

# NWSSP Audit Committee Meeting Part A

Tue 16 April 2024, 14:00 - 16:00

By Microsoft Teams

## Agenda

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### 14:00 - 14:00 1. Standard Business

0 min

*Gareth Jones*

#### 1.1. Welcome and Opening Remarks

*Gareth Jones*

#### 1.2. Apologies

*Gareth Jones*

#### 1.3. Declarations of Interest

*Gareth Jones*

#### 1.4. Minutes of the meeting held on 26 January 2024

*Gareth Jones*

 1.4 Audit Committee Minutes Draft 230124.pdf (8 pages)

#### 1.5. Matters Arising

*Gareth Jones*

 1.5 Matters Arising.pdf (1 pages)

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### 14:00 - 14:00 2. NWSSP Update

0 min

*Neil Frow*

#### 2.1. IMTP Update

*Alison Ramsey*

#### 2.2. MD Update

*Neil Frow*

 2.2 MD Update April 24.pdf (4 pages)

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### 14:00 - 14:00 3. External Audit

0 min

*Steve Wyndham*

#### 3.1. Audit Wales Update

*Steve Wyndham*

 3.1 Audit Wales update paper.pdf (2 pages)

## 3.2. 2023-24 NWSSP Assurance work programme

*Steve Wyndham*

 3.2 2023-24 Audit Assurance Arrangements.pdf (10 pages)

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14:00 - 14:00  
0 min

## 4. Internal Audit

*James Johns*

### 4.1. Progress Report

 4.1 A&A NWSSP Audit Cttee Progress Report.pdf (6 pages)

### 4.2. Internal Audit Reports


#### 4.2.1. Estates Funding Advisory Board

*Murray Gard*

 4.2.1 Estates Funding Advisory Board Final Internal Audit Report.pdf (21 pages)

#### 4.2.2. Accounts Payable

*Sophie Corbett/James Johns*

 4.2.2 Accounts Payable Final Internal Audit Report.pdf (18 pages)


#### 4.2.3. GMS Contractor Payments

*Sophie Corbett/James Johns*

 4.2.3 GMS Contractor Payments Final Internal Audit Report.pdf (12 pages)

#### 4.2.4. Payroll Services

*Sophie Corbett/James Johns*

 4.2.4 Payroll Final Internal Audit Report.pdf (10 pages)

### 4.3. 2024-25 Internal Audit Plan & Charter

*James Johns*

 4.3 Internal Audit Plan & Charter 2024-25.pdf (26 pages)

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14:00 - 14:00  
0 min


## 5. Counter Fraud

*Andrew Butler*

### 5.1. Progress Report


*Andrew Butler*

 5.1 NWSSP Q4 2023-24 LCFS Progress Report.pdf (8 pages)

 5.1.1 Q4 2023-24 Case Summary.pdf (1 pages)

### 5.2. 2024-25 Counter Fraud Annual Plan

*Andrew Butler*

 5.2 NWSSP Counter Fraud Annual Plan 2024- 25.pdf (23 pages)

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14:00 - 14:00 **6. Governance, Assurance & Risk**

0 min

**6.1. Financial Outturn 2023-24**

*Verbal*      *Lindsay Payne*

**6.2. Governance Matters**


*Andrew Butler*

 6.2 Governance Matters April 2024.pdf (14 pages)

**6.3. Risk Register**

*Peter Stephenson*


 6.3 Corporate Risk Register CP.pdf (5 pages)

 6.3 Appendix A Corporate Risk Register.pdf (3 pages)

**6.4. Tracking of Audit Recommendations**

*Peter Stephenson*

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

 6.4 25032024 Appendix A progress of recommendations v3.pdf (6 pages)

**6.5. 2024-25 Forward Plan**

*Carly Wilce*

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

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14:00 - 14:00 **7. Items for Information**

0 min

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14:00 - 14:00 **8. Date and time of Next Meeting, 25 July 2024**

0 min

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

**MINUTES OF THE MEETING HELD ON  
TUESDAY 23 JANUARY 2024 / 14:00 – 16:00  
TEAMS**

<b>EXPECTED ATTENDEES:</b>		
<b>ATTENDANCE</b>	<b>DESIGNATION</b>	
<b>INDEPENDENT MEMBERS:</b>		
Gareth Jones (GJ) Chair	Independent Member	
Vicky Morris (VM)	Independent Member	
<b>ATTENDANCE</b>	<b>DESIGNATION</b>	<b>ORGANISATION</b>
Andy Butler (AB)	Director of Finance & Corporate Services	NWSSP
Andrew Strong (AS)	IT Auditor	Audit Wales
Carly Wilce (CW)	Corporate Services Manager	NWSSP
James John (JJ)	Head of Internal Audit	NWSSP
Lauren Fear (LF)	Director of Corporate Governance	Velindre
Mark Weston (MW)	Local Counter Fraud Specialist	NWSSP
Matthew Bunce (MB)	Director of Finance	Velindre
Murray Gard (MG)	Internal Audit	NWSSP
Neil Frow (NF)	Managing Director – only present for Item number 2	NWSSP
Peter Stephenson (PS)	Head of Finance & Business Improvement	NWSSP
Simon Cookson (SC)	Director of Audit & Assurance	NWSSP
Sophie Corbett (SCo)	Deputy Head of Internal Audit	NWSSP
Steve Wyndham (SW)	Audit Lead	Audit Wales
Jillian Haynes	Secretariat	NWSSP

<b>Item</b>		<b>Status</b>
<b>1. STANDARD BUSINESS</b>		
<b>1.1</b>	<b>Welcome and Opening Remarks</b> The Chair welcomed members to the meeting.	
<b>1.2</b>	<b>Apologies</b> Apologies were received from the following- <ul style="list-style-type: none"> <li>• Martin Veale, Chair, and Independent Member;</li> <li>• Tracy Myhill, NWSSP Chair;</li> <li>• Lindsay Payne, Deputy Director of Finance &amp; Corporate Services; and</li> <li>• Steve Ham, Chief Executive, Velindre UNHST.</li> </ul>	
<b>1.3</b>	<b>Declarations of Interest</b> No declarations received.	
<b>1.4</b>	<b>Minutes of Meeting held on 10 October 2023</b> The minutes of the meeting held in October 2023 were <b>AGREED</b> as a true and accurate record of the meeting.	
<b>1.5</b>	<b>Matters Arising from Meeting on 10 October 2023</b> GJ noted that items listed on the Action Log were either complete or would feature on the agenda.	

Item		Status
<b>2. NWSSP Update</b>		
<b>2.1</b>	<p>NF updated the committee members on recent developments within NWSSP since the last meeting:</p> <ul style="list-style-type: none"> <li>• NWSSP is on track to meet the main financial KPIs and is reporting a break-even outturn position for 2023/24. The additional savings submission to Welsh Government in August identified 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;</li> <li>• Constructive conversations had been held at the Partnership Committee meeting the previous week and the draft 2024-27 Integrated Medium-Term Plan (IMTP) was approved. Existing timescales remained in place, subject to receipt of the allocation letter. Touchpoint meetings with the Welsh Government were ongoing and if no issues were highlighted the IMTP would be submitted in early March. The Joint Executive Team (JET) had been updated at the recent meeting and there was significant acknowledgment of the role the NWSSP plays in supporting Welsh Government and NHS Wales;</li> <li>• Industrial action had begun in Wales and there was a possibility of more strikes in the future; as a result, there was a large amount of extra work particularly for Payroll staff in adjusting the pay of those staff who have been involved in the strikes;</li> <li>• An incident was noted immediately prior to Christmas that led to a number of staff, primarily employed in BCUHB, not receiving their pay as expected. Although NWSSP received the calls relating to this issue, the delay was caused by the Health Board's flexible pay arrangements provider. This incident has led to an acknowledgement of the need to revisit the respective responsibilities for this arrangement and Workforce Directors are meeting to discuss this;</li> <li>• The TUPE process for the Cwm Taf laundry staff is underway and we are also supporting Hywel Dda UHB in the meetings with the staff affected by the planned closure of their laundry and the associated creation of a laundry hub;</li> <li>• Advanced negotiations with the landlord are on-going 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 in Nantgarw. The expected date for us to move into this accommodation will be in the latter part of 2024; and</li> <li>• AB is retiring at the end of April 2024 and a replacement Director of Finance and Corporate Services would be appointed in due course. The Deputy Director of Primary Care Services, Nicola Phillips was successful in attaining the Director of Primary Care Services position and she would commence the post in April 2024</li> </ul> <p>The Committee <b>NOTED</b> the report.</p>	
<b>3. EXTERNAL AUDIT</b>		
<b>3.1</b>	<b>Audit Wales Update</b>	

Item		Status
	<p>SW presented the report which provides an outline of the work to be undertaken within NWSSP that informs the external audits undertaken across NHS Wales. A more detailed update would be provided at the April Committee.</p> <p>VM enquired whether under ISA315, there would be any changes to the audit of IT systems. AS stated that ISA315 required a more robust series of questions around risk assessments, with a more detailed look at IT controls on key financial systems. He confirmed to GJ that Audit Wales liaised with Velindre, NWSSP and DHCW on IT controls and system changes and would conduct a programme of work on those key financial systems.</p> <p>GJ referred to the national Audit Wales workplan, and in particular: 'Audit Committees - what does good look like?', enquiring on the content and timing of this work. SW stated that the review would entail research and development 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. SW would however obtain more information on this review and report back to the April Committee.</p> <p>The Committee <b>NOTED</b> this report.</p>	<b>SW</b>
<b>3.2</b>	<p><b>Nationally Hosted NHS IT Systems Update</b></p> <p>AS presented the updated report stating that it had already been presented to the Audit Committee in October 2023, but was being brought back for approval due to a change of a management response relating to the family practitioner payments system. Management had originally not accepted the recommendation in full, as some of the actions were outside the control of NWSSP to complete. However, the recommendation and management response had now been updated and both Audit Wales and NWSSP were comfortable with it.</p> <p>The Committee <b>NOTED</b> the update.</p>	
<b>4. INTERNAL AUDIT</b>		
<b>4.1</b>	<p><b>Progress Report</b></p> <p>JJ presented the progress report confirming that four audit reports had been finalised since the last meeting; each had received reasonable or substantial assurance. Delivery of the audit plan had accelerated following resolution of resourcing issues highlighted at the last meeting. Fieldwork had commenced on audits of Payroll, Accounts Payable, Primary Care and Decarbonisation. Work had also commenced on the 2024-25 Internal Audit Work Plan and the draft plan would be presented to the Audit Committee in April 2024 for approval.</p> <p>The Committee <b>NOTED</b> the report.</p>	
<b>4.2</b>	<p><b>Internal Audit Reports</b></p>	
<b>4.2.1</b>	<p><b>NHS Building for Wales 2 Framework Establishment</b></p> <p>MG presented the report explaining that the review was focused on systems and controls in place for the pre-qualification stage of the NHS Wales Building for Wales Framework Renewal. It had been evident that lessons had been</p>	

Item		Status
	<p>learned and implemented from previous renewal framework exercises, including items such as undertaking engagement events in north and south Wales which had been well received. There was clear governance and control in place, such as a memorandum of understanding providing guidance on the framework and procurement processes.</p> <p>AB added that the timing of this audit was useful as it enabled recommendations in the report to be actioned upon in advance of the new contract. It was confirmed that the actions for implementation by November 2023 were complete.</p> <p>GJ noted that the existing framework would expire in April 2024 and if the new framework was not established by April, he asked what the case would be in the interim. AB stated that he thought that NWSSP were on track to deliver the new framework contract, but he would make enquiries and confirm. The audit achieved reasonable assurance with three matters arising.</p> <p>The Committee <b>NOTED</b> the report.</p>	<b>AB</b>
4.2.2	<p><b>Business Continuity</b></p> <p>SCo stated that the audit reviewed arrangements in place for business continuity at a corporate and directorate level. PCS, Employment Services, and Supply Chain Logistics and Transport were the specific directorates reviewed.</p> <p>There is an overall business continuity plan in place, underpinned by an impact assessment which identifies various scenarios and the impact for directorates, with each needing an action card for each scenario. SCo advised that the impact assessment required updating to include Pharmacy Technical Services, and that some directorates did not have all the action cards required. Recommendations were also made in terms of obtaining a dedicated resource to oversee the process and to ensure that there was a structured testing programme in place. There was reasonable assurance overall with five medium priority matters arising.</p> <p>AB stated that the report was helpful. In terms of the overall risk, the NWSSP runs the All-Wales financial ledger system, and the procurement and warehousing system, via Oracle, and there was much testing and continuity of these systems. The pandemic had also provided an extreme live test of NWSSP business continuity. The recommendation to provide dedicated support would be reviewed, but in the context of the current NHS financial climate, it is unlikely that we could recruit a full-time BCP Manager. It is considered important that business continuity is not seen only as a corporate function but rather the responsibility of everyone across the organisation. More specifically directorates and divisions needed to take ownership .</p> <p>The Committee <b>NOTED</b> the report.</p>	
4.2.3	<p><b>Performance Management</b></p> <p>SCo advised that the audit established that processes were in place to ensure completeness and accuracy of performance reporting against defined measures. Performance data was sampled for five directorates. There is an established process for reporting monthly KPIs, but it was not documented and not verified for completeness and accuracy by the Performance Team. Assurance was given that unusual trends or outliers were investigated prior to reporting. There was variation in robustness of data sources and in some cases</p>	

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	<p>a lack of audit trail. Overall, reasonable assurance with no cause for concern was accredited, with three medium priority areas highlighted.</p> <p>GJ enquired if the audit analysed the volume of data captured digitally and manually; he suggested that input needed to be automated as far as possible. AB stated that the majority of data entry was automated.</p> <p>The Committee <b>NOTED</b> the report.</p>	
4.2.4	<p><b>Energy Cost Management</b></p> <p>SCo stated that the audit focused on the revised governance arrangements to support NHS Wales to agree national energy purchasing decisions in light of increasing prices and volatile markets. The Wales Energy Group (WEG) was established last year with delegated authority to agree national purchasing decisions. The WEG reports to the Partnership Committee. The Wales Energy Operational Group had also been established to support the WEG. In 2023, energy supply was transferred to Crown Commercial Services from British Gas, who were withdrawing from the commercial market. Substantial assurance was given overall with no matters arising.</p> <p>The Committee <b>NOTED</b> the report.</p>	
4.3	<p><b>Quality Assurance &amp; Improvement Programme Report</b></p> <p>SC introduced his report which reviewed the quality of internal audit work completed in 2022/23. This adds to the five-year external quality assessment that was reported to the April 2023 Committee, and the assessment of internal audit activity by Audit Wales. The scope of this internal review checks whether correct processes were being followed in undertaking audits. The outcome of the review was very positive with very few issues noted.</p> <p>In April new audit software is to be introduced, and a new set of internal audit standards will be in place by April 2025 which will have implications for the Audit Committee. SC will advise as appropriate.</p> <p>GJ queried information contained within the KPI table, and it was confirmed that only 67% of management responses to internal audit reports met the targeted turnaround time. SC stated that ways to improve performance against the KPI were constantly being sought, but that this particular indicator was outside of Internal Audit's direct control.</p> <p>The Committee <b>NOTED</b> the report.</p>	
<b>5. COUNTER FRAUD</b>		
5.1	<p><b>Progress Update</b></p> <p>MW reported that he had introduced fraud induction sessions for new starters and since March 2023 had briefed 84 NWSSP staff on counter fraud matters. Three newsletters had been issued since the last Committee meeting, one of which coincided with National Fraud Awareness week. Around 500 staff had been reached by newsletter and social media posts promoting fraud awareness had received 3000 hits.</p>	

Item		Status
	<p>E-learning training statistics remain disappointing and compare very poorly with those organisations that have made the Counter Fraud e-learn mandatory. This is being pursued within NWSSP but there is a concern that there are too many mandatory e-learns already required of staff, and that the whole package of statutory and mandatory training needs to be reviewed.</p> <p>A fraud prevention notice was issued in the last quarter relating to international recruitment and the need to provide an international language testing system certificate. Concerns from the Counter Fraud Authority suggested that some of the certificates were fraudulent. No anomalies had been identified to date in NWSSP, but a new checking system to detect fraudulent certificates has been introduced.</p> <p>GJ asked AB for an update on measures to minimise overpayments of salary and to improve recoveries if an overpayment has been made. AB stated that this item was the subject of detailed debate at last week's Partnership Committee. Whilst 90% of overpayments result from late submission of forms from NHS Wales organisations, there is an acknowledgement that the forms can be complicated to complete, and particularly for those doing so on an infrequent basis. Therefore, work continues to make this process as simple as possible.</p> <p>One on-going difficulty though is the inability of NHS Wales organisation to agree on a single overpayments policy, which had been a consistent finding in internal audits of payroll for a number of years. The latest all-Wales Overpayments Policy (v10) was taken for approval to the Partnership Committee last week, but unfortunately agreement on it could not be reached and further work is required.</p> <p>However, NWSSP have developed a dashboard to identify overpayments which allows managers to get detailed and timely information on any overpayments within their area of responsibility. This has received very positive feedback.</p> <p>The Committee <b>NOTED</b> the update.</p>	
<b>6. GOVERNANCE, ASSURANCE AND RISK</b>		
<b>6.1</b>	<p><b>Governance Matters</b></p> <p>The Governance Matters report details the contracting activity for NWSSP contracts, including those not progressed in accordance with standard procedures, as well as details of the All-Wales contracting activity and gifts/hospitality for noting. AB highlighted that he had discussed the situation whereby managers had not followed procedural requirements with the Director of Procurement Services, and an agenda item would be included at the next Senior Leadership Group to discuss the issue.</p> <p>VM noted that there were eleven occasions where contracts were not awarded according to standard policy and AB confirmed that this number was higher than usual. GJ asked for more detail on the relevant items, referring specifically to the description 'Filenote' in the column headed SFI reference. GJ requested a more detailed narrative in future reports.</p> <p>The Committee <b>NOTED</b> the Report.</p>	<b>AB</b>

Item		Status
6.2	<p><b>Risk Register</b></p> <p>PS presented the Risk Register and highlighted four red risks.</p> <ul style="list-style-type: none"> <li>• the threat of industrial action by junior doctors, and the subsequent impact on NWSSP Payroll staff in particular;</li> <li>• the Covid Public Inquiry (escalated from amber to red) and again the impact on NWSSP staff in having to respond to the Inquiry demands;</li> <li>• the need to progress accommodation for the TRAMS service in SE Wales and the impact on patient services if not taken forward; and</li> <li>• the general financial climate which restricts delivery and development of services.</li> </ul> <p>PS advised that the risk with BCUHB had been reduced from red to amber.</p> <p>He further advised that one listed risk had not met the proposed target date relating to the relocation of the Patient Medical Records service from Brecon House. Work is on-going to vacate Brecon House and the C2 building but the move to the new building (Du Pont) was being delayed by the landlord. The target date was therefore extended to 31 March 2024.</p> <p>VM asked that the register record any changes in risk score, either directly or on the register or in the covering paper. It was also noted that the reference to the Rule 9 request on the Covid Inquiry risk should not be included in a public document until this was published by the Inquiry Team.</p> <p>The Committee <b>NOTED</b> the report and <b>APPROVED</b> the date change in regard to the Brecon House move to 31 March 2024.</p>	PS
6.3	<p><b>Legal &amp; Risk Case Management System Licences</b></p> <p>AB presented this item. During 2022/23 NWSSP fully impaired the Legal &amp; Risk Case Management System due to there being no economic value in the work the supplier had undertaken. This was reported to 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 not being met and the relationship with the supplier breaking down so that the project could not be completed. NWSSP continue to progress action to recover the expenditure incurred.</p> <p>As part of the implementation of the Case Management System there was a need 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 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2025. Given the abandonment of the capital project, the Dynamics licences were unable to be used. When the asset under construction was impaired in 2022/23, it was hoped to be able to find an alternative use for the licences either within NWSSP or across NHS Wales. During 2023/24 options to either sell or repurpose these licences have been sought but without success. There is therefore a need to recognise the loss on this contract in 2023/24.</p> <p>At 31<sup>st</sup> March 2024, the outstanding value of the contract that will need to be recognised 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</p>	

Item		Status
	<p>previously reported and approved by Welsh Government in 2022/23, they have advised that NWSSP are required to submit this loss for approval.</p> <p>The Committee ensured that lessons had been learned from this procurement and that all possible avenues of use of the licences had been explored.</p> <p>The Committee <b>NOTED</b> the report.</p>	
<b>6.4</b>	<p><b>Tracking of Audit Recommendations</b></p> <p>PS summarised the Audit Tracker. There are 72 reports covered by the tracker, 18 of which had achieved substantial assurance, 32 reasonable assurance, and 22 categorised as assurance not applicable. No reports were awarded limited or no assurance. The reports included 234 recommendations for action of which 224 had been implemented. Of the remaining 10, one is currently overdue and although the remaining nine are not yet due, the update on two of these indicates clearly that they will not meet the stated deadline for implementation. Therefore the Committee were asked to approve extensions on three agreed actions as follows:</p> <ul style="list-style-type: none"> <li>• NHAIS <ul style="list-style-type: none"> <li>○ Extension from 29/02/2024 - 30/09/2024</li> </ul> </li> <li>• FPPS Enhanced Service Reconciliation <ul style="list-style-type: none"> <li>○ Extension from 31/12/2023 - 31-03/2024</li> </ul> </li> <li>• Review of Laundry Services <ul style="list-style-type: none"> <li>○ Extension from 01/04/2024 – 30/04/2025</li> </ul> </li> </ul> <p>The Committee <b>NOTED</b> the report and <b>APPROVED</b> the three proposed extensions.</p>	
<b>6.5</b>	<p><b>2024-25 Forward Plan</b></p> <p>The forward plan for Audit Committee business during the coming financial year was presented for information.</p> <p>The Committee <b>NOTED</b> the Forward Plan.</p>	
<b>7. ANY OTHER BUSINESS</b>		
<b>7.1</b>	<p><b>Any Other Business</b></p> <p>There was no other business.</p>	
<p><b>DATE OF NEXT MEETING:</b> Tuesday, 16 April 2024 from 14:00-16:00 via Teams</p>		

<b>Actions arising from the meeting held on 23 January 24</b>				<b>Action by</b>
3.1	<b>SW</b>	<b>External Audit - Audit Wales Update</b> To circulate further details regarding the National Audit Wales Workplan review, in particular 'Audit Committees and 'what does good look like.'	<b>Complete</b> Email sent on 25/01/2024	<b>16 April 2024</b>
4.2.1	<b>AB</b>	<b>Internal Audits - NHS Building for life Framework Establishment</b> To make enquiries and confirm if the new Framework would be established prior to the existing Framework expiring and if not, what are the risks.	<b>Complete</b> Welsh Government have not yet formally approved the new Framework so there is potential for a gap between the old and new Frameworks. This may cause problems depending on the length of the gap and would have to be managed on a case-by-case basis.	<b>16 April 2024</b>
6.1	<b>AB</b>	<b>Governance Matters – NWSSP contracting activity</b> To include more detail on the relevant items, referring specifically to the description 'Filenote' in the column headed SFI reference. A more detailed narrative was requested for future reports.	<b>On agenda</b>	<b>16 April 2024</b>
6.2	<b>PS</b>	<b>Corporate Risk Register</b> To ensure that any changes to a risk score is recorded, either directly via the register or in the covering paper. It was also noted that the reference to the Rule 9 request on the Covid Inquiry risk should not be included in a public document until this was published by the Inquiry Team.	<b>Complete</b>	<b>16 April 2024</b>

<b>MEETING</b>	Velindre University NHS Trust Audit Committee for NHS Wales Shared Services Partnership
<b>DATE</b>	16 April 2024
<b>AGENDA ITEM</b>	2.2
<b>PREPARED BY</b>	Peter Stephenson, Head of Finance and Business Development
<b>PRESENTED BY</b>	Neil Frow, Managing Director
<b>RESPONSIBLE HEAD OF SERVICE</b>	Neil Frow, Managing Director
<b>TITLE OF REPORT</b>	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 January.

**Finance**

We reported a break-even Month 11 financial position with a year-to-date overachievement of non-recurring savings of £2.277m. Our 2023/24 distribution to NHS Wales is now finalised at £2m. In addition to this we anticipate being able to return £1m of funding to Welsh Government so that our total over achievement of savings for 2023/24 is £3m. The return of funding to Welsh Government is dependent upon the provision of the anticipated pay award funding this financial year.

We have received a significant capital sum recently due to slippage in capital projects elsewhere across NHS Wales. This has enabled us to bring forward a number of capital purchases that had been planned for the 2024/25 financial year.

**IMTP**

Following the approval of the IMTP by the Partnership Committee in January, the two keeping in touch meetings, with the Finance Delivery Unit and the Planning Director at Welsh Government, produced no significant issues and

the plan, a copy of which has been provided for information, has now been formally submitted.

## **External Groups**

I have been asked to be part of a ministerial taskforce on community assets (e.g. buildings) across NHS Wales and I am also representing NHS Wales on the ESR Transformation Programme which is part of the NHS England governance structure.

## **Radiopharmacy/Transforming Access to Medicine (TrAMS)**

Work to finalise the Business Justification Case for the Radiopharmacy service to be located in IP5 is progressing well with all necessary appointments to relevant contractors having been made. The detailed design work is currently underway and outline planning discussions have commenced with Newport City Council. We anticipate taking the final Business Justification Case to Partnership Committee for final approval, ahead of it being submitted to Welsh Government, in the next few months.

Availability of capital is still a major limitation to the development of the wider TrAMS service, but some capital has been made available to purchase laboratory equipment and space has been made available within IP5 to set up the Quality Control Laboratory and supporting office space. The equipment will be brought into use during 2024 to support the commissioning of the new production facility.

The Digital Project to procure and deploy a workflow and stock management application is continuing and has met recently with the DHCW Pharmacy Lead to explore ways to accelerate digital procurement. The Clinical Streamlining Project has commenced, with a stakeholder meeting of Radiology leads having met, and the Project Manager engaging with individual Radiology Departments to document the existing position and explore options to streamline demand.

Progress is also being made on resource mapping and developing a trading model Service Level Agreement.

## **International Nurse Recruitment**

The People & OD Team have recently supported a further visit to Kerala in India which included attendance by the Minister for Health and Social Care from Welsh Government, who signed a formal agreement with the Kerala Government to continue the current co-operation arrangements which provides for a further 250 qualified healthcare professionals to be recruited into NHS Wales.

## **Industrial Action**

Our Single Lead Employer team continues to work with Health Boards and Trusts to support any necessary action in response to the further planned and notified industrial action.

## **Laundry Service**

The closure of the Laundry in Carmarthen is well underway and is on track for the end of March, with the new hub coming into operation in April. All affected staff have been given the opportunity to continue to work in the service at the Swansea Laundry or working in a suitable alternative role within Hywel Dda UHB. Some staff have also opted to retire or to take VERS and we are working with Hywel Dda to support those individuals.

## **Medical Examiner Service**

We are still waiting for final confirmation of the go-live date for the statutory phase of the service which is expected to be towards the end of April. We continue to work with organisations to introduce and improve systems to provide an efficient and effective quality service. Some challenges remain over 7-day working and access to records for scrutiny, and particularly over the weekend. Further discussion is on-going with GPC Wales to ensure that we can gain access to systems within GP Practices to scrutinise medical records.

## **Counter Fraud**

A workshop was held on the 8<sup>th</sup> of March for all Local Counter Fraud Specialists in NHS Wales. This was facilitated by the Finance Academy and was held to enable the profession to play an active role in shaping the future direction of Counter Fraud Services across NHS Wales through the development of a Counter Fraud strategy for Wales. Further workshops to shape the strategy are due to be held in the coming months.

## **PPE Stock**

Regular meetings continue with Welsh Government on required levels of pandemic stock.

## **Business Continuity**

Members of the Senior Leadership Group and other senior staff attended a recent training workshop, hosted by DHCW, but which focused on responding to a number of critical incident scenarios within NWSSP. The session was very useful and further training is to be provided on specific aspects of dealing with critical and major incidents. The training was replicated with the full Senior Leadership Group and their deputies at the Informal Senior

Leadership Group meeting on the 14<sup>th</sup> of March. Consideration is also being given to increasing the resource within NWSSP to oversee business continuity arrangements.

## **Health and Well-Being**

NWSSP has received approval and accreditation to provide Mental Health First Aid training. Mental Health First Aiders play a crucial role within Shared Services, offering support to staff in need. As an accredited organisation, we can now offer mental health first aid training internally and issue a Safecert Level 3 accredited Award in First Aid for Mental Health in the Workplace. The main responsibility of a Mental Health First Aider is to serve as a contact point for employees facing mental health challenges or emotional distress.

## **Staff Awards**

The Staff Awards event was held virtually on the evening of the 28<sup>th</sup> of February. This was the 8<sup>th</sup> time that the event had been held and the quality of submissions was very impressive. Staff who were successful in winning an award will receive these via a number of face-to-face regional events in the coming months.

## **Corporate Parenting**

Following the presentation to the January NHS Wales Leadership Board, NWSSP has signed up to the Corporate Parenting Charter. This notes the importance of working with partners and stakeholders to improve outcomes for children and young people in care and acknowledges that NHS Wales has an important role to play in helping care leavers by providing access to health services, education, training, and employment opportunities.

## **Staffing Update**

The recruitment process to replace the Director of Finance & Corporate Services has concluded and I am pleased to announce that Alison Ramsey, our current Director of Planning, Performance, and Informatics was successful in being appointed to this post. Alison will commence in post from the 1<sup>st</sup> of May.

Similarly, Nicola Phillips the current Deputy Director of Primary Care Services was successful in being appointed to the role of Director of Primary Care Services. Nicola commenced in post on the 1<sup>st</sup> of April.

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

**Date issued:** April 2024

## Audit Wales update for the NWSSP Audit Committee – April 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 Progress update

- 2 Our audit and assurance work at NWSSP (as set out in a separate paper) is continuing and we are on track to complete this work by the end of May. We will communicate our findings to NHS audit teams during June to help inform the conclusion of their audit opinion work during July. There are no matters arising from this work that we need to bring to the attention of the Committee at this stage.

### General Audit Wales Update

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

### Good practice events and products

- 5 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](#).
- 6 The GPX team are hosting an event on 22 May in Cardiff on Audit Committee effectiveness. Details of the event have already communicated to the Trust and NWSSP, although further details can be obtained [here](#).

