:

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

Saunders, Nathan
 01/07/2024 10:00:49



NHS Wales Shared Services Partnership
4-5 Charnwood Court
Heol Billingsley
Parc Nantgarw
Cardiff
CF15 7QZ
Website: [Audit & Assurance
Services - NHS Wales Shared
Services Partnership](#)

Senders:Nathan
21/07/2024 10:30:49

Audit and Assurance Committee Update – Cardiff and Vale University Health Board

Date issued: July 2024

Document reference: 4206A2024

Saunders, Nathan
01/07/2024 10:00:49

This document has been prepared for the internal use of Cardiff and Vale University Health Board as part of work performed / to be performed in accordance with statutory functions.

The Auditor General has a wide range of audit and related functions, including auditing the accounts of Welsh NHS bodies, and reporting on the economy, efficiency, and effectiveness with which those organisations have used their resources. The Auditor General undertakes his work using staff and other resources provided by the Wales Audit Office, which is a statutory board established for that purpose and to monitor and advise the Auditor General.

Audit Wales is the non-statutory collective name for the Auditor General for Wales and the Wales Audit Office, which are separate legal entities each with their own legal functions as described above. Audit Wales is not a legal entity and itself does not have any functions.

© Auditor General for Wales 2024. No liability is accepted by the Auditor General or staff of the Wales Audit Office in relation to any member, director, officer, or other employee in their individual capacity, or to any third party, in respect of this report.

In the event of receiving a request for information to which this document may be relevant, attention is drawn to the Code of Practice issued under section 45 of the Freedom of Information Act 2000. The section 45 Code sets out the practice in the handling of requests that is expected of public authorities, including consultation with relevant third parties. In relation to this document, the Auditor General for Wales, the Wales Audit Office and, where applicable, the appointed auditor are relevant third parties. Any enquiries regarding disclosure or re-use of this document should be sent to Audit Wales at infoofficer@audit.wales.

Saunders, Nathan
01/07/2024 10:00:49

Contents

Audit and Assurance Committee Update

About this document	4
Financial audit update	5
Performance audit update	6
Other relevant publications	10
Additional information	10

Saunders, Nathan
01/07/2024 10:00:49

About this document

- 1 This document provides the Audit and Assurance Committee with an update on our current and planned accounts and performance audit work at Cardiff and Vale University Health Board. We presented our 2024 Audit Plan to the committee in May 2024.
- 2 We also provide additional information on:
 - Other relevant examinations and studies published by the Auditor General.
 - Relevant corporate documents published by Audit Wales (e.g. fee schemes, annual plans, annual reports), as well as details of any consultations underway.
- 3 Details of future and past Good Practice Exchange (GPX) events are available on our [website](#).

Saunders, Nathan
01/07/2024 10:00:49

Financial audit update

4 **Exhibit 1** summarises the status of our current and planned accounts audit work.

Exhibit 1 – Accounts audit work

Area of work	Executive Lead	Focus of the work	Current status	Planned date for consideration
Audit of the 2023-24 Annual Report and Accounts	Executive Director of Finance	To provide an audit opinion on the 2023-24 Annual Report and Accounts.	The audit is progressing to the planned schedule.	On 11 July 2024. To be considered by the Audit and Assurance Committee, followed by the Board. The Auditor General is scheduled to certify the audited Annual Report and Accounts on 12 July 2024.

Saunders, Nathan
01/07/2024 10:00:49

Performance audit update

5 **Exhibit 2** summarises the status of our current and planned performance audit work.

Exhibit 2 – Performance audit work

Area of work	Executive Lead	Focus of the work	Current status	Planned date for consideration
Structured Assessment 2024 – core	Director of Corporate Governance	<p>Our structured assessment work is designed to examine the existence of proper arrangements for the efficient, effective, and economical use of resources. Our 2024 Structured Assessment will review:</p> <ul style="list-style-type: none"> • Board and committee cohesion and effectiveness; • Corporate systems of assurance; • Corporate planning arrangements; and Corporate financial planning and management arrangements. 	Fieldwork underway	November 2024
Review of Unscheduled Care	Chief Operating Officer	This work examines different aspects of the unscheduled care system and includes analysis of national data sets to present a	Blog and data tool published in April 2022	

Saunders, Nathan
01/07/2024 10:00:49

Area of work	Executive Lead	Focus of the work	Current status	Planned date for consideration
		<p>high-level picture of how the unscheduled care system is currently working.</p> <p>The work includes an examination of the actions being taken by NHS bodies, local government, and Regional Partnership Boards to secure timely and safe discharge of patients from hospital to help improve patient flow (Part 1).</p> <p>We are also reviewing progress being made in managing unscheduled care demand by helping patients access services which are most appropriate for their unscheduled care needs (Part 2).</p>	<p>Part 1 – Regional report being drafted.</p> <p>Part 2 – Fieldwork underway</p>	<p>September 2024</p> <p>November 2024</p>
Structured Assessment 2023 Deep Dive – review of cost savings arrangements	Executive Director of Finance	Given the significantly challenging financial position across NHS Wales, this review is examining the approaches NHS bodies are taking in respect of achieving cost improvements, efficiencies, and financial sustainability.	Reporting	September 2024

Saunders Nathan
01/07/2024 10:00:49

Area of work	Executive Lead	Focus of the work	Current status	Planned date for consideration
Planned Care Review	Chief Operating Officer	<p>This work will follow on from the national report on tackling the planned care backlog. Whilst the exact focus of this work is still to be determined, it is likely to consider:</p> <ul style="list-style-type: none"> • The extent that health boards have achieved Welsh Government targets for recovering planned care services; • The efficacy of local plans and activity to recover waiting lists; and <p>Use of the additional Welsh Government financial allocations to improve waiting lists.</p>	Project brief issued – June 2024	To be confirmed
Structured Assessment 2024 Deep Dive - Review of investment in digital systems	Director of Digital and Health Intelligence	<p>This review will examine digital arrangements, with a particular focus on how NHS bodies are investing in digital technologies, solutions, and capabilities to support the workforce, transform patient care, meet demand, and improve productivity and efficiency.</p>	Planning	To be confirmed
Review of eye care services	Chief Operating Officer	<p>Following on from our report on orthopaedic services last year, we will review the Health</p>	Planning	To be confirmed

Saunders Nathan
01/07/2024 10:00:49

Area of work	Executive Lead	Focus of the work	Current status	Planned date for consideration
(2024 local work)		<p>Board's speciality with the highest level of waits - eye care services.</p> <p>We will assess the Health Board's services to ensure they are delivered efficiently, effectively, and economically, and there are clear plans to meet current and future population needs. Scoping work will be completed in due course, but we expect to include both community and acute eye care services within the scope of this work.</p>		

Saunders Nathan
01/07/2024 10:00:49

Other relevant publications

- 6 **Exhibit 3** provides information on other relevant examinations and studies published by the Auditor General in the last six months. The links to the reports on our website are provided. The reports highlighted in **bold** have been published since the last committee update.

Exhibit 3 – Relevant examinations and studies published by the Auditor General

Title	Publication Date
<u>Community Pharmacy Data Matching Pilot</u> <ul style="list-style-type: none">• <u>Article related to this report</u>• <u>Blog related to this report</u>	May 2024
<u>Supporting Ukrainians in Wales</u>	March 2024
<u>From firefighting to future-proofing – the challenge for Welsh public services</u>	February 2024
<u>Board Effectiveness Follow-up - Betsi Cadwaladr University Health Board</u>	February 2024

Additional information

- 7 There have been no corporate documents published by Audit Wales since the last committee update.
- 8 There are no relevant Audit Wales consultations currently underway.

Saunders Nathan
01/07/2024 10:00:49

Saunders, Nathan
01/07/2024 10:00:49



Audit Wales

1 Capital Quarter

Tyndall Street

Cardiff, CF10 4BZ

Tel: 029 2032 0500

Fax: 029 2032 0600

Textphone: 029 2032 0660

E-mail: info@audit.wales

Website: www.audit.wales

We welcome correspondence and telephone calls in Welsh and English.

Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.

Report Title:	Declarations of Interest Report			Agenda Item no.	2.4
Meeting:	Audit and Assurance	Public	x	Meeting Date:	2 Jul 24
		Private			
Status <i>(please tick one only):</i>	Assurance	x	Approval	Information	
Lead Executive:	Director of Corporate Governance				
Report Author:	Corporate Archivist and Records Management Manager				

Main Report

Background and current situation:

This paper is intended to give Audit Committee an update on the Declarations of Interest, Gifts, Hospitality and Sponsorship portfolio.

Declarations of Interest Process

The process remains unaltered and Employees are required to make a single declaration of interest during their period of employment, only altering it if their circumstances change (for example undertaking secondary employment).

All Declarations of interest should be made via the ESR platform.

The Corporate Governance Team have worked with Corporate Communications to design and implement a Communication Plan that informs staff members of the following:

- The requirement to now submit a declaration of interest once. But, reinforcing the requirement to update if personal circumstances change.
- That Declarations of Interest should now only be made on ESR, and signposting to User and Manager guides.
- The continuing need to declare Gifts, Hospitality and Sponsorship with specific emphasis being given in Autumn (for Autumn International Rugby Tickets) and Christmas/New Year (for seasonal gifts).

Board Membership Declarations

In addition to the above, Board Members are required to submit an annual declaration for year-end for audit purposes. Steps have been taken with Audit Wales in the recent year end process to make use of the ESR method of recording and move away from individual signed sheets.

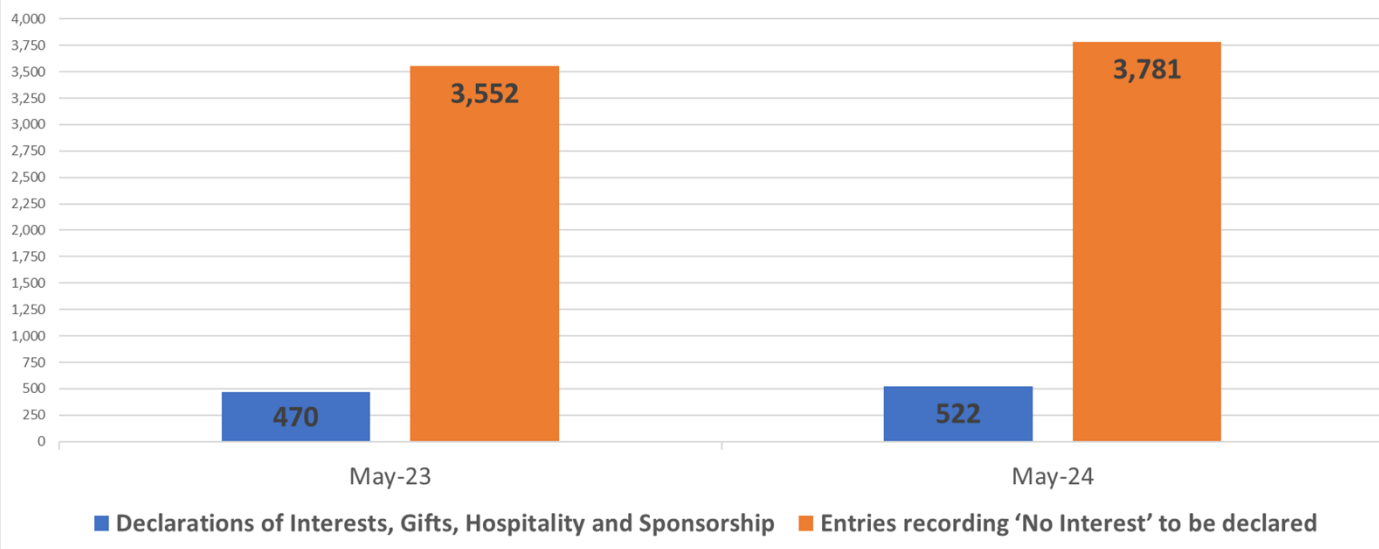
Executive Director Opinion and Key Issues to bring to the attention of the Board/Committee:

Present position of Declarations

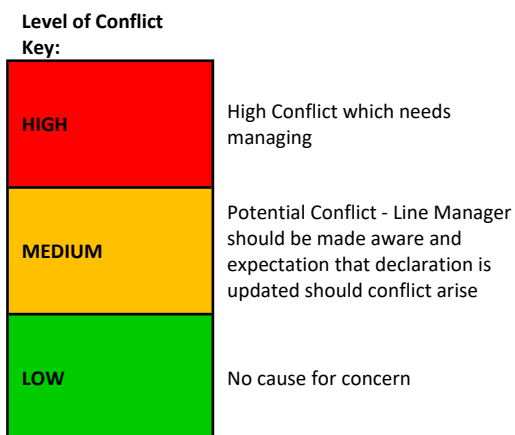
As of the 1st May 2024 ESR holds the following records:

Saunders, Nathan
01/07/2024 10:00:49

Annual Comparison



The Declarations of Interests, Gifts, Hospitality and Sponsorship forms received are RAG rated by the Corporate Governance team to ensure appropriate action and monitoring. The RAG rating system is as follows:



97.5% of Declarations received are rated **Green** (511 Declarations)

2% of Declarations received are rated **Orange** (10 Declarations)

0.5% of Declarations received are rated **Red** (2 Declarations)

It should be noted that those declarations rated Red and Orange (which all relate to external employment) have declared their interests to line managers and executive leads who monitor and mitigate the risks that the declarations present. In addition to this the Corporate Governance team continuously monitor declarations and, where appropriate, flag such declarations with procurement and counter fraud colleagues.

As of the 1st May 2024 ESR held 22,025 live staff records which includes contracted employees, Locum and Bank Staff members.

Total ESR returns of 4,304 equates to a return rate of 19.5%, though as a % of current headcount this increases to 25% and higher again for the target group of Band 7 and above employees.

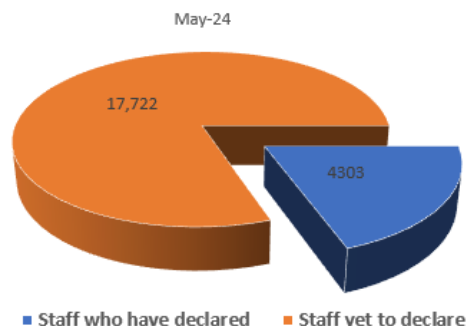


Table demonstrating the reply rate within set bandings:

Sally Peters: Nathan
 01/05/2024 10:00:49

Banding	Declaration made	Confirmed	
		Nothing to Declare	Yet to complete
Band 1 - 6	0.86%	18.45%	80.69%
Band 7	4.06%	30.51%	65.42%
Band 8a	12.16%	65.58%	22.26%
Band 8b	16.67%	65.38%	17.95%
Band 8c	19.08%	58.78%	22.14%
Band 8d	26.32%	63.16%	10.53%
Band 9	24.32%	62.16%	13.51%
Consultant	16.72%	28.90%	54.38%
Junior Medical	0.40%	0.80%	98.80%

Bands 7 and above will continue to be the focus of data capture, this will be achieved by targeted emails to account holders. A piece of work will be developed with Executive Director of People and Executive Medical Director to target those medics not currently recording interests on ESR.

A register of all declared interests can be found at the following link (which will need to be copied and pasted into a web browser to access):

[Declarations of Interest May 2024.xlsx \(nhs.wales\)](#)

It is noted that Audit Committee will be provided with an update on the Declarations of Interest, Gifts, Hospitality and Sponsorship portfolio annually, with the next update scheduled to be shared at Audit Committee in Quarter 1 of 2024-2025. Reports will of course be provided by exception for the remainder of the year if there is a requirement to escalate such matters to Committee.

Recommendation:

The Committee are requested to:

- **NOTE** the ongoing work being undertaken within Standards of Behaviour

Link to Strategic Objectives of Shaping our Future Wellbeing:

Please tick as relevant

1. Reduce health inequalities		6. Have a planned care system where demand and capacity are in balance	
2. Deliver outcomes that matter to people		7. Be a great place to work and learn	
3. All take responsibility for improving our health and wellbeing		8. Work better together with partners to deliver care and support across care sectors, making best use of our people and technology	
4. Offer services that deliver the population health our citizens are entitled to expect	x	9. Reduce harm, waste and variation sustainably making best use of the resources available to us	
5. Have an unplanned (emergency) care system that provides the right care, in the right place, first time		10. Excel at teaching, research, innovation and improvement and provide an environment where innovation thrives	

Five Ways of Working (Sustainable Development Principles) considered

Please tick as relevant

Prevention	Long term		Integration		Collaboration	x	Involvement	x
------------	-----------	--	-------------	--	---------------	---	-------------	---

Impact Assessment:

Please state yes or no for each category. If yes please provide further details.

Risk: Yes	
There is a risk that non-declaration of an interest by staff members could result in breaches of legal and/or regulatory requirements, specifically in a procurement context. The ongoing management and development of the Health Board's Standards of Behaviour Policy and associated procedures mitigates this risk by ensuring that staff members are aware of their obligations in this regard.	
Safety: Yes/No	
N/A	
Financial: Yes/No	
N/A	
Workforce: Yes/No	
N/A	
Legal: Yes/No	
N/A	
Reputational: Yes	
Should staff members fail to comply with the Health Board's Standards of Behaviour Policy and examples of this are made public, there is a possibility that this could have an adverse reputational impact on the Health Board and its staff body. The ongoing management and development of the Health Board's Standards of Behaviour Policy and associated procedures mitigates this risk by ensuring that staff members are aware of their obligations in this regard.	
Socio Economic: Yes/No	
N/A	
Equality and Health: Yes/No	
N/A	
Decarbonisation: Yes/No	
N/A	
Approval/Scrutiny Route:	
Committee/Group/Exec	Date:
N/A	

Saunders, Nathan
01/07/2024 10:00:49

Report Title:	Recommendation Tracker Report			Agenda Item no.	2.5	
Meeting:	Audit and Assurance Committee	Public	<input checked="" type="checkbox"/>	Meeting Date:	24.06.2024	
		Private	<input type="checkbox"/>			
Status <i>(please tick one only):</i>	Assurance	<input checked="" type="checkbox"/>	Approval	<input type="checkbox"/>	Information	<input type="checkbox"/>
Lead Executive:	Director of Corporate Governance					
Report Author (Title):	Risk and Regulation Officer					

Main Report

Background and current situation:

The purpose of the report is to provide Members of the Audit and Assurance Committee (“the Committee”) with assurance on the implementation of recommendations which have been made by Internal / External Audit and Regulatory Reviews.

Audit Committee had all of the excel spreadsheet-based trackers presented at the last meeting and so the trackers are not presented on this occasion. This report provides an overview update on the 3 recommendation trackers and addresses 2 key actions taken at that meeting:

1. Update and, where possible, close down all internal audit recommendations older than 2022.
2. Start to transfer all recommendation trackers onto the Audit Management and Tracking system used by CVUHB - <https://www.amat.co.uk/> .

Executive Director Opinion and Key Issues to bring to the attention of the Board/Committee:

Internal Tracker Reports

As of 24 June 2024, the Tracker records 143 recommendations, of which 24 are High Priority, 85 are Medium Priority and 29 are Low Priority.

Since the May Committee meeting, the Risk and Regulation Officer has met with the Operational Leads to address the outstanding aged recommendations from 2019 – 2022 that fall under their scope of work. These were:

- Medical Staff Study Leave 2019-20 (2 recommendations)
- Data Quality Performance Reporting (Single Cancer Pathway) 202-21
- Infrastructure / Network Management – 2020-21 (2 recommendations)
- Retention of Staff – 2021-22
- Welsh Language Standards 2021-22

Out of the 7 outstanding recommendations 5 have been reported as complete and one, Data Quality Performance Reporting, being superseded by a new audit review. The Welsh Language Standards recommendation will remain on the tracker while the Head of Equity and Inclusion and Digital & Health Intelligence works on developing an Equity and Inclusion / Welsh Standards dashboard.

Three Limited Reports below were forwarded to Welsh Government for quarter 4:

- Alcohol Standards
- Estates Condition
- Implementation of Health Roster System

External Tracker Reports

The Committee received one new report presented to the May 2024 Committee. Namely, Primary Care Follow Up Review which recorded 7 new audit recommendations.

The External Tracker records a total of 21 recommendations, 8 have been partially completed, and 13 have indicated that no action has been taken.

