

NWSSP Audit Committee Meeting Part A

Tue 23 January 2024, 14:00 - 16:00

By Microsoft Teams Appointment

Agenda

14:00 - 14:10
10 min

1. Standard Business

Gareth Jones

1.1. Welcome and Opening Remarks (verbal)

Gareth Jones

1.2. Apologies

Gareth Jones

1.3. Declarations of Interest

Gareth Jones

1.4. Minutes of the last meeting held in 10 October 2023

Gareth Jones

 1.4 Approved Audit Committee Minutes 101023.pdf (8 pages)

1.5. Matters Arising


Gareth Jones

 1.5 Matters Arising.pdf (2 pages)

14:10 - 14:25
15 min

2. NWSSP Update

Neil Frow

 2. MD Update January 24.pdf (4 pages)

14:25 - 14:40
15 min

3. External Audit

Steve Wyndham

3.1. Audit Wales Update

Steve Wyndham

 3.1 Audit Wales update paper - NWSSP Jan 2024 AC meeting.pdf (2 pages)

3.2. Nationally Hosted NHS IT Systems Update

Andrew Strong

 3.2 NWSSP_Nationally Hosted NHS IT systems 22-23 FINAL report December 2023.pdf (40 pages)

14:40 - 15:10


30 min

4. Internal Audit

James Johns

4.1. Progress Report

James Johns

 4.1 Audit Cttee Progress Report Jan 24.pdf (6 pages)

4.2. Internal Audit Reports

James Johns/Sophie Corbett

4.2.1. NHS Building for Wales 2 Framework Establishment

James Johns/Sophie Corbett

 4.2.1 NHS Building for Wales 2 Framework Establishment - Final.pdf (18 pages)

4.2.2. Business Continuity

James Johns/Sophie Corbett

 4.2.2 BCP Final Internal Audit Report.pdf (16 pages)

4.2.3. Performance Management

James Johns/Sophie Corbett

 4.2.3 Performance Data Quality Final IA Report.pdf (11 pages)


4.2.4. Energy Cost Management

James Johns/Sophie Corbett

 4.2.4 Energy Cost Management Final Internal Audit Report .pdf (9 pages)

4.3. Quality Assurance & Improvement Programme Report

Simon Cookson

 4.3 QAIP Report 2022-23 Final.pdf (13 pages)

15:10 - 15:25

15 min

5. Counter Fraud


Mark Weston

5.1. Progress Update

Mark Weston

 5.1 NWSSP Q3 2023 2024 LCFS Progress Report.pdf (7 pages)

 5.1.1 Q3 2023 2024 Case summary for audit committee.pdf (3 pages)

 5.1.2 Copy of E-Learning figures Q3.pdf (2 pages)

15:25 - 15:55


30 min

6. Governance, Assurance & Risk

Peter Stephenson


6.1. Governance Matters

Andrew Butler

 6.1 Goverance Matters January 2024 v2.pdf (12 pages)

6.2. Risk Register

Peter Stephenson

 6.2 Corporate Risk Register CP.pdf (2 pages)

 6.2 Appendix A Corporate Risk Register 20240115.pdf (3 pages)

6.3. Legal & Risk Case Management System Licenses

Andrew Butler

 6.3 LARS CMS.pdf (8 pages)

6.4. Tracking of Audit Recommendations

Peter Stephenson

 6.4 Tracking of Audit recommendations report January 2024 .pdf (3 pages)

 6.4 17012024 Appendix A progress of recommendations.pdf (8 pages)

6.5. 2024-25 Forward Plan

Carly Wilce

 6.5 Audit Committee Forward Plan 2024-25.pdf (3 pages)

15:55 - 16:00
5 min

7. Any Other Business (By Prior Approval Only)

16:00 - 16:00
0 min

8. Date and Time of Next Meeting, Tuesday 16 April 2024



**VELINDRE UNIVERSITY NHS TRUST AUDIT COMMITTEE FOR NHS WALES
SHARED SERVICES PARTNERSHIP**

**MINUTES OF THE MEETING HELD ON
Tuesday 10 October 2023 / 14:00 – 16:00
via Microsoft Teams**

EXPECTED ATTENDEES:

ATTENDANCE

DESIGNATION

INDEPENDENT MEMBERS:

Gareth Jones (GJ)	Acting Chair, Independent Member
Vicky Morris (VM)	Independent Member

ATTENDANCE

DESIGNATION

ORGANISATION

Tracy Myhill (TM)	NWSSP Chair	NWSSP
Neil Frow (NF) for item 6 only	Managing Director	NWSSP
Andy Butler (AB)	Director of Finance & Corporate Services	NWSSP
Matt Bunce (MB)	Director of Finance	Velindre University NHS Trust
Steve Wyndham (SW)	Audit Lead	Audit Wales
Simon Cookson (SC)	Director of Audit & Assurance	NWSSP
James John (JJ)	Head of Internal Audit	NWSSP
Sophie Corbett (SC)	Deputy Head of Internal Audit	NWSSP
Mark Weston (MW)	Local Counter Fraud Specialist	NWSSP
Peter Stephenson (PS)	Head of Finance & Business Improvement	NWSSP
Carly Wilce (CW)	Corporate Services Manager	NWSSP
Jill Haynes (JH)	Secretariat	NWSSP
Anamaria Carvajal-Illanes (ACI)	Observer	NWSSP

Item		Status
1. STANDARD BUSINESS		
1.1	Welcome and Opening Remarks In the absence of Martin Veale, Gareth Jones chaired the Committee, and welcomed members to the meeting.	
1.2	Apologies Apologies were received from: <ul style="list-style-type: none"> • Martin Veale, Chair & Independent Member; • Steve Ham, Chief Executive, VUNHST; • Lauren Fear, Director of Corporate Governance, VUNHST; • Andrew Strong, Audit Wales, IT Auditor; and • Lindsay Payne, Deputy Director of Finance & Corporate Services. 	
1.3	Declarations of Interest No declarations of interest were received.	
1.4	Minutes of Meeting held on 11 July 2023	

Item		Status
	<p>The minutes of the meeting held on 11 July 2023 were AGREED as a true and accurate record of the meeting, subject to the following amendments:</p> <ul style="list-style-type: none"> • Page 2, Item 2, penultimate paragraph: various amendments to the original minutes had resulted in a conflation of text, requiring attention. • Page 3, Item 3.1, Audit Wales Update: SW stated that the text 'The <u>audit</u> of NWSSP's finances had thus far produced no issues of significance' was incorrect and suggested that the text should be replaced with '<u>assurance work</u> at Shared Services had so far produced no issues of significance'. • Page 8, Item 7.1: GJ suggested the wording be amended to 'a number of Welsh Language Standards had been complied with' as opposed to all Welsh Language Standards had been complied with. <p>Action: amendments would be actioned, and the minutes recirculated for approval prior to being published.</p>	CW
1.5	<p>Matters Arising from Meeting on 19 April 2023</p> <p>All Matters Arising items were complete. GJ queried the update on overpayments. AB advised that it would not be possible for NWSSP to confirm the recovered value of overpayments for each respective Health Board and Trust, as they hold the data individually. However, AB stated that work is continuing on a Standard Overpayment Policy for Wales and as part of that process he would ask colleagues in NWSSP Employment Services whether it would be possible to collect information on the level of recoveries across each organisation.</p> <p>Action: AB would discuss with Employment Services whether there is a way to record recovery information by organisation.</p>	AB
2. EXTERNAL AUDIT		
2.1	<p>Audit Wales Update</p> <p>SW presented the latest position statement detailing current and planned work. GJ enquired whether the increase in the fees detailed within the report, which were currently out for consultation, would normally be accepted without challenge, as a proposed increase of over 6% was noted. MB explained that there is usually a collective response to the consultation on fee increases and AB stated that there had been an extensive discussion at the Directors of Finance meeting on the subject. SW confirmed that due process would be to discuss any issues, with any subsequent written responses summarised and forwarded to the Senedd's Finance Committee, which would result in targeted replies.</p>	

Item		Status
	<p>MB suggested that another meeting would be useful to analyse feedback and he would suggest this idea at the next Directors of Finance meeting.</p> <p>The Committee NOTED the report.</p>	
2.2	<p>2022/23 Management Letter</p> <p>SW introduced the letter to the committee. The Assurance Report was extremely positive, and there were no recommendations raised as part of the audit. The focus of the work is to provide assurance to other NHS audit teams in regard to activities undertaken by Shared Services on behalf of Health Boards and Trusts.</p> <p>The Committee NOTED the report and congratulated the Finance Team on an excellent outcome.</p>	
2.3	<p>Nationally Hosted NHS IT Systems</p> <p>SW presented the report to the committee on behalf of Andrew Strong (AS) in his absence. This work forms part of Audit Wales's assurance work. NWSSP host a number of IT systems for NHS Wales, and it is necessary to review those systems regularly to provide an opinion to external audit teams.</p> <p>SW highlighted that no material misstatements had been identified, but five recommendations for action were raised in the review. Of the five, four were accepted by management, however one has been disputed, concerning the Family Practitioner Payment System. SW was unsure whether AS accepted the response provided by management on this recommendation and he would check this with AS after the Committee meeting.</p> <p>Action: SW would discuss the management response with AS to ensure that he was content that no further action was required. If he was not content, the matter would be further discussed, and an updated report brought back to Committee as appropriate.</p> <p>The Committee NOTED and APPROVED the paper subject to the above action.</p>	SW
3. INTERNAL AUDIT		
3.1	<p>Progress Report</p> <p>JJ presented the latest internal audit position statement together with an overview of other activity. There was one finalised audit report included on the agenda, relating to the Primary Care Services Reconciliation Tool. Due to resourcing implications within the Audit Team, some audits had been delayed, but work was continuing to progress towards completion. VM noted that there were some inaccuracies in the table at the back of the report which summarised</p>	

Item		Status
	<p>when individual audits were due to come to the Audit Committee. JJ will amend.</p> <p>The Committee NOTED the report, subject to the above amendment and APPROVED the changes to the plan as shown in Appendix A.</p>	
3.2	<p>Internal Audit Reports</p> <p>The following Internal Audit Report was presented to the Committee for consideration:</p> <ul style="list-style-type: none"> • FPPS Reconciliation Tool IA Report- SCo introduced the report which had been given a reasonable assurance rating. There were three recommendations which management had fully accepted, and action plans were in place to address. GJ queried why the dates for implementation of actions 1.1a and 2.1a were not until the end of December when the agreed actions seemed relatively straightforward. PS confirmed that he had spoken with PCS, and it was agreed that both actions would be implemented by the end of October. <p>The Committee NOTED the report subject to the amended date for completion of the agreed actions.</p>	
4. COUNTER FRAUD		
4.1	<p>Progress Update</p> <p>MW updated members on the work performed since the meeting held in July 2023. This included:</p> <ul style="list-style-type: none"> • Fraud Prevention notices had been issued as appropriate; there had been a trend of fraudsters in other organisations gaining multiple employment and MW had brought this to the attention of People & OD advising of the warning signs to watch out for; • Five investigations were ongoing, most of these relate to salary overpayments although there has been a recent referral regarding non-payment for lease cars; and • The Community Pharmacy analytical exercise was complete, and the tool was in place to detect unusual claiming trends. Work with Audit Wales was ongoing re GP patient registration capitation fees. <p>GJ referred to the case summary and the five ongoing cases and asked if there was a typical length for an investigation. He queried the overpayment of salary theft and asked why it had taken five months before it was progressed. MW explained that each case is unique, and it had taken MW time to obtain the information. Furthermore, cases are progressed in order of priority.</p>	

Item		Status
	The Audit Committee NOTED the report.	
5. GOVERNANCE, ASSURANCE AND RISK		
5.1	<p>Audit Committee Effectiveness Survey Results 2023</p> <p>CW presented the results of the 2023 Audit Committee Effectiveness Survey which had a slightly lower response rate than the previous year. However, the results remain very positive with no issues for concern.</p> <p>GJ suggested that the categories of response be given some attention. The options for reply were 'Yes', 'No' or 'Somewhat', which may not have captured a useful or relevant response. GJ also stated that it would have been useful to have seen comments left by respondents. CW agreed to share the link to the responses with members following the meeting.</p> <p>Action: CW would circulate the link to the Audit Committee Members' Survey alongside anonymous responses and review the response categories.</p> <p>The Committee NOTED the results of the Annual Survey.</p>	CW
5.2	<p>BACS Inspection Report</p> <p>AB presented the report which was provided for the information of the members. The e Business Central Team were the subject of a formal review by the Bankers Automated Clearing System in July, and the report records a very successful outcome. Only three low priority recommendations were raised, and these have been added to the Audit Tracker for monitoring. However, it was confirmed that all recommendations have already been implemented.</p> <p>The Committee NOTED the Report.</p>	
5.3	<p>Governance Matters</p> <p>AB presented the Governance Matters paper, stating that:</p> <ul style="list-style-type: none"> NWSSP let 16 contracts for services to NWSSP and a further 38 on an all-Wales basis during the reporting period; There were five occasions where contract awards were not processed strictly in accordance with Standing Orders. Reasons for this were given in the report and these largely related to low value contracts that were originally thought to be less than £5k but which subsequently just exceeded this amount and should therefore have been part of a formal procurement process; There were no declarations made as to gifts, hospitality, and sponsorship during the reporting period; and There was a nil return to Welsh Government for the quarterly update on limited and no assurance Internal Audit reports. 	

Item		Status
	The Committee NOTED the report.	
5.4	<p>Corporate Risk Register</p> <p>PS reported that there were three existing red risks, relating to finding accommodation for TRAMS in Southeast Wales, the need to vacate Brecon House in Mamhilad due to the presence of Reinforced Autoclaved Aerated Concrete in the roof, and the adverse publicity from the review into BCUHB.</p> <p>New red risks which had been added since the last Committee meeting were the potential impact of Junior Doctors' strike action on the Single Lead Employer Team and the limitations on the development of existing and new services due to the current financial climate.</p> <p>The report referred to a number of risks where the target risk score had not been achieved. Reasons for this, which often related to external factors outside of NWSSP's direct control, were given and a revised target date requested. These were approved by Audit Committee members. PS emphasised, in response to a question from Committee members that the extension in the target date did not preclude NWSSP from taking immediate and timely action to mitigate the risks as much as possible.</p> <p>The Committee NOTED the Risk Register and APPROVED the target date extensions.</p>	
5.5	<p>Tracking of Audit Recommendations</p> <p>PS stated that the Appendix showed the seven live recommendations; two of which were unavoidably overdue as they depended on outstanding third-party input to implement. It was agreed that it would be helpful to have revised indicative dates for closing down these actions so that progress could be monitored.</p> <p>Action: PS would include revised deadlines for overdue recommendations which are dependent on third parties for completion.</p> <p>The Committee NOTED the report.</p>	PS
6. NWSSP UPDATE		
	<p>NF provided an update to the Committee as to recent developments within NWSSP including:</p> <ul style="list-style-type: none"> Finance: A break-even position was forecast for the year, but this is dependent on a number of assumptions on funding and achievement of savings targets. Additional savings had been identified following the letter from Judith Paget at the end of July. 	

Item		Status
	<ul style="list-style-type: none"> Brecon House (BH): Good progress is now being made to move into an alternative building on the same site. We should shortly be in a position to ask Velindre to sign the lease on our behalf. Capital: additional capital from the Welsh Government for the laundry service had been received, but not as much as had been requested. This has meant that a decision has been taken to close one of the five existing laundries and distribute the workload around the other laundries. Relocation: The proposed move from Companies House to the Welsh Government building at Cathays Park is now looking unlikely due to a number of issues that have been raised in recent weeks. Other options are now being investigated. Staffing: AB is retiring at the end of April 2024 and recruitment for a replacement will commence shortly. Similarly, Andrew Evans, Director, Primary Care Services, has also announced his intention to retire at the end of March 2024. PS is also going to step down from his existing role next April and move to a part-time role within Internal Audit. <p>The Committee NOTED the report.</p>	
7. ITEMS FOR INFORMATION		
7.1	<p>NWSSP Annual Review 2022-23</p> <p>AB presented the Annual Review which provides a very positive reflection on activities within the previous financial year. The document was produced in-house by the Communications Team and both GJ and VM congratulated the NWSSP Team on the content and format of the document.</p> <p>The Committee NOTED the Annual Review.</p>	
7.2	<p>Information Governance Annual Report 2022-23</p> <p>PS presented the report which records that Freedom of Information requests had risen to 91 compared to 83 in the previous year. The number of training sessions delivered was slightly down on the previous year but average numbers attending were up. 470 staff attended refresher training, and 87% of NWSSP staff completed e-learning training.</p> <p>The Committee NOTED the report.</p>	

Item		Status
7.3	Audit Committee Forward Plan 2023-24 CW presented the forward plan for the current year. A plan for 2024-25 will be brought to the January meeting. The Committee NOTED the report.	
8. ANY OTHER BUSINESS		
	No matters raised.	
9. DATE AND TIME OF NEXT MEETING		
	23 January 2024 - 14:00-16:00 via TEAMS.	

<i>Actions arising from the meeting held on 10 October 2023</i>				Action by
1.4	CW	<i>Minutes of October 2023 meeting</i> To action the amendments noted at the meeting and recirculate them for approval, prior to them being published.	Complete – Amendments complete. Updated minutes were sent to all members on 12 October 2023.	23 January 2024
1.5	AB	<i>Actions from the meeting held in October 2023</i> To discuss with Employment Services whether there is a way to record recovery information by organisation.	Complete – Currently we can identify repayments relating to NWSSP salary overpayments but not in relation to Health Boards and Trusts. However, Employment services have developed a new overpayments portal. This has recently been rolled out and it is proposed that, in time, this will be developed to capture the recovery element. There are also several initiatives in train to reduce the level of overpayments occurring.	23 January 2024
2.3	SW	<i>Nationally Hosted NHS IT Systems</i> To discuss the management response with lead auditor to ensure that no further action was required. If not content, the matter would be further discussed, and an updated report brought back to Committee as appropriate.	On agenda	23 January 2024
5.1	CW	<i>Audit Committee Effectiveness Survey</i> Circulate the link to the Audit Committee Members' Survey alongside anonymous responses and review the response categories.	Complete – Link to the survey results were circulated to all members on 11 October 2023.	23 January 2024
5.5	PS	<i>Audit Recommendations</i> To include revised deadlines for overdue recommendations which are dependent on third parties	Complete – revised dates have been added to the Corporate tracker and register.	23 January 2024

		for completion.		
--	--	-----------------	--	--

MEETING	Velindre University NHS Trust Audit Committee for NHS Wales Shared Services Partnership
DATE	23 January 2024
AGENDA ITEM	
PREPARED BY	Peter Stephenson, Head of Finance and Business Development
PRESENTED BY	Neil Frow, Managing Director
RESPONSIBLE HEAD OF SERVICE	Neil Frow, Managing Director
TITLE OF REPORT	NWSSP Update

PURPOSE

To update the Committee on recent developments within NWSSP.

Introduction

This paper provides an update into the key issues that have impacted upon, and the activities undertaken by, NWSSP, since the date of the last meeting in October.

Finance

NWSSP is on track to meet the main financial KPIs and is reporting a break-even outturn position for 2023/24. Our additional savings submission to Welsh Government on 11th August identified we would make a £1.6m distribution this financial year. This will be allocated to NHS Wales Organisations and Welsh Government based on the original contribution shares into NWSSP in line with previous financial year distributions. We are however currently reviewing our 2023/24 forecast and are likely to be able to increase the £1.6m distribution further.

Our 2023/24 Welsh Risk Pool forecast was £135.929m which requires £26.494m to be funded under the Risk Share Agreement. There remain a number of relatively high value cases that are due for settlement in Quarter 4 2023/24 and Quarter 1 2024/25. Due to the uncertainty in timings inherent in the claims process, these may settle in 2023/24 or fall into next financial year. Due to this uncertainty, we are forecasting that the WRP will have an outturn of between £132m and £136m.

IMTP

The draft IMTP for the period 2024-27 has recently been approved by the Partnership Committee. The IMTP has been developed in collaboration with all our divisions who have written underpinning divisional plans for the next three years. We held individual touch point meetings prior to Christmas with our Divisional Directors and Heads of Services. We used these meetings to confirm digital, financial and workforce planning assumptions and to identify synergies across Divisions to mitigate silo working and maximise efficiencies. The draft IMTP was endorsed by SLG in December 2023, but subject to any changes that would be required by the financial allocation letter that was subsequently issued on 21 December 2023.

Joint Executive Team (JET)

We had a recent JET meeting with Welsh Government colleagues covering performance, governance, quality, and workforce planning. The feedback during the meeting was very positive with Welsh Government acknowledging the role that plays within NHS Wales

Industrial Action

We are heavily involved in the cross-NHS Wales planning for the contingency measures required during the strike action by Junior Doctors commencing on the 15th of January.

Wagestream

Wagestream are a private sector organisation who provide services to a number of Health Boards and their staff offering flexibility over employee finances, including the ability for staff to receive an advance on their pay. There is no contractual relationship between NWSSP and Wagestream. On the morning of the 22nd December, we received a number of calls, primarily from BCUHB staff, stating that they had not received their pay. Upon urgent investigation of this it transpired that all affected staff had taken out an arrangement with Wagestream for a pay advance, and that in these circumstances NWSSP had correctly and promptly routed their pay to Wagestream. The problem therefore was within Wagestream and they managed to resolve it the same day. We have completed an incident report and the issue is to be discussed at the All-Wales Workforce Directors meeting on the 19th of January to ensure that responsibilities for this arrangement are clear.

Laundry Service

The TUPE process for the Cwm Taf laundry staff is underway and we are also supporting Hywel Dda UHB in the 1:1 meetings (first meeting 9th January)

that they are having with the staff affected by the planned closure of their laundry and the associated creation of a laundry hub.

Accommodation Update

We are now in advanced negotiations with the landlord for the fit-out of the building on the Nantgarw estate that will be used to house staff moving from both Companies House and our current HQ. The expected date for us to move into this accommodation will be in the latter part of 2024.

Transforming Access to Medicine

Issues with the provision of the Radiopharmacy service in the Cardiff area necessitate an urgent requirement to engage a specialist clean room contractor for a Design, Build & Validation project. This is part of the Transforming Access to Medicines (TRAMS) Project South-East Wales Hub and the proposal for this development was recently approved by the Partnership Committee. Due to the urgent need for this facility it is anticipated that the development will commence immediately upon approval.

Staff Awards

There has been a very good response rate for the call for nominations for the Staff Awards event due to be held in February. There are some excellent submissions which recognise the commitment and initiative of NWWSP staff across the organisation.

Awareness Training

Daniela Mahapatra, Deputy Director, Legal & Risk Services jointly hosted a training session on Understanding Sexual Safety in the Workplace. This was an on-line event held on the 9th of January which was well attended by managers and staff from across NWSSP.

The Informal Senior Leadership Group meeting on the 11th of January included a two-hour training session on unconscious bias. This session was also open to Heads of Service and Deputy Directors. A second session on anti-racism is being held on the 15th of February.

Staffing Update

The recruitment process to replace the Director of Finance & Corporate Services, and the Director of Primary Care are well underway, with stakeholder panels and interviews being held, or due to be held imminently.

In November I was very pleased to attend a presentation to mark 50 years' service by Haydn Davies within our Stores Team.

**Neil Frow OBE,
Managing Director, NWSSP,
January 2024**

Date issued: January 2024

Audit Wales update for the NWSSP Audit Committee – January 2024

Introduction

- 1 This document provides the NWSSP Audit Committee with an update on current and planned Audit Wales work, together with information on the Auditor General's recent publications together with the work of our Good Practice Exchange (GPX).

2023-24 Audit update

- 2 Our audit and assurance fieldwork at NWSSP will commence early in the calendar year. The exact timing is yet to be confirmed and will be discussed with management.
- 3 In addition, the scope of our assurance work is being reviewed with the various NHS external audit teams to ensure that we continue to provide relevant and appropriate support to their local audit work, particularly in light of the revised auditing standard, ISA315. As a result, it is possible that the scope and nature of our work at NWSSP could be revised for 2023-24. We will keep management and the Committee informed of any significant changes.
- 4 It is unlikely that the scope of our IT assurance work will change for 2023-24.

General Audit Wales Update

- 5 Other areas of Audit Wales activity of potential interest are outlined below for your information.
- 6 For latest news and updates you can also [subscribe to our newsletter](#).

Good practice events and products

- 7 We continue to seek opportunities for finding and sharing good practice from all-Wales audit work through our forward planning, programme design and good practice research. Up to date details of future events are available on our [GPX webpages](#).

Recent Audit Wales Publications

8 The following national reports and outputs have been recently published:

- [NHS Workforce data briefing](#) (September 2023)
- [NHS Wales Finances Data Tool - up to March 2023](#) (September 2023)
- [Approaches to achieving net zero across the UK](#) (September 2023)
- [Income diversification – National Parks](#) (September 2023)
- [Governance arrangements – National Museum Wales](#) (November 2023)

Other Planned Audit Wales work

9 Some of our planned outputs for the coming period include:

- Ukrainian refugee response;
- Affordable housing;
- Active Travel; and
- Audit Committees: 'What does good look like?' (This will entail R&D work to understand the broad audit committee landscape across all sectors in Wales with outputs to support Good Practice Exchange events and potential future audit work).

Nationally Hosted NHS IT Systems – NHS Wales Shared Services Partnership

Audit year: 2022-23

Date issued: September 2023

Document reference: 3807A2023

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.

Contents

The IT controls we examined assured us that financial values produced by the systems for 2022-23 were likely to be free from material misstatement, although some controls could be strengthened.

Summary report

Summary	4
---------	---

Detailed report

The Prescription Pricing System’s controls support the production of information that is free from material misstatement	7
--	---

The National Health Application and Infrastructure Service system’s control support the production of information that is free from material misstatement, system replacement plans are still underway	8
--	---

The Family Practitioner Payment System’s controls support the production of information that is free from material misstatement although some controls should be strengthened	
---	--

The Oracle FMS’s IT controls support the production of information that is free from material misstatement	9
--	---

The ESR Payroll’s Shared Services system administration controls support the production of information that is free from material misstatement	10
--	----

Recommendations	13
-----------------	----

Appendices

Appendix 1 – issues and recommendations arising from the review of National Hosted NHS IT Systems in prior audit years and in 2022-23 – NHS Wales Shared Services Partnership	15
---	----

Summary report

Summary

- 1 NHS bodies in Wales are responsible for preparing financial statements that give a true and fair view of the state of their financial affairs as at 31 March 2023. They must ensure that they are properly prepared in accordance with the National Health Service (Wales) Act 2006 and directions made thereunder by Welsh Ministers. NHS bodies are also responsible for preparing Annual Governance Statements in accordance with guidance issued by HM Treasury and the Welsh Government.
- 2 The Auditor General is responsible for providing an opinion on whether each NHS body's financial statements represent a true and fair view of the state of its financial affairs as at 31 March 2023.
- 3 NHS Wales has a variety of arrangements in place to provide and support IT systems used for financial reporting purposes. Since June 2012, Velindre University NHS Trust (the Trust) has hosted the NHS Wales Shared Services Partnership (NWSSP) and is responsible for its governance and accountability.
- 4 This report covers the national NHS IT applications and infrastructure which NWSSP manages for use by other NHS organisations in Wales. These systems include the:
 - Prescription Pricing System (formerly known as the Community Pharmacy System) which is used to process prescriptions and calculate reimbursement for pharmacy contractor payments. This system is used by the Prescription Services Team of Primary Care Services (PCS).
 - National Health Application and Infrastructure Services (NHAIS) or Exeter, used for communicating NHS demographics and to the FPPS for calculating primary care General Medical Services contractor payments. NHS Digital in NHS England manages and supports the NHAIS system software for use in NHS Wales. Digital Health and Care Wales (DHCW) manage and support the NHAIS IT infrastructure used in NHS Wales.
 - Family Practitioner Payment System (FPPS) which is used calculating primary care General Medical Services (GMS) contractor payments, for example, the 'global sum' or 'capitation' payments for GP patient registrations. Northern Ireland NHS service manage and host the FPPS and the service is provided to NHS Wales under an service level agreement.
 - Oracle Financial Management System (FMS) is supplied by a third party called Version One and managed for NHS Wales by the Central Team e-Business Services (CTeS) within the NWSSP. The Oracle FMS is used by NHS Wales as the main accounting system for managing and producing the NHS accounts.
 - Electronic Staff Record (ESR) systems administration is the responsibility of each individual Local Health Board and Trust through delegated responsibility passed to NWSSP via a Service Level Agreement (SLA).