## Recent Audit Wales Publications

- 7 A summary is provided below of the NHS-related or other national studies published since the last update paper:

Title	Publication Date
<a href="#"><u>Board effectiveness follow up report – Betsi Cadwaladr Health Board</u></a>	February 2024
<a href="#"><u>From firefighting to future-proofing – the challenge for Welsh public services</u></a>	February 2024
<a href="#"><u>Supporting Ukrainians in Wales</u></a>	March 2024

# 2024 Audit Assurance Arrangements NHS Wales Shared Services Partnership

Audit year: 2023-24

Date issued: March 2024

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 the Wales Audit Office are relevant third parties. Any enquiries regarding disclosure or re-use of this document should be sent to Audit Wales at [infoofficer@audit.wales](mailto: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.

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# Summary

## Introduction

- 1 This paper provides a summary of the planned audit work that will be undertaken to support the provision of audit assurances to the external auditors of NHS Wales bodies upon the services provided by the NHS Wales Shared Services Partnership (NWSSP). We set out the proposed work, when it will occur and who will undertake it.
- 2 The paper does not refer to any other audit work that we will be undertaking at NWSSP to directly support our audit of Velindre University NHS Trust's 2023-24 financial statements.

## External audit assurance arrangements

- 3 The Velindre University NHS Trust's external audit team and the Audit Wales IM&T auditors are responsible for co-ordinating and completing the audit work to provide the assurances required by the local audit teams of each of the various NHS bodies across Wales. Local audit teams decide the areas of work required on the services provided by NWSSP, relevant to their responsibilities for providing an opinion on the health bodies financial statements.
- 4 As a result of the recent introduction of the auditing standard ISA315 (Identifying and Assessing the Risks of Material Misstatement), we met the audit teams to discuss what changes, if any, were required to the assurances they require. As a result some changes have been made to our work programme compared to that completed last year. There are no changes to the scope of our IT assurance work. The most significant changes to what we completed last year are:
  - **Internal Audit** - we will not be completing an assessment of Internal Audit this year. The reason for this is that the NHS audit teams do not expect to place any reliance on Internal Audit – they will use the work of Internal Audit to inform their risk assessments but they do not rely on their work to obtain assurance on specific account areas; and
  - **Primary Care – Pharmacy**: we will not this year be undertaking controls testing on drug costs or prescriptions.
- 5 In addition, we may be required to undertake assurance work on the controls in place concerning Ophthalmic services. Normally the expenditure within this area has not been material to individual NHS audits, however new contractual arrangements are in place for 2023-24 and there is an expectation that costs will increase. We are waiting for audit teams to assess this and if material it is likely they will require assurances. We will keep NWSSP colleagues informed if this is the case.
- 6 The expected work programme for 2023-24 is set out in [Exhibit 1](#). Local audit teams may determine that additional assurances are required, from other service

areas of the NWSSP. If such work arises, we will discuss this with the NWSSP management and update the NWSSP Audit Committee accordingly.

**Exhibit 1: audit assurance arrangements**

The table below sets out the content of the audit assurance work programme for 2024:

NWSSP managed service	Audit assurance requirements
<p><b>General</b></p> <p>As NWSSP is a service organisation to other NHS Wales bodies, NHS auditors will require high level assurances, per ISA402, on NWSSP.</p>	<p>We will complete and provide documentation to NHS auditors to enable them to meet the requirements of ISA402.</p>
<p><b>Primary Care Services</b></p> <p>NWSSP process transactions in respect of Primary Care Services (PCS) for all Local Health Boards (LHBs) in Wales. The key areas that LHB auditors have identified as being of most significance are General Medical Services (GMS) and General Pharmaceutical Services (GPS).</p>	<p>The work that I will undertake on these two areas is as follows:</p> <ul style="list-style-type: none"> <li>• document and walkthrough the specific key controls in PCS for processing GMS payments;</li> <li>• undertake controls testing on the specific key controls in regard to GMS with a focus on the controls in place concerning GP patient records; and</li> <li>• identify and document the specific key controls in PCS for processing drugs costs paid to both Pharmacies and Dispensing Doctors.</li> </ul>

NWSSP managed service	Audit assurance requirements
<p><b>Employment Services / Payroll</b> NWSSP process payroll transactions for all LHBs and NHS Trusts in Wales. Payroll teams are located at Companies House, Cardiff except for those that process the transactions of Swansea Bay, Powys, Hywel Dda, BCU and WAST.</p>	<p>There are three key aspects of our assurance work that we will undertake for NHS audit teams:</p> <ul style="list-style-type: none"> <li>• For those health bodies where payroll transactions are processed in Companies House, we will update our understanding of the payroll system and will document the controls within the payroll system;</li> <li>• we will continue to monitor the position re payroll overpayments; and</li> <li>• as there are material recharges from NWSSP to the various NHS Wales bodies as a result of the Single Lead Employer (SLE) arrangement we will document the controls and walk through the key controls in place. We will also perform controls testing to verify that the supporting payroll information reconciles to the invoices issued to health bodies by NWSSP.</li> </ul>
<p><b>Legal and Risk Services</b> NWSSP - Legal and Risk Services (L&amp;RS) provide expert opinion on claims made against NHS bodies. Health Body auditors have requested that work is undertaken centrally to assess the suitability of L&amp;RS as a management expert in accordance with ISA500.</p>	<p>We will:</p> <ul style="list-style-type: none"> <li>• Document and update our understanding of the services provided;</li> <li>• Evaluate the competence, capability and objectivity of the service provider; and</li> <li>• Evaluate the appropriateness of the work (as relevant to the work of the local audit teams).</li> </ul>
<p><b>Procurement Services</b> NWSSP - Procurement Services (PS) process accounts payable transactions for all LHBs and NHS Trusts in Wales. Health Body auditors have confirmed that they wish to obtain an understanding of the accounts payable system operated within NWSSP.</p>	<p>We will:</p> <ul style="list-style-type: none"> <li>• document the controls operated within the accounts payable system; and</li> <li>• provide audit teams with invoice statistics on processed invoice values and PPSP performance.</li> </ul>
<p><b>Contracts Requiring WG Approval</b> LHB contracts exceeding £1 million are required to be approved by Welsh Government. LHB auditors have requested that work is undertaken centrally to confirm that all contracts requiring such approval have been appropriately approved.</p>	<p>We will compare the list of contracts exceeding £1million on the central database of contracts awarded by the Procurement Unit in NWSSP to the list of contracts approved by the Welsh Government.</p>

## IT Audit Assurance Arrangements

- 7 The NWSSP manage a number of national NHS IT applications that are used by other NHS organisations in Wales. Audit Wales IM&T auditors will review the IM&T infrastructure and application controls that are applied to the following IT systems for the purposes of providing assurances for NHS audit opinions to local audit teams:
- Prescription Pricing System which is used to process prescriptions and calculate reimbursement and payments for dispensing pharmacy contractors;
  - The Family Practitioner Payment System (FPPS), used for calculating primary care General Medical Services (GMS) contractor payments from NHS demographics uploaded from the National Health Application and Infrastructure Services (NHAISS);
  - Oracle Financial Management System (FMS), including OCR invoice scanning and e-invoicing platforms, used by all of NHS Wales as the main accounting system for managing and producing the NHS accounts; and
  - System administration and access functions for the payroll elements of the Electronic Staff Record (ESR) payroll system.
- 8 IM&T auditors will undertake a programme of work to understand and assess risks arising in the IT environment and the IT controls, including evaluating the design of IT controls and determining whether they are implemented. In addition to the above IT systems, this programme will also include work undertaken centrally at Digital Health and Care Wales (DHCW) on the IT applications and infrastructure provided which are also used by other NHS organisations in Wales.

## Fee, audit team and timetable

### Fee

- 9 This work is being undertaken in order to provide the auditors of the various NHS bodies across Wales with assurances relevant to their responsibilities. There is therefore no associated audit fee for NWSSP as the cost of this work will be included in the individual audit fees of the NHS bodies.

### Audit team

- 10 The main members of the audit team, together with their contact details, are summarised in [Exhibit 2](#).

## Exhibit 2: NWSSP audit team

The table below provides details of the audit team:

Name	Role	Contact number	E-mail address
Richard Harries	Engagement Lead – Financial Audit	02920 320640	<a href="mailto:richard.harries@audit.wales">richard.harries@audit.wales</a>
Steve Wyndham	Financial Audit Manager	02920 320664	<a href="mailto:steve.wyndham@audit.wales">steve.wyndham@audit.wales</a>
David Burridge	Financial Audit Lead	02922 677839	<a href="mailto:david.burridge@audit.wales">david.burridge@audit.wales</a>
Andrew Strong	Information Management & Technology Audit Manager	02920 320587	<a href="mailto:andrew.strong@audit.wales">andrew.strong@audit.wales</a>

## Timetable

- 11 Following the completion of the above work, the following reports will be issued:
- **Assurance report to NHS audit teams** – our findings will be communicated to external auditors to support their work to inform their opinion on the financial statements of the various NHS bodies; and
  - **NWSSP Management Letter** - a summary of the work undertaken, our conclusions and any recommendations will be reported to NWSSP. This report will also include any issues relating to NWSSP identified by other NHS auditors.
- 12 The key reporting deadlines are set out in [Exhibit 3](#).

## Exhibit 3: timetable

The table below sets out the key milestones for delivering the proposed areas of work:

Planned output	Work undertaken	Report finalised
Assurance report to audit teams	March - June 2024	June 2024
Nationally Hosted NHS IT systems	February – May 2024	June 2024
Management letter	February - July 2024	Sept 2024





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We welcome correspondence and telephone calls in Welsh and English.  
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# NHS WALES SHARED SERVICES PARTNERSHIP

## Audit Committee

April 2024

### Audit & Assurance Services Internal Audit Progress Report



GIG  
CYMRU  
NHS  
WALES

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



GIG  
CYMRU  
NHS  
WALES

Partneriaeth  
Cydwasaethau  
Shared Services  
Partnership



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### **Appendix A - Assignment Status Schedule 2023-24**





## 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
Accounts Payable	 Reasonable
Prioritisation of Estates Funding Advisory Board Monies	 Reasonable
Primary Care Contractor Payments (GMS)	 Reasonable
Employment Services - Payroll	 Substantial

### **3. Planning and Delivery Update**

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

In addition to the four audit reports that have been finalised for this meeting of the Committee, the remaining audits in the 23/24 plan are progressing well, with one report at discussion stage and can confirm that all remaining planned work will be completed for inclusion in the 23/24 Head of Internal Audit Opinion and Annual Report.

As a result of ongoing planning discussions, the advisory work covering the server move has been deferred due to a change of approach with new servers being installed and also the CIVAS audit has been moved to the 24/5 plan, as additional work has to be put into a number of audits in the current year.

The planning process for the development of the Internal Audit plan for 24/25 has undertaken, with the plan on the agenda for 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. Liaison discussions have also taken place with Counter Fraud and Audit Wales.

### **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

Audit	Status	Assurance Rating	Matters Arising			Timing	Audit Committee
			H	M	L		
PCS FPPS Reconciliation Tool	Final	Reasonable		3		Q1	Oct
Performance Data Quality	Final	Reasonable	-	3	-	Q2	January
Business Continuity Planning	Final	Reasonable	-	3	3	Q2	January
Energy Cost Management	Final	Substantial	-	-	1	Q2	January
Specialist Estates Services - Building for Wales Framework	Final	Reasonable	-	3	2	Q3	January
<b>Primary Care Contractor Payments (GMS)</b>	<b>Final</b>	<b>Reasonable</b>	-	<b>2</b>	-	<b>Q2-4</b>	<b>April</b>
<b>Employment Services - Payroll</b>	<b>Final</b>	<b>Substantial</b>	-	<b>1</b>	<b>1</b>	<b>Q2-4</b>	<b>April</b>
<b>Accounts Payable</b>	<b>Final</b>	<b>Reasonable</b>	-	<b>3</b>	<b>2</b>	<b>Q2-4</b>	<b>April</b>
<b>Specialist Estates Services - Prioritisation of Estates Funding Advisory Board monies</b>	<b>Final</b>	<b>Reasonable</b>	-	<b>3</b>	<b>2</b>	<b>Q2/3</b>	<b>April</b>
Decarbonisation	Initial draft					Q2/3	July
Procurement Services	wip					Q2-4	July
Student Awards	wip					Q3/4	July
Single Lead Employer	wip					Q3/4	July



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

# Estates Funding Advisory Board Final Internal Audit Report

April 2024

NHS Wales Shared Services Partnership



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



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Review reference:	NWSSP SSU 2324 01
Report status:	Final
Fieldwork commencement:	30 July 2023
Fieldwork completion:	30 November 2023
Draft report issued:	8 December 2023 & 26 December
Management response received:	5 March 2024
Final report issued:	5 March 2024
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 Ray Selby, Head of Estates Development Mike Travers, Principle Strategic Estates Adviser Peter Stephenson, Head of Finance and Business Partnering 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) to coordinate the prioritisation and allocation of funds through the Estates Funding Advisory Board (EFAB for 2023/24 & 2024/25).

## Overall Audit Opinion and Overview

EFAB is a dynamic Welsh Government initiative that effectively seeks to increase discretionary spend by NHS Wales health organisations on backlog maintenance and estate risk priorities over the period 2023/24 & 2024/25.

The timescales allowed from the initial Welsh Government letter confirming reintroduction of the EFAB programme (dated 7<sup>th</sup> September 2022) to recommending schemes for approval (25<sup>th</sup> November 2022) was particularly challenging. During this relatively condensed period, bids were required to be submitted by NHS organisations, scrutinised/evaluated by NWSSP: SES and recommended for funding.

The governance and control framework for the EFAB Programme was well defined including:

- guidance on how the programme would be coordinated and delivered,
- a funding application flowchart along with standard bid application guidance, and
- bid evaluation criteria had been developed in conjunction with the Welsh Government.


Whilst noting the above, the review highlighted a need for improved processes surrounding post award amendments to the programme.

Other key matters arising at the review included:

- the need to ensure the completeness of original bid documentation, and.
- the need to develop an enhanced evaluation tool to provide a clearer trail from initial bids through scrutiny to award.

The overall purpose of the EFAB funding had been achieved via the timely scrutiny of bids, approval, and allocation of funding to address backlog maintenance and estates risk priorities.

## Report Classification

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

## Assurance Summary <sup>1</sup>

Assurance objectives	Assurance
1 Governance Arrangements	Reasonable
2 Bidding	Reasonable
3 Assessment Criteria	Reasonable
4 Approvals	Reasonable
5 Monitoring and Reporting	Substantial

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

Accordingly, noting the challenging timescales from the programme's initiation to approval and the controls applied, **Reasonable assurance** has been determined at this review.

Whilst outside of the scope of the current review, we have been advised of subsequent lessons learnt exercises and site visits which have highlighted several similar issues to those identified at this report. Whilst acknowledging the same, the feedback from UHB's and Trusts positively support the EFAB funding approach recognising the "important source of funding alongside all other funding sources for responding to risk issues" and "having EFAB to support/complement the overall investment programme maximises the opportunities for mitigating the most significant risks". The feedback provided also highlights the potential benefits of "a commitment to a longer rolling EFAB programme would ensure a much more effective approach to planning and therefore the most cost-effective approach to ensuring value for money".

Key Matters Arising		Assurance Objective	Control Design or Operation	Recommendation Priority
4	A single, prioritised, all Wales reserve list of projects should be considered to aide decision making and revisited as appropriate.	3	Design	Medium
5	Enhanced governance mechanisms should be established to fully document scrutiny/approvals (e.g.: Standard Operating Procedures, Chairs Actions Mechanism.	4	Design	Medium

Future Key Assurance Matters <sup>2</sup>		Assurance Objective	Control Design or Operation	Recommendation Priority
2	At any future EFAB lettings, bids should be fully completed as intended, prior to scrutiny.	2	Operation	Medium

<sup>2</sup> Future assurance matters are for management action at future (appropriate) timings. Noting current action cannot be taken, the Audit Committee is requested to exclude from the audit tracker and the matters arising included in this report for management information. They have, however, been taken into consideration when determining the assurance rating at this report.

## 1. Introduction

- 1.1 This review was undertaken to evaluate the processes and procedures that supported the prioritisation and allocation of funds by the Estates Funding Advisory Board (EFAB), coordinated by NWSSP Specialist Estates Services (NWSSP: SES) The audit was commissioned in accordance with the 2023/24 agreed Internal Audit Plan.
- 1.2 The EFAB was established in 2021/22 to manage the Welsh Government's funding programme for targeted improvements within Capital, Estates & Facilities. However, no funding was made available in 2022/23.
- 1.3 The purpose of the funding was to assist NHS organisations in Wales with investment to respond to the following drivers:
- Compliance. The ongoing trend of escalating physical condition and statutory compliance backlog costs across the NHS estate (including Fire Safety in particular).
  - Infrastructure. The increasing need for investment in the upkeep and development of infrastructure engineering services across healthcare sites (and regarding reducing estate related revenue costs and for promoting more efficient use of energy resources).
  - Physical environment improvements (ED). The need to invest in the physical Emergency Department environment to improve the staff, patient, and carer experience.
  - Health & Safety risk mitigation (Mental Health). Pressures on the mental health estate, and especially within the context of increased risks to health and safety.
  - Decarbonisation. Welsh Government's commitment to achieve net-zero carbon by 2030.
- 1.4 Funding of £40m was made available for 2023/24 & 2024/25, in the following project categories:
- Infrastructure (inc. Emergency Department facilities improvements for patients, general building and engineering upgrades, Mental Health safety enhancements; and rationalisation) (£24m),
  - Decarbonisation (£6m), and
  - Fire Safety (£10m).
- 1.5 Health Boards/Trusts were asked to contribute 30% of the total cost of each project, giving a total investment of circa £57m. This audit assessed the systems and controls operated to support the formulation of the 2023/24 programme.
- 1.6 The potential risks considered at this review included:

- The internal control framework may be inadequate to maintain reasonable control of the processes to determine the appropriate allocation of EFAB funding.
- The programme for bidding may not be well defined or considered.
- The prioritised bids may not reflect the objectives and priorities of the bidding organisations, due to inadequate assessment criteria.
- Funding may not be awarded to the highest priority bids, and therefore fails to achieve its objectives.

## 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**.

**Governance Arrangements:** *To obtain assurance that adequate governance arrangements were applied including key roles and responsibilities, operation of the EFAB forum etc.*

- 2.2 Welsh Government issued a letter to all Health Bodies that EFAB would be re-introduced for 2023/24 and 2024/25 on the 7<sup>th</sup> September 2022. NWSSP: SES subsequently issued a "Specialist Estates Service Notification 22/12" (21<sup>st</sup> September 2022) to all Directors of Finance, NHS Health Boards, and Trusts. This was also issued to various other parties including: Directors of Estates, Facilities, Chief Executives, Directors of Planning etc; which outlined how the programme was to be coordinated and delivered.
- 2.3 Embedded within this notification was a further guidance note produced by Welsh Government: '*Applications for the Welsh Government (Capital, Estates & Facilities) Funding Programme for targeted improvements in the NHS Estate 2023/25*'. The funding application flowchart along with standard bid application forms was also included.
- 2.4 The management of the programme was through the Estates Funding Advisory Board (EFAB) that was established in 2021/22. The EFAB had a defined Terms of Reference (TOR) that was first developed in 2021 and subsequently reviewed at the EFAB meeting in November 2022.
- 2.5 The TOR included roles and responsibilities for key individuals. It was also noted that the membership of EFAB was wide ranging and included Health Boards/Trusts, NWSSP: SES etc.
- 2.6 Two sets of EFAB meetings (November 2022 & September 2023) were reviewed and quoracy requirements were met on both occasions. However, operational improvements have been recommended e.g. increasing the effectiveness of EFAB meetings, the timely issue of EFAB papers and the need to review the frequency of meetings. (see **MA1**).

2.7 Noting the above, and issues raised within subsequent sections (specifically **MA5**) associated with post award amendments, **reasonable assurance** has been determined in relation to the EFAB governance arrangements.

**Bidding Process:** *To obtain assurance that adequate processes were applied, and appropriate evidence maintained.*

2.8 The bidding process was well defined within the guidance issued by NWSSP: SES to all Health Bodies. Proforma documents had also been issued to ensure a standardised approach throughout Wales.

2.9 The audit sampled 18 approved bids from across five Health organisations totalling £12m: circa 20% of the total investment across NHS Wales. It was acknowledged that there was a truncated timescale to complete, approve and submit the bid documents (circa 2 months) from initial notification. The completeness of the information contained within the bids varied considerably and there was no evidence that one Health Board had appropriately authorised the forms prior to their submission (see **MA2**).

2.10 Recognising that there is a need to ensure bids are completed in their entirety, **reasonable assurance** has been determined in respect of the bidding process applied.

**Assessment Criteria:** *To obtain assurance that the assessment criteria was standardised, transparent and aligned with the key EFAB objectives.*

2.11 EFAB bid evaluation criteria had been developed in conjunction with the Welsh Government; bids would be appraised with reference to 16 criteria across six categories.

2.12 It was clear that there was challenge and scrutiny by NWSSP: SES on the bids utilising multiple trackers and the professional judgement based on the knowledge of respective estates to aid decision making. There were also multiple engagement exercises with Health Boards/Trusts to aid the prioritisation of schemes.

2.13 The short timescale (circa 3 weeks) to undertake the evaluation of circa 170 bids is acknowledged; from the deadline of bid submissions 7<sup>th</sup> November to the EFAB meeting held on 25<sup>th</sup> November where approval was sought. Whilst acknowledging that multiple trackers/ spreadsheet analysis had been produced and regularly updated; there were opportunities to improve the records of the process at future iterations of EFAB - to provide a clearer trail of the scrutiny arrangement (see **MA3**). These issues are not considered material and are aimed at enhancing future evaluation and award processes.

2.14 A reserve list of projects had been created alongside the approved bids. This list was split across individual Health Boards/Trusts. It was difficult to identify whether UHB/Trust priority projects aligned with all-Wales prioritisation, in the event of project substitution (and/or scheme slippage elsewhere) becoming available.

Accordingly, it has been recommended that in future, a single national (prioritised) reserve list should be retained (see **MA4**).

- 2.15 Although an effective assessment criterion had been established, the transparency of the established control arrangements could be improved. Recognising the same, **reasonable assurance** has been determined.

**Approvals:** *To obtain assurance that the assessment is presented to and approved at an appropriate forum. Health Boards/Trusts have been appropriately notified of approved funding.*

- 2.16 Recommendations for the approval of EFAB monies were agreed at the EFAB meeting (November 2022) and subsequently provided to Welsh Government. These were individual recommendations per Health Board/Trust and reconciled to the outcome of the assessments made.
- 2.17 Notification letters were issued by Welsh Government to Health Boards/Trusts and were reconcilable to the approvals.
- 2.18 During the period March 2023 – July 2023 there was one amendment of £300k to the approved schedule of projects, for which we were unable to identify the corresponding approval by EFAB. Noting the same, there was evidence to demonstrate on the advice of subject matter experts within NWSSP: SES, this reallocation was supported (see **MA5**).
- 2.19 Recognising the above, **reasonable assurance** has been determined in respect of the approval process applied.

**Monitoring and Reporting:** *To obtain assurance that monitoring and reporting processes were in place and utilised consistently.*

- 2.20 The monitoring of the tracker was on a bi-monthly basis through the individual Health Boards'/Trust's Capital Review Meetings (CRMs) held with Welsh Government, NWSSP: SES etc.
- 2.21 NWSSP: SES also produced a master tracker that combined all returns into one document for ease of review. Following the June 2023 CRMs, a monitoring report was produced and discussed at the September 2023 EFAB meeting.
- 2.22 Sites visits were also planned to commence during Quarter 3 /4 of 2023/24 to proactively monitor progress on the implementation of projects.
- 2.23 Recognising the above, **substantial assurance** has been determined in respect of the monitoring and reporting arrangements.

## Appendix A: Management Action Plan

Matter Arising 1: Governance Arrangements – EFAB Meetings (Operation)	Impact
<p>The Welsh Government had allocated additional funding for the 2023/24 and 2024/25 financial years to target improvements in the NHS Estate. The programme would be managed through the Estates and Facilities Advisory Board (EFAB) that was established in 2021/22. EFAB met in November 2022 to consider recommendations to be made to Welsh Government around schemes to be funded.</p> <p>EFAB had a Terms of Reference (TOR) in place that was first issued in 2021 and subsequently reviewed at the meeting of 25<sup>th</sup> November 2022. The TOR stated under the reporting heading:</p> <p><i>'Agendas and papers will be issued no later than five (5) working days prior to each Board meeting, or as soon as possible as circumstances permit'.</i></p> <p><i>'Minutes will be circulated within five (5) working days of each meeting by the Board's Secretariat.'</i></p> <p>However, the agenda and papers for the 25<sup>th</sup> of November 2022 meeting were only issued on the afternoon of the 24<sup>th</sup> of November 2022. A half day timeframe does not provide sufficient time for members to appropriately consider the documentation. Minutes for the November meeting was also not issued until several months after the meeting, although, the September 2023 EFAB meeting noted these were accurate.</p> <p>The TORs documented the membership in terms of representatives from NHS organisations which were accurate at the time of approval (November 2022). At the time of review, there had been changes in personnel which had not been reflected in the TOR.</p>	<p>Potential risk that:</p> <ul style="list-style-type: none"> <li>The governance arrangements associated with the EFAB meetings may not operate effectively.</li> </ul>
Recommendations	Priority

1.1	Papers and minutes for EFAB meetings should be issued in a timely manner to enable effective discussion.	<b>Low</b>	
1.2	The Terms of Reference for EFAB should be reviewed to ensure that the accurately reflect current membership.	<b>Low</b>	
Agreed Management Action		Target Date	Responsible Officer
1.1	Papers for the most recent meeting of the EFAB Board held on the 18 <sup>th</sup> December 2023 were issued in line with the Terms of Reference. The EFAB Board will monitor compliance with the Terms of Reference at future meetings.	Actioned Since Audit Fieldwork.	N/A
1.2	Terms of Reference were reviewed and amended at the meeting held on the 18 <sup>th</sup> December 2023.	Actioned Since Audit Fieldwork.	N/A

Matter Arising 2: Bidding Process – Completed Forms (Operation)	Impact
<p>The Bidding process was well defined within the guidance issued by NWSSP: SES to all Health Bodies. Proforma documents had also been issued to ensure a standardised approach; the forms were split into multiple sections including:</p> <ul style="list-style-type: none"> <li>• Risk and Backlog Impacts.</li> <li>• Benefits/dependencies.</li> <li>• Programme and Cashflow etc.</li> </ul> <p>The bids also required two distinct approvals:</p> <ol style="list-style-type: none"> <li>1. The Director of Finance (affordability noting the 30% Health Board contribution).</li> <li>2. Director of Estates (Deliverability).</li> </ol> <p>The truncated timescales from bid request in September to recommendation in November 2022 led to limited opportunities for revisit of bid form submission. Accordingly, the completeness of the information contained within the bids varied considerably.</p> <p>A sample of 18 approved bids from across five Health Organisations totalling £12m: circa 20% of the total investment across NHS Wales, was reviewed, with the following examples noted:</p> <ul style="list-style-type: none"> <li>• One of the criteria (set out below) within the risk and backlog impact section highlighted:                      ‘What is the estimated financial impact on the organisation's highest risk issues as reported through EFPMS? Where an organisation does not submit an EFPMS return reference should be made to: Corporate Risk Register; Health &amp; Safety Reports; Audit &amp; Assurances Reports.’                       Thirteen bids did not document the estimated financial impact reported through the EFPMS.</li> <li>• Five bids did not fully complete the programme and cashflow forecast section.</li> </ul>	<p>Potential risk that:</p> <ul style="list-style-type: none"> <li>• Inconsistencies in the level of information provided potentially leading to objectives not being met.</li> </ul>

<ul style="list-style-type: none"> <li>No verification was identified that the Director of Finance had given approval to any bids within one Health Board prior to Welsh Government submission. Although, it was evident that discussions had taken place at a senior level.</li> </ul>		
Recommendations		Priority
2.1	At any future EFAB lettings, bids should be fully completed as intended.	<b>Medium</b>
2.2	At any future lettings, timely confirmation would be required by all NHS organisations' Directors of Finance prior to Welsh Government submission.	<b>Medium</b>
Agreed Management Action	Target Date	Responsible Officer
2.1	<p>Agreed. Bid proformas have been reviewed and will be updated to ensure that information requested can be provided (based on feedback from the Service).</p> <p>A lesson learned review will be undertaken at the end of the current programme (i.e. by November 2025 - 6 months after end of EFAB II programme) to further inform future lettings. An interim report was produced for WG in December 2023.</p>	<p>Bid proformas updated December 2024</p> <p>Ray Selby - Head of Estates Development.</p>

2.2	<p>Agreed. This was not possible given differences between EFAB timelines and respective HB internal governance procedures. We need to ensure that this is followed up and confirmed prior to any final approval, and action was taken to ensure that this happened at the EFAB Board held on the 25<sup>th</sup> November 2022. The specific example cited was also followed up and email confirmation was obtained. Coordination of governance processes has been discussed with WG and this is being factored into future scheme planning.</p>	<p>Initial discussions have taken place on a potential EFAB III from 25/26 to 26/27. In the event of an 'EFAB III' – December 2024</p>	<p>Ray Selby - Head of Estates Development.</p>
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<b>Matter Arising 3: Evaluation Criteria – Increased Transparency (Operation)</b>	<b>Impact</b>
<p>EFAB bid evaluation criteria had been developed in conjunction with the Welsh Government. Bids would be appraised with reference to 16 criteria across six categories:</p> <ul style="list-style-type: none"> <li>• Consistency</li> <li>• Risk Mitigation</li> <li>• Strategic Alignment</li> <li>• Impact</li> <li>• Affordability</li> <li>• Deliverability</li> </ul> <p>It was acknowledged that there was a pressured and challenging timescale to undertake the evaluation of circa 170 bids, circa 4 weeks from deadline of submission to the EFAB meeting where a recommendation was sought.</p> <p>It was clear that there was significant challenge and scrutiny by NWSSP: SES on the bids and there were multiple iterations of spreadsheets where bids were accepted and rejected with comments documented affording evidence of scrutiny. NWSSP: SES also utilised a multi-disciplinary team of internal staff to provide their professional judgement based on knowledge of respective estates to aide decision making. There were also multiple engagement exercises held with Health Boards/Trusts to aid the prioritisation of schemes.</p> <p>However, recognising the shortened evaluation timescales that were in imposed, there were opportunities to improve the records of the process at future iterations of EFAB - to provide a clearer trail from initial bids through scrutiny to award.</p>	<p>Potential risk that:</p> <ul style="list-style-type: none"> <li>• A reduced audit trail in the event of challenge.</li> </ul>
<b>Recommendations</b>	<b>Priority</b>

3	For any future iteration of EFAB an enhanced record of evaluation should be developed to reflect the process followed.	<b>Low</b>	
<b>Agreed Management Action</b>		<b>Target Date</b>	<b>Responsible Officer</b>
3	Agreed. We will review the evaluation methodologies adopted by the different disciplines within SES with the aim of establishing a clearer audit trail to corroborate the recommendations. This will be considered within the wider context of developing an All-Wales Estates Risk Register, which has been incorporated as an IMTP objective. Work on an All Wales Risk Register has commenced.	In the event of future funding awards in 2025/26 – December 2024.	Ray Selby - Head of Estates Development.