Regulatory Report

The tracker contains details of Regulatory Bodies that have previously inspected the Health Board despite there being no live recommendations. This is to ensure that the tracker remains a comprehensive list of all potential regulatory bodies. Updates for the July Committee were only received from the IT department in regard to the ICO report. Eight of the 25 recommendations made by the ICO remain outstanding and two management responses were updated.

Conclusion

1. Six of the 7 aged recommendations (2022 and before) have been removed since the last Audit committee.
2. All recommendations from internal audit and external audit have now been uploaded to AMaT. Work will continue to complete the regulatory transfer as well and all 3 will be presented at Audit Committee in November making use of the software.

Recommendation:

The Committee are requested to:

- (a) Note and receive assurance from the progress which has been made in completing the recommendations that continues to be monitored and updated made by Internal / External Audit and Regulatory Reviews.
- (b) Note and be assured by the progress which has been made since the previous Audit and Assurance Committee Meeting in May 2024.

Link to Strategic Objectives of Shaping our Future Wellbeing:

Please tick as relevant

1. Reduce health inequalities		6. Have a planned care system where demand and capacity are in balance	
2. Deliver outcomes that matter to people	x	7. Be a great place to work and learn	
3. All take responsibility for improving our health and wellbeing		8. Work better together with partners to deliver care and support across care sectors, making best use of our people and technology	x
4. Offer services that deliver the population health our citizens are entitled to expect		9. Reduce harm, waste and variation sustainably making best use of the resources available to us	
5. Have an unplanned (emergency) care system that provides the right care, in the right place, first time		10. Excel at teaching, research, innovation and improvement and provide an environment where innovation thrives	x

Five Ways of Working (Sustainable Development Principles) considered

Please tick as relevant

Prevention		Long term		Integration		Collaboration	x	Involvement	
Impact Assessment:									
<i>Please state yes or no for each category. If yes please provide further details.</i>									
Risk: Yes/No									
By maintaining an up to date Internal Audit Recommendation Tracker the Health Board mitigates the risk that it may be subject to legal or regulatory penalty.									
Safety: Yes/No									
N/A									
Financial: Yes/No									
N/A									
Workforce: Yes/No									
N/A									
Legal: Yes/No									
N/A									
Reputational: Yes/No									
N/A									
Socio Economic: Yes/No									
N/A									
Equality and Health: Yes/No									
N/A									
Decarbonisation: Yes/No									
N/A									
Approval/Scrutiny Route:									
Committee/Group/Exec					Date:				
N/A									

Saunders, Nathan
01/07/2024 10:00:49

Report Title:	Management of Health Board Policies update paper			Agenda Item No.:	2.6
Meeting:	Audit and Assurance	Public	x	Meeting Date:	July 2024
		Private			
Status <i>(please tick one only):</i>	Assurance	X	Approval	Information	
Lead Executive:	Director of Corporate Governance				
Report Author:	Corporate Archivist and Records Management Manager				

Main Report

Background and current situation:

The Corporate Governance Team coordinates the production, publication and archiving of Cardiff and Vale University Health Board Policies and other Controlled Documents. It was recognised that there were opportunities to strengthen policy management within the organisation, which was further supported by recommendations from Internal Audit following a Policy Audit in March 2023 which made a finding of limited assurance.

This paper sets out the work undertaken around policy management by the Corporate Governance Team post the original audit and sets out the present position of this work post the Follow-up: Management of Health Board Policies audit by Internal Audit in May 2024. Committee is requested to note the position of this work and take assurance that this work has progressed in a positive manner and will continue to do so as per the agreed recommendations with Internal Audit.

Executive Director Opinion and Key Issues to bring to the attention of the Board/Committee:

Control Documents Update

The following control documents are in place to manage Policies and other written control documents in the organisation;

UHB 001 (Management of Policies, Procedure and other Written Control Documents Policy)
UHB 242 (Written Control Documents – Development and Approval Procedure).

UHB 001 required review in accordance with its published review date. This review has occurred and has not resulted in any substantial alteration.

UHB 242 also required review in accordance with its published review date. This review is currently ongoing, the document is being amended to achieve the following:

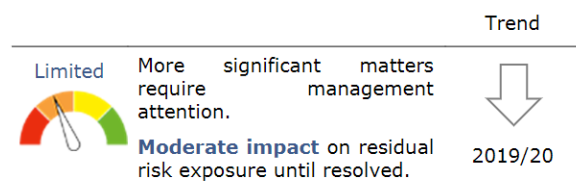
- To provide a clearer definition of the various types of controlled documents to be used within the Health Board.
- To provide a clearer articulation of the process to be adopted when drafting new controlled documents.
- To update the document and reflect the change in process of storing and tracking each policy via the AMaT (Audit Management and Tracking) System
- Updates to policy are still ongoing as the new system and process is implemented. Final version will be shared with committee in due course.

Next steps- both control documents will be approved within Corporate Governance and then formally signed off at a future Audit Committee and communicated to relevant personnel by the close of Quarter 2 as agreed in the Audit recommendations and management response.

Internal Audit outcome

The Health Boards control status was raised from Limited Assurance in March 2023 to Reasonable Assurance in May 2024 for the Management of Health Board Policies. This was a positive improvement largely due to a number of ongoing actions being resolved and the switch to an automated system to track each policies review date, which is summarised further below.

2023 Audit findings



2024 Audit findings



2023 had 9 key findings identified

2024 has reduced to 3 key findings being identified

Key actions taken to improve Policy Management:

- Amendments to UHB 001 and UHB 242 documents were a necessary step in the improvement of controlled document management and were consistent with recommendations made in the original audit.
- Introduction of AMaT (Audit Management and Tracking) system hosting all Policies, moving the Health Board away from utilising static excel sheets as its catalogue repository, this system is currently used by a number of Clinical Boards for Audits, Inspections and Projects and well received in the organisation.
- AMaT has allowed us to host the whole policy catalogue, all relevant information on ownership, version control etc. and automate notification reminders to policy owners regarding upcoming expiry dates. This provided Audit with assurance that policy owners and authors were being identified and assigned, along with clear increased controls, transparency and access.

Current Position

- 401 Policies transferred onto AMAT
- 138 Policies in progress/completed (in date)
- 261 overdue (out of date)

Summary

No. of inspections	MD	SD	WN	PIR	Actions							
					In progress	Partially complete	Partially complete (Overdue)	Overdue	Unable to complete	Completed (awaiting approval)	Rejected	Completed
401	0/399 (0%)	0	0	0	136	0	0	261	0	2	0	0

- This identifies that 65% of the Policies held centrally have elapsed their review dates.
- Data can now be readily extracted from AMAT to determine where in the organisation these policies sit so targeted work can commence to update

Next Steps

- Works continue to identify all owners, introduce and add them to the AMaT system and provide the necessary AMAT training, with the overall aim of reducing the volume of out-of-date policies.

- It is noted there is a considerable amount of policies currently being reviewed by owners which should see a reduction in the percentage of out of date policies imminently.
- A synchronisation exercise is underway to review of all of the Health Board systems storing policies ensuring they are appropriately aligned with the AMaT repository. The intended aim is to ensure that AMAT, the CAVUHB website, and CAVUHB SharePoint all hold the same Policies and in the same format with alignment of referencing and numbering to ensure ease of searching.
- Following completion of this phase a more focused approach will be taken, with direct message/s to each of the AMaT policy group/owners of the remaining out-of-dated policies to provide feedback and timeframes on expected completion dates.

Recommendation:

The Committee are requested to:

- **Note** the update and the continued course of action.

Link to Strategic Objectives of Shaping our Future Wellbeing:

Please tick as relevant

1. Reduce health inequalities		6. Have a planned care system where demand and capacity are in balance	
2. Deliver outcomes that matter to people		7. Be a great place to work and learn	x
3. All take responsibility for improving our health and wellbeing		8. Work better together with partners to deliver care and support across care sectors, making best use of our people and technology	
4. Offer services that deliver the population health our citizens are entitled to expect		9. Reduce harm, waste and variation sustainably making best use of the resources available to us	
5. Have an unplanned (emergency) care system that provides the right care, in the right place, first time		10. Excel at teaching, research, innovation and improvement and provide an environment where innovation thrives	

Five Ways of Working (Sustainable Development Principles) considered

Please tick as relevant

Prevention	x	Long term		Integration		Collaboration		Involvement	
------------	---	-----------	--	-------------	--	---------------	--	-------------	--

Impact Assessment:

Please state yes or no for each category. If yes please provide further details.

Risk: Yes

Improved management of controlled documents provides greater access to potential risk control processes and procedures.

Safety: Yes

Improved management of controlled documents provides greater access to potential risk control processes and procedures.

Financial: No

Workforce: No

Legal: Yes

Improved management of controlled documents provides greater evidence of Cardiff and Vale University Health Board's statutory compliance.

Reputational: No

Socio Economic: No

Equality and Health: No

Decarbonisation: No

Approval/Scrutiny Route:

Committee/Group/Exec	Date:
----------------------	-------

Saunders, Nathan
01/07/2024 10:00:49

Report Title:	Structured Assessment Response			Agenda Item no.	2.7
Meeting:	Audit & Assurance Committee	Public	X	Meeting Date:	02.07.2024
		Private			
Status <i>(please tick one only):</i>	Assurance	X	Approval	Information	
Lead Executive Title:	Director of Corporate Governance				
Report Author (Title):	Senior Corporate Governance Officer				

Main Report

Background and current situation:

Audit Wales undertake a structured assessment on the Health Board on an annual basis. The structured assessment work is designed to help discharge the Auditor General's statutory requirement to be satisfied that the Health Board has made proper arrangements to secure economy, efficiency, and effectiveness in their use of resources under Section 61 of the Public Audit (Wales) Act 2004.

The report at Appendix 1, sets out the findings from the Auditor General's 2023 structured assessment work at Cardiff and Vale UHB.

The key focus of the work undertaken by Audit Wales was around the Health Board's corporate arrangements for ensuring that resources are used efficiently, effectively, and economically, with a specific focus on:

- Board transparency, cohesion, and effectiveness;
- Corporate systems of assurance;
- Corporate approach to planning, and
- Corporate approach to financial management.

The key findings from Audit Wales stated:

“Overall, we found that the Health Board has maintained effective arrangements to ensure good governance and has adopted a refreshed long-term strategy. Opportunities exist to enhance certain arrangements, to support the delivery of the organisation's refreshed strategic objectives, and address the challenges facing the Health Board”.

Upon receipt of the Structured Assessment in December 2023, the Corporate Governance Team have undertaken a piece of work to pull out all relevant actions/recommendations from the report and progress the work with support from the relevant teams within the wider Health Board.

Audit Wales highlighted 7 formal recommendations for the Health Board and within those recommendations, the Corporate Governance Team identified 14 actions to be undertaken which are outlined at Appendix 2 with updates/responses to each provided.

Executive Director Opinion and Key Issues to bring to the attention of the Board/Committee:

I am satisfied that the requirements identified in the SA have either been met or will be met through the continuation of the work being done within the CG team to continually improve processes around Board, Committees and Corporate Governance.

Recommendation:

The Committee is requested to:

a) **Note** and take **assurance** from the actions and recommendations outlined at Appendix 2 and the ongoing work to complete the actions and recommendations

Link to Strategic Objectives of Shaping our Future Wellbeing:

Please place an "X" in the relevant box below (this section must be completed)

1. Reduce health inequalities		6. Have a planned care system where demand and capacity are in balance	
2. Deliver outcomes that matter to people	X	7. Be a great place to work and learn	X
3. All take responsibility for improving our health and wellbeing		8. Work better together with partners to deliver care and support across care sectors, making best use of our people and technology	
4. Offer services that deliver the population health our citizens are entitled to expect	X	9. Reduce harm, waste and variation sustainably making best use of the resources available to us	
5. Have an unplanned (emergency) care system that provides the right care, in the right place, first time		10. Excel at teaching, research, innovation and improvement and provide an environment where innovation thrives	X

Five Ways of Working (Sustainable Development Principles) considered

Please place an "X" in the relevant box below (this section must be completed)

Prevention		Long term	X	Integration		Collaboration	X	Involvement	X
------------	--	-----------	---	-------------	--	---------------	---	-------------	---

Impact Assessment:

Please state yes or no for each category. If yes please provide further details. This section must be completed

Risk: Yes/No

n/a

Safety: Yes/No

n/a

Financial: Yes/No

n/a

Workforce: Yes/No

n/a

Legal: Yes/No

n/a

Reputational: Yes/No

n/a

Socio Economic: Yes/No

n/a

Equality and Health: Yes/No

n/a

Decarbonisation: Yes/No

n/a

Approval/Scrutiny Route: Please insert any previous meetings where this paper has been received

Committee/Group/Exec

Date:

Saunders, Nathan
01/07/2024 10:00:49

Structured Assessment 2023 – Cardiff and Vale University Health Board

Audit year: 2023

Date issued: December 2023

Document reference: 3961A2023

Purpose of this document

This document is a draft supplied in confidence solely for the purpose of verifying the accuracy and completeness of the information contained in it and to obtain views on the conclusions reached.

Handling prior to publication

This document and the copyright comprised therein is and remains the property of the Auditor General for Wales. It contains information which has been obtained by the Auditor General under statutory functions solely to discharge statutory functions and has been prepared as the basis for an official document that may be issued or published in due course. It may also contain information the unauthorised disclosure of which may be an offence under section 54 of the Public Audit (Wales) Act 2004. Except as expressly permitted by law, neither the document nor any of its content may be reproduced, stored in a retrieval system and/or transmitted in any form or by any means, or disclosed to any person other than the original recipient without the prior written permission of Auditor General. It must be safeguarded at all times to prevent publication or other improper use of its content.

Unauthorised use or disclosure may result in legal proceedings. Any enquiries regarding disclosure or re-use of this document should be sent to Audit Wales at infoofficer@audit.wales.

This document has been prepared as part of work performed in accordance with statutory functions.

In the event of receiving a request for information to which this document may be relevant, attention is drawn to the Code of Practice issued under section 45 of the Freedom of Information Act 2000. The section 45 code sets out the practice in the handling of requests that is expected of public authorities, including consultation with relevant third parties. In relation to this document, the Auditor General for Wales and Audit Wales are relevant third parties. Any enquiries regarding disclosure or re-use of this document should be sent to Audit Wales at infoofficer@audit.wales.

We welcome correspondence and telephone calls in Welsh and English. Corresponding in Welsh will not lead to delay. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

DRAFT

Saunders, Nathan
01/07/2024 10:00:49

Contents

Summary report	
About this report	4
Key findings	5
Recommendations	7
Detailed report	
Corporate approach to planning	10
Board transparency, effectiveness, and cohesion	13
Corporate systems of assurance	20
Corporate approach to managing financial resources	25
Appendices	
Appendix 1 – Audit methods	29
Appendix 2 – Progress made on previous-year recommendations	32
Appendix 3 – Organisational response to audit recommendations	35

Saunders, Nathan
01/07/2024 10:00:49

Summary report

About this report

- 1 This report sets out the findings from the Auditor General's 2023 structured assessment work at Cardiff and Vale University Health Board (the Health Board). Our structured assessment work is designed to help discharge the Auditor General's statutory requirement under section 61 of the Public Audit (Wales) Act 2004 to be satisfied that NHS bodies have made proper arrangements to secure economy, efficiency, and effectiveness in their use of resources. Our review of the Health Board's corporate approach to setting new well-being objectives in accordance with the sustainable development principle is being undertaken to help discharge the Auditor General's duties under section 15 of the Well-being of Future Generations (Wales) Act 2015.
- 2 Our 2023 Structured Assessment work took place at a time when NHS bodies were still responding to the legacy of the COVID-19 pandemic as they look to recover and transform services and respond to the additional demand in the system that has built up during the pandemic. Furthermore, health bodies are also dealing with a broader set of challenges associated with the cost-of-living crisis, the climate emergency, inflationary pressures on public finances, workforce shortages, and an ageing estate. More than ever, therefore, NHS bodies and their Boards need to have sound corporate governance arrangements that can provide assurance to themselves, the public, and key stakeholders that the necessary action is being taken to deliver high-quality, safe and responsive services, and that public money is being spent wisely.
- 3 The key focus of the work has been on the Health Board's corporate arrangements for ensuring that resources are used efficiently, effectively, and economically, with a specific focus on;
 - Board transparency, cohesion, and effectiveness;
 - Corporate systems of assurance;
 - Corporate approach to planning, and
 - Corporate approach to financial management.We have not reviewed the Health Board's operational arrangements as part of this work.
- 4 Our work has been informed by our previous structured assessment work, which has been developed and refined over several years. It has also been informed by:
 - Model Standing Orders, Reservation and Delegation of Powers
 - Model Standing Financial Instructions
 - Relevant Welsh Government health circulars and guidance
 - The Good Governance Guide for NHS Wales Boards (Second Edition)
 - Other relevant good practice guides

Saunders Nathan
01/07/2024 10:00:49

We undertook our work between June and November 2023. The methods we used to deliver our work are summarised in **Appendix 1**.

- 5 We also provide an update in this report on the Health Board's progress in addressing outstanding recommendations identified in previous structured assessment reports in **Appendix 2**.

Key findings

- 6 Overall, we found that **the Health Board has maintained effective arrangements to ensure good governance and has adopted a refreshed long-term strategy. Opportunities exist to enhance certain arrangements, to support the delivery of the organisation's refreshed strategic objectives, and address the challenges facing the Health Board.**

Corporate approach to planning

- 7 We found that **the Health Board has taken positive steps to refresh its long-term vision and strategic / well-being objectives. As with other Health Boards, it has been unable to produce an approvable Integrated Medium-Term Plan (IMTP) and is working to an Integrated Annual Plan instead. Its approach to overseeing the delivery of strategies and plans is maturing, but reports could be strengthened to provide greater assurance to Board that actions are achieving the intended benefits and outcomes.**
- 8 The Health Board's arrangements for producing, overseeing, and scrutinising the development of corporate strategies and plans are robust. The Health Board has taken positive steps to refresh its long-term strategy and has adopted a new long-term vision and strategic objectives. However, like other Health Boards in Wales, it has been unable to produce an approvable IMTP for 2023-26 due to its challenging financial position and is working to an Annual Plan for 2023-24 instead.
- 9 The Health Board's new strategic objectives are also its well-being objectives as required under the Well-being of Future Generations (Wales) Act 2015. Whilst the well-being objectives are underpinned by clear priorities, they do not encompass all aspects of sustainable development. Furthermore, the Health Board has not aligned its objectives to the national well-being goals or to the well-being objectives of partner organisations.
- 10 Key corporate strategies and plans, such as the long-term strategy and 2023-24 Annual Plan, contain clear strategic objectives and priorities and SMART milestones, targets, and outcomes. The Health Board also has good arrangements in place to enable the Board to oversee and scrutinise the delivery of key corporate strategies and plans. However, opportunities exist to enhance reports to provide greater assurance to the Board on the delivery of intended benefits and outcomes.

Board transparency, effectiveness, and cohesion

- 11 We found that **the Board and its committees continue to operate effectively, and maintain a good focus on public transparency, good governance, and continuous improvement. Opportunities remain to further enhance public transparency of Board business as well as to review the effectiveness of the new committee structure.**
- 12 The Board continues to have good arrangements in place to conduct its business transparently, but opportunities remain to improve public accessibility of Board meetings and keeping governance related documents on its website up to date. **Whilst arrangements continue to support the effective conduct of Board business, the substantial backlog of outdated policies poses a potential risk to breaching regulatory and statutory requirements.**
- 13 The Health Board's new committee structure appears to be bedding down well, but it is too early to comment on its overall effectiveness. Given the launch of the refreshed strategy, there is an opportunity to review the new committee structure, as part of the 2023-24 Board and committee effectiveness review, to ensure it is operating as intended and supporting the delivery of the refreshed strategic objectives. The Board and its committees continue to receive timely, well written papers, and the Health Board is taking steps to further improve their content and quality. The Health Board continues to have a stable and experienced Board. Whilst there are some Independent Member vacancies, the Health Board has taken steps to ensure committees remain quorate whilst recruitment is underway. As in previous years, the Health Board maintains a strong focus on continuous improvement. It also remains committed to hearing from patients and service users, but opportunities exist to make greater use of patient stories at Quality, Safety, and Experience Committee meetings.