Payroll access by NWSSP Employment Services to process the payroll in Wales is managed in accordance with the Trust's ESR system access process. The ESR Payroll system is managed and hosted nationally by IBM on behalf of NHS England and NHS Wales under a managed service contract.

- 5 International Auditing Standard (ISA) 315 requires us to obtain an understanding of the general IT and application controls of the financial systems used by NHS Wales. As part of the National Hosted NHS IT Systems audit plan, Audit Wales reviewed the above-mentioned systems during 2022-23 and followed up our prior audit recommendations in these areas. This work reviews the ICT environment and application controls that are applied to the National Hosted NHS IT Systems solely for the purposes of providing assurance for NHS audit opinions. We have taken the opportunity to identify actions that, in our view, would help NHS Wales improve its governance and use of these systems.
- 6 This work is undertaken to identify potential risks which may include:
 - out-of-date and unsupported infrastructure;
 - access security arrangements that leave the system vulnerable to unauthorised access and attack;
 - loss or unauthorised access of data; and
 - change control procedures which are inadequate meaning that the system could be compromised or unavailable following the application of a new patch, upgrade or release of the database or the application software or infrastructure change.
- 7 We have therefore undertaken a review that sought to answer the question:
'Can auditors be assured that the IT system controls are such that financial values are likely to be free from material misstatement?'
- 8 **We concluded that the IT controls applied to the Prescription Pricing, National Health Application Infrastructure, Family Practitioner Payment System, Oracle Financials systems and ESR Payroll systems administration managed by NHS Wales Shared Services, were sufficiently effective to allow financial auditors to take assurance that financial values produced by the systems for 2022-23 were likely to be free from material misstatement. However, NWSSP could strengthen some controls.**
- 9 In summary, the reasons for this conclusion are set out below:
 - the Prescription Pricing System's controls support the production of information that is free from material misstatement;
 - the National Health Application and Infrastructure Service system's controls support the production of information that is free from material misstatement, system replacement plans are still underway;
 - The Family Practitioner Payment System's controls support the production of information that is free from material misstatement although some controls should be strengthened;

- the Oracle FMS's IT controls support the production of information that is free from material misstatement; and
- the ESR Payroll's Shared Services system administration controls support the production of information that is free from material misstatement.

10 This report summarises the more detailed matters arising from our audit, our recommendations made from this year's audit and our follow-up of last year's recommendations.

Detailed report

The Prescription Pricing System's controls support the production of information that is free from material misstatement

- 11 We have identified no significant IT application or infrastructure issues likely to result in a material misstatement within the Prescription Pricing System. However, we identified some issues that should be addressed by Primary Care Services in order to minimise the potential for future application and infrastructure system risks. From our IT work in 2022-23, we have identified two recommendations to NWSSP for improvement. These are outlined below:
 - completing an annual IT Disaster Recovery (DR) test; and
 - reviewing the feasibility of making user access rights more granular so they are a better match and relevant the individual user's role and responsibilities.
- 12 NWSSP have made some progress to address prior year IT recommendations made for improvement and some of these remain in progress. Further details of our findings and progress against actions for the Prescription Pricing System agreed with Primary Care Services officers can be found in **Appendix 1**.

The National Health Application and Infrastructure Service system's controls support the production of information that is free from material misstatement, system replacement plans are still underway

- 13 We have identified no significant issues within the NHAIS system likely to result in a material misstatement. However, we have identified some issues that should be addressed by NWSSP in order to minimise the potential for future application and infrastructure system risks. From our work in 2022-23 we have identified one area for improvement for NWSSP. This is outlined below:
- reviewing the user access reports produced of NHAIS system activity to ensure access is appropriate. These reports are regularly produced by the system automatically but it was unclear if they are reviewed and monitored.
- 14 NHAIS functionality for the processing 'engine' for calculating the 'global sum' or 'per capita' payments were replaced in April 2022 by NWSSP with the implementation of the Family Practitioner Payment System (FPPS). NWSSP implemented the FPPS after a period of parallel system running in 2021-2022. NHAIS is still relevant in the GMS processing for calculating primary care General Medical Services contractor payments as it is used for communicating NHS demographics and to the Family Practitioner Payments System.
- 15 Plans to decommission the NHAIS system and ensure continuity of continuing NHAIS services required have been agreed with both DHCW and NHS Digital. NHS England and NHS Digital are decommissioning NHAIS. NWSSP will be required, in 2023-24 to work jointly with DHCW to support these preparations, where necessary, on the system replacement options and Welsh requirements. NHAIS will be replaced by a number of other systems and NHS Digital have developed the demographic registration and reporting systems required to replace NHAIS demographics functionality for NHS England.
- 16 NWSSP have made progress to address prior year IT recommendations made for improvement and some of these remain in progress. Further details of our findings and progress against actions for the NHAIS system agreed with Primary Care Services officers can be found in **Appendix 1**.

The Family Practitioner Payment System's controls support the production of information that is free from material misstatement although controls could be strengthened

- 17 We have identified no significant IT application or infrastructure issues likely to result in a material misstatement within the Family Practitioner Payment System. However, we identified some issues that should be addressed by Shared Services, by requesting BSOITS consider these, in order to minimise the potential for future application and infrastructure system risks. From our work in 2022-23, we have identified a number of recommendations for NWSSP to request improvement over the FPPS IT controls and these are outlined below.
- 18 The Family Practitioner Payment System (FPPS) was implemented by NWSSP in April 2022. The FPPS is developed and provided by the Business Services Organisation (BSO) in the Northern Ireland NHS. FPPS is managed by a specialist IT Services (ITS) department and supplied under a documented 'Services Agreement' with NHS Wales. FPPS is used in calculating primary care General Medical Services (GMS) contractor payments, for example, the global sum capitation payments. The FPPS has a Welsh specific IT environment or domain and we have covered those IT controls relevant to this, the majority of which operate at the BSOITS.
- 19 We have identified some issues in our IT controls work which should be addressed by BSOITS in order to minimise the potential of future IT infrastructure and application system risks. These include requesting that the supplier, BSOITS:
 - strengthen cyber security controls by:
 - consider obtaining a Cyber Essentials (CE+) certification, or equivalent, to help reduce potential cyber security risks;
 - documenting and testing a Cyber Incident Response Plan (CIRP);
 - consider introducing additional cyber security software such as Security Incident and Event Monitoring (SIEM) or Security Operations Centre (SOC) that covers the FPPS environment.
 - updating and testing IT Disaster Recovery (DR) plans for the FPPS.
- 20 There were no prior year IT recommendations for NWSSP on the FPPS. Further details of our findings and progress against actions for the FPPS agreed with Shared Services can be found in **Appendix 1**.

The Oracle FMS's IT controls support the production of information that is free from material misstatement

- 21 We have identified no significant IT application or infrastructure issues likely to result in a material misstatement within the Oracle FMS. From our work in 2022-23, we have not identified any recommendations to NWSSP for improvement.
- 22 In 2021-22, we identified two recommendations for improvement for the Oracle FMS system. The NWSSP has made good progress to address these actions by:
- initiating an on-line portal to be able to view backups taken and their status; and
 - completing an IT Disaster Recovery (DR) test in November 2022 on the new Oracle version implemented in 2021-22 to provide assurance plans and the incident recovery procedures work as intended so the system could be fully recovered in an emergency or major incident in a reasonable timeframe.
- 23 NWSSP have made progress to address prior year IT recommendations made for improvement and some of these remain in progress. Further details of our findings and progress against actions for the Oracle FMS agreed with Shared Services can be found in **Appendix 1**.

The ESR Payroll's Shared Services system administration controls support the production of information that is free from material misstatement

- 25 The Electronic Staff Record (ESR) Payroll system is managed and hosted nationally by IBM on behalf of NHS England and NHS Wales under a managed service contract. We have reviewed the ESR Payroll systems administration controls (payroll elements only) managed by NWSSP. This responsibility includes managing user access to the payroll system in Wales by the NWSSP Employment Services staff who process the Welsh NHS organisations' payrolls. In addition to seeking to place reliance on the International Standard on Assurance Engagements (ISAE) 3000 report of the IBM Service Auditor noted below, Audit Wales IM&T auditors have reviewed the controls in place over the ESR Payroll systems administration managed under a delegated authority by NWSSP, Employment Services.
- 26 We have not identified any significant IT issues likely to result in a material misstatement within these ESR Payroll systems' administration controls. From our work in 2022-23, we have not identified any recommendations to NWSSP for improvement.
- 27 In 2021-22, we identified two recommendations for improvement for the ESR Payroll systems access controls. The NWSSP has made good progress to address these actions by:
- increasing the ESR system administrators in place; and
 - introducing more regular and detailed monitoring checks of the appropriate and relevant ESR access security reports available within the ESR system.
- 28 We sought to place reliance on the ISAE 3000 report of the IBM Service Auditor, PwC, on the general IT controls applied at IBM. PwC conducted the review in accordance with the ISAE 3000 'Assurance Engagements Other Than Audits or Reviews of Historical Financial Information'. For the period 1 April 2022 to 31 March 2023, PwC concluded that the ESR payroll general IT controls and environment were overall suitably designed and operated effectively with the exception of the three areas noted below. PwC qualified their opinion on three control objectives covering the:
- ESR system logical access security;
 - monitoring to agreed service levels for the availability of the ESR interface hub; and

- issues raised with the availability of evidence for the period of the decommissioning of the old IBM data centres, for example, testing of backup power generators.

- 29 PwC have made recommendations, as in prior years, for the NHS ESR Central Team and IBM to strengthen the IT controls around access security between the development and live payroll application environments. These controls have been put in place by the ESR central Team where possible. PwC has not identified any other areas in their 2022-23 work for improvement or recommendations to the IT controls used by the NHS ESR Central Team and IBM.
- 30 Further details of our findings and progress against actions for the ESR Payroll systems administration control agreed with Shared Services can be found in **Appendix 1**.

Recommendations

31 **Exhibit 1** sets out the recommendations that we have identified in 2022-23. NWSSP should take action to address these recommendations. The appendix to this report also sets out progress made against all the previously reported recommendations that remain in progress and ones that have been completed in 2022-23.

Exhibit 1: 2022-23 recommendations

Recommendations
<div><div>Prescription Pricing System</div><div>R 2022-23.01</div><div>Complete an annual IT Disaster Recovery (DR) test.</div><div>R 2022-23.02</div><div>Review the feasibility of making user access rights more granular so they are a better match and relevant the individual user's role and responsibilities.</div></div>
<div><div>NHAIS</div><div>R 2022-23.03</div><div>Review the user access reports produced of NHAIS system activity to ensure access is appropriate.</div></div>
<div><div>FPPS</div><div>R 2022-23. 04</div><div>Request that the supplier, BSOITS, strengthen cyber security controls at the BSOITS by:<ul style="list-style-type: none">consider obtaining a Cyber Essentials (CE+) certification, or equivalent, to help reduce potential cyber security risks;</div></div>

Recommendations

- documenting and testing a Cyber Incident Response Plan (CIRP); and
- consider introducing additional cyber security software such as Security Incident and Event Monitoring (SIEM) or Security Operations Centre (SOC) that covers the FPPS environment.

R 2022-23. 05

Update and test IT Disaster Recovery (DR) plans for the FPPS.

Oracle FMS

No recommendations have been made on Oracle FMS in 2022-23.

ESR Payroll system IT controls

No recommendations have been made on ESR payroll in 2022-23.

Appendix 1

Issues and recommendations arising from the review of National Hosted NHS IT Systems in prior audit years and in 2022-23 – NHS Wales Shared Services Partnership

Exhibit 2: issues and recommendations from 2022-23

Issues identified during IT audit work						
Ref	Issue	Recommendation	Priority	Agreed	NWSSP responsibility	NWSSP actions & current status – September 2023
Prescription Pricing System – IT controls work						
2022-23 - 01	A PPS IT Disaster Recovery (DR) plan is in place that is updated annually. The last update was in Q1 2023. During our fieldwork we noted that the policy is to test the IT DR plan	Complete an annual IT Disaster Recovery (DR) test.	Medium	Yes	Ceri Evans - Head of Primary Care Services	Management comment NWSSP is planning migration of its hosting environment to the National Data at

Issues identified during IT audit work						
Ref	Issue	Recommendation	Priority	Agreed	NWSSP responsibility	NWSSP actions & current status – September 2023
	<p>every two years and the last test was undertaken in February 2022.</p> <p>It is good practice to test IT DR plans annually, every 12 months or sooner as major changes to the IT environment are implemented and installed.</p>					<p>Church Village. Testing of the DR plan has been postponed and will be replanned following the completion of the migration. The migration is expected to be completed by February 2024.</p>
2022-23 - 02	Reviews of user access take place at least annually and more often informally. However, it was identified during discussions with NWSSP officers managing the PPS that access rights both at user and	Review the feasibility of making user access rights more granular so they are a better match	Medium	Yes	Ceri Evans - Head of Primary Care Services	<p>Management comment</p> <p>User access is checked monthly. New user profiles to</p>

Issues identified during IT audit work						
Ref	Issue	Recommendation	Priority	Agreed	NWSSP responsibility	NWSSP actions & current status – September 2023
	privileged level access could be made more granular so that system access rights are closely aligned with job functions and roles. This is good practice to match access rights to the job requirements so these are appropriate and do not go beyond what is needed for specific roles.	and relevant the individual user's role and responsibilities.				be developed. Subject to the availability of development resource this is expected to be completed by end of March 2024.
NHAIS System – IT controls work						
2022-23 - 03	DHCW send a user access activity report to NWSSP NHAIS systems administrators to monitor and review access, the access report could not be located and it was unclear whether	Review the user access reports produced of NHAIS system activity to ensure	Medium	Yes	Ceri Evans - Head of Primary Care Services	Management comment NHAIS user access report requested from

Issues identified during IT audit work						
Ref	Issue	Recommendation	Priority	Agreed	NWSSP responsibility	NWSSP actions & current status – September 2023
	the control has not been undertaken in 2022-23	access is appropriate.				DHCW. Review to be completed by end October 2023. Process review to be undertaken with future reviews scheduled.
FPPS System – IT controls work						
2022-23 - 04	During our audit of the FPPS system and the cyber security controls helping to protect the system from vulnerabilities we identified a number of areas where potential	Request that the supplier, BSOITS, strengthen cyber security controls by:	Medium	Yes (agreed in principle subject to plans and	Ceri Evans - Head of Primary Care Services – actions already in place.	Management comment A) Work in progress - BSOITS has a

Issues identified during IT audit work						
Ref	Issue	Recommendation	Priority	Agreed	NWSSP responsibility	NWSSP actions & current status – September 2023
	<p>improvements to strengthen arrangements could be made:</p> <ul style="list-style-type: none"> • BSOITS did not have an IT security accreditation, for example, Cyber Essentials • a Cyber Security Incident Response (CIRP) plan was not in place • Other industry standard cyber security tools and software, for example, a Security Incident and Event Monitoring (SEIM) and Security Operations Centre (SOC) were not yet used. These help identify, analyse 	<ul style="list-style-type: none"> • a) consider obtaining a Cyber Essentials (CE+) certification, or equivalent, to help reduce potential cyber security risks; • b) documenting and testing a Cyber Incident Response Plan (CIRP); and • c) consider introducing 		work underway)		<p>Cyber Security Strategy 2022-26 which was developed to align with wider Northern Ireland Health and Social Care strategies to support the security and integrity of systems and data. Alternative arrangements in place to partly address this recommendation.</p> <p>A number of our current projects such as Evolve and Shared Services</p>

Issues identified during IT audit work						
Ref	Issue	Recommendation	Priority	Agreed	NWSSP responsibility	NWSSP actions & current status – September 2023
	<p>and monitor cyber threats real-time.</p> <p>We were made aware by BSOITS that cyber security improvement plans were being reviewed and the above areas were being considered as part of this exercise.</p>	<p>additional cyber security software such as Security Incident and Event Monitoring (SIEM) or Security Operations Centre (SOC) that covers the FPPS environment.</p>				<p>are already using the ISO 27001 framework. BT who manage the data centre in which the FPPS application is hosted have ISO/IEC 27001:2013 certification for the data centre.</p> <p>The cyber programme currently aligns all work to ISO27001, Cyber Essentials, and NIS frameworks. With the ongoing programmes of work we are not in a position to become formally certified at present but some discovery work to look at scope and feasibility</p>

Issues identified during IT audit work						
Ref	Issue	Recommendation	Priority	Agreed	NWSSP responsibility	NWSSP actions & current status – September 2023
						<p>of accreditation has begun.</p> <p>B) Completed - there is a Cyber Incident Response Plan (CIRP) now already in place across the NIHSC and BSO ITS have their own local Response Plan. Since the fieldwork, in May 2023 this was tested in a table-top exercise through an independent exercise facilitated by Deloitte and the five Northern</p>

Issues identified during IT audit work						
Ref	Issue	Recommendation	Priority	Agreed	NWSSP responsibility	NWSSP actions & current status – September 2023
						<p>Ireland Health bodies to assess response readiness and how the regional plan dovetailed with the local BSO ITS plans. A report was produced that included the outcomes of the test.</p> <p>C) Work in progress - There is currently a BSO ITS project investigating the implementation of Security Operations Centre (SOC) using</p>

Issues identified during IT audit work						
Ref	Issue	Recommendation	Priority	Agreed	NWSSP responsibility	NWSSP actions & current status – September 2023
						Security Incident and Event Monitoring (SIEM) tools which is currently at the business case stage. It is envisaged that each project/service would fund the SOC for their project/service. This has been prioritised with business case submission to Department of Health due end January 2024.
2022-23 - 05	An FPPS IT Disaster Recovery (DR) plan is in place but it was unclear when it was last updated. DR plans	Update and test IT Disaster Recovery	Medium	Yes	Ceri Evans - Head of Primary Care Services –	Management comment

Issues identified during IT audit work						
Ref	Issue	Recommendation	Priority	Agreed	NWSSP responsibility	NWSSP actions & current status – September 2023
	<p>should be regularly updated, for example, at least annually or more often as changes are made to the IT environment.</p> <p>We were made aware during our fieldwork that the IT DR plan was last tested in January 2021. It is good practice to test IT DR plans at least annually.</p>	(DR) plans for the FPPS.			actions already in place	The FPPS Wales team plan to review their current Disaster Recovery plans and test them in the next two months and initial internal review meeting of the plans is scheduled for October 2023.

Exhibit 3: issues and recommendations from prior audit years

Issues identified during IT audit work						
Ref	Issue	Recommendation	Priority	Agreed	NWSSP responsibility	NWSSP actions & current status – September 2023
Prescription Pricing System – IT controls work						
2021-22.01	<p>During our fieldwork in March 2022 we identified that 29 users had access to create, amend or delete user access to the prescription pricing system. We consider this to be a very high number of users with this higher level access account to authorise and manage user accounts.</p> <p>It is good practice to restrict access to higher level or privileged accounts to an appropriate number of staff.</p>	Reduce the number of users with access to create, amend or delete user access to the prescription pricing system. Access to higher level or privileged accounts should be restricted to an appropriate number;	Medium	Yes	Simon Johnson-Reynolds - Service Improvement Manager	<p>Completed</p> <p>The SA group has been reduced to just those in data capture support.</p>
2021-22.02	We identified that a review of user access rights to the prescription	Review user access rights to the prescription pricing	Medium	Yes	Simon Johnson-	Partially completed

Issues identified during IT audit work						
Ref	Issue	Recommendation	Priority	Agreed	NWSSP responsibility	NWSSP actions & current status – September 2023
	<p>pricing system does not take place on a regular basis, for example, at least annually.</p> <p>This is good practice to ensure that users have appropriate access rights, and that any potential leavers, or inactive users are identified and their access amended appropriately.</p>	<p>system on a regular basis, for example, at least annually, to ensure that users have appropriate access rights, and that any potential leavers, or inactive users are identified and their access amended appropriately;</p>			Reynolds - Service Improvement Manager	<p>PCS Business support now have a leaver process where these individuals will be removed from systems via Access Control within the systems and Active Directory. Where users are inactive due to sickness or maternity leave or secondment there isn't presently a policy removing access to systems. Consideration will need to be given to whether this practice would impact the services concerned when the users</p>

Issues identified during IT audit work						
Ref	Issue	Recommendation	Priority	Agreed	NWSSP responsibility	NWSSP actions & current status – September 2023
						<p>returned. However, an annual audit could be implemented where an active list of users is reviewed.</p> <p>Review to be undertaken to further strengthen arrangements in PCS. Target date for completion, March 2024.</p>
2021-22.03	The prescription pricing system has a documented change control policy in place. We could not identify and	Update the prescription pricing change control policy to record and	Medium	Yes	Simon Johnson-Reynolds -	Completed

Issues identified during IT audit work						
Ref	Issue	Recommendation	Priority	Agreed	NWSSP responsibility	NWSSP actions & current status – September 2023
	<p>confirm whether it has been updated recently. We understand the change control policy was last updated in 2017.</p> <p>It is good practice to have a review by date and confirm a review has taken place to evidence, even if no changes are required, that the control check has been undertaken.</p>	confirm that it has been updated and include this in the document revision history.			Service Improvement Manager	The Change Control Policy referred was a generic policy for PCS. The Data Capture team have specific well documented procedures for version builds, testing and version release including a release log and since the visit a library of Standing Operating Procedures competed.

Issues identified during IT audit work						
Ref	Issue	Recommendation	Priority	Agreed	NWSSP responsibility	NWSSP actions & current status – September 2023
2021-22.04	A corporate wide Service Level Agreement (SLA) with Digital Health Care Wales is in place but it is high level and does not specifically name the prescription pricing system (whilst other IT systems are named) within its scope. In addition, it can be strengthened by adding a document revision history and expected review dates, including details around the responsibilities and frequency in taking of data backups and monitoring the successful completion of backups.	Update the Service Level Agreement (SLA) with Digital Health Care Wales to specifically name the prescription pricing system within its scope, update the document revision history and expected review dates, include details around the responsibilities and frequency in taking of data backups and monitoring the successful completion of backups.	Medium	Yes	Neil Jenkins – Chief Digital Officer	Completed The service descriptions that underpin the SLA schedule have been reviewed and shared with Audit Wales. It is agreed by NWSSP that these adequately cover the provision of the service.
National Health Application and Infrastructure Services – IT controls work						

Issues identified during IT audit work						
Ref	Issue	Recommendation	Priority	Agreed	NWSSP responsibility	NWSSP actions & current status – September 2023
2020-21.02	<p>We identified during our fieldwork in April 2021 a number of issues with the NHAIS system administration access and review of user access activity:</p> <ul style="list-style-type: none"> a) a system administrator who has left NWSSP has not had their user account deleted. b) the NHAIS user access log that records NHAIS user access and used to review user access to job functions has not been updated. This control has not been completed by the NHAIS systems administrator in 2020-21 and the access log could not be located. c) DHCW send a user access activity report to NWSSP NHAIS systems administrators 	<p>Strengthen the NHAIS system administration access and review of user access and activity by:</p> <ul style="list-style-type: none"> a) removing the system administration access account for the NHAIS systems administrator who has left NWSSP; b) updating the NHAIS user access log that records NHAIS user access and used to review user access to job functions; and c) reviewing the NHAIS user access activity report sent to NWSSP NHAIS 	High	Yes	Neil Jenkins - Head of Modernisation & Technical Services	<p>Completed</p> <ul style="list-style-type: none"> a) Administrator access account has been removed. b) User Access Log set up to a Unix file location not available to the system administrator. Resolution now in place and notification set up to ensure checks are undertaken monthly. C) Arrangements in place for the System Administrator to

Issues identified during IT audit work						
Ref	Issue	Recommendation	Priority	Agreed	NWSSP responsibility	NWSSP actions & current status – September 2023
	to monitor access, the access report could not be located and the control has not been undertaken in 2020-21.	systems administrators by DHCW to monitor user access.				contact DHCW to access this report

Issues identified during IT audit work						
Ref	Issue	Recommendation	Priority	Agreed	NWSSP responsibility	NWSSP actions & current status – September 2023
Oracle Financial Management System – IT controls work						
2020-21.03	<p>CTES has completed and a gap analysis assessment of the Oracle FMS to the Information Security Management Standard (ISO 27001) to identify potential improvement areas.</p> <p>The outcome will be a set of recommendations for implementation during 2021-22.</p> <p>It is good security management practice to assess and baseline a comparison to the ISO 27001 standard.</p>	Complete the accreditation to the Information Security Management Standard (ISO 27001) to identify potential improvement areas.	Medium	Yes	Stuart Fraser – Head of CTeS	<p>Closed</p> <p>It was agreed at the August 2023 Oracle STRAD group meeting that this accreditation would no longer be pursued.</p>

Issues identified during IT audit work						
Ref	Issue	Recommendation	Priority	Agreed	NWSSP responsibility	NWSSP actions & current status – September 2023
2020-21.04	<p>CTES provides FMS services to the consortium of Welsh NHS organisations. It is good practice IT service management to conform or be accredited to the Information Technology Service Management (ISO 20000) standard.</p> <p>CTES have completed the gap analysis and we were informed during our fieldwork that they aim to complete accreditation during 2021-22 cycle.</p> <p>CTES consider there are benefits to complete accreditation to the Information Technology Service Management (ISO 20000) standard for service management.</p>	Complete CTES accreditation to the Information Technology Service Management (ISO 20000) standard for service management.	Medium	Yes	Stuart Fraser – Head of CTES	<p>Completed</p> <p>ISO 20000 audit took place on 26 April 2023 and full accreditation of the standard has since been attained.</p>

Issues identified during IT audit work						
Ref	Issue	Recommendation	Priority	Agreed	NWSSP responsibility	NWSSP actions & current status – September 2023
2020-21.05	The last IT DR test was completed in November 2019 and the scheduled test in November 2020 was deferred due to disruptions caused the pandemic. We were informed during our fieldwork that the next scheduled IT DR test would not be until after both the Oracle version upgrade to 12.2.9 has been completed in October 2021 and the February 2022 Oracle patch release.	Complete the Oracle FMS IT Disaster Recovery (DR) test in 2021-22 as soon as is practically possible ensuring all NHS organisations attend the next scheduled test.	High	Yes	Stuart Fraser – Head of CTeS	Completed DR test was undertaken in November 2022.
2021-22.05	We identified that the Oracle central team e-business services do not currently receive a regular confirmation of backup success or failures from Version 1, the software supplier. The Oracle central team	Obtain a regular confirmations of backup success or failures from Version 1, the software supplier, that full data backups are taken as	Medium	Yes	Stuart Fraser – Head, CTeS	Completed An on-line portal to be able to view backups taken and

Issues identified during IT audit work						
Ref	Issue	Recommendation	Priority	Agreed	NWSSP responsibility	NWSSP actions & current status – September 2023
	should receive assurances from the supplier, Version 1, that full data and system backups are taken as planned should they be required in the event of a system continuity incident.	planned should they be required in the event of a system continuity incident. These assurances should be received regularly, for example, on a daily or weekly summary basis.				their status was initiated in 2022-23.