Matter Arising 4: Scrutiny Arrangements – Reserve List (Design)		Impact	
<p>A reserve list of projects had been created that coincided with the list of approved bids. However, this list was split into individual Health Board/Trusts and was difficult to identify which project on the top of each reserve list was an all-Wales priority.</p> <p>Having a single priorities reserve list would increase the transparency in the process reallocating monies e.g., in the event of slippage, amendments to approved projects etc.</p> <p>The reserve list should also be routinely revisited as emerging issue became a greater priority ensuring available funding is focussed appropriately.</p>		<p>Potential risk that:</p> <ul style="list-style-type: none"> <li>The governance arrangements associated with post award funding amendments may not operate effectively.</li> </ul>	
Recommendations		Priority	
4	A single prioritised all Wales reserve list of EFAB projects (determined from the original bid submission) should be considered to aid decision making and revisited as appropriate.	<b>Medium</b>	
Agreed Management Action	Target Date	Responsible Officer	
4	Agreed. A single prioritised all Wales reserve list will be established. This may require consideration of wider NHS Wales risk, strategies, and priorities to ensure consistency, which may impact the time taken to address this recommendation.	In the event of future funding awards in 2025/26 – December 2024.	Ray Selby - Head of Estates Development.

<b>Matter Arising 5: Approvals – Post Award Amendments (Design)</b>		<b>Impact</b>
<p>Governance processes surrounding post award amendments were not fully documented i.e., no standard operating procedure was in place that would document how these amendments would be managed.</p> <p>Following the original award, one post award amendment associated with a £300k movement within the decarbonisation category from one project to another, within the same organisation was noted. There was evidence to demonstrate that, following advice from subject matter experts, NWSSP: SES supported this.</p> <p>Whilst there was evidence from the minutes of the September 2023 EFAB meeting of amendments being approved, the amendment highlighted above was not evidenced. Audit notes that EFAB meetings may not need to approve all amendments. However, for increased transparency a methodology requires adopting e.g., the introduction of a 'Chairs Action' may enable approvals between meeting (this would require an amendment to the EFAB Terms of Reference).</p>		<p>Potential risk that:</p> <ul style="list-style-type: none"> <li>The governance arrangements associated post award funding amendments may not operate effectively.</li> </ul>
<b>Recommendations</b>		<b>Priority</b>
<p>5 Enhanced governance mechanisms should be established to fully document scrutiny/approvals (e.g.: Standard Operating Procedures, Chairs Actions Mechanism.</p>	<b>Medium</b>	
<b>Agreed Management Action</b>	<b>Target Date</b>	<b>Responsible Officer</b>

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5	<p>Agreed – we will review the EFAB Board Terms of Reference to ensure that enhanced governance mechanisms are in place; to include Programme Management, Financial Evaluation and Change Control to ensure equitable treatment and transparency.</p>	<p>September 2024</p>	<p>Mike Travers – Principle Strategic Estates adviser.</p>
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## 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:

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

### Prioritisation of Recommendations

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

Priority level	Explanation	Management action
<b>High</b>	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*
<b>Medium</b>	Minor weakness in system design OR limited non-compliance. Some risk to achievement of a system objective.	Within one month*
<b>Low</b>	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.



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# Accounts Payable Final Internal Audit Report March 2024

## NHS Wales Shared Services Partnership

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Auditor:	Jennifer Usher, Principal Auditor
Executive sign-off:	Andrew Butler, Director of Finance & Corporate Services
Distribution:	Russell Ward, Head of Accounts Payable and Enablement Alison Ruckley, AP Regional Manager Rowena Bines, AP Regional Manager Dawn Butterworth, AP Regional Manager
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:

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## Executive Summary

### Purpose

The purpose of the audit review was to evaluate and determine the adequacy of the systems and controls in place for the NWSSP Accounts Payable service.

### Overview

We have concluded **Reasonable** assurance overall, with three medium priority matters arising relating to:

- Compliance with the checking and approval requirements for additions/amendments to the supplier masterfile.
- Compliance with the No PO No Pay Policy.
- Authorisation of non-PO invoices in line with organisation approval hierarchies and approval arrangements for dataloads.

Full details of all matters arising and associated recommendations are provided at Appendix A on page 18.

### Report Opinion

Trend

Reasonable



Some matters require management attention in control design or compliance.



**Low to moderate impact** on residual risk exposure until resolved.

2022/23

### Assurance summary<sup>1</sup>

Objectives	Assurance
1 Supplier Masterfile	Reasonable
2 No PO No Pay Policy	Reasonable
3 Authorisation and processing of non-PO invoices	Reasonable
4 Invoices on hold	Reasonable
5 Duplicate payments	Substantial
6 Service performance & improvement	Reasonable

<sup>1</sup>The 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	Supplier Bank Account Additions & Amendments	Operation	Medium
2	No PO No Pay Policy Exceptions	Design	Medium
3	Authorisation of Non-Po Invoices & Dataloads	Design & Operation	Medium

## 1. Introduction

- 1.1 NHS Wales Shared Services Partnership (NWSSP) provides a complete Procure to Pay (P2P) service to NHS Wales through sourcing, frontline local procurement, supply chain, accounts payable and eEnablement functions.
- 1.2 In 2022/23 the Accounts Payable (AP) team processed 2.32 million invoices with a value of £7.8 billion for approximately 16,000 suppliers. In line with the Public Sector Payment Policy (PSPP), NHS Wales has an obligation to pay its suppliers within 30 days of receipt of invoice. NHS bodies report compliance to Welsh Government in the monthly monitoring returns. To facilitate this, Accounts Payable report against key performance indicators to customer organisations on a monthly basis. At October 2023 the target 95% PSPP Non-NHS compliance was achieved for all organisations with the exception of Betsi Cadwalladr and Powys.
- 1.3 In line with the Public Sector Payment Policy (PSPP), NHS Wales has an obligation to pay its suppliers within 30 days of receipt of invoice. NHS bodies report compliance to Welsh Government in the monthly monitoring returns. To facilitate this, the AP Team report against key performance indicators to customer organisations on a monthly basis. At October 2023:

<p><b>Invoice Volumes</b> 1,335,074 April - October 2023 2.7% increase since 2022/23 32.9% increase since 2019/20</p>	<p><b>PSPP Compliance</b> 10 organisations have achieved the target 95% compliance (cumulative ytd)</p>
<p><b>Invoices on Hold (IOH)</b> 31,643 IOH &gt;30 days</p>	<p><b>Duplicate Payments</b> £1.4m prevented £366k cost avoidance re: recovery audit fees @20% (August Data)</p>

- 1.4 The potential risk considered in this review is inaccurate and/or inappropriate payments resulting in financial loss and reputational damage.

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## 2. Detailed Audit Findings

### Objective 1: There is adequate control over the creation and amendment of creditor master file data

- 2.1 Access to the supplier masterfile is restricted to the Supplier Maintenance Team (SMT) and reviewed on a quarterly basis.
- 2.2 Additions/amendments to the supplier masterfile are processed and independently checked to ensure accuracy, whilst additions/amendments to supplier bank details are subject to additional review by the Head of Finance & Business Development and Experian/CreditSafe or banking app verification (where available). Sample testing of 70 additions / amendments to supplier bank details processed January - November 2023 identified:
  - one occasion where bank details for a new supplier set up for a one-off payment had not been escalated to the Head of Finance & Business Development for review and approval (the remaining sample had all been checked and approved);
  - five instances where retrospective independent checks within the SMT to ensure accuracy of processing on Oracle had not been completed or were completed 8-12 weeks late after processing; and
  - one occasion where the bank amendment form provided was blank/incomplete with the supplier not confirming their existing bank account details (although the new bank account details had been verified in the banking app).

#### [Matter Arising 1]

#### Conclusion:

- 2.3 Access to the supplier masterfile is appropriately restricted. Sample testing identified minor instances of non-compliance although all sampled additions/amendments were verified to supporting documentation and had been accurately processed. We have concluded **Reasonable** assurance for this objective.

### Objective 2: Invoices are supported by a purchase order (PO) in line with the No PO No Pay Policy and systems ensure that invoice values paid are in accordance with agreed prices

- 2.4 Invoice matching arrangements are determined at supplier set-up, with the default setting requiring a 3-way match between the invoice, PO and order receipt. If a PO invoice does not fully match the PO details (within agreed tolerances) or has not been receipted on Oracle it is automatically placed on hold by the system. Invoice matching tolerances are set within Oracle and are generally standardised for all NHS Wales organisations.
- 2.5 In line with the all-Wales No PO No Pay Policy, invoices without a purchase order (PO) that are not on the agreed all-Wales exceptions list should be placed on hold and payment withheld until the supplier provides a valid PO number. Performance

data for 13<sup>th</sup> November 2023 reported No PO No Pay holds continues to remain high, with 7,852 invoices on hold across 1,170 suppliers:

4,867 invoices (62%) on  
hold 90 days +

1,763 invoices (22%) on  
hold > 1 year

- 2.6 The revised No PO No Pay Policy and refreshed exemption list is to be presented to the Technical Advisory Group (TAG) in the new year. Following agreement, the policy and exception list will be reported and discussed at each client organisation Audit Committee prior to being presented to NWSSP Shared Services Partnership Committee for finalisation.
- 2.7 Sample testing of 100 non-PO invoices identified nine invoices/payments that were not covered by the No PO No Pay exceptions list but had not been placed on hold to obtain a valid PO number, and were therefore paid on the basis of manual authorisation. Three were due to AP oversight and should have been placed on No PO No Pay hold – the revised policy and exceptions listing (once approved) should provide clearer guidance to support appropriate identification of PO exceptions, so no further recommendations are raised in this regard. Two were due to the health body, relating to urgent payments requested by their Directors of Finance.
- 2.8 Four related to invoices received by AP from the health body via dataload and whilst the invoices would normally require a PO, it is not possible to process PO invoices via dataload. We noted an increasing trend in invoices received via dataload and whilst this is efficient for AP processing, it is a means of bypassing controls and is therefore counterproductive to the No PO No Pay Policy. Dataloads should only be used where the spend is exempt from the No PO No Pay Policy.

### **[Matter Arising 2]**

#### Conclusion:

- 2.9 A significant volume of invoices on No PO No Pay hold have been on hold for more than 90 days. The majority of the sampled invoices were either genuine exceptions or had been dealt with in accordance with policy. However, a small number of exceptions were identified where policy had not been complied with, due to both AP and health bodies, and we identified concerns with the use of dataloads. Accordingly, we have concluded **Reasonable** assurance for this objective.

### **Objective 3: Non-PO invoices and manual payments are appropriately authorised for payment and accurately processed**

- 2.10 Sample testing of 100 non-purchase order invoices/payments confirmed that all invoices/payments were supported by an official invoice/request for payment, recorded against the correct supplier and for the correct amount.
- 2.11 For three invoices sampled the approver was not identified on the respective authorised signatory listing, and in one further case the invoice value exceeded the approvers financial limit. The maximum value of these invoices was £5,269.

### **[Matter Arising 3]**

- 2.12 An increasing volume of invoices are received by Accounts Payable (AP) via dataload. This is where invoices are received checked and approved within the health body then entered onto a dataload and sent to Accounts Payable (AP) for upload into Oracle. AP do not have sight of the physical invoices or individual invoice approvals, recognising that this responsibility rests with the health body they are therefore deemed approved on receipt by AP. In some cases the dataloads are emailed by or copied to an authorised signatory, although our sample testing identified that this is not always the case and there is lack of clarity regarding the approval required (if any) by AP to process these dataloads. **[Matter Arising 3]**
- 2.13 AP are reliant on health bodies maintaining their authorised signatory lists, which vary significantly in terms of accessibility for AP, format and level of detail. Oracle has an invoice approval workflow which would enable non-PO invoices to be subject to the same authorisation system controls as POs, in line with the organisations Oracle hierarchy. This function offers efficiency and a more robust approval mechanism through system automation and application of the organisations approval hierarchy. Following an initial pilot exercise, it was adopted by Digital Health & Care Wales (DHCW) in 2020. Currently, this is being trialed in Hywel Dda University Health Board (HDdUHB).

#### Conclusion:

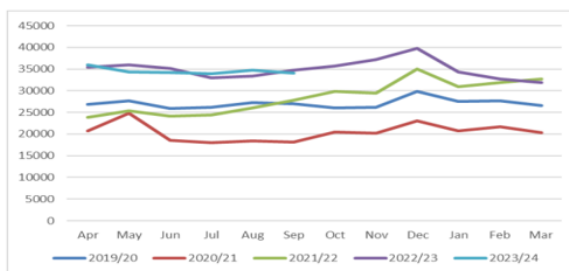
- 2.14 All sampled invoices had been accurately processed by AP although we identified some invoices which did not have evidence of appropriate approval on the basis that the approver did not have sufficient delegated authority or was not located on the organisations authorised signatory listing/Oracle hierarchy. Approval requirements for dataloads also require clarification and agreement with health bodies. Accordingly, we have concluded **Reasonable** assurance for this objective.

#### **Objective 4: Invoices on AP holds are monitored and cleared on a regular basis to ensure compliance with PSPP**

- 2.15 In January 2022 an IOH Guide was developed and circulated to all Procurement and AP staff. The guide covers all IOH processes, explains the roles and responsibilities, rules for disputed invoices and individual working instructions with scenarios.
- 2.16 Sample testing of invoices on hold identified evidence to demonstrate action taken/ongoing to actively investigate, follow up and resolve invoice holds. However, the volume of purchase orders, invoices and invoice holds continue to remain high, with the October 2023 position reporting 31,643 invoices on hold and more than 50% marked as in dispute with the supplier. Of these 31,643 invoices 60% have a value less than £500 (excludes credits).

2.17 Figure 1 illustrates the volume of invoices on hold for more than 30 days, over a five-year period as at September 2023.

Figure 1



Source: AP Performance Report October 2023

2.18 The previous audit (2022/23) reported that the eEnablement team were reviewing the top ten suppliers with price holds with the aim of developing ways of identifying issues / root causes in order to reduce the volume of IOH; release as many holds as possible; and develop a process and guidance for teams. This review was completed, resulting in catalogue updates and resolution of related holds. However, the volume of invoices on hold continues to increase and work is ongoing to address this.

2.19 The IOH project forms part of the NWSSP P2P Governance Group with IOH supplier reviews currently ongoing, with the team also being involved in the Service Improvement Team (SIT)/AP IOH project looking at invoices on hold over 30 days. The Service Improvement Team (SIT) and the BI Team are continuing to review the IOH process and top suppliers in order to identify root causes, system and pricing issues.

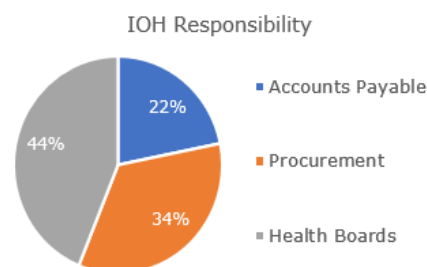
	As at 06.12.2023	As at 06.12.2022
<b>Volume of Invoice Line Holds (by responsibility)</b>		
Accounts Payable	17,314	19,270
Procurement	27,221	49,973
Health Board	34,781	74,298
<b>Total</b>	<b>79,316</b>	<b>143,541</b>
<b>Value of Invoices on Hold</b>		
<b>Total</b>	<b>£108.7m</b>	<b>£132.1m</b>

2.20 An exercise is currently underway to review and clear invoices on hold older than 1<sup>st</sup> April 2022. This exercise is scheduled to be completed by the end of December, but performance data for October 2023 already reports a 42% reduction in volume since April 2023.

2.21 The eEnablement Team have also developed a P2P hub where processes, guidance and working instructions are held together with the development/implementation of an issues log to record and assign issues for resolution.

2.22 Accounts Payable are responsible for releasing and in some cases resolving invoice holds. However, addressing the root cause of the hold predominantly rests with Procurement and health bodies, as illustrated in the table and Figure 2.

Figure 2



2.23 Whilst the volume of invoices on hold inevitably impacts on Public Sector Payment Performance (PSPP), year to date cumulative performance remains on target for all but two organisations in relation to PSPP Non-NHS as at October 2023.

**Invoices in Dispute**

Sample testing identified three instances where we considered an invoice to have been inappropriately marked as 'in dispute' based on the criteria set out within

both the IOH Guide and AP's month end procedure. Evidence was provided to demonstrate the ongoing investigation and resolution of these. **[Matter Arising 4]**

Invoices in Dispute	As at 06.12.2023	As at 06.12.2022
Total Value	£32.0M	£30.6M

### Auto Release of Receipting Holds

- 2.24 It was agreed at the NHS Wales Directors of Finance Forum in March 2020 that NHS Wales would support business during COVID-19 with the aim of paying suppliers quicker to improve their cash flow. This was achieved via the auto release of receipting holds for purchase order invoices up to the value of £500, agreed on the basis that a retrospective checking process would be established.
- 2.25 The previous audit reported that a retrospective checking process had not been established. A task and finish group was subsequently established to agree and formalise arrangements and whilst the group identified a means of performing these checks, responsibility for completion was not agreed and the group subsequently ceased due to poor engagement from health bodies. **[Matter Arising 5]**
- 2.26 Sample testing of overridden holds for invoices over £500 to ensure that the auto releasing arrangements were only being applied to invoices within the agreed threshold identified no issues.

### Conclusion:

- 2.27 Efforts continue to address the invoice on hold position and there is considerable improvement in the volume of invoices on hold older than April 2022. However, the total volume of invoices on hold remains high and failure to pay suppliers in accordance with agreed terms could pose a risk to service continuity and patient safety. We have concluded **Reasonable** assurance for this objective.

### Objective 5: Mechanisms are in place to ensure that duplicate payments are avoided or detected

- 2.28 The Oracle system will not allow an invoice to be entered more than once against the same organisation and supplier site. However, duplicates can occur if an invoice is entered incorrectly.
- 2.29 NXG (formerly FiscalTec) forensic software is used to identify duplicate invoices prior to payment. Potential duplicates are placed on hold in Oracle to prevent payment until investigation is complete, and those confirmed to be a duplicate are cancelled.
- 2.30 Between the 1<sup>st</sup> August and 30<sup>th</sup> November 2023, 751,410 invoices were processed with 67,033 identified as requiring further investigation prior to payment. Of the 67,033, the majority of invoices were reviewed and resolved with eight invoices identified as requiring further scrutiny and review prior to payment. Review of NXG

confirmed that all potential duplicates identified by the system had been reviewed/resolved or assigned for further scrutiny.

- 2.31 A review of the duplicate logs for the period January to November 2023 noted eleven duplicate payments totalling £18,959.60, of which all have been recovered. Performance data for August 2023 reported that FiscalTec has prevented £1.4m of duplicate payments year to date. Data post August 2023 (when NXG was implemented) is not yet available, but a report is being developed with NXG.

#### Conclusion:

- 2.32 Noting the above, we have concluded **Substantial** assurance for this objective.

### Objective 6: There is appropriate focus on service performance and improvement to deliver high-quality service and ensure customer satisfaction

- 2.33 Key Performance Indicators (KPI's) are considered and agreed by the NWSSP Shared Services Partnership Committee annually and are reported via the IMTP/Quarterly Review process and through the monthly AP performance report:

Key Performance Indicator	Target	APR	MAY	JUN	JUL	AUG	SEP
Public Sector Pay Performance – Non-NHS	95% Cumulative	13G	12G & 1A	11G & 2R	10G & 2R	10G, 1A & 1R	9G, 1A & 2R
Public Sector Pay Performance - NHS	95% Cumulative	4G & 8R	4G & 8R	3G & 9R	2G, 1A & 9R	1G, 1A & 10R	3G & 9R
Electronic Invoice Automation	98% Monthly	98.7%	98.7%	98.7%	98.9%	98.9%	98.9%
Call Handling - %age of calls answered	95% Monthly	99.2%	99.5%	99.4%	99.6%	99.4%	99.4%
Priority Supplier Programme – rebate income	£450k ie £37.5k /month	£53.6k	£42.83k	£48.96k	£39.6k	£56.2k	42.8k
Statement Reconciliation	300 statements per month	No data	No data	102	197	249	198

- 2.34 Additional local measures are included in the monthly AP performance report shared with health bodies, including a breakdown of PSPP by organisation, invoices on hold, No PO No Pay data, priority supplier programme, duplicates prevented and supplier maintenance and call centre data.
- 2.35 The NWSSP P2P Group is responsible for ensuring that all P2P activities agreed by the P2P Finance Academy, STRAD and SLT are actioned with a co-ordinated consistent and joined up approach followed across all Divisions within NWSSP. The Group covers all P2P activities within Shared Services, including Supply Chain, Regional/Operational Procurement, Sourcing and Accounts Payable. Including the sponsoring and monitoring of appropriate task and finish groups in order to meet the agreed deliverables of the agenda.
- 2.36 The Finance Academy All-Wales P2P Forum had been involved in the approval and delivery of a number of P2P initiatives, all of which were underpinned by the Once-

for-Wales principles. However, in recent years, the All-Wales P2P Forum has struggled in agreeing, supporting, and taking forward P2P initiatives. As a consequence, the Finance Academy Board agreed to close the All-Wales P2P Forum in September 2023.

- 2.37 The decision to close the All-Wales P2P Forum has resulted in a vacuum in respect of effective governance of P2P arrangements and agreement of future work plans, with no forum for engagement between NWSSP and health bodies. A paper was presented to the NWSSP Partnership Committee in November resulting in the committee's agreement to take over the governance arrangements for P2P.
- 2.38 The Head of Accounts Payable and Enablement is currently developing a paper which focuses on the strategic aspects of P2P, together with an action/work plan. The paper is scheduled to be presented to the partnership committee in the new year following review and approval by the Director of Finance and Corporate Services.

#### Conclusion:

- 2.39 Whilst KPI's are being reviewed regularly and AP performance data is being produced/reported and circulated across the organisation, the gap which has arisen due to the closure of the Finance Academy All-Wales P2P Forum in relation to the agreement of future work and action plans needs to be addressed to ensure the successful delivery of current and future P2P initiatives. Accordingly, we have concluded **Reasonable** assurance for this objective.

### Objective 7: Progress in addressing the issues identified in the previous internal audit (report NWSSP-2223-12 refers)

- 2.40 Progress in implementing recommendations arising from the previous internal audit (report NWSSP-2223-12) has been assessed under the objectives above and new recommendations raised where appropriate.

Ref	Finding	Priority	Status
1	Supplier Bank Account Additions and Amendments	Medium	Action Completed.
2	Authorisation of Non-PO Invoices	Medium	Ongoing - action taken but issue not addressed. See para. 2.14 and Matter Arising 3.
		Medium	Ongoing - action taken but issue not addressed. See para. 2.15 and Matter Arising 3.
3	Invoices in Dispute	Low	Ongoing – action taken but issue not addressed. See para. 2.24 and Matter Arising 5.

#### Conclusion:

- 2.41 Action has been taken in respect of all previous recommendations although in some cases the issue/risk has not been fully addressed so further action is required. New recommendations have been raised where appropriate, these are detailed within Appendix A.

## Appendix A: Management Action Plan

Matter Arising 1: Supplier Bank Account Additions and Amendments (Operation)		Impact	
Issues were identified in relation to the promptness of the independent checks, an incomplete bank amendment form and the review and approval by the Head of Finance & Business Development for one-off payments as detailed in para. 2.2.		Potential risk of: <ul style="list-style-type: none"> <li>inaccurate and/or inappropriate payments resulting in financial loss and reputational damage.</li> </ul>	
Recommendations		Priority	
1.1a	Independent retrospective checks should be undertaken promptly following the amendment/addition to the supplier masterfile.	<b>Medium</b>	
1.1b	All supporting documentation including independent check review emails, new supplier and bank amendment forms should be held/saved in the corresponding suppliers folder.		
1.1c	In line with the agreed process, all additions to supplier bank details where an Experian/Creditsafe/banking app check has failed to provide a match should be passed to the Head of Finance & Business Development for review and approval.		
Agreed Management Action		Target Date	Responsible Officer
1.1a	Agreed – Staff in the Supplier Maintenance Team will be reminded of this responsibility	Immediate	Dawn Butterworth – AP Regional Manager & Sue Lewis – Team Leader Supplier Maintenance Team
1.1b			
1.1c			

Matter Arising 2: No PO No Pay Policy Exceptions (Design)		Impact	
<p>Sample testing of 100 non-PO invoices identified four invoices/payments that were not covered by the exceptions list but had not been placed on hold to obtain a valid PO number. These related to invoices received via dataloads which are not compatible with PO invoices. We noted an increasing trend in the use of dataloads but these should be restricted to invoices covered by the No PO No Pay exceptions list, otherwise it is counterproductive to the No PO No Pay Policy.</p>		<p>Potential risk of:</p> <ul style="list-style-type: none"> <li>inaccurate and/or inappropriate payments resulting in financial loss and reputational damage.</li> </ul>	
Recommendations		Priority	
<p>2.1 Identify dataload invoices that are not covered by the current exceptions list and engage with health bodies to determine whether or not a PO is required:</p> <ul style="list-style-type: none"> <li>Invoices requiring a PO are not suitable for dataloads and therefore an alternative means of submission to AP must be identified.</li> <li>Invoices not requiring a PO should be added to the exceptions list.</li> </ul>		<p><b>Medium</b></p>	
Agreed Management Action		Target Date	Responsible Officer
<p>2.1 Agreed – A review will be undertaken with the respective Health Organisations to ensure that Dataloads are not being used to by-pass the No PO No Pay Policy.</p>		30 <sup>th</sup> April 2024	Regional AP Managers

Matter Arising 3: Authorisation of Non-PO Invoices (Design & Operation)		Impact	
<p>For three invoices sampled the approver was not identified on the respective authorised signatory listing, and in one further case the invoice value exceeded the approvers financial limit. The maximum value of these invoices was £5,269.</p> <p>There is also a lack of clarity regarding the approval requirements for the processing of dataloads, where the checking and approval of invoices is undertaken within the health body. AP do not have sight of these invoices or the associated approvals.</p>		<p>Potential risk of:</p> <ul style="list-style-type: none"> <li>inaccurate and/or inappropriate payments resulting in financial loss and reputational damage.</li> </ul>	
Recommendations		Priority	
3.1	<p><i>Reiterated from 2022/23 audit:</i></p> <p>Invoices or requests for payment that have not been approved in accordance with the organisations purchase order hierarchy / authorised signatory list must be placed on hold and returned to the organisation for appropriate authorisation.</p>	<b>Medium</b>	
3.2	<p>Approval requirements for dataloads should be determined and agreed with health bodies.</p> <p>AP should also consider the merits of maintaining a log of dataload sources and the agreed approval arrangements, particularly where it is agreed that dataloads can be processed on receipt of someone other than an authorised signatory.</p>	<b>Medium</b>	
Agreed Management Action		Target Date	Responsible Officer
3.1	<p>Agreed – All invoices or requests for payment must be approved in accordance with the Oracle Purchase Order hierarchy or authorised signatory list. Where AP staff identify that this has not happened, the invoice will be place on hold and returned to the organisation for appropriate authorisation authorisation</p>	Immediate	Regional AP Managers and Data and Payments Manager

3.2	Agreed – This ties in with 2.1 above. As well as ensuring that the use of Dataloads isn't bypassing the No PO No Pay Policy arrangements and database will be created and maintained by the Data and Payments Manager, detailing who has approved the Dataload	30 <sup>th</sup> April 2024	Regional AP Managers and Data and Payments Manager
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<b>Matter Arising 4: Invoices in Dispute (Operation)</b>		<b>Impact</b>	
<p>Sample testing identified three instances where we considered an invoice to have been inappropriately marked as 'in dispute' (which stops the clock for PSPP purposes), based on the criteria set out within both the IOH Guide and Accounts Payables month-end procedure.</p>		<p>Potential risk of:</p> <ul style="list-style-type: none"> <li>inaccurate and/or inappropriate payments resulting in financial loss and reputational damage.</li> </ul>	
<b>Recommendations</b>		<b>Priority</b>	
4.1	<p><i>Reiterated from 2022/23 audit:</i></p> <p>Invoices should only be placed as in dispute in line with the prescribed criteria within both the Invoice on Hold Guide and the Accounts Payable month-end procedure.</p>	<b>Low</b>	
<b>Agreed Management Action</b>		<b>Target Date</b>	<b>Responsible Officer</b>
4.1	Agreed all AP staff will be informed of these arrangements	Immediate	Regional AP Managers and Data and Payments Manager

Matter Arising 5: Retrospective Checks (Design)		Impact	
<p>The retrospective checks task and finish group was established in December 2022 and whilst the group were able to identify a means of doing these checks, responsibility of completion was not agreed. Due to poor engagement from client organisations the group subsequently closed.</p>		<p>Potential risk of:</p> <ul style="list-style-type: none"> <li>inaccurate and/or inappropriate payments resulting in financial loss and reputational damage.</li> </ul>	
Recommendations		Priority	
5.1	Engage with health bodies to determine whether retrospective checking is required and if so, agree the process and responsibilities for this.	<b>Low</b>	
Agreed Management Action		Target Date	Responsible Officer
5.1	Agreed – This will be discussed with the Organisations Financial P2P Lead and Procurement	30 <sup>th</sup> April 2024	Russell Ward – Head of AP & eEnablement

## 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:

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

### Prioritisation of 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.



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# Primary Care Services Contractor Payments

## Final Internal Audit Report

April 2024

NHS Wales Shared Services Partnership

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Auditors:	Mair Evans, Principal Auditor
Executive sign-off:	Nicola Phillips, Director of Primary Care Services
Distribution:	Ceri Evans, Head of Transaction Services Julie Turner, All Wales Payment Lead Kelly Dixon, Processing & Professional Services Lead Sandra Williams, All Wales Registration Manager
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

The purpose of the audit review was to provide assurance that Primary Care Services is maintaining a robust system to facilitate timely and accurate payments to General Medical Services primary care contractors.