Corporate systems of assurance

- 14 We found that **whilst the Health Board has maintained good corporate systems of assurance, there are opportunities to enhance operational risk management arrangements, performance reporting, and overseeing recommendations tracking.**
- 15 The Board continues to have good arrangements for overseeing strategic and corporate risks and it has updated its Board Assurance Framework to align risks to the Health Board's refreshed strategic objectives, priorities, and workstreams. **However, opportunities remain to improve operational risk management arrangements.** The Board maintains good oversight of organisational performance, but we found opportunities to strengthen the improved Integrated Performance Report as well as to review the Performance Management Framework to ensure it supports delivery of the refreshed strategic objectives. The Health Board is taking appropriate steps to ensure compliance with the new duties of quality and candour and is improving its overall approach to overseeing the quality and safety of

services. Whilst the Health Board has strong arrangements for tracking audit and review recommendations, opportunities exist to enhance these arrangements further to support learning and improvement.

Corporate approach to managing financial resources

- 16 We found that **despite clear processes for financial planning, management and monitoring, the Health Board's financial position for 2023-24 is challenging.**
- 17 The Health Board did not achieve its financial duties and objectives for 2023-24, and the financial position for 2023-24 remaining challenging. The Health Board has a good approach to financial planning, and has set an ambitious savings target with a clear focus on quality improvements and achieving financial sustainability. Arrangements for overseeing and scrutinising financial management and controls have been strengthened. The Health Board continues to have robust arrangements for overseeing and scrutinising financial performance, with clear financial reports which are open about financial challenges and risks.

Recommendations

- 18 **Exhibit 1** details the recommendations arising from our work. These include timescales and our assessment of priority. The Health Board's to our recommendations is summarised in **Appendix 3**. [Appendix 3 will be completed once the report and organisational response have been considered by the relevant committee]

Exhibit 1: 2023 recommendations

Recommendations

Well-being Objectives

R1 Whilst the Health Board's new well-being objectives are underpinned by clear priorities, they do not encompass all aspects of sustainable development. Furthermore, the Health Board has not aligned its objectives to the national well-being goals or to the well-being objectives of partner organisations. The Health Board, therefore, should:

- a) consider incorporating additional priorities that encompass all aspects of sustainable development, particularly those that relate to the environment; and
- b) set out how each individual well-being objective aligns to the national well-being objectives and the well-being objectives of its partners.

Recommendations

Accessibility of public Board meetings

R2 In order to enhance public transparency of Board business, the Health Board should improve public access to Board meetings by:

- livestreaming and recording public Board meetings; and
- making the recordings available on the Health Board's website shortly after each meeting.

Public accessibility of governance documents

R3 We found a number of outdated or unavailable governance related documents on the Health Board's website for example Standing Orders and Standing Financial Instructions. The Health Board should review its website, ensuring the latest versions of governance documents and papers are available. [BAF not up to date](#)

New committee structure effectiveness review

R4 As part of its 2023-24 Board and committee effectiveness review, the Health Board should review the effectiveness of its new committee structure. The review should pay particular attention to whether:

- the committee structure supports sufficient oversight of the refreshed strategic objectives;
- committee terms of reference and workplans adequately cover all aspects of Board business;
- there is merit in instigating a regular meeting for committee chairs;
- there is an appropriate training and development for new committee chairs and new committee members; and
- officers and Members have the capacity and resources to support more frequent committee meetings.

Hearing patient stories

R5 Currently the Quality, Safety, and Experience Committee does not receive patient stories. The committee should start every other meeting with a patient story to usefully set the tone for the remaining meeting and to ensure that members hear about patient experiences and related learning. [To be added to agenda](#)

Improving performance reporting

Recommendations

- R6 The Health Board has improved its Integrated Performance Report (IPR). Whilst we recognise it is a new and evolving report, we have found potential to enhance it by:
- strengthening its links with the Annual Plan Delivery Report to ensure the relationship between some of the delivery milestones and key performance indicators is clearer;
 - having a more consistent focus on actions being taken to tackle underperformance in both the IPR and its cover report;
 - being clearer about whether the metrics in section two of the IPR are on target or not;
 - being consistent in providing reasons why data charts are unavailable in section two of the IPR, instead of leaving the section blank; and
 - providing benchmarking data (where available) to show how the Health Board compares to other health bodies.

Enhancing recommendation tracking

- R7 The Health Board has good recommendation tracking arrangements but there are opportunities to enhance them further to support learning and improvement. The Health Board should:
- a) formally refer recommendations and/or audit and review reports to relevant committees for deeper scrutiny, with the committees reporting back to the Audit and Assurance Committee for assurance, and
 - b) develop a report for the Audit and Assurance Committee pulling together common themes, issues and learning from the internal, external and regulatory compliance reports.

Saunders, Nathan
01/07/2024 10:00:49

Detailed report

Corporate approach to planning

- 19 We considered whether the Health Board has a sound corporate approach to producing strategies and corporate plans and overseeing their delivery.
- 20 We found that **the Health Board has taken positive steps to refresh its long-term vision and strategic / well-being objectives. As with other Health Boards, it has been unable to produce an approvable IMTP and is working to an Integrated Annual Plan instead. Its approach to overseeing the delivery of strategies and plans is maturing, but reports could be strengthened to provide greater assurance to Board that actions are achieving the intended benefits and outcomes.**

Corporate approach to producing strategies and plans

- 21 We considered whether the Health Board has a sound corporate approach to producing, overseeing, and scrutinising the development of strategies and corporate plans. We were specifically looking for evidence of;
- a clear Board approved vision and long-term strategy in place which are future-focussed, rooted in population health, and informed by a detailed and comprehensive analysis of needs, opportunities, challenges, and risks;
 - an appropriate Board approved long-term clinical strategy;
 - appropriate and effective corporate arrangements in place for developing and producing the Integrated Medium-Term Plan (IMTP), and other corporate plans; and
 - the Board appropriately scrutinising the IMTP and other corporate plans prior to their approval.
- 22 We found that **the Health Board's arrangements for producing, overseeing, and scrutinising the development of strategies and corporate plans are robust. However, opportunities exist to broaden the coverage of the Health Board's well-being objectives and align them to the national well-being goals as well as the well-being objectives of its partners.**
- 23 The Health Board has a clear vision which is articulated in its refreshed long-term strategy, Shaping Our Future Well-being (2023-2035). The vision is concise, future-focussed, and places a clear emphasis on delivering high-quality and safe services, collaboration, prevention, and reducing health inequalities to improve outcomes. The vision is underpinned by four new strategic objectives – putting people first; providing outstanding quality; delivering in the right places; and acting for the future. The strategic objectives are also the Health Board's well-being objectives (we discuss this further in **paragraph 27**). The refreshed strategy,

Saunders, Nathan
01/07/2024 10:00:49

approved by the Board in July 2023, is based on a good understanding of population health needs drawn from a range of sources¹.

- 24 The Health Board engaged effectively with a wide range of internal and external stakeholders, utilising a range of approaches to support their involvement in shaping all aspects of the strategy. It worked particularly well with community and third sector organisations to engage with 'seldom-heard groups'². An Internal Audit Service review of the Health Board's approach to stakeholder engagement gave a substantial assurance rating.
- 25 The strategy refresh was overseen by a Steering Group established by the Board, and co-ordinated by a cross-departmental group which ensured appropriate input from Clinical Boards and Corporate Directorates. There were appropriate Board-level arrangements to oversee the development of the strategy and involve Independent Members. The Health Board plans to review and realign its strategic programmes, including the Shaping Our Future Clinical Services Programme, to the refreshed long-term strategy.
- 26 As with other Health Boards, the Health Board was unable to produce a Welsh Government approved Integrated Medium-Term Plan for 2023-26 due to its planned financial deficit in 2023-24. Instead, it has produced an Annual Integrated Plan for 2023-24, which sets out how it will deliver its key priorities alongside a cost improvement programme to achieve financial balance over the medium-term. The Health Board adopted a bottom-up approach, developing its Annual Integrated Plan through the Clinical Boards and Corporate Departments via the Strategy Development and Delivery Group. The delivery priorities, performance ambitions, and cost improvement programmes were considered by the Senior Leadership Board before they were included in the plan for approval by the Board. The Board and relevant committees were fully involved in the plan development, with Independent Members providing good scrutiny, challenge, and input particularly in relation to the priorities and financial options. The Annual Integrated Plan was approved by the Board on 30 March 2023, and submitted to Welsh Government on 31 March 2023. Elements of the plan were updated following feedback by Welsh Government, with the changes approved by the Board on 25 May 2023 prior to re-submission to Welsh Government on 31 May 2023.
- 27 As noted in **paragraph 23**, the Health Board's new strategic objectives are also its well-being objectives under the Well-being of Future Generations (Wales) Act 2015. The strategic objectives / well-being objectives were shaped in line with the sustainable development principle. They were developed and agreed by the Board following a detailed analysis of population health needs, opportunities, challenges,

¹ The sources include the well-being assessments completed by the Cardiff Public Services Board and the Vale of Glamorgan Public Services Board, an analysis of opportunities, challenges, risks, and the views of stakeholders.

² Under-represented people who use or might use health and social services and who are less likely to be heard by service professionals and decision-makers.

risks, and extensive internal and external stakeholder engagement. The strategic objectives / well-being objectives are cross-cutting, future focussed, and underpinned by the five ways of working. Each strategic objective / well-being objective is accompanied by a clear set of priorities. However, opportunities exist to broaden the priorities under each strategic objective / well-being objective to encompass all aspects of sustainable development. For example, there are no priorities relating to biodiversity or climate adaptation, despite their clear relevance to the Health Board (**Recommendation 1a**). The long-term strategy appropriately references the seven national well-being goals. However, the Health Board has not clearly shown how its strategic objectives / well-being objectives align to them. Furthermore, it is not clear either how the Health Board's strategic objectives / well-being objectives align to the well-being objectives of its partners (**Recommendation 1b**).

Corporate approach to overseeing the delivery of strategies and plans

- 28 We considered whether the Health Board has a sound corporate approach to overseeing and scrutinising the implementation and delivery of corporate plans. We were specifically looking for evidence of:
- corporate plans, including the IMTP, containing clear strategic priorities/objectives and SMART³ milestones, targets, and outcomes that aid monitoring and reporting; and
 - the Board appropriately monitoring the implementation and delivery of corporate plans, including the IMTP.
- 29 We found that **the Health Board's key corporate strategies and plans contain clear strategic objectives and priorities and SMART delivery milestones, targets, and outcomes. It has good arrangements in place to enable the Board to oversee and scrutinise the delivery of key corporate strategies and plans. However, reports could be strengthened to provide greater assurance on the delivery of intended benefits and outcomes.**
- 30 The Health Board's strategic objectives are accompanied by clear strategic priorities. The Health Board has set high-level delivery milestones for each priority which are specific, measurable, achievable, relevant, and timebound. However, they lack a baseline to aid monitoring. The Health Board intends to develop a suite of key indicators to enable the Board to measure and monitor the organisation's progress in delivering its strategic objectives and priorities.
- 31 The Annual Integrated Plan 2023-24 also contains clear priorities which are aligned to the Health Board's strategic objectives. The plan clearly sets out the Health Board's aim for each priority area, and each aim is outcome focussed. There are clear areas of focus for each priority, accompanied by a detailed set of actions. The

³ Specific, measurable, achievable, relevant, and time-bound.

Annual Plan also includes the key areas of focus and actions from the Health Board's Infrastructure Plan; Decarbonisation Action Plan; and People and Culture Plan. There is a detailed section outlining how success will be measured, with key delivery milestones and actions broken down by quarter to aid monitoring and reporting (see **Appendix 2 2021 R2a**). The Health Board could enhance these arrangements further by setting out more clearly which Executive Director is responsible for delivery and which committee is responsible for providing oversight.

- 32 The Health Board's approach to overseeing the delivery of corporate strategies and plans continues to mature. During 2022-23, the quarterly reports presented to Board provided a good overview of the targets that were met during the quarter, the risks and mitigations to delivery, and the targets for the next quarter. The quarter four report also provided a good overview of the key achievements during the year (see **Appendix 2 2021 R2b**).
- 33 The format for the quarterly report has been refreshed for 2023-24. The report presented to the Board in September 2023 provides a good overview of the status of the quarter one delivery milestones as set out in the Annual Integrated Plan 2023-24. For milestones that haven't been delivered in line with the plan, a clear reason is provided as well as details of what action(s) will be taken to bring the milestone back on track during the next quarter along with an assessment of the organisation's confidence in being able to achieve this. The report is intended to be read alongside the Integrated Performance Report. However, the relationship between some of the delivery milestones and key performance indicators is not clear in all cases. As a result, it is difficult for the Board to assess whether achieving the milestones are delivering the intended benefits and outcomes (we discuss the Integrated Performance Report further in **paragraph 73**). Delivery of the Annual Integrated Plan 2023-24 has been identified as a specific strategic risk⁴ in the Board Assurance Framework.

Board transparency, effectiveness, and cohesion

- 34 We considered whether the Health Board's Board conducts its business appropriately, effectively, and transparently.
- 35 We found that **the Board and its committees continue to operate effectively, and maintain a good focus on public transparency, good governance, and continuous improvement. Opportunities remain to further enhance public transparency of Board business as well as to review the effectiveness of the new committee structure.**

⁴ For this risk, the current risk score, controls, and assurances are clearly set out in the Board Assurance Framework, as are the key actions to address gaps in controls and assurance.

Public transparency of Board business

36 We considered whether the Board promotes and demonstrates a commitment to public transparency of board and committee business. We were specifically looking for evidence of Board and committee:

- meetings that are accessible to the public;
- papers being made publicly available in advance of meetings;
- business and decision-making being conducted transparently;
- meeting minutes being made publicly available in a timely manner.

37 We found that **whilst the Board continues to have good arrangements in place to conduct its business transparently, there are still opportunities for enhancement.**

38 Whilst committee meetings continue to be virtual, livestreamed and recorded, Board meetings are still held only in person. As a result, there are fewer options for the public to attend and observe Board meetings. However, the September 2023 public Board Meeting and Annual General Meeting were held virtually and well publicised on social media. The Health Board reported that more people than usual observed both meetings, showing that there is public interest in Board business when meetings are well publicised and accessible. **To enhance public transparency further, the Health Board should routinely livestream public Board meetings and make recordings available via its website (Recommendation 2).** Last year, we recommended that Board and committee meeting reminders and links to papers should be posted on social media closer to meeting dates. This recommendation still stands (see **Appendix 2 2022 R3a**).

39 Board and committee papers remain accessible to the public, and continue to be published on the Health Board's website seven days in advance of meetings. Confirmed minutes are uploaded to the Health Board's website separately, so minutes are available to the public before the next Board or committee meeting. **However, this practice has been inconsistent since the start of this year (Recommendation 3).** Last year, we recommended that the Health Board should ensure the papers for all Advisory Group meetings are published on its website in a timely manner. Overall, this has improved. However, Stakeholder Reference Group⁵ papers are still not uploaded in a timely manner. **Furthermore, although the Health Professionals Forum is currently under review, previous meeting papers are not available either (see Appendix 2 2022 R3b).**

40 The Health Board reserves private Board and committee meetings for the most sensitive matters and continues to detail items to be discussed in private on the agendas of public Board and committee meetings. As recommended last year, the Health Board has enhanced arrangements by briefly explaining on public agendas any matters are being discussed in private (see **Appendix 2 2022 R3f**). However,

⁵ The Stakeholder Reference Group papers have not been uploaded to the Health Board's website since May 2023.

as yet, it is not making abridged minutes of private Board and committee meetings available publicly (see **Appendix 2 2022 R3c**).

- 41 Chair's Actions continue to be made in line with Standing Orders and reported at the next public Board meeting. However, a high number of procurement decisions have been made by the Chair⁶ rather than the full Board due to unforeseen emergency situations. This was highlighted in a report presented at the April 2023 Audit Committee. By investigating and reporting findings to the Audit Committee, the Health Board has taken a mature approach to review the opportunity to increase transparency of Board decision making.

Arrangements to support the conduct of Board business

- 42 We considered whether there are proper and transparent arrangements in place to support the effective conduct of Board and committee business. We were specifically looking for evidence of:

- a formal, up-to-date, and publicly available Reservation and Delegation of Powers and Scheme of Delegation in place, which clearly sets out accountabilities;
- formal, up-to-date, and publicly available Standing Orders (SOs) and Standing Financial Instructions (SFIs) in place, along with evidence of compliance; and
- formal, up-to-date, and publicly available policies and procedures in place to promote and ensure probity and propriety.

- 43 We found that whilst arrangements continue to support the effective conduct of Board business, the substantial backlog of outdated polices poses a potential risk to breaching regulatory and statutory requirements.

- 44 The Health Board's Standing Orders, Scheme of Reservation and Delegation, and Standing Financial Instructions continue to be reviewed annually, with good evidence of compliance. The Board approved amendments to these documents in May 2023, following scrutiny by the Audit and Assurance Committee. Whilst they are available on the Health Board's website, the versions available are dated May 2022, rather than the most recent versions (**Recommendation 3**).

- 45 Declarations of interest remain a standing item on all Board and committee agendas, and we continue to observe compliance. The Health Board uses the electronic staff record to record declarations of interests, gifts, and hospitality⁷. The Audit and Assurance Committee maintains regular oversight of the process and compliance, receiving the Declarations of Interest, Gifts and Hospitality Tracking

⁶ In 2023, there had been 34 Chair's Actions and only two Board meeting approvals.

⁷ Health Board employees are asked to make a single declaration of interest, only altering it if their circumstances change. For gifts, hospitality and sponsorship, staff are required to make declarations as needed.

Report and full register of interests at most meetings. The register of interest for all staff is published on the Health Board's website. The Health Board also publishes a separate register for Board members on its website. However, it is out-of-date and requires updating to reflect changes to Board membership (**Recommendation 3**).

DOIs not on the management response

- 46 The Health Board has a substantial backlog of outdated policies. In May 2023, an Internal Audit Service review of the Health Board's management of policy documents gave limited assurance. The Internal Audit Service found that 68% of Health Board policies were either out-of-date or in need of review, which poses a potential risk to breaching regulatory and statutory requirements. To improve policies management, the Health Board is exploring the use of the Audit Management and Tracking (AMaT) platform⁸. It also has a dedicated policy lead within the Corporate Governance Team to lead this improvement work.

Effectiveness of Board and committee meetings

- 47 We considered whether Board and committee meetings are conducted appropriately and effectively. We were specifically looking for evidence of:
- an appropriate, integrated, and well-functioning committee structure in place, which is aligned to key strategic priorities and risks, reflects relevant guidance, and helps discharge statutory requirements;
 - Board and committee agendas and work programmes covering all aspects of their respective Terms of Reference as well being shaped on an ongoing basis by the Board Assurance Framework;
 - well-chaired Board and committee meetings that follow agreed processes, with members observing meeting etiquette and providing a good balance of scrutiny, support, and challenge;
 - committees receiving and acting on required assurances and providing timely and appropriate assurances to the Board; and
 - clear and timely Board and committee papers that contain the necessary / appropriate level of information needed for effective decision making, scrutiny, and assurance.
- 48 We found that **the new committee structure appears to be bedding down well, but it is too early to comment on its overall effectiveness. The Board continues to receive timely, well written papers and the Health Board is taking positive steps to further improve their content and quality.**
- 49 Last year, we reported that the Health Board was reviewing its committee structure. Following Board approval in March 2023, the new structure came into

⁸ The AMaT system would facilitate clear cataloguing of policies and renewal dates, automatically sending reminders to owner as policy review dates approach. Currently, this is a manual system.

effect in April 2023, and is a mixture of new committees and changes to existing arrangements⁹. Whilst the new structure appears to be bedding down well, it is too early to comment on its effectiveness. **However, the Health Board should review the effectiveness of the new committee structure as part of the 2023-24 Board and committee effectiveness review (Recommendation 4)**. The review should pay particular attention to whether there is sufficient:

- oversight of the refreshed strategic objectives and priorities;
- coverage of all aspects of Board business;
- oversight of all strategic risks; and
- officer and member capacity to support more frequent committee meetings.

50 The Board and its committees continue to have up-to-date terms of reference and work programmes, which are reviewed annually¹⁰. Board and committee Terms of Reference and workplans are available on the Health Board's website and clearly state review and approval dates, as recommended last year (see **Appendix 2 2022 R3d**). Accepting that the new committee structure is still embedding, we observed well chaired committee meetings, which followed agreed processes, ran to time, and had good support from the Corporate Governance Team. Independent Members continue to provide good challenge, which is delivered in a constructive way. Positively, there appears to be a healthy relationship between Executive and Independent Members.