ESR Payroll systems administration – IT controls work

Ref	Issue	Recommendation	Priority	Agreed	NWSSP responsibility	NWSSP actions & current status – September 2023
2021-22.06	During our audit fieldwork in March 2022, it was identified that there is only one ESR system administrator in place for a number of months since early 2022. This presents a potential single point of failure as only one systems administration is in place. We were informed that recruitment for replacement would be commenced later in 2022. It is good practice to have at least two	Increase the number of ESR system administrators in place to at least two separate user accounts. This reduces a potential single point of failure if only one systems administration is in place.	Medium	Yes	Samantha Graf – Head of People and Business Partnering	Completed An additional 1 WTE Workforce Information Analyst appointed April 2022, bringing establishment to 2 WTE.

ESR Payroll systems administration – IT controls work

Ref	Issue	Recommendation	Priority	Agreed	NWSSP responsibility	NWSSP actions & current status – September 2023
	systems administrators to set up user access and to allow for cover should it be required also to be able to complete monitoring of payroll user accounts.					
2021-22.07	There are a number of access security reports available in ESR, however these are not all used or currently reviewed infrequently or in response to a particular issue. The ESR system administration function	Introduce regular monitoring checks by the ESR system administrators of the ESR access security reports available in ESR and consider ways of automating the production and monitoring of these reports including exception reporting.	Medium	Yes	Samantha Graf – Head of People and Business Partnering	Completed More regular and detailed monitoring checks take place of the appropriate and relevant ESR access security reports available within the ESR system.

ESR Payroll systems administration – IT controls work						
Ref	Issue	Recommendation	Priority	Agreed	NWSSP responsibility	NWSSP actions & current status – September 2023
	should initiate weekly monitoring checks of the ESR access security reports in ESR and consider ways of automating the production and monitoring of these reports including exception reporting.					



Audit Wales

24 Cathedral Road

Cardiff CF11 9LJ

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.

NHS WALES SHARED SERVICES PARTNERSHIP

Audit Committee

January 2024

Audit & Assurance Services Internal Audit Progress Report

CONTENTS	Page
1. Introduction	2
2. Outcomes from Finalised Audits	2
3. Planning & Delivery Update	3
4. Other Internal Audit Activity and Engagement	3
Appendix A - Assignment Status Schedule 2023-24	4





1. Introduction

The purpose of this report is to highlight the progress with the delivery of Internal Audit Plan 2023/24 to the Audit Committee and highlight outcomes from reports finalised audit since the previous meeting.

2. Outcomes from Finalised Audits

The Internal Audit reports from the 2023/24 plan that have been finalised since the previous meeting of the committee are highlighted in the table below along with the allocated assurance ratings where applicable.

The full versions of these reports are included on the agenda as separate items.

ASSIGNMENT	ASSURANCE RATING
Business Continuity Planning	 Reasonable
Performance Data Quality	 Reasonable
Specialist Estates Services - Building for Wales Framework	 Reasonable
Energy Management	 Substantial

3. Planning and Delivery Update 2023/24

Progress with the delivery of the Internal Audit Plan for 23/24 has picked up pace over the last two months, following earlier resourcing issues within the audit team.

In addition to the four audit reports that have been finalised since the Committee met last, two audits have reached the draft report stage. Further to that the audits of Primary Care Contractor Payments and Decarbonisation have reached the end of fieldwork stage, with the reports being prepared. Fieldwork for the Payroll audit is also now progress well.

The audit status schedule highlighting progress with the delivery of the Internal Audit Plan for 23/24, is shown in Appendix A.

The planning process for the development of the Internal Audit plan for 24/25 has commenced, with the plan going to the April meeting of the Committee for approval.

4. Other Internal Audit Activity & Engagement

Ongoing liaison and planning meetings have continued to take place in this period including with Head of Finance & Business Development and Director of Finance and Corporate Services. Meetings with other Directors and senior managers have taken place as part of the planning and delivery of individual audits.

5. Recommendation

The Audit Committee is asked to note, the progress with the delivery of the Internal Audit Plan and the assurance provided within individual audit reports presented on the agenda.

Appendix A: Assignment Status - 2023/24 Internal Audit Plan

Review	Status	Assurance Rating	Matters Arising			Timing	AC
			H	M	L		
PCS FPPS Reconciliation Tool	FINAL	Reasonable		3		Q1	Oct
Primary Care Contractor Payments	Draft report being prepared.					Q2-4	April
Employment Services - Payroll	wip					Q2-4	April
Accounts Payable	Draft					Q2-4	January
Procurement Services	Planning					Q2-4	April
Decarbonisation	Draft report being prepared.					Q2/3	January
Performance Data Quality	FINAL	Reasonable	-	3	-	Q2	Oct
Business Planning Continuity	FINAL	Reasonable	-	3	3	Q2	Oct
Energy Cost Management	FINAL	Substantial	-	-	1	Q2	January
Specialist Estates Services - Building for Wales Framework	FINAL	Reasonable	-	3	2	Q3	January
Specialist Estates Services - Prioritisation of Estates Funding Advisory Board monies	Initial draft					Q2/3	Oct
Student Awards	Planning					Q3/4	April
Single Lead Employer	Planning					Q3/4	April
Advisory review CH Data Centre Move	Planning					Q3/4	April
CIVAS/Medicines Unit						Q2/3	April



Office details:

Contact details: james.johns@wales.nhs.uk

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

NHS Building for Wales 2 Framework Establishment

Final Internal Audit Report

October 2023

NHS Wales Shared Services Partnership



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



Contents

Executive Summary 4


1. Introduction..... 6

2. Detailed Audit Findings 6

Appendix A: Management Action Plan..... 11

Appendix B: Assurance opinion and action plan risk rating 17

Review reference:	NWSSP SSU 2324 01
Report status:	Final
Fieldwork commencement:	16 August 2023
Debrief meeting:	11 October 2023
Fieldwork completion:	11 October 2023
Draft report issued:	17 October 2023
Management response received:	27 October 2023
Final report issued:	30 October 2023
Auditors:	NWSSP: Audit & Assurance - Specialist Services Unit (SSu)
Executive sign-off:	Stuart Douglas, Director Specialist Estates Services
Distribution:	Neil Frow, Managing Director Andy Butler, Director of Finance and Corporate Services Peter Stephenson, Head of Finance and Business Partnering Andrew Waddington, Head of Building for Wales Carly Wilce, Business Support Manager
Committee:	Shared Services Audit Committee



Audit and Assurance Services conform with all Public Sector Internal Audit Standards as validated through the external quality assessment undertaken by the Chartered Institute of Public Finance & Accountancy in April 2023.

Acknowledgement
NHS Wales Audit and Assurance Services would like to acknowledge the time and co-operation given by management and staff during the course of this review.

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 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 NHS Wales Shared Services Partnership 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.

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

Executive Summary

Purpose

The purpose of the audit was to evaluate the processes and procedures put in place by NHS Wales Shared Services Partnership: Specialist Estates Services (NWSSP: SES) for the next generation of the NHS Building for Wales framework arrangements. This review focussed on the systems and controls in place in respect of the Pre-Qualification Questionnaire (PQQ) stage of the renewal process.

Whilst undertaking the audit, proactive and timely feedback has been provided to management to inform the PQQ process.

Overall Audit Opinion and Overview

It was clear that lessons had been learned from previous framework renewal exercises and incorporated into the current cycle i.e., through external consultation on the performance of previous frameworks, undertaking 'meet the buyer' events and linking with frameworks in England and Scotland to share best practice.

The governance and control framework for the PQQ stage was well defined including an approved Project Initiation Document (PID), a clear Options Appraisal, adoption of NWSSP: Procurement Services standard procedures and ongoing engagement with NWSSP: Legal Services.


However, the review highlighted a four-month extension to the originally planned timescales (see **table 1**), primarily attributed to the production of contracts taking longer than at previous framework letting exercises.

Other key matters arising at the review include:

- An assessment of the operation of the risk management arrangements including the regular review and updating of risks/issues.
- A review of the evaluation process to ensure proactive monitoring could take place.
- Ensuring declarations of interest are issued/completed in a timely manner.

Accordingly, noting compliance with procurement procedures, with legal & procurement support from

Report Classification

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

Assurance Summary ¹

Assurance objectives		Assurance
1	Performance (Time, Cost and Quality)	Reasonable
2	Governance Arrangements	Reasonable
3	Control Framework	Reasonable

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

NWSSP., an overall **Reasonable assurance** has been determined at this review.

Key Matters Arising		Assurance Objective	Control Design or Operation	Recommendation Priority
1.1	A risk register review should be undertaken, with appropriate updates applied.	2	Operation	Medium
2.1	The evaluation process should be reviewed to ensure progress can be effectively tracked.	3	Design	Medium
3	All Declarations of Interest forms should be completed prior to commencement of the evaluation process.	3	Operation	Medium

1. Introduction

- 1.1 This review was undertaken to evaluate the processes and procedures put in place by NHS Wales Shared Services Partnership: Specialist Estates Services (NWSSP: SES) to procure the next generation of frameworks – titled ‘NHS Building for Wales 2’ (NHSBfW). The audit was commissioned in accordance with the 2023/24 agreed Audit Plan.
- 1.2 It is intended to procure the new framework arrangements based on an initial four-year contract with the option to extend by up to two years; and covers the Supply Chain Partner, Project Manager, Cost Adviser and Supervisor roles.
- 1.3 The new frameworks will remain a mandatory requirement for NHS organisations in Wales for the procurement of all major capital construction projects with a construction value (works cost) of over £7 million (including enabling works but excluding VAT).
- 1.4 The potential risks considered at this review included:
 - Non-compliance with national and local procurement requirements.
 - Failure to achieve the required quality.
 - Inadequate governance and management arrangements that put the objectives of the procurement at risk.
- 1.5 This was the first audit of the current procurement and focused on the arrangements in place at the Pre-Qualification Questionnaire stage (PQQ). A further review will be undertaken at Invitation to Tender (ITT) stages once the framework renewal progresses.

2. Detailed Audit Findings

- 2.1 Our detailed audit findings are set out below. All matters arising and the related recommendations and management actions are detailed in **Appendix A**.

Performance: Summary of the achievement of the procurement key delivery objectives (time, cost, and quality).

- 2.2 Levels of assurance are determined on whether the procurement achieves its original key delivery objectives and that governance, risk management and internal control within the area under review are suitably designed and applied effectively.
- 2.3 At this interim audit (PQQ) Stage, when assessing progress against the original delivery objectives (Time, Cost & Quality), the following was evidenced:

Time

- 2.4 NHSBfW frameworks are programmed to go live before the expiry of current frameworks in April 2024. Existing frameworks cannot be extended further. Should the programme not be met, lettings through UK Government ‘Find a Tender’ procurement may still be conducted, however, this would be on an individual project basis.
- 2.5 The original time position as documented within the Project Initiation Document (PID) targeting PQQ Strategic Framework Board Approval on the 15th June 2023. As per the table below this had been delayed to October 2023. Much of this delay was due to the drafting of contracts taking longer than at previous framework lettings. Accordingly, all of the contingency time provided within the programme had been fully consumed.

Table 1

Key Milestone	Milestone Dates (October 2022)	Milestone Date (August 2023)
Develop Preferred Option for Strategic Framework Board approval	9 th November 2022	9 th November 2022
PQQ Short-listing: Issue contract notice	20 th February 2023	19 th May 2023
PQQ Short-listing: Strategic Framework Board approval	15 th June 2023	4 th October 2023
ITT Bid & Evaluation Strategic Framework Board approval	9 th November 2023	27 th March 2024
Contract Award Notice	9 th November 2023	8 th March 2024
Contract Execution: Completion	16 th January 2024	26 th April 2024
Velindre Contract Execution: Completion	30 th January 2024	10 th May 2024

Cost

- 2.6 The budget allocation for the PQQ phase during 2023/24 highlights the following:

Table 2

Item	Estimated Budget excluding VAT. (2023/24 financial year)
PQQ/ITT Evaluators	£15,000
Legal and Risk advice	£10,000

Item	Estimated Budget excluding VAT. (2023/24 financial year)
Framework Launch	£2,500
Contingency	£3,000
Total	£30,500

2.7 As of August 2023, additional expenditure had been incurred associated with advice provided by NWSSP Legal and Risk Services, however, management were forecasting an on-budget position by year end utilising the available contingency and forecast underspends within other budget headings. However, at the time of reporting, no invoices had been received from the PQQ evaluators, and this may impact on the budget position. Accordingly, the budgetary position will need to be carefully monitored, with any exceptions being highlighted in a timely manner.

Quality

- 2.8 Constructing Excellence in Wales (CEW) were appointed in April 2021 prior to procurement commencing, to undertake an independent consultation with Health Boards, Trusts, Welsh Government and Framework Partners on the existing framework performance. This identified several common themes/requirements for consideration at the refresh of the framework. The overriding message was that frameworks were the preferred mechanism for procuring construction services.
- 2.9 NWSSP: SES had also engaged with the wider market, including National Contractors, Welsh small and medium sized Enterprises (SMEs), the P23 framework in England, and Framework Scotland to share best practice and quality outcomes prior to commencement of procurement process.
- 2.10 During the PQQ stage of the procurement, NWSSP: SES had engaged with multiple parties to ensure an appropriate quality management process was applied i.e., engagement with NWSSP Legal and Risk Services to provide ongoing support and advice, together with NWSSP Procurement Services. Both parties were also members of the Project Team that met regularly during the PQQ stage.
- 2.11 Other quality management processes were defined within the PID i.e., a lesson learned review to be undertaken three months after framework commences operation.
- 2.12 Noting the above, **reasonable assurance** has been determined in respect of the performance for the PQQ stage of procurement.
- 2.13 The following sections of the report further outline the key observations that have contributed to the above – matters which require management attention, with low to moderate impact on residual risk exposure until resolved.

Governance Arrangements: *To obtain assurance that adequate governance arrangements were applied to ensure effective and integrated processes were operating during the PQQ stage of procurement.*

- 2.14 A Project Team had been established to coordinate, integrate and oversee the planning, management, and delivery process for the procurement. Membership of the project team included representatives from NWSSP: SES, NWSSP Procurement, and NWSSP Legal and Risk Services. Regular project team meetings had taken place during 2023 (scheduled weekly) to enable control of the procurement process.
- 2.15 Quarterly updates had been provided to the Strategic Framework Board on progress with the implementation; these were referenced within the Strategic Framework Board minutes.
- 2.16 An options appraisal for the framework was undertaken in January 2022, including the strategic drivers for change, a Political Economic Social and Technological analysis of the framework (PEST), and a review of eight structured options.
- 2.17 The results of the above informed the PID, that was established in October 2022 and determined that the primary purpose of the national frameworks was to support the efficient and effective design and construction of capital projects and to enable Health Boards and Trusts within Wales to procure from a team of pre-selected parties in competition to support their capital needs. This PID document captured items including:
- Governance Arrangements;
 - Outline Programme; and
 - Roles and Responsibilities.
- 2.18 Two 'meet the buyer events' were subsequently held in December 2022, one in North Wales and one in South Wales, where views and opinions on the draft proposal were sought from potential partners.
- 2.19 A master programme had been maintained during the PQQ phase with updates on the programme in line with revised timescales (see **table 1**).
- 2.20 A risk register was established as part of the PID, however regular progress and updates of this register were not noted during the PQQ stage (see **MA1**).
- 2.21 Recognising that there is a need to further enhance the risk management mechanisms, **reasonable assurance** has been determined in respect of the governance arrangements.

Control Framework: *To obtain assurance that adequate and appropriate internal control mechanisms have been applied at the PQQ stage of procurement.*

- 2.22 A Memorandum of Information (MoI) and the PQQ were issued for the shortlisting phase of the NHSBfW. The MoI provided guidance on the shape of the frameworks and the procurement process that was to be followed.
- 2.23 The procurement utilised the Bravo Solution as the eTendering package, and NWSSP Procurement Services standing procedures for controlling the tender process including invitation, opening and evaluation.
- 2.24 A team of evaluators had been assembled from within NWSSP, Health Boards and external parties (CEW) to undertake this aspect of the process. Not all Health Boards provided representation, however, good practice was noted with the inclusion of representation from CEW.
- 2.25 A training event had also been administered by NWSSP: SES for nominated evaluators that was well attended.
- 2.26 Welsh Government's e-procurement tool notes that the 'Award' (Commerce Decision) tool, enables evaluation of large, complex, sensitive tenders, where the evaluation panels are geographically dispersed amongst other benefits. At previous iterations of the framework, 'Award' had been utilised due to the complexity/sensitivity of the tender submissions. The 'Award' tool was not implemented for NHSBfW due to budgetary constraints. Post award, management should undertake a review to determine whether the change in approach resulted in a material impact on programme and/or the resource required (see **MA2**).
- 2.27 To mitigate the above, a series of controls had been established to manage the evaluation process in line with NWSSP procurement procedures. These were highlighted within the evaluation and assessment principles detailed within the MoI.
- 2.28 Model answers had also been prepared to provide the evaluation team assistance when undertaking the scoring to aid standardisation. The deadline for submission of completed evaluations was exceeded by several evaluators (see **MA2**). There was also no mechanism in place to proactively monitor the ongoing progress of the evaluation team.
- 2.29 Declarations of interest forms had been circulated to evaluators and other individuals involved in the procurement process, however, one individual's form had only been returned after the evaluation concluded (see **MA3**).
- 2.30 Although an effective control framework had been established, the consistent application of the established control arrangements could be improved. Recognising this, **reasonable assurance** has been determined in respect of the control framework.

Appendix A: Management Action Plan

Matter Arising 1: Governance Arrangements – Risk Management (Operation)	Impact
<p>Identifying, assessing, managing, and mitigating risks, plays an essential role in organisations achieving the desired outcomes for objectives. A risk register was originally established in October 2022 that referenced 19 risks and highlighted the following structure:</p> <ul style="list-style-type: none"> • Risk Summary. • Inherent risk Score. • Existing controls and Mitigation. • Current Risk Score. • Further action Required. • Progress to date. • Target Rating. <p>All risks identified followed a standard RAG rating, with the target being to mitigate and manage the risks to a green level. However, during the PQQ stage, the risk register had not been regularly updated to reflect new or emerging risks (e.g., resource risk); nor the progress and ongoing mitigation to achieve the desired target from the risks already highlighted. There was also no routine reporting of key risks to the Strategic Framework Board noting they only meet on a quarterly basis.</p>	<p>Potential risk that:</p> <ul style="list-style-type: none"> • The governance framework associated with the procurement process may not operate effectively.
Recommendations	Priority
<p>1.1 The risk register should be reviewed for appropriateness noting the transition from PQQ to ITT stage.</p>	<p>Medium</p>

1.2	Any emerging risk/issues (resource constraints/budgetary pressure etc) should be captured on an ongoing basis, so that the risk management process becomes meaningful.	Low	
Agreed Management Action		Target Date	Responsible Officer
1.1	Agreed. Risk Register to be reviewed and updated by Project Director.	November 2023	Head of Building for Wales
1.2	Agreed. Risks and issues will be reviewed at monthly intervals and what steps towards their mitigation have been taken. Emerging risks and issues will be raised and discussed and then assigned to a team member to action and manage. Reports will be provided to the Strategic Framework Board in February 2024.	February 2024	Head of Building for Wales

Matter Arising 2: Control Framework – Evaluation Process (Design)	Impact
<p>Welsh governments e-procurement tool notes the Award (Commerce Decision) tool allows for the following controls:</p> <ul style="list-style-type: none">• Enables the evaluation of large, complex, sensitive tenders, where the evaluation panels are geographically dispersed.• Fully integrated with eTenderWales.• Simple workbook with guidance for evaluators.• Moderators can track progress of evaluators.• Ability to down select suppliers who fail to meet minimum criteria.• Option to create comprehensive debrief reports. <p>In previous iterations of the framework, the Award tool had been utilised due to the complexity/sensitivity of tenders. For the current procurement, internal controls aligned to the procurement procedures had to be developed including establishing and managing multiple evaluation spreadsheets, convening, and administering panel meetings etc.</p> <p>NWSSP: SES in conjunction with NWSSP: Procurement Services had put in considerable time and effort establishing and implementing the control arrangements. The input into the evaluation process provided by NWSSP staff and wider Health Boards/Trusts represented an opportunity cost when compared to utilising the previously used electronic system.</p> <p>From our review of the PQQ evaluation returns, there were examples of late submissions (up to a week delay) with no established mechanism to proactively monitor the progress of evaluators completing submission. Note that this was not the case in previous iterations of the framework utilising the Award tool.</p>	<p>Potential risk of:</p> <ul style="list-style-type: none">• Extensions of timescales leading to the procurements objectives not being met.

This delay in response did not have a material effect at PQQ stage,however, any potential delays at ITT, noting that the evaluation process was planned for Q4 in 2023/24 may have an impact.			
Recommendations		Priority	
2.1	Management should review the evaluation process for the ITT stage of procurement and establish mechanism to proactively monitor evaluator progress/performance	Medium	
2.2	Management should assess the level of internal resource utilised for establishing and implementing the evaluation process controls when comparing against the use of the e-procurement tool 'Award' (commerce decision). This assessment should inform the lessons learned exercise that was set out in the quality management section of the PID.	Low	
Agreed Management Action		Target Date	Responsible Officer
2.1	Agreed. The evaluator guidance pack used for PQQ will be refreshed and will include requirements for all evaluators to respond to weekly communications issued by NWSSP-SES to advise on progress with allocated evaluation and any requirement for reallocation of evaluation to another evaluator if there is a risk to meeting deadlines. Communication channels will be established via email and a Teams Group	November 2023	Head of Building for Wales
2.2	Agreed. Assessment of required internal resource to implement and manage ITT evaluator progress will be undertaken on completion of evaluation, programmed to complete in March 2024	April 2024	Head of Building for Wales

Matter Arising 3: Control Framework– Declaration of Interests (Operation)		Impact
<p>Declarations of interest are a key part of ensuring independence during a procurement process. A standard declarations of interest form had been produced and was operating at the PQQ stage.</p> <p>The form articulates the following:</p> <p><i>'Employees/ individuals will not be permitted to participate in any aspect of the procurement.... or making recommendations in respect of the procurement unless they confirm, by signing this form, that they agree to be bound by those rules and instructions and that the statements set out below are correct.'</i></p> <p>One declarations of interest form had not been received until after the conclusion of the evaluation process. It was acknowledged that this individual was a late substitute to the process, however, the individual was fully engaged with evaluating the submissions. Fortunately, there was no interests to declare; however, if any further declarations are required at the ITT stage, then enhanced controls surrounding this area would be beneficial.</p> <p>There were also minor administrative issues noted at two separate forms i.e., non-mandatory fields had not been completed.</p>		<p>Potential risk of:</p> <ul style="list-style-type: none"> Non-alignment with the Nolan Principles of Public Life (Openness & Objectivity).
Recommendations		Priority
3	Any future declaration of interest forms that may be required at ITT stage should be completed in a timely manner prior to any evaluation commencing.	Medium
Agreed Management Action		Responsible Officer
		Target Date

3	Agreed. Evaluator team is to be finalised in November 2023. Any new evaluators further to those contributing at PQQ who are continuing to support the evaluation will be required to complete and return DOI via Docusign in December 2023, prior to ITT evaluation programmed to begin in 2024.	February 2024	Head of Building for Wales
---	--	---------------	----------------------------

Appendix B: Assurance opinion and action plan risk rating

Audit Assurance Ratings

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

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

Prioritisation of Recommendations

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

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

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



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](#)

Business Continuity Planning Final Internal Audit Report January 2024

NHS Wales Shared Services Partnership

Contents

Executive Summary..... 3


1. Introduction..... 4

2. Detailed Audit Findings 5

Appendix A: Management Action Plan..... 9

Appendix B: Assurance opinion and action plan risk rating 15

Review reference:	NWSSP-2324-09
Report status:	Final
Fieldwork commencement:	14 September 2023
Fieldwork completion:	9 December 2023
Debrief meeting:	21 December 2023
Draft report issued:	13 December 2023 / 3 January 2024 (v2)
Management response received:	11 January 2024
Final report issued:	12 January 2024
Auditors:	Rhian Jones, Principal Auditor Gareth Heaven, Audit Manager
Executive sign-off:	Alison Ramsey, Director of Planning, Performance & Informatics
Distribution:	Peter Stephenson, Head of Finance & Business Development
Committee:	Velindre University NHS Trust Audit Committee for NWSSP



Audit and Assurance Services conform with all Public Sector Internal Audit Standards as validated through the external quality assessment undertaken by the Chartered Institute of Public Finance & Accountancy in April 2023.

Acknowledgement:
NHS Wales Audit and Assurance Services would like to acknowledge the time and co-operation given by management and staff during the course of this review.

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 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 NHS Wales Shared Services Partnership 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.

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

Executive Summary

Purpose

To review, assess and provide assurance over the arrangements in place for business continuity planning within NWSSP.



Overview

We have concluded **Reasonable** assurance on this area. Key matters requiring management attention include:

- The BCIA requires review and updating to ensure that the scenarios remain relevant and appropriate and avoid duplication. Pharmacy Technical Services (established after the initial BCIA was undertaken) also needs to be included in the assessment.
- Required action cards are not in place for a number of directorates/services.
- Action cards have not been tested, with the exception of SCLT and ad hoc examples of testing through live scenarios.
- Lack of dedicated resource to provide corporate steer, oversight and support to directorates in the development of robust business continuity arrangements.

Matters arising are summarised in the table below with full details provided in Appendix A.

Report Opinion

		Trend
<div>Reasonable</div> 	Some matters require management attention in control design or compliance.	
Low to moderate impact on residual risk exposure until resolved.		2018/19

Assurance summary¹

Objectives	Assurance
1 BC plans cover all aspects of NWSSP's business critical operations and are fit for purpose.	Reasonable
2 Relevant staff are aware of BC plans and of the action required during a business continuity incident.	Reasonable
3 Processes are in place to warn, inform and advise relevant stakeholders on a timely basis in the event of a BC incident.	Substantial
4 BC planning incorporates lessons learned from recent events such as the Covid-19 response	Substantial

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

Key Matters Arising

Key Matters Arising		Objective	Control Design or Operation	Recommendation Priority
1.1	Review & Update BCIA Scenarios	1	Operation	Medium
1.2	Action Cards	1	Operation	Medium
1.3	SCTL BC Plan & Action Cards	1	Operation	Medium
2	Dedicated BCP / EP Manager	1	Design	Medium
3	Action Card Testing	1	Operation	Medium

1. Introduction

- 1.1 Business continuity incidents are situations in which an organisation's ability to provide core 'business critical' services is seriously compromised, resulting in potential significant disruption to services.
- 1.2 NWSSP provides services to NHS Wales and therefore a business continuity incident affecting NWSSP could have significant impact on the organisations it serves.
- 1.3 The NWSSP Business Continuity Plan documents the procedures to be followed to achieve timely recovery of critical services and associated systems and processes that NWSSP is responsible for.
- 1.4 The risks considered during the audit were the:
 - inability to maintain critical services during a business continuity incident leading to service disruption for NWSSP and the NHS Wales organisations it serves, which could jeopardise patient safety and result in reputational damage for NWSSP.