### Overview

We have concluded **Reasonable** assurance overall, with two medium priority matters arising in relation to the calculation of reckonable service and validation of enhanced services claims.

Full details of matters arising are provided in Appendix A.

Follow up of the FPPS Reconciliation Tool audit (in relation to enhanced services claims) undertaken in August 2023 also identified that three of the five recommendations have not been fully implemented. Further details are provided in Appendix B.

### Report Opinion

Trend

Reasonable



Some matters require management attention in control design or compliance.

**Low to moderate impact** on residual risk exposure until resolved.



2022/23

### Assurance summary<sup>1</sup>

Objectives	Assurance
1 Policies and Procedures	Substantial
2 Additions and amendments to the All-Wales Medical Performers List	Substantial
3 Payments accurately calculated and processed in line with the Statement of Financial Entitlement	Reasonable

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

### Matters Arising

	Objective	Control Design or Operation	Recommendation Priority
1	Reckonable Service Calculation	Design	Medium
2	Enhanced Services Claim Validation Process	Design	Medium

## 1. Introduction

- 1.1 Primary Care Services (PCS) is a division of NHS Wales Shared Services Partnership (NWSSP), responsible for contract management, reimbursement, post payment verification and information services for medical, dental, ophthalmic, and pharmacy/prescribing services. This review focuses on General Medical Services (GMS).
- 1.2 The associated risk considered in the review is inaccurate payments to contractors, potentially resulting in reputational damage and/or financial loss.

## 2. Detailed Audit Findings

### **Objective 1: Adequate policies and procedures are in place and up to date**

- 2.1 Policies and procedures are up to date and accessible via SharePoint. In relation to GMS we reviewed the following Standard Operating Procedures:
  - M-SOP-003 Medical Performers List
  - M-SOP-004 Enhanced Services
  - M-SOP-035 Premises and Associated Costs
  - M-SOP-041 Practice Partnership Premium Payments
  - M-SOP-042 Quality Outcomes Framework Payments

#### Conclusion:

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

### **Objective 2: Additions and amendments to the all-Wales Medical Performers List are promptly and accurately processed**

#### All-Wales Medical Performers List (MPL)

- 2.3 There have been 295 additions to the MPL during the period January – October 2023. Sample testing of 15 additions confirmed all had been accurately processed with all required checks been completed with no significant issues identified.

#### Partnership Premium Scheme

- 2.4 The Partnership Premium Scheme provides payments to GP partners based on the number of clinical sessions undertaken, to incentivise the partnership model as the preferred model for delivery of GMS. There have been 62 partnership premium applications during the period reviewed.
- 2.5 Sample testing of seven applications (one per health board) identified two instances where the application form had not been signed by the Contracts Team

to confirm completion of required actions and checks, although supporting checklists did evidence that these had been completed. These were highlighted to management during the review.

#### Conclusion:

2.6 We have concluded **Substantial** assurance for this objective.

### **Objective 3: Payments are accurately calculated and processed in line with the Statement of Financial Entitlement, and appropriately authorised**

#### Global Sum

2.7 The Global Sum (GSUM) is the main payment to practices and is calculated quarterly based on each practices registered patient list (adjusted to account for patient demographics and other factors to give a weighted patient count) and the current GSUM rate.

2.8 The GSUM rate within FPPS is correct in line with the *Directions to Local Health Boards as to the Statement of Financial Entitlements (Amendment) (No.3) Directions 2022*.

2.9 Registered patient lists ('capitation') for each practice are monitored quarterly for variation. We reviewed the capitation process and confirmed that variances of +/- 1.5% compared to the previous quarter are investigated.

#### Additional Payments

2.10 The Quality Assurance & Improvement Framework (QAIF) rewards contractors for the provision of quality care through a points-based system. Payments are based on aspiration with adjustments made later in the year for actual achievement. For a sample of 30 GP practices we verified aspiration targets to source data from the health boards and reperformed the QAIF calculations with no issues identified.

2.11 GPs on the Partnership Premium Scheme (see para 2.4) are eligible for partnership premium payments which are paid at a lower rate of £250 per session increasing to £300 with 16+ years reckonable service. We reviewed Partnership Premium Payments for a sample of 15 GP practices (a total of 43 payments) to confirm eligibility and payment at the correct rate. We identified eight minor errors in reckonable service and whilst none of these had resulted in an incorrect payment thus far, in three cases a minor under/overpayment would occur in future if uncorrected. **[Matter Arising 1]**

2.12 NWSSP are responsible for paying the practice's premises costs which include rent, rates. We verified a sample of 30 (24 premises and 6 utility) payments to supporting documentation with no significant issues identified.

### Enhanced Services

2.13 GP practices can claim additional payment for providing specialised services not covered by their GP contract, such as vaccination programmes and minor surgery. Practices submit their claims on a monthly basis via FPPS along with the NHS numbers of the patients the services were provided to. This information is not checked as part of the payment process, but is required for post payment verification (PPV) - outside the scope of this review.

2.14 FPPS lacks the validation controls that were present in the former Open Exeter/NHAIS system, so there is a greater risk of erroneous claims and potential financial loss. To compensate for this, a reconciliation tool was developed and implemented in April 2023 to perform basic validation checks on the NHS numbers provided in support of enhanced services claims, and produce cleansed samples for PPV purposes.

2.15 The tool was subject to internal audit review in August 2023 which concluded *reasonable* assurance with three matters arising to be addressed by management. Details of the recommendations and current status are provided at Appendix B.

2.16 The tool is currently only used for the purpose of providing cleansed samples for PPV. This means that whilst all claims will be processed via the tool at a point in time, in line with the PPV cyclical plan it could be up to three years following the month of claim. **[Matter Arising 2]**

2.17 Only complete samples (i.e. those successfully and completely reconciled via the tool) will be reviewed by PPV. Any discrepancies, for example between the number of claims and number of NHS numbers provided as evidence, are excluded from PPV and subject to investigation by the Payments Team. The arrangements for this were reviewed in the August 2023 audit: investigation of errors is prioritised by error rate, and we were advised that errors are primarily due to teething issues with use of the new template for submitting evidence. The Payments Team are working with GP practices to resolve errors and educate on the correct use of the template.

### Payments Process

2.18 Sample testing of payments to 30 practices identified no issues. We identified good practice in the North & South East Payments Team with a payment analysis table clearly demonstrating the reconciliation from FPPS to final payment. This was

highlighted to management during the review to consider implementation in the Mid & West Payments Team.

**Conclusion:**

2.19 Following the move to FPPS there is greater risk of practices submitting incorrect NHS numbers in support of claims due to the absence of validation controls that were present in the former NHAIS system. Although the reconciliation tool had been developed to compensate for this, it is not used for all claims. Our testing also identified minor errors in the calculation of reckonable service and opportunity to enhance payment run processes. We have concluded **Reasonable** assurance for this objective.

## Appendix A: Management Action Plan

Matter Arising 1: Reckonable Service Calculation (Design)		Impact
<p>GPs on the Partnership Premium Scheme (see para 2.4) are eligible for partnership premium payments which are paid at a lower rate of £250 per session increasing to £300 with 16+ years reckonable service. We reviewed Partnership Premium Payments for a sample of 15 GP practices (a total of 43 payments) to confirm eligibility and payment at the correct rate. We identified eight minor errors in reckonable service and whilst none of these had resulted in an incorrect payment thus far, in three cases a minor under/overpayment would occur in future (if uncorrected).</p>		<p>Potential risk of:</p> <ul style="list-style-type: none"> <li>inaccurate payments potentially resulting in financial loss and reputational damage.</li> </ul>
Recommendations		Priority
1.1	Correction of the reckonable service errors identified. Consider the merits of independent accuracy checking of reckonable service.	<b>Medium</b>
Agreed Management Action		Target Date
1.1	Potential errors have been reviewed and corrected. A full review will be undertaken. A process of independent accuracy checking will be put in place if required.	30/04/2024
		Responsible Officer
		Ceri Evans, Head of Transaction Services

Matter Arising 2: Enhanced Services Claim Validation Process (Design)		Impact
<p>FPPS is a payment system rather than a demographics system and consequently does not have the patient validation controls that were present in the former Open Exeter/NHAIS system, so there is a greater risk of practices submitting incorrect NHS numbers in support of claims and potential financial loss.</p> <p>A reconciliation tool was developed and implemented in April 2023 to compensate for this, with the initial intention that all claims would be processed through the tool.</p> <p>The reconciliation tool is currently only used for the purpose of providing cleansed samples for PPV. This means that whilst all claims will be processed via the tool at a point in time, in line with the PPV cyclical plan it could be up to three years following the month of claim.</p>		<p>Potential risk of:</p> <ul style="list-style-type: none"> <li>inaccurate and/or inappropriate payments resulting in financial loss and reputational damage.</li> </ul>
Recommendations		Priority
2.1	Recognising the increased risk of practices submitting incorrect NHS numbers in support enhanced services claims following the move from NHAIS to FPPS, PCS should determine and agree with health boards what (if any) validation checks are required at the point of claim/payment, in addition to the PPV process.	<b>Medium</b>
Agreed Management Action		Target Date
2.1	A communication will be sent to HoPC/DoFs detailing the system differences.	30/04/2024
		Responsible Officer
		Ceri Evans, Head of Transaction Services



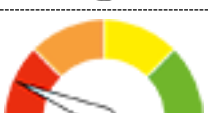

## Appendix B: FPPS Reconciliation Tool Follow Up

Matter Arising	Priority	Recommendation	Current Status
1	Medium	1.1a Progress in implementing the actions set out in the December 2022 correspondence, including any changes to these actions, changes in process/controls and associated risks as highlighted in the review, should be formally communicated to health board directors of finance and primary care. <i>Target Date: 31 December 2023</i>	<b>Partially Implemented</b> Written update provided to health boards in October 2023 but this was not sufficiently detailed to cover the points outlined in the recommendation. The tool is currently only used for the purpose of PPV (see para 2.16 for details) which varies from the intentions set out in the December 2022 correspondence. Health boards have not been informed of this change. <b>See Matter Arising 2 in Appendix A</b>
		1.1b PCS should assess the benefits, limitations and risks associated with the new reconciliation process to establish whether it represents efficient and effective use of resources in the longer term. Health boards should be consulted as appropriate. <i>Target Date: 31 March 2024</i>	<b>Ongoing</b> Service Improvement Team have been engaged to support review of the reconciliation tool and its use.
2	Medium	2.1a PCS should liaise with the Information Governance Manager to ensure a Privacy Impact Assessment (PIA) is undertaken on the reconciliation tool and payment claim data template. <i>Target Date: 31 December 2023</i>	<b>Implemented</b> PIA complete
		2.1b Enhanced services payment claim files and data should be stored in a restricted area within SharePoint with access only to staff who require it. <i>Target Date: 31 October 2023</i>	<b>Ongoing</b>
3	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. <i>Target Date: 31 December 2023</i>	<b>Not Implemented</b> Management action stated that this would be included in the written correspondence outlined in matter arising 1 but it wasn't. <b>See Matter Arising 2 in Appendix A</b>

## Appendix C: 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:

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

### Prioritisation of 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.



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# Employment Services - Payroll Final Internal Audit Report

April 2024

NHS Wales Shared Services Partnership

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Review reference:	NWSSP-2324-02
Report status:	Final
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Fieldwork completion:	20 <sup>th</sup> March 2024
Debrief meeting:	28 <sup>th</sup> March 2024
Draft report issued:	4 <sup>th</sup> April 2024
Management response received:	9 <sup>th</sup> April 2024
Final report issued:	9 <sup>th</sup> April 2024
Auditors:	Dawn Jones (Principal Auditor) Leighton Pope (Principal Auditor) Gareth Heaven (Internal Audit Manager)
Executive sign-off:	Gareth Hardacre (Director of People, Organisational Development and Employment Services)
Distribution:	Darren Rees (Deputy Director of Employment Services) Stephen Withers (Assistant Director of Employment Services) Janet Carsley (Head of Payroll) Neil Evans (Head of Payroll) Christine Richards (Head of Payroll)
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

The overall objective of this audit was to evaluate the design and operation of the systems and controls in place within payroll services.

## Overview

The design and operation of controls for the administration of Payroll Services are designed and operating effectively and this is reflected in the continued high levels of payroll accuracy figures reported in KPIs (over 99%) during 2023-24.

Payments for new starters and changes were processed in an accurate and timely manner, whilst overpayments had been promptly addressed.

In addition, the automation of processes with the recent introduction of the Staff Movement Advice and the All-Wales Overpayments Reporting platforms should further strengthen governance and internal controls within Payroll Services.

We have identified one medium and one low priority matters arising in relation to exception reports and input accuracy checking. Full details of matters arising are provided in Appendix A.

Accordingly, we have concluded **Substantial** assurance.

## Report Opinion

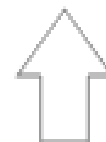
Substantial



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

**Low impact** on residual risk exposure.

Trend



## Assurance summary<sup>1</sup>

Objectives	Assurance
1 Payments to staff are timely and accurate, with only employees of the organisation being paid	Substantial
2 Prompt and accurate recovery of overpayments	Substantial
3 Delivery of a high-quality service to ensure customer satisfaction	Substantial

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

## Matters Arising

	Objective	Control Design or Operation	Recommendation Priority
1	Input Accuracy Checking	1 Operation	Low
2	Exception Reports	1 Operation	Medium

## 1. Introduction

- 1.1 NHS Wales Shared Services Partnership (NWSSP) provides payroll services to all NHS Wales organisations and Llais (since April 2023), processing salary payments to over 94,000 staff members each month. The Payroll Services function is split into three teams at four sites across Wales.
- 1.2 This audit has reviewed only the processes and controls within NWSSP Payroll Services and has not considered the arrangements in place or responsibilities of the organisations it serves.
- 1.3 The risk considered in the review is inaccurate payments to staff potentially resulting in reputational damage and/or financial loss.
- 1.4 Recommendations arising from the previous internal audit (report NWSSP-2223-11) have been followed up as part of the current audit fieldwork.

## 2. Detailed Audit Findings

### **Objective 1: Payments to staff are timely and accurate, with only employees of the organisation being paid**

#### Starters and Changes

- 2.1 A total sample 65 new starters and changes processed during the period January to November 2023 was verified to supporting documentation to confirm approval by the health and statutory independent bodies and the accuracy of processing by Payroll Services. No issues were identified.
- 2.2 The previous audit report (NWSSP-2223-11) highlighted the continued variation in enrolment and change forms received by the payroll teams across Wales. The same was observed again this year, with 52 New Appointment Forms (NAF)/ Payroll Instruction Forms (PIF) and 13 manual forms identified within the sample.
- 2.3 A new Staff Movement Advice (SMA) platform has been designed to standardise payroll processes including new starters and changes. The SMA platform was piloted in January 2024 at Cardiff & Vale University Health Board and will be rolled out to more organisations throughout the year with others implementing Manager Self Service (MSS).

#### Payroll Checking Processes

- 2.4 There are two key elements to the payroll checking process:
  - input accuracy checks to ensure manual amendments to payroll data (such as starters, leavers, and changes) have been accurately processed on ESR
  - exception reporting to identify and prevent potential erroneous payments
- 2.5 Our sample testing did not identify any errors or incorrect payments, but we did note 11 instances where there was no evidence that input accuracy checks had been completed and four where the inputting officer was also the checking officer. The ongoing implementation of the new SMA platform and move to MSS will replace

this control and will ensure the consistency of input accuracy and completeness checks going forward. **[Matter Arising 1]**

- 2.6 Sample testing of 39 exception reports (three per organisation) identified evidence of checking by Payroll Officers. However, two reports had not been signed by a supervising officer to confirm completeness of checking and satisfactory resolution of any queries, and three instances identified where queried lines had not been amended to confirm they had been resolved. **[Matter Arising 2]**

### Payroll Feeds and Data Flows

- 2.7 Walkthrough testing of payroll feeds and data flows observed satisfactory checking controls in place to confirm the completeness of data transfer into ESR.

### System Access

- 2.8 User Responsibility Profiles (URPs) are internal controls within the ESR system that are designed to protect the system integrity through the allocation of access rights with compliant URP combinations set out in the '*URP Allocation Guidance*' document.
- 2.9 Testing identified some URP combinations highlighted as risks in the guidance document had been allocated to payroll staff. This is due to the current configuration and working arrangements of payroll teams across Wales with the risk accepted by management.
- 2.10 To mitigate the risk of URP combinations, the Assistant Director of Employment Services reviews all allocated payroll URPs on a six-monthly basis to ensure only valid employees retain these system access rights. A review of staff allocated payroll URPs, as at 4<sup>th</sup> December 2023, were confirmed to the staff in post list.

### Establishment of Llais Payroll

- 2.11 A review of the Llais TUPE<sup>1</sup> process confirmed internal controls had been implemented to document the accurate transfer of employees to their newly designated payroll.

### Conclusion:

- 2.12 Testing identified minor compliance issues with exception reporting although overall, satisfactory checking arrangements are in place to identify and prevent/correct erroneous payments. We have concluded **Substantial** assurance for this objective.

### Objective 2: Prompt and accurate recovery of overpayments

- 2.13 The previous audit highlighted an all-Wales Overpayments Policy was being developed in order to standardise processes. The policy remains in draft format with the all-Wales Overpayment Policy Review Group currently engaged with NHS Employers and Trade Unions.

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<sup>1</sup> Transfer of Undertakings Protection of Employment rights

2.14 Sample testing of 35 overpayments noted that all had evidence on file to demonstrate accurate recovery of monies. Whilst we noted two overpayments were currently under investigation by Counter Fraud, Payroll Services had promptly addressed the other overpayments.

2.15 The Employment Services Business Manager developed an all-Wales Overpayments Reporting platform in 2023, that streamlines the overpayments procedure through the automation of processing arrangements. This will result in the quicker turnaround of under and overpayments including the highlighting and submission of suspected fraudulent cases to the Counter Fraud Service for review.

#### Conclusion:

2.16 The overpayments sampled were accurately calculated and promptly recovered. We have concluded **Substantial** assurance for this objective.

### Objective 3: Delivery of a high-quality service to ensure customer satisfaction

2.17 Payroll Service key performance indicators (KPIs) are reported to the Senior Leadership Group in the monthly performance report. A review of the KPI figures for October 2023 (see below) reconciled fully to the supporting data.

KPI	Target	Position
<b>Payroll Services Accuracy</b>	99.60%	99.92%
<b>Overall Pay Accuracy</b>	99.60%	99.75%
<b>Payroll % Calls Handled</b>	95%	98%
<b>Payroll Volume Total Calls</b>	-	9,408

2.18 A review of the formulas used to calculate the above KPI percentages identified a very minor error in the method of calculation. This has been highlighted to management, but we have not raised a recommendation as the impact on reported performance is negligible (0.2% for October 2023).

#### Conclusion:

2.19 Payroll KPIs accurately reconciled to the supporting data. We have concluded **Substantial** assurance for this objective.

## Appendix A: Management Action Plan

Matter Arising 1: Input Accuracy Checks (Operation)		Impact
<p>Our sample testing did not identify any errors or incorrect payments, but we did note 11 instances where there was no evidence that input accuracy checks had been completed and four where the inputting officer was also the checking officer. We recognise that the ongoing implementation of the new SMA platform and move to MSS will replace this control, but it should be complied with in the meantime.</p>		<p>Potential risk of:</p> <ul style="list-style-type: none"> <li>Errors not identified or corrected resulting in incorrect payments.</li> </ul>
Recommendation		Priority
1.1	Ensure compliance with input accuracy checking requirements for manually processed additions/changes to payroll data.	<b>Low</b>
Agreed Management Action		Target Date
1.1	We acknowledge the findings of the audit, This will be addressed with the full implementation of SMA or MSS, in the meantime we have reminded the teams to ensure that when checking they initial all of the reports as checked, this message will also be relaying in the floor briefings.	<p>31.03.2026 for MSS</p> <p>30.10.2024 for SMA</p> <p>30.04.2024 for reminder of Manual Checks</p>
		Responsible Officer
		Stephen Withers, Assistant Director of Employment Services

<b>Matter Arising 2: Exception Reports (Operation)</b>		<b>Impact</b>
Two exception reports had not been evidenced as signed by a supervising officer, with three instances identified where queried lines had not been amended to confirm they had been resolved.		Potential risk of: <ul style="list-style-type: none"> <li>Inaccurate payments to staff potentially resulting in reputational damage and/or financial loss.</li> </ul>
<b>Recommendation</b>		<b>Priority</b>
2.1	Exception reports must be fully reviewed and evidenced as such, to ensure that erroneous payments are identified and prevented.	<b>Medium</b>
<b>Agreed Management Action</b>		<b>Target Date</b>
2.1	We acknowledge the findings of the audit. We have reminded the teams to ensure that all of the queried lines are cleared, however, the secondary check and sign off by the Supervisor will have checked any outstanding issues, it will also be raised at all floor briefings.	30.04.2024
		<b>Responsible Officer</b>
		Stephen Withers, Assistant Director of Employment Services

## 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:

	<b>Substantial assurance</b>	Few matters require attention and are compliance or advisory in nature. <b>Low impact</b> on residual risk exposure.
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### 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.



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# Annual Internal Audit Plan

## Internal Audit Charter 2024/25

April 2024

### NHS Wales Shared Services Partnership

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# 1. Introduction

This document sets out the Internal Audit Plan for 2024/25 (the Plan) detailing the audits to be undertaken and an analysis of the corresponding resources. It also contains the Internal Audit Charter which defines the over-arching purpose, authority and responsibility of Internal Audit and the Key Performance Indicators for the service.

The Accountable Officer (the NWSSP Managing Director) is required to certify, in the Annual Governance Statement, that they have reviewed the effectiveness of the organisation's governance arrangements, including the internal control systems, and provide confirmation that these arrangements have been effective, with any qualifications as necessary including required developments and improvement to address any issues identified.

The purpose of Internal Audit is to provide the Accountable Officer and the Board, through the Audit Committee, with an independent and objective annual opinion on the overall adequacy and effectiveness of the organisation's framework of governance, risk management, and control. The opinion should be used to inform the Annual Governance Statement. NHS Wales Shared Services Partnership is hosted by Velindre University NHS Trust.

Additionally, the findings and recommendations from internal audit reviews may be used by management to improve governance, risk management, and control within their operational areas.

The Public Sector Internal Audit Standards (the Standards) require that 'The risk-based plan must take into account the requirement to produce an annual internal audit opinion and the assurance framework. It must incorporate or be linked to a strategic or high-level statement of how the internal audit service will be delivered in accordance with the internal audit charter and how it links to the organisational objectives and priorities.'

Accordingly, this document sets out the risk-based approach and the Plan for 2024/25. The Plan will be delivered in accordance with the Internal Audit Charter and the agreed KPIs which are monitored and reported to you. All internal audit activity will be provided by Audit & Assurance Services, a part of NHS Wales Shared Services Partnership (NWSSP).

## 1.1 National Assurance Audits

The proposed Plan includes assurance audits on some services that are provided by Digital Health and Care Wales (DHCW), on behalf of NHS Wales. These audits will be included in Appendix A where applicable and when agreed formally. These audits are part of the risk-based programme of work for DHCW, but the results, as in previous years, are reported to the relevant organisations and are used to inform the overall annual Internal Audit opinion for those organisations.

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## 2. Developing the Internal Audit Plan

### 2.1 Link to the Public Sector Internal Audit Standards

The Plan has been developed in accordance with Standard 2010 – Planning, to enable the Head of Internal Audit to meet the following key objectives:

- the need to establish risk-based plans to determine the priorities of the internal audit activity, consistent with the organisation’s goals;
- provision to the Accountable Officer of an overall independent and objective annual opinion on the organisation’s governance, risk management, and control, which will in turn support the preparation of the Annual Governance Statement;
- audits of the organisation’s governance, risk management, and control arrangements which afford suitable priority to the organisation’s objectives and risks;
- improvement of the organisation’s governance, risk management, and control arrangements by providing line management with recommendations arising from audit work;
- confirmation of the audit resources required to deliver the Internal Audit Plan;
- effective co-operation with Audit Wales as external auditor and other review bodies functioning in the organisation; and
- provision of both assurance (opinion based) and consulting engagements by Internal Audit.

### 2.2 Risk based internal audit planning approach

Our risk-based planning approach recognises the need for the prioritisation of audit coverage to provide assurance on the management of key areas of risk, and our approach addresses this by considering:

- the organisation’s risk assessment and maturity;
- the organisation’s response to key areas of governance, risk management and control;
- the previous years’ internal audit activities; and
- the audit resources required to provide a balanced and comprehensive view.

Our planning takes into account the NHS Wales Planning Framework and other NHS Wales priorities and is mindful of significant national changes that are taking place. In addition, the plan aims to reflect the significant local changes occurring as identified through the Integrated Medium-Term Plan (IMTP) and other changes within the organisation, assurance needs, identified concerns from our discussions with management, and emerging risks.

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We will ensure that the plan remains fit for purpose by recommending changes where appropriate and reacting to any emerging issues throughout the year. Any necessary updates will be reported to the Audit Committee in line with the Internal Audit Charter.

While some areas of governance, risk management and control will require annual consideration, our risk-based planning approach recognises that it is not possible to audit every area of an organisation's activities every year. Therefore, our approach identifies auditable areas (the audit universe). The risk associated with each auditable area is assessed and this determines the appropriate frequency for review.

In addition, we will, if requested, also agree a programme of work through both the Directors of Corporate Governance and Directors of Finance networks. These audits and reviews may be undertaken across all NHS bodies or a particular sub-set, for example at Health Boards only.

Therefore, our audit plan is made up of a number of key components:

- 1) Consideration of key governance and risk areas: We have identified a number of areas where an annual consideration supports the most efficient and effective delivery of an annual opinion. These cover the Governance and Board Assurance Framework, Risk Management, Clinical Governance and Quality, Financial Sustainability, Performance Monitoring & Management and an overall IM&T assessment. In each case we anticipate a short overview to establish the arrangements in place including any changes from the previous year with detailed testing or further work where required. Within NWSSP we also consider areas where annual audit work will both support the most efficient and effective delivery of an annual opinion and provide assurance to other NHS Wales organisations. These cover Primary Care Services Contractor Payments, Purchase to Pay and Payroll.
- 2) Organisation based audit work – this covers key risks and priorities from the Board Assurance Framework and the Corporate Risk Register together with other auditable areas identified and prioritised through our planning approach. This work combines elements of governance and risk management with the controls and processes put in place by management to effectively manage the areas under review.
- 3) Follow up: this is follow-up work on previous limited and no assurance reports as well as other high priority recommendations. Our work here also links to the organisation's recommendation tracker and considers the impact of their implementation on the systems of governance and control.
- 4) Work agreed with the Directors of Corporate Governance, Directors of Finance, other executive peer groups, or Audit Committee Chairs in response to common risks faced by a number of organisations. This may be advisory work in order to identify areas of best practice or shared learning.
- 5) The impact of audits undertaken at other NHS Wales bodies that impacts

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on the NWSSP, including Digital Health and Care Wales (DHCW) and NHS Wales Joint Commissioning Committee (NWJCC) where applicable.

6) Where appropriate, Integrated Audit & Assurance Plans will be agreed for major capital and transformation schemes and charged for separately. Health bodies are able to add a provision for audit and assurance costs into the Final Business Case for major capital bids.

These components are designed to ensure that our internal audit programmes comply with all of the requirements of the Standards, supports the maximisation of the benefits of being an all-NHS Wales wide internal audit service, and allows us to respond in an agile way to requests for audit input at both an all-Wales and organisational level.

### 2.3 Link to NWSSP's systems of assurance

The risk based internal audit planning approach integrates with the NWSSP systems of assurance; therefore, we have considered the following:

- a review of NWSSP's vision, values and forward priorities as outlined in the Annual Plan and three year Integrated Medium Term Plan (IMTP);
- an assessment of the governance and assurance arrangements and the contents of the corporate risk register;
- risks identified in papers to the NWSSP Partnership Committee and its Audit Committee;
- key strategic risks identified within the corporate risk register and assurance processes;
- discussions with Executive Directors regarding risks and assurance needs in areas of corporate responsibility;
- cumulative internal audit knowledge of governance, risk management, and control arrangements (including a consideration of past internal audit opinions);
- new developments and service changes;
- legislative requirements to which the organisation is required to comply;
- planned audit coverage of systems and processes provided through other NHS Wales Bodies;
- work undertaken by other supporting functions of the Audit Committee including Local Counter-Fraud Services (LCFS);
- work undertaken by other review bodies including Audit Wales and Healthcare Inspectorate Wales (HIW); and
- coverage necessary to provide assurance to the Managing Director in support of the Annual Governance Statement.

## 2.4 Audit planning meetings

In developing the Plan, in addition to consideration of the above, the Head of Internal Audit has met with the Director of Finance and Corporate Services and the Head of Finance and Business Development to discuss current areas of risk and related assurance needs. A meeting has also been held with the Chair of the Audit Committee to discuss the draft plan.

A planning consideration document was shared with the Director of Finance and Head of Finance and Business Development for discussion, with the draft Plan presented to the NWSSP Senior Leadership Group on 28<sup>th</sup> March for consideration and comment.

## 3. Audit risk assessment

The prioritisation of audit coverage across the audit universe is based on both our and the organisation's assessment of risk and assurance requirements as defined in the Board Assurance Framework and Corporate Risk Register.

The maturity of these risk and assurance systems allows us to consider both inherent risk (impact and likelihood) and mitigation (adequacy and effectiveness of internal controls). Our assessment also takes into account corporate risk, materiality or significance, system complexity, previous audit findings, and potential for fraud.

## 4. Planned internal audit coverage

### 4.1 Internal Audit Plan 2024/25

The Plan is set out in Appendix A and identifies the audit assignments, lead executive officers, outline scopes, and proposed timings. It is structured under the six components referred to in section 2.2.

Where appropriate the Plan makes cross reference to key strategic risks identified within the corporate risk register and related systems of assurance together with the proposed audit response within the outline scope.

The scope, objectives and audit resource requirements and timing will be refined in each area when developing the audit scope in discussion with the responsible executive director(s) and operational management.

The scheduling takes account of the optimum timing for the performance of specific assignments in discussion with management, and Audit Wales requirements if appropriate.

The Audit Committee will be kept apprised of performance in delivery of the Plan, and any required changes, through routine progress reports to each Audit Committee meeting.

The majority of the audit work will be undertaken by our regionally based

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teams with support from our national Capital & Estates team, in terms of capital audit and estates assurance work, and from our IM&T team, in terms of Information Governance, IT security and Digital work.

## 4.2 Keeping the plan under review

Our risk assessment and resulting Plan is limited to matters emerging from the planning processes indicated above.