51 Committees continue to appropriately cross-refer matters to other committees and escalate matters to the Board as necessary. Highlight reports by committee chairs remain at the top of Board agendas, thus ensuring any risks highlighted by the chairs are discussed first. Committee chairs do not meet separately; however, all Independent Members meet before each Board meeting and meet informally each month. This provides an opportunity to ask questions, raise awareness of matters, and to cross-refer issues. **However, the Health Board might also want to consider establishing a dedicated group for committee chairs to specifically discuss committee business and the best approach for receiving assurance on matters that cut across more than one committee (Recommendation 4)**.

52 The Health Board continues to produce clear, timely, and well written Board and committee papers, which are accompanied by cover reports that focus on key

⁹ The Health Board stood down the Strategy and Delivery Committee and Finance Committee, establishing a new People and Culture Committee and Finance and Performance Committee. The Health and Safety Committee is now a sub-committee reporting up to the new People and Culture Committee. The frequency of Quality, Safety, and Experience Committee and Digital and Health Intelligence Committee meeting has increased to monthly and quarterly respectively. Strategic discussions are reserved for the first hour and a half of bi-monthly Board Development Sessions.

¹⁰ In March 2023, the Board approved most committee terms of reference and workplans. The Board approved the terms of reference and workplans for the two new committees in July 2023 to allow time for further refinement.

matters. Since last year, we have seen an increase in the use of data to support narrative reports, which is a positive development. The Health Board is also trying to reduce the volume of papers by making supporting documents available separately. Whilst we see the value of this arrangement, it is not always clear why some documents are considered supporting and others not. For example, the refreshed long-term strategy was a supporting document in the Board papers for the September 2023 meeting, despite it being presented for approval. The Health Board recognises there is room for improvement, and has set up a Task and Finish Group to develop proposals for the Chair to consider. Last year, we highlighted instances of officers speaking to a set of presentation slides which had not been shared in advance. This has improved, with presentations now included within papers or used on the day to present a paper already in the pack, allowing Board members to fully prepare beforehand (see **Appendix 2 2022 R3e**).

Board commitment to hearing from patients/service users and staff

53 We considered whether the Board promotes and demonstrates a commitment to hearing from patients/service users and staff. We were specifically looking for evidence of:

- The Board using a range of suitable approaches to hear from patients/service users and staff.

54 We found that **the Health Board remains committed to hearing from patients and service users.**

55 The Health Board continues to use a range of methods for engaging with and listening to patients and staff. The Board continues to receive a good range of patient and staff stories at the start of each public Board meeting. Positively, the new People and Culture Committee also receives a staff story at the start of each meeting. **However, there is an opportunity to replicate this arrangement for the Quality, Safety, and Experience Committee to allow members to routinely hear patient stories (Recommendation 5).** Board members have maintained monthly patient safety walkabouts across a range of services. Interviewees were positive about this process, with issues identified during the walkabouts recorded and managed through the Tendable¹¹ application.

Item to be added to agenda

56 In October 2022, the Health Board rolled out CIVICA¹², which enables richer ways to capture and analyse patient views to inform improvement plans. Through its Integrated Performance Report, the Board receives regular updates on the success of the CIVICA system in terms of increasing patient engagement. The Quality Indicators Report, which is received by the Quality, Safety, and Experience

¹¹Tendable is an application used to record, report, and manage health care quality inspections in real time.

¹² CIVICA is a digital system to capture patient experiences.

Committee, gives an overview of patient feedback collected through the CIVICA system, which is subsequently reported to the Board through the committee chair's report. The Health Board is also exploring using the system to capture staff views.

Board cohesiveness and commitment to continuous improvement

57 We considered whether the Board is stable and cohesive and demonstrates a commitment to continuous improvement. We were specifically looking for evidence of:

- a stable and cohesive Board with a cadre of senior leaders who have the appropriate capacity, skills, and experience;
- the Board and its committees regularly reviewing their effectiveness and using the findings to inform and support continuous improvement; and
- a relevant programme of Board development, support, and training in place.

58 We found that **there is a stable, skilled, and experienced Board which remains committed to learning, development, and continuous improvement. Whilst there are a number of Independent Member vacancies, positive steps have been taken to ensure committee meetings remain quorate.**

59 The Executive Team has stabilised following several new executive appointments last year. This year, there has just been one change, with the Director of Corporate Governance leaving in February 2023. This change was managed well, with an interim director in post until the new Director of Corporate Governance commenced in August 2023. One further change will occur in December 2023 following the retirement of the Executive Director of Public Health. Recruitment to the post was underway at the time of our work.

60 However, there has been a turnover of Independent Members this year. The Health Board currently holds three vacancies following the departure of the Independent Member (Legal), the Independent Member (Local Government), and the Independent Member (University) in August, October, and November 2023 respectively. The recruitment process for all positions is underway and interim arrangements are in place to ensure all committee meetings remain quorate. Independent Members continue to feel supported by the Chair, who meets with them on a monthly basis, and conducts annual appraisals to discuss objectives and personal development needs.

61 Board member development continues to be well supported through the Health Board's bi-monthly Board Development Sessions, which are 'dynamic' to allow consideration of live and current issues. Aside from strategic discussions, which occupy the first part of each meeting, Board Development Sessions have covered a range of appropriate topics, including the Health Boards's response to the matters arising from the Leanne Letby case and developing a long-term financial plan. **However, no specific training or induction was offered to Independent Members following the creation of the new committee structure (see paragraph**

49). As part of its effectiveness review, the Health Board should reflect on the support available to new committee chairs or committee members

(Recommendation 4). This will be particularly important as new Independent Members join the organisation. Positively, Independent Members told us they have appreciated the proactive approach the new Director of Corporate Governance is taking to identifying training and development needs.

- 62 The Board continues to have good arrangements in place for reviewing its effectiveness. During February and March 2023, prior to the new committee structure taking effect, the Board and committees completed their respective annual effectiveness reviews. This led to a discussion on common themes at the April 2023 Board Development Session and identified wider learning. In May 2023, the Board received an Action Plan based on the 2022-23 review, plus an update on progress in implementing last year's action plan. Last year, we reported the Health Board's plans to conduct its 2022-23 effectiveness review via facilitated discussions; however, this did not happen. The Health Board may want to consider this approach in 2023-24 to help better understand any concerns identified via the effectiveness surveys, particularly as it will be the first review since the new committee structure was implemented.

Corporate systems of assurance

- 63 We considered whether the Health Board has a sound corporate approach to managing risks, performance, and the quality and safety of services.
- 64 We found that **whilst the Health Board has maintained good corporate systems of assurance, there are opportunities to enhance operational risk management arrangements, performance reporting, and overseeing recommendations tracking.** Received substantial assurance - where few matters require attention and are compliance or advisory in nature (last years assessment 7a)

Corporate approach to overseeing strategic and corporate risks

- 65 We considered whether the Health Board has a sound corporate approach to identifying, overseeing, and scrutinising strategic risks. We were specifically looking for evidence of:
- an up-to-date and publicly available Board Assurance Framework (BAF) in place, which brings together all of the relevant information on the risks to achieving the organisation's strategic priorities / objectives; and
 - the Board actively owning, reviewing, updating, and using the BAF to oversee, scrutinise, and address strategic risks.
 - an appropriate and up-to-date risk management framework in place, which is underpinned by clear policies, procedures, and roles and responsibilities;
 - the Board providing effective oversight and scrutiny of the effectiveness of the risk management system; and

- the Board providing effective oversight and scrutiny of corporate risks.
- 66 We found that **the Board continues to have good arrangements for overseeing strategic and corporate risks. However, there is scope to improve operational risk management arrangements.**
- 67 The Health Board's continues to have clearly documented strategic risks in its Board Assurance Framework (BAF) and has maintained its well-established regime to ensure appropriate scrutiny by the Board, committees, and executive leads. As recommended last year, the Health Board has updated its BAF to ensure the strategic risks align with the refreshed strategic objectives, priorities, and workstreams (see **Appendix 2 2022 R1**). The revised BAF was presented to the Board in November 2023. The Health Board is yet to review its overall risk appetite, and it remains as 'cautious moving towards seek'¹³. However, there is a risk appetite for each of the 15 strategic risks. **The BAF is publicly available through Board papers. It is also available on the Health Board's website; however, at the time of our review, this was not the most recent version (Recommendation 3).**
- 68 The Board also continues to receive the Corporate Risk Register (CRR) for information at each meeting. The CRR focuses on extreme risks (those scoring over 20), of which there were 55 in November 2023. The cover report which accompanies the CRR continues to provide a good summary and now includes a high-level trend analysis. Most corporate risks align to the strategic risks as set out in the BAF relating to patient safety, capital assets, and workforce. The Board also receives an assurance map, which highlights any gaps in assurance mapped against the three lines of defence¹⁴. Each committee continue to review and scrutinise corporate and/or strategic risks with arrangements appropriate to their remit.
- 69 An Internal Audit Service review of the Health Board's risk management systems in May 2023 gave a reasonable assurance rating. The review was complementary about the Health Board's risk strategy and procedures. **However, it made recommendations on operational risk management arrangements, specifically in relation to inconsistent / incomplete operational risk registers, completing risk assessment forms for newly identified risks, risk escalation and de-escalation processes, and risk monitoring.**

¹³ The Health Board defines a 'cautious' risk appetite as "preference for safe delivery options that have a low degree of inherent risk and may only have limited potential reward". It defines a 'seek' risk appetite as "eager to be innovative and to choose options offering potentially higher business rewards (despite greater inherent risk)".

¹⁴ The Health Board's three lines of defence set out levels of assurance. These are: first line – management level assurance, second line – Health Board's Risk and Regulation Team, Patient Experience Team, Patient Safety Team, Workforce Governance, Information Governance assurance, and third line – Independent level Assurance such as Internal Audit, Audit Wales, Health Inspectorate Wales, and Counter Fraud Service.

Corporate approach to overseeing organisational performance

- 70 We considered whether the Health Board has a sound corporate approach to identifying, overseeing, and scrutinising organisational performance. We were specifically looking for evidence of:
- an appropriate, comprehensive, and up-to-date performance management framework in place, underpinned by clear roles and responsibilities; and
 - the Board and committees providing effective oversight and scrutiny of organisational performance.
- 71 We found that **the Board and its committees continue to provide good oversight of organisational performance. However, opportunities remain to further strengthen the improved Integrated Performance Report and ensure the Performance Management Framework supports delivery of the refreshed strategic objectives.**
- 72 Last year, we recommended that the Health Board should review its Performance Management Framework (PMF), which it approved in 2020, alongside its 10-year strategy and committee structure refresh (see **Appendix 2 2022 R1**). At the time of our work, the Health Board was in the early stages of planning this work. The Health Board should expedite this work to ensure its performance management arrangements are fully aligned to its refreshed strategic objectives and support the monitoring and delivery of the refreshed strategy.
- 73 The Board and its committees continue to provide good oversight of the Health Board's performance. The Board receives the Integrated Performance Report (IPR) at each meeting, following in-depth scrutiny by the newly established Finance and Performance Committee. The committee also routinely receives deep dives into areas where performance is below target. During 2023, the committee has undertaken deep dives into the cancer pathway, orthopaedics waiting list, planned care update, and mental health financial position. Each Executive Director provides an update for their area of work at Board meetings, which shows collective leadership and joint responsibility for performance.
- 74 The Health Board has made considerable improvements to its IPR. The Board received the new format IPR in July 2023. The first section focusses on the Health Board's progress against the six Ministerial priorities¹⁵, whereas the second section is arranged around the quadruple aims set out in A Healthier Wales, focusing on the NHS Performance Framework and the Health Board's Annual Plan commitments. Together, the two sections provide a good summary of the Health Board's performance. The IPR is supported by a clear, well written cover report which provides a summary of keys points and issues in relation to public health;

¹⁵ The Minister for Health and Social Care has set six priorities areas, these relate to improving: delayed transfers of care, access to primary care services, urgent and emergency care, planned care, cancer, and mental health services.

operational performance; people and culture; quality, safety, and experience; and finance. Whilst we recognise that the IPR is a new report and is still evolving, the report lacks some important information to aid monitoring and scrutiny:

- There is not always a summary provided on the actions being taken to tackle underperformance (see **Appendix 2 2022 R2**).
- Section two of the IPR does not provide clarity about which metrics are on target or not, whereas section one does so by making use of a RAG¹⁶ rating system.
- Section two often omits data charts and leaves the section blank without providing an explanation for why data is not available.
- No benchmarking data is included to demonstrate how the Health Board compares to other health bodies.

The Health Board should address these matters to further enhance the Board's approach to overseeing organisational performance (**Recommendation 6**).

Corporate approach to overseeing the quality and safety of services

75 We considered whether the Health Board has a sound corporate approach to overseeing and scrutinising the quality and safety of services. We were specifically looking for evidence of:

- corporate arrangements in place that set out how the organisation will deliver its requirements under the new Health and Social Care (Quality and Engagement) Act (2020);
- a framework (or similar) in place that supports effective quality governance;
- clear organisational structures and lines of accountability in place for clinical/quality governance; and
- the Board and relevant committee providing effective oversight and scrutiny of the quality and safety of services.

76 We found that **the Health Board is taking appropriate steps to ensure compliance with the new duties of quality and candour and to improve its overall approach to overseeing the quality and safety of services.**

77 The Health Board has taken appropriate steps to assess its arrangements for complying with the new duties set out in the Health and Social Care (Quality and Engagement) Act (2020). Board members have received briefings on the duties of candour and quality at public Board meetings and Board Development Sessions. Furthermore, Board members and staff have ongoing access to training and support. The IPR also includes a section on the Duty of Candour which enables the Board to maintain oversight of the number of reported incidents and progress

¹⁶ Red, Amber, Green.

made to embed the new responsibilities. The Quality, Safety and Experience (QSE) Committee also receive regular updates through the Assurance Reports provided by the Clinical Boards.

- 78 The QSE Committee continues to oversee the Health Board's 2021-26 Quality, Safety, and Patient Experience Framework. It receives periodic updates on the Framework's implementation and its sub-committees which were approved as part of the Framework. The QSE Committee also maintains oversight of the quality and safety of services through its bi-monthly quality indicators report, which is organised around the new health and care quality standards. Since July 2023, the report is presented in an improved, data rich, format. It provides updates on metrics such as national reportable incidents and never events; infection prevention and control; medication incidents; mortality rates; falls and pressure damage; clinical effectiveness; COVID-19 investigations; and concerns and patients experience. The committee also receives bi-monthly service specific deep dives and monthly Clinical Board Assurance Reports.

Corporate approach to tracking recommendations

- 79 We considered whether the Health Board has a sound corporate approach to overseeing and scrutinising systems for tracking progress to address audit and review recommendations and findings. We were specifically looking for evidence of:

- appropriate and effective systems in place for tracking responses to audit and other review recommendations and findings in a timely manner.

- 80 We found that **whilst the Health Board has strong arrangements for tracking audit and review recommendations, there are opportunities for enhancement.**

- 81 In September 2023, the Internal Audit Service issued a substantial assurance report on the Health Board's recommendation tracking arrangements. Overall, the review found good monitoring, reporting, and scrutiny of the recommendation trackers, but made recommendations to improve the narrative to support the closure of internal and external audit recommendations, to improve the accuracy of reporting for review bodies, and to enhance the scrutiny of the recommendation trackers.

- 82 We agree that the Health Board has a clear and well-established recommendations tracking process, but there is potential to enhance the impact of this process. Last year, the Health Board introduced a system which allowed deeper consideration of high-risk or longstanding actions, but we have seen little evidence of its implementation. Some audit and inspection reports are referred to the appropriate committees for deeper scrutiny, but this is not a formal process. **There is scope for recommendations to be formally assigned to relevant committees for deeper scrutiny, with arrangements in place to report back to the Audit Committee for assurance (Recommendation 7a).** The separate internal, external, and regulatory compliance trackers and accompanying reports are clear, actively managed and

last year assessment

contain sufficient information for scrutiny at every other Audit Committee. However, the separate reports do not allow recommendations themes to be picked out to enhance learning, and highlight common issues and shared solutions (**Recommendation 7b**). In September 2023, there were 31 open Audit Wales recommendations, 24 partially complete and 5 with no action taken.

Corporate approach to managing financial resources

- 83 We considered whether the Health Board has a sound corporate approach to managing its financial resources.
- 84 We found that **despite clear processes for financial planning, management, and monitoring, the Health Board's financial position for 2023-24 is challenging.**

Financial objectives

- 85 We considered whether the Health Board has a sound corporate approach to meeting its key financial objectives. We were specifically looking for evidence of:
- the organisation meeting its financial objectives and duties for 2022-23, and the rolling three-year period of 2020-21 to 2022-23; and
 - the organisation being on course to meet its objectives and duties in 2023-24.
- 86 We found that **the Health Board did not achieve its financial duties in 2022-23, and the financial position for 2023-24 remains challenging.**
- 87 The Health Board did not meet its financial duties in 2022-23. It did not operate within its resource limit for the year or within its cumulative resource limit for the three-year rolling period 2020-21 to 2022-23. However, as agreed with Welsh Government, the Health Board met its planned deficit of £26.9 million for 2022-23. This was made up of £17.1m identified in its initial financial plan, and an additional £9.8 million agreed with Welsh Government mid-year to address unforeseen operational pressures. As in previous years, the Health Board operated within its capital resource limit during 2022-23.
- 88 As set out in **paragraph 26**, the Health Board was unable to submit a balanced financial plan to support its Integrated Medium-Term Plan for 2023-26. Instead, it is working to an Annual Plan which sets out a forecast deficit of £88.4 million for 2023-24. However, in October 2023, Welsh Government informed the Health Board that it will make £63 million additional monies available to offset cost pressures. This will reduce the Health Board's forecast deficit for 2023-24 to £16.4 million. However, to achieve this revised financial target, the Health Board must deliver its £32 million savings target for the year, plus 10% of its original forecast deficit which equates to £8.8 million. At Month 8 2023-24, the Health Board

reported a £6.4 million overspend against its planned deficit position for the month due to unidentified savings and operational pressures.

Corporate approach to financial planning

89 We considered whether the Health Board has a sound corporate approach to overseeing and scrutinising financial planning. We were specifically looking for evidence of:

- clear and robust corporate financial planning arrangements in place;
- the Board appropriately scrutinising financial plans prior to their approval;
- sustainable, realistic, and accurately costed savings and cost improvement plans in place which are designed to support financial sustainability and service transformation; and
- the Board appropriately scrutinising savings and cost improvement plans prior to their approval.

90 We found that **Health Board has a good approach to financial planning and has set an ambitious savings target with a clear focus on quality improvements and achieving financial sustainability.**

91 The Health Board adopted a robust and integrated approach to developing its 2023-24 financial plan, with appropriate Board and operational level engagement. Clinical Boards and the Strategy Development and Delivery Group were also involved in developing and agreeing the financial and annual plan. The former Finance Committee routinely discussed the financial plan's development from January 2023, with the final version reviewed at the March 2023 private committee meeting. The plan was approved by the Board in March 2023, as part of the 2023-24 Annual Plan approval.

92 In 2022-23, the Health Board marginally failed to meet its savings target by £57,000. As stated in **paragraph 88**, this year's financial plan includes an ambitious 4% savings target of £32 million, with 1% delegated to Clinical Boards and 3% focused on quality improvement themes. Delivery of the 3% quality improvement savings involves implementing new models of care and redesigning existing clinical pathways, particularly focusing on reducing length of stay in acute beds, identifying operational efficiencies and productivity improvements, continuing healthcare, medicines management, procurement, and maximising the workforce. Through these initiatives, the Health Board is hoping to both reduce its cost base as well as improve outcomes. As at Month 8 2023-24, the Health Board had a £2.2 million savings plan shortfall compared to the forecast position. However, as stated above, the Health Board must also save an additional £8.8 million. At month 8 2023-24, the Health Board reported it had identified £5.4 million against this additional savings target. Savings performance is routinely scrutinised at the

monthly Finance and Performance Committee meeting and at the fortnightly Sustainability Programme Board¹⁷.

- 93 The Health Board has plans to achieve financial sustainability over a 5-year period and as recommended last year, it is modelling long-term financial plans (see **Appendix 2 2022 R1**). These have been discussed with Board members at Board Development Sessions and private Board meetings. The Auditor General will be commenting further on the Health Board's approach to identifying, delivering, and monitoring financial savings in a separate piece of work that we will report in the early part of 2024.