2. Detailed Audit Findings

Objective 1: Business continuity plans cover all aspects of NWSSP’s business critical operations and are fit for purpose

Overarching Business Continuity Plan

- 2.1 The *NWSSP Business Continuity (BC) Plan* sets out the organisations approach to business continuity planning, including roles and responsibilities, the principles underpinning the plan, plan activation and response. It was issued in 2018 and most recently presented to the Senior Leadership Group in January 2023, with a further update scheduled for February 2024. It was also noted for management attention that the review date and identified Executive Lead require updating.
- 2.2 The BC Plan is based on the *Business Continuity Impact Assessment (BCIA)*, which evaluates the relevance and impact of 12 potential business continuity scenarios (identified following engagement with directorates) on directorates and their services and prioritises business-critical operations for recovery. The BCIA requires updating to include Pharmacy Technical Services, a new service established after the assessment was initially undertaken in 2020. **[Matter Arising 1]**

Directorate Action Cards

- 2.3 Directorates are required to complete an action card for each relevant scenario as identified in the BCIA. At the outset of the COVID-19 pandemic a further three core scenarios were identified: excess heat, loss of power and loss of IT. There is some duplication with the original 12 scenarios.
- 2.4 The central register of action cards identifies a number of directorates where required action cards are not in place, including eight directorates / services which do not have action cards for most of the original 12 scenarios in the BCIA, although all directorates have action cards for loss of IT and loss of power.
- 2.5 The Head of Finance & Business Development acknowledged that the scenarios require review and refresh to remove duplication, ensure ongoing relevance and that the right action cards are in place for each directorate. **[Matter Arising 1]**
- 2.6 Review of the action cards for three sampled directorates: Employment Services (ES); Primary Care Services (PCS); and Procurement & Supply Chain, Logistics and Transport (SCLT) noted:
 - All action cards were in the standard NWSSP template, although the level of detail varied. In particular, action cards for Procurement & SCLT were high level and lacked detail compared to Employment Services and Primary Care Services, with some sections not fully completed. The action card holder is also not identified for any Procurement & SCLT action cards, and consistent use of version control was not evident for any action cards reviewed.
 - Three action cards for Employment Services and Procurement & SCLT identified as required per the BCIA were not in place and there was discrepancy between action cards identified as required within the BCIA and

corporate and local action card registers. All required action cards were in place for Primary Care Services.

- Employment Services action cards could be further enhanced to ensure that required actions are clearly identified as such and set out in a logical order – in some instances they are detailed within the planning section rather than identified in the sequence of actions to be taken.

[Matter Arising 1]

- 2.7 As the only Category 1 response service within NWSSP, Health Courier Services (part of SCLT) have their own business continuity plan in place supported by several local and site-specific action cards which are to be read in conjunction with the NWSSP scenario-based action cards.
- 2.8 The service acknowledges that the *NWSSP Health Courier Services & Supply Chain Business Continuity Plan* requires review and updating, with the last review undertaken in June 2020. Similarly the local register of service-level action cards identifies that these were last reviewed in May 2016 and therefore require review and updating where appropriate. **[Matter Arising 1]**

BCP Resource

- 2.9 Whilst the Head of Finance & Business Development assists in the operational aspects of business continuity planning, NWSSP does not have a dedicated business continuity/emergency planning manager as directorate ownership of local business continuity arrangements is encouraged.
- 2.10 Some of the Champions we interviewed during the audit expressed a need for dedicated resource to strengthen corporate leadership and steer on business continuity planning, to better support and facilitate directorates to develop robust business continuity arrangements, including co-ordination of cross-directorate dependencies in response plans. **[Matter Arising 2]**

BCP Testing

- 2.11 The Plan states that all business continuity plans will be tested on a regular basis to ensure continued validity and the Director of Planning, Performance & Informatics will ensure that a testing schedule is maintained. Suggested approaches to testing are outlined within the Plan.
- 2.12 Business Continuity Champions for the sampled directorates confirmed that the action cards have not been tested, with the exception of Health Courier Services (part of Procurement & SCLT directorate) where there was evidence of service-specific action card testing via desktop exercises, and 'testing' through live scenarios with outcomes and lessons learned identified where appropriate. Development of a testing regime is included as an action within minutes of the Business Continuity Champions Group. **[Matter Arising 3]**

Conclusion:

- 2.13 We have concluded **Reasonable** assurance for this objective due to the need to review and update the scenarios within the BCIA, required action cards not being

in place for all directorates, the absence of a testing regime and lack of dedicated business continuity/emergency planning manager.

Objective 2: Relevant staff are aware of business continuity plans and of the action required during a business continuity incident

Business Continuity Champions

- 2.14 Business Continuity Champions have been nominated for each directorate and are identified within the BCIA. Champions Meetings are held on a bi-monthly basis. We noted some attendance gaps in the early part of the period reviewed but acknowledge that attendance has improved latterly. Champions can also access meeting papers and minutes via the Champions team's channel.
- 2.15 There is a dedicated Teams channel for communication and engagement with Champions. The Major Incident Application also provides leads with access to action cards and the ability to manage an incident on a mobile device. The app was released in November 2023 for testing and is subject to ongoing development.

Training

- 2.16 Champions and members of the Senior Leadership Group (SLG) are required to complete the ESR training module *Introduction to Emergencies*. However, three (new) Champions and one (new) SLG member are yet to complete the training module – The Head of Finance & Business Development assured that this will be completed by the end of January. **[Matters Arising 4]**
- 2.17 Additional training sessions have been delivered on an ad-hoc basis to the champions and SLG over the last year with sessions on *Emergency Planning (Major Incident)* and *Civil Contingency Responsibility & Business Continuity* which involved a session from a Welsh Government BCP lead. Training has also recently been delivered to the Champions on the new Major Incident App.
- 2.18 Training needs of the Champions and members of the SLG require monitoring and this is reflected in the Business Continuity Group action plan (Sept 2023). NWSSP are also engaging with DHCW to source bespoke training.

Conclusion:

- 2.19 We have concluded **Reasonable** assurance for this objective based on attendance gaps for the BC Champions meetings earlier in the year, and training yet to be completed by some BC Champions.

Objective 3: Processes are in place to warn, inform and advise relevant stakeholders on a timely basis in the event of a business continuity incident

- 2.20 The need for clear and timely communication during a business continuity incident is critical, immediate and ongoing. The scale and scope of communications will be determined by the nature, severity and impact of the incident, as will the audiences which could include third party organisations and the media.
- 2.21 Communication arrangements are set out within the BC Plan which states if the Plan is invoked, the Planning & Response Group will be established to determine the most appropriate means of communication with staff and external parties, ensuring the communication of agreed messages is clear and consistent. External media communications will be handled by the NWSSP Communications Team.
- 2.22 High level communication trigger/actions were evident in the action cards reviewed for the sampled directorates.
- 2.23 We have observed documented communication plans at other NHS Wales organisations (including NWSSP's hosting body, Velindre University NHS Trust) identifying standard templates and 'holding statements' to facilitate prompt and concise communications in various scenarios. No such plans are in place within NWSSP currently. **[Matter Arising 5]**

Conclusion:

- 2.24 We have concluded **Substantial** assurance for this objective.

Objective 4: Business continuity planning incorporates lessons learned from recent events such as the Covid-19 response

- 2.25 Since April 2022, a central register of 'Lessons Learned' has been in place recording the outcomes and actions taken from business continuity incidents across NWSSP services. The register is a standard agenda item for discussion at the BC Champions Group meetings.

Conclusion:

- 2.26 We have concluded **Substantial** assurance for this objective.

Appendix A: Management Action Plan

Matter Arising 1: Action Cards (Operation)		Impact
<p>The Business Continuity Impact Assessment (BCIA) requires updating to include Pharmacy Technical Services.</p> <p>The central register of action cards identifies a number of directorates where required action cards per the BCIA are not in place.</p> <p>Review of the action cards for three sampled directorates: Employment Services (ES); Primary Care Services (PCS); and Procurement & Supply Chain, Logistics and Transport (SCLT) identified issues with action cards not in place, and variation in the level of detail across the three directorates (see para 2.4 for details).</p> <p>The <i>Health Courier Services & Supply Chain Business Continuity Plan</i> and service specific action cards also require review and updating where appropriate.</p>		<p>Potential risk of:</p> <ul style="list-style-type: none">Inability to maintain critical services during a business continuity incident leading to service disruption for NWSSP and the NHS Wales organisations it serves, which could jeopardise patient safety.
Recommendations		Priority
1.1	<p>Review and update the scenarios in the BCIA and action card register to ensure that:</p> <ul style="list-style-type: none">Pharmacy Technical Services is included in the BCIAScenarios identified in the BCIA and register are appropriate, relevant, consistent and without duplication.	Medium
1.2	<p>BC Champions to ensure all required action cards are in place for their directorate and report assurance on this to the BC Champions Group. Action cards should be saved to the Teams channel to enable corporate oversight.</p>	Medium
1.3	<p>SCTL management to review and update their 'NWSSP Health Courier Services & Supply Chain Business Continuity Plan' and service action cards.</p>	Medium
Agreed Management Action		Target Date
		Responsible Officer

1.1	The BCIA and Action Card Register will be reviewed and updated.	31 March 2024	Head of Finance & Business Development
1.2	All Divisional Directors to complete review for their Directorates before end of March 2024 with any outstanding cards to then be completed before end of June 2024.	30 June 2024	Director of Planning, Performance & Informatics
1.3	<p>The HCS & SCLT BCP document of 2020 has been reviewed and work is underway to:</p> <ul style="list-style-type: none">• review current arrangements for incident escalation and on-call arrangements;• define BCP roles and responsibilities for managers in core management procedures and ensure appropriate awareness and training in their use; and• update Action Cards and individual site preparedness documents with outcome of review	30 June 2024	National Clinical Logistics Manager

Matter Arising 2: Dedicated BCP / Emergency Planning Manager (Design / Operation)		Impact	
NWSSP does not have a dedicated business continuity/emergency planning manager. Some of the Champions we interviewed during the audit expressed a need for dedicated resource to strengthen corporate leadership and steer on business continuity planning, to better support and facilitate directorates to develop robust business continuity arrangements, including co-ordination of cross-directorate dependencies in response plans.		Potential risk of: <ul style="list-style-type: none">Inability to maintain critical services during a business continuity incident leading to service disruption for NWSSP and the NHS Wales organisations it serves, which could jeopardise patient safety.	
Recommendations		Priority	
2.1	Consider the merits of identifying a dedicated business continuity and emergency planning manager with capacity and focus to strengthen corporate leadership, oversight and support for business continuity arrangements within NWSSP. This should be kept under review as the organisation grows in size and scale.	Medium	
Agreed Management Action		Target Date	Responsible Officer
2.1	<p>It would be desirable to have a dedicated resource as suggested but a bid for a Band 6 post as part of the IMTP process for 2024-27 has been rejected due to financial pressures. Also, it is important that Directors’ individual responsibilities for providing assurance they have appropriate business continuity arrangements in place for their areas of service are not diluted in any way.</p> <p>With the upcoming departure of the current Head of Finance & Business at the end of April 2024, we will review options for how the BCP co-ordination and oversight function is supported going forward.</p>	30 April 2024	Director of Planning, Performance and Informatics

Matter Arising 3: Action Card Testing (Operation)		Impact	
Business Continuity Champions for the sampled directorates confirmed that the action cards have not been tested, with the exception of Health Courier Services (part of Procurement & SCLT directorate) and 'testing' through live scenarios. Development of a testing regime is included as an action within minutes of the Business Continuity Champions Group.		Potential risk of: <ul style="list-style-type: none">Inability to maintain critical services during a business continuity incident leading to service disruption for NWSSP and the NHS Wales organisations it serves, which could jeopardise patient safety.	
Recommendations		Priority	
3.1	Develop a risk-based business continuity testing regime to ensure action cards are robust and fit for purpose. This should be monitored at the BC Champions Group.	Medium	
Agreed Management Action		Target Date	Responsible Officer
3.1	Development of a testing regime is on the action plan for the BC Champions Group. Testing of key systems and processes does occur but a more rigorous testing regime will be developed. A rolling plan of tests will be agreed with the Senior Leadership Group before end of March 2024 as part of the BCIA review. This will likely be delivered on a cyclical basis over 3 years and may require external facilitation to be secured to maximise effectiveness. The testing regime will be monitored by the Senior Leadership Group.	31 March 2024	Director of Planning, Performance and Informatics

Matter Arising 4: Training (Operation)			Impact
Testing highlighted that not all members of the SLG and Business Continuity Champions had completed the ESR Training module <i>Introduction to Emergencies</i> .			Potential risk of: <ul style="list-style-type: none">Inability to maintain critical services during a business continuity incident leading to service disruption for NWSSP and the NHS Wales organisations it serves, which could jeopardise patient safety.
Recommendations			Priority
4.1	Ensure all SLG members and BC Champions have completed business continuity training and monitor training compliance at the BC Champions Group.		Low
Agreed Management Action		Target Date	Responsible Officer
4.1	Agreed – this is not a mandatory course but the remaining Champions and SLG members have committed to completing the ESR course by the end of January.	31 January 2024	Head of Finance and Business Development

Matter Arising 5: Communication (Design)			Impact
We have observed documented communication plans at other NHS Wales organisations (including NWSSP’s hosting body, Velindre University NHS Trust) identifying standard templates and ‘holding statements’ to facilitate prompt and concise communications in various scenarios. No such plans are in place within NWSSP currently.			Potential risk of: <ul style="list-style-type: none">Inability to maintain critical services during a business continuity incident leading to service disruption for NWSSP and the NHS Wales organisations it serves, which could jeopardise patient safety.
Recommendations			Priority
5.1	Consider the merits of developing a communications plan for NWSSP to facilitate appropriate, timely and consistent communication in the event of a business continuity incident.		Low
Agreed Management Action		Target Date	Responsible Officer
5.1	Communications already forms part of the Business Continuity Plan but we will review other plans to assess whether anything further needs to be developed and/or enhanced.	30 April 2024	Head of Finance & Business Development

Appendix B: Assurance opinion and action plan risk rating

Audit Assurance Ratings

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

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

Prioritisation of Recommendations

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

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

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



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](#)

Performance Data Quality Final Internal Audit Report January 2024

NHS Wales Shared Services Partnership

Contents

Executive Summary..... 3


1. Introduction..... 4

2. Detailed Audit Findings 5

Appendix A: Management Action Plan..... 7

Appendix B: Assurance opinion and action plan risk rating 10

Review reference:	NWSSP-2324-08
Report status:	Final
Fieldwork commencement:	October 2023
Fieldwork completion:	22 December 2023
Debrief meeting:	4 January 2024
Draft report issued:	4 January 2024
Management response received:	16 January 2024
Final report issued:	18 January 2024
Auditors:	Leyton G Pope, Principal Auditor
Executive sign-off:	Alison Ramsay, Director of Planning Performance & Informatics
Distribution:	Richard Phillips, Head of Performance & Outcome Reporting
Committee:	Velindre University NHS Trust Audit Committee for NWSSP



Audit and Assurance Services conform with all Public Sector Internal Audit Standards as validated through the external quality assessment undertaken by the Chartered Institute of Public Finance & Accountancy in April 2023.

Acknowledgement:
NHS Wales Audit and Assurance Services would like to acknowledge the time and co-operation given by management and staff during the course of this review.

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 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 NHS Wales Shared Services Partnership 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.

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

Executive Summary


Purpose
To review a sample of reported performance figures and validate to supporting information.

Overview
We have concluded **Reasonable** assurance on this area. Key matters requiring management attention include:

- The process for collating KPI data is not documented
- The completeness and accuracy of divisional performance data is not verified
- Some KPI data could not be verified to source due to the use of live spreadsheets

Matters arising are summarised in the table below with full details provided in Appendix A.

Report Opinion

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

Assurance summary¹

Objectives		Assurance
1	Performance management processes are designed to ensure that reporting against agreed performance measures is complete, consistent, accurate and timely	Reasonable
2	Reported performance is supported by and can be verified to source data	Reasonable

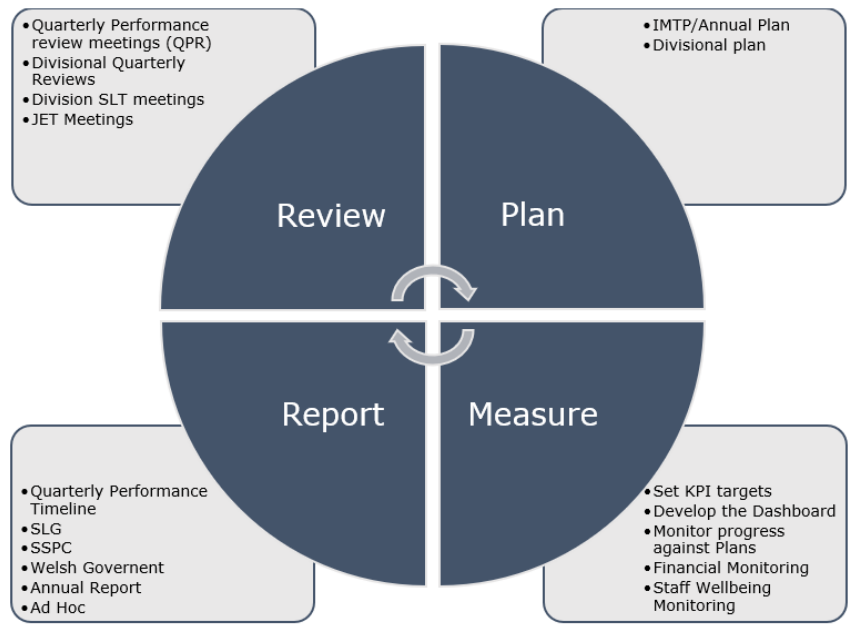
¹The objectives and associated assurance ratings are not necessarily given equal weighting when formulating the overall audit opinion.

Key Matters Arising

		Objective	Control Design or Operation	Recommendation Priority
1	Performance Data Collation Process	1	Design	Medium
2	Verification of KPI Data	1	Design	Medium
3	Supporting Evidence	2	Design	Medium

1 Introduction

- 1.1 Performance management is fundamental for monitoring, evaluating and supporting the achievement of organisational objectives and delivering continuous improvement. NWSSP and the health bodies it serves depend on timely and accurate performance information for effective and informed decision-making.
- 1.2 The Corporate Management Performance Framework (updated May 2023) sets out the arrangements for managing performance within NWSSP:



- 1.3 The Shared Services Partnership Committee has expressed a desire to move towards outcome-based performance measures and reporting, which is currently being developed by the Performance & Outcomes Group and is therefore excluded from the scope of this review.
- 1.4 This audit has instead focused on the processes in place for ensuring the completeness and accuracy of performance data reporting against existing performance measures, and has not considered the adequacy or appropriateness of those measures.
- 1.5 The risks considered in the review include:
 - Poor decision-making based on incomplete or inaccurate performance data.
 - Failure to achieve organisational objectives.
 - Reputational damage due to inaccurate performance reported to stakeholders.

2 Detailed Audit Findings

Objective 1: Performance management processes are designed to ensure that reporting against agreed performance measures is complete, consistent, accurate and timely

- 2.1 The Corporate Performance Management Framework outlines how performance is managed within NWSSP via the Integrated Medium-Term Plan (IMTP), divisional Quarterly Reviews and reporting to Senior Leadership Group (SLG), the Shared Services Partnership Committee (SSPC) and Welsh Government.
- 2.2 The Business & Performance Manager is responsible for collating performance against KPIs set out within the IMTP. Divisions are required to submit their performance data by the 10th of each month but often require chasing. Our sample testing reported under objective 2 below identified an instance where performance data was not submitted by a division due to staff absence, although we were assured that this is being addressed internally within the division to prevent recurrence.
- 2.3 Good practice would recommend that any process should be documented so all those involved know what they need to do and by when. It also gives the organisation resilience in the event of unexpected staff absence or changes.
- 2.4 The process for collating KPI data including reporting timetable, data sources, reporting timetable and responsible officers for each division/KPI, is not currently documented. Whilst this does not present a significant risk to performance management and reporting, it would be considered good practice to document the arrangements in place. Practice **[Matter Arising 1]**
- 2.5 Furthermore, the completeness and accuracy of divisional performance data is not verified by the Performance Team. **[Matter Arising 2]**

Conclusion:

- 2.6 We have concluded **Reasonable** assurance for this objective.

Objective 2: Reported performance is supported by and can be verified to source data

- 2.7 Five divisions were selected for review, to establish the process for capturing performance data and undertake sample testing to verify performance recorded by the Head of Performance & Outcome Reporting and reported to SLG / SSPC to performance to source data.

Division	KPI
Laundry	Orders Dispatched
	Deliveries in 2 hours
Procurement	Savings
Legal & Risk Services	Savings
Specialist Estates Services	Professional Influence
	Issues & Complaints
Pharmacy Technical Services	Service Errors

- 2.8 Sources of performance data varied from system based in Laundry and Pharmacy Technical Services, to manually collated records in Procurement, Legal & Risk Services and Specialist Estates Services.
- 2.9 Whilst the process for collating performance data relating to the Procurement savings KPI was demonstrated and appears reasonable, we were unable to verify the sampled KPI figures due to the use of live spreadsheets which are continually updated. A similar example was observed in Specialist Estates Services KPI where a small element (equivalent to 6%) of the overall KPI reported could not be verified due to the use of a live spreadsheet. **[Matter Arising 3]**
- 2.10 A minor issue was identified with the Laundry KPI whereby data for one site had been omitted in error, although the corrected performance reported an improved position on an already achieved KPI and we are satisfied that appropriate action has been taken to prevent future omissions.

Conclusion:

- 2.11 We have concluded **Reasonable** assurance for this objective.

Appendix A: Management Action Plan

Matter Arising 1: Performance Data Collation Process (Design)		Impact	
The process for collating KPI data including reporting timetable, data sources and responsible officers for each division/KPI, is not currently documented.		Potential risk of: • Lack of consistent data preparation and resilience should staff change.	
Recommendations		Priority	
1.1	Formally document the process for collating KPI data including reporting timetable, data sources and responsible officers for each division/KPI.	Medium	
Agreed Management Action		Target Date	Responsible Officer
1.1	<p>Whilst there is no central documentation capturing this information the reporting timetable is communicated to divisions on a regular basis and the Performance and Outcomes Group also serves as a forum for raising questions or cascading key messages and requests</p> <p>Agree it would be beneficial to document the process into a procedure type document for the collation and production of the Corporate Performance Reports to include key timescales, named points of contact within Divisions and within NHS Organisations and sources of data.</p> <p>Agree also that all Divisions should complete the same exercise at a Divisional level to provide cover for annual leave, sickness, and turnover in staff. This will be raised by the Performance and Outcomes Group and the Director of Planning, Performance and Informatics will make Directors aware of this new requirement via the Senior Leadership Group.</p> <p>In relation to data sources, the corporate performance team will devise a template and retain a central register of what information is manual or systems generated alongside a copy of the local procedures.</p>	31 March 2024	Divisional Owners & Head of Performance & Outcome reporting

Matter Arising 2: Verification of KPI Data (Design)		Impact	
The completeness and accuracy of divisional performance data is not verified by the Performance Team.		Potential risk of: • Poor decision making based on incomplete or inaccurate performance data.	
Recommendations		Priority	
2.1	Consider the merits of performing periodic verification checks on KPI data to ensure completeness and accuracy. Checks could be risk-based according to the reliability of the data source (i.e. manual or system generated).	Medium	
Agreed Management Action		Target Date	Responsible Officer
2.1	<p>Validation for accuracy is already undertaken by the performance team however this tends to be on a 'by exception' basis when reviewing data for reasonableness and identifying exceptions compared to trend e.g. increase in activity, variations compared to seasonality, other known changes or pressures faced by services etc. In such instances the corporate performance team would investigate further and check back to the Divisional source data.</p> <p>Agree undertaking spot checks of source data on a proactive basis would strengthen current arrangements. However, a risk-based cycle of spot checks would need to be proportionate to the size of the NWSSP performance team (two).</p>	31 March 2024	Head of Performance & Outcome reporting

Matter Arising 3: Supporting Evidence (Design)		Impact	
Some KPI data could not be verified to source due to the use of live spreadsheets.		Potential risk of: <ul style="list-style-type: none">• Poor decision making based on incomplete or inaccurate performance data.	
Recommendations		Priority	
3.1	Maintain sufficient audit trail in support of all reported KPIs to demonstrate completeness, accuracy and facilitate verification checks to source data (see Matter Arising 2).	Medium	
Agreed Management Action		Target Date	Responsible Officer
3.1	Suggest that where live data is being used that a snapshot of the detail is saved by the division at the same time the high-level information is provided for reporting.	30 April 2024	Divisional Owner & Head of Performance & Outcome reporting

Appendix B: Assurance opinion and action plan risk rating

Audit Assurance Ratings

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

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

Prioritisation of Recommendations

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

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

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



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](#)

Energy Cost Management Final Internal Audit Report January 2024

NHS Wales Shared Services Partnership

Contents

Executive Summary..... 3


1. Introduction..... 4

2. Detailed Audit Findings 5

Appendix A: Management Action Plan..... 7

Appendix B: Assurance opinion and action plan risk rating 8

Review reference:	NWSSP-2324-14
Report status:	Final
Fieldwork commencement:	25 th August 2023
Fieldwork completion:	3 rd January 2024
Draft report issued:	16 th January 2024
Management response received:	17 th January 2024
Final report issued:	18 th January 2024
Auditor:	Jennifer Usher, Principal Auditor
Executive sign-off:	Andy Butler, Director of Finance and Corporate Services
Distribution:	Jonathan Irvine, Director of Procurement & HCS Lena Boghossian, Head of Sourcing, Non-Medical and Maintenance Emma Cavanagh, Category Manager, National Sourcing Energy
Committee:	Velindre University NHS Trust Audit Committee for NWSSP



Audit and Assurance Services conform with all Public Sector Internal Audit Standards as validated through the external quality assessment undertaken by the Chartered Institute of Public Finance & Accountancy in April 2023.

Acknowledgement:
NHS Wales Audit and Assurance Services would like to acknowledge the time and co-operation given by management and staff during the course of this review.

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

Executive Summary

Purpose

Review the arrangements for energy cost management and All-Wales purchasing.

Overview

We have issued **substantial** assurance on this area, with one low priority matter arising in relation NHS Wales representation for two external groups.


The development and introduction of the WEG and WEOG have ensured a consistent approach to the procurement of energy, with monthly monitoring and scrutiny of the energy market analysis and intelligence, to support informed decisions/selection of appropriate strategies with the intended aim of risk limitation and cost certainty to NHS Wales budgets.

The structure of both groups is of the appropriate level, with a satisfactory number of representatives from each Health Board, Special Health Authority, NWSSP and Trusts in attendance at all meetings in line with the prescribed quorum of the ToR.

Full details of the matter arising, and associated recommendation are provided at Appendix A on page 7.

Report Opinion

Substantial



Few matters require attention and are compliance or advisory in nature.

Low impact on residual risk exposure.