Audit & Assurance Services is committed to ensuring its service focuses on priority risk areas, business critical systems, and the provision of assurance to management across the medium term and in the operational year ahead. As in any given year, our Plan will be kept under review and may be subject to change to ensure it remains fit for purpose. Consistent with previous years, and in accordance with best professional practice, an element of unallocated contingency provision has been retained in the Plan to enable Internal Audit to respond to emerging risks and priorities identified by the Executive Management Team and endorsed by the Audit Committee. Any changes to the Plan will be based upon consideration of risk and need and will be presented to the Audit Committee for approval.

Regular liaison with Audit Wales as your External Auditor will take place to coordinate planned coverage and ensure optimum benefit is derived from the total audit resource.

## 5. Resource needs assessment

The plan has been put together on the basis of the planning process described in this document. The plan includes sufficient audit work to be able to give an annual Head of Internal Audit Opinion in line with the requirements of Standard 2450 – Overall Opinions.

Audit & Assurance Services confirms that it has the necessary resources to deliver the agreed plan.

Provision has also been made for other essential audit work including planning, management, reporting and follow-up.

If additional work, support, or further input necessary to deliver the plan is required during the year over and above the total indicative resource requirement a fee may be charged. Any change to the plan will be based upon consideration of risk and need and presented to the Audit Committee for approval.

The Standards enable Internal Audit to provide consulting services to management. The commissioning of these additional services, by NWSSP, unless already included in the plan, is discretionary. Accordingly, a separate fee may need to be agreed for any additional work.

Under the approach we have adopted for a number of years, the top slice provided to us to undertake the core Internal Audit programme is sufficient

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to deliver the proposed plan for 2024/25. Work in respect of the development of any Integrated Audit & Assurance Plans for major programme would be chargeable in line with the specific requirements of those plans.

## 6. Action required

The Audit Committee is invited to consider the Internal Audit Plan for 2024/25 and:

- approve the Internal Audit Plan for 2024/25;
- approve the Internal Audit Charter; and
- note the associated Internal Audit resource requirements and Key Performance Indicators.

James Johns

Head of Internal Audit  
Audit & Assurance Services  
NHS Wales Shared Services Partnership

## Appendix A: Internal Audit Plan 2024/2025

Planned output	Audit Ref	Corporate Risk Ref	Outline Scope	Executive Lead	Outline Timing
<b>All Wales Services</b>					
Accounts Payable	1		To review the adequacy of the systems and controls in place for key risk areas in the Purchase to Pay Process.	Director of Finance & Corporate Services and Director of Procurement Services	Q2-4
Employment Services - Payroll	2		To review the adequacy of the systems and controls in place for key risk areas of Payroll Services processes.	Director of People, O.D & Employment Services	Q2-4
Primary Care Contractor Services	3		To provide assurance that Primary Care Services is maintaining a robust system to facilitate timely and accurate payments.	Director of Primary Care Services	Q2-4
Procurement Services	4	A4	To review the adequacy of the systems and controls in place for key risk areas of Procurement Services – including Stores and Capital.	Director of Procurement Services	Q2-4
Recruitment Services	5	A3	To review the adequacy of the systems and controls in place for key risk areas for the provision of recruitment services.	Director of People, O.D & Employment Services	Q2-4

Planned output	Audit Ref	Corporate Risk Ref	Outline Scope	Executive Lead	Outline Timing
<b>NWSSP Corporate and Services</b>					
Risk Management	6		To review the adequacy of the NWSSP Risk Management Arrangements including ongoing developments.	Director of Finance & Corporate Services	Q2
Variable Pay	7	A15	Review arrangements for variable pay in a sample of service areas to ensure appropriate controls are in place.	Director of Finance & Corporate Services	Q2
Health & Safety	8		To review the adequacy of the NWSSP Health & Safety Arrangements	Director of Finance & Corporate Services	Q3
Contract Management	9		To provide assurance over the contract management arrangements in a sample of service areas. (All Wales Coverage.)	Director of Finance & Corporate Services	Q3
IT /Digital – Service Management	10	A2	To provide assurance of the IT/Digital service management.	Director of Planning, Performance & Informatics	Q2
IT /Digital – Strategy Implementation	11	A2	To provide assurance over the implementation of the Digital Strategy.	Director of Planning, Performance & Informatics	Q3

Planned output	Audit Ref	Corporate Risk Ref	Outline Scope	Executive Lead	Outline Timing
Decarbonisation follow up	12	A9	Follow up review as required	Director of Finance / Specialist Estates Services	Q3/4
CIVAS/Medicines Unit	13	A7	To test compliance with a range of policies and procedures, key aspects of risk and governance within the Service	Service Director	Q2/3
Specialist Estates Services - Building for Wales Framework – Invitation to Tender	14		Review arrangements for the retendering of the NHS Building for Wales Framework.	Director of Specialist Estates Services	Q2/3
Recommendation Tracking	--		Ongoing review of sample of implemented actions.	Director of Finance & Corporate Services	Q2-Q4

## Appendix B: Key performance indicators (KPI)

KPI	SLA required	Target 2024/25
Audit plan agreed/in draft by 30 April	✓	Plan agreed
Audit opinion delivered by 31 May	✓	Opinion Delivered
Audits delivered for each Audit Committee in line with agreed plan	–	varies
% of audit output in progress	–	varies
Report turnaround fieldwork to draft reporting [10 days]	✓	95%
Report turnaround management response to draft report [15 working days minimum]	✓	80%
Report turnaround draft response to final reporting [10 days]	✓	95%

## Appendix C: Internal Audit Charter

### 1 Introduction

- 1.1 This Charter is produced and updated annually to comply with the Public Sector Internal Audit Standards. The Charter is complementary to the relevant provisions included in the organisation's own Standing Orders and Standing Financial Instructions.
- 1.2 The terms 'board' and 'senior management' are required to be defined under the Standards and therefore have the following meaning in this Charter:
- Board means the NWSSP Partnership Committee (Hosted by the Board of Velindre NHS Trust) with responsibility to direct and oversee the activities and management of the organisation. The Board has delegated authority to the Audit Committee in terms of providing a reporting interface with internal audit activity; and
  - Senior Management means the Managing Director as being the designated Accountable Officer for NHS Wales Shared Services Partnership. The Managing Director has made arrangements within this Charter for an operational interface with internal audit activity through the Head of Finance & Business Development (Director of Corporate Governance).
- 1.3 Internal Audit seeks to comply with all the appropriate requirements of the Welsh Language (Wales) Measure 2011. We are happy to correspond in both Welsh and English.

### 2 Purpose and responsibility

- 2.1 Internal audit is an independent, objective assurance and advisory function designed to add value and improve the operations of NHS Wales Shared Services Partnership. Internal audit helps the organisation accomplish its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of governance, risk management and control processes. Its mission is to enhance and protect organisational value by providing risk-based and objective assurance, advice and insight.
- 2.2 Internal Audit is responsible for providing an independent and objective assurance opinion to the Accountable Officer, the Board and the Audit Committee on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control. In addition, internal audit's findings and recommendations are beneficial to management in securing improvement in the audited areas.

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- 2.3 The organisation's risk management, internal control and governance arrangements comprise:
- the policies, procedures and operations established by the organisation to ensure the achievement of objectives;
  - the appropriate assessment and management of risk, and the related system of assurance;
  - the arrangements to monitor performance and secure value for money in the use of resources;
  - the reliability of internal and external reporting and accountability processes and the safeguarding of assets;
  - compliance with applicable laws and regulations; and
  - compliance with the behavioural and ethical standards set out for the organisation.
- 2.4 Internal audit also provides an independent and objective consulting service specifically to help management improve the organisations risk management, control and governance arrangements. The service applies the professional skills of internal audit through a systematic and disciplined evaluation of the policies, procedures and operations that management have put in place to ensure the achievement of the organisations objectives, and through recommendations for improvement. Such consulting work contributes to the opinion which internal audit provides on risk management control and governance.

### 3 Independence and Objectivity

- 3.1 Independence as described in the Public Sector Internal Audit Standards as the freedom from conditions that threaten the ability of the internal audit activity to carry out internal audit responsibilities in an unbiased manner. To achieve the degree of independence necessary to effectively carry out the responsibilities of the internal audit activity, the Head of Internal Audit will have direct and unrestricted access to the Board and Senior Management, in particular the Chair of the Audit Committee and Accountable Officer.
- 3.2 Organisational independence is effectively achieved when the auditor reports functionally to the Audit Committee on behalf of the Board. Such functional reporting includes the Audit Committee:
- approving the internal audit charter;
  - approving the risk based internal audit plan;
  - approving the internal audit resource plan;
  - receiving outcomes of all internal audit work together with the assurance rating; and
  - reporting on internal audit activity's performance relative to its plan.

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- 3.3 While maintaining effective liaison and communication with the organisation, as provided in this Charter, all internal audit activities shall remain free of untoward influence by any element in the organisation, including matters of audit selection, scope, procedures, frequency, timing, or report content to permit maintenance of an independent and objective attitude necessary in rendering reports.
  - 3.4 Internal Auditors shall have no executive or direct operational responsibility or authority over any of the activities they review. Accordingly, they shall not develop nor install systems or procedures, prepare records, or engage in any other activity which would normally be audited.
  - 3.5 This Charter makes appropriate arrangements to secure the objectivity and independence of internal audit as required under the standards. In addition, the shared service model of provision in NHS Wales through NWSSP provides further organisational independence.
  - 3.6 In terms of avoiding conflicts of interest in relation to non-audit activities, Audit & Assurance has produced a Consulting Protocol that includes all of the steps to be undertaken to ensure compliance with the relevant Standards that apply to non-audit activities.

## 4 Authority and Accountability

- 4.1 Internal Audit derives its authority from the Board, the Accountable Officer and Audit Committee. These authorities are established in Standing Orders and Standing Financial Instructions adopted by the Board.
- 4.2 The Minister for Health and Social Services has determined that internal audit will be provided to all health organisations by the NHS Wales Shared Services Partnership (NWSSP). The service provision will be in accordance with the Service Level Agreement agreed by the Shared Services Partnership Committee and in which the organisation has permanent membership.
- 4.3 The Director of Audit & Assurance leads the NWSSP Audit and Assurance Services and after due consultation will assign a named Head of Internal Audit to the organisation. For line management (e.g. individual performance) and professional quality purposes (e.g. compliance with the Public Sector Internal Audit Standards), the Head of Internal Audit reports to the Director of Audit & Assurance.
- 4.4 The Head of Internal Audit reports on a functional basis to the Accountable Officer and to the Audit Committee on behalf of the Board. Accordingly, the Head of Internal Audit has a direct right of access to the Accountable Officer, the Chair of the Audit Committee and the Chair of the organisation if deemed necessary.
- 4.5 The Audit Committee approves all Internal Audit plans and may review any aspect of its work. The Audit Committee also has regular

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private meetings with the Head of Internal Audit.

- 4.6 In order to facilitate its assessment of governance within the organisation, Internal Audit is granted access to attend any committee or sub-committee of the Board charged with aspects of governance.

## 5 Relationships

- 5.1 In terms of normal business the Accountable Officer has determined that the Director of Corporate Governance (Head of Business Finance and Business Development) will be the nominated executive lead for internal audit. Accordingly, the Head of Internal Audit will maintain functional liaison with this officer.
- 5.2 In order to maximise its contribution to the Board's overall system of assurance, Internal Audit will work closely with the organisation's Director of Corporate Governance (Head of Business Finance and Business Development) in planning its work programme.
- 5.3 Co-operative relationships with management enhance the ability of internal audit to achieve its objectives effectively. Audit work will be planned in conjunction with management, particularly in respect of the timing of audit work.
- 5.4 Internal Audit will meet regularly with the external auditor, Audit Wales, to consult on audit plans, discuss matters of mutual interest, discuss common understanding of audit techniques, method and terminology, and to seek opportunities for co-operation in the conduct of audit work. In particular, Internal Audit will make available their working files to the external auditor for them to place reliance upon the work of Internal Audit where appropriate.
- 5.5 The Head of Internal Audit will establish a means to gain an overview of other assurance providers' approaches and output as part of the establishment of an integrated assurance framework.
- 5.6 The Head of Internal Audit will take account of key systems being operated by organisation's outside of the remit of the Accountable Officer, or through a shared or joint arrangement, such as the Digital Health and Care Wales and NHS Wales Joint Commissioning Committee.
- 5.7 Internal Audit strives to add value to the organisation's processes and help improve its systems and services. To support this Internal Audit will obtain an understanding of the organisation and its activities, encourage two-way communications between internal audit and operational staff, discuss the audit approach and seek feedback on work undertaken.
- 5.8 The Audit Committee may determine that another Committee of the organisation is a more appropriate forum to receive and action

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individual audit reports. However, the Audit Committee will remain the final reporting line for all our audit and consulting reports.

## 6 Standards, Ethics, and Performance

- 6.1 Internal Audit must comply with the Definition of Internal Auditing, the Core Principles, Public Sector Internal Audit Standards and the professional Code of Ethics, as published on the NHS Wales e-governance website.
- 6.2 Internal Audit will operate in accordance with the Service Level Agreement and associated performance standards agreed with the Audit Committee and the Shared Services Partnership Committee. The Service Level Agreement includes a number of Key Performance Indicators, and we will agree with each Audit Committee which of these they want reported to them and how often.

## 7 Scope

- 7.1 The scope of Internal Audit encompasses the examination and evaluation of the adequacy and effectiveness of the organisation's governance, risk management arrangements, system of internal control, and the quality of performance in carrying out assigned responsibilities to achieve the organisation's stated goals and objectives. It includes but is not limited to:
  - reviewing the reliability and integrity of financial and operating information and the means used to identify measure, classify, and report such information;
  - reviewing the systems established to ensure compliance with those policies, plans, procedures, laws, and regulations which could have a significant impact on operations, and reports on whether the organisation is in compliance;
  - reviewing the means of safeguarding assets and, as appropriate, verifying the existence of such assets;
  - reviewing and appraising the economy and efficiency with which resources are employed, this may include benchmarking and sharing of best practice;
  - reviewing operations or programmes to ascertain whether results are consistent with the organisation's objectives and goals and whether the operations or programmes are being carried out as planned;
  - reviewing specific operations at the request of the Audit Committee or management, this may include areas of concern identified in the corporate risk register;
  - monitoring and evaluating the effectiveness of the organisation's risk management arrangements and the overall system of

- assurance;
  - ensuring effective co-ordination, as appropriate, with external auditors; and
  - reviewing the Annual Governance Statement prepared by senior management.
- 7.2 Internal Audit will devote particular attention to any aspects of the risk management, internal control and governance arrangements affected by material changes to the organisation’s risk environment.
- 7.3 If the Head of Internal Audit or the Audit Committee consider that the level of audit resources or the Charter in any way limit the scope of internal audit or prejudice the ability of internal audit to deliver a service consistent with the definition of internal auditing, they will advise the Accountable Officer and Board accordingly.

## 8 Approach

- 8.1 To ensure delivery of its scope and objectives in accordance with the Charter and Standards, Internal Audit has produced an Audit Manual (called the Quality Manual). The Quality Manual includes arrangements for planning the audit work. These audit planning arrangements are organised into a hierarchy as illustrated in Figure 1.

**Figure 1: Audit planning hierarchy**

NHS Wales Level	NWSSP overall audit strategy	Arrangements for provision of internal audit services across NHS Wales
Organisation Level	Entity strategic 3-year audit plan	Entity level medium term audit plan linked to organisational objectives
	Entity annual internal audit plan	Annual internal audit plan detailing audit engagements to be completed in year ahead leading to the overall HIA opinion
Business Unit Level	Assignment plans	Assignment plans detail the scope and objectives for each audit engagement within the annual operational plan

- 8.2 NWSSP Audit & Assurance Services has developed an overall audit strategy which sets out the strategic approach to the delivery of audit services to all health organisations in NHS Wales. The strategy also includes arrangements for securing and providing assurance on the national transaction processing systems including those operated by DHCW and NWSSP on behalf of NHS Wales.

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- 8.3 The main purpose of the Strategic 3-year Audit Plan is to enable the Head of Internal Audit to plan over the medium term on how the assurance needs of the organisation will be met as required by the Standards and facilitate:
- the provision to the Accountable Officer and the Audit Committee of an overall opinion each year on the organisation's risk management, control and governance, to support the preparation of the Annual Governance Statement;
  - audit of the organisation's risk management, control and governance through periodic audit plans in a way that affords suitable priority to the organisation's objectives and risks;
  - improvement of the organisation's risk management, control and governance by providing management with constructive recommendations arising from audit work;
  - an assessment of audit needs in terms of those audit resources which 'are appropriate, sufficient and effectively deployed to achieve the approved plan';
  - effective co-operation with external auditors and other review bodies functioning in the organisation; and
  - the allocation of resources between assurance and consulting work.
- 8.4 The Strategic 3-year Audit Plan will be largely based on the Board Assurance Framework where it is sufficiently mature, together with the organisation-wide risk assessment.
- 8.5 An Annual Internal Audit Plan will be prepared each year drawn from the Strategic 3-year Audit Plan and other information and outlining the scope and timing of audit assignments to be completed during the year ahead.
- 8.6 The strategic 3-year and annual internal audit plans shall be prepared to support the audit opinion to the Accountable Officer on the risk management, internal control and governance arrangements within the organisation.
- 8.7 The annual internal audit plan will be developed in discussion with executive management and approved by the Audit Committee on behalf of the Board.
- 8.8 The NWSSP Audit Strategy is expanded in the form of a Quality Manual and a Consulting Protocol which together define the audit approach applied to the provision of internal audit and consulting services.
- 8.9 During the planning of audit assignments, an assignment brief will be prepared for discussion with the nominated operational manager. The brief will contain the proposed scope of the review along with the
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relevant objectives and risks to be covered. In order to ensure the scope of the review is appropriate it will require agreement by the relevant Executive Director or their nominated lead and will also be copied to the Director of Corporate Governance (Head of Business Finance and Business Development).

## 9 Reporting

9.1 Internal Audit will report formally to the Audit Committee through the following:

- An annual report will be presented to confirm completion of the audit plan and will include the Head of Internal Audit opinion provided for the Accountable Officer that will support the Annual Governance Statement.
- The Head of Internal Audit opinion will:
  - a) State the overall adequacy and effectiveness of the organisation's risk management, control and governance processes;
  - b) Disclose any qualification to that opinion, together with the reasons for the qualification;
  - c) Present a summary of the audit work undertaken to formulate the opinion, including reliance placed on work by other assurance bodies;
  - d) Draw attention to any issues Internal Audit judge as being particularly relevant to the preparation of the Annual Governance Statement;
  - e) Compare work actually undertaken with the work which was planned and summarise performance of the internal audit function against its performance measurement criteria; and
  - f) Provide a statement of conformity in terms of compliance with the Public Sector Internal Audit Standards and associated internal quality assurance arrangements.
- For each Audit Committee meeting a progress report will be presented to summarise progress against the plan. The progress report will highlight any slippage and changes in the programme. The findings arising from individual audit reviews will be reported in accordance with Audit Committee requirements; and
- The Audit Committee will be provided with copies of individual audit reports for each assignment undertaken unless the Head of Internal Audit is advised otherwise. The reports will include an action plan on any recommendations for improvement agreed with management including target dates for completion.

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## 9.2 The process for audit reporting is summarised below:

- Following the closure of fieldwork and the resolution of any queries, Internal Audit will discuss findings with operational managers to confirm understanding and shape the reporting stage through issue of a discussion draft report;
- Operational management will receive discussion draft reports which will include any proposed recommendations for improvement within 10 working days following the closure of fieldwork.
- The draft report will give an assurance opinion on the area reviewed in line with the criteria at Appendix B (unless it is a consulting review). The discussion draft report will also indicate priority ratings for individual report findings and recommendations;
- Operational management will be required to respond to the draft report in consultation with the relevant Executive Director within 15 working days of issue, identifying actions, identifying staff with responsibility for implementation and the dates by which action will be taken;
- Reminder correspondence will be issued to the Executive Director and the Director of Corporate Governance (Head of Business Finance and Business Development) 5 working days prior to the set response date.
- Where management responses are still awaited after the 20 working days deadline, or are of poor quality, the matter will be immediately escalated to the Executive Director and copied to the Director of Corporate Governance (Head of Business Finance and Business Development) and Chair of the Audit Committee.
- If non-compliance continues, the Director of Corporate Governance (Head of Business Finance and Business Development) and the Chair of the Audit Committee will decide on the course of action to take. This may involve the draft report being submitted to the Audit Committee, with the Executive Director being called to the meeting to explain the situation and why no responses/poor responses have been received;
- Internal Audit issues a Final report to Executive Director within 10 working days of receipt of complete management response. Within this timescale Internal Audit will quality assess the responses, and if necessary, return the responses, requiring them to be strengthened.
- Responses to audit recommendations need to be SMART:
  - Specific
  - Measurable

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- Achievable
  - Relevant / Realistic
  - Timely.
- The relevant Executive Director, Director of Corporate Governance (Head of Business Finance and Business Development) and the Chair of the Audit Committee will be copied into any correspondence.
  - The final report will be copied to the Accountable Officer and Director of Corporate Governance (Head of Business Finance and Business Development) and placed on the agenda for the next available Audit Committee.
- 9.3 Internal Audit will make provision to review the implementation of agreed action within the agreed timescales. However, where there are issues of particular concern provision maybe made for a follow-up review within the same financial year. Issue and clearance of follow up reports shall be as for other assignments referred to above.
- 9.4 Timescales are to be included in all initial scopes sent prior to commencing an audit.

## 10 Access and Confidentiality

- 10.1 Internal Audit shall have the authority to access all the organisation's information, documents, records, assets, personnel and premises that it considers necessary to fulfil its role. This shall extend to the resources of the third parties that provide services on behalf of the organisation.
- 10.2 All information obtained during the course of a review will be regarded as strictly confidential to the organisation and shall not be divulged to any third party without the prior permission of the Accountable Officer. However, open access shall be granted to the organisation's external auditors.
- 10.3 Where there is a request to share information amongst the NHS bodies in Wales, for example to promote good practice and learning, then permission will be sought from the Accountable Officer before any information is shared.

## 11 Irregularities, Fraud & Corruption

- 11.1 It is the responsibility of management to maintain systems that ensure the organisation's resources are utilised in the manner and on activities intended. This includes the responsibility for the prevention and detection of fraud and other illegal acts.

- 11.2 Internal Audit shall not be relied upon to detect fraud or other irregularities. However, Internal Audit will give due regard to the possibility of fraud and other irregularities in work undertaken. Additionally, Internal Audit shall seek to identify weaknesses in control that could permit fraud or irregularity.
- 11.3 If Internal Audit discovers suspicion or evidence of fraud or irregularity, this will immediately be reported to the organisation's Local Counter Fraud Service (LCFS) in accordance with the organisation's Counter Fraud Policy & Fraud Response Plan and the agreed Internal Audit and Counter Fraud Protocol.

## 12 Quality Assurance

- 12.1 The work of internal audit is controlled at each level of operation to ensure that a continuously effective level of performance, compliant with the Public Sector Internal Audit Standards, is being achieved.
- 12.2 The Director of Audit & Assurance will establish a quality assurance and improvement programme designed to give assurance through internal and external review that the work of Internal Audit is compliant with the Public Sector Internal Audit Standards and to achieve its objectives. A commentary on compliance against the Standards will be provided in the Annual Audit Report to the Audit Committee.
- 12.3 The Director of Audit & Assurance will monitor the performance of the internal audit provision in terms of meeting the service performance standards set out in the NWSSP Service Level Agreement. The Head of Internal Audit will periodically report service performance to the Audit Committee through the reporting mechanisms outlined in Section 9.

## 13 Resolving Concerns

- 13.1 NWSSP Audit & Assurance was established for the collective benefit of NHS Wales and as such needs to meet the expectations of client partners. Any questions or concerns about the audit service should be raised initially with the Head of Internal Audit assigned to the organisation. In addition, any matter may be escalated to the Director of Audit & Assurance. NWSSP Audit & Assurance will seek to resolve any issues and find a way forward.
- 13.2 Any formal complaints will be handled in accordance with the NWSSP complaint handling procedure. Where any concerns relate to the conduct of the Director of Audit & Assurance, the NHS organisation will have access to the Managing Director of Shared Services.

## 14 Review of the Internal Audit Charter

14.1 This Internal Audit Charter shall be reviewed annually and approved by the Board, taking account of advice from the Audit Committee.

Simon Cookson  
Director of Audit & Assurance  
NHS Wales Shared Services Partnership  
March 2024



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**NHS WALES  
Shared Services Partnership  
(NWSSP)**

**Counter Fraud Progress Report Q4  
01/01/2024 – 31/03/2024**

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

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## 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.

## 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.

At 31<sup>st</sup> March 2024, 206 days of Counter Fraud work have been completed against the agreed 210 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 16 new fraud referrals have been received during the last quarter. Fraud Awareness activity was mainly focussed on Fraud awareness sessions to new starters and a session to the Planning Performance and Informatics Directorate.

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

Type	Q1	Q2	Q3	Q4	Total 2023/24	Planned	+/-
Proactive	26.75	32.5	32.25	29.75	121.25	140	-18.75
Reactive	22.5	18	24.75	19.5	84.75	70	+14.75
<b>Total</b>	49.25	50.5	57	49.25	<b>206</b>	<b>210</b>	<b>-4</b>

The actual number of days delivered was below planned level due to NWSSP providing LCFS Services to LLAIS at 5 days per annum, an arrangement entered into after the initial plan was devised.

Full details will be provided in the annual 2023/2024 report due at next Audit Committee.

## *2.1 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 on 30<sup>th</sup> June 2023.

## *2.2 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. Discussions took place in March 2023 regarding the NHS CFA National Proactive Exercise to be carried out by all LCFS from April 2024 to September 2024.

## *2.3 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 of new cases 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 18<sup>th</sup> April 2023, manual version also available) **107** NWSSP staff completed the e-learning module during Q1, Q2 and Q3 and a further **9** in Q4 making a total of **116**. Finance and Corporate Services were requested to complete the training on ESR, however, only 9 staff out of 50-60 staff requested completed it. Participation is still very disappointing compared to other NHS organisations who have mandated this training. The matter has again been raised with the NWSSP Director of Finance & Corporate Services. Unfortunately, at the time of writing All Wales e-learning stats were not available.
- Fraud awareness sessions for new starters commenced in November 2023 via Microsoft TEAMS. All new starters who commenced with NWSSP from December 2022 and January 2023 were invited to attend a session and **24** staff attended over **2** sessions in January and February. Further sessions will now follow each month and invites will be issued to all new starters. Since implemented **108** new starters have attended over **6** sessions.
- A fraud awareness session was also provided to **33** staff in The Planning, Performance and Informatics Directorate on 27<sup>th</sup> February 2024.

- Fraud awareness is also 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.
- LCFM has also collaborated with a junior doctor who operates a website and social media channels supporting medical school students and junior doctors. A Q&A interview session on NHS Fraud was recorded and is currently being edited. It is hoped that this would reach out to his specific audience of over 60,000 users and also be used on NWSSP Intranet/Internet and YouTube channels to promote fraud awareness.

<b>Fraud Awareness interactions Q4 2023/2024</b>	<b>No of attendees / Participants</b>	<b>Total Staff 2023/2024</b>
<b>Group</b>	<b>Q4</b>	
<b>New Starter Fraud Awareness Sessions (x2)</b>	24	<b>108</b>
<b>e-Learning</b>	9	<b>116</b>
<b>Fraud Awareness Session to Planning Performance and Informatics. (and 1 other)</b>	33	<b>324</b>
<b>Newsletters</b>	-	<b>389</b>
<b>Total</b>	<b>66</b>	<b>937</b>

<b>Social Media Posts - “X” (Formerly Twitter) impressions</b>	<b>0</b>	<b>3,113</b>
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Sessions went well and feedback forms were issued and returned with very positive comments following each session.

## 2.4 Referrals/Enquiries/Investigations

During this reporting period the NWSSP Counter Fraud Team received 16 new referrals for investigation. A summary of the investigation caseload is as follows. A breakdown of each case in a template is also provided as Appendix 1.

	<b>Caseload</b>	<b>Q4</b>	<b>2023/2024</b>
		<b>No / £</b>	<b>Total</b>
A	Cases b/f	5	5
B	Add No new of cases opened	18	26
C	Caseload during Q4	23	
D	<b>Less</b> Cases closed or Transferred during Q4	16	24
E	Cases open at end of Q4	<b>7</b>	<b>7</b>
	Fraud Prevented	<b>£10,000</b>	<b>£12,150.42</b>
	Fraud Recovered	<b>£0</b>	<b>£50,419.03</b>
	Total Prevented / Recovered	<b>£10,000</b>	<b>£62,569.45</b>
	Number of sanctions	<b>1</b>	<b>3</b>

## 2.5 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.

NHS CFA have issued a National Proactive Exercise on Procurement Fraud to be undertaken locally by all NHS Bodies from April 2024 to October 2024. CFM will liaise with NWSSP Internal Audit and LCFS Colleagues in NHS Wales to provide a coordinated and joined up approach best for NHS Wales to avoid duplication and ensure local risks are identified for NWSSP.

LPE's were conducted following the issue of the fraud risks identified from the issue of the Intelligence Bulletin's (IBURN's) relating to mandate fraud risk (see below). Together with a separate LPE:

**LPE /024/00218** 15 of referrals were received from Payroll via the Salary Overpayment Portal during the last Quarter. Each case was investigated separately and summarised under investigations. A particular trend of 4 overpayments relating to NWSSP SLE doctors maternity leave was identified. Liaison with NWSSP SLE took place to identify the cause and ensure that new improved controls were put in place to minimise the risk of such overpayments occurring, assurance that a new process was implemented to improve SLE management of maternity applications.

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

**IBURN Intelligence Bulletin 2024-003-001** was issued by NHS CFA on 4<sup>th</sup> March 2023 raising a concern of False invoices issued to NHS Trusts in England in the name of 3 Businesses previously known to target GP Practices. The “business” names and associated bank accounts and were checked with Accounts Payable who confirmed no invoices had been received and no transactions made. DHCW Cyber Security also blocked email addresses associated with these fraudulent “businesses”. These checks were made on an all NHS Wales Basis to avoid duplication.

**Intelligence Notice 1 2023 24** Was issued by NHS CFA on 21<sup>st</sup> March 2024. A trend of mandate fraud emails has been identified where false emails are received in the name of senior officers or Directors eg Director of Finance requesting urgent payments to be made to suppliers with new bank account details which are fraudulent and used by criminals. This Modus Operandi / method is actually an old method used by fraudsters which seems to be prevalent again. The Supplier Maintenance Team are very alert to mandate fraud attempts and were advised of this new trend.