Corporate approach to financial management

- 94 We considered whether the Health Board has a sound corporate approach to overseeing and scrutinising financial management. We were specifically looking for evidence of:

- effective controls in place that ensure compliance with Standing Financial Instructions and Schemes of Reservation and Delegation;
- the Board maintaining appropriate oversight of arrangements and performance relating to single tender actions, special payments, losses, and counter-fraud;
- effective financial management arrangements in place which enable the Board to understand cost drivers and how they impact on the delivery of strategic objectives; and
- the organisation's financial statements for 2022-23 were submitted on time, contained no material misstatements, and received a clean audit opinion.

- 95 We found that **the Health Board has strengthened its approach to overseeing and scrutinising financial management and controls.**

- 96 The Audit Committee continues to receive regular assurance reports on financial controls, including reports on counter fraud, single tender actions, losses and special payments, and over payments of Health Board salaries. Since last year, the Health Board has tightened its internal financial controls and scrutiny to deal with the financial pressures and to meet the planned deficit position. Actions taken by the Health Board include trying to eliminate spend on agency and overtime, reviewing vacancies (initially for administrative staff only), and not recruiting or investing at risk. The Health Board is continuing with its 'no PO (Purchase Order), no pay' initiative and restricting spend on non-essential items such as furniture, stationery, and IT equipment. Whilst internal controls have been tightened, there is an exception process in place.

- 97 The Health Board submitted its draft Financial Statements for external audit within the required timescales following consideration by the Audit and Assurance

¹⁷ The Board was established in April 2023 and is chaired by the Chief Executive.

Committee and the Board in July 2023. For 2022-23, we issued an unqualified true and fair audit opinion, but issued qualified regularity opinion because the Health Board did not meet its revenue resource allocation over the three-year period.

Board oversight of financial performance

- 98 We considered whether the Board appropriately oversees and scrutinises financial performance. We were specifically looking for evidence of:
- the Board receiving accurate, transparent, and timely reports on financial performance, as well as the key financial challenges, risks, and mitigating actions; and
 - the Board appropriately scrutinising the ongoing assessments of the organisation's financial position.
- 99 We found that **the Health Board continues to have robust arrangements for overseeing and scrutinising financial performance, with clear financial reports which are open about financial challenges and risks.** [No updates on register for some time](#)
- 100 The monthly finance report, which is received by the newly established Finance and Performance Committee, continues to provide a clear and open narrative on the Health Board's financial performance, risks, and challenges. The Board takes assurance from the Committee Chair's Report, committee minutes, and the finance section of the Integrated Performance Report presented by the Executive Director of Finance.
- 101 The new Finance and Performance Committee provides an opportunity to triangulate financial and performance challenges. The committee has started to conduct financial deep-dives on struggling Clinical Boards, whilst also considering related performance risks and mitigation. For example, in August 2023 the Committee received a deep dive on the Mental Health Clinical Board. The report highlighted financial and service issues, and included benchmarking information, detailed mitigating actions, and an overview of long-term planning.

Saunders, Nathan
01/07/2024 10:00:49

Appendix 1

Audit methods

Exhibit 2 below sets out the methods we used to deliver this work. Our evidence is limited to the information drawn from the methods below

Element of audit approach	Description
Observations	We observed Board meetings as well as meetings of the following committees: <ul style="list-style-type: none">• Audit Committee;• Digital Health Intelligence Committee;• Finance and Performance Committee;• Mental Health Legislation and Mental Capacity Act Committee;• Quality, Safety and Experience Committee; and• People & Culture Committee.

Saunders, Nathan
01/07/2024 10:00:49

Element of audit approach	Description
Documents	<p>We reviewed a range of documents, including:</p> <ul style="list-style-type: none"> • Board and Committee Terms of Reference, work programmes, agendas, papers, and minutes; • key governance documents, including Schemes of Delegation, Standing Orders, Standing Financial Instructions, Registers of Interest, and Registers of Gifts and Hospitality; • key organisational strategies and plans, including the IMTP; • key risk management documents, including the Board Assurance Framework and Corporate Risk Register; • key reports relating to organisational performance and finances; • Annual Report, including the Annual Governance Statement; • relevant policies and procedures; and • reports prepared by the Internal Audit Service, Health Inspectorate Wales, Local Counter-Fraud Service, and other relevant external bodies.

Saunders, Nathan
01/07/2024 10:00:49

Interviews

We interviewed the following Senior Officers and Independent Members:

- Chair of Board;
- Chief Executive;
- Executive Director of Finance;
- Executive Director of Strategic Planning;
- Executive Director of Public Health;
- Interim Director of Corporate Governance;
- Vice Chair of Board;
- Chair of People and Culture Committee;
- Chair of Audit and Assurance Committee;
- Chair of Digital and Health Intelligence Committee;
- Deputy Director of Strategic Planning; and
- Consultant in Public Health.

DRAFT

Saunders, Nathan
01/07/2024 10:00:49

Appendix 2

Progress made on previous-year recommendations

Exhibit 3 below sets out the progress made by the Health Board in implementing recommendations from previous structure assessment reports

Recommendation	Description of progress
<p>R1 The Health Board plans to refresh its ten-year strategy by 2023. It should seek to use this opportunity to review and reshape its wider processes, structures, resources, and arrangements to ensure they are fully aligned to the organisation’s refreshed strategic objectives and associated risks, with a particular focus on its (2022 Structured Assessment):</p> <ul style="list-style-type: none">• Board Assurance Framework• Performance Management Framework• Committee structures, terms of reference, and workplans• Long-term financial plan	<p>In progress – see paragraphs:</p> <ul style="list-style-type: none">• Board Assurance Framework – see paragraph 67.• Performance Management Framework - see paragraph 72.• Committee structures, terms of reference, and workplans – see paragraphs 49, 50 and 2023 R4.• Long-term financial plan – see paragraph 93.

Saunders Nathan
01/07/2024 10:00:49

Recommendation	Description of progress
<p>R2 The Integrated Performance Report provides a good overview of the Health Board's performance. However, details of the actions being taken to sustain or improve performance that falls below target appears in some sections of the report but not others. The Health Board, therefore, should ensure this information is provided consistently throughout the report to strengthen the assurances provided to the Board that appropriate action is being taken to sustain or improve performance (2022 Structured Assessment).</p>	<p>In progress – see paragraph 72</p>
<p>R3 Whilst the Health Board has good arrangements in place for conducting Board and committee business effectively and transparently, opportunities exist to enhance these arrangements further. The Health Board, therefore, should (2022 Structured Assessment):</p> <ul style="list-style-type: none"> a) post more frequent reminders about Board and committee meetings on social media and provide links to papers; b) ensure the papers for all Advisory Group meetings are published on the Health Board's website in a timely manner; c) make abridged minutes of private Board and committee meetings available publicly as soon as possible after each meeting; d) ensure the dates Terms of Reference were last reviewed and approved are clearly displayed on the documents; 	<ul style="list-style-type: none"> a) Not complete – see paragraph 38 b) In progress – see paragraph 39 c) Not complete – see paragraph 40 d) Complete – see paragraph 50 e) Complete – see paragraph 52 f) Complete – see paragraph 40

Saunders Nathan
01/07/2024 10:00:49

Recommendation	Description of progress
<ul style="list-style-type: none"> e) circulate presentations in advance of meetings or, where this is not possible, make copies available to members and the public (via the website) as soon as possible afterwards; and f) ensure public papers include an explanation as to why some matters are being discussed in private rather than in public. 	
<p>R2 The Health Board's approach to planning remains robust. However, the Health Board's arrangements for monitoring and reporting on plan delivery are less robust. The Health Board, therefore, should strengthen its arrangements for monitoring and reporting on the overall delivery of its Annual Plan and future Integrated Medium Term Plans by (2021 Structured Assessment):</p> <ul style="list-style-type: none"> a) ensuring these plans contain clear summaries of key actions/deliverables, timescales, and measures to support effective monitoring and reporting; and b) providing more information to the Board and Strategy and Delivery Committee on progress against delivery of these plans to enable full scrutiny and assurance. 	<ul style="list-style-type: none"> a) Complete – see paragraph 31 b) Complete – see paragraph 32

Saunders, Nathan
01/07/2024 10:00:49

Appendix 3

Organisational response to audit recommendations

[Appendix 3 will be completed once the report and organisational response have been considered by the relevant committee.]

Exhibit 4: Health Board’s response to our audit recommendations

Ref	Recommendation	Organisational response Please set out here relevant commentary on the planned actions in response to the recommendations	Completion date Please set out by when the planned actions will be complete	Responsible officer (title)

Saunders Nathan
01/07/2024 10:00:49



Audit Wales

Tel: 029 2032 0500

Fax: 029 2032 0600

Textphone: 029 2032 0660

E-mail: info@audit.wales

Website: www.audit.wales

We welcome correspondence and telephone calls in Welsh and English. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.

Saunders, Nathan
01/07/2024 10:00:49

Recommendations	Recommendations from Audit Wales	Actions to be undertaken	Completed Actions	Comments from Audit Report	Any further comments
Well Being Objectives	Whilst the Health Board's new well-being objectives are underpinned by clear priorities, they do not encompass all aspects of sustainable development. Furthermore, the Health Board has not aligned its objectives to the national well-being goals or to the well-being objectives of partner organisations. The Health Board, therefore, should: consider incorporating additional priorities that encompass all aspects of sustainable development, particularly those that relate to the environment. a) Consider incorporating additional priorities that encompass all aspects of sustainable development, particularly those that relate to the environment. b) set out how each individual well-being objective aligns to the national well-being objectives and the well-being objectives of its partners	(a) Some of the wider aspects, such as biodiversity, are being incorporated under the decarbonisation action plan as a priority within objective 4 (Acting for the future); however, we will review our strategic approach through the reconstituted UHB WFG Group (chaired by the Exec Director of Public Health) and in conjunction with Strategic Planning to ensure all aspects of sustainable development are represented across the organisation's strategic portfolios	(b) Alignment of well-being objectives to national well-being goals and objectives of other organisations is set out on p10 of the UHB's Annual Plan for 24/25: https://cavuhb.nhs.wales/files/board-and-committees/board-2023-24/7-1a-annual-plan-20242025.pdf/		Recommendation assigned to Interim Executive Director of Strategic Planning
Accessibility of Public Board Meetings	In order to enhance public transparency of Board business, the Health Board should improve public access to Board meetings by livestreaming and recording public Board meetings	Live Stream Board Meetings	Board Meetings are now live streamed (latest live stream 30.05.24 - noting some technical issues which will be resolved by July Board)	The Board and its committees continue to operate effectively, and maintain a good focus on public transparency, good governance, and continuous improvement. Opportunities remain to further enhance public transparency of Board business as well as to review the effectiveness of the new committee structure. whilst the Board continues to have good arrangements in place to conduct its business transparently, there are still opportunities for enhancement.	Click to view May 2024 public Board Meeting
Accessibility of Public Board Meetings (2)	Making the recordings available on the Health Board's website shortly after each meeting.	Ensure all meetings are recorded and published via the website following Board meetings	Meetings are recorded and published after each meeting		Interim measure, Microsoft Teams Townhall will eradicate the need for recordings however until Town Hall is in place, recordings of Board meetings can be found here: (https://cavuhb.nhs.wales/about-us/governance-and-assurance/board-meetings/2024-2025/)
Public accessibility of governance documents	Audit found a number of outdated or unavailable governance related documents on the Health Board's website for example Standing Orders and Standing Financial Instructions. The Health Board should review its website, ensuring the latest versions of governance documents and papers are available.	To review the website for out dated documents	Documents have been updated (see any further comments column for an example)	this practice has been inconsistent since the start of this year (Recommendation 3). Last year, we recommended that the Health Board should ensure the papers for all Advisory Group meetings are published on its website in a timely manner	https://cavuhb.nhs.wales/files/policies-procedures-and-guidelines/20240530-standing-orders-icc-amend.pdf/
New committee structure effectiveness review	As part of its 2023-24 Board and committee effectiveness review, the Health Board should review the effectiveness of its new committee structure. The review should pay particular attention to whether: • the committee structure supports sufficient oversight of the refreshed strategic objectives; • committee terms of reference and workplans adequately cover all aspects of Board business; • there is merit in instigating a regular meeting for committee chairs; • there is an appropriate training and development for new committee chairs and new committee members, and • officers and Members have the capacity and resources to support more frequent committee meetings.	New Committee Structure to be received by Board at Board Development session in June 2024.		The Health Board should review the effectiveness of the new committee structure as part of the 2023-24 Board and committee effectiveness review. The Health Board might also want to consider establishing a dedicated group for committee chairs to specifically discuss committee business and the best approach for receiving assurance on matters that cut across more than one committee	If a new Committee structured is approved by the Board, it will be implemented following the Board meeting held in September 2024.
Hearing patient stories	Currently the Quality, Safety, and Experience Committee does not receive patient stories. The committee should start every other meeting with a patient story to usefully set the tone for the remaining meeting and to ensure that members hear about patient experiences and related learning.	Patient stories to be shown within the QSE Committee	Clinical Boards Assurance Reports now include a Patient Story via various formats. Some are written, some are video. The latest patient story can be located in the any further comments column.	there is an opportunity to replicate this arrangement for the Quality, Safety, and Experience Committee to allow members to routinely hear patient stories	the latest story can be heard by clicking here (00:06:50)
Improving Performance Reporting	The Health Board has improved its Integrated Performance Report (IPR). Whilst we recognise it is a new and evolving report, we have found potential to enhance it by: • strengthening its links with the Annual Plan Delivery Report to ensure the relationship between some of the delivery milestones and key performance indicators is clearer; • having a more consistent focus on actions being taken to tackle underperformance in both the IPR and its cover report; • being clearer about whether the metrics in section two of the IPR are on target or not; • being consistent in providing reasons why data charts are unavailable in section two of the IPR, instead of leaving the section blank; and • providing benchmarking data (where available) to show how the Health Board compares to other health bodies.	A paper was presented to the Board Development session and Finance and Performance Committee in April 2024 detailing the changes to the IPR for the financial year 2024/25. In addition to updates in link with the UHB's Annual Plan and the 24/25 Ministerial priorities and National Performance Framework the IPR has been updated to reflect the recommendations – the updated version will be submitted to the Board Development Session in June 2024.			Recommendation assigned to Chief Operating Officer
Enhancing Recommendation Tracking	The Health Board has good recommendation tracking arrangements but there are opportunities to enhance them further to support learning and improvement. The Health Board should: a) formally refer recommendations and/or audit and review reports to relevant committees for deeper scrutiny, with the committees reporting back to the Audit and Assurance Committee for assurance, and b) develop a report for the Audit and Assurance Committee pulling together common themes, issues and learning from the internal, external and regulatory compliance reports.	Ensure Committees of the Board are aware of Audit Recommendations and to provide Executive presence at Audit & Assurance Committee meetings where appropriate	Invites are sent out to Executives when appropriate (e.g. Limited Assurance Reporting)		part a is now being done (sharing with Committees). part b is underway.
Procedures & Policies	arrangements continue to support the effective conduct of Board business, the substantial backlog of outdated policies poses a potential risk to breaching regulatory and statutory requirements.	Policies & Procedures need to be published for consultation and then the final draft published in a timely manner.	Policies & Procedures are published for consultation and published onto the website in a timely manner when approved	The Internal Audit Service found that 68% of Health Board policies were either out-of-date or in need of review, which poses a potential risk to breaching regulatory and statutory requirements. Paper - the next phase is aligning SharePoint policies with AmAT	The Health Board is exploring the use of the Audit Management and Tracking (AMaT) platform It also has a dedicated policy lead within the Corporate Governance Team to lead this improvement work.

Declaration of Interests	Health Board employees are asked to make a single declaration of interest, only altering it if their circumstances change. For gifts, hospitality and sponsorship, staff are required to make declarations as needed. Page 16 of 36 - Structured Assessment 2023 – Cardiff and Vale University Health Board Report and full register of interests at most meetings. The register of interest for all staff is published on the Health Board's website. The Health Board also publishes a separate register for Board members on its website.	The DOI Register should be maintained and kept up to date with the most up to date being published on our website (up to date version in 'Any Further Comments' column)	DOI register is maintained well and is published	The register out-of-date and requires updating to reflect changes to Board membership	Declarations of Interest May 2024.xlsx (nhs.wales)
Board cohesiveness and commitment to continuous improvement	As part of its effectiveness review, the Health Board should reflect on the support available to new committee chairs or committee members	An induction / new starter pack should be created for new independent members	A SharePoint site has been created for Independent Members and meetings are being held with IMs.	no specific training or induction was offered to Independent Members following the creation of the new committee structure. Last year, we reported the Health Board's plans to conduct its 2022-23 effectiveness review via facilitated discussions; however, this did not happen. The Health Board may want to consider this approach in 2023-24	Induction packs introduced for new Independent Members via SharePoint: https://nhswales365.sharepoint.com/sites/CAV_Corporate%20Governance/SitePages/Independent-Members.aspx
Corporate Systems of Assurance	There are opportunities to enhance operational risk management arrangements, performance reporting, and overseeing recommendations tracking.				The Health Board is exploring the use of the Audit Management and Tracking (AMaT) platform8 to track recommendations
Corporate approach to overseeing strategic and corporate risks	We found that the Board continues to have good arrangements for overseeing strategic and corporate risks. However, there is scope to improve operational risk management arrangements.	Ensure most up to date BAF is available	Updated BAF on website (see any further comments column)	The BAF is publicly available through Board papers. It is also available on the Health Board's website; however, at the time of our review, this was not the most recent version. An Internal Audit Service review of the Health Board's risk management systems in May 2023 gave a reasonable assurance rating. The review was complementary about the Health Board's risk strategy and procedures. However, it made recommendations on operational risk management arrangements, specifically in relation to inconsistent / incomplete operational risk registers, completing risk assessment forms for newly identified risks, risk escalation and de-escalation processes, and risk monitoring.	Most up to date BAF can be viewed here
Corporate Approach to tracking recommendations	There is scope for recommendations to be formally assigned to relevant committees for deeper scrutiny, with arrangements in place to report back to the Audit Committee for assurance			We found that whilst the Health Board has strong arrangements for tracking audit and review recommendations, there are opportunities for enhancement.	

Saunders Nathan
01/07/2024 10:00:49

Report Title:	Procurement Compliance Report		Agenda Item no.	2.8
Meeting:	Audit Committee	Public	X	Meeting Date:
		Private		
Status <i>(please tick one only):</i>	Assurance	X	Approval	Information
Lead Executive:	Executive Director of Finance			
Report Author (Title):	Assistant Director of Procurement Services and Executive Procurement Lead – C&V			

Main Report
Background and current situation:

The UHB's Standing Orders & Standing Financial Instructions require that the purchase of all goods and services be subject to competition in accordance with good procurement practice, making reference to minimum thresholds for quotes and competitive tendering arrangements.

There are some situations where this is not always practical and requests for Single Quotation Actions (SQA) or Single Tender Actions (STA) are made in accordance with the Procedure for the Approval of Single Tender Action. There are sound reasons why STA/SQA's are permitted within the Health Board, these are as follows but not limited to:-

- Sole Supplier of Goods or Services
- Proprietary items, i.e. Trademarked, patented
- Capability with existing equipment or service
- Regulatory, i.e. Human Tissue Act (HTA)
- Urgent Operational Requirement
- Covid-19
- Unforeseen/unplanned circumstances
- Emergencies
- Exemptions

To support the management of STA/SQA requests, an online quotation system was implemented in April 2019, to test the market and promote competition, this should reduce the number of STA/SQA's.

There are also some situations where contracts are extended outside of the original contract scope to ensure patient safety and operational delivery of the Health Board's core services.

Unfortunately, there are times where individuals act outside Procurement Regulations and Standing Financials Instructions which need to be reported as a non-compliant process, which is a direct breach, and could compromise competition and value for money. There are some exemptions within these breaches in relation to unforeseen/unplanned circumstances, emergencies and more recently, Covid-19.

Should Non-Compliant Activity occur a letter from the Director of Finance will be sent to the Clinical Director/Department Head and copied to the relevant Executive Director to seek assurance that measures will be put in place to ensure that a breach does not occur again. If repeated breaches continue this will be escalated to the CEO.

Saunders, Nathan
01/07/2024 10:00:49

ASSESSMENT AND ASSURANCE**Non-Compliant Activity (11)**

This is activity where departments have engaged suppliers without Procurement involvement and therefore, have incurred a direct breach of SFI's.