Assurance summary¹

Objectives	Assurance
1 Appropriate governance arrangements are in place to monitor energy prices and support effective decision making to deliver value for money and a sustainable approach in the purchase of energy.	Substantial
2 National purchasing decisions are made in line with the remit of the Wales energy group and the scheme of delegation.	Substantial

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

1. Introduction

- 1.1 The energy requirements of the NHS in Wales have a combined value in excess of £134m per annum. The overall portfolio comprises of over five hundred sites each requiring a supply of Gas, Electricity, Fuel Oils and/or Biomass Fuel.
- 1.2 NHS Wales currently procures both gas and electricity via a flexible purchasing model that allows NHS Wales to manage its exposure to price fluctuations by securing pricing via live market prices. Both gas and electricity supply for NHS Wales is provided by British Gas. In August 2022 notice was received that British Gas are intending to withdraw from the commercial market. However, they would continue to support existing customers until the end of their contract period. As the current contracts still have a number of years to run, there was a concern that the service received from British Gas would deteriorate due to their desire to exit the market.
- 1.3 Given the exceptional energy prices and volatility in the energy markets, an All Wales Directors of Finance (AWDoFs) Task & Finish Group was established in 2023 to progress a review, consider options and make recommendations in regard to the governance of energy procurement for NHS Wales. The outcome of this was the recommendation for the following groups to be formed:
 - Wales Energy Group (WEG) - with delegated authority to agree national purchasing decisions & report to the NHS Wales Shared Services Partnership Committee (SSPC); and
 - Wales Energy Operational Group (WEOG) as a sub-group to the WEG – for operational management issues.
- 1.4 Alternative options were presented to the Directors of Finances with the most favourable being Crown Commercial Service (CCS) due to their substantial portfolio across the public sector, both in gas and electricity. A paper has been produced with regard to the transfer of contract to CCS and this has been approved at board level by all NHS Wales organisations, with the new arrangement coming into force in October 2023.
- 1.5 The potential risks considered in the review were as follows:
 - inefficient or ineffective procurement services potentially resulting in disruption to NHS Wales services and patient harm;
 - reputational damage; and
 - value for money is not achieved.
- 1.6 The audit will focus on the governance arrangements in place to support effective purchasing decisions for electricity and gas but will not consider or comment on the appropriateness of those decisions.

2. Detailed Audit Findings

Objective 1: appropriate governance arrangements are in place to monitor energy prices and support effective decision making to deliver value for money and a sustainable approach in the purchase of energy.

- 2.1 As a result of the recommendation by the All Wales Directors of Finance (AWDoFs) Task & Finish Group, the Welsh Energy Group (WEG) and the Welsh Energy Operational Group (WEOG) was established during 2023. The terms of reference (ToR) for both the WEG and WEOG were agreed and approved by the NHS Wales Shared Services Partnership Committee on the 23rd March 2023. With inaugural meetings taking place on the 15th March 2023 and 3rd November 2023 respectively.
- 2.2 The transition to the CCS agreement has brought changes in respect of purchasing of energy for both gas and electricity. In order to develop a consistent approach to the procurement of gas and electricity, the WEG have reviewed and chosen defined strategies (baskets) for the procurement of gas and electricity. With the aim of balancing risk limitation with cost certainty to the NHS Wales energy budget.
- 2.3 In selecting the strategies (baskets) for participation, NHS Wales organisations are agreeing for CCS to purchase energy on their behalf and follow the selected strategy for purchasing.
- 2.4 Due to time restrictions, there were limited October start strategy's available with the Oct23 L6 basket choice being in effect a bespoke basket. This allowed NHS Wales organisations to have a wider selection of baskets from the soonest opportunity (April 2024). Therefore, NHS Wales initial participation was for 6-month supply rather than the wider public sector participation of 12-months.
- 2.5 Group members are provided with monthly and quarterly energy market analysis/intelligence from CCS as part of the WEG and WEOG meetings. Additionally, CCS provides monthly basket updates for the wider public sector baskets, with this information received regularly for the Apr24 L12 basket. For the Oct23 L6 basket CCS have provided purchase updates of percentage and price secured through the purchasing period and are currently providing this for the Apr26 V30 basket.
- 2.6 It is evident from a review of the numerous minutes, papers, presentations and transcripts of the WEG, WEOG and CCS meetings that detailed discussions, challenges, debate of available strategies and monitoring is being undertaken. With appropriate approval in the selection of the strategies (baskets) in line with the prescribed quorum.
- 2.7 The Energy Risk Group provides oversight and scrutiny of CCS' energy purchasing and risk management on behalf of all CCS energy customers. Membership is managed to ensure a fair balance in decision making with panellists representing not only their organisations, but their entire customer sector. In the WEG meeting on 30 August 2023 the Director of Finance & Corporate Services was nominated as the NHS Wales representative however, we were advised that this will be subject to renomination at the March 2024 WEG meeting due to impending staff changes.

- 2.8 The Operational Improvement Group (OPIG) is a network of customer stakeholders working with CCS to help shape the success of their frameworks. The sessions are for customer organisations to provide feedback and input into the framework, specifically on supplier processes and performance; identification of opportunities to improve delivery and importantly acting as an advocate of CCS Energy to other public sector bodies. NHS Wales representation on this group is yet to be discussed and agreed at WEOG. **[Matter Arising 1]**

Conclusion:

- 2.9 Consequently, we have concluded **Substantial** assurance for this objective.

Objective 2: national purchasing decisions are made in line with the remit of the Wales energy group and the scheme of delegation.

- 2.10 The WEG ToR stipulates that the group will consist of Directors of Finance representatives from each of the Health Boards, Special Health Authorities, NWSSP and Trusts, or their deputies who will act with the delegated authority of their respective organisation to contribute to the collective decisions of the Group. The group will also include representation from NWSSP Procurement Services and NWSSP Finance.
- 2.11 The minimum group representation required to make any decision will be the Chair of the Group (or the Vice Chair), the Head of Sourcing from NWSSP Procurement Services (or a deputy nominated by the same) and sufficient additional members so that there are no less than seven member organisations represented at the meeting. All decisions made by WEG will be via the consensus of all member organisations in attendance.
- 2.12 A review of the list of attendees from each of the five WEG meetings covering the period 15th March to the 8th November 2023 confirmed that the minimum required quorum as set out in the WEG ToR in order to make any decisions was attained. Also, that the representatives from the various Health Board's, Trusts and Organisations in attendance were that of an appropriate and satisfactory level as required by the ToR.
- 2.13 Whilst we noted that the representatives in attendance at the meetings met with the prescribed quorum. We noted that as the meetings progressed through the year an increasing number of representatives were also in attendance that were below Director or Deputy/Assistant Director of Finance level.

Conclusion:

- 2.14 Accordingly, we have concluded **Substantial** assurance for this objective.

Appendix A: Management Action Plan

Matter Arising 1: Appointment of NHS Wales Representative (Operation)		Impact	
<p>Whilst an NHS Wales representative for the Energy Risk Group has been agreed, this requires renomination due to impending staff changes (para 2.7).</p> <p>NHS Wales representation on the OPIG is yet to be discussed and agreed at WEOG (para 2.8).</p>		<p>Potential risk of:</p> <ul style="list-style-type: none">inefficient or ineffective procurement services potentially resulting in disruption to NHS Wales services and patient harm;reputational damage; andvalue for money is not achieved.	
Recommendations		Priority	
1.1	<p>Identify an NHS Wales representative for the Operational Improvement Group.</p> <p>Re-nomination of the NHS Wales representative for the Energy Risk Group ahead of staff changes in March 2024.</p>	Low	
Agreed Management Action		Target Date	Responsible Officer
1.1	Membership of the Operational Improvement Group (OPIG) was discussed at the WEOG meeting on 17 January 2024 where members were asked to consider nominations and expressions of interest for an NHS representative by 24 th January 2024.	29.02.2024	Category Manager, National Sourcing Energy
	National Sourcing Energy to propose WEG re-nomination of a representative for the Energy Risk Group to be included within the agenda of the upcoming WEG scheduled for 7 th March 2024.	07.03.2024	Category Manager, National Sourcing Energy

Appendix B: Assurance opinion and action plan risk rating

Audit Assurance Ratings

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

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

Prioritisation of Recommendations

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

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

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



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](https://www.nhs.uk/shared-services-partnership/)

Quality Assurance and Improvement Program 2022/23

Internal Audit Report

December 2023



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



Contents

1.	Introduction	4
2.	Approach	4
2.1	External Quality Assessment	5
2.2	Quality Reviews	5
2.3	Audit Satisfaction Surveys	6
2.4	Key Performance Indicators	6
2.5	Audit Committee Self-Assessments	7
2.6	Audit Wales Review	7
2.7	Conformance Self-Assessments	8
2.8	Formal meetings with Chairs of Audit Committees and Board Secretaries	9
2.9	Audit Approach	9
3.	Other Quality Assurance and Improvement Areas	10
3.1	Wider Role of Director of Audit & Assurance/Heads of Internal Audit	10
3.2	QAIP Approach for 2023/24	10
	Appendix A: Quality Reviews 2022/23 Exceptions/Differences	11

Review reference:	NWSSP-2023-QAIP
Report status:	Quality Assurance and Improvement Program 2022/23
Fieldwork commencement:	February2023
Fieldwork completion:	September 2023
Debrief meeting/Discussion draft:	N/A
Draft report issued:	N/A
Management response received:	N/A
Approval and final report issued:	December 2023
Auditor(s):	Director of Audit & Assurance
Executive sign off:	Neil Frow, Managing Director NWSSP
Distribution:	Audit Committee Chairs and Board Secretaries
Committee:	NWSSP Audit Committee 23 January 2024



Audit and Assurance Services conform with all Public Sector Internal Audit Standards as validated through the external quality assessment undertaken by the Chartered Institute of Public Finance & Accountancy

Acknowledgement

NHS Wales Audit & Assurance Services would like to acknowledge the time and co-operation given by management and staff during this review.

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 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 NHS Wales Shared Services Partnership 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. Introduction

This paper sets out the Quality Assurance and Improvement Programme (QAIP) for 2022/23 and the approach and work for 2023/24.

The QAIP is a requirement of the Public Sector Internal Audit Standards (PSIAS).

2. Approach

Audit & Assurance's Quality Manual states:

"The Director of Audit & Assurance must develop and maintain a quality assurance and improvement programme that covers all aspects of the internal audit activity (Standard 1300). This should include internal and external assessments (standards 1311 and 1312)."

In 2023, we had the mandatory External Quality Assessment (EQA) which was undertaken by The Chartered Institute of Public Finance and Accountancy (CIPFA). As an EQA is required at least once every five years, we will need to have another one in place by March 2028 at the latest.

Changes being made are to the global Internal Audit Standards and it is expected that these will lead to a revised set of Public Sector Internal Audit Standards once the changes have been formally adopted. The timeline for this is uncertain but is likely to be from January 2025 for UK public sector organisations.

The external assessment covers:

1. The 2023 External Quality Assessment undertaken by CIPFA (Section 2.1).

The internal assessments cover:

2. Quality Reviews - organisation focussed reviews to ensure each NHS organisation and Head of Internal Audit, together with our Capital & Estates and Digital & IT Teams are covered (2.2)

In addition, there is other information that supports the QAIP:

3. Results of Audit Satisfaction Surveys (a survey is sent after each audit) (2.3)
4. Key Performance Indicator Outcomes (2.4)
5. Audit Committee assessments of their own effectiveness that include Internal Audit (2.5)
6. Audit Wales Review (AW) (2.6)
7. Head of Internal Audit 'Conformance Statements' (2.7)
8. Formal meetings with Chairs of Audit Committees and Board Secretaries (2.8)
9. Other relevant information (2.9 & Sections 3.1 to 3.2).

2.1 External Quality Assessment

An External Quality Assessment (EQA) needs to be undertaken at least once every five years to comply with the Public Sector Internal Audit Standards (PSIAS). In March and April 2023, the Chartered Institute of Public Finance & Accountancy undertook the assessment. The key findings of their assessment were:

- “It is our opinion that the self-assessment for the NHS Wales Shared Services Partnership’s Audit and Assurance Service is accurate, and we therefore conclude that the Audit and Assurance Service FULLY CONFORMS to the requirements of the Public Sector Internal Audit Standards;”
- All 11 individual subsets of standards (the 4 Attribute Standards and the 7 Performance Standards) were also assessed as fully conforming to the PSIAS;
- 9 audit files were reviewed (at least one per Head of Internal Audit) and no issues were identified; and
- Feedback received from 12 Audit Committee Chairs and Board secretaries was positive about the internal audit service provided by NWSSP Audit & Assurance.

The report noted two advisory findings:

It was suggested we repeat the point about having no impairments to our work in the annual report and opinion which we did for the 2022/23 year-end annual reports and opinions; and

That we need to prepare for the introduction of the new internal audit standards that are likely to be introduced by January 2025. We will be undertaking work on this as a part of our IMTP objectives for 2024/25.

The EQA report was submitted to the NWSSP Audit Committee in April 2023 and subsequently shared with all NHS Wales organisations.

2.2 Quality Reviews of Audit Files

A sample of 15 audit files were reviewed. This is less than in previous years as the EQA reviewed at least one file for each Head of Internal Audit (the total of 24 audit files reviewed is consistent with previous years where the number reviewed has varied between 20 and 25). These were chosen from the list of completed outputs on 28 February 2023 (note: 24 out of 300 delivered audits for 2022/23 equates to 8%).

The sample of 15 covered:

- one review at each NHS Wales Organisation (12 reviews)
- one review at NWSSP (1 review) and
- two reviews of audits undertaken by our Capital & Estates and Digital & IT Teams (2 reviews).

There were four audits undertaken for WHSSC and EASC – none of these have been reviewed in 2022/23.

The reviews comprise:

- 1). Checking that the audit file has completed correctly and fully.
- 2). Reviewing evidence to support the completion of the checklist.
- 3). Product reading of the final report/output.
- 4). Follow-up questions with HIAs/Lead Auditors.
- 5). Production of a summary note.

Overall, the results were positive and demonstrated a high level of quality consistent with recent years. However, in a small number of instances, discussions were needed with the Head of Internal Audit to confirm findings and minor exceptions were noted. The results of the reviews will continue to be built into both our ongoing training around audit quality and our new Electronic Working Papers system which is due for implementation for the 2024/25 audit year.

The exceptions, communicated to the Heads of Internal Audit/Head of Specialist Services in June 2023, are covered at Appendix A.

Based on the reviews undertaken, there were no specific matters that needed to be reported in the Annual Head of Internal Audit opinion in terms of compliance with the PSIAS.

2.3 Audit Satisfaction Surveys

Audit satisfaction surveys are sent out at the conclusion of each audit. Response rates are increasing but are still relatively low, and they do differ by organisation. Copies of the survey are retained on the individual audit files. A summary of the response rates and findings are included in each Head of Internal Audit Opinion.

In addition, we receive feedback through regular meetings with both Executives and Audit Committees.

We continue to work with health bodies to improve the response rates to the surveys as this can be a key driver in helping to improve the focus and outcomes of audits.

2.4 Key Performance Indicators

At the end of June 2023 (when all Final opinions were issued), revised KPIs for 2022/23 showed:

KPI	SLA	Target	Overall
Audit plans agreed [2022/23]	√	100%	100%
Audit opinions/annual reports compiled [2022/23]	√	100%	100%
Audits reported over total planned audits *	√	95%	96%
Work in progress	No	N/A	4%
Report turnaround fieldwork to draft reporting [10 days]	√	90%	89%
Report turnaround management response to draft report [15 days]	√	80%	67%
Report turnaround draft response to final reporting [10 days]	√	80%	99%

In 2023/23 we delivered 300 outputs (304 in 2021/122) to support the Head of Internal Audit Opinions and other reporting for the 13 NHS Bodies we audit (7 Health Boards, 3 Trusts, HEIW, DHCW, and NWSSP).

There were changes agreed to the plans of all NHS bodies during the course of the year with audits and reviews being added and removed. In all cases, these changes were approved by the relevant Audit Committee.

In terms of the delivery of the audit programme, we are often asked to delay reviews until late in the financial year. We are happy to accommodate this, but it does mean that we sometimes need to use contractor staff to ensure delivery which does increase costs. The KPIs for each NHS organisation are reported in each progress report and in their individual Head of Internal Audit Opinion.

2.5 Audit Committee Self-Assessments

Each year, Audit Committees will produce an annual report of their own activities and undertake a self-assessment against key criteria set out in the HFMA Audit Committee Handbook. Results of this work, which includes an assessment of Internal Audit, are used to help inform Audit & Assurance's forward strategy at both a Directorate and individual HB/Trust/SHA level.

2.6 Audit Wales Review

Each year, Audit Wales undertakes an overview of Internal Audit as part of their work programme. In their Management Letter to NWSSP for 2022/23, Audit Wales stated:

- Local health body audit teams need to consider ISA 610 – using the work of internal auditors – to assess the adequacy of Internal Audit work for the purposes of the audit. To inform this evaluation, we considered the arrangements in place within AAS and also considered the results of the external review of Internal Audit arrangements by CIPFA against the requirements of the Public Sector Internal Audit Standards. Their report, issued in March 2023 concluded that they have complied with these standards; and
- We did not identify any issues regarding AASs that would prevent audit teams taking assurance from their work.

In addition, the Director of Audit & Assurance meets regularly with both Audit Wales NHS leads and the Velindre University NHS Trust's Audit Team to ensure that the Internal Audit work is co-ordinated, where appropriate, with the work of Audit Wales. Heads of Internal Audit also meet regularly with the relevant Audit Wales leads for each health board, Trust and Special Health Authority to ensure work is co-ordinated effectively.

2.7 Conformance Self-Assessments

Each year, all Heads of Internal Audit/SSu complete a self-assessment against the PSIAS which is submitted to the Director of Audit & Assurance for review. After review, the self-assessments are discussed with the relevant Head of Internal Audit/SSu if there are any matters requiring attention.

Overall, there are very few highlighted areas of 'partial compliance' (and none of 'does not comply') from the self-assessments either from ticking a specific box or from the narrative. This is in line with previous years and reflects, in part, the successful outcome of the External Quality Assessment in March 2023.

The only areas of identified partial conformance, related to:

- 1). The HIA not interacting directly with the Board (function delegated to Audit Committee);
- 2). Assessing the costs of assurance in relation to the potential benefits.

In terms of actions against each of these areas, we propose/are already doing:

- 1). The only action we take formally on this, is to note it as the PSIAS assumes 'delegation' of some key roles.
- 2). In terms of the cost/benefit analysis of our performance, we have:
 - a range of KPI measures, covering economy, efficiency and effectiveness;
 - produced a number of all-Wales summary reports to further the sharing of good practice and common issues;
 - developed an audit database which records all the audits undertaken since April 2018 in terms of the opinions given, recommendations made, area

of focus, themes and risks identified. The database is fully interactive and can be used to highlight good practice and common challenges, as well as measuring performance over time.

We are also looking at introducing more outcome focused based KPIs and we will be undertaking specific work in a couple of areas to measure the cost and impact/benefits of assurance work. To support us with all this work we have appointed a Business Support Manager.

2.8 Formal meetings with Chairs of Audit Committees and Board Secretaries

During 2022/23, the Director of Audit & Assurance met with the Board Secretaries and Chairs of Audit Committee groups on a number of occasions.

Areas discussed included:

- Progress on the 2022/23 audit programmes
- The format of the annual opinion for 2022/23
- Changes to the approach for audit planning for 2023/24
- Recommendation monitoring and tracking
- Quality based KPIs
- Themes emerging from audit work across NHS Wales
- Demonstration of the audit database
- Internal Audit's IMTP.

There is a small sub-group of Board Secretaries who meet regularly with the Director of Audit & Assurance and with Audit Wales to discuss and support areas of focus.

Further meetings with these key peer groups are planned in 2023/24. In addition, the Director of Audit & Assurance has also met with several Chairs, Chief Executives, Finance Directors, Executive Directors and Boards during the course of the year.

2.9 Audit Approach

We have made no changes to our audit approach in 2022/23.

For 2024/25 (beginning 1 April 2024) we anticipate having a new Electronic Working Paper (EWP) system in operation to replace 'TeamMate'. This system will be used (along with Sharepoint) to record all our audit work. Our new EWP has been developed in house and has considered the likely impact of the new internal audit standards due to be implemented in January 2025.

3. Other Quality Assurance and Improvement Areas

3.1 Wider Role of Director of Audit & Assurance/Heads of Internal Audit

The Director of Audit & Assurance is an observer on the Public Sector Internal Audit Standards Advisory Board and a member of the Wales Public Sector Heads of Internal Audit Forum. He is also an Independent Member of the Audit Committee of Bristol City Council. One of the Heads of Internal Audit is a member of Caerwent Community Council in Monmouthshire.

3.2 QAIP Approach for 2023/24

The QAIP approach for 2023/24 will include (in addition to the standard areas):

1. Follow up of previous QAIPs
2. Reporting on the implementation of the new set of quality based KPIs
3. A more detailed assessment of the impact of our new EWP and the changes to the internal audit standards.

Appendix A: Quality Reviews 2022/23 Exceptions/Differences

Quality Reviews 2022/23 – Exceptions and differences noted:

Independence, Objectivity, and Competency (Q1 – 3)

No specific comments other than to note that external support was only used on a few of the audits. We currently have 4 auditors working with us on contract, all of whom have worked with us for some time and have relevant backgrounds.

Engagement Planning (Q4 – 9)

Q5 – In a small number of instances the brief on file was the 'draft' rather than the 'final' but there was evidence that the HB/Trust/SHA had agreed the scope.

Several audit files also had good planning aid documents for the areas under review which gave background on sometimes complex areas.

The consulting protocol had been completed where appropriate.

Performing the Engagement (Q10 – 11)

Q10 – it was clear, generally, how the findings recorded on the file linked to the findings in the report (draft and final). For example, where the number of issues recorded did not match the number of recommendations made in the report, it was clear how they had been merged or where additional information had cleared the original finding. Evidence recorded on files was generally to a high standard. This was consistent with previous years.

In most instances, testing on the file was split and recorded by audit objective. However, in a few instances, all testing was done under one file section. While this still demonstrated that all the objectives had been covered it was less clear than when the testing had been recorded by objective.

Supervision and Review (Q12 – 13)

Q13 – Head of Internal Audit Final Review was clear in all cases and this is consistent with 2021/22.

Q13 – There are small differences in the way each team uses the structure and steps to record evidence of work done and the findings, for example, the use of 'Current Issues' and 'Formulate Findings'. In addition, teams have added additional schedules and matrices where appropriate.

Reporting (Q14)

No specific comments, other than to say I thought the quality of the reports was good and a number contained examples of good and comparative practice.

Completion (Q15 – 16)

Q15 – All teams now use the checklist to demonstrate that process and quality checks have been performed before the issue of the draft/final reports. In a few instances, I think that files could have been signed-off as complete more quickly than they were (after the Final Report and the issue of a management feedback request).

Q16 – We have sought feedback for most reviews, but only a couple had any evidence on file of the feedback. However, all reports do go through to Audit Committee, which acts as a measure of the quality and relevance of our work. Satisfaction surveys are included in each Head of Internal Audit and Annual Report. In addition, some teams now use Microsoft Forms to collect feedback, but evidence of this being done was not on the TeamMate file. In all cases, evidence to support the issue of the feedback form was provided separately.



NHS Wales Shared Services Partnership
4-5 Charnwood Court
Heol Billingsley
Parc Nantgarw
Caerdydd
CF15 7QZ

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



NHS WALES Shared Services Partnership (NWSSP)

Counter Fraud Progress Report 01/10/2023 – 31/12/2023

**Mark Weston
Local Counter Fraud Manager
NHS Wales Shared Services Partnership**

TABLE OF CONTENTS

1. Introduction

2. Progress

Staffing

Activity -

Infrastructure/Annual Plan

Fraud Awareness Activity

Fraud Alerts and Bulletins (FPN/IBURN)

Referrals/Enquiries/Investigations

Local Proactive Exercises

NFI

Other

3. Appendices

Appendix 1 – summary of all Wales E-learning statistics (Q3)

Appendix 2 – Summary of Cases Q3 2023/2024

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 NHS Wales Shared Service Partnership (NWSSP) Local Counter Fraud Manager.

The report's format has been adopted, in consultation with the Director of Finance and Corporate Services, to update the Audit and Assurance Committee about counter fraud referrals, investigations, activity and operational issues.

At 31st December 2023, 156.75 days of Counter Fraud work have been completed against the agreed 220 days in the Counter Fraud Annual Work-Plan for the 2023/24 financial year. In summary the days have been used concluding ongoing fraud investigations and two new fraud referrals have been received during the last quarter. Fraud Awareness activity was mainly focussed on Fraud awareness week, newsletters, and sessions to new starters. The Counter Fraud e-Learning module is also available to staff on ESR following its launch on 18th April 2023.

The breakdown of these days in Q1/ Q2 / Q3 are as follows:

Type	Q1	Q2	Q3	Total
Proactive	26.75	32.5	32.25	91.5
Reactive	22.5	18	24.75	65.25
Total	49.25	50.5	57	156.75

2. Progress

The Counter Fraud Annual Plan 2023/2024 was completed and approved by the Director of Finance and Corporate Services and submitted for Audit Committee approval in April 2023

Staffing

NWSSP now employ 1.0 WTE Local Counter Fraud Manager. The service provided through the Service Level agreement with Cardiff and Vale UHB was terminated by the Health Board on 30th June 2023.

Activity- Infrastructure/Annual Plan

The Counter Fraud Plan for 2023-2024. is aligned fully to the NHSCFA requirements as stipulated in Government Standard 13. The plan states proposed actions throughout the year. In tandem with investigation work required, the main focus of the NWSSP Local Counter Fraud Manager (LCFM) during the last quarter was as follows:

- The NWSSP LCFS has continued to liaise with Head of Internal Audit under the Joint working protocol in place.

Fraud Awareness Activity

- The NWSSP Local Counter Fraud Service intranet page has continued to be updated with assistance from the NWSSP Communications team. It will be continuously reviewed and kept up to date with news and relevant topics.
- E-learning Module – The LCFS Manager and NHS CFS Wales developed the All-Wales Counter Fraud Awareness E-learning module launched on Tuesday 18th April 2023. A manual version has also now been produced to assist those with limited access to IT. **101** NWSSP staff completed the e-learning module during Q1 and Q2 and a further **6** in Q3 making a total of **107**. This level of performance is disappointing compared to other NHS organisations who have mandated this training and the matter has again been raised with the NWSSP Director of Finance & Corporate Services
- As previously reported several Health Boards have now made the module mandatory with the most recent being Welsh Ambulance Service Trust during Q2. Comparative participation has been collated shows the benefits of mandatory e-learning and the much-increased participation stats for Q3. (Appendix 1)
- Fraud awareness sessions for new starters commenced in November 2023 via Microsoft TEAMS. All new starters who commenced with NWSSP from March 2022 to November 2023 were invited to attend a session, **84** staff attended over **4** sessions. Further sessions will now follow each month and invites will be issued to all new starters.
- Fraud awareness is also now signposted in the induction toolkit presented to new staff at the “Welcome Session” which is delivered virtually.
- The Counter Fraud App previously developed and launched earlier this year, participation is still very low, however it will continue to be promoted.
- Two Counter Fraud Newsletters were issued using Sways during QTR 3, one during November to coincide with International Fraud Awareness week with **94** staff reading it and a Festive Fraud Newsletter was issued in December in the lead up to Christmas to make staff aware of seasonal scams which are particularly prevalent this time of year, this had **70** staff reading. A newsletter was also issued in August which was omitted from previous QTR Report which gained **225** reads.
- The 2023 International Fraud Awareness Week also included daily posts on “X” (Formerly Twitter), which led to **3,113** impressions.