No FPN's were issued by NHS CFA during QTR4

### *2.7 National Fraud Initiative*

NWSSP LCFM is 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.

### *2.8 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. Audit Wales report is due very soon.

- The NWSSP LCFM previously met with Audit Wales, NWSSP Primary Care Services to produce a further data analytical exercise to provide assurance on General Medical Services Patient Registration and Capitation Fees. The data acquisition has now taken place and will now be processed.

### *2.9 Annual Plan 2024/2025*

The annual plan has also now been devised by the Local Counter Fraud Manager, agreed by The Director of Finance and Corporate Services and is submitted for Audit Committee Approval. (Appendix 2)

### *2.10 New Nomination Forms*

New nomination forms will need to be completed in the coming weeks to reflect changes with new appointments to the Director of Finance and Corporate Services, Audit Chairperson and Counter Fraud Champion. These new nominations are a requirement of NHS Counter Fraud Authority (NHS CFA) and essential in receiving communications from NHS CFA, accessing NGAGE which provides updates on fraud matters and authorisation of the Counter Fraud Functional Standards Return which must be completed by 31<sup>st</sup> May 2024.

Mark Weston

NWSSP Local Counter Fraud Manager

March 2024

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

No.	Case Ref		Start Date	Subject Category	Potential Offences	Outcome sanctions and recoveries	Closure Date	Financial Recovery	Fraud Prevented	sanctions
1	INV/023/00931	NWSSP	15/05/2023	NHS Employee	Theft (of Sal O/P)	Salary O/P Advised Finance to Recover no Fraud.	14/02/2024			
2	INV/023/01243	NWSSP	27/06/2023	NHS Employee	Fraud by False Representation	False claim for injury at work. Claim not pursued further NFA Fraud prevented £10,000	11/03/2024		£10,000.00	1
3	INV/24/00198	NWSSP	26/01/2024	NHS Employee	Theft (of Sal O/P)	Salary O/P Advised Finance to Recover no Fraud.	05/02/2024			
4	INV/023/00993	NWSSP	23/05/2023	NHS Employee	Fraud by False Representation	Working whilst on sick leave - Enquiries made agreed with HR/Manager Circumstances more suitable for management/disciplinary. Employee on sick leave with Nil Pay application made to retire due to ill health.	14/03/2024			
5	INV/024/00554	NWSSP	02/01/2024	NHS Employee	Theft (of Sal O/P)	Salary O/P Advised Finance to Recover no Fraud.	17/01/2024			
6	INV/024/00556	NWSSP	06/03/2024	NHS Employee	Theft (of Sal O/P)	Salary O/P Advised Finance to Recover no Fraud.	06/03/2024			
7	INV/024/00557	NWSSP	06/03/2024	NHS Employee	Theft (of Sal O/P)	Salary O/P Advised Finance to Recover no Fraud.	18/03/2024			
8	INV/024/00558	NWSSP	06/03/2024	NHS Employee	Theft (of Sal O/P)	Salary O/P Advised Finance to Recover no Fraud.	18/03/2024			
9	INV/024/00559	NWSSP	06/03/2024	NHS Employee	Theft (of Sal O/P)	Salary O/P Advised Finance to Recover no Fraud.	18/03/2024			
10	INV/024/00561	NWSSP	06/03/2024	NHS Employee	Theft (of Sal O/P)	Salary O/P Advised Finance to Recover no Fraud.	18/03/2024			
11	INV/024/00562	NWSSP	06/03/2024	NHS Employee	Theft (of Sal O/P)	Salary O/P Advised Finance to Recover no Fraud.	18/03/2024			
12	INV/024/00563	NWSSP	06/03/2024	NHS Employee	Theft (of Sal O/P)	Salary O/P Advised Finance to Recover no Fraud.	18/03/2024			
13	INV/024/00565	NWSSP	06/03/2024	NHS Employee	Theft (of Sal O/P)	Salary O/P Advised Finance to Recover no Fraud.	18/03/2024			
14	INV/024/00566	NWSSP	06/03/2024	NHS Employee	Theft (of Sal O/P)	Salary O/P Advised Finance to Recover no Fraud.	19/03/2024			
15	INV/024/00567	NWSSP	06/03/2024	NHS Employee	Theft (of Sal O/P)	Salary O/P Advised Finance to Recover no Fraud.	18/03/2024			
16	INV/024/00568	NWSSP	06/03/2024	NHS Employee	Theft (of Sal O/P)	Salary O/P Advised Finance to Recover no Fraud.	18/03/2024			
							<b>Q3 TOTAL</b>	<b>£0.00</b>	<b>£10,000.00</b>	<b>1</b>

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

No.	Case Ref		Start Date	Subject Category	Potential Offences	Status	Closure Date	Financial Recovery	Fraud Prevented	sanctions
1	INV/023/01983	NWSSP	15/09/2023	NHS Employee	Fraud by False Representation	Working whilst on sick leave - Enquiries ongoing.	OPEN			
2	INV/023/02211	NWSSP	05/10/2023	NHS Employee	Obtaining Services Dishonestly	Retaining Lease Vehicle following termination and failure to enage to arrange its return - Vehicle now returned. Investigation ongoing	OPEN			
3	INV/24/00661	NWSSP	16/03/2024	NHS Employee	Fraud by False Representation	Working Whilst on Sick Leave	OPEN			
4	INV/024/00564	NWSSP PH	06/03/2024	NHS Employee	Theft (of Sal O/P)	Salary O/P Advised Finance to Recover no Fraud.	OPEN			
5	INV/024/00555	NWSSP	06/03/2024	NHS Employee	Theft (of Sal O/P)	Salary O/P Advised Finance to Recover no Fraud.	OPEN			
6	INV/024/00751	NWSSP	21/03/2023	NHS Employee	Fraud by False Representation	Entitlement to Annual Leave overstated	OPEN			
7	INV/024/00755	NWSSP	21/03/2024	NHS Employee	Fraud by False Representation	False references provided in job application	OPEN			
<b>TOTAL</b>								<b>0</b>	<b>0</b>	<b>0</b>



# **NHS WALES**

## **Shared Services Partnership**

**COUNTER FRAUD ANNUAL PLAN**  
**2024/2025**

Mark Weston  
Counter Fraud Manager  
NHS Wales Shared Service Partnership

This document is prepared by Mark Weston Counter Fraud Manager, NHS Wales Shared Service Partnership in order to comply with Government Functional Standards and the recommendations of the NHS Counter Fraud Authority for NHS Bodies in Wales and has been approved by the Director of Finance as below.

Workplan prepared by:

Counter Fraud Manager – Mark Weston

Workplan agreed by:

Andrew Butler - Director of Finance and Corporate Services

NWSSP Audit Committee

Date: 14<sup>th</sup> March 2024

## WORKPLAN 2024-2025

### Background

The NHS rolled out new counter fraud requirements for NHS-funded services in relation to the **Government Functional Standard GovS 013: Counter Fraud in 2021**. The NHS Counter Fraud Authority (NHSCFA) worked closely with a wide range of stakeholders to ensure that the NHS Counter Fraud Requirements had greater consistency and remained fit for purpose for organisations, including providers and commissioners. The standards apply to all NHS funded services (those receiving partial or full NHS funding). The purpose of the Government Functional Standard is to set expectations for the management of fraud, bribery and corruption risk across government and wider public services, and to reinforce the government's commitment to fighting fraud against the public sector. The final engagement which sealed the implementation of the Government Functional Standard GovS 013: Counter Fraud occurred at the All Wales Directors of Finance meeting on 19<sup>th</sup> February 2021.

The NHSCFA is responsible for leading and influencing the improvement of counter fraud standards across the NHS and will be responsible for ensuring the effective implementation of the NHS Counter Fraud Requirements. The requirements have superseded the fraud, bribery and corruption standards for providers, commissioners and NHS bodies in England and Wales. The NHSCFA is required to provide assurance to the Cabinet Office of NHS compliance with the Functional Standard. This will be accomplished by the receipt and validation by the NHSCFA of the Counter Fraud Functional Standard Return submitted by organisations providing any NHS funded services. Deadline for submission of this document in relation to this plan is 31/05/2024. The NHSCFA Quality Assurance Programme will enable the analysis of performance of the Counter Fraud team against each requirement. They will provide a grading of compliance in relation to all areas of the functional standards. (Green, Amber or Red)

NHS Wales Shared Services Partnership (NWSSP) now directly employs its own dedicated full time and professionally accredited Local Counter Fraud Specialist (LCFS) to manage and deliver the local counter fraud service for NWSSP. This will ensure that NWSSP follows the Welsh Government Directions on Countering Fraud, Bribery and Corruption within the NHS in Wales and the standards set by the NHSCFA are achieved. An Annual Work-Plan is compiled by the Counter Fraud Manager that is agreed by the Director of Finance and Corporate Services and submitted to the Audit Committee for approval at the commencement of each financial year. The Workplan provided below formulates Local Counter Fraud arrangements for NWSSP for 2024-2025. The tasks outlined will be considered and reviewed dynamically throughout the year as the need arises. The effectiveness of the plan will be reported in the end of year Annual Report to Audit Committee and in the NHSCFA Functional Return as referred to above.

This organisation's Work-Plan will directly mirror GovS:13 Standard (Counter Fraud) in order to bring the organisation's provision into line with the NHSCFA Counter Fraud Bribery and Corruption Strategy. This in turn supports the objectives set by the Welsh Government.

### **Taking a risk-based approach to planning local counter fraud work**

Locally investigators are in the best position to identify and understand the counter fraud requirements for their organisation. Successful implementation of counter fraud policy relies on the work of the Local Counter fraud Specialist (LCFS).

The counter fraud work-plan should be tailor-made and specific to the NHS organisation, for example, carrying out local proactive exercises identified in the course of investigations, or analysis of referrals may show the need for more work on preventing fraud or highlight that awareness is needed in a particular department or staff group.

Meeting key personnel in the organisation and using the information from staff surveys are important methods for forming action plans. The responses may also reveal areas of risk highlighting a need for pro-active prevention or detection work. Any risks which are identified by the LCFS will be recorded in line with local procedures adopted for such by the organisation, shared with the Internal Audit team and reported to the Director of Finance and Audit Committee. This aims to provide another level of assurance that the risk will be owned and managed. While every effort will be made to identify local risks, it is important that information from outside the organisation is also considered; for example, NHS CFA fraud alerts, and fraud prevention notices. Information received from external sources will be assessed and any risks locally identified will be targeted as a result.

To help organisations take a risk-based approach to counter fraud work and planning, the NHSCFA has issued up to date risk assessment advice and training. This helps the LCFS when assessing the counter fraud arrangements at their own organisation. This provides direction in risk assessment work and provides a basis of measuring local risks using a dedicating risk matrix scoring system and template. Results of all local risk work carried out by the Counter Fraud Team will be reported through the quality

assurance process to NHS CFA, managed on the CLUE case management system and will be locally reported to the Audit Committee.

## Outcomes/Results

Accurate records of counter fraud work are essential. They inform upon the effectiveness of work undertaken, assist in the planning of future work and help to identify strengths and weaknesses within the organisation. Accurate records of all work undertaken by the Counter Fraud Manager for this upcoming year will be kept and updated. These results will be reflected in the quarterly progress reports and end of year annual report.

The Counter Fraud team are aware of the importance of liaison with External Auditors when planning Local Counter Fraud work in order to prevent duplication of effort. There are some elements of the Counter-Fraud Work-Plan which External Auditors may review on a risk basis as part of their own reviews of Governance Arrangements, e.g., Whistle-Blowing arrangements, Declaration of Interests, Gifts and Hospitality. External Auditors will certainly be seeking to gain assurance that Counter Fraud arrangements are robust and the Counter Fraud team, will maintain a close working relationship with Audit Wales as required.

## Resource Provision

Resource Provision for NHSWSSP	Days Planned 24 / 25
NHSWSSP Counter Fraud Manager	210
<b>Total</b>	<b>210</b>

## Resource by Activity

Activity	Days Planned 24 / 25
Proactive	140
Reactive	70
<b>Total</b>	<b>210</b>

With the move to the GovS:13 taking place and the previous 4 standards of Strategic Governance, Inform and Involve, Prevent and Deter and Hold to Account are no longer specific standards, the methodology to be adopted in breaking down resource time spent by activity area is simplified into Proactive and Reactive areas. Generally Proactive work will involve activities such as fraud awareness, eg presentations, newsletters and other engagement etc and National CFA Proactive exercises, Local Proactive Exercises, and Risk Assessments. Reactive work will involve activities such as, investigation into referrals received, carrying out system weakness analysis as a result of investigation findings.

NHSCFA states that Proactive work should not be absorbed by Reactive activity or *vice versa* and to this end NHSCFA strongly encourages Proactive work to be 'ring-fenced'. However, due to the dynamic nature of the Counter Fraud environment the plan is intended to be flexible to the needs of the service, so may be subject to review and change where service priorities and risk are required. If this occurs, then careful consideration will be given to any changes made and this will be reported in progress reports to the Director of Finance and Corporate Services and the Audit Committee. Any changes to the overall days provided or in regard to the areas planned for will be reported in the end of year report.

## Work Plan Objectives

A work plan with matching tasks/objectives is set out below for each NHS requirement area. Each task/objective relates to a specific standard of compliance or fraud risk area; the work plan has been formulated to support the mitigation of the risk of fraud to the organisation and to ensure compliance with the NHSCFA/Gov requirements.

Gov s013 / NHS Requirement	Objective	Proposed Delivery	Resources (Days)
<p><b>1: Accountable individual</b></p> <p><b>NHS Requirement 1A:</b></p> <p>A member of the executive board or equivalent body is accountable for provision of strategic management of all counter fraud, bribery and corruption work within the organisation. The accountable board member is responsible for the provision of assurance to the executive board in relation to the quality and effectiveness of all counter fraud bribery and corruption work undertaken.</p> <p>The accountable board member is responsible for ensuring that nominations to the NHSCFA for the accountable board member, audit committee chair and counter fraud champion are accurate and that any changes are notified to the NHSCFA at the earliest opportunity and in accordance with the nominations process.</p>	<p>Counter Fraud Manager (CFM) to hold regular scheduled meetings with Director of Finance and Corporate Services (DoF) - objectives to be reviewed and work to date evaluated. During these meetings ongoing work involving investigations, the promotion of fraud awareness, fraud proofing and risk assessments, policy considerations and Counter Fraud communication strategy to be discussed. The DoF to act as the link between the Audit Committee (AC) and Senior Leadership Group to allow key risks to be identified, managed, and mitigated.</p> <p>CFM to produce the SSP Counter Fraud Annual Report &amp; Workplan which is to be agreed with the DoF and ratified by the AC.</p> <p>CFM to produce the NWSSP Counter Fraud Annual Report.</p> <p>CFM to provide quarterly progress reports to Dof and AAC and to present these quarterly at AAC.</p>	<p>Ongoing throughout the Year</p> <p>Q4</p> <p>Q1</p> <p>Qtly</p>	<p>15</p>

Gov s013 / NHS Requirement	Objective	Proposed Delivery	Resources (Days)
<p>N.B. 'Equivalent body' may include, but is not limited to, the board of directors, the board of trustees or the governing body. Oversight of counter fraud, bribery and corruption work should not be delegated to an individual below this level of seniority in the organisation</p> <p><b>NHS Requirement 1B:</b></p> <p>The organisation's non-executive directors, counter fraud champion or lay members and board/governing body level senior management are accountable for gaining assurance that sufficient control and management mechanisms in relation to counter fraud, bribery and corruption are present within the organisation.</p> <p>The Counter Fraud Champion understands the threat posed and promotes awareness of fraud, bribery and corruption within the organisation.</p> <p>Board level evaluation of the effectiveness of counter fraud, bribery and corruption work undertaken is documented. Where recommendations</p>	<p>Checks to be carried out by CFM that nominations to NHSCFA are correct, up to date and in order.</p> <p>Where necessary and appropriate Counter Fraud Manager (CFM) will seek to hold regular one to one meetings with the Audit Committee Chair, Counter Fraud Champion. In addition to this CFM to attend pre-audit committee meetings with Independent Members of the Audit Committee.</p> <p>Counter Fraud to remain a standing agenda item at AC. Counter Fraud Manager to provide written and oral reports to this forum, annually and progressively throughout the year.</p> <p>CFM to report to DoF and AC any matters arising from NHSCFA in relation to thematic assessment exercises, matters arising out of Fraud Prevention Notices and national exercises.</p>	<p>Q1 and As required</p> <p>Qtly</p> <p>Qtly</p> <p>Qtly and Throughout the year</p>	<p>15</p>

Gov s013 / NHS Requirement	Objective	Proposed Delivery	Resources (Days)
<p>have been made by NHSCFA following an engagement, it is the responsibility of the accountable board member to provide assurance to the board surrounding the progress of their implementation.</p> <p>The organisation reports annually on how it has met the standards set by NHSCFA in relation to counter fraud, bribery and corruption work, and details corrective action where standards have not been met.</p>	<p>CFM to liaise regularly with internal partners, such as Internal Audit, HR, Information Governance and Communication Department to develop and maintain fit for purpose infrastructure providing a firm foundation for the Counter Fraud provision.</p> <p>CFM and Counter Fraud Champion to meet fortnightly with DoF to attend monthly to discuss all aspects of Counter Fraud work.</p> <p>CFM to carry out annual reporting to NHSCFA in the form of the NHS CFA Functional Standard return and to subsequently address any issues rising from the results of this assessment.</p>	<p>Throughout the year</p> <p>Fortnightly/Monthly</p> <p>Annually Q1</p>	
<p><b>2: Counter fraud bribery and corruption strategy</b></p> <p><b>NHS Requirement 2:</b></p> <p>The organisation aligns counter fraud, bribery and corruption work to the NHSCFA counter fraud, bribery and corruption strategy. This is documented in the organisational counter fraud,</p>	<p>CFM to review organisational Counter Fraud Bribery and Corruption Policy to ensure it is properly aligned to the current NHS CFA Strategy. CFM to Liaise with other LCFS to ensure a once for Wales approach.</p> <p>CFM to ensure that work planned for in the Annual Counter Fraud Plan and that work carried out is aligned to the NHS CFA</p>	<p>Q1 &amp; Q2</p> <p>Qtly and throughout the year</p>	<p>3</p>

Gov s013 / NHS Requirement	Objective	Proposed Delivery	Resources (Days)
<p>bribery and corruption policy, and is submitted upon request. The counter fraud work plan and resource allocation are aligned to the objectives of the strategy and locally identified risks.</p> <p><b>(The organisation may have its own counter fraud, bribery and corruption strategy, however, this must be aligned to and referenced to the NHSCFA counter fraud, bribery and corruption strategy)</b></p>	<p>strategy and that the objectives are being met.</p> <p>CFM to provide assurance that counter fraud provision is resourced by way of qualified, nominated and accredited Counter Fraud Specialists and to ensure that this is maintained.</p>	<p>Continual Monitoring</p>	
<p>3: Fraud bribery and corruption risk assessment</p> <p>NHS Requirement 3:</p> <p>The organisation has carried out comprehensive local risk assessments to identify fraud, bribery and corruption risks, and has counter fraud, bribery and corruption provision that is proportionate to the level of risk identified. Risk analysis is undertaken in line with Government Counter Fraud Profession (GCFP) fraud risk assessment methodology and is recorded and</p>	<p>CFM to review NWSSP fraud risk register and NHS CFA risk descriptors to prioritise areas for risk assessment appropriate to NWSSP.</p> <p>CF manager to discuss with DoF, Counter Fraud Champion and Corporate Governance the preferred method of reporting and recording risk, including the maintenance of a register for review to compliment the recording upon CLUE. Where resource implications are present priority to be given to those areas identified as higher risk.</p>	<p>Q1/Q2</p> <p>Q1 / Q2</p>	<p>30</p>

Gov s013 / NHS Requirement	Objective	Proposed Delivery	Resources (Days)
<p>managed in line with the organisation's risk management policy and included on the appropriate risk registers, and the risk assessment is submitted upon request. Measures to mitigate identified risks are included in an organisational work plan, progress is monitored at a senior level within the organisation and results are fed back to the audit committee (or equivalent body).</p> <p>For NHS organisations the fraud risk assessments should also consider the fraud risks within any associated sub company of the NHS organisation.</p>	<p>CFM to meet with CFS Wales and other Lead LCFS to discuss and agree management of fraud risks and risk analysis and report to DoF.</p> <p>CFM to carry out risk analysis in line with the Government Counter Fraud Profession (GCFP) fraud risk methodology. Locally identified risk to be recorded in line with the organisations Risk Management Policy and entered on to the appropriate risk registers. All risks identified to be assessed and remedial action identified and reported to key stakeholders. All matters arising to be reported to DoF and AC by way of counter fraud progress reporting.</p> <p>CFM to develop a fraud risk profile upon the CLUE case management system in order to effectively evaluate, evidence and measure the effectiveness of counter fraud risk assessment work with a view to reducing fraud to an absolute minimum.</p> <p>Further Local Proactive exercises (LPE) to be undertaken by CFM as the need arises throughout the year as a result of local</p>	<p>Q1</p> <p>Ongoing throughout the Year</p> <p>Q1&amp; Q2</p> <p>Throughout the year</p>	

Gov s013 / NHS Requirement	Objective	Proposed Delivery	Resources (Days)
	<p>identification or if informed by CFA Fraud Prevention Notices and national exercises. All risk analysis work to be subject to timed ongoing review to assess if recommendations acted upon.</p>		
<p><b>4: Policy and response plan</b></p> <p>NHS Requirement 4:</p> <p>The organisation has a counter fraud, bribery and corruption policy and response plan (the policy and plan) that follows NHSCFA's strategic guidance and has been approved by the executive body or senior management team.</p> <p>The plan is reviewed, evaluated and updated as required, and levels of staff awareness are measured.</p> <p>Bottom of Form</p>	<p>CF Manager to review existing counter fraud bribery and corruption policy, update and amend as appropriate.</p> <p>Counter Fraud team to promote awareness of the policy at presentations and through newsletters.</p> <p>CF team to utilise staff surveys to evaluate if staff are aware of the policy and how and where to locate it. Also establish that they are aware of the correct procedures associated with reporting fraud, bribery and corruption.</p>	<p>Q1 &amp; Q2</p> <p>Throughout the Year</p> <p>Q2 / Q3</p>	<p>5</p>
<p><b>5: Annual action plan</b></p> <p>NHS Requirement 5:</p>	<p>CF Manager to complete annual CF fraud workplan detailing planned actions for the coming year. Where possible actions to be given a proposed action time period.</p>	<p>Q1</p>	<p>4</p>

Gov s013 / NHS Requirement	Objective	Proposed Delivery	Resources (Days)
<p>The organisation maintains an annual work plan that is informed by national and local fraud, bribery and corruption risk assessment identifying activities to improve capability and resilience. This includes (but is not limited to) defined objectives, milestones for the delivery of each activity and measurable areas for improvement in line with strategic aims and objectives. The plan is agreed, and progress monitored by the audit committee (or equivalent body).</p>	<p>CF Manager to ensure the plan is agreed by DoF, ratified by AC and is informed by national and local risk and is aligned to organisational objectives and CFA Strategy.</p> <p>CF Manager to ensure that the provision of the CF function is written into the overall organisation plan.</p> <p>CF manager to provide quarterly reports to AC. CF manager to provide quarterly statistics to Counter Fraud Service Wales.</p> <p>CF manager to provide annual report measuring the effectiveness of the plan.</p>	<p>Q1</p> <p>Throughout the Year</p> <p>Throughout the Year</p> <p>Q1yr end</p>	
<p><b>6: Outcome-based metrics</b></p> <p>NHS Requirement 6:</p> <p>The organisation identifies and reports on annual outcome-based metrics with objectives to evidence improvement in performance. This should be informed by national and local risk assessment, national benchmarking and other comparable data. Proactive and reactive outcomes and progress are recorded on</p>	<p>All fraud referrals and cases to be recorded on CLUE case management system. All outcomes to recorded on Clue Accordingly. This includes all reported incidents of fraud, bribery and corruption, the value of identified fraud losses, the value of fraud recoveries, the value of fraud prevented, criminal sanctions and disciplinary sanctions.</p> <p>All Local Proactive exercises and outcomes recorded on CLUE and reported quarterly.</p> <p>Locally and nationally informed risk assessments will be recorded according to</p>	<p>Throughout the year</p> <p>Reported Qtly</p> <p>Reported Qtly</p>	<p>8</p>

Gov s013 / NHS Requirement	Objective	Proposed Delivery	Resources (Days)
<p>the approved NHS fraud case management system.</p> <p>Metrics should include all reported incidents of fraud, bribery and corruption, the value of identified fraud losses, the value of fraud recoveries, the value of fraud prevented, criminal sanctions and disciplinary sanctions.</p>	<p>local policy and using the CLUE case management system and will and a suitable review date added to check upon progress of recommended remedial action. These items will also be shared automatically with the Internal audit team and reported to the AC.</p> <p>Data will be collected in relation to the amount of fraud awareness work is carried out. Feedback is sought from each session. Monitoring and reporting on metrics received from Interactive feedback forms are reported quarterly to DoF and AC. This measures the effectiveness of the service supplied by the LCFS throughout the year.</p> <p>CFM to collect metrics from referral sources to measure effectiveness of each awareness method/session.</p> <p>All data and metrics collected from referrals, investigations, outcomes, sanctions, LPE's, Risk Measurement Exercises and Fraud awareness engagement is reported upon quarterly to NHS CFS Wales who provide a consolidated report to Welsh Government</p>	<p>Data collection throughout the year</p> <p>Data Reported</p> <p>Qtly</p> <p>Data collection throughout the year</p>	

Gov s013 / NHS Requirement	Objective	Proposed Delivery	Resources (Days)
	and CFSG to provide benchmarking. All activity is also reported to DoF and AC quarterly.	Reported Qtly	
<p>7: Reporting routes for staff, contractors and members of the public</p> <p>NHS Requirement 7:</p> <p>The organisation has well established and documented reporting routes for staff, contractors and members of the public to report incidents of fraud, bribery and corruption. Reporting routes should include NHSCFA's Fraud and Corruption Reporting Line and online reporting tool. All incidents of fraud, bribery and corruption are recorded on the approved NHS fraud case management system.</p> <p>The incident reporting routes are publicised, reviewed, evaluated and updated as required, and levels of staff awareness are measured.</p>	<p>CFM to continue to assess the infrastructure in place for the reporting of concerns and making of general enquiries from all groups.</p> <p>CFM continue to promote reporting routes for staff, contractors and members of the public to report incidents of fraud, bribery and corruption via:</p> <ul style="list-style-type: none"> <li>Intranet/ Internet sites</li> <li>Sways Newsletters</li> <li>Surveys</li> <li>Fraud Awareness Presentations</li> <li>Induction Training</li> <li>Wall Posters</li> <li>Counter Fraud App</li> <li>Social media e.g. Twitter</li> </ul> <p>CFM continue to liaise with the Communications Team in order to update, evaluate and ensure that all reporting routes are promoted in the most effective way with up-to-date relevant information in order to</p>	<p>Q1 &amp; Q2</p> <p>Throughout the year</p> <p>Q1/Q2</p> <p>And throughout the year</p> <p>Q1/Q2</p>	<p>10</p>

Gov s013 / NHS Requirement	Objective	Proposed Delivery	Resources (Days)
	<p>continue to ensure the LCFS Service have a brand identity and presence.</p> <p>CFM to liaise with Communications to team to further update, promote and review effectiveness the new NHS Wales Counter Fraud App.</p> <p>CFM to liaise with Communications team to design and produce manual posters for distribution to all NWSSP sites, particularly those with staff with limited access to computers, email and intranet.</p> <p>CFM to capture feedback from fraud awareness sessions and act upon suggestions to continually improve engagement.</p> <p>Continuance of promotion of the National Fraud Reporting Line and the National Fraud Reporting tool as managed by the NHSCFA.</p>	<p>Q1</p> <p>Q1</p> <p>Throughout the Year</p> <p>Throughout the Year</p>	
<p>8: Report identified loss</p> <p>NHS Requirement 8:</p>	<p>CFM to make full use of the CLUE case management system for recording and managing Investigations, System Weakness reporting, and Local Proactive exercise reporting.</p>	<p>Ongoing throughout the Year</p>	<p>25</p>

Gov s013 / NHS Requirement	Objective	Proposed Delivery	Resources (Days)
<p>The organisation uses the approved NHS fraud case management system to record all incidents of reported suspect fraud, bribery and corruption, to inform national intelligence and NHS counter fraud functional standard return submission by the NHSCFA. The case management system is used to record all fraud, bribery and corruption investigative activity, including all outcomes, recoveries and system weaknesses identified during the course of investigations and/or proactive prevention and detection exercises</p>	<p>CFM to ensure access to CLUE case management system is restricted to those suitably trained and qualified.</p> <p>CFM to supervise the reporting of cases on CLUE ensuring that all referrals are suitably recorded and investigated</p> <p>CFM to investigate and oversee live investigations on CLUE.</p> <p>CFM to supervise the recording of all proactive work carried by way of Local Proactive exercise/System Weakness reporting on CLUE.</p> <p>CFM to ensure that all outcomes by way of sanction, recovery and loss are suitably recorded and reported to DoF and AC at progress updates and at year end in Annual report.</p>	<p>Ongoing throughout the Year</p>	
<p>9: Access to trained investigators NHS Requirement 9:</p>	<p>NWSSP now has its own dedicated full time and fully accredited Counter Fraud Manager (CFM). This position is a long-term secondment (three years) from the NHS CFS Wales Team and will be directly employed by</p>	<p>Ongoing throughout The year</p>	<p>30</p>

Gov s013 / NHS Requirement	Objective	Proposed Delivery	Resources (Days)
<p>The organisation employs or contracts in an accredited, person (or persons) nominated to the NHSCFA to undertake the full range of counter fraud, bribery and corruption work, including proactive work to prevent and deter fraud, bribery and corruption and reactive work to hold those who commit fraud, bribery or corruption to account. The organisation will ensure that any changes to nominations are notified to the NHSCFA at the earliest opportunity and in accordance with the nominations process.</p> <p>The accredited nominated person (or persons) must demonstrate continuous professional competencies and capabilities on an annual basis by examples of practical application of skills and associated training to include (but is not limited to), obtaining witness statements, conducting interviews under caution and maintaining up to date knowledge of legal and procedural requirements.</p>	<p>NWSSP. The CFM is responsible for all management of Counter Fraud Work. CFM to ensure skills and training in criminal investigation and fully up to date with their knowledge of relevant legislation such as PACE, CPIA, DPA, HRA, GDPR, offence legislation and keep abreast of changes and updates to legislation and undertake training as necessary.</p> <p>Continue to develop professionally, attending appropriate training sessions provided by NHSCFA to enhance their knowledge and skills as well as attending regional forums and national conferences, hosted by NHSCFA and NHS CFS Wales. CF team will undertake continuing professional development opportunities associated with role throughout the year as they become available.</p> <p>CFM to maintain full compliance with mandatory training/e learning as measured on the ESR system.</p> <p>CF team to maintain the appropriate standards of confidentiality and security as well as having access to the tools and resources necessary to professionally carry</p>	<p>Where available And  Ongoing Throughout the Year</p> <p>Throughout the year in accordance with ESR timings</p> <p>Ongoing Throughout the Year</p>	