Description Title	Value at Risk Excl VAT	Length at Risk/ Breach	Clinical Board	Reason	Action/Status
Molecular minimal residual disease testing for acute myeloid leukemia (AML)	£13,260.00	One off requirement	AWMGS	Service did not engage with Procurement	Closed – no further requirement. Procurement advised SFI's as reminder to governance adherence.
Provision of Rectoscope Kit	£5,259.89	One off requirement	Clinical Diagnostics & Therapies	Service did not engage with Procurement	Closed – no further requirement. Procurement advised SFI's as reminder to governance adherence.
UPSW Staff Conduct Investigation	£23,000.00	One off activity	Executives	Service did not initially engage with Procurement as under £5k SFI threshold.	Work was undertaken previously to the value of under £5k and therefore, no procurement activity was needed. Further work was required for the same investigation resulting in expenditure well exceeding the £5k limit. Commitment already made to the supplier and work already underway, invoices submitted for payment.
Coaching Sessions	£6,592.80	One off requirement	Executives	Service did not engage with Procurement	Closed – no further requirement. Procurement advised SFI's as reminder to governance adherence.
Licence for Registered Trainers	£5,795.00	12 months	Mental Health	Service did not engage with Procurement	Closed – added to Procurement workplan for compliance upon renewal.
Wound SAAS service	£65,521.00	12 months	PCIC	Service did not engage with Procurement	Closed – added to Procurement workplan for compliance upon renewal.
Room 2, Connaught Road	£6,664.84	10 months	Mental Health	Service did not engage with Procurement	Ongoing – Procurement checking future requirements with Service
Annual Subscription + work packages	£9,166.67	12 months	Mental Health	Service did not engage with Procurement	Ongoing – Procurement checking future requirements with Service
Purchase of materials for conference	£5,641.50	One off purchase	Clinical Diagnostics & Therapies	Service did not engage with Procurement	Closed – no further requirement

Cardiff Edge Service Charge Reconciliation	£9,568.91	12 months	Capital, Estates & Facilities	Service did not engage with Procurement	Closed – One off requirement
One Wales MMM Platform	£8,300.00	19 months	PCIC	Service did not engage with Procurement	Ongoing – Procurement checking future requirements with Service
Arkworks	£8,075.00	One off activity	Executives	Service did not initially engage with Procurement as under £5k SFI threshold.	Work was undertaken previously to the value of £3,000.00 and therefore, no procurement activity was needed. Additional work was required for the same project resulting in expenditure well exceeding the £5k limit. Commitment already made to the artist and work already underway, invoices submitted for payment.

Contracts value breached/ extended at risk as a result of emergency/unforeseen circumstances (1)

Contract Title	Value at Risk Excl VAT	Contract Expiry	Length at risk/Breach	Clinical Board	Reason	Action /Status
Provision of specialised therapy services for children with neurological disorders	£72,200.00	N/A	12 months	Children and Women	Delay within Procurement process for Consortium on final specification and contract signoff.	Ongoing – compliant contract being put in place

Other Non-Compliant Activity (5 Return)

This section details activities which were out of the Department/Health Board's control as a result of any of the following;

- Emergency activity
- Unforeseen/Unplanned circumstances
- Exemptions

Title	Value at Risk	Length at Risk/Breach	Clinical Board	Reason	Action /Status
Whitchurch Legal Fees	£9,681.50	One off service	Capital Planning Estates and Facilities	Disbursements and land registry fee requirements.	Closed – Legal requirement
Emergency Agency fees for B6 ward	£41,656.25	One off service	Surgery	Emergency situation	Closed – emergency requirement
Legal Fees (No 5 Barristers Chambers)	£17,396.00	One off service	Executives	NWSSP Legal and Risk select barristers with no Procurement or Health Board involvement in appointment	Closed – Legal requirement
Roof works for Urology	£5,129.33	Emergency repair	Capital Planning Estates and Facilities	Emergency one off repair	Closed – emergency requirement
Legal Fees (Blake Morgan)	£8,284.80	One off service	Executives	NWSSP Legal and Risk select barristers with no Procurement or Health	Closed – Legal requirement

Contracts engaged at risk as a result of Covid-19 requirements (Nil Return)

Contract Title	Value at Risk	Contract Expiry	Length at risk/Breach	Clinical Board	Reason	Action/Status

Report of Single Tender/Quotations Actions**Retrospective – (Nil Return)**

The report outlines all SQA/STA (Nil Return) requests during the period the 1st May 2024 to 31st May 2024.

Clinical Board	Supplier	Name of Project	Retrospective Value of Contract Excl VAT	STA Type

Should Retrospective STA/SQA's occur a letter from the Director of Finance will be sent to the Clinical Director/Department Head and copied to the relevant Executive Director to seek assurance that measures will be put in place to ensure that a breach does not occur again. If repeated breaches continue this will be escalated to the CEO.

Prospective (within the permitted guidelines)

The report outlines all SQA/STA (2) requests during the period the 1st May 2024 to 31st May 2024. The volume processed was higher than normal activity, as a consequence of the following:-

1. Bevan Exemplar initiatives – WG approved
2. Year-end Monies/ Capital
3. National Programmes
4. Trials, Testing and Education Programmes
5. Bespoke software support and/or licences
6. Specialist Maintenance and Repairs
7. Partnership Arrangements
8. Compliance / Regulatory Requirements
9. Charitable Funds
10. Standardisation of goods or services
11. Covid-19/ Unforeseen circumstances/Emergencies
12. Exemptions

Clinical Board	Proposed Supplier	Name of Project	Total Value of Contract excl VAT	Type
Executives	The Maltings	Provision of Off-Site Document Storage and Retrieval Services	£5,108.94	Capability with existing equipment or service
Mental Health	Assa Abloy Global Solutions UK Limited	Annual standard maintenance service contract for TRAKKA key management system.	£6,362.40	Capability with existing equipment or service

Non-Compliant Activity / Contract Breach Summary

The below summary details all Boards who have been reported for non-compliant breaches and exemptions in this period alongside their previous statistics for comparative purposes.

Year	2022/23			2023/24			2024/25 (YTD)	
Clinical Board	Non-Compliant Breaches	Exemption	Covid-19	Non-Compliant Breaches	Exemption	Covid-19	Non-Compliant Breaches	Exemption
AWMGS	1	0	0	1	0	0	1	0
Children and Women	2	0	0	3	0	0	0	0
Capital Planning, Estates and Facilities	3	2	1	2	3	0	2	6
Clinical, Diagnostics and Therapies	2	0	0	11	4	0	6	1
Executives	8	5	0	21	9	0	9	7
Medicine	2	1	0	1	0	0	1	0
Mental Health	0	0	0	2	1	0	8	0
PCIC	0	0	0	2	0	0	3	0
Specialist	3	1	0	10	1	0	1	1
Surgery and Dental	9	1	0	10	0	0	2	1
TOTALS	31	10	1	63	18	0	33	16

Please note that in February 2021, the reporting of non-compliant activity was spilt into the above criteria to reflect accuracy in reporting the justifications behind certain breaches i.e., emergency works.

STA/SQA's by Department

	2022/23		2023/24		2024/25 (YTD)	
Clinical Board	No. of SQA's/STA's	SQA/STA's Breached	No. of SQA's/STA's	SQA/STA's Breached	No. of SQA's/STA's	SQA/STA's Breached
AWMGS	3	3	0	0	0	0
Children and Women	3	1	4	0	1	0
Capital Planning, Estates and Facilities	15	2	2	0	3	0
Clinical, Diagnostics and Therapies	26	2	23	0	11	0
Executives	23	1	13	2	6	0
Medicine	4	0	0	0	2	0
Mental Health	3	0	1	0	1	0
PCIC	11	3	3	0	1	0
Specialist Services	11	1	3	0	1	1
Surgery Services and Dental	11	0	5	1	2	0
Grand Total	117	13	54	3	28	1

Recommendation:

The Board / Committee are requested to:

- **NOTE** the contents of the Report
- **AGREE** the contents of the Report

Link to Strategic Objectives of Shaping our Future Wellbeing:

Please tick as relevant

1. Reduce health inequalities		6. Have a planned care system where demand and capacity are in balance	
2. Deliver outcomes that matter to people		7. Be a great place to work and learn	
3. All take responsibility for improving our health and wellbeing		8. Work better together with partners to deliver care and support across care sectors, making best use of our people and technology	
4. Offer services that deliver the population health our citizens are entitled to expect		9. Reduce harm, waste and variation sustainably making best use of the resources available to us	
5. Have an unplanned (emergency) care system that provides the right care, in the right place, first time		10. Excel at teaching, research, innovation and improvement and provide an environment where innovation thrives	

Five Ways of Working (Sustainable Development Principles) considered

Please tick as relevant

Prevention		Long term		Integration		Collaboration		Involvement	
------------	--	-----------	--	-------------	--	---------------	--	-------------	--

Impact Assessment:

Please state yes or no for each category. If yes please provide further details.

Risk:	As outlined in the above section
Safety:	As outlined in the above section
Financial:	As outlined in the above section
Workforce:	As outlined in the above section
Legal:	As outlined in the above section
Reputational:	As outlined in the above section
Socio Economic:	No
Equality and Health:	No
Decarbonisation:	No

Approval/Scrutiny Route:	
Committee/Group/Exec	Date:

Saunders, Nathan
01/07/2024 10:00:49

Report Title:	Losses and Special Payments Panel Report 2023-2024		Agenda Item no.	3.1
Meeting:	Audit and Assurance Committee	Public	X	Meeting Date: 2 nd July 2024
		Private		
Status <i>(please tick one only):</i>	Assurance	Approval	X	Information
Lead Executive:	Executive Director of Finance			
Report Author (Title):	Head of Financial Accounting and Services			

Main Report

Background and current situation:

As defined in the Standing Financial Instructions, the Audit and Assurance Committee is required to approve the write off of all losses and special payments within the delegated limits determined by the Welsh Government. To assist the Audit and Assurance Committee with this task, the UHB has established a Losses and Special Payments Panel, under the chairmanship of the Executive Director of Finance (delegated to the Deputy Director of Finance). This panel meets twice yearly and is tasked with considering the circumstances around all such cases and to make appropriate recommendations to the Committee.

The work of the panel supports the UHB's sustainability and ensures that we make the best use of the resources that we have.

This report informs the Audit and Assurance Committee of the items considered at the Losses & Special Payments Panel meetings held on 20th November 2023 and 22nd May 2024.

The Losses and Special Payments Panel met on 20th November 2023 to consider the period 1st April 2023 to 30th September 2023 in respect of;

- Clinical Negligence & Personal Injury
- Bad Debt write-off's
- Ex-gratia and other losses
- Small Claims
- Employment Tribunals

The minutes of the Panel meeting are attached as **Appendix 1**. The minutes give more detail about the issues discussed at the meeting, including those items that have been recommended to the Audit & Assurance Committee for approval.

The next Losses & Special Payments Panel met on 22nd May 2024 to consider the period 1st October 2023 to 31st March 2024 in respect of;

- Clinical Negligence & Personal Injury
- Bad Debt write-off's
- Ex-gratia and other losses
- Small Claims
- Employment Tribunals

The Losses & Special Payments Panel also considered the longer period of 1st April 2023 to 31st March 2024 in respect of;

- Permanent Injury
- Stock write-off's
- Counter Fraud
- Voluntary Early Release

The minutes of the Panel meeting are attached as **Appendix 2**. The minutes give more detail about the issues discussed at the meeting, including those items that have been recommended to the Audit & Assurance Committee for approval.

This will complete the approval of all Losses & Special Payments to be written off in the year 2023-24 that are included within the draft Cardiff & Vale UHB Annual Accounts submission.

Executive Director Opinion and Key Issues to bring to the attention of the Board/Committee:

The losses and special payments discussed at the Losses & Special Payments Panels require consideration and approval by the Audit and Assurance Committee.

The following losses have been identified for write off:

- **Clinical Negligence claims of £8.189m for the full year 2023-24** (£3.607m for the period 1st April 2023 to 30th September 2023, £4.582m for the period 31st October 2023 to 31st March 2024). **Personal Injury claims of £0.348 for the full year 2023-24** (£0.147m for the period 1st April 2023 to 30th September 2023, £0.201m for the period 1st October 2023 to 31st March 2024)
- **Bad Debt write-offs of £46,332 for the full year 2023-24** (£9,133 for the period 1st April 2023 to 30th September 2023, £37,199 for the period 1st October 2023 to 31st March 2024)
- **Ex gratia and other losses of £18,466 for the full year 2023-24** (£4,225 for the period 1st April 2023 to 30th September 2023, £14,241 for the period 1st October 2023 to 31st March 2024)
- **Small Claims losses of £33,485 for the full year 2023-24** (£12,308 for the period 1st April 2023 to 30th September 2023, £21,177 for the period 1st October 2023 to 31st March 2024)
- **Employment Tribunal losses of £48,000 for the full year 2023-24** (£48,000 for the period 1st April 2023 to 30th September 2023, nil for the period 1st October 2023 to 31st March 2024)
- **Stock losses of £223,005 for the full year 2023-24**
- **Voluntary Early Release payments of £48,897 for the full year 2023-24.**

Recommendation:

The Board / Committee are requested to:

- **APPROVE** the write offs for the period outlined in the Opinion and Key Issues Section of this report as recommended by the Losses and Special Payments Panels held on **20th November 2023** and **22nd May 2024**.

Link to Strategic Objectives of Shaping our Future Wellbeing:
Please tick as relevant

1. Reduce health inequalities		6. Have a planned care system where demand and capacity are in balance	
2. Deliver outcomes that matter to people		7. Be a great place to work and learn	
3. All take responsibility for improving our health and wellbeing		8. Work better together with partners to deliver care and support across care sectors, making best use of our people and technology	
4. Offer services that deliver the population health our citizens are entitled to expect		9. Reduce harm, waste and variation sustainably making best use of the resources available to us	X
5. Have an unplanned (emergency) care system that provides the right care, in the right place, first time		10. Excel at teaching, research, innovation and improvement and provide an environment where innovation thrives	

Five Ways of Working (Sustainable Development Principles) considered

Please tick as relevant

Prevention	x	Long term	x	Integration		Collaboration		Involvement	
------------	---	-----------	---	-------------	--	---------------	--	-------------	--

Impact Assessment:

Please state yes or no for each category. If yes please provide further details.

Risk: No

Safety: No

Financial: Yes - This completes the summarized record of the losses incurred by the UHB in 2023-24

Workforce: No

Legal: No

Reputational: Yes - This completes the summarized record of the losses incurred by the UHB in 2023-24

Socio Economic: No

Equality and Health: No

Decarbonisation: No

Approval/Scrutiny Route:

Committee/Group/Exec

Date:

Saunders, Nathan
01/07/2024 10:00:49

MINUTES OF THE MEETING OF THE LOSSES AND SPECIAL PAYMENTS PANEL HELD ON 20th November 2023

PRESENT: Robert Mahoney (RM) – Deputy Director of Finance (Chair)
 Andrew Crook (AC) – Head of People Assurance & Experience
 Helen Lawrence (HL) – Head of Financial Accounting & Services
 Steve Monk (SM) – Losses & Taxation Accountant
 Suzanne Wicks (SW) – Head of Clinical Negligence Claims
 Rebecca Holliday (RH) – Head of Financial Services

APOLOGIES: Raymond Cockayne (RC) – Deputy Head of Security
 Gareth Lavington (GL) – Head of Counter Fraud Service

1. Minutes of Last Meeting

The minutes of the last meeting were reviewed for accuracy and the group endorsed the minutes as an accurate record. There were no matters arising which were not covered elsewhere on the agenda.

2. Clinical Negligence and Personal Injury Losses

SM presented the financial report on Clinical Negligence and Personal Injury losses for the period 1st April 2023 to 30th September 2023. He stated that the **first part** of the report was to note the Income & Expenditure (I&E) impact and the **second part** was to report the finalised claims for write off.

First Part - Summary of Losses

	2023/2024 £'000	2022/2023 £'000
Clinical Negligence	36,974	48,120
Personal Injury	118	514
Total Loss	37,092	48,634
Less WRP Receipts Due	-36,069	-47,856
Total Net Cost to the UHB	1,023	778

SM advised that the gross cost for all new and ongoing Clinical Negligence claims was £36.974m. There was a modest increase in the number of new claims received compared to the same period in 2022/2023, however, there was a significant increase in the number of claims which had been reclassified from Possible to Certain to settle (14 in 2022/2023, 25 in 2023/2024).

ATTACHMENT 1

The value of individual claims continues to increase significantly which is a trend reflected across Wales. C&V currently have 12 open claims valued above £10m, as recently as 2017 there were none.

SM advised that the impact of all new and ongoing Personal Injury claims was a gross cost of £0.118m. He advised that there was a modest reduction in the number of cases that moved from Possible to Certain to settle compared to the same period in 2022/2023. The UHB continues to use our in house Alternative Compensation Scheme which provides redress to injured individuals without the need for costly litigation. Improvements in working practice, safety at work and investigative process has resulted in individuals being dissuaded from seeking legal advice to pursue potential claims.

Recommendation

The Panel recommended that the Audit and Assurance Committee note that the gross cost of Clinical Negligence & Personal Injury claims for the full year was £37.092m and following expected reimbursement from the Welsh Risk Pool of £36.069m, the net cost to the UHB on these claims was £1.023m.

Second Part - Finalised Claims

Clinical Negligence

During the six month period ending 30th September 2023, there were 18 claims (where liability had been conceded and settlements paid) which had concluded at a total settlement cost of £3.607m (which is treated as a loss for write off). The UHB had also incurred £0.177m in defence fees and was successful in recovering £3.426m from the Welsh Risk Pool for these claims, resulting in a net cost to the UHB of £0.358m.

Personal Injury

During the six month period ending 30th September 2023, there were 19 claims (where liability had been conceded and settlements paid) which had concluded at a total settlement cost of £0.147m (which is treated as a loss for write off). The UHB had also incurred £0.026m in defence fees and was successful in recovering £0.021m from the WRP for these claims, resulting in a net cost to the UHB of £0.152m.

The panel were advised that expenditure on defence fees on Clinical Negligence and Personal Injury cases was not treated as a loss and also that all costs are accrued over the lifetime of a claim which can span many years.

Recommendation

The Panel recommended that the Audit and Assurance Committee approve the write off of 18 Clinical Negligence claims totalling £3.607m and 19 Personal Injury claims totalling £0.147m for the period 1st April 2023 to 30th September 2023.

3. Debt Write Offs

RH presented a report on proposed invoice write offs for the period 1st April 2023 to 30th September 2023.

These were as follows;

months 1-6	2023/24	
	Value	No
Accommodation	0	0
Dental	0	0
Medical Records	0	0
Payroll	8317	9
Private Patients	0	0
O/Seas Patients	0	0
IVF Wales	0	0
Misc	814.97	16
	9,132	25

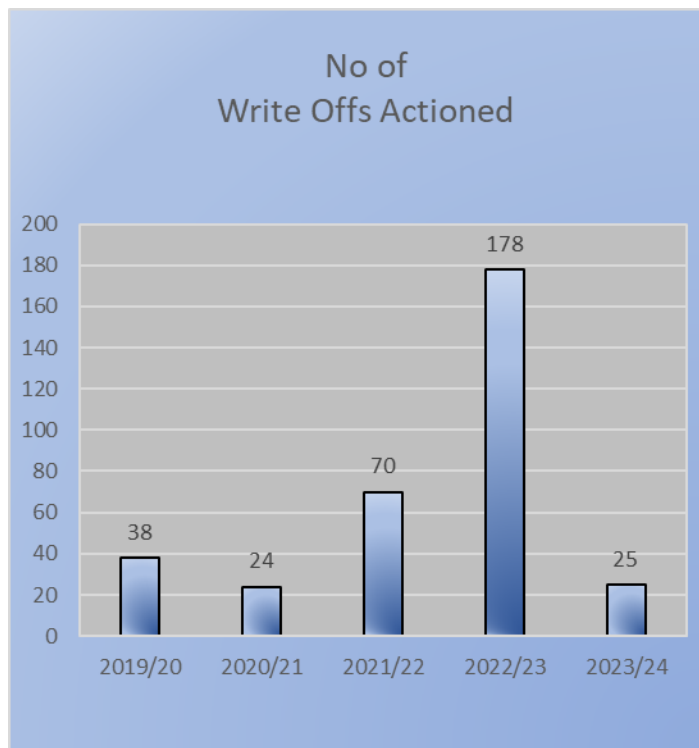
As in previous years the overpayment of salary for those employees who have terminated continues to prove difficult to collect. We continue to refer overdue invoices that we have been unable to collect to CCI Credit Management. As previously documented the panel will note that the majority of these overpayments relate to late notification of termination forms and managers unaware of appropriate cut-off times in the month.