Fraud Awareness interactions Q3 2023/2024	No of attendees / Participants
Group	
New Starter Fraud Awareness Sessions (x4)	84
e-Learning	6
Sways (Newsletters x 3)	389
Social Media Posts - "X" (Formerly Twitter) impressions	3,113
Total	3,592

Sessions went well and feedback forms were issued and returned with very positive comments following each session.

Fraud Prevention Notices (FPN'S) and IBURN's (Intelligence Bulletins)

LFPN 04 2023 and **FPN H-005-23** were Issued by NHS CFA, the latter on 5/12/2023. FPN's concerns a general trend of international recruits presenting false certificates for IELTS (International English Language Testing System) which is a requirement from the Home Office for international recruits including the NHS. A false certificate also invalidates their UK Visa. Prevention advice included that checks should be made using the online checking service. Liaison with NWSSP recruitment confirmed that NWSSP now use the online checking service and have undertaken a retrospective check of previous certificates provided. Two investigations related to such activity are currently being undertaken by NHS CFS Wales. No further concerns were identified.

FPN L-004-023 was issued on 16th November 2023 which relates to false applications made using the salary sacrifice schemes. NWSSP initially raised concerns on this to NHS CFA following a fraudulent application under the home electronic goods scheme as reported previously. Much of the prevention advice including Multi Factor Authentication is now (MFA) in place following NWSSP involvement, however, a further level of check was suggested for line managers to approve applications, and this is now being considered by NWSSP.

Referrals/Enquiries/Investigations

During this reporting period the NWSSP Counter Fraud Team received **two** new referrals for investigation. A summary of the investigation caseload is as follows together. A breakdown of each case in a template is also provided as Appendix 2.

	Caseload	No
A	Cases b/f	5
B	Add No new of cases opened	2
C	Caseload during Q3	7
D	Less Cases closed or Transferred during Q3	2
E	Cases open at end of Q3	5
	Number of sanctions	1

Several new cases relating to overpayment of salary have been received via the new Payroll overpayment portal in the last few weeks. LCFS Manager is currently liaising with payroll and departmental managers on the circumstances of each case to consider the most appropriate way forward and whether a fraud investigation is appropriate. Any cases accepted for investigation will be placed on the case management system and summarised to Audit Committee.

Local Proactive Exercises

As part of the Government Functional Standards LCFS are required to conduct Local Proactive Exercises (LPE's) and Fraud Risk Assessments and record them on the CLUE case management system. LPE's should be conducted on a local risk-based approach, can be directed by NHS CFA, or pursued as a result of an action point e.g. from an investigation, a Fraud Prevention Notice (FPN) or a wider nationally driven proactive exercise.

LPE's were conducted following the issue of the fraud risks identified from the issue of the aforementioned IBURN's relating to employee identity fraud which were detailed above. and also on the following separate LPE's:

National Fraud Initiative

NWSSP Lead LCFS is currently reviewing the NWSSP data available checks have been made on Payroll/Creditor/Companies House with liaison to discuss matches, no anomalies detected thus far, however due to the volume this exercise will continue on a risk basis.

Other

Work is ongoing on relevant projects with NHS CFS Wales to ensure continuity, which will also benefit NWSSP Local Counter Fraud as follows:

- Community Pharmacy Data Analytics Exercise - a long-term data analytical exercise with NHS CFS Wales and Audit Wales to analyse Primary Care Services Community Pharmacy Services claims data for expensive items to identify and assess unusual claiming trends. The pilot was concluded and NWSSP LCFS and CFS Wales have now liaised with Primary Care Services Post Payment Verification Manager to enter the next stages to arrange and review more recent data. Audit Wales provided a presentation of the project at the Counter Fraud Steering Group and will issue a report shortly.
- The NWSSP Lead LCFS previously met with CFS Wales, Audit Wales, NWSSP Primary Care Services and others to consider a further data analytical exercise to provide assurance on General Medical Services Patient Registration and Capitation Fees. NWSP LCFS met with Audit Wales who updated that they have met with software providers to consider the proposals for the data matching processes.

Mark Weston

NWSSP Local Counter Fraud Manager

January 2024

CASES CLOSED OR TRANSFERRED IN QUARTER 3 (01.10.23 TO 31.12.23)

No.	Case Ref	Start Date	Subject Category	Potential Offences
1	INV/023/01067	05.06.2023	NHS Employee	Fraud by False Representation
2	INV/023/02216	05.10.2023	NHS Employee	Fraud by False Representation

CASES CARRIED FORWARD TO QUARTER 4 (STILL OPEN ON 01.01.24)

No.	Case Ref	Start Date	Subject Category	Potential Offences
1	INV/023/00931	15.05.2023	NHS Employee	Theft (of Sal O/P)
2	INV/02300993	23.05.2023	NHS Employee	Fraud by False Representation
3	INV/02301243	27.06.2023	NHS Employee	Fraud by False Representation
4	INV/023/01983	15.09.2023	NHS Employee	Fraud by False Representation
5	INV/023/02211	05.10.2023	NHS Employee	Obtaining Services Dishonestly

Outcome sanctions and recoveries	Closure Date	Financial Recovery	Fraud Prevented
Employee not working hours claimed and other employment issues. Employee dismissed	20.10.2023	£0,00	£0
Allegation of working elsewhere whilst on sick leave. Closed No Fraud Found	29.09.2023	£0,00	£0,00
Q3	TOTAL	£0,00	£0,00
Status	Closure Date	Financial Recovery	Fraud Prevented
Salary O/P £5.5k former employee identified following termination - investigations ongoing.	OPEN	£0,00	£0,00
Working whilst on sick leave - Enquiries ongoing.	OPEN	£0,00	£0,00
False claim for injury at work.	OPEN	£0,00	£0,00
Working whilst on sick leave - Enquiries ongoing.	OPEN	£0,00	£0,00
Retaining Lease Vehicle following termination and failure to enage to arrange its return - Vehicle now returned. Investigation ongoing	OPEN	£0,00	£0,00
	TOTAL	0	0

sanctions
1
0
1
sanctions
0
0
0
0
0
0

ALL NHS Wales Counter Fraud e-Learning return QTR3 2023/2024

Health board name	apr-23	mai-23	jun-23	jul-23	aug-23	sep-23
Cardiff and Vale	2	4	0	8	20	2
WAST	3	4	2	36	762	1251
DHCW	0	1	0	0	0	0
PHW	6	5	8	9	6	5
NWSSP	43	22	16	8	5	7
BCUHB	189	13	154	195	52	78
Powys	0	0	0	0	0	0
HEIW	0	0	0	0	0	0
HUHB	282	275	246	299	174	225
CTUHB	1	1	4	4	1	3
Velindre	0	0	8	3	0	0
SBUHB	9	0	24	21	20	30
ABUHB	0	0	0	17	3	11

okt-23	nov-23	des-23	TOTAL
n/a	5	n/a	41
372	287	155	2872
4	4	0	9
5	n/a	6	50
2	4	0	107
n/a	1262	619	2562
0	0	0	0
0	0	1	1
n/a	182	138	1821
1	0	2	17
n/a	0	20	31
n/a	123	25	252
7	7	5	50
TOTAL			7813

MEETING	Velindre University NHS Trust Audit Committee for NHS Wales Shared Services Partnership
DATE	23 January 2024
PREPARED BY	Carly Wilce, Corporate Services Manager and Emma Lane Procurement Services
PRESENTED BY	Andy Butler, Director of Finance and Corporate Services
RESPONSIBLE HEAD OF SERVICE	Andy Butler, Director of Finance and Corporate Services & Jonathan Irvine – Director of Procurement Services
TITLE OF REPORT	Governance Matters
PURPOSE	The purpose of this paper is to provide the Audit Committee with a brief update on governance developments within NWSSP.

1. STANDING ORDERS AND FINANCIAL INSTRUCTIONS (SO's and SFI's)

There were 11 occasions where contract awards were not progressed in accordance with Standing Orders. These are items listed in Appendix A and reasons for the breach are provided.

2. CONTRACTS FOR NWSSP

The table overleaf summarises contracting activity undertaken during the period **1st October 2023 to 31st December 2023**. A summary of activity for the period is set out in **Appendix A**.

Description	No.
File Note	11
Invitation to competitive quote of value between £5,000 and £25,000 (excl VAT)	2
Invitation to competitive tender - £25,000 and the OJEU threshold	2
Single Tender Actions	0
Single Quotation Actions	0
Direct Call Off against National Framework Agreement	1
Invitation to competitive tender of value exceeding OJEU threshold (excl VAT)	0
Contract Extensions	0
Total	16

3. NWSSP PROCUREMENT SERVICES ALL WALES CONTRACTING ACTIVITY

During the period **25th September 2023 to 23rd January 2024**, activity against **35 contracts** have been completed. This includes **17** contracts at the **briefing** stage and **10** contracts at the **ratification** stage. In addition to this activity, **8 extensions** have been actioned against contracts. A summary of activity for the period is set out in **Appendix B**.

4. GIFTS, HOSPITALITY & SPONSORSHIP

There have been **4** declarations as to Gifts, Hospitality or Sponsorship made since the last Audit Committee meeting. These are as follows:

NWSSP Name and Job Title	Type	Offeror	Description	Value	Accepted or declined
Neil Frow, Managing Director of NWSSP	Hospitality	iO Associates, St. Bartholomews House, Lewins Mead, Bristol, BS1 2NH	Offer of Christmas lunch in Bristol	£55	Offer declined by NF
Sioned Eurig, Employment Solicitor - Legal and Risk Services	Hospitality	No 5 Chambers, 30 Queen Square, Bristol, BS1 4ND	Christmas Dinner Event - Spiegeltent in Bristol - costs are not provided, corporate event, 3 course meal for 4 people.	£240	Declined
Jonathan Webb, Head of Safety and Learning - Welsh Risk Pool	Hospitality	RLDatix	Funding from RLDatix to NWSSP to facilitate members of the Welsh Risk Pool Safety & Learning Pool to attend the event, which is our main planning and objective setting session.	£2,500	Approved
Sarah Hookes	Hospitality	RLDatix	Funding from RLDatix to NWSSP to facilitate the purchase of a £50 amazon voucher to be used as a 'prize' for those staff within Neonatal Services who complete the Safety Attitude Questionnaire.	£50	Approved

5. WELSH GOVERNMENT QUARTERLY UPDATE

On a quarterly basis, we issue a letter to Judith Paget at Welsh Government to confirm any Audit Reports which have achieved limited or no assurance. This was a nil return for the last quarter.

6. RECOMMENDATION

The Committee is asked to **NOTE** the report.

APPENDIX A - NWSSP Contracting Activity Undertaken (01/10/2023 to 31/12/2023)

Retrospective Non-Compliant Activity (9)

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

No.	Trust	Division/Service	Procurement Ref No	Date	SFI Reference	Agreement Title/Description	Supplier	Anticipated Agreement Value (ex VAT)	Action/Status
1.	VEL	NWSSP/Healthcare Courier Services	AC (NWSSP 2023-24) 106	October 2023	File Note	Provision of Leasing of HGV Fleet for Supply Chain, Logistics and Transport, including Laundry	Dawsons Group	£46,494.00	This is to cover two-month interim period with incumbent supplier whilst a revised procurement awarded in December 2023.
2.	VEL	NWSSP/Primary Care Services	AC (NWSSP 2023-24) 107	November 2023	File Note	WGOS Launch ready Resource pack	AA Media	£7,365.80	Long term strategy being discussed with PCS/Procurement going forward.
3.	VEL	NWSSP/Primary Care Services	NWSSP-FN-(23-24)-12	November 2023	File Note	Hire of Mitel Agency Staff – Joe Brown	ROC Search Ltd	£19,250.00	Initial three-month contract expired; additional interim extension required to complete task.
4.	VEL	NWSSP/Specialist Estates Service	NWSSP-FN-(23-24)-16	December 2023	File Note	Access to Estates/facilities online library which provides technical guidance/standards	Barbour EHS Ltd	£10,677.77	Long term strategy being discuss with Procurement going forward.
5.	VEL	NWSSP/Healthcare Courier Services	NWSSP-FN-(23-24)-17	December 2023	File Note	Provision of Agency Staff – Specifically HGC Drivers to support Supply Chain and Laundry Distribution	Manpower	£45,000.00	Engagement with HCS regarding future requirement and appropriate compliance to be put in place.
6.	VEL	NWSSP/Primary Care Services	NWSSP-FN-(23-24)-18	December 2023	File Note	DBS checks undertaken for NHS Wales performers to be able to practice on behalf of Health Boards	SEC Watchdog Ltd	£16,000.00	Engagement with PCS regarding future requirement and appropriate compliance to be put in place.
7.	VEL	NWSSP/Digital Workforce	AC (NWSSP 2023-24) 127	December 2023	File Note	E-Learning Software Annual Licences	Omniplex	£6,432.00	Engagement with Digital Workforce regarding future requirement and appropriate compliance to be put in place.
8.	VEL	NWSSP/Accounts Payable	NWSSP-FN-(23-24)-22	December 2023	File Note	VAT Training	Ernst & Young	£5,500.00	Engagement with Accounts Payable regarding future requirement and appropriate compliance to be put in place.

9.	VEL	NWSSP/ Digital Workforc e	AC (NWSSP 2023-24) 128	December 2023	File Note	Direct Recruitment of Internationally Educated Healthcare Professionals	Foreign Payment – Norka Roots, India	£64,800.00	At the time of this activity, the Memorandum of Understanding not officially signed by Keralan Government. One off requirement, no further action to be undertaken.
----	-----	------------------------------------	---------------------------	------------------	-----------	---	--	------------	--

Prospective Non-Compliant Activity (1)

No.	Trust	Division/ Service	Procurement Ref No	Date	SFI Reference	Agreement Title/Description	Supplier	Anticipated Agreement Value (ex VAT)	Action/Status
1.	VEL	NWSSP/ Healthca re Courier Services	NWSSP-FN- (23-24)-15	November 2023	File Note	Temperature Controlled Units to support distribution Covid booster injections during autumn/winter 23	David Brett Solutions	£19,766.00	Interim extension to Change Control Notice whilst AW Procurement Transport Team awards a formal contract.

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

No.	Trust	Division/ Service	Procurement Ref No	Date	SFI Reference	Agreement Title/Description	Supplier	Anticipated Agreement Value (ex VAT)	Action/Status
1.	VEL	NWSSP/ Laundry Services	NWSSP-FN- (23-24)-19	December 2023	File Note	Hydraulic Press repair	Thomas Broadbent & Sons Ltd	£21,130.70	Emergency call out due to breakdown, compliant process being undertaken for delivery of replacement equipment by the end of the 23/24 financial year.

Report of Single Tender/Quotations Actions (0)

Prospective (within permitted guidelines)

Compliant Activity Delivered (5)

No.	Trust	Division/Service	Procurement Ref No	Date	SFI Reference	Agreement Title/Description	Supplier	Anticipated Agreement Value (ex VAT)	Action/Status
1.	VEL	NWSSP /Laundry Services	NWSSP-ITT-PROJECT-54459	December 2023	Open Tender	Replacement of Vertical conveyors at Green Vale Laundry	Innova Systems Ltd	£56,899.00	Competitive tender awarded, contract management to be undertaken.
2.	VEL	NWSSP/ SMTL	NWSSP-ITT-PROJECT-52859	December 2023	Open Tender	Reagents for Endotoxin Testing and Servicing of Plate Reader	Associates of Cape Cod	£90,000.00	Competitive tender awarded, contract management to be undertaken.
3.	VEL	NWSSP /Laundry Services	NWSSP-MIN-MULTIR334819	November 2023	Multiquote	Swansea Laundry Heavy Fuel Oil Aboveground Storage Tank Decontamination	J W Hinchliffe Tanks Ltd	£20,226.00	Competitive quotation awarded, contract management to be undertaken.
4.	VEL	NWSSP/ Procurement Services	NWSSP-MIN-MULTIR334751	November 2023	Multiquote	Clean Room Facilities	Connect 2 Cleanrooms	£9,790.00	Competitive quotation awarded, contract management to be undertaken.
5.	VEL	NWSSP/ Procurement Services	NWSSP-DCO (23-24) 60	October 2023	Direct Call off from Framework	Confidential Waste Collection at NWSSP Locations	Restore Datashred	£55,000.00	Standardisation and Rationalisation of confidential shredding bins across NWSSP depts as part of the Builders Managers Group meetings. Contract management to be undertaken.

APPENDIX B - All Wales Contracting Activity In Progress (25/09/2023 - 08/01/2024)

No.	Contract Title	Doc Type	Total Value	Jl approval <£750K	WG approval >£500k	NF approval £750-£1M	Chair Approval £1M+
1.	Disinfectants These include Alcohol wipes, Chlorhexidine Gluconate solutions, Chlorhexidine Gluconate sprays, Chlorhexidine Gluconate scrubs, Chlorine releasing tablets, Industrial Methylated Spirit, Isopropyl Swabs and Povidone Iodine Solution. 1 st February 2021 to 31 st January 2025	extension	£ 3,831,098	28/09/2023	original approval applies 31/12/20	28/09/2023	28/09/2023
2.	AW Blood collection The supply of evacuated and non-evacuated blood collection products including all blood collection tubes, safety needles, and holders. It also includes product training as required throughout the life of the contract. April 24 – 4+2 years	briefing	£ 12,500,000	28/09/2023	29/09/2023	NA	NA
3.	Oxygen therapy & inhalation Oxygen therapy devices fall into two categories, variable performance and fixed performance, both of which are catered for on the contract. Variable performance devices administer uncontrolled oxygen therapy, as the patient creates the inspired mixture by the act of breathing. Examples of these are nasal catheters, nasal cannula and masks with and without a re-breathing bag. Fixed performance devices allow controlled oxygen dosage. 1 st July 2024 – 30 th June 2028	briefing	£ 1,799,751	04/10/2023	24/11/2023	NA	NA
4.	All Wales Taxi Services The contract is for the supply of Taxi, Private Hire and Light Courier Services to NHS sites in South Wales, encompassing taxi service requirements for HDDA, SBU, CTM, CVU, ABU, Vel, PHW and WAST. The service requirements are the conveyance of staff, patients, light goods, and medical/pathological specimens to or from either their place of residence, to locations within these Health Board sites or to other NHS locations. This is on a routine and an ad hoc basis. 01/02/2018 to 30/09/2023 extension 01/10/2023 to 31/12/2023 (3 months)	extension	£ 5,267,843	05/10/2023	original approval applies 5/2/18	sent to NF 5/10	
5.	Healthcare Planning Services The framework agreement is a means of supporting NHS Capital Estates and Facilities department to call off a wide range of healthcare planning services in a timely, cost effective and efficient manner to enable their future strategic direction and to support the preparation of business cases. 1 st May 2024 to 30 th April 2028	briefing	£ 6,000,000	10/10/2023	13/11/2023	NA	NA
6.	Practitioner Training programme (PTP) Four education Programmes comprising of: <ul style="list-style-type: none"> BSc Healthcare Science (Audiology) BSc Healthcare Science (Clinical Engineering) BSc Healthcare Science (Pathology) Standalone Modules to achieve PTP through Degree Assessment. 1st December 2023 to 31st July 2024 Services commencement: 1st August 2024 to 31st July 2029 with the option to extend in three, 12-month tranches up to 31st July 2032.	Ratification	£ 9,415,526	17/10/2023	18/10/2023	19/10/2023	19/10/2023

7.	e-scheduling caseload management E-Scheduling software must be a clinically safe intelligent scheduling system for managing community services and its distributed domiciliary workforce in Wales. The system must automate the caseload scheduling process to ensure visits are optimally appointed. Provide domiciliary employees with a mobile digital solution to schedule their visits. 01/04/24 3 years with options to extend for up to 3 years, in whole or in part.	Briefing	£ 3,000,000	12/10/2023	24/11/2023	NA	NA
8.	Fresh Frozen Meat, Poultry, Cooked Meat, Bacon & Sausage The contract scope for Fresh & Frozen Meat, Poultry, Cooked Meat & Bacon & Sausage is for a variety of fresh and frozen, raw, cooked, and processed meat and poultry products for the purpose of patient feeding or Health Board or Trust income generation. 01/03/2024 3 years with an option to extend for up to a further 12 months	Briefing	£ 11,696,950	13/10/2023	17/11/2023	NA	NA
9.	Motor Fleet Insurance This includes an overview of the current contract and its performance outlines the proposed differences and areas of improvement for the new contract with a focus on the policy costs and risk profile against the background of an inflationary market. Due to the nature of the Motor Fleet Insurance, being dynamic with changes to vehicles numbers, drivers and risk profile, the competition for Insurance must take place close to the contract start date to ensure that risk profiles are as up-to-date and accurate as possible 1 st December 2023 – 30 th November 2026 plus an option to extend for up to a further 12 months	briefing	£ 4,947,307	13/10/2023	26/10/2023	NA	NA
10.	Monaco Treatment Planning System Hardware & Software Maintenance & Support Maintenance & Support including upgrade of Treatment Planning System (TPS) including hardware & Software from Pinnacle to Monaco. As the existing Pinnacle TPS product is now End of Life. The scope of the upgrade includes support for the transfer of legacy patient data from Pinnacle system to a standard DICOM data platform 19 th December 2023 – 18 th December 2028	ratification	£ 590,691	17/10/2023	27/10/2023	NA	NA
11.	Distance part time learning nursing Four education Programmes comprising of: <ul style="list-style-type: none"> Adult Nursing Child Nursing Mental Health Nursing Learning Disability Nursing Implementation from 1st January 2024 – 31st July 2024, Service Delivery Commencement 1st August 2024 to 31st July 2025, with the option to extend in two 12-month intervals up to 31st July 2027	ratification	£ 12,636,000	20/10/2023	24/11/2023	24/11/2023	24/11/2023
12.	Pulp Medical Products Medical pulp products are sustainable, single use products such as kidney dishes and wash bowls designed to have a multitude of functions. These include carrying instruments, dressings, needles, and liquids such as urine, vomit, and can be used for bedside washing of patients. Pulp products are made from 100% recycled materials, are biodegradable and can be commonly found in a variety of clinical environments.	briefing	£ 7,956,382	24/10/2023	15/11/2023	NA	NA

	01/08/2024 – 31/07/2028 with the option to extend for 12 months						
13.	Professional blood glucose testing Blood glucose monitoring refers to testing the concentration of glucose in the blood to aid in the management of Diabetes types 1 and 2. Similarly, monitoring the presence of ketones in the blood is also important as high levels can result in complications such as Ketoacidosis. November 2023 + 1 + 1 + 1 + 1 Years (maximum 9 years)	briefing	£ 10,879,067	03/11/2023	na direct award	NA	NA
14.	Meat & Poultry (bacon & sausage, raw fresh frozen meat/chicken, cooked meats) The contracts consist of a variety of fresh and frozen raw meat, poultry, cooked meats and bacon and sausage products delivered on a direct delivery basis to Health Boards. 01/04/2020 - 28/02/2022 Extended to 30/11/2023 > 01/12/2023 to 30/04/2024	extension	£ 13,014,870	sent to JI 25/10	NA Framework		
15.	Heparins & Anticoagulants Commonly known as blood thinners, are chemical substances that prevent or reduce coagulation of blood, prolonging the clotting time. Anticoagulants interfere with the proteins in your blood that are involved with the coagulation process 01.07.2024 – 30.06.2027 (with the option to extend for a further 12 months to 30/06/2028)	briefing	£ 26,900,372	06/11/2023	20/11/2023	NA	NA
16.	Influenza vaccine This contract is for Seasonal Influenza Vaccine purchased by hospital Pharmacy Departments for occupational Health. 1 st March 2023 to 31 st January 2024 extension 1 st February 2024 to 31 st January 2025	extension	£ 2,010,866	13/11/2023	original approval applies 8/3/23	17/11/2023	21/11/2023
17.	Enteral Feeding Service The Enteral Feeding Service contract provides critical products and services for both adult and paediatric patients, consisting of Enteral Feeding products, ancillaries, and consumables along with associated equipment (pumps). There is also a demand within Secondary Care and a Home Delivery Service. 01.02.2018 to 31.01.2022 with option to extend 12 + 12 months - Additional 9 months to 31.10.2024	extension	£ 4,696,927	17/11/2023	original approval applies 2017	22/11/2023	22/11/2023
18.	Generic Drugs – Injection/Infusions All products tendered on this contract will be Generic and as such will have the potential for competitive bids to be offered, this level of competition will vary across the various lines which are tendered 01/07/2024 to 30/06/2026 (with option to extend for a further 24 months to 30/06/2028)	briefing	£ 30,764,269	16/11/2023	17/11/2023	NA	NA
19.	Health Courier Service – Vehicle Replacement Programme HCS vehicle replacement programme covers a total of 15 vehicles Thirty Six (36) Months + Twelve (12) months + Twelve (12) months Optional Extensions.	ratification	£ 1,536,322	15/11/2023	07/12/2023	08/12/2023	11/12/2023
20.	Sterilisation and Decontamination Consumables Sterilisation is the process of removing or killing all viable organisms. Decontamination is a process that destroys or removes all microbial contamination to render an item or the environment completely safe. Achieving disinfection and sterilization through the use of disinfectants and	briefing	£ 12,250,000	30/11/2023	19/12/2023	NA	NA

	sterilization practices is essential for ensuring that medical and surgical instruments do not transmit infectious pathogens to patients 01/08/2024 – 01/08/2027 (With option to extend for 24 months)						
21.	HEIW Single platform HEIW have embarked on a programme of work to discover and procure the help, knowledge and skills of a 'partner' that can work alongside HEIW Digital. Contract Start & Discovery: 17th January 2024, Implementation & Build: 22nd February 2024, Go-Live date: 1st April 2025, End date: 16th January 2026 (option to extend until 16 th July 2026)	ratification	£ 1,222,200	17/11/2023	awaiting wg form from GR, chased 6/12		
22.	Patient and ECG Monitoring Systems and consumables Items on the ECG Electrodes & Defibrillator Pads agreement are vital for detecting heart problems within patients and helping to restore or correct a heartbeat. The current Patient Monitoring contract covers the areas of blood pressure cuffs, patient monitoring consumables, and pulse oximetry. These items are required for the monitoring and observation of patients and to detect any health issues early on 01/09/2024 – 30/08/2028	briefing	£ 16,000,000	24/11/2023	sent to WG 24/11		
23.	WHAIS LIMS WHAIS requires replacement of its existing 'end of life' legacy IT applications / infrastructure to enable the laboratory to modernise its services and improve quality and efficiency. 5 year contract with an option to extend for a further 1 + 1 year.	ratification	£ 549,520	27/11/2023	Query sent to team 30/11 response sent 09/01/24		
24.	Systemic Anti-Cancer Therapy (SACT) Compounding and Nursing Service The main aspects of the contract include third party medicines compounding and associated nurse administration by LPCH and the use of the Tenovus mobile facility as a SACT administration facility. 1st April 2024 to 31st March 2027 (option to extend up to 2 years to 2029)	briefing	£ 7,500,000	01/12/2023	sent to WG 1/12		
25.	Printed Forms There are 40 All-Wales HMR's available throughout the Trusts, these include consent forms and patient medical charts, amongst many other health-related forms. The purpose of these forms is to record patient data, which is a fundamental component to the successful operational services that NHS Wales provide to the Welsh public. 01/04/2024 – 31/03/2026	briefing	£ 960,000	01/12/2023	NA as below £1M	NA	NA
26.	Skin & Wound closure Provision of products used to for skin and wound closure. The current contract includes provisions for the following products: Absorbable and Non-Absorbable sutures (Braided and Monofilament), Mesh (Flat, Devices, Composite, and Biological) Skin Staplers, Skin Adhesives (Surgical and Minor), Mesh Fixation Devices (Absorbable and Non-Absorbable) and Accessories for NHS Wales. This is a multi-supplier framework to ensure that the Health Boards are able to meet a diverse range of requirements and preferences with the products available to them. 01/09/2019 – 31/08/2023 extended until 28/2/24	extension	£ 5,237,501	07/12/2023	original approval applies 18/9/23	sent to NF 7/12	
27.	Generic Drugs Tablets & Capsules This contract is for the re-tender of the current Generic Tablets & Capsules , Proprietary Drugs 2 Extension and Transitional Drugs which are due to end on the same date 31st January 2024. They will be combined into one larger	ratification	£ 18,736,925	12/12/2023	19/12/2023	19/12/2023	20/12/2023