Gov s013 / NHS Requirement	Objective	Proposed Delivery	Resources (Days)
	<p>out their role (inclusive of secure access to relevant IT systems, data systems and access to NHS Wales)</p> <p>All training and development to be recorded on ESR and referenced during annual staff appraisals.</p>	<p>Ongoing Throughout the year</p>	
<p>10: Undertake detection activity</p> <p>NHS Requirement 10:</p> <p>The organisation undertakes proactive work to detect fraud using relevant information and intelligence to identify anomalies that may be indicative of fraud, bribery and corruption and takes the appropriate action, including local exercises and participation or response to national exercises. Results of this work are evaluated and where appropriate feed into improvements to prevent and deter fraud, bribery and corruption.</p> <p>Relevant information and intelligence may include (but is not limited to) internal and external audit reports, information on outliers,</p>	<p>NHS CFA have issued a National Proactive Exercise on Procurement Fraud to be undertaken locally by all NHS Bodies from April 2024 to October 2024. CFM will liaise with LCFS Colleagues in NHS Wales to provide a coordinated and joined up approach best for NHS Wales to avoid duplication and ensure local risks are still identified for NWSSP.</p> <p>CFM to undertake other national / local proactive exercise work as it is published by NHS CFA throughout the year.</p> <p>CFM to undertake review of NFI data relevant to NWSSP and action as appropriate.</p> <p>CFM to react appropriately to the issue of FPN's and iBURN's from NHS CFA. A streamlined approach has now been adopted to avoid duplication to conduct</p>	<p>Q1/Q2</p> <p>Throughout the year</p> <p>Throughout the year</p> <p>as required</p>	<p>30</p>

Gov s013 / NHS Requirement	Objective	Proposed Delivery	Resources (Days)
<p>recommendations in investigation reports and NHSCFA led loss measurement exercises. The findings are acted upon promptly.</p>	<p>checks on an all-Wales basis to ensure efficiency and avoid duplication.</p> <p>CFM to identify Local Proactive Exercises as new risks are identified to detect and prevent fraud. All work to be recorded on Clue and reported to DoF and Audit Committee.</p>	<p>Monthly Throughout the Year</p>	
<p>11: Access to and completion of training</p> <p>NHS Requirement 11:</p> <p>The organisation has an ongoing programme of work to raise awareness of fraud, bribery and corruption and to create a counter fraud, bribery and corruption culture among all staff, across all sites, using all available media. This should cover the role of the NHSCFA, LCFS and the requirements and national implications of Government Counter Fraud Functional Standard providing a standardised approach to counter fraud work.</p> <p>Content may be delivered through presentations, newsletters, leaflets,</p>	<p>CFM has now established Fraud Awareness content in corporate inductions (now referred to as "Welcome Session") to new employees and will ensure that information is reviewed and kept up to date.</p> <p>CFM now obtains details of all new starters and coordinates and delivers Fraud Awareness Training via TEAMS and maintains a list of attendees.</p> <p>The new e-learning module is closely monitored on an all-Wales basis yet NWSSP participation is very low. CFM to liaise with DoF to seek approval that the All-Wales Counter Fraud E-Learning Module is mandatory and completed by all NWSSP staff.</p>	<p>Q1 and Q3</p> <p>Monthly</p> <p>Q1/Q2</p> <p>Q1</p>	<p>30</p>

Gov s013 / NHS Requirement	Objective	Proposed Delivery	Resources (Days)
<p>posters, intranet pages, induction materials for new staff, emails and other media, making use of the NHSCFA's fraud awareness toolkit as appropriate. The effectiveness of the awareness programme is measured.</p>	<p>CFM has recently recorded a fraud awareness video with The Medical School Expert and awaits a final edit to review and approve content. Video to be used as appropriate. CFM to develop fraud awareness further through all available avenues. To include but not limited to</p> <ul style="list-style-type: none"> <li>• Digital banners on organisation intranet site</li> <li>• Regular publishing of Counter Fraud news items via intranet and emailed Counter Fraud Newsletter using SWAYS which collects metrics on user engagement.</li> <li>• Regular messaging across available social media systems eg Twitter</li> <li>• All staff email bulletins to advise of fraud alerts</li> <li>• Ad hoc and bespoke fraud awareness training for different staff cohorts throughout the organisation</li> <li>• Drop-in sessions at various office locations where the CFM can work remotely but invite and encourage staff to discuss any fraud concerns.</li> <li>• Promotion of Digital Fraud APP despite low participation to date.</li> </ul>	<p>And throughout the year</p> <p>Delivery throughout the Year</p>	

Gov s013 / NHS Requirement	Objective	Proposed Delivery	Resources (Days)
	<ul style="list-style-type: none"> <li>• Posters</li> </ul> <p>CFM to be fully conversant with the use of the NHSCFA 'engage' tool in accessing materials and literature suitable for dissemination organisation wide.</p> <p>CF team to fully participate in National Counter Fraud Week initiative.</p> <p>CFM to collate metrics for all fraud awareness activity and report to CFS Wales team, CFSG, WG and Audit Committee.</p> <p>CFM to collect feedback from fraud awareness sessions and take on board any suggestions for improvement.</p>	<p>Q3</p> <p>Quarterly</p> <p>Monthly/Qtly</p>	
<p>12: Policies and registers for gifts and hospitality and COI.</p> <p>NHS Requirement 12:</p> <p>The organisation has a managing conflicts of interest policy and registers that include gifts and hospitality with reference to fraud, bribery and corruption, and the requirements of the</p>	<p>CFM to discuss with CFC and conduct a LPE as per recent guidance from NHS CFA. Review of the COI Register and ensure conflicts of interest/business conduct policy is in place and is up to date, processes and forms are adequate and in line with NHS CFA recommendations.</p>	<p>Q1 &amp; Q2</p>	<p>5</p>

Gov s013 / NHS Requirement	Objective	Proposed Delivery	Resources (Days)
Bribery Act 2010. The effectiveness of the implementation of the process and staff awareness of the requirements of the policy are regularly tested	CFM to raise awareness of the registers and policies by way of fraud awareness sessions and news bulletins/letters.	Throughout the Year  As required	
		<b>TOTAL (Days)</b>	<b>210</b>

<b>MEETING</b>	Velindre University NHS Trust Audit Committee for NHS Wales Shared Services Partnership
<b>DATE</b>	16 April 2024
<b>PREPARED BY</b>	Carly Wilce, Corporate Services Manager and Emma Lane Procurement Services
<b>PRESENTED BY</b>	Andy Butler, Director of Finance and Corporate Services
<b>TITLE OF REPORT</b>	Governance Matters
<b>PURPOSE</b>	The purpose of this paper is to provide the Audit Committee with a brief update on governance developments within NWSSP and details of the contract activity within the period .

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

The Scheme of Delegation relating to NWSSP contracts has recently reviewed and a number of amendments have been proposed and will be discussed and agreed with Velindre colleagues. It is envisaged that any agreed amendments will be submitted to the Audit Committee and Shared Services Partnership Committee for approval before seeking formal approval from the Velindre University Trust Board.

## 2. CONTRACTS FOR NWSSP

The table below summarises contracting activity undertaken during the period **2<sup>nd</sup> January 2024 to 31<sup>st</sup> March 2024**. Details of the contract activity for the period is set out in **Appendix A**.

Description	No.
Direct Engagement by service	<b>10</b>
Invitation to competitive quote of value between £5,000 and £25,000 (excl VAT)	<b>12</b>
Invitation to competitive tender - £25,000 and the OJEU threshold	<b>9</b>
Single Tender Actions	<b>8</b>
Single Quotation Actions	<b>5</b>
Direct Call Off against National Framework Agreement	<b>19</b>
Invitation to competitive tender of value exceeding OJEU threshold (excl VAT)	<b>6</b>
Contract Extensions	<b>0</b>
<b>Total</b>	<b>69</b>

Following the previous Audit Committee the Director and Deputy Director of Procurement Services updated the NWSSP Senior Leadership Group on legislative developments within Procurement and changes in local procurement management arrangements. It was also highlighted that it had noted that there were a number of contracts where services had let renewed contracts without prior involvement of the local

procurement team and this had been reported to the January 2024 Audit Committee. It was agreed that going forward all such procurements would be undertaken in association with Local procurement. During the period there were 10 contracts that fell into this category of which 4 related to divisions within the Procurement Services Directorate itself. It is envisaged that the number of such contracts will significantly reduce in 2024/25.

### **3. NWSSP PROCUREMENT SERVICES ALL WALES CONTRACTING ACTIVITY**

During the period **12<sup>th</sup> January 2024 to 25<sup>th</sup> March 2024**, activity against **24 contracts** have been completed. This includes **7** contracts at the **briefing** stage and **8** contracts at the **ratification** stage. In addition to this activity, **9 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 no declarations made as to Gifts, Hospitality or Sponsorship made since the last Audit Committee meeting.

### **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 (02/01/2024 to 31/03/2024)

### Direct Engagement – 10 Contracts

This is activity where divisions have engaged suppliers directly without seeking Local Procurement prior involvement. 4 out of the 10 related to divisions within procurement Services.

No.	Trust	Division/ Service	Procurement Ref No	Date	SFI Reference	Agreement Title/Description	Supplier	Anticipated Agreement Value (ex VAT)	Action/Status
1.	VEL	NWSSP/ Digital Workforce	AC (NWSSP 2023-24) 146	January 2024	File Note	Hotel Accommodation for In Country International Recruitment Event	Tajkerala Hotel & Resorts Ltd	£5,730.86	One off requirement
2.	VEL	NWSSP/ Procurement - Laundry	AC (NWSSP 2023-24) 153	January 2024	File Note	Surcharges	Nalco	£3,411.32	No further surcharges will apply
3.	VEL	NWSSP/ Digital Workforce	AC (NWSSP 2023-24) 164	February 2024	File Note	NHS Wales delegation to India (International Recruitment event): In-country transportation, recruitment venue, catering, accommodation and transport	Navigo Health	£18,333.01	Long term strategy being discussed with Procurement going forward
4.	VEL	NWSSP/ Legal & Risk	AC (NWSSP 2023-24) 165	February 2024	File Note	Provision of Extra Support for Legal Services	Clyde & Co	£50,000.00	Long term strategy being discussed with Procurement going forward
5.	VEL	NWSSP/ Procurement - Laundry Services	AC (NWSSP 2023-24) 211	March 2024	File Note	Agency Staff	Blue Arrow	10,874.91	Laundry Services engaging with NWSSP Bank Team for suitable replacement staff
6.	VEL	NWSSP/ Pharmacy	AC (NWSSP 2023-24) 212	March 2024	File Note	Electronic Pharmaceutical Quality System (ePQS) Replacement	Bizzmine	£3,200.00	To cover interim period due to delays in the contract extension documents being awarded
7.	VEL	NWSSP/ PCS	AC (NWSSP 2023-24) 227	March 2024	File Note	Additional purchase of pallets	C Morgan Pallets Ltd	£337.50	Long term strategy being discussed with Procurement going forward
8.	VEL	NWSSP/ Procurement - Health	AC (NWSSP 2023-24) 191	March 2024	File Note	HCS Fleet Consumables from Non-Recurring Revenue	Fleet Wheel Commercial Motor	£12,473.50	Long term strategy being discussed with Procurement Transport Team going forward

		Courier Services							
9.	VEL	NWSSP/ Procurement / Laundry Services	AC (NWSSP 2023-24) 197	March 2024	File Note	Agency Staff	Best Connection	£24,999.00	Laundry Services engaging with NWSSP Bank Team for suitable replacement staff
10	VEL	NWSSP/ Legal & Risk	NWSSP-FN-(23-24) 159	January 2024	File note	Provision of Extra Support for Legal Services	Hill Dickinson & Bevan Brittain	£100,000.00	Year-end monies, engagement with L&R regarding long term strategy agreed and currently in process of being signed off

### Report of Single Tender/Quotations Actions (13)

No.	Trust	Division/ Service	Procurement Ref No	Date	SFI Reference	Agreement Title/Description	Supplier	Anticipated Agreement Value (ex VAT)	Action/Status
1.	VEL	NWSSP /SMTL	(2023/24) 75	January 2024	SQA	Chillerguard Maintenance Contract for Temperature & Humidity Fine Control Unit – 5-year period	Airedale	£22,381.20	Sole Supplier
2.	VEL	NWSSP /SMTL	(2023/24) 78	January 2024	SQA	Supply, delivery and fitting of a bespoke sized enclosure to House Kaeser compressor unit	Compressor Systems Wales Ltd	£9,484.00	Compatible with existing equipment
3.	VEL	NWSSP /Digital Services	(2023/24) 80	January 2024	SQA	Installation of Primary & Secondary PSBA Connection and network & wireless access points for office users	Comsource	£11,680.00	Landlord of property's stipulation that we use their contractor due to them knowing the plan of ducts
4.	VEL	NWSSP /People & OD	(2023/24) 90	February 2024	STA	Licences for Trained Practitioners to enable continued service – 3 year period	Insights Discovery	£60,000.00	Sole Supplier
5.	VEL	NWSSP /Pharmacy	(2023/24) 91	February 2024	STA	Purchase of Radiopharmacy equipment	Southern Scientific	£56,474.00	Sole Supplier
6.	VEL	NWSSP /Pharmacy	(2023/24) 92	February 2024	STA	Purchase of Radiopharmacy equipment	LabLogic	£36,104.34	Sole Supplier

7.	VEL	NWSSP /Pharmacy	(2023/24) 93	February 2024	SQA	Purchase of Radiopharmacy equipment	Gilligan Engineering	£11,385.00	Sole Supplier
8.	VEL	NWSSP /Pharmacy	(2023/24) 94	February 2024	STA	Purchase of Radiopharmacy equipment	Berthold	£37,236.08	Sole Supplier
9.	VEL	NWSSP /Pharmacy	(2023/24) 97	February 2024	STA	Purchase of Radiopharmacy equipment	Bright Technology	£87,000.00	Sole Supplier
10.	VEL	NWSSP/ Executive Directorate	(2023/24) 100	February 2024	SQA	Senior Management Executive Programme	Eruditus Learning Solutions	£14,583.33	Sole Supplier
11.	VEL	NWSSP /Pharmacy	(2023/24) 104	February 2024	STA	Comark Loggers Capital purchase	Fluke Ltd	£28,783.34	Sole Supplier & Compatibility
12.	VEL	NWSSP /Pharmacy	(2023/24) 106	March 2024	STA	Delivery of SMT Level 3 Diploma in Principles of Aseptic Pharmaceuticals Processing course for 6 Learners	West Suffolk College	£32,291.80	Sole Supplier
13.	VEL	NWSSP /	(2023/24) 112	March 2024	STA	ECLO Bespoke Software Contract Renewal – 3 years	Sightlight/ Cardiff Institute for the Blind	£158,400.00	Sole Supplier

## Procurement Activity (46)

No.	Trust	Division/ Service	Procurement Ref No	Date	SFI Reference	Agreement Title/Description	Supplier	Anticipated Agreement Value (ex VAT)	Action/Status
1.	VEL	NWSSP/ Supply Chain	NWSSP-DCO (23-24) 150	January 24	Framework	Provision of Racking for Denbigh Stores	Whittan Industrial	£95,259.00	Direct Call off via Framework

2.	VEL	NWSSP/ PCS	NWSSP-DCO (23-24) 155	January 24	Framework	Provision of Removal Services - Mamhilad	Harrow Green	£73,266.19	Direct Call off via Framework
3.	VEL	NWSSP/ PCS	NWSSP-MIN (23-24) 14	January 24	Framework	Purchase & Installation of Racking at Du Pont Building Mamhilad	Whittan Industrial Ltd	£332,628.00	VFM Test via Framework
4.	VEL	NWSSP/ Digital Services	NWSSP-DCO- (23-24)-174	January 24	Framework	Replacement of Core Server Infrastructure	Dell Computer Ltd	£399,687.43	Direct Call off via Framework
5.	VEL	NWSSP/ HCS	NWSSP-OJEU- 54455	January 24	Non-OJEU tender	Repair or Replacement of Fire Doors across the NWSSP Laundry Service	Ventro Ltd	£32,090.41	Open tender exercise
6.	VEL	NWSSP/ Laundry Services	NWSSP-ITT- PROJECT- 54853	January 24	Non-OJEU tender	Replacement of Vertical Conveyors at Green Vale Laundry	Micross Ltd	£76,145.20	Open tender exercise
7.	VEL	NWSSP/ Laundry Services	NWSSP-ITT- OJEU-54817	January 24	OJEU Tender	Replacement of Monorail & Sorting System Upgrade	Innova Systems Ltd	£201,854.20	OJEU Tender exercise
8.	VEL	NWSSP/ Laundry Services	NWSSP-ITT- PROJECT- 54459	January 24	Non-OJEU tender	Replacement of Vertical Conveyors at Green Vale Laundry	Innova Systems Ltd	£56,899.00	Open tender exercise
9.	VEL	NWSSP/ Laundry Services	NWSSP-ITT- PROJECT- 54891	January 24	Non-OJEU tender	Installation of pre sorting mono rail	Innova Systems Ltd	£42,973.00	Open tender exercise
10.	VEL	NWSSP/ Laundry Services	NWSSP-ITT- OJEU-54819	January 24	OJEU tender	Upgrade of Sorting System and Monorail	Innova Systems Ltd	£285,756.40	OJEU Tender exercise
11.	VEL	NWSSP/ Laundry Services	NWSSP-ITT- PROJECT5491 3	January 24	Non-OJEU tender	Roof Access for Louvers	NSS Testing Ltd	£72,342.00	Open tender exercise
12.	VEL	NWSSP/ Laundry Services	NWSSP-ITT- PROJECT- 54854	January 24	Non-OJEU tender	Replacement PLC controller for press's	Thielen Automation	£347,46.00	Open tender exercise

13.	VEL	NWSSP/ People & OD	NWSSP-ITT- PROJECT_55196	February 24	Non OJEU Tender	Provision of Translation Services	Phrase Ltd	£80,248.90	Open tender exercise
14.	VEL	NWSSP/ Corporate Executive	NWSSP-OJEU- PROJECT_550 79	February 24	OJEU Tender	Facilities Management – Matrix House	Facility Service Group	£176,523.00	OJEU Tender exercise
15.	VEL	NWSSP/ Supply Chain	NWSSP-DCO (23-24) 204	February 24	Framework	Upgrade of CCTV at Bridgend Store	Openview	£24,214.54	Direct Call off via Framework
16.	VEL	NWSSP/ Procurement & Accounts Payable	NWSSP-ITT- PROJECT_54917	February 24	Non-OJEU Tender	NWSSP Procurement Services & Accounts Payable Accredited Certification of ISO 9001 & ISO 45001	Simply Certificate	£26,410.50	Open tender exercise
17.	VEL	NWSSP/ Digital Services	NWSSP-DCO (23-24) 204	February 24	Framework	OccupEye additional equipment due to rolling out AW - ref ACAP23/24-014	FM:Systems Europe Ltd	£53,544.00	Direct Call off via Framework
18.	VEL	NWSSP/ SMTL	NWSSP-MIN- MULTIRA3386 44	February 24	Multiquote	Compatible wifi system at POW lab	Fluke UK Ltd	£18,547.76	Quotation exercise via Multiquote portal
19.	VEL	NWSSP/ SMTL	NWSSP-MIN- MULTIRA3386 87	February 24	Multiquote	SAS active air samplers	Cherwell	£12,832.20	Quotation exercise via Multiquote portal
20.	VEL	NWSSP/ SMTL	NWSSP-MIN- MULTIRA3386 48	February 24	Multiquote	Upgrade to current probes in IP5 to wifi capable	Fluke UK Ltd	£8,242.68	Quotation exercise via Multiquote portal
21.	VEL	NWSSP/ SMTL	NWSSP-MIN- MULTIRA3395 44	February 24	Multiquote	Lasair III Particle Counter	EMS Particle Solutions Ltd	£13,236.00	Quotation exercise via Multiquote portal
22.	VEL	NWSSP/ Digital Services	NWSSP-DCO (23-24) 219	February 24	Framework	Network Switch Replacement	Insight Direct	£56,214.14	Direct Call off via Framework
23.	VEL	NWSSP/ SMTL	NWSSP-MIN- MULTIRA3391 34	February 24	Multiquote	SMTL Ageing Oven	Total Tension Solutions Ltd	£15,720.00	Quotation exercise via Multiquote portal

24.	VEL	NWSSP/ SMTL	NWSSP-MIN- MULTIRA3391 33	February 24	Multiquote	Cutting press	Total Tension Solutions Ltd	£11,680.00	Quotation exercise via Multiquote portal
25.	VEL	NWSSP/ Supply Chain	SSP-RFQ- RA338338	February 24	Request for Quote	Denbigh Stores Roof Repair	MPH Constructio n Ltd	£23,594.92	Three Quotation exercise
26.	VEL	NWSSP/ Pharmac y	2021/S 000- 007768	February 24	Framework	Contamination monitoring - Radeye	Pheonix Dosimetry Ltd	£7,2440.40	Direct Call off from NHSSC framework
27.	VEL	NWSSP/ Pharmac y	URN PTH-24- 8-40589	February 24	Framework	Advanced Pharmacy Fridge RPF44043 1990mm x 1420mm x 800mm	Labcold Ltd	£5,159.17	Direct Call off from NHSSC framework
28.	VEL	NWSSP/ Pharmac y	NWSSP-DCO (23-24) 250	February 24	Framework	UVP Colony Counter – Imaging Station Plate	Wolf Laboratorie s Ltd	£14,056.00	Direct Call off from NHSSC framework
29.	VEL	NWSSP/ Laundry Services	NWSSP-ITT- OJEU-55064	February 24	OJEU tender	Provision and Installation of Replacement of the Main Steam line Pipework at Llansamlet	R Brown Specialist	£209,281.00	OJEU Tender exercise
30.	VEL	NWSSP/ Laundry Services	NWSSP-ITT- OJEU-55150	February 24	OJEU tender	Tunnel washer dryers x6 Swansea and associated equipment (Pipework, Shuttle & Track System, and Control Panel)	Broadbent Customer Services Ltd	£452,844.00	OJEU Tender exercise
31.	VEL	NWSSP/ Digital Services	NWSSP-DCO- 23-24-85	February 24	Framework	Wireless Access Points	Insight Direct	£20,798.44	Direct Award via Framework
32.	VEL	NWSSP/ Laundry Services	NWSSP-MIN- MULTIRA3385 7	February 24	Multiquote	Waste Water heat recovery system for CBW Install	R Brown Specialist	£23,875.00	Quotation exercise via Multiquote portal
33.	VEL	NWSSP/ Laundry Services	NWSSP-OJEU- PROJECT_552 01	February 24	OJEU tender	Waste water heat recovery system for CBW Tender	Ecolab Ltd	£124,902.00	OJEU Tender exercise
34.	VEL	NWSSP/ Digital Services	P159.06	February 24	AW Tender	VM Infrastructure - licensing	Trustmarq ue Solutions	£53,964.00	Utilised All Wales Tender

35.	VEL	NWSSP/ Pharmacy	NWSSP-DCO (23-24) 250	March 24	Framework	LMS Cooled Incubator Series 2 Model 230NP	Scientific Laboratory Supplies	£31,438.80	Direct Call off from NHSSC framework
36.	VEL	NWSSP/ Supply Chain	Non Catalog	March 24	Multiquote	Upgrade of Pallet Wrapping machine	Kite Packaging	£4,310.00	QUOTE KITE-039474
37.	VEL	NWSSP/ Accounts Payable	NWSSP-OJEU- PROJECT_545 67	March 24	Non-OJEU Tender	Statement Reconciliation	Fiscal Technology	£29,990.00	Open tender exercise
38.	VEL	NWSSP/ Corporate Executive	NWSSP-Quote (23-24) 108	March 24	Framework	Building works – Matrix House	Trafalgar Ltd	£18,630.00	Direct Call off via Framework
39.	VEL	NWSSP/ Laundry Services	NWSSP-DCO (23-24) 124	March 24	Framework	Tunnel washer dryers x3 North Wales	Cherry Tree Machines Ltd	£332,922.40	Direct Award via Framework
40.	VEL	NWSSP/ Procurement Services	RM6119	March 24	Framework	South Wales Hub/HQ Agile working furniture (PODS) plus delivery and installation/relocation	Cardiff Office Furniture	£34,951.00	Direct Call off via Framework
41.	VEL	NWSSP/ Laundry Services	NWSSP-DCO (23-24) 205	March 24	Framework	Garment Folder	Cherry Tree Machines Ltd	£30,000	Direct Award via Framework
42.	VEL	NWSSP/ Laundry Services	NWSSP-MIN- MULTIRA3393 24	March 24	Multiquote	Water Pumps	Antifricatio n Componen ts	£14,961.43	Quotation exercise via Multiquote portal
43.	VEL	NWSSP/ Digital Services	NWSSP-DCO (23-24) 235	March 24	Framework	Laptops	Dell Computer	£113,804.30	Direct Award via Framework
44.	VEL	NWSSP/ Digital Services	NWSSP-DCO (23-24) 236	March 24	Framework	Improvement to NHS Wales Cyber Security	Insight Direct	£8,799.34	Direct Award via Framework
45.	VEL	NWSSP/ Laundry Services	NWSSP-MIN- MULTIRA3397 88	March 24	Multiquote	Moving of the Electrolux Ironer	Cherry Tree Machines	£8,760.00	Quotation exercise via Multiquote portal

46	VEL	NWSSP/ SMTL	AC (NWSSP 2023-24) 204	March 2024	Multiquote	Wet Penetration Apparatus	Schuett- Biotec GmbH	£7,600.00	Procurement published two Multiquotes specifications on the portal, no responses received, this supplier refused to register on portal to submit a response, capital monies and alternative procurement governance routes exhausted.
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## APPENDIX B - All Wales Contracting Activity In Progress (12/01/2024 - 25/03/2024)

No.	Contract Title	Doc Type	Total Value	Jl approval <£750K	WG approval >£500k	NF approval £750-£1M	Chair Approval £1M+
1.	<b>Meds Value Unit - Compounded Aseptic Medicines</b> Aseptic Compounding is a pharmaceutical process that involves the manufacturing of medications in a controlled environment to prevent contamination and maintain product integrity  Contract period: 01/07/2024 – 30/06/2028 inc extension	briefing	£88,000,000	12/01/2024	24/01/2024	NA	NA
2.	<b>Motor Fleet Insurance (AB BCU HDDA)</b> To provide Full insurance coverage of NHS Wales' relevant Motor vehicles and claims handling service  Contract period: 1 <sup>st</sup> December 2023 – 31 <sup>st</sup> November 2026 with the following exceptions: Betsi Cadwaladr UHB: 31 <sup>st</sup> December 2023 – 1 <sup>st</sup> January 2027	ratification	£1,907,108	29/02/2024	14/03/2024	15/03/2024	15/03/2024
3.	<b>Motor Fleet Insurance (NMD-MIN-53871 )</b> To provide Full insurance coverage of NHS Wales' relevant Motor vehicles and claims handling service  Contract period: 1 <sup>st</sup> December 2023 – 31 <sup>st</sup> November 2023 with the following exceptions: Cardiff and Vale UHB: 1 <sup>st</sup> February 2021 - 31 <sup>st</sup> May 2023	ratification	£1,039,835	29/02/2024	14/03/2024	15/03/2024	15/03/2024
4.	<b>Gluten Free Subsidiary Card</b> Provision of a pre-paid subsidy debit card within GP Practices across Health Boards in Wales. Pre-paid subsidy debit cards will be used to support the purchase of gluten free food.  Contract period: 1 July 2024 – 30 June 2028 inc extension	briefing	£8,999,950	16/01/2024	08/02/2024	NA	NA
5.	<b>Generic Anti-infective drugs Generic Drugs</b> Anti Infective Drugs Items to purchase for use by All Wales hospital pharmacy departments  Contract period: 01/02/2024 to 31/01/2028 inc extension	ratification	£15,179,705	cs 23/01/2024	26/01/2024	26/01/2024	12/02/2024
6.	<b>HEIW Delivery of qualification for initial education and training of pharmacy technicians</b> - To deliver a training program that will meet the requirements of the new Modern Apprenticeship framework for Pharmacy in Wales.  Contract period: 1 <sup>st</sup> February 2024 – 31 <sup>st</sup> January 2026 inc extension	extension	£2,933,200	Jl approved 31/1/24	Unable to locate original WG approval - sent to WG 1/3		