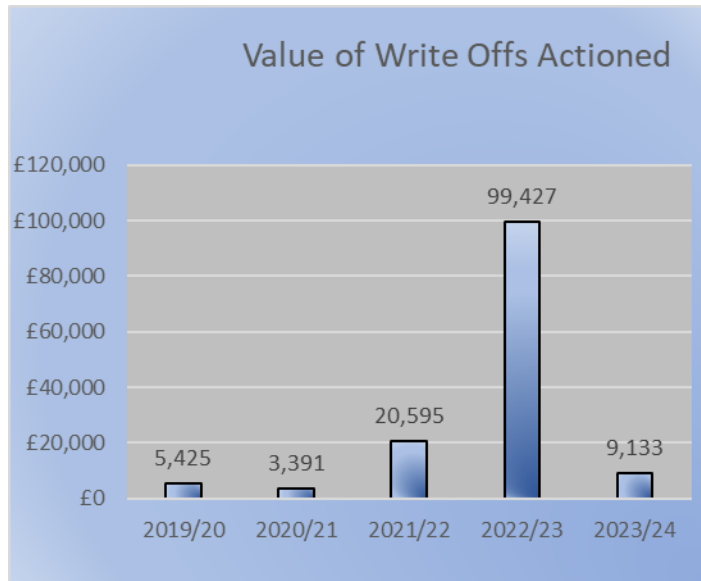
The majority of invoices included in the miscellaneous category are under £100 and all, apart from those relating to exchange rate differences, have been referred to CCI.

ATTACHMENT 1

RH presented a table and graphical analysis to highlight the number and value of write offs actioned in the previous 4 years;

	2019/20		2020/21		2021/22		2022/23		2023/24 (April-Sept Only)	
	Value	No	Value	No	Value	No	Value	No	Value	No
Accommodation	0	0	297	1	0	0	4117.65	13	0	0
Dental	70	5	0	0	0	0	0	0	0	0
Medical Records	0	0	0	0	0	0	0	0	0	0
Payroll	2,035	7	1,579	6	15457.71	43	59461.1	79	8317	9
Private Patients	776	8	0	0	0	0	167.5	2	0	0
O/Seas Patients	66	1	184	2	3829	2	28241.3	15	0	0
IVF Wales	0	0	0	0			0	0	0	0
Misc	2,478	17	1,331	15	1308.37	25	7439.69	69	814.97	16
	5,425	38	3,391	24	20,595	70	99,427.24	178	9,132	25





Recommendation

The Panel recommended that the Audit and Assurance Committee approve the write off of 25 bad debts totalling £9,133 for the period 1st April 2023 to 30th September 2023.

4. Ex Gratia and Other Losses

SM presented a report on the ex-gratia losses for the period 1st April 2023 to 30th September 2023. There had been 5 payments totalling £4,125.00 made as a result of complaints against Cardiff & Vale UHB where, following investigations, the Public Services Ombudsman for Wales made recommendation to the UHB to compensate the claimants. There was one instance of 2 forged £50 notes passed through University Hospital Llandough Aroma outlet.

Recommendation

The Panel recommended that the Audit and Assurance Committee approve the write off of 6 ex-gratia & other losses totalling £4,225 for the period 1st April 2023 to 30th September 2023.

Saunders, Nathan
01/07/2024 10:00:49

5. Small Claims Losses

SM presented a report on the small claims for the period 1st April 2023 to 30th September 2023. During the period 38 claims had been settled at a total cost of £12,307.55. A breakdown of the cases were as follows;

Breakdown of 38 cases:

- ❖ Loss of jewellery – 7 claims = £3339.00
- ❖ Loss of hearing aids – 1 claim = £1046.50
- ❖ Personal possessions – 14 claims = £3640.47
- ❖ Loss of spectacles – 2 claims = £563.50
- ❖ Loss of dentures – 4 claims = £2374.00
- ❖ Loss / damaged clothing – 10 claims = £1344.08

Directorate and location:

- Adult Mental Health = 15 Claims (HYC = 15)
- Medicine x 9 / A&E x 5 = 14 claims (UHW = 11, UHL = 2, St David's = 1)
- Surgery x 2 / T&O x 2 = 4 claims (UHW = 1, UHL = 3)
- Estates x 1 / Exec x 1 = 2 claims (UHW = 1, UHL = 1)
- Critical Care = 2 claims (UHW = 2)
- CD&T (Mortuary) = 1 claim (UHW = 1)

Summary:

Highest claim £2,000– missing cash & necklace

Lowest claim £10.00 – missing necklace

UHW claims = 16 cases

HYC claims = 15 cases

UHL claims = 6 cases

St David's = 1 case

Since the last period, October 2022 to March 2023, Small Claims has had a significant decrease in its reimbursements, which is very positive, considering we have had the same number of claims, 38.

We continue to challenge claims that do not carry a receipt or proof of purchase and require this evidence in order to pay out the full value of any claim.

The highest value claim this period was for missing items whilst the patient was in the Mortuary – cash, wallet and necklace, at a value of £2,000. The original claim was for £16,000 and claimants were asking for £15,000 in

ATTACHMENT 1

sentimental and emotional loss. This was challenged and was rejected by the Assistant Director of Patient Experience and the Executive Nurse Director. It was felt that £2,000 was the appropriate amount to offer and the claim was settled.

The second highest value claim was for various items that went missing when a patient sadly passed away whilst in our care - missing clothes, Ipad, iPhone and trainers, at a value of £1,807.99. This is always sad when this happens as sentimental items are lost, which is very upsetting for the family. The ward was spoken to and extra checks have been placed.

Adult Mental Health has been the largest area for concern this period where 15 of the 38 claims were for them. This is always a challenging Clinical Board as various scenarios can take place when items go missing and is very hard to evidence what actually occurred. Total amount for this area was £2,780.08. It is pleasing to note that the Medicine Clinical Board only had 14 claims this period in comparison to the 34 they had last period. This is very encouraging for the Wards, as 5 of these claims were in A&E. As previously reported, this Clinical Board remains one of the areas of highest activity.

It is extremely encouraging for all claims re dentures, hearing aids and spectacles, as they have all decreased this period.

Missing jewellery, although decreased in value this period, there were more claims, so this is still an area of concern.

As a continuous trend, the non-completion of property disclaimers still remains an issue of all claims and reimbursements and we continually remind staff and wards how important this paperwork is.

As per the previous period, the Health Board and services throughout are still experiencing unprecedented demands, which includes staff shortages. This inevitably has an effect on the wards in completing paperwork, which unfortunately results in further lost property and claims.

We continue to advise patients to hand over any personal items to relatives / friends. This is difficult with items such as spectacles, hearing aids and dentures, as these need to remain with the patient.

Posters around the hospital remain, to highlight and remind staff, patients and visitors, of the procedures they should all follow to avoid missing property and claims being submitted.

We hope the decreased value of all claims continues and will hopefully be improved on.

Recommendation

The Panel recommended that the Audit and Assurance Committee approve the write off of 38 small claims totalling £12,308 for the period 1st April 2023 to 30th September 2023.

6. Employment Tribunal Costs

AC presented a report outlining the claims and costs for the period 1st April 2023 to 30th September 2023. During the period, Cardiff and Vale UHB had been involved with 13 Employment Tribunal claims. 2 of these cases had settled at a cost of £48,000 and 4 cases had been dismissed. There were 7 claims that remained open.

Recommendation

The Panel recommended that the Audit and Assurance Committee approve the write off of 2 Employment Tribunal cases totalling £48,000 for the period 1st April 2023 to 30th September 2023.

7. Counter Fraud

GL was unable to attend the meeting but had presented SM with a report for the period 1st April 2023 to 30th September 2023 advising that no claims had concluded and there were no proven unrecovered losses to write off for the period.

The next meeting of the panel would be in May 2024.

MINUTES OF THE MEETING OF THE LOSSES AND SPECIAL PAYMENTS PANEL HELD ON 22nd May 2024

PRESENT: Robert Mahoney (RM) – Deputy Director of Finance (Chair)
 Andrew Crook (AC) – Head of People Assurance & Experience
 Helen Lawrence (HL) – Head of Financial Accounting & Services
 Karen Lewis (KL) – Head of Personal Injury and Small Claims
 Steve Monk (SM) – Losses & Taxation Accountant
 Suzanne Wicks (SW) – Head of Clinical Negligence Claims
 Rebecca Holliday (RH) – Head of Financial Services
 Aimee Osborne – Financial Management Graduate Trainee
 Molly Pennington – Financial Management Graduate Trainee

APOLOGIES: Gareth Lavington (GL) – Head of Counter Fraud Service

1. Minutes of Last Meeting

The minutes of the last meeting were reviewed for accuracy and the group endorsed the minutes as an accurate record. There were no matters arising which were not covered elsewhere on the agenda.

2. Clinical Negligence and Personal Injury Losses

SM presented the financial report on Clinical Negligence and Personal Injury losses for the financial year 2023/2024. He stated that the **first part** of the report was to note the Income & Expenditure (I&E) impact of CN & PI for the full year and the **second part** was to report the finalised claims for the period 1st October 2023 to 31st March 2024 (the finalised claims for the period 1st April 2023 to 30th September 2023 were reported to the November Panel).

First Part - Summary of Losses

	2023/2024 £'000	2022/2023 £'000
Clinical Negligence	40,692	76,626
Personal Injury	940	890
Total Loss	41,632	77,516
Less WRP Receipts Due	-39,554	-75,776
Total Net Cost to the UHB	2,077	1,740

Appendix 2

SM advised that the gross cost for all new and ongoing Clinical Negligence claims was £40.692m. Where claims had been reclassified from Possible to Certain to settle the gross costs increase was £18.291m, additionally, there were 76 new claims that have a gross value of £29.169m. The number of new claims that the UHB registered was comparable to previous years. SM advised that the value of claims overall is increasing significantly, C&V currently have 17 open claims that are valued above £5m which is a trend reflected at comparable organisations across Wales.

SM advised that the impact of all new and ongoing Personal Injury claims was a gross cost of £0.940m. He advised that the number of claims new claims was comparable to previous years. The UHB continues to consider a small number of claims through the Alternative Compensation Scheme which is an in house scheme which provides redress to injured individuals without the need for costly litigation. Improvements in working practice, safety at work and investigative processes has resulted in individuals being dissuaded from seeking legal advice to pursue potential claims.

Recommendation

The Panel recommended that the Audit and Assurance Committee note that the gross cost of Clinical Negligence & Personal Injury claims for the full year was £41.632m and following expected reimbursement from the Welsh Risk Pool of £39.554m, the net cost to the UHB on these claims was £2.077m. The losses figures in the Summary of Losses table within the report are included within Note 3.4 of the draft 2023/2024 Annual Accounts.

Second Part - Finalised Claims

Clinical Negligence

During the six month period 1st October 2023 to 31st March 2024, there were 31 claims (where liability had been conceded and settlements paid) which had concluded at a total settlement cost of £4.582m (which is treated as a loss for write off). The UHB had also incurred £0.318m in defence fees and was successful in recovering £4.367m from the Welsh Risk Pool for these claims, resulting in a net cost to the UHB of £0.533m.

Personal Injury

During the six month period 1st October 2023 to 31st March 2024, there were 34 claims (where liability had been conceded and settlements paid) which had concluded at a total settlement cost of £0.189m (which is treated as a loss for write off). The UHB had also incurred £0.052m in defence fees and was successful in recovering £0.113m from the WRP for these claims, resulting in a

Appendix 2

net cost to the UHB of £0.128m. In addition, there was a case which was approved for write off at the November panel where further damages in respect of Compensation Recovery Unit have been paid (£0.012m) therefore, the total to be written off is £0.201m.

The panel were advised that expenditure on defence fees on Clinical Negligence and Personal Injury cases was not treated as a loss and also that that all costs are accrued over the lifetime of a claim which can span many years.

Recommendation

The Panel recommended that the Audit and Assurance Committee approve the write off of 30 Clinical Negligence claims totalling £4.582m and 12 Personal Injury claims totalling £0.201m for the period 1st October 2023 to 31st March 2024.

3. Debt Write Offs

RH presented a report on proposed invoice write offs for the period 1st October 2023 to 31st March 2024.

These were as follows;

months 6-12	2023/24	
	Value	No
Accommodation	£ 93.72	1
Dental	£ -	0
Medical Records	£ -	0
Payroll	£ 8,695.67	54
Private Patients	£ 1,456.07	2
O/Seas Patients	£ 9,890.91	6
IVF Wales	£ -	0
Misc	£ 17,062.56	75
	£37,198.93	138

As in previous years the overpayment of salary for those employees who have terminated continues to prove difficult to collect. We continue to refer overdue invoices that we have been unable to collect to CCI Credit Management. The value of payroll write offs has decreased due to change in process and actively referring non payers to CCI for Legal Action. The All Wales Overpayment Policy is currently in the final stages of sign off, which

Appendix 2

could further decrease the write off values.

All Overseas, Private Patient and Accommodation debts were referred to CCI but they were unable to collect and advised against taking legal action as it would prove to be uneconomical for the Health Board.

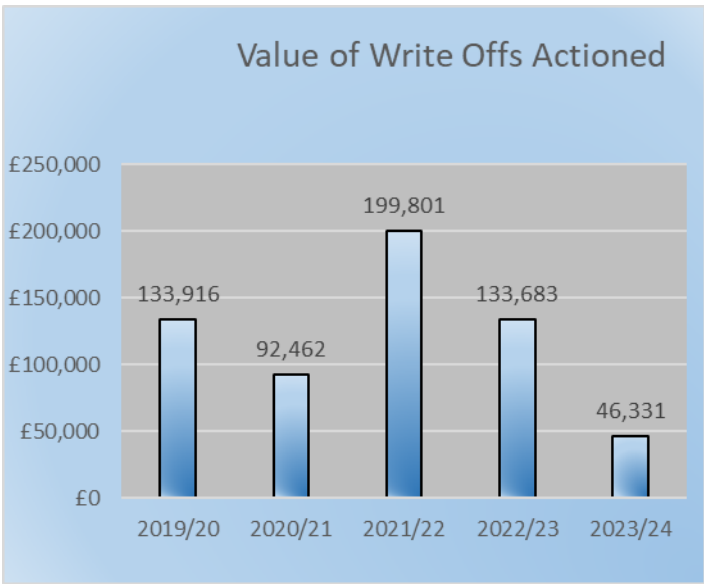
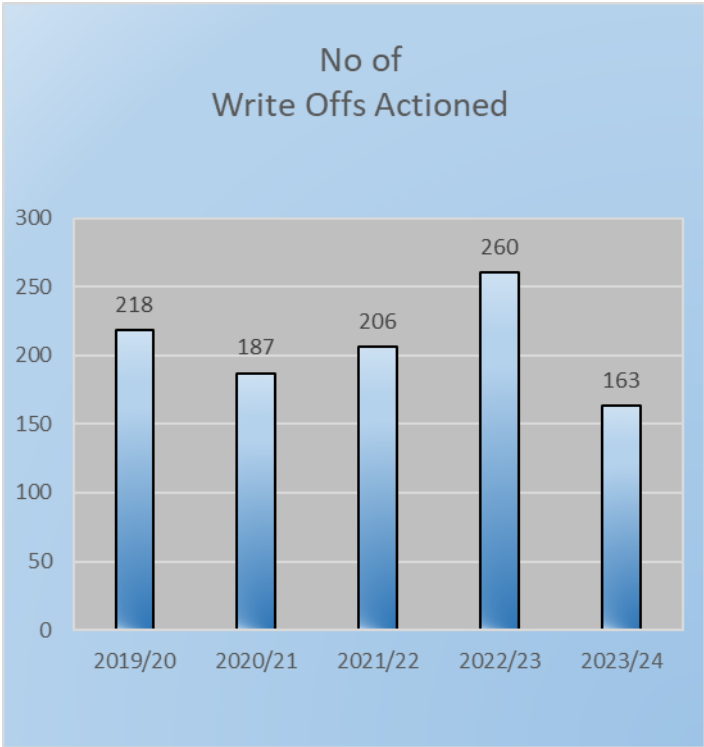
The miscellaneous debts were referred to CCI where applicable but they were unable to collect and advised against taking legal action as it would prove to be uneconomical for the Health Board. Some were also at the request of the referring department.

RH presented a table to highlight the total write offs for the full financial year 2023/2024;

months 1-12	2023/24	
	Value	No
Accommodation	93.72	1
Dental	0	0
Medical Records	0	0
Payroll	17012.67	63
Private Patients	1456.07	2
O/Seas Patients	9890.91	6
IVF Wales	0	0
Misc	17877.53	91
	46,330.90	163

For comparison RH presented a table and graphical analysis to highlight the number and value of write offs actioned in the previous 5 financial years;

months 1-12	2018/19		2019/20		2020/21		2021/22		2022/23		2023/24	
	Value	No	Value	No	Value	No	Value	No	Value	No	Value	No
Accommodation	£ 2,668.00	6	£ 1,222.00	1	£ 297.01	2	£ 300.00	1	£ 6,825.00	22	£ 93.72	1
Dental	£ 401.00	16	£ 164.40	10	£ -	0	£ -	0	£ -	0	£ -	0
Medical Records	£ 672.00	42	£ 70.00	4	£ -	0	£ -	0	£ -	0	£ -	0
Payroll	£ 11,262.00	31	£ 21,732.58	67	£ 15,469.41	69	£ 52,907.14	90	£ 82,761.05	132	£ 17,012.67	63
Private Patients	£ 2,887.00	27	£ 16,047.87	27	£ 3,928.00	3	£ 2,151.00	12	£ 428.65	4	£ 1,456.07	2
O/Seas Patients	£ 74,450.00	26	£ 76,414.74	20	£ 58,886.33	9	£ 28,335.56	25	£ 28,430.01	16	£ 9,890.91	6
IVF Wales	£ -	0	£ -	0	£ -	0	£ -	0	£ -	0	£ -	0
Misc	£ 48,194.00	524	£ 18,264.60	89	£ 13,880.86	104	£ 116,107.65	78	£ 15,237.98	86	£ 17,877.53	91
	£ 140,534.00	672	£ 133,916.19	218	£ 92,461.61	187	£ 199,801.35	206	£ 133,682.69	260	£ 46,330.90	163



Saunders, Nathan
01/07/2024 10:00:49

Recommendation

The Panel recommended that the Audit and Assurance Committee approve the write off of 138 bad debts totalling £37,199 for the period 1st October 2023 to 31st March 2024

4. Permanent Injury

SM presented a report on Permanent Injury costs for the period 1st April 2023 to 31st March 2024. SM explained that permanent injury benefit allowances were approved by the NHS Pensions Agency and the long term costs were picked up by the UHB. The costs must be treated as losses and should be noted by the Panel. The UHB made payments on a quarterly basis to the Pensions Agency based on bills received from them.

SM advised that there were payments made of £236k in respect of 23 cases. The Post Employment Benefit discount rates issued by HM Treasury in December 2023 changed from 1.7% to 2.45% which has resulted in a benefit to Income & Expenditure of £113k.

Recommendation

The panel noted the Income and Expenditure impact of -£112,703 and as each case is currently ongoing, there are no write offs to approve for the period 1st April 2023 to 31st March 2024.

5. Ex Gratia and Other Losses

SM presented a report on the ex-gratia losses for the period 1st October 2023 to 31st March 2024. There had been 4 payments totalling £2,550 made as a result of complaints against the UHB where, following investigations, the Public Services Ombudsman for Wales made recommendation to the UHB to compensate the claimants.

There was 1 instance where 2 forged £20 notes passed through the Y Gegin outlet, UHW.

There was one payment where a patient attended Ophthalmology concerning cataract treatment, however, the patient was refused surgery. Subsequently the patient had the procedure carried out privately and sought reimbursement of the private fees through the Courts. An agreement was reached between C&V and the claimant by way of a Consent order which prevented a full Court hearing. Finally, 1 ex-gratia payment was made to a claimant where there was

significant delays in the treatment of a minor. Following discussion with the family an ex-gratia payment was deemed to be appropriate redress and was approved by the Chief Executive.