	contract in order to utilise greater economies of scale and streamline the contract management process 1 st February 2024 to 31 st January 2027 (with an option to extend for up to a further period of 12 months to 31 st January 2028)						
28.	Fresh fruit & vegetables Extension Fresh Non-Prepared & Prepared Fruit, Vegetables and Salad 01/12/2020 to 31/03/2024	extension	£ 813,520	12/12/2023	Original approval applies 29/4/21	13/12/2023	NA
29.	Provision of Taxi & Light Goods Transportation Services for South & West The service requirements are the conveyance of staff, patients, light goods, and medical/pathological specimens and other items, to or from either their place of residence to locations within these Health Board & Trust sites or to other NHS locations. This is on a routine and an ad hoc basis Total Contract period is 3 years with one optional 1 year extension	ratification	£ 10,526,488	15/12/2023	sent to WG 15/12		
30.	Wigs A Framework Agreement to cover Health Boards and Trusts in Wales for the supply and fitting of wigs. 3 years with the option to extend for a further year, from 1 st February 2024.	ratification	£ 737,200	15/12/2023	sent to WG 15/12		
31.	NWSSP Legal & Risk Case and Document Management System The Case Management System will be aligned to a standard and efficient business administration processes. This will take the administration burden away from the lawyers so they can focus on their legal skills and legal work. The new solution will offer task management of each legal areas end to end lifecycle. This will aid the rapid training of new and junior lawyers, reducing time and effort. It will allow the opportunity to rebalance and reassign tasks to less costly administrators and free up lawyers to do the high value work. 5 years with options to extend for up to 5 years in whole or in one or more parts	briefing	£ 1,595,304	03/01/2024	sent to WG 3/1		
32.	IV & Irrigation solutions This contract is for all parenteral preparations for fluid and electrolyte imbalance and irrigations solutions that are purchased by hospital pharmacy departments in Wales. 1 st February 2022 to 31 st January 2025	extension	£ 5,454,851	20/12/2023	original approval applies 18/1/22	20/12/2023	20/12/2023
33.	Orthotics Provision of stock orthotic items including a range of Upper Limb orthotic products (such as wrist braces and slings), Lower Limb orthotic products (such as knee braces, hip braces and ankle supports) and Head, Neck and Abdominal orthotic products (such as cervical collars and spinal supports). 1 st April 2024 – 30 th March 2028	ratification	£ 7,571,622	02/01/2024	sent to WG 2/1		
34.	Suction Canister and Liners Suction Canisters & Liners are used as a temporary storage container for secretions or fluids removed from the body. These fluids or secretions may come from the patient's lungs, stomach, or wounds. The suction canister may be seen attached to the wall of the patient's room or resting on the floor next to the patient's bed. The liners are disposable and sit inside the canister. The liners can contain or have a gelling agent inserted that solidifies the liquids for disposal purposes. Suction Canisters & Liners are also placed onto trolleys or stands known as carousels for use in Theatres. 01/08/2024 – 31/07/2028 (with the option to extend up to 24 months).	briefing	£ 2,763,922	02/01/2024	sent to WG 2/1		
35.	Home Parenteral Support (HPN)	briefing	£ 32,355,516	02/01/2024	sent to WG 2/1		

	The contract encompasses the provision of parenteral nutrition support for patients with acute or chronic intestinal failure. Parenteral nutrition is the means of delivering bespoke fluids and nutrients via intravenous access to patients via a central line or peripherally inserted catheters. This contract is specifically for patients receiving this therapy within their own homes, administered either by themselves or with the support of family or a third-party provider's homecare nursing team. 01/04/2024 to 31/03/2027 (with option to extend for a further 12 months to 31/03/2028)						
--	--	--	--	--	--	--	--



MEETING	Velindre University NHS Trust Audit Committee for NHS Wales Shared Services Partnership
DATE	23 January 2024
AGENDA ITEM	
PREPARED BY	Peter Stephenson, Head of Finance and Business Development
PRESENTED BY	Peter Stephenson, Head of Finance and Business Development
RESPONSIBLE HEAD OF SERVICE	Andy Butler, Director of Finance and Corporate Services
TITLE OF REPORT	NWSSP Corporate Risk Register

PURPOSE

To provide the Audit Committee with an update as to the progress made against the organisation's Corporate Risk Register, and to seek approval for changes in target risk score dates of specific risks.

1. INTRODUCTION

The Corporate Register is presented at **Appendix 1** for information.

2. RISKS FOR ACTION

The ratings are summarised below in relation to the Risks for Action:

Current Risk Rating	January 2024
Red Risk	4
Amber Risk	8
Yellow Risk	1
Green Risk	0
Total	13

2.1 Red-rated Risks

The following red risks remain on the Corporate Risk Register:

- The threat to services if a suitable building is not found to house the TRAMs service in South-East Wales.

- The impact on staff time and resources as a requirement of responding to the COVID 19 UK Public Inquiry;
- The planned industrial action by Junior Doctors and the resulting impact that this may have on the Single Lead Employer team; and
- The impact of the financial climate across NHS Wales on delivering and developing existing and new services.

2.2 New/Deleted Risks

There have been no new risks added or risks deleted since the last meeting of the Committee.

2.3 Target Risk Update

The following risk has not yet achieved its target risk score date:

- **Risk A8 – Brecon House** – good progress has also been made in that the business case for the move into the DuPont building has been approved and work is already underway on the relocation of Patient Medical Records. However the date that we can access DuPont has been moved back by the Landlord and therefore suggest that the target date is moved to **31st March** to allow SLG to assess progress with movement of files and to have better understanding of when we can fully vacate Brecon House.

3. RISKS FOR MONITORING

There are 13 risks that have reached their target score, and which are rated as follows:

Current Risk Rating	January 2024
Red Risk	0
Amber Risk	2
Yellow Risk	8
Green Risk	3
Total	13

3. RECOMMENDATION

The Audit Committee is asked to:

- **NOTE** the Corporate Risk Register; and
- **APPROVE** the proposed change to the target risk date.

Corporate Risk Register

Ref	Risk Summary	Inherent Risk			Existing Controls & Mitigations	Current Risk			Further Action Required	Progress	Trend since last review	Target & Date
		Likelihood	Impact	Total Score		Likelihood	impact	Total Score				
Risks for Action												
A1	Risk of cyber attack exacerbated if NWSSP, or other NHS Wales organisations, run unsupported versions of software.	5	5	25	Cyber Security Action Plan BCP Champions Meeting Information Governance training Mandatory cyber security e-learn Internal Audit review BCP Action Cards CAF completed and report received from CRU CAF remediation project established with support from PMO. 'Exercise in a box' launch event held with SLG (face to face) on 12 May. Phishing testing has been running since February 2022 alongside proactive communications on cyber awareness. Part of All-Wales Cyber Security Network	2	5	10	Complete Impact Assessment of all major systems (Nick Lewis - 31/03/2024) Increase size of team to manage mitigation of threat (Neil Jenkins 31/03/2024)	Heightened state of alert. Recent attack on Home Electronics System - although this is not hosted by NWSSP. Presentation to September SLG and October 2023 Audit Committee. Two additional staff at Band 6 recruited and should start in Q4.		31-Mar-24
	Strategic Objective - Service Development									Risk Lead: Director of Planning, Performance & Informatics		
A2	The demand on services within Employment Services as a result of Health Boards taking on substantial numbers of staff to respond to and recover from the pandemic, is unsustainable, leading to sub-optimal levels of performance.	4	4	16	Established working practices governed by Service Level Agreements and measured by reporting of KPIs on monthly basis. Bi-monthly Recruitment Modernisation Project Boards	3	4	12	Payroll and Recruitment Update presented to SLG (Complete)	Good progress being made with the Recruitment Modernisation Programme. Update provided to Sept and Nov 23 SSPC. New systems in place within Student Awards and recent internal audit review awarded substantial assurance.		31-Mar-24
	Strategic Objective - Customers									Risk Lead: Director of People and OD		
A3	The threat of industrial action by Junior Doctors is likely to have significant implications on workload for the SLE team and on the expectation from Health Boards to help them manage their service delivery.	4	4	16	Industrial Action Planning Cell with WG & HBs	4	4	16	Currently in discussion with HBs around some key issues e.g. derogations etc and how we can help to manage these. (GH 31/03/24)	Ballot result was in favour of industrial action. 3-day walkout planned from 15 January.		31/03/2024
	Strategic Objective - Staff									Risk Lead: Director of People and OD		
A4	Adverse publicity arising from the financial irregularities at BCUHB have a reputational impact on NWSSP.	4	4	16	All requests for information are channelled through a formal Communications route,	3	4	12	Ensure consistent and strategic responses to any information request concerning this issue (SLG - 31/07/23) complete Review Comms resource in the light of increased scrutiny (AB - 31/07/23) complete Provide support to any affected individuals (GH 31/07/23) complete	Recent meetings with BCUHB have been very positive.		31/03/2024
	Strategic Objective - Customers									Risk Lead: Director of People and OD		
A5	The planned development of the Clinical Pharmacy Service is adversely impacted due to financial and staffing challenges	4	4	16	CIVAS Board National QA Pharmacist	3	4	12	Undertake Organisational Change Process 2 (Colin Powell - 31/03/24)	Update to July & September 2023 SSPC		31/03/2024
	Escalated Divisional Risk									Risk Lead: Service Director		
A6	The unaffordable nature of the laundry transformation programme has led to the development of a short to medium solution, this generates an inherent risk in the form of operating ageing equipment / infrastructure and plant for the foreseeable future resulting in increased breakdowns	4	4	16	Tried and tested Business continuity plan for supporting production downtime from local and national stock holdings as well as rerouting production to supporting plan	4	3	12	Further discussion with Welsh Government regarding the availability of the level of funding per year and the development of a plan to align with the phasing of funding (AH 31/03/24)	Awaiting the allocation of year by year capital for the implementation of the short to medium term plan. Rationalisation of the service through closing the Hywel Dda Laundry approved by September 23 SSPC. Cwm Taff staff to also TUPE over to NWSSP.		30/06/2024
	Strategic Objective - Service Development									Risk Lead: Director, Procurement Services		
A7	Financial restraints prevent recruiting sufficient staff to meet the expectations of Welsh Government and NHS Wales organisations in playing a leading role in delivering the decarbonisation agenda.	5	5	25	Decarbonisation Programme Board Project Execution Plan PMO Support	3	4	12		The financial position across NHS Wales is leading to increasing demand from HBs/Trusts on the NWSSP team. Funding was sought for additional capacity in the team but this has been turned down.		31/03/2024
	Strategic Objective - Service Development									Director, Specialist Estates Services		

A8	The presence of Reinforced Autoclaved Aerated Concrete in the Brecon House building in Mamhilad has contributed to the unsafe state of repair of the roof, making the building unsafe for staff, and similarly in the Repository in Companies House.	5	5	25	Majority of staff working from home. Health & Safety Reviews Structural Engineers appointed Temporary safety measures in place e.g. netting SSPC approved revised Business Case	2	5	10	Plan to vacate Companies House by 31/03/2024 - RAAC in self-contained area. SSPC and Trust Board approval of revised business case and for signing of Du Pont lease (AE complete) Lease for Du Pont agreed - signed by Velindre and now only requires signature of landlord (AE 31/12/2023)	Ove Arup in place for monitoring RAAC condition Cook & Arkwright appointed to mobilise contractors to intervene directly if required Revised Business Case approved by SSPC and Trust Board Nov 23. Planned timescale for exit from Brecon House slipping due to lengthy contract negotiation.	↓	31/12/2023
	Escalated Divisional Risk									Director, Primary Care Services		
A9	[REDACTED]	5	4	20	[REDACTED]	5	3	15	[REDACTED]	[REDACTED]	↑	31/03/2024
	Strategic Objective - Services									Director, Finance & Corporate Services		
A10	Leaks to the roof at IP5 threaten the operation of services and are extremely expensive to repair.	4	4	16	IP5 Steering Board	3	4	12	Meeting to discuss options for roof to be held on 22 January (GW)	Roof has been patched but specialist surveyors recommend over cladding of roof which will be very expensive.	→	30/06/2024
	Strategic Objective - Services									Director, Specialist Estates Services		
A11	The continued delay in locating suitable accommodation in South-East Wales for the TRAMS project threatens the supply of critical drugs to cancer patients	5	5	25	TRAMS Programme Board Formal project managed by PMO. Use of Outsourced Suppliers Task & Finish Group established. Update to July SSPC.	4	5	20	Explore options for accommodation in SE Wales (Colin Powell - 31/03/24)	Two potentially compliant sites shortlisted. Risk assessments completed with Chief Pharmacists. Update provided to September SSPC. Funding for Radio Pharmacy Unit in SE Wales agreed in principle by WG and business case approved at November SSPC.	→	31/03/2024
	Strategic Objective - Services									Service Director TRAMS		
A12	The financial climate in NHS Wales poses significant threats to the delivery of existing services and the development of new services	5	5	25	Monthly Finance Reports to SLG Finance Reports to SSPC and Audit Committee Establishment of Value and Sustainability Group Vacancy Control Arrangements implemented	3	5	15	Monitor progress against savings targets through Value & Sustainability Group (SLG - 31 March 2024)	Value and Sustainability Group established and Vacancy Control arrangements implemented (aug 23)	→	31/03/2024
	Strategic Objective - Services									Director, Finance & Corporate Services		
A13	The transfer of the laundries to NWSSP expose a number of risks including concerns over health and safety and formality of customer relationships.	4	4	16	Internal Audit review Laundry Programme Board Regular updates to SLG on progress with Action Plan Draft SLAs approved by SSPC	2	3	6	Appoint additional H&S resource to address problems and maintain progress in Laundry sites - recruitment in progress.	Risk Assessments have been undertaken at the laundries and good progress has been made in addressing the risks. An update is provide to each meeting of the Laundry Programme Board	→	31/03/2024
	Strategic Objective - Service Development									Risk Lead: Director of Procurement Services		
Risks for Monitoring												
M1	Disruption to services and threats to staff due to unauthorised access to NWSSP sites.	5	4	20	Manned Security at Matrix CCTV Locked Gates installed at Matrix. Security Review Undertaken (reported Dec 18) Increased Security Patrols at Matrix. CTSA undertake annual reviews of high risk buildings e.g. IP5, Picketston	1	4	4	Review results from security checklists (PS - 31/07/22 - complete)	Security Review undertaken and reported to SMT in Dec 2018. No major findings and all agreed actions implemented or superceded. However SLG agreed (Nov 23) that level of stock and sensitivity of some items justifies this risk remaining on the Corporate Risk Register.	→	
										Risk Lead; Director Specialist Estates Services/Director of Finance and Corporate Services		
M2	There is an increased fire risk with a consequence for protection of buildings at Alder House, Brecon House and Matrix House due to a lack of compartmentation in the roof space.	2	5	10	Fire Safety Officer Risk Assessment - assessed risk to life as low - Update Paper to Feb, May and November SMTs.	1	5	5	Discrete fire risk assessments undertaken for each site at the recommended intervals. Risk to remain on Corporate Risk Register to ensure sufficient monitoring.	Landlords consider any work on compartmentation to be our responsibility. SES reported to Nov 2020 SLT where it was agreed that the risk to life is very low.	→	
										Risk Lead: Director of People and OD		
M3	Specific fraud risk relating to amendment of banking details for suppliers due to hacking of supplier e-mail accounts leading to payments being made to fraudsters	5	3	15	Documented process for bank mandate changes Role of Supplier Maintenance Team Authorisation by Senior Finance Staff Internal Audit Reviews	1	3	3	Spate of attacks (Apr 22) reinforces need to maintain current controls.	Further spate of attempted frauds in April/May 2022 (4) but all stopped by team. This has reinforced the need to maintain and possibly even strengthen existing controls.	→	
										Risk Lead: Director of Finance & Corporate Services		
M4	The Student Awards software is at end of life and needs replacement without which delays to student bursary payments could be significantly affected.	5	5	25	Formal project management in place	1	3	3	Phase 1 delivered by April 2023. (GH - 31 March 2023)	SAS contract support agreement with Kainos in place to end of March 2023. FBC approved by Welsh Govt 5/9/22 and funding agreed.	→	
	Strategic Objective - Customers									Risk Lead: Director of People and OD		

M5	The threat of industrial action (both within the NHS and across other sectors) is likely to lead to staff shortages in both NWSSP and across NHS Wales impacting delivery of services	4	4	16	Good working relationship with Trade Union colleagues - presence on and updates to SLG. Business Continuity Plans and Arrangements - action cards updated Training provided by Legal & Risk	1	3	3	Continue to monitor impact through SLG (SLG 31 July 2023)	Pay award accepted. Current risk score reduced.	→	
	Strategic Objective - Staff									Risk Lead: Director of People and OD		
M6	Suppliers, Staff or the general public committing fraud against NWSSP.	5	3	15	Dedicated NWSSP LCFS Counter Fraud Service Wales Internal Audit Audit Wales PPV National Fraud Initiative Counter Fraud Steering Group Policies & Procedures Fraud Awareness Training Fighting Fraud Strategy & Action Plan	2	3	6	Produce review of 1st year activity for NWSSP LCFS (PS/MW 30 June 2023) - COMPLETE	C&V UHB have withdrawn their 75 days p.a. support due to limited resource. Structure of NHS Wales Counter Fraud resource has been the subject of a recent independent review on behalf of DoFs (Nov 23)	→	
	Strategic Objective - Value For Money									Risk Lead: Director of Finance & Corporate Services		
M7	The increase in energy prices, exacerbated by the war in Ukraine, is likely to lead to significant price increases across the whole range of goods and services resulting in severe cost pressures for NWSSP.	5	5	25	Energy Price Risk Management Group Forward purchase of energy Briefings to Welsh Government	2	5	10	Action switch to Crown Commercial Services following Centrica's announcement that it is withdrawing from the market (AB 30 April 2023) - complete Establish new Group structure - Welsh Energy Group and Wesh Energy Operational Group	Paper on energy costs to March SSPC, where approval was given for switch to CCS and establishment of the WEG and WEOG.	→	
	Strategic Objective - Value For Money									Risk Lead: Director of Finance & Corporate Services		
M8	The volatility in the energy market, due to the war in Ukraine, increases the reputational risk to NWSSP in its role in securing energy on behalf of NHS Wales.	5	5	25	Energy Price Risk Management Group Forward purchase of energy Briefings to Welsh Government	2	5	10	Restructure the EMRMG to establish the Welsh Energy Group and the Welsh Energy Operational Group. (AB 30/04/2023) - complete	Paper on energy costs to March SSPC, where approval was given for switch to CCS and establishment of the WEG and WEOG.	→	
	Strategic Objective - Value For Money									Risk Lead: Director of Finance & Corporate Services		
M9	NWSSP are unable to continue to provide business-critical services due to having insufficient numbers of staff available and able to undertake the work. This is particularly an issue with staff on bank or fixed term contracts where funding from WG is uncertain e.g. COVID-related activity and SLE.	5	5	25	Identification of all business-critical services Redeployment of staff to business-critical services Increased provision of laptops and VPN Roll-out of Office 365 Use of Bomgar service for PCS Daily monitoring and reporting of absence figures. IT Update also given to weekly COVID-19 Planning & Response Group.	1	5	5	Confirm funding for COVID- specific temporary posts from Welsh Government - this has been confirmed for the current financial year (AB - complete)	19.3 WTE staff in Recruitment extended for a further 12 months. In terms of Supply Chain, Logistics and Transport staff, those involved on the mass vaccination programme have also been extended until March 31, 2024, as Welsh Government funding has been confirmed. Confirmation of funding beyond 30 June 2023 now received for staff employed in the provision of PPE	→	
	Strategic Objective - Customers									Risk Lead: Director of People and OD		
M10	An issue with the supplier of the replacement Legal & Risk Case Management System threatens financial loss and the delivery of the service	4	4	16	Formal project managed through PMO	1	4	4	Project Team to review alternative options (MH 31 Oct 23) Continue negotiations with original supplier for refund of monies paid (MH 31 Oct 23)	The project team has commenced a review of alternative options for the software solution for 25/26 and beyond. The loss with the previous supplier has been provided for although efforts continue to reach a settlement.	→	
	Escalated Divisional Risk									Risk Lead: Director, Legal & Risk Services		
M11	Lack of storage space across NWSSP due to increased demands on space linked to COVID and specific requirements for IP5	4	4	16	IP5 Board Additional facilities secured at Picketston Regular review at SLG Formal project for Companies House relocation	2	4	8	Review options for relocation from Companies House (Complete) Paper to December SLG on accommodation options (Complete)	Lower volumes of PPE are now being held. Additional racking has been added in IP5 and will soon be installed in Denbigh Stores, increasing storage capacity. The move from Brecon House to Dupont will also increase storage space.	↓	
	Strategic Objective - Service Development									Risk Lead: Programme Director		
M12	The level of stock that we are being asked to hold is likely to mean that some items go out-of-date before being issued for use and need to be written off causing a loss to public funds and possible reputational damage to NWSSP.	5	5	25	Internal Audit Review of Stores Stock Rotation - based on FIFO Donations to India and Namibia	2	3	6	Confirm WG required stock holding for PPE - currently 16 weeks (AB 31 Jan 2024) -	SMTL working with DHSC to investigate whether expiry dates can be extended on some PPE equipment We are still awaiting the formal Ministerial advice on required stock levels but interim figures have been shared. Workshop to be hosted by WG before the end of January. Stock levels and shelf life continue to be actively monitored.	↓	
										Risk Lead: Director of Finance & Corporate Services		
M13	The move to agile working, and the relatively imminent expiry of a number of our property leases, require urgent agreement of an Accommodation Strategy.	5	4	20	Mark Roscrow tasked with developing Accommodation Strategy. Working Group established to oversee move.	2	4	8	Set up working group to oversee move from Companies House to Cathays Park (MR 31/05/23) - complete Lease for Nantgarw HQ renegotiated and signed (AB Complete)	Accommodation Strategy was produced and shared with Welsh Government in November 2023. Clarity on way ahead.	↓	
	Strategic Objective - Staff									Director, Specialist Estates Services		

MEETING	Velindre University NHS Trust Audit Committee for NHS Wales Shared Services Partnership
DATE	23 rd January 2024
PRESENTED BY	Andy Butler, Director of Finance and Corporate Services, NWSSP
PREPARED BY	Linsay Payne - Deputy Director of Finance & Corporate Services
TITLE OF REPORT	Impairment of Legal & Risk Case Management System licences

PURPOSE
The purpose of this paper is to ask the Audit Committee to note the accounting of a loss within the 2023/24 annual accounts in respect of Microsoft Dynamics licences.

1. INTRODUCTION

As required by Chapter 6 of the Manual for Accounts 2022/23 (and in the current draft of the Manual for Accounts 2023/24 which has not yet been formally issued), any losses identified must be reported to the Audit Committee prior to submitting the completed losses templates to Welsh Government (if above the delegated limit). In particular it identifies

'NHS Wales health bodies do not have unlimited powers to make special payments or to write-off losses. They must obtain the written approval of the Welsh Government H&SSG Finance Director before writing-off a loss or making, or undertaking to make, any special payment that exceeds their delegated limit.'

Annex 4 to Chapter 6 sets out the delegated limits above which Health bodies need to obtain WG approval for the write off of losses. The delegated limit is **£50,000** but increases to **£250,000** for fruitless payments (including abandoned capital schemes).

We will be reporting a loss in 2023/24 in respect of Microsoft Dynamics licences procured to implement and operate the Legal & Risk Case Management System.

2. DETAILS OF THE LOSS IDENTIFIED

During 2022/23 we fully impaired the Legal & Risk Case Management System asset under construction due to there being no economic value in the work the supplier had undertaken. This was reported to and noted by the Audit Committee in April 2023 and approved by Welsh Government. This was after it became apparent that the supplier had grossly underestimated the work, time and cost required to complete the project with deliverables (building a solution in Microsoft Dynamics) not being met and the relationship with the supplier breaking down so that the project could not be completed. We continue to progress action to recover the expenditure incurred.

NWSSP Audit Committee 23 January 2024

We have also been through a process of learning lessons in relation to the procurement of an alternative solution. This has included undertaking wide ranging pre-market engagement, benchmarking with other similar public sector organisations and focussing on off-the-shelf options. This lessons learned document has been shared with Welsh Government.

As part of the implementation of the Case Management System we had to procure Microsoft Dynamics licences to build and test the new software. These licences were purchased as part of a 3-year contract running from 1st April 2022 to 31st March 2025. Given the abandonment of the capital project, we were also unable to utilise the Dynamics licences. When we impaired the asset under construction in 2022/23, we hoped to be able to find an alternative use for the licences either within NWSSP or across NHS Wales (including Digital Health & Care Wales). During 2023/24 we have sought options to either sell or repurpose these licences which have proved fruitless. We therefore need to recognise the loss on this contract in 2023/24.

We are looking to account for this impairment as a constructive loss. Chapter 6 notes

"A payment that cannot be avoided because the recipient is entitled to it, even though the health body will receive nothing of use in return, should be classified as a fruitless payment or a constructive loss."

It then continues to note

If there is no element of accountability as evidenced by:

- the payment was for work that was purely exploratory and intended from the outset to determine whether or not the scheme should be adopted;*
- due diligence checks prior to awarding the contract;*
- regular reviews of project progress;*
- structured payments in line with project progress rather than an upfront payment; and*
- other actions relevant to the specific contract.*

the payment should be classified as a "constructive loss" which need not be entered in the losses register but, if significant, should be recorded in the notes to the accounts.

Given the 3-year contract for the licences was entered into in good faith and at that time believed the licences would be required for the full contract term, and that we exercised due diligence in the tender arrangements for the original case management system procurement and regular review of project progress were undertaken, the loss did not arise due to any accountability issues. We therefore deem the interpretation of this as a constructive loss to be correct.

At 31st March 2024, the outstanding value of the contract that we will recognise as a loss is £99,514.80. Given the delegated limit to approve the loss for fruitless payments is £250,000, this item would not ordinarily require approval by Welsh Government. As this loss, however, relates to the loss previously reported and approved by Welsh NWSSP Audit Committee 23 January 2024

Government in 2022/23, they have advised that we are required to submit this loss for approval.

We will fund this loss within NWSSP without the need for a request for Welsh Government to approve funding. The losses template included within Chapter 6 has been completed and is included in Appendix A.

RECOMMENDATION

The Audit Committee is asked to **NOTE**:

- 1. The loss detailed within the report and appendix
- 2. The detail of the report as required in Chapter 6 of the Manual for Accounts prior to submission to Welsh Government.