7.	<b>Agency Nursing Services</b> To provide Agency Nursing Services to NHS hospitals in Wales  Contract period: 1 <sup>st</sup> March 2024 to 28 <sup>th</sup> February 2025	extension	£564,000,000	31/01/2024	26/02/2024	06/03/2024	11/03/2024
8.	<b>Supply of Radiopharmacy isolators</b> (TRAMS) is a programme of transformational change to Pharmacy Technical Services within NHS Wales, including participation by all the Health Boards and Trusts. Part of that programme is a £65m investment in 3 new regional medicines preparation facilities. The cleanrooms will be configured with spaces for 4 isolators.  Contract period: April 2024 one off purchase	briefing	£1,200,000	02/02/2024	sent to WG 2/2		
9.	<b>Skin &amp; Wound closure Framework</b> The provision of Skin and Wound Closure items Including Sutures, Staples, Ligation Devices, Skin Adhesives, Surgical Sealants, Bone Wax, Mesh and Haemostatic Products.  Contract period: 4 years – 1 <sup>st</sup> March 2024 – 28 <sup>th</sup> February 2028	ratification	£21,175,323	08/02/2024	sent to WG 8/2		
10.	<b>Medical Consumables Commercial Storage Facilities &amp; Distribution Services</b> To provide additional warehousing capacity within NHS Wales.  Contract period: 01/12/2023 - 30/11/2024 with an option to extend by up to a further 12 months.	ratification	£940,000	01/03/2024	sent to WG 1/3		
11.	<b>Insulin Pumps, CGM, Associated Tech and Consumables</b> Manages insulin pumps (both tubed and tubeless), continuous glucose monitors (CGM), data portals, and pump consumables used primarily by Type 1 Diabetes patients. The contract is utilised by both adults and paediatric diabetes teams original contract.  Contract period: 01/02/22-31/01/25, extension 12 months	Extension	£47,916,904	22/02/2024	original approval 17/12/21	29/02/2024	01/03/2024
12.	<b>Frozen meals &amp; desserts</b> The framework consists of two lots which are outlined as follows: - Complete Individual Meals and Individual Desserts - Multi-Portion Main Meals, Desserts, and Sundry Items  Contract period: 29 <sup>th</sup> March 2021 – 28 <sup>th</sup> March 2025	extension	£7,622,900	27/02/2024	original approval applies 18/3/21	27/02/2024	27/02/2024
13.	<b>Healthcare Planners Framework</b> The framework is a means of supporting NHS Wales 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 the future strategic direction and to support the preparation of business cases. The framework is non-committal that will support the Contracting Authorities when specialist services are required that can't be provided in house or when specialist experience is required.  Contract period: 1 <sup>st</sup> May 2024 to 30 <sup>th</sup> April 2028	ratification	£6,000,000	05/03/2024	06/03/2024	11/03/2024	sent to TM 11/3
14.	<b>Independent Mental Capacity Advocacy (IMCA) Service</b> The IMCA's role is to make representations of a person's wishes, feelings, beliefs, and values, whilst bringing to the attention of the decision-maker all factors that are relevant to the decision. This will include supporting the person who lacks capacity; obtaining and evaluating information; as far as possible ascertaining the person's	ratification	£6,872,780	01/03/2024	06/03/2024	11/03/2024	sent to TM 11/3

	wishes and feelings, beliefs, and values; obtaining a further medical opinion, if necessary and ascertaining alternative courses of action. The IMCA will represent the person's views and interests and prepare a report for the decision-maker. The IMCA may also challenge the decision-maker.  Contract period: 1st April 2024 – 31st March 2028						
15.	<b>Ultrasound Education and Training</b> Procurement is an opportunity to review and look for alternative training facilities and adapt the approach for all learners in Wales. Additionally, the procurement will aim to address the increased demand for ultrasound education in Wales, with a national shortage of NHS sonographers  Contract period: Implementation stage from 1 <sup>st</sup> October 2024 to 31 <sup>st</sup> December 2024; Services Commencement Period from 1 <sup>st</sup> January 2025 to 30 <sup>th</sup> November 2025 The contract will run for three years based on the Service Commencement Date, therefore will end between 1 <sup>st</sup> January 2028 to 30 <sup>th</sup> November 2028 with the option to extend for 2 years in 2 12-month intervals	briefing	£1,511,664	06/03/2024	19/03/2024	NA	NA
16.	<b>Laryngectomy, Tracheostomy &amp; Associated Consumables</b> These products are specialist consumables with only a handful of suppliers in the market. Each supplier's product has slight variances and a patient's condition, and treatment will also dictate which products are used. As procedures can be undertaken surgically or by the bedside, having several options available to the clinician aids a positive patient outcome.  Contract period: 01/04/24-30/09/28	briefing	£3,650,340	15/03/2024	sent to WG 15/3		
17.	<b>Emergency dept wellbeing home safe extension</b> The emergency department well-being and home safe service was established to support local clinical teams and patients accessing emergency department services. The service offers support for frail older people and vulnerable adults in emergency departments, as well as resettling people in their homes with follow-up welfare calls or visits, and where necessary, to connect them to community services to avoid readmission into the emergency department.  Contract period: 01/07/23 - 31/03/25 inc extension	extension	£1,568,919	15/03/2024	original approval applies 12/6/23	15/03/2024	15/03/2024
18.	<b>Blood Establishment Computer System (BECS)</b> A business-critical system and without it the Welsh Blood Service (WBS) would not be able to operate effectively, increasing the risk of causing direct patient harm and compromising the supply of blood and blood products to the patients and services of Wales.  Initial Term (including implementation): 03/03/2025 – 02/03/2035 Extension Term if exercised (in whole or annually): 03/03/2035 – 02/03/2045	briefing	£19,500,000	CS 20/03/24	sent to WG 20/3		
19.	<b>Computer Consumables</b> Health Boards/Trusts purchase a mixture of original branded, third-party compatible and remanufactured cartridges to meet their individual requirements.	extension	£3,240,000	CS 20/03/24	NA Direct award from framework	20/03/2024	20/03/2024

	Contract period: 01/04/2023 – 31/03/2025						
20.	<p><b>Heparins &amp; Anticoagulants</b></p> <p>Anti-coagulants, 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. These proteins are called factors. Different anticoagulants interfere with different factors to prevent clotting.</p> <p>The contract will also include both unfractionated and low molecular weight heparins (LMWH). The LMWH products make up 95% of the total spend, as they are more widely used, primarily due to having fewer risks and side effects, because of the product's low molecular weight. LMWH is also administered by subcutaneous injection, which is often preferable and easier to administer than the unfractionated heparins, which are administered as an intravenous injection, in high doses. Each of the LMWH have different license indications.</p> <p>Contract period: 1<sup>st</sup> July 2024 to 30<sup>th</sup> June 2027 (with the option to extend for a further 12 months to 30/06/2028)</p>	ratification	£27,425,983	CS 22/03/24	sent to WG 25/3		
21.	<p><b>Wound Management</b></p> <p>Regarded as an ongoing treatment of a wound by providing an appropriate environment for healing, via both direct and indirect methods, together with the prevention of skin breakdown.</p> <p>Contract period: 01/05/2025 – 30/04/2029 (incl. extension)</p>	briefing	£23,616,523	CS 25/03/24	sent to WG 25/3		
22.	<p><b>Trastuzumab</b></p> <p>This Contract is for Trastuzumab which is approved for the treatment of early-stage breast cancer that is <b>Human Epidermal growth factor Receptor 2-positive (HER2+)</b>. Trastuzumab is also approved, in combination with chemotherapy for the treatment of HER2+ metastatic cancer of the stomach or gastroesophageal junction in patients who have not received prior treatment for their metastatic disease. This contract is for the supply of medicines to both hospitals and to patients within their own homes.</p> <p>Contract period: 1<sup>st</sup> July 2021 to 30<sup>th</sup> June 2025</p>	extension	£30,318,752	CS 26/3/24	original approval applies 29/4/21	26/03/2024	sent to TM 26/3
23.	<p><b>Biologics</b></p> <p>This All-Wales Biologic and Biosimilar Medicines Framework Agreement is for provision of Adalimumab, Etanercept, Infliximab, Bevacizumab, Rituximab and Teriparatide throughout Wales. It is a multi-supplier framework agreement that covers purchase of biologic and biosimilar medicines both directly into hospitals and into patients' homes via homecare providers.</p> <p>Contract period: 1<sup>st</sup> July 2021 to 30<sup>th</sup> June 2025</p>	extension	£70,432,000	CS 26/3/24	original approval applies 29/4/21	26/03/2024	sent to TM 26/3
24.	<p><b>Proprietary Drugs</b></p> <p>Are branded lines that are protected by a patent which can be produced only by the patent owner. These are branded products, covering different areas such as tablets</p>	extension	£91,802,661	CS 26/3/24	original approval applies 10/5/22	26/03/2024	sent to TM 26/3

	<p>&amp; capsules, injectables/infusions, inhalers, and various topical products (including emollients, creams, eye &amp; nasal drops).</p> <p>Contract period: 1<sup>st</sup> July 2022 to 30<sup>th</sup> June 2025</p>						
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<b>MEETING</b>	Velindre University NHS Trust Audit Committee for NHS Wales Shared Services Partnership
<b>DATE</b>	16 April 2024
<b>AGENDA ITEM</b>	6.3
<b>PREPARED BY</b>	Peter Stephenson, Head of Finance and Business Development
<b>PRESENTED BY</b>	Peter Stephenson, Head of Finance and Business Development
<b>RESPONSIBLE HEAD OF SERVICE</b>	Andy Butler, Director of Finance and Corporate Services
<b>TITLE OF REPORT</b>	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.

A recent session at an Informal Senior Leadership Group provided an opportunity to review what we considered to be our current risks without referring to what was already on the Corporate Risk Register. While largely the risks identified in the session were already documented on the Risk Register, there are some additional possibilities for inclusion. The session in March did not allow the opportunity to evaluate whether or not these additional risks should be added and if so at what risk score. This may therefore be best followed up at a future Informal SLG, possibly in April or May. The risks identified are listed at Annex 1

## 2. RISKS FOR ACTION

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

<b>Current Risk Rating</b>	<b>April 2024</b>
Red Risk	3
Amber Risk	9
Yellow Risk	4

Green Risk	0
<b>Total</b>	<b>16</b>

## **2.1 Red-rated Risks**

The following red risks remain on the Corporate Risk Register:

- The threat to the TRAMs programme and the consequent impact in South-East Wales if funding is not made available;
- The impact on staff time and resources as a requirement of responding to the COVID 19 UK Public Inquiry; and
- The industrial action by Junior Doctors and the resulting impact that this may have on the Single Lead Employer team.

## **2.2 New/Deleted Risks**

New risks have been added covering:

- A general risk on Information Governance given the sensitivity of the data that we hold;
- A Business Continuity risk, given the threat from cyber and the recent findings of the Internal Audit; and
- A short-term risk relating to an incident at IP5.

Risks have been removed relating to:

- Risks in term of energy are basically two (a) the direct financial impact and (b) the related reputational impact.
- Staff capacity which was included during the pandemic.
- The risk of not having an Accommodation Strategy.

The following risks have had their current risk scores amended:

- **Risk A2 – Employment Services** – the score has been reduced from 8 to 4 reflecting a significant reduction in recruitment activity in recent months.
- **Risk A4 – Adverse Publicity** - the score is reduced from 12 to 8 as the threat of reputational damage from the financial issues noted at BCUHB seems to have receded and there is currently positive engagement with the senior management team at the Health Board;
- **Risk A7 – Decarbonisation** - the score is reduced from 12 to 8 as the action plan has been submitted to Welsh Government for approval;
- **Risk A12 – Financial Climate** – the risk is reduced from 12 to 8 as we close down the current year but is likely to be increased again in 2024/25.

## **2.3 Target Risk Update**

The following risk has not yet achieved its target risk score date and/or has had the target risk score increased:

- **Risk A1 – Cyber Security** – the target risk has been increased from yellow to amber as recognition of the increased level of on-going risk.
- **Risk A3 – Industrial Action** – the extent of the risk is outside the control of NWSSP. Only when a negotiated settlement is achieved, will the risk be fully mitigated. It is therefore suggested to move the target date to the end of September by which time it is hoped that the industrial action may have ended.
- **Risk A7 – Decarbonisation** - the target risk has been increased from yellow to amber as recognition of the limitations imposed by the current financial climate.
- **Risk A9 – COVID Inquiry** – we have responded to all requirements of the Inquiry to date, but the potential risk is likely to last a number of years. Therefore suggest amending the date to 31 March 2026.
- **Risk A11 – TRAMs** – The Radiopharmacy element is progressing well but the proposals for TRAMs are more difficult to progress. As part of the planned revision of the Risk Register it is suggested that the RadioPharmacy and TRAMs risks be separated with the target date for the latter extended to 31 March 2025.
- **Risk A13 – Laundry Health & Safety** – it is proposed to extend the target date to 30 June to allow for a review to be undertaken of the laundry transferred from Cwm Taf UHB as at 31 March.

## **3. RISKS FOR MONITORING**

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

<b>Current Risk Rating</b>	<b>April 2024</b>
Red Risk	0
Amber Risk	0
Yellow Risk	5
Green Risk	3
<b>Total</b>	<b>8</b>

## **3. RECOMMENDATION**

The Audit Committee is asked to:

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

### Risks from March SLG Information Session

#### Cyber/Business Continuity

1. There is a risk that access to our business-critical IT systems will be prevented by a denial-of-service cyber-attack due to the increased capabilities, resource and skills of cyber criminals which could lead to an inability to meet service levels in whole or in part.
2. Cyber-attack on 3<sup>rd</sup> party supplier that impacts on NWSSP system caused by weaknesses in their system and/or overdependence on one system/supplier resulting in failure to deliver services.
3. Event = loss of power (electric), cause = power outage/restriction of supply (external), consequence = inability to use core systems to manager/deliver services.

#### Finance

4. Event = insufficient finance, cause = WG government allocation, consequence = reduced service, staff and/or preparedness.
5. Reduction in support from partners, financial capacity caused by wider economic and NHS financial pressures resulting in failure to deliver the IMTP.

#### People

6. There is a risk that NWSSP will be unable to recruit sufficiently skilled staff to key posts due to a challenging recruitment market which could lead to an inability to meet service levels in whole or in part.
7. Event = insufficient staff, cause = retirements/staff retention, consequence = knowledge/impacted service.
8. Event = Loss of critical skills, cause = no visibility of succession, transferable skills, barriers to move. Consequence = repeated recruitment campaigns costly, loss of talent, limited opportunities, business continuity, lack of skills.
9. Recruitment/staff – loss of critical skills.

#### Other

10. Increased scrutiny from the public, stakeholders and in particular the Covid-19 Inquiry.
11. Legal and regulatory compliance – we are an increasingly regulated business.
12. Pandemic and public health emergencies
13. Climate change
14. Political change
15. Value of stock and associated cost of obsolescence
16. Initiative overload – too many policies and deliverables from WG – risks of failure to deliver all.

### 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				
<b>Risks for Action</b>												
A1	The threat of a cyber attack due to weaknesses in, or failure to comply with, security measures leading to potential loss of systems and/or sensitive data.	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 Increased resource in Cyber Security Team.	2	5	10	Complete Impact Assessment of all major systems (Nick Lewis - 31/05/2024)	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.	➔	31-Mar-24
	<b>Strategic Objective - Service Development</b>									<b>Risk Lead: Director of Planning, Performance &amp; Informatics</b>		
A2	The demand on services within Employment Services as a result of Health Boards taking on substantial numbers of staff to 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 19 additional staff recruited within Employment Services (fixed term) Regular reporting to SLG and SSPPC.	1	4	4	Detailed update on modernisation plan to be presented to SLG (31/05/2024 - DR)	Good progress being made with the Recruitment Modernisation Programme. Update provided to Sept and Nov 23 SSPPC. Recruitment levels fallen significantly but will be kept under review.	⬇	31-Mar-24
	<b>Strategic Objective - Customers</b>									<b>Risk Lead: Director of People and OD</b>		
A3	The industrial action by Junior Doctors and Consultants and the resulting impact that this may have on the Single Lead Employer team and Payroll teams	4	5	20	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 31/05/24)	3-day walkout started on 15 January. NWSSP systems coped reasonably well.	➔	30/09/2024
	<b>Strategic Objective - Staff</b>									<b>Risk Lead: Director of People and OD</b>		
A4	Adverse publicity arising from the regulatory report into financial matters at a Health Board have a reputational impact on NWSSP.	4	4	16	All requests for information are channelled through a formal Communications route, Additional Internal Audit work. Review of Comms Team structure, skills and resource.	2	4	8	Assess findings of Communications Review (AB 31/03.2024)	Positive engagement with Interim Senior Management Team at Health Board.	⬇	31/03/2024
	<b>Strategic Objective - Customers</b>									<b>Risk Lead: Director of People and OD</b>		
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 SSPPC - the Radiopharmacy element is now progressing well but there remains concerns over TRAMs.	➔	31/03/2024
	<b>Escalated Divisional Risk</b>									<b>Risk Lead: Service Director</b>		
A6	The lack of capital for 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 Revamped Business Plan - scaled down. Additional capital received (Jan 24)	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)	Rationalisation of the service through closing the Hywel Dda Laundry approved by September 23 SSPPC. Cwm Taff staff to also TUPE over to NWSSP.	➔	30/06/2024
	<b>Strategic Objective - Service Development</b>									<b>Risk Lead: Director, Procurement Services</b>		
A7	Financial restraints prevent recruiting sufficient staff to meet the expectations of Welsh Government and NHS Wales organisations in playing a leading role in deliver the Decarbonisation Action Plan. .	5	5	25	Decarbonisation Programme Board Project Execution Plan PMO Support	2	4	8	Submit updated Action Plan to Welsh Government (SD 31/03/2024 - complete)	The financial position across NHS Wales is leading to increasing demand from HBs/Trusts on the NWSSP team.	⬇	31/03/2024
	<b>Strategic Objective - Service Development</b>									<b>Director, Specialist Estates Services</b>		

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, 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	3	6	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 complete)	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.	↓	31/03/2024
	<b>Escalated Divisional Risk</b>											
A9	The COVID Inquiry places extreme demands on staff groups, particularly Procurement, and impacts the delivery of business-as-usual services.	5	4	20	Appointment of Legal Counsel Support from Legal & Risk COVID Inquiry Planning Readiness Group Reflection Documents Central Store of relevant documents	4	4	16	Ongoing requirement to respond to requests from Inquiry.	Core Participancy confirmed. Evidence now being requested for Module 5 and possibly also for Module 3. A number of key staff are also leaving during March/April (AB, GD, AE, PS)	→	31/03/2026
	<b>Strategic Objective - Services</b>											
A10	Leaks to the roof at IP5 threaten the operation of services and are extremely expensive to repair.	4	4	16	IP5 Steering Board Repairs to roof undertaken.	3	4	12	Roof Survey to be undertaken (GW - 31 March 2024) - currently delayed due to wet weather.	Roof has been patched. The progress with the Radiopharmacy unit in IP5 may lead to this being addressed as part of that project.	→	30/06/2024
	<b>Strategic Objective - Services</b>											
A11	The threat to patient services if the planned developments of the Radiopharmacy and TRAMs service is not allowed to progress due to funding or planning limitations.	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	Progress development of Radiopharmacy service in IP5 (CP 31/03/25)	Risk assessments completed with Chief Pharmacists. Update provided to September SSPC. Funding for Radio Pharmacy Unit at IP5 in SE Wales agreed in principle by WG and business case approved at November SSPC. Contract for design and build of Radiopharmacy Unit let.	→	31/03/2025
	<b>Strategic Objective - Services</b>											
A12	The financial climate in NHS Wales poses significant threats to the delivery of existing services and the development of new services as set out in our 2024/25 IMTP	5	4	20	Monthly Finance Reports to SLG Finance Reports to SSPC and Audit Committee Value and Sustainability Group Vacancy Control Arrangements implemented	2	4	8	Directorates to develop savings programme by start of new financial year. Submit balanced IMTP to WG by 31 March.	Value and Sustainability Group established and Vacancy Control arrangements implemented and savings plans monitored	↓	31/03/2024
	<b>Strategic Objective - Services</b>											
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 Appointment of Assistant Director for Laundry	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 provided to each meeting of the Laundry Programme Board	→	30/06/2024
	<b>Strategic Objective - Service Development</b>											
A14	The reputational damage arising from a significant data breach, due either to inadequate controls or human error	4	4	16	IG Manager Information Governance Steering Group On-line mandatory e-learn for all staff and two-yearly refresher training Data Privacy Impact Assessments	2	4	8	Continue to monitor e-learn training compliance and cause of any data breaches through IGSG.		*	31/03/2025
	<b>Strategic Objective: Services</b>											
A15	The threat to continued delivery of a service(s) due to having insufficient business continuity measures in place to respond to a major incident.	5	5	25	Network of Business Continuity Champions BC Plan and Impact Assessment Directorate Action Cards Internal Audit Review BCP App	2	5	10	Continue to implement recommendations from Internal Audit Report (PS - 30 Jun 24)	Recent training with DHCW and training session undertaken at Informal SLG in March 2024	*	30/06/2024
	<b>Strategic Objective: Services</b>											
A16	Threat to services within IP5 following a fire incident resulting in the loss of the sprinkler pump system.	4	4	16	Fire Officer Review of current fire safety arrangements Review of Estates Compliance Standards Incident Control Group Update paper to SLG	3	4	12	Commission a review of Sprinkler requirements (SD 30 Apr 24)	No direct impact on NWSSP personnel or property as a result of the fire incident, but refurbishment works to the pump house will take a number of weeks, possibly several months.	*	30/06/2024
	<b>Strategic Objective: Services</b>											
<b>Risks for Monitoring</b>												
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.	→	





<b>MEETING</b>	Velindre University NHS Trust Audit Committee for NHS Wales Shared Services Partnership
<b>DATE</b>	16 April 2024
<b>PREPARED BY</b>	Carly Wilce, Corporate Services
<b>PRESENTED BY</b>	Peter Stephenson, Head of Finance & Business Development
<b>RESPONSIBLE HEAD OF SERVICE</b>	Andy Butler, Director of Finance and Corporate Services
<b>TITLE OF REPORT</b>	Update on the Implementation of Audit Recommendations
<b>PURPOSE</b>	
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 **74** reports covered in this review; **18** reports have achieved **Substantial** assurance; **34** 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 **242** recommendations for action.

**Table 1 - Summary of Audit Recommendations**

As at 10 April 2024					
Recommendations		Implemented	Not Yet Due	Overdue	Dependant on third party organisations
<b>Internal Audit</b>	<b>200</b>	<b>192</b>	<b>5</b>	<b>2</b>	<b>1</b>
High	12	12	0	0	0
Medium	100	93	4	2	1
Low	68	67	1	0	0
Not Applicable	20	20	0	0	0
<b>External Audit</b>	<b>11</b>	<b>10</b>	<b>1</b>	<b>0</b>	<b>0</b>
High	0	0	0	0	0
Medium	7	6	1	0	0
Low	1	1	0	0	0
Not Applicable	3	3	0	0	0
<b>Other Audit</b>	<b>31</b>	<b>31</b>	<b>0</b>	<b>0</b>	<b>0</b>
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
<b>TOTALS:</b>	<b>242</b>	<b>233</b>	<b>6</b>	<b>2*</b>	<b>1</b>

- One of the overdue recommendations is dependent on a third party.

### 3. 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, which includes one overdue action as recorded below.

### 4. Overdue Recommendations

There are two recommendations to report in this category, one of which is categorised as dependent on a third party to implement. Full details of the recommendations are set out in Appendix A, for the attention of the Audit Committee, but in summary:

- Reference #4 - The All-Wales overpayment procedure was taken to the Shared Services Partnership Committee meeting in January 2024 but required further amendments to be made. These are progressing but need input from Trade Union colleagues that has taken longer to obtain than anticipated. A revised procedure is to be taken to the May Partnership Committee so this action should be complete by 31<sup>st</sup> May 2024. As this action has already been extended once it will remain as overdue until complete.
- Reference #7 - The reporting of cyber security performance indicators is now to be taken forward on an all-Wales basis which has led to a delay in

NWSSP Audit Committee  
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agreeing a consistent approach. A baseline assessment is being taken to the Senior Leadership Group later this month and a revised date of 30 June 2024 is requested for this action to complete.

## 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 deadline, as follows:
  - # 7 Cyber Security - Extension from 31/03/2024 - 30/06/2024

## 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
<b>PROGRESS WITH RECOMMENDATIONS</b>										
<b>Finance &amp; Corporate Services</b>										
<b>Corporate Services</b>										
1.	Business Continuity Planning NWSSP-2324-09	NYD	The Business Continuity Impact Assessment (BCIA) requires updating to include Pharmacy Technical Services. The central register of action cards identifies a number of directorates where required action cards per the BCIA are not in place. 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). The Health Courier Services & Supply Chain Business Continuity Plan and service specific action cards also require review and updating where appropriate.	Medium	<p>1.1 Review and update the scenarios in the BCIA and action card register to ensure that:</p> <ul style="list-style-type: none"> <li>Pharmacy Technical Services is included in the BCIA</li> <li>Scenarios identified in the BCIA and register are appropriate, relevant, consistent and without duplication.</li> </ul> <p>1.2 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> <p>1.3 SCTL management to review and update their 'NWSSP Health Courier Services &amp; Supply Chain Business Continuity Plan' and service action cards.</p>	Head of Finance & Business Development National Logistics Manager Director of Planning, Performance & Informatics	<p>1.1 The BCIA and Action Card Register will be reviewed and updated.</p> <p>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.</p> <p>1.3 The HCS &amp; SCLT BCP document of 2020 has been reviewed and work is underway to:</p> <ul style="list-style-type: none"> <li>review current arrangements for incident escalation and on-call arrangements;</li> <li>define BCP roles and responsibilities for managers in core management procedures and ensure appropriate awareness and training in their use; and</li> <li>update Action Cards and individual site preparedness documents with outcome of review.</li> </ul>	1.1 31/03/2024 1.2 30/06/2024 1.3 30/06/2024		<b>1.1 Complete</b>

## APPENDIX A - PROGRESS OF AUDIT RECOMMENDATIONS

2.	Business Continuity Planning NWSSP-2324-09	NYD	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.	Medium	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.	Director of Planning, Performance, and Informatics	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. 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.	30/04/2024		
3.	Business Continuity Planning NWSSP-2324-09	NYD	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.	Low	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.	Head of Finance and Business Development	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.	30/04/2024		

Employment Services

Payroll

## APPENDIX A - PROGRESS OF AUDIT RECOMMENDATIONS

4.	Payroll Services - 2021-22 NWSSP-2122-14	<b>OVERDUE, BUT OUTSIDE OF NWSSP RESPONSIBILITY</b>	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.	<b>Medium</b>	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	30/06/2024	A copy of the All-Wales Recovery of Overpayments Procedure was taken to the SSPC for endorsement in January 2024. However, members of the SSPC required further amendments to the document so it is intended to take this back to a future SSPC.
5.	Payroll Services 2022-23 NWSSP-2223-11	<b>DEPENDANT ON THIRD PARTY ORGANISATIONS</b>	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.	<b>Medium</b>	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	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.  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.
<b>Procurement</b>										
<b>Laundry</b>										

## APPENDIX A - PROGRESS OF AUDIT RECOMMENDATIONS

6.	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	01/04/2025	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 <sup>st</sup> 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.
<b>Planning, Performance &amp; Informatics</b>										
<b>Cyber Security</b>										
7.	Cyber Security NWSSP-223-06	REVISED DEADLINE FOR APPROVAL	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	30/06/2024	The reporting of KPIs would be agreed across NHS Wales to provide consistency and therefore a baseline assessment would be taken to the SLG in April 2024.
<b>Primary Care Services</b>										

## APPENDIX A - PROGRESS OF AUDIT RECOMMENDATIONS

8.	AW/2022-23/2 NHAIS	<b>NYD</b>	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.	<b>Medium</b>	Complete an annual IT Disaster Recovery (DR) test.	Matthew Walters, Digital Services Manager, NWSSP	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.	<b>29/02/2024</b>	<b>30/06/2024</b>	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.
<b>Specialist Estates Services</b>										

## APPENDIX A - PROGRESS OF AUDIT RECOMMENDATIONS

9.	<p>NHS Building for Life Framework NWSSP/SSU/2324-1</p>	<b>NYD</b>	<p>Welsh governments e-procurement tool notes the Award (Commerce Decision) tool allows for the following controls:</p> <ul style="list-style-type: none"> <li>• Enables the evaluation of large, complex, sensitive tenders, where the evaluation panels are geographically dispersed.</li> <li>• Fully integrated with eTenderWales.</li> <li>• Simple workbook with guidance for evaluators.</li> <li>• Moderators can track progress of evaluators.</li> <li>• Ability to down select suppliers who fail to meet minimum criteria.</li> <li>• Option to create comprehensive debrief reports.</li> </ul> <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. 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. 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>	<b>Medium</b>	<p>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 eprocurement tool 'Award' (commerce decision). This assessment should inform the lessons learned exercise that was set out in the quality management section of the PID.</p>	Head of Building for Wales	<p>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</p>	<b>30/04/2024</b>	<p>2.2 Programmed April '24</p>
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<b>MEETING</b>	Velindre University NHS Trust Audit Committee for NHS Wales Shared Services Partnership
<b>DATE</b>	16 April 2024
<b>PREPARED BY</b>	Carly Wilce, Corporate Services Manager
<b>PRESENTED BY</b>	Carly Wilce, Corporate Services Manager
<b>RESPONSIBLE HEAD OF SERVICE</b>	Andy Butler, Director of Finance and Corporate Services
<b>TITLE OF REPORT</b>	Audit Committee Forward Plan 2024-25

<p><b>PURPOSE</b></p> <p>To provide a summary of items expected to be presented at forthcoming Audit Committee meetings, scheduled for 2024-25.</p>
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Month	Standing Items	Audit Reports	Governance	Annual Items
<b>Q1 2024/25</b> <b>16 April 2024</b> <b>Via Microsoft Teams</b>	Minutes & Matters Arising External Audit Position Statement Internal Audit Progress Report Counter Fraud Position Statement NWSSP Update	<b>Internal Audit</b> As outlined in the Internal Audit Operational Plan  <b>External Audit</b> Audit Assurance Arrangements for NWSSP 2023-24	Governance Matters  Tracking of Audit Recommendations  Corporate Risk Register	2024-25 Counter Fraud Annual Plan  Internal Audit Operational Plan 2024-25 and Internal Audit Charter  IMTP
<b>Q2 2024/25</b> <b>25 July 2024</b> <b>In person meeting at IP5 in Newport</b>	Minutes & Matters Arising External Audit Position Statement Internal Audit Progress Report Counter Fraud Position Statement NWSSP Update	<b>Internal Audit</b> 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  Risk Management Protocol  Assurance Maps  Review of Standing Orders for the Shared Services Partnership Committee  TrAMS Update	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
<b>Q3 2024/25</b> <b>15 October 2024</b> <b>Via Microsoft Teams</b>	Minutes & Matters Arising External Audit Position Statement Internal Audit Progress Report	<b>Internal Audit</b> As outlined in the Internal Audit Operational Plan  <b>External Audit</b> Audit Wales Nationally Hosted IT Systems Report	Governance Matters  Tracking of Audit Recommendations  Corporate Risk Register	Audit Committee Effectiveness Survey Results  NWSSP Annual Review

	Counter Fraud Position Statement  NWSSP Update			
<b>Q4 2024/25</b> <b>January 2025</b> <b>Via Microsoft Teams</b>	Minutes & Matters Arising  External Audit Position Statement  Internal Audit Progress Report  Counter Fraud Position Statement  NWSSP Update	<b>Internal Audit</b> As outlined in the Internal Audit Operational Plan  Quality Assurance & Improvement Programme  <b>External Audit</b> Audit Wales Office Proposed Audit Work	Governance Matters  Tracking of Audit Recommendations  Corporate Risk Register  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