Recommendation

The Panel recommended that the Audit and Assurance Committee approve the write off of 8 ex gratia & other losses totalling £14,241 for the period 1st October 2023 to 31st March 2024.

6. Small Claims Losses

KL presented a report on the small claims for the period 1st October 2023 to 31st March 2024. During the period 29 claims had been settled at a total cost of £21,177.04. A breakdown of the cases were as follows;

Breakdown of 29 cases:

Loss/Damage Clothing – 4 claims = £1,705
Loss of Money – 5 claims = £587.46
Loss of spectacles – 1 claim = £500.00
Loss of Dentures – 1 claim = £1,802.50
Loss of Hearing aids – 6 claims = £13,047.00
Damage to Vehicle – 1 claim = £1050.34
Loss of Personal possessions – 5 claims = £663.24
Loss of Jewellery – 6 claims - £1821.50

Claims by Clinical Board and location:

Adult Mental Health x 6 Claims - (All HYC)
Medicine x 19 - UHW (10) UHL (7) St David's (2)
Surgery x 2 - UHW (1) UHL (1)
Estates x 1 - UHW (1)
Specialist x 1 - UHW (1)

Summary:

Highest claim £3,395 - Hearing Aids
Lowest claim £5.25 – Lost Vape refill
UHW claims total of 13 cases
HYC claims total of 6 cases
UHL claims total of 8 cases
St David's = 2 cases

Appendix 2

Since the last period, April 2023 to September 2023 there has been an increase in the reimbursements of Small Claims despite the number of claims being significantly less, 20 compared to the 28 in the last reporting period. This has resulted in three of the claims being over £2,500 each for hearing aids. These items have high replacement costs. All Small claims are challenged to ensure evidence of a receipt or proof of purchase to ensure any compensation is in order of correct full value for the items damaged or lost.

The highest value claim this period was for loss of a hearing aid on the Lakeside Wing which was taken out during observations and it was thought became lost in the bedding of the patient. The other aid would not work on its own so the claim was for a loss of both aids costing £3,395. This was fully investigated following the loss of the aid. A receipt was provided and this was fully compensated.

The second highest value claim was also for a loss of hearing aids, on a Medicine Ward at UHW the patient was confused and wandering when the hearing aids were lost, they had been logged on property list on admission but were lost whilst the patient was wearing them. The patient claimed she had given them to someone but nursing staff could not locate them following a thorough search. A receipt was provided and the compensation was agreed without dispute.

Hearing aids are an expensive item, on presentation of receipts it is difficult to argue the value, as well as the inconvenience of the loss of these to the patient. All property including hearing aids are recording on the property list. On these two cases they had both been recorded on property lists. The Ward are mindful of the value of these items and ensure these items are recorded on property lists on admission.

For this report the highest value and number of claims have been from Medicine Wards and relate to loss of patient personal property including hearing aids, dentures and glasses.

We continue to advise patients to hand over any personal items to relatives / friends. This is difficult with items such as spectacles, hearing aids and dentures, as these need to remain with the patient.

Posters around the hospital remain, to highlight and remind staff, patients and visitors, of the procedures they should all follow to avoid missing property and claims being submitted.

Recent claims currently being processed appear to be around loss of jewellery and the high values claimed for this. This will be evident in the next report and discussed further.

Recommendation

The Panel recommended that the Audit & Assurance Committee approve the write off of 29 small claims totalling £21,177 for the period 1st October 2023 to 31st March 2024.

7. Employment Tribunal Costs

AC presented a report outlining the claims and costs for the period 1st October 2023 to 31st March 2024. During the period, Cardiff and Vale University Health Board had been involved with 12 Employment Tribunal claims. 5 claims had been withdrawn or dismissed and one claimant was awarded settlement of £9,861 in respect of wages. AC advised that this is not considered to be loss as the claimant was entitled to the wages whilst on suspension. 6 claims remained open.

Recommendation

The Panel noted the contents of the report. As there had been no cases closed during the period which had resulted in a loss there were no cases to be approved for write off for the period 1st October 2023 to 31st March 2024.

8. Stock Write Offs

SM presented a report in respect of stock losses identified during the period 1st April 2023 to 31st March 2024. A complete stock take was undertaken at the year end across all stock control areas. As part of the year end stock take, budget holders are asked to identify stock which has become obsolete or been lost/damaged during the year. As can be seen from the table below there are 12 write-off's which have a total of £191k of obsolete stock and £32k of lost/damaged stock identified making a total loss of £223k. For comparison the corresponding total figure for 2022/2023 was £631k.

SM advised that the amount of stock write-off's identified through the annual stock take process was significantly lower than in the previous year, primarily due to the write-off in 2022/2023 in respect of Pharmacy COVID response stock (£167k) and the reduction in the values in respect of Neurosciences implant stock (£59k), Clinical Engineering stock (£40k), UHW Theatre stock (£31k) and UHW ALAC wheelchairs (£32k).

Appendix 2

UHB Reference	Brief Description	Obsolete Stock	Lost/Damaged	Total
ST1	UHW Radiology	27,425.40		27,425.40
ST2	UHW, St Marys, Llandough & Whitchurch Pharmacy, P1-P7	41,947.73	4,379.48	46,327.21
ST3	Clinical Engineering	7,726.00		7,726.00
ST4	Dialysis (Nephrology)	2,548.35		2,548.35
ST5	Neurosciences Implant Stock	15,819.60		15,819.60
ST6	UHW ALAC Stock: Wheelchairs		23,250.54	23,250.54
ST7	UHW Theatre Stock	10,465.01		10,465.01
ST8	Llandough Theatre Stock, P1-P7	32,369.93		32,369.93
ST9	Estates - Llandough		160.49	160.49
ST10	Catering - UHW		700.00	700.00
ST11	UHW, St Marys, Llandough & Whitchurch Pharmacy, P8-P12	29,962.67	3,128.21	33,090.88
ST12	Llandough Theatre Stock, P8-P12	23,121.37		23,121.37
12 cases		191,386.06	31,618.72	223,004.78

For comparison the table below shows the comparative figures for the previous 5 financial years;

2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
Total	Total	Total	Total	Total
442,289	258,794	347,350	438,456	630,679

Recommendation

The Panel recommended that the Audit and Assurance Committee approve the 12 stock write offs totalling £223,005 for the period 1st April 2023 to 31st March 2024.

9. Counter Fraud

GL was unable to attend the meeting but had presented SM with a report for the period 1st April 2023 to 31st March 2024. There were 8 investigations that were open and continuing, 61 new investigations. There remained 15 ongoing

investigations. There were no proven unrecovered losses to write off for the period.

Recommendation

The Panel noted the contents of the report. As there had been no cases closed during the period which had resulted in a loss there were no cases to be approved for write off for the period 1st April 2023 to 31st March 2024.

10. Voluntary Early Release Payments

AC reminded the Panel that payments under a Voluntary Early Release Scheme were classified as "ex-gratia" payments and were managed in accordance with the Losses and Special Payments procedure. All such payments would require the approval of the Remuneration and Terms of Service Committee.

Where any compensatory payments were over £50,000, under the terms of the scheme, the Welsh Assembly Government would be required to provide approval for such payments to be made.

The Panel was asked to note the total payments figure. However no recommendation for approval was required, since these have been approved by the appropriate committee.

The panel noted that there had been 1 payment of £48,897 during the period 1st April 2023 to 31st March 2024.

AOB

The next meeting of the panel would be in November 2024.

Report Title:	Counter Fraud Progress Report			Agenda Item no.	4.1				
Meeting:	Audit Committee	Public	x	Meeting Date:	02/07/2024				
		Private							
Status <i>(please tick one only):</i>	Assurance	x	Approval	Information	x				
Lead Executive:	Catherine Phillips								
Report Author (Title):	Gareth Lavington								
Main Report									
Background and current situation:									
<p>The Counter Fraud Progress report seeks to provide assurance to members of the Audit Committee that the Counter Fraud work being undertaken is satisfactory, robust and compliant with NHS Counter Fraud Authority requirements.</p> <p>The report provides information around key areas of work including, fraud awareness and learning, fraud risk assessment, investigation and reactive work, and promotional activity.</p>									
Executive Director Opinion and Key Issues to bring to the attention of the Board/Committee:									
Progress made against the Annual Counter Fraud Plan Promotional /Educational Activity Summary of Investigations Prevention activity National Fraud Initiative work									
Recommendation:									
The Board / Committee are requested to: note the report									
Link to Strategic Objectives of Shaping our Future Wellbeing:									
<i>Please tick as relevant</i>									
1. Reduce health inequalities			6. Have a planned care system where demand and capacity are in balance						
2. Deliver outcomes that matter to people	x		7. Be a great place to work and learn		x				
3. All take responsibility for improving our health and wellbeing			8. Work better together with partners to deliver care and support across care sectors, making best use of our people and technology						
4. Offer services that deliver the population health our citizens are entitled to expect	x		9. Reduce harm, waste and variation sustainably making best use of the resources available to us		x				
5. Have an unplanned (emergency) care system that provides the right care, in the right place, first time			10. Excel at teaching, research, innovation and improvement and provide an environment where innovation thrives		x				
Five Ways of Working (Sustainable Development Principles) considered									
<i>Please tick as relevant</i>									
Prevention	x	Long term	x	Integration	x	Collaboration	x	Involvement	x
Impact Assessment:									
<i>Please state yes or no for each category. If yes please provide further details.</i>									

Risk: Yes/No	
Fraud is a risk to all organizations. Within the NHS should fraud occur then this can have financial and reputational impacts and ultimately negatively affect patient care.	
Safety: Yes/No	
Financial: Yes/No	
All fraud occurring in the organization has a financial loss to the organization.	
Workforce: Yes/No	
Reduction of available staff during investigations and sanctions; demotivation	
Legal: Yes/No	
Reputational: Yes/No	
As at Risk	
Socio Economic: Yes/No	
Equality and Health: Yes/No	
Decarbonisation: Yes/No	
Approval/Scrutiny Route:	
Committee/Group/Exec	Date:

Saunders, Nathan
01/07/2024 10:00:49



GIG
CYMRU
NHS
WALES

Bwrdd Iechyd Prifysgol
Caerdydd a'r Fro
Cardiff and Vale
University Health Board

NHS WALES

Counter Fraud Progress Report

01/04/2024-17/06/2024

Public

GARETH LAVINGTON
COUNTER FRAUD MANAGER
CARDIFF & VALE UNIVERSITY HEALTH BOARD

Saunders
01/04/2024/17/06/2024

Table of Contents

1. Introduction.....	3
2. Progress	3
Infrastructure/Annual Plan	3
Promotion and Awareness and Educational Activity.....	3
Prevention.....	Error! Bookmark not defined.
Referrals.....	5
Investigations	5
Fraud Risk.....	Error! Bookmark not defined.
National Fraud Initiative	Error! Bookmark not defined.
3. Other.....	Error! Bookmark not defined.
NA	Error! Bookmark not defined.

Saunders, Nathan
01/07/2024 10:00:49

1. Introduction

In compliance with the Secretary of State for Health's Directions on Countering Fraud in the NHS, this report provides details of the work carried out by the Cardiff and Vale University Health Board's Local Counter Fraud Specialists on behalf of the Health Board.

This report relates to activity for the reporting period 01/04/2024-17/06/2024.

2. Progress

Infrastructure/Annual Plan

Work has continued in maintaining the Counter Fraud infrastructure in order to maintain compliance with the Counter Fraud Plan for 2024-2025, and the NHS CFA functional standards. The below activity has taken place -

- i. Continued maintenance and development of a comprehensive local activity database which is vital in maintaining a detailed and accurate record of work undertaken and activity reported in order to inform areas of future work.
- ii. Continued maintenance of Counter Fraud digital platform – **Members of the Audit Committee are encouraged to visit the site at the link/QR code here**

[Counter Fraud - Home \(sharepoint.com\)](#)



Promotion and Awareness and Educational Activity

Corporate Induction– (0) Last session cancelled due to insufficient numbers.

Saunders, Nathan
01/07/2024 10:00:49

E- Learning – All Wales benchmarked figures provided below. Those organisations that mandate Counter Fraud eLearning are provided in red.

Notably-

ABUHB mandated E learning in late January 2024

WAST mandated E learning in August 2023

DHCW mandated E Learning in February 2024

ORG	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Total
CAVUHB	2	4	0	8	20	2	10	5	5	0	0	0	56
WAST	3	4	2	36	762	1251	372	287	155	191	225	163	3451
DHCW	0	1	0	0	0	0	4	4	0	0	743	186	938
PHW	6	5	8	9	6	5	5	5	6	5	5	4	69
NWSSP	43	22	16	8	5	7	2	4	0	6	5	1	119
BCUHB	189	13	154	195	52	78	92	1262	619	576	561	543	4334
POWYS	0	0	0	0	0	0	0	0	0	0	2	2	4
HEIW	0	0	0	0	0	0	0	0	1	14	3	1	19
HDUHB	282	275	246	299	174	225	255	182	138	45	81	97	2299
CTUHB	1	1	4	4	1	3	1	0	2	1	3	6	27
VUNHST	0	0	8	3	0	0	0	0	20	0	0	1	32
SBUHB	9	0	24	21	20	30	49	123	25	11	9	4	325
ABUHB				17	3	11	7	7	5	1	2898	2684	5633

Prevention

Local Bulletins/Alerts – (1) Cyber scam relating to a third-party supplier to another NHS Wales organisation. Third-party supplier had been compromised and this led to a number of NHS Wales email addresses also being compromised. As a result there was a risk to NHS organisations that have had dealings with this company. Alert issued to relevant teams (Cyber Security and Finance for awareness).

IBURN (intelligence bulletin) – (2)

1. Bulletin relating to an individual who is suspected of committing multiple frauds across NHS England organisations. Bulletin relates to the issuing of false Certificates for Sponsorship. Relevant enquiries carried out and no issues for VUNHST.

Saunders,Nathan
01/07/2024 10:00:49

Fraud Risk

Fraud risk profile provided within the private report.

National Fraud Initiative

Work has continued into the latest NFI data dump. The below table provides the total matches that are addressed by the Counter Fraud Team. This exercise is now complete.

Report Type	Total No. of Matches	No. Cleared
Payroll to Payroll - NI	311	311
Payroll to Payroll - Tel. No.	54	54
Payroll to Payroll - Email	1	1
Payroll to Pension	132	132
Payroll to Company Director/Trade Creditor	116	116
Payroll to Creditor	190	190

Referrals

During this reporting period there have been a total of 50 referrals made to the team. 30 of these referrals have been investigated and informally resolved with 19 promoted to formal investigation as below.

Investigations

A total of 19 new formal Investigations have been commenced this period. A summary of the investigations for 24-25 is provided below. At the time of reporting 15 investigations remain open and are being investigated by the team.

Saunders, Nathan
01/07/2024 10:00:49

Investigation Number	Investigation Subject	Date Opened	Date Closed	Outcome
INV/23/00079	Staff Over Payment	CARRIED OVER - 10/01/2023	18/04/2024	CCJ awarded for full amount.
INV/23/00096	Overpayment of Salary - Non Starter	CARRIED OVER - 12/01/2023	18/04/2024	CCJ awarded for full amount.
INV/23/00113	Suspected Overtime Fraud (EW)	CARRIED OVER - 13/01/2023	18/04/2024	Subject dismissed following disciplinary hearing, subject repaid £53.03, extrapolated fraud prevention figure £636.36
INV/23/00825	Salary Overpayment for Sick Pay	CARRIED OVER - 02/05/2023		
INV/23/01634	Salary Sacrifice Vehicle not transferred when subject left organisation, no further deductions/payments made	CARRIED OVER - 03/08/2023		
INV/23/01696	Overpayment of Salary- No Termination	CARRIED OVER - 14/08/2023		
INV/23/02002	Staff member stealing CD's from Omnicell	CARRIED OVER - 15/09/2023		
INV/23/02207	Working Elsewhere whilst sick	CARRIED OVER - 12/10/2023	31/05/2024	Subject interviewed under caution, no fraud found, internal disciplinary outcome of Verbal Warning due to breaches in policy/procedure.
INV/23/02421	Money missing suspected stolen	CARRIED OVER - 26/10/2023		
INV/24/00102	Working Elsewhere whilst sick	CARRIED OVER - 16/01/2024		
INV/24/00336	Overpayment of Salary	CARRIED OVER - 09/02/2024		Disciplinary hearing completed - written warning issued in relation to nonfraud offences. No losses to fraud identified.
INV/24/00462	Working elsewhere whilst sick	CARRIED OVER - 21/02/2024		
INV/24/00505	False Sickness Car Crash	CARRIED OVER - 29/02/2024	11/06/2024	Investigation carried out with WAST and SWP and HGP that showed subject had been dishonest in relation to car crash. Due to the small value involved the internal enquiry continued alongside the criminal. Subject was dismissed from employment at a disciplinary panel. This considered proportionate and not in public interest to proceed to prosecution. Case closed.

Saunders,Nathan
01/07/2024 10:00:49

INV/24/00548	Overpayment of salary	CARRIED OVER - 05/03/2024		
INV/24/00660	Specsavers making false CPD claim to HB	CARRIED OVER - 14/03/2024	07/06/2024	No offences disclosed following investigation. NFA
INV/24/00876	Allegation of selling prescription medication	09/04/2024	10/04/2024	No offences identified - inaccurate intelligence
INV/24/00909	dishonesty to obtain special paid leave	09/04/2024	07/06/2024	Staff member disciplined. Two days leave returned via final payroll
INV/24/01037	Working for agency whilst off sick with UHB	22/04/2024		
INV/24/01016	Obtaining free prescriptions when not entitled	23/04/2024	07/05/2024	Measures taken to prevent any future issues, no fraud identified.
INV/24/01024	COVID SCAM CALL TO M of Public	23/04/2024	23/04/2024	No counter fraud issues (CFA reporting line)
INV/24/01064	Senior nurse allocating lucrative/inflated banded shifts to herself	25/04/2024	30/04/2024	No fraud identified, internal process issues identified recommendations made.
INV/24/01117	Altered prescription presented at pharmacy - not dispensed	30/04/2024	07/05/2024	Altered prescription presented, not dispensed, unable to prove who presented/altered prescription.
INV/24/01240	Duplicate claim for Optom Services	15/05/2024	07/06/2024	Insufficient evidence to progress
INV/24/01254	Fraudulent email asking for payment to be made	16/05/2024	20/05/2024	No financial loss, prevention measures put in place. Referrer suitably advised
INV/24/01314	Secondary care whilst possibly not ordinarily resident in UK	23/05/2024	07/06/2024	Enquiries completed, no offences identified.
INV/24/01389	Working elsewhere whilst sick	30/05/2024	30/05/2024	Enquiries completed no agency shifts completed whilst on sick leave. No fraud identified.
INV/24/01426	Fraudulent email asking for payment to be made	03/06/2024	05/06/2024	No financial loss, prevention measures put in place. Referrer suitably advised
INV/24/01454	Fraudulent email asking for payment to be made	06/06/2024	07/06/2024	No financial loss, prevention measures put in place. Referrer suitably advised
INV/24/01461	Fraudulent email asking for payment to be made	07/06/2024	17/06/2024	No financial loss, prevention measures put in place. Referrer suitably advised
INV/24/01513	Two domiciliary providers have made claims for GOS	13/06/2024		

Saunders Mathan
01/07/2024 10:00:49

	services for same patient			
INV/24/01514	Two claims for GOS in short space of time	13/06/2024		
INV/24/01515	Two claims for GOS in short space of time	13/06/2024		
INV/24/01516	Two claims for GOS in short space of time	13/06/2024		
INV/24/01509	Pharmacist dispensing cheaper drugs claiming for expensive branded medication	14/06/2024		

3. Significant Salary Overpayments

The new All Wales Salary Overpayments Policy requires that the Counter Fraud team review all significant salary overpayments prior the employee being informed of the issue. The Counter Fraud team have a five-day window to carry out an initial assessment of the surrounding circumstances and decide whether the matter will be formally investigated as a financial crime.

During this period 11 significant salary overpayments have been referred to the Counter Fraud team. These have all been investigated and reviewed and returned to the finance team for financial recovery. Due to the circumstances involved none have been progressed to formal investigation.

Saunders, Nathan
01/07/2024 10:00:49