APPENDIX A

FOR HEALTH BODY USE

Checklist to be used when compiling the summary of the case

<p>Category – Abandonment of a Capital Project</p> <p>Type of case - Fruitless Payment/Constructive Loss (Legal & Risk Case Management System)</p> <p>Reference number – NWSSP/23-24/Revenue001</p> <p>Health Body (name and code) - NHS Wales Shared Services Partnership (hosted by Velindre University NHS Trust)</p>
<p>1. Record the amount involved and the reasons why the loss arose.</p> <p>£99,514.80</p> <p>Abandonment of a capital project following the break down in the contractual relationship with the supplier and as a result we are unable to utilise the MS Dynamics licences that we entered into a 3 year contract agreement for.</p>

2. Detail the background of case giving full reason why payment is necessary. Have other alternatives to the payment been investigated? If not, why not? If so, provide details.

This loss is linked to the impairment of the Legal & Risk Case Management solution, which was actioned in 2022/23 and continues to be the subject of an ongoing legal dispute so confidential information has been excluded from this report.

In 2021/22 we incurred expenditure on the development, design and build of a new case management system for our Legal & Risk Services. These costs were capitalised within the financial year as an Asset Under Construction. To support the development work we entered into a 3 year contract agreement for Microsoft Dynamics licences (July 2022 to June 2025) which were required for the build and test of the new case management system.

In early summer 2022, it became apparent that the supplier had grossly underestimated the work, time and cost required to complete the project and following deliverables not being met, the relationship with the supplier began to break down. We continue to progress action to recover the expenditure incurred, however due to the cessation of the build of the new case management system which required the MS Dynamics licences to be purchased, we no longer have a requirement for the licences purchased in the 3 year contract agreement. The licences were not recognised as a loss in 2022/23 due to the expectation that the licences would be repurposed across NHS Wales or sold back to Trustmarque. The options have been fully explored in 2023/24 by our Chief Digital Officer who has confirmed that there is no potential for alternative uses or refund of the unused period of the licences.

3. **Was fraud involved?** If so complete a fraud report and ensure that the LCFS, the relevant NHS CFS Wales team, Internal and External Auditors, and where relevant the police, are informed of the fraud in accordance with Welsh Government Directions to NHS Wales health bodies on Counter Fraud Measures and using the reporting system as specified by the NHS CFS Wales. Enter dates of completion of fraud report.

N/A

4. **Was theft or criminal damage involved?** If so have the police been informed? If not, give the reasons why not? All security related incidents must be reported to the Local Security Management Specialist once trained, accredited and in place in accordance with forthcoming guidance issued by NHS Security Management Service.

N/A

5. **For abandoned works,** were detailed specifications identified before the scheme went ahead? How did the projected work compare to these detailed specifications? At what level, by whom, and why was the scheme approved? Why was the scheme abandoned and by whom? Could the scheme have been aborted earlier? Was the scheme joint financed? If so, was any agreement signed? Was legal advice taken in the drawing up of an agreement? Is the other party prepared to pay half of the costs of the scheme?

A full detailed specification was included as part of the tender. This was incorporated into the contract documentation under Crown Commercial Framework agreement. However due to what we believe were internal communication issues within the supplier organisation, in May 2022 it became evident that the supplier was working only to part of the contract specification.

The scheme was subject to a full procurement tender exercise and capital funding was approved by Welsh Government and subject to robust project monitoring with specific milestones via the Digital

Programme Investment Fund team.

As stated above, we continue to progress legal action to recover the full expenditure incurred.

6. **For Bad Debts and Claims Abandoned.** Were invoices raised on a regular basis? Was the debt monitored and chased regularly? Were services withdrawn upon continued non-payment? Enclose report showing when invoices were raised and where relevant paid.

For cases involving businesses – has the business gone into liquidation/receivership? If so, are you listed as a creditor and do you have confirmation of this from the liquidator /receiver? If not, why not? Are any dividends being paid out? Was the financial integrity of the business looked into before goods or services were supplied? If not, why not and have procedures been revised to ensure this is carried out in the future?

N/A

7. **For rental cases only** - did the tenant enter into lease agreements prior to occupation? If not, why not? If the lease was faulty investigate whether action can be taken against legal advisors who drew up the agreement? Provide an analysis of rent and services charges.

N/A

8. **For private patients** cases was an undertaking to pay signed? If not, why not? Was a full estimate of potential costs given and full deposit taken to cover these costs? If not, why not?

For overseas private patient's cases – have the relevant embassies been contacted for payment (if applicable)? For overseas visitors, are robust procedures in place in the NHS Body to identify and charge liable overseas visitors? If not, why not? Was the overseas visitor informed that he/she would be liable to pay for the full cost of treatment? Was treatment, in a clinical opinion, immediately necessary or urgent? If treatment was not urgent why was it given before obtaining a sizeable deposit?

N/A

9. **Stores (only)** - Are any linen losses calculated at 50% of the replacement value? Is this in accordance with the guidance? Is the total loss more than 5% of the total stock value? Confirm that the loss has been valued at book value less net disposal proceeds.

N/A

<p>10. For extra contractual payments to contractors. Have other alternatives to the payment been investigated? If not, why not? If so, provide details. Provide detailed calculations on which the payment is based.</p> <p>N/A</p>
<p>11. For ex gratia payments. Have other options been considered? If not, why not? Explain why an ex gratia payment offers the best value for money. Confirm that the proposed payment does not place the claimant in a better position than if the error had not occurred? If it does, why? In cases of hardship record what evidence exists on this? Provide detailed calculations to support the proposed payment and demonstrate why the proposed sum is in accordance with the relevant paragraphs of this guidance.</p> <p>For settlements on termination of employment, has relevant central guidance on such payments been followed in all respects? If not, why not?</p> <p>For clinical negligence and personal injury cases has the relevant central guidance for such cases been followed in all respects? If not, why not?</p> <p>N/A</p>
<p>12. Is the value of the loss reduced by insurance? If so, record the value of the gross loss and the value of the amount recovered by insurance.</p> <p>N/A</p>
<p>13. Have all reasonable steps been taken to recover the loss? Provide details of the attempts that have been made to recover the loss or explain why no action has been taken. Has appropriate legal advice been sought? If not, why not? If advice has been sought, what recommendations were made and have these been followed? If not, why not?</p> <p>Ongoing legal action/negotiations with the supplier – confidential and sensitive in nature – all attempts to reutilise the licences have been explored to aim to avoid incurring this loss.</p>
<p>14. Identify any failings in the actions of employees, including supervisors. Having considered this, is there a need for disciplinary action? Record what action has been taken or is proposed, or if no action is to be taken, explain why. Include dates, names of individuals and positions.</p> <p>N/A</p>

<p>15. Was there any apparent breakdown of procedures? Detail weakness or fault in system of control or supervision.</p> <p>No</p>
<p>16. What proposed improvements have been put forward to correct defects in the existing systems or procedures? Include the timetable for implementation of the improvements. What monitoring measures have been introduced to ensure the improvements are working effectively?</p> <p>A lessons learned exercise has been undertaken and shared with Welsh Government.</p>
<p>17. Is it necessary to inform the board/chief executive? If not, why not?</p> <p>Audit Committee will be notified in the next meeting in January 2024</p>
<p>18. Do your SFIs require a Board report for this case? If so, please enclose the report. If not, consider whether in the light of this case your SFIs should be amended to require a Board report in such cases.</p> <p>Summary will be submitted to January 2024 Audit Committee</p>
<p>19. Having completed the above steps, detail the general lessons that can be drawn from this case. If a system weakness has been identified which has possible implications across the NHS the LCFS or the NHS CFS Wales should report the problem to NHS Protect using either the intranet fraud prevention referral system for fraud or the Area Security Management Specialist for security matters so that measures can be taken nationally to amend policy or systems.</p> <p>N/A</p>

20. Please give details of name and position of person forwarding this case for Welsh Government approval (if applicable). Give the date when this case was first brought to the attention of the Welsh Government H&SSG FD (if applicable).

Name -

Position -

Date Welsh Government H&SSG FD notified -

21. I have considered fully each point on this checklist and my findings are recorded in the attached case summary and/or in the spaces above. I confirm that the details recorded above and on the attached case summary are complete and accurate, and that all aspects of the checklist have been properly considered and actioned.

Signed by -

22. I confirm that the above details are complete and accurate and all aspects of the checklist have been properly considered and actioned. I agree that write off of this loss offers the best value for money for this case.

* Note: Delete as appropriate.

~~* This case is not novel, contentious or repercussive. I therefore agree to write off of the loss.~~

* This case is novel, contentious or repercussive and I therefore request formal approval from the Welsh Government H&SSG FD

Signed by -

Date -

Countersigned by -

Date –

Please note this section must be signed by two senior officers in accordance with the delegated limits set by the board. Please print names and position held in the organisation.

Name - Position held –

Countersigned by -

Position held –



MEETING	Velindre University NHS Trust Audit Committee for NHS Wales Shared Services Partnership
DATE	23 January 2024
PREPARED BY	Carly Wilce, Corporate Services
PRESENTED BY	Peter Stephenson, Head of Finance & Business Development
RESPONSIBLE HEAD OF SERVICE	Andy Butler, Director of Finance and Corporate Services
TITLE OF REPORT	Update on the Implementation of Audit Recommendations
PURPOSE This report provides an update to the Audit Committee on the progress of audit recommendations within NWSSP.	

1. INTRODUCTION

NWSSP records audit recommendations raised by Internal Audit, Audit Wales, and other external bodies, as appropriate. It is essential that stakeholder confidence is upheld and maintained; an important way in which to enhance assurance and confidence is to monitor and implement audit recommendations in an effective and efficient way.

2. CURRENT POSITION

The detailed recommendations raised in respect of our services have been captured in a database. A copy of the summary extract is attached at **Appendix A**, for information.

There are **72** reports covered in this review; **18** reports have achieved **Substantial** assurance; **32** reports have achieved **Reasonable** assurance, **and** no reports have been awarded **Limited** or **No Assurance**; and **22** reports were generated with **Assurance Not Applicable**. The reports include **234** recommendations for action.

Table 1 - Summary of Audit Recommendations

As at 17 January 2024					
Recommendations		Implemented	Not Yet Due	Overdue	Dependant on third party organisations
Internal Audit	192	185	4	1	2
High	13	13	0	0	0
Medium	92	86	3	1	2
Low	67	66	1	0	0
Not Applicable	20	20	0	0	0
External Audit	11	8	3	0	0
High	0	0	0	0	0
Medium	7	4	3	0	0
Low	1	1	0	0	0
Not Applicable	3	3	0	0	0
Other Audit	31	31	0	0	0
High	4	4	0	0	0
Medium	5	5	0	0	0
Low	22	22	0	0	0
Not Applicable	0	0	0	0	0
TOTALS:	234	224	7	1	2

3. Revised Deadlines for Approval

There is currently **one recommendation** that has not been implemented within its target completion date and is therefore overdue. There are also **two further recommendations** which have not yet passed the date of implementation, but each service have provided a justification as to why they are unable to meet the planned target deadlines. Full details of the recommendations are set out in **Appendix A** for the attention of the Audit Committees, which presents revised Deadlines for **Approval**.

- NHAIS
 - Extension from 29/02/2024 - 30/09/2024
- FPPS Enhanced Service Reconciliation
 - Extension from 31/12/2023 - 31-03/2024
- Review of Laundry Services
 - Extension from 01/04/2024 – 30/04/2025

4. Dependant on Third Party Organisations

For recommendations where NWSSP are reliant on a third-party organisation to action the work needed, in order for NWSSP to fully implement, these should be escalated to the relevant contact and marked 'dependant on third party organisations' with the action taken clearly stated in the progress box. These also need to be followed up with the relevant third party and closed out on the tracker once implemented. There are two recommendations for NWSSP in this category.

NWSSP Audit Committee
23 January 2024

5. RECOMMENDATIONS

The Audit Committee is asked to:

- **NOTE** the report findings and progress made to date regarding implementation of audit recommendations; and
- **APPROVE** the proposed revised deadlines, as detailed in Appendix A.

APPENDIX A - PROGRESS OF AUDIT RECOMMENDATIONS

ID	Internal Audit Report Ref Rec No / Ref NWSSP Service Report Title Report Year	Status	Issue Identified	Risk Rating	Recommendation	Responsibility for Action	Management Response	Original Deadline	Updated Deadline	Update On Progress Made
PROGRESS WITH RECOMMENDATIONS										
EMPLOYMENT SERVICES										
Payroll										
1.	Payroll Services - 2021-22 NWSSP-2122-14	DEPENDANT ON THIRD PARTY ORGANISATIONS	The previous Payroll audit report (NWSSP-2021-08) highlighted an inconsistent approach across NHS Wales organisations and Payroll teams. An all-Wales Overpayments Policy has been drafted but has not yet been approved. Overpayment registers are maintained for each health body. Sample testing of 60 overpayments for the period February 2021 to January 2022 noted that all had evidence on file to demonstrate action taken to recover monies. However, we identified 27 instances where there were delays of more than five weeks between identification of the overpayment and initiating action to recover.	Medium	2.2 Management should progress in agreeing and approving the drafted all-Wales Overpayments Policy to ensure a consistent approach is implemented across all Payroll Teams.	Head of modernisation	2.2 We acknowledge the finding of the audit report, the All-Wales Overpayments Procedure has been completed, it has been out for consultation with the Finance Colleagues and Counter Fraud and the details of the responses will be discussed on how to progress this.	30/06/2022	31/03/2024	A copy of the All-Wales Recovery of Overpayments Procedure will be taken to the SSPC for endorsement in January 2024, pending feedback from WODs and Trade Unison in December 2023, which could possibly cause a delay.

APPENDIX A - PROGRESS OF AUDIT RECOMMENDATIONS

2.	Payroll Services2022-23 NWSSP-2223-11	DEPENDANT ON THIRD PARTY ORGANISATIONS	A sample testing identified 12 instances where there was no evidence that input accuracy checks had been completed. Seven related to one payroll team which does not undertake these checks for leavers and changes processed by band 4 team members. Nevertheless, our sample testing did not identify any errors or incorrect payments.	Medium	Input accuracy checking requirements should be formally documented in standard operating procedures and applied consistently across all teams.	Assistant Director of Employment Services (Payroll)	Agreed. The inconsistency is a result of legacy arrangements which have not needed to change based on the high payroll accuracy rates which indicate the absence of these checks in the identified team is not impacting on accuracy. We do however acknowledge the need for a consistent, risk-based approach in determining and rationalising the level of checking required within each team and we will liaise with audit on this. We also need to recognise the significant shift in volume of transactions being received via electronic roster or forms. This does negate the requirement for checking of input. This work will need to be completed this summer and checking aligned to a more commercially focused perspectives as my division is being tasked with reducing costs but still being tasked by audit with outdated and costly tasks.	30/09/2023	30/06/2024	<p>The original plan involved a technical solution to be delivered by a third party, but the costs for this doubled and became unaffordable. DHCW are now going to build and deliver this solution free-of-charge, but we are dependent on their timescales for this and it is likely to take a number of months to implement.</p> <p>This will address the issue of the inconsistency in one of the Health Boards checking processes. However, it was noted during the audit of this process that there were no incorrect payments. The current process has been in place for many years and the risk is considered low.</p>
----	---	--	---	--------	--	---	---	------------	------------	---

Procurement
Laundry

APPENDIX A - PROGRESS OF AUDIT RECOMMENDATIONS

3.	Review of Laundry Services NWSSP-2223-1a PROC/22-23/2	NYD	Current prices are based on 2019/20 prices plus 2% inflation and vary across Wales due to legacy arrangements. Furthermore, the cost of missing linen stock is currently absorbed by the Laundry in terms of replacement costs. Health Boards/Trusts are invoiced based on the number of items issued, with the exception of one Health Board which is on a fixed rate agreement paying £290k each quarter based on agreed annual activity. Review of the Benchmark activity for April – June 2022 identified that the costs for quarter 1 were in excess of £500k. We were advised that agreed annual activity is compared to actual activity at the end of the year with a debit or credit adjustment for variances beyond the 6% tolerance. Green Vale also processes laundry for two private sector organisations Prices charged reflect legacy arrangements and are inflated annually. However, they have not been subject to review to establish whether represent value for money. We were advised that a standard pricing model will be implemented following completion of the All-Wales Laundry Transformational Programme which will incorporate all operating costs including replacement linen stock.	Medium	Reiterated from the 2021/22 audit of Llansamlet Laundry: 3.1 We concur with the plans to implement a standard pricing model following completion of the All-Wales Laundry Transformational Programme. This should incorporate all operating costs including linen stock purchases to ensure that the service is not operating at a loss.	Anthony Hayward, Assistant Director of Laundry Operations	3.1 Management accept the recommendation and acknowledge it is dependent on the transformational programme	01/04/2024	30/04/2025 Suggested Revised Deadline	The laundry transformational program has been paused at the request of the Welsh Government. They are however pursuing an alternative plan based on the improved service resilience and reduction in statutory backlog. The Carmarthen laundry will be decommissioned on the 31 st March 2024 and staff will be TUPED to Church Village laundry. Resulting in a 4-unit model going forward for the foreseeable future as opposed to the 3-unit model outlined in the PBC. Once the new operating model has settled down senior management will investigate the potential of introducing a single pricing model for Wales target date April 2025.
----	---	------------	--	---------------	---	---	--	-------------------	--	---

APPENDIX A - PROGRESS OF AUDIT RECOMMENDATIONS

Planning, Performance & Informatics									
ICT									
4.	ICT Infrastructure: Follow up review NWSSP-2223-07	NYD	NWSSP is undertaking an infrastructure renewal project which will result in a different (hybrid) infrastructure utilising Azure. As part of this a service model from DHCW will be defined and the intent is to build the management and reporting into that. As such there has been no provision of access into the virtual environment and we note that this has not been considered a priority, with the view being that the environment should be managed as per the SLA, and performance reports provided to demonstrate the effectiveness of this. We do note that once NWSSP moves into Azure, the financial consequences of not effectively monitoring use mean that there is an intent / requirement for NWSSP to have some level of monitoring access.	Low	NWSSP should ensure that reporting on the management of the infrastructure and virtual environments are built into the new service definitions. In the interim, consideration should be given to requesting quarterly information on the use and status of the virtual environment.	Chief Digital Officer	A task has been created in the Infrastructure Upgrade project to build a reporting solution into the new hybrid infrastructure.	24/02/2024	As noted in the update to recommendation 1 (above), the availability of funding will impact the decision on whether to replace the existing infrastructure with an on-premises or a cloud-based environment. This recommendation will require review once this decision has been made.
Cyber Security									
5.	Cyber Security NWSSP-223-06	NYD	Currently there is no reporting to a senior group (such as SLT) that sets out the current state of cyber security within NWSSP using KPIs.	Medium	Formal reporting that shows the current status of cyber security within NWSSP should be defined. This should include key KPIs and report to a relevant senior group.	Head of Cyber Security	Development of appropriate cyber security reporting mechanisms based on ongoing business impact assessments (BIA) across NWSSP in 2023 will be presented to SLG.	31/03/2024	Awaiting update.
Primary Care Services									
6.	AW/2022-23/2 NHAIS	NYD	A FPPS IT Disaster Recovery (DR) plan is in place that is updated annually. The last update was in Q1 2023. During our fieldwork we noted that the policy is to test the IT DR plan every two years and the last test was undertaken in February 2022. It is good practice to test IT DR plans annually, every 12 months or sooner as major changes to the IT environment are implemented and installed.	Medium	Complete an annual IT Disaster Recovery (DR) test.	Ceri Evans - Head of Primary Care Services	NWSSP is planning migration of its hosting environment to the National Data at Church Village. Testing of the DR plan has been postponed and will be replanned following the completion of the migration. The migration is expected to be completed by February 2024.	29/02/2024	30/09/2024 Suggested revised deadline Following changes to plans to relocate to CP2, NWSSP are exploring the replacement of Infrastructure which will improve the ability to test DR Plans. Revised target date Qtr 2/3 of 2024.

APPENDIX A - PROGRESS OF AUDIT RECOMMENDATIONS

7.	AW/2022-23/2 NHAIS	NYD	Reviews of user access take place at least annually and more often informally. However, it was identified during discussions with NWSSP officers managing the PPS that access rights both at user and privileged level access could be made more granular so that system access rights are closely aligned with job functions and roles. This is good practice to match access rights to the job requirements so these are appropriate and do not go beyond what is needed for specific roles.	Medium	Review the feasibility of making user access rights more granular so they are a better match and relevant the individual user's role and responsibilities.	Ceri Evans - Head of Primary Care Services	User access is checked monthly. New user profiles to be developed. Subject to the availability of development resource this is expected to be completed by end of March 2024.	01/03/2024		User access is checked monthly. Development resource required to create new user profiles.
----	---------------------------	------------	--	---------------	--	--	---	-------------------	--	--

APPENDIX A - PROGRESS OF AUDIT RECOMMENDATIONS

8.	AW/2022-23/2 NHAIS	NPD	<p>During our audit of the FPPS system and the cyber security controls helping to protect the system from vulnerabilities we identified a number of areas where potential improvements to strengthen arrangements could be made:</p> <ul style="list-style-type: none"> BSOITS did not have an IT security accreditation, for example, Cyber Essentials; and a Cyber Security Incident Response (CIRP) plan was not in place. <p>Other industry standard cyber security tools and software, for example, a Security Incident and Event Monitoring (SEIM) and Security Operations Centre (SOC) were not yet used. These help identify, analyse and monitor cyber threats real-time.</p> <p>We were made aware by BSOITS that cyber security improvement plans were being reviewed and the above areas were being considered as part of this exercise.</p>	Medium	<p>Request that the supplier, BSOITS, strengthen cyber security controls by:</p> <p>a) consider obtaining a Cyber Essentials (CE+) certification, or equivalent, to help reduce potential cyber security risks;</p> <p>b) documenting and testing a Cyber Incident Response Plan (CIRP); and</p> <p>c) consider introducing additional cyber security software such as Security Incident and Event Monitoring (SIEM) or Security Operations Centre (SOC) that covers the FPPS environment.</p>	Ceri Evans - Head of Primary Care Services	<p>Work in progress – BSOITS has a Cyber Security Strategy 2022-26 which was developed to align with wider Northern Ireland Health and Social Care strategies to support the security and integrity of systems and data. Alternative arrangements in place to partly address this recommendation. A number of our current projects such as Evolve and Shared Services are already using the ISO 27001 framework. BT who manage the data centre in which the FPPS application is hosted, have ISO/IEC 27001:2013 certification for the data centre. The cyber-Programme currently aligns all work to ISO27001, Cyber Essentials, and NIS frameworks. With the ongoing programmes of work we are not in a position to become formally certified at present but some discovery work to look at scope and feasibility of accreditation has begun.</p> <p>(B) Completed – There is a Cyber Incident Response Plan (CIRP) now already in place across the NIHSC and BSOITS have their own local Response Plan. Since the fieldwork, in May 2023 this was tested in a table-top exercise through an independent exercise facilitated by Deloitte and the five Northern Ireland Health bodies to assess response readiness and how the regional plan dovetailed with the local BSO ITS plans. A report was produced that included the outcomes of the test.</p> <p>c) Work in progress - There is currently a BSO ITS project investigating the implementation of Security Operations Centre (SOC) using Security Incident and Event Monitoring (SIEM) tools which is currently at the business case stage. It is envisaged that each project/service would fund the SOC for their project/service. This has been prioritised with business case submission to Department of Health due end January 2024.</p>				
----	---------------------------	------------	--	---------------	--	--	---	--	--	--	--

7/8

APPENDIX A - PROGRESS OF AUDIT RECOMMENDATIONS

			implementing the tool, or highlight the changes in process and associated risks identified above.							
10.	NWSSP-2324-04 FPPS Enhanced Service Reconciliation Tool	OVERDUE	The Payments Team have adopted a risk-based approach to the investigation of errors and are working with GP practices, prioritised by error rate, to identify and resolve errors which we were advised are primarily due to teething issues with use of the evidence template. Of the 372 practices on the register where potential errors have been identified, 46 had been highlighted as priority for further investigation based on the practice error rate. To date the Payments Team have contacted 27 practices to initiate investigation.	Medium	Inform health boards of the approach and arrangements in place for the investigation of errors. Consider agreeing a tolerance with health boards, above which errors are to be investigated and resolved.	Ceri Evans/Sarah Jones	HBs will be updated on the approach as part of the update/communication referred to at 1.1a. This update will include a proposed tolerance rate.	31/12/2023	31/03/2024 Suggested revised deadline	Awaiting the outcome of 1.1b which aims to change PPV processes to obviate the need for the Reconciliation Tool.

MEETING	Velindre University NHS Trust Audit Committee for NHS Wales Shared Services Partnership
DATE	23 January 2024
PREPARED BY	Carly Wilce, Corporate Services Manager
PRESENTED BY	Carly Wilce, Corporate Services Manager
RESPONSIBLE HEAD OF SERVICE	Andy Butler, Director of Finance and Corporate Services
TITLE OF REPORT	Audit Committee Forward Plan 2024-25

PURPOSE

To provide a summary of items expected to be presented at forthcoming Audit Committee meetings, scheduled for 2024-25.

Month	Standing Items	Audit Reports	Governance	Annual Items
Q1 2024/25 16 April 2024	Minutes & Matters Arising External Audit Position Statement Internal Audit Progress Report Counter Fraud Position Statement NWSSP Update	Internal Audit As outlined in the Internal Audit Operational Plan External Audit Audit Assurance Arrangements for NWSSP 2024-25	Governance Matters Tracking of Audit Recommendations Corporate Risk Register Risk Management Protocol Assurance Maps	2024-25 Counter Fraud Annual Plan Internal Audit Operational Plan 2024-25 and Internal Audit Charter IMTP
Q2 2024/25 16 July 2024	Minutes & Matters Arising External Audit Position Statement Internal Audit Progress Report Counter Fraud Position Statement NWSSP Update	Internal Audit As outlined in the Internal Audit Operational Plan Audit Wales Management Letter	Governance Matters Tracking of Audit Recommendations Corporate Risk Register Review of Audit Committee Terms of Reference	Final Annual Governance Statement Head of Internal Audit Opinion and Annual Report Gifts & Hospitality Annual Report Declarations of Interest Annual Report Counter Fraud Annual Report Welsh Language Annual Report Audit Committee Annual Report Information Governance Annual Report
Q3 2024/25 15 October 2024	Minutes & Matters Arising External Audit Position Statement Internal Audit Progress Report	Internal Audit As outlined in the Internal Audit Operational Plan External Audit	Governance Matters Tracking of Audit Recommendations	Audit Committee Effectiveness Survey Results NWSSP Annual Review

	Counter Fraud Position Statement NWSSP Update	Audit Wales Nationally Hosted IT Systems Report	Corporate Risk Register	
Q4 2024/25 January 2025	Minutes & Matters Arising External Audit Position Statement Internal Audit Progress Report Counter Fraud Position Statement NWSSP Update	Internal Audit As outlined in the Internal Audit Operational Plan Quality Assurance & Improvement Programme External Audit Audit Wales Office Proposed Audit Work	Governance Matters Tracking of Audit Recommendations Corporate Risk Register Review of Standing Orders for the Shared Services Partnership Committee Review of Risk Management Protocol, Risk Appetite Statement and Assurance Mapping	Annual pre-meet between Audit Committee Chair, Independent Members, Internal and External Auditors and Local Counter Fraud IMTP