Tuesday 11 July 2023 - NWSSP Audit Committee

Tue 11 July 2023, 14:00 - 16:00

IP5, Newport

Agenda

14:00 - 14:05
5 min

1. Standard Business

Martin Veale

1.1. Welcome and Opening Remarks (verbal)

Martin Veale

1.2. Apologies

Martin Veale

1.3. Declaration of Interest

Martin Veale

1.4. Minutes of Meeting Held on 19 April 2023

Martin Veale

1.4 Audit Committee Minutes 19 April 2023 Draft.pdf (11 pages)

1.5. Matters Arising

Martin Veale

1.5 Matters Arising.pdf (2 pages)

14:05 - 14:15
10 min

2. NWSSP Update

Neil Frow

2 MD Update July 23.pdf (4 pages)

14:15 - 14:30
15 min

3. External Audit

Steve Wyndham

3.1. Audit Wales Update

Steve Wyndham

3.1 Audit Wales update paper - NWSSP July 2023.pdf (2 pages)

3.2. Detailed Audit Plan

Steve Wyndham

3.2 VUNHST Detailed Audit Plan 2023.pdf (20 pages)

14:30 - 15:00
30 min

4. Internal Audit

James Johns

4.1. ICT Follow up

James Johns/Sophie Corbett

- 4.1 NWSSP2223 07 Infrastructure Follow up Final Report.pdf (25 pages)

4.2. Final Procurement- National Sourcing

James Johns/Sophie Corbett

- 4.3 NWSSP 2223 09 Procurement National Sourcing Final Report.pdf (17 pages)

4.3. Head of Internal Audit Opinion & Annual Report 22/23

James Johns

- 4.4 A&A NWSSP HIA Opinion and Annual Report 22-23 Final2.pdf (28 pages)

4.4. Progress Report

James Johns

- 4.5 Internal Audit Progress Report.pdf (7 pages)

15:00 - 15:15
15 min

5. Counter Fraud

Mark Weston

5.1. Counter Fraud Annual Report 2022-23

Mark Weston

- 5.1 NWSSP 2022 2023 LCFS Annual Report Draft.pdf (10 pages)
- Appendix 1 Annual plan 2022 2023 completed outcomes and aligned with CFFSR.pdf (16 pages)

5.2. Progress Update

Mark Weston

- 5.2 NWSSP Q1 2023 2024 LCFS Progress Report Draft.pdf (8 pages)
- Appendix 1 Q1 2023 2024.pdf (1 pages)

5.3. Student Awards System Fraud Risk Assessment

Andrew Butler

- 5.3 Student Bursary -Fraud Risk Assessment Document (Closed).pdf (5 pages)

15:15 - 15:45
30 min

6. Governance, Assurance & Risk

6.1. Audit Committee Annual Report 2022-23

- 6.1 Audit Committee Annual Report Cover Paper 2022-23.pdf (1 pages)
- 6.1 Draft NWSSP Audit Committee Annual Report 2022-23 .pdf (12 pages)

6.2. Audit Committee Terms of Reference Review July 2023

Peter Stephenson

6.2 NWSSP Audit Committee Terms of Reference July 2023.pdf (12 pages)

6.3. Final Annual Governance Statement 2022-23

Peter Stephenson

6.3 Cover FINAL Annual Governance Statement 2022-23.pdf (3 pages)
6.3 FINAL Annual Governance Statement 2022-23.pdf (34 pages)

6.4. Governance Matters

Andrew Butler

6.4 Final Governance Matters July 2023.pdf (10 pages)

6.5. Declarations of Interest

Peter Stephenson

6.5 Annual Report Conflict of Interests Declarations 2023-24.pdf (6 pages)

6.6. Annual Report on Gifts, Hospitality & Sponsorship 2022-23

Peter Stephenson

6.6 Annual Report on Gifts, Hospitality & Sponsorship 2022-23.pdf (4 pages)

6.7. Risk Register

Peter Stephenson

6.7 Corporate Risk Register Cover Paper.pdf (2 pages)
6.7 .Corporate Risk Register.pdf (3 pages)

6.8. Tracking of Audit Recommendations

Peter Stephenson

6.8 Tracking of Audit recommendations report July 2023 .pdf (3 pages)
6.8 28062023 Appendix A progress of recommendations.pdf (7 pages)

6.9. Audit Committee Forward Plan

6.9 Audit Committee Forward Plan.pdf (3 pages)

15:45 - 15:50
5 min

7. Items for Information

7.1. Welsh Language Annual Report 2022-23

7.1 Final Welsh Language Annual Performance Report.2022.23.pdf (15 pages)

15:50 - 15:55
5 min

8. Any Other Business (By Prior Approval Only)

15:55 - 15:55
0 min

9. Time and Date of Next Meeting, Tuesday 10 October 2023

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

MINUTES OF THE MEETING HELD ON
WEDNESDAY 19 APRIL 2023 / 14:00 – 16:00
BY TEAMS APPOINTMENT

EXPECTED ATTENDEES:		
ATTENDANCE	**DESIGNATION**	
INDEPENDENT MEMBERS:		
Martin Veale (Chair)	Chair & Independent Member	
Gareth Jones (GJ)	Independent Member	
Vicky Morris (VM)	Independent member	
ATTENDANCE	**DESIGNATION**	**ORGANISATION**
Neil Frow (NF)	Managing Director	NWSSP
Tracy Myhill (TM)	NWSSP Chair	NWSSP
Andy Butler (AB)	Director of Finance & Corporate Services	NWSSP
Peter Stephenson (PS)	Head of Finance & Business Improvement	NWSSP
Linsay Payne (LP)	Deputy Director of Finance & Corporate Services	NWSSP
Carly Wilce (CW)	Corporate Services Manager	NWSSP
Simon Cookson (SC)	Director of Audit & Assurance	NWSSP
James John (JJ)	Head of Internal Audit	NWSSP
Sophie Corbett (SCo)	Deputy Head of Internal Audit	NWSSP
Mark Weston (MW)	Local Counter Fraud Specialist	NWSSP
Lauren Fear (LF)	Director of Corporate Governance	Velindre
Matthew Bunce (MB)	Director of Finance	Velindre
Steve Wyndham (SW)	Audit Lead	Audit Wales

Item		**Status**
1. STANDARD BUSINESS		
1.1	**Welcome and Opening Remarks** • The Chair welcomed Committee members to the April 2023 meeting of the Audit Committee.	
1.2	**Apologies** • Apologies were received from Steve Ham, Chief Executive of Velindre University NHS Trust.	
1.3	**Declarations of Interest** • None received.	
1.4	**Minutes of Meeting held on 24 January 2023** • The minutes of the meeting held on 24 January 2023 were **AGREED** as a true and accurate record of the meeting.	
1.5	**Matters Arising from Meeting on 24 January 2023** All matters arising are complete, apart from:	

Item		Status
	Item 2: the All-Wales NHS Counter Fraud E-Learning Module was to be launched on 18 April but is being uploaded to ESR a day later than planned and will be live imminently. Staff and Committee members would be emailed with information shortly.	
2.0	**NWSSP Update** NF provided an update to the Committee as to recent developments within NWSSP since the last meeting: • NWSSP's IMTP had been submitted to Welsh Government (WG) on time. There were some challenging issues in the submission but overall, it was a balanced plan. Initial discussions had taken place with the Finance Delivery Unit and WG but formal feedback was pending; • Work to develop alternative plans for laundry services which require a reduced capital investment, remain ongoing with Welsh Government; • The Low Vision Service would transfer to NWSSP in June 2023 following some unavoidable delays; • Formal consultation with staff affected by the move from Companies House to Cathays Park is commencing with the likely estimated date for the move in January 2024; • Brecon House in Mamhilad is experiencing challenges with the concrete used in the fabric of the building. Plans are underway to vacate the building and relocate to a different building on site; • The non-consolidated Pay Award uplift of 1.5% had been successfully processed in March and the consolidated 1.5% uplift would be paid in May; • An opportunity to acquire a property for the TRAMS project has arisen, which could generate significant savings over the longer term; • Work to establish the Citizens Voice Body (LLAIS) is complete. NWSSP would be providing certain support services under a Service Level Agreement; • Arrangements are being progressed to support the recruitment of healthcare professionals from India on behalf of NHS Wales. GJ enquired on the timescales involved on the TRAMS purchase. NF advised that he expected progress within the next two months, dependent on WG funding. Colleagues in Velindre were being kept abreast of developments. VM stated that with reference to international recruitment, a former colleague had experience in this area and would be happy to advise on recruitment and retention. NF would mention this to Gareth Hardacre. TM enquired whether there was significant risk to staff working in Brecon House whilst alternative accommodation is being sought. NF advised that risk assessments had been undertaken and the issue was being	

Item		Status
	managed and safety controls implemented. MV enquired whether liability at Brecon House was the responsibility of the landlord or NWSSP. NF stated that NWSSP has no legal liability, and the responsibility is entirely with the landlord. However, NWSSP has a moral responsibility to safeguard the welfare of its staff if the landlord is slow to act. **The Committee NOTED the report.**	
3. EXTERNAL AUDIT		
3.1	**Audit Wales Update** SW presented the position statement detailing current and planned work. While the overall deadlines for audit completion have been pushed back, he explained that assurance work completion was on course for May 2023, when findings would be issued to NHS external audit teams. At this stage, there was nothing of concern and no significant findings to bring to management or the Audit Committee's attention. **The Committee NOTED the report.**	
3.2	**Audit Assurance Arrangements for NWSSP 2022-23** SW presented the Audit Assurance Arrangements for NWSSP paper to the Committee. The scope of this year's work had changed slightly from previous years, and more work would be focused on the Single Lead Employer function and IT controls. GJ queried the quoted dates given the known slippage in deadlines. SW replied that the dates were not hugely adrift, and he expected the work to be completed in May. **The Committee NOTED the report.**	
4. INTERNAL AUDIT		
4.1	**Internal Audit Progress Report** JJ presented the position statement confirming the position with the final audits for 2022/23. Of the three remaining audits two are at draft report stage and one has just completed fieldwork. He reported that there was nothing of concern in these audits to be brought to the members' attention. **The Committee NOTED the report.**	
4.2	**Internal Audit Reports** The following internal audits were presented to the Audit Committee for consideration	

Item		Status
	4.2.1 Student Award Services Follow Up Review SCo presented the report stating that a full audit was undertaken in 2020-21 when there were recommendations made to strengthen governance and control arrangements. These have previously been followed up and considerable progress had been made but there were also several actions to progress, as summarised in the report. Most notably, that the process for verifying childcare costs should be strengthened; this was discussed with Counter Fraud; the system was enhanced further and implemented prior to the closure of this review. One recommendation remained outstanding, which related to the need to review and refresh KPIs. This would be completed in conjunction with the new system implementation. There was substantial assurance overall, albeit on a limited scope. It was noted that a new bursary system was currently being implemented and a separate review would be undertaken in 2023-24 for the service as a whole. **4.2.2 Risk Management & Assurance Mapping Report** SCo presented the report highlighting that there were sound risk management arrangments in place at a corporate level and corporate risks were well-managed and assurance maps were in place for most service areas. At divisional level, the laundry services risk register was operational, but did not capture business risks. There was no assurance map in place for the Surgical Materials Testing Laboratory and some assurances for other directorates were inappropriate or did not exist. The issues within these 2 divisions were being addressed and improved upon. The report was rated as reasonable assurance. AB welcomed the review but highlighted the innovative work on assurance maps and the exemplary approach at a corporate level. It was acknowledged that the Directorate risk management arrangements need improvement in some areas, and it was intended to provide them with increased support and guidance. Quarterly service reviews continue to be held and provide an opportunity to assess risks and risk management practices in each directorate. **4.2.3 Payroll Services** SCo stated that the review focused on controls in place to ensure timely and accurate payments to NHS employees. Continued improvements were seen this year with only two medium priority matters arising: (1) inconsistent payroll checks within one team, however no inaccuracies were recorded, and (2) the necessity to recover overpayments which had increased significantly. The report was rated as Reasonable assurance.	

Item		Status
	The Chair noted that overpayments within NHS Wales exceeded £10m in 2021-22 and enquired how much had been subsequently recovered. This figure was not available in the meeting. Health Boards and Trusts are responsible for recording leavers and changes to wording conditions, but these were often received late, resulting in salary overpayments. Approximately 90% of the recorded amount was due to such errors. AB advised that an end-to-end review of the process had been requested by NF following discussions at the Shared Services Committee and all relevant parties would be involved. In addition, a task and finish group had been set up to review the All-Wales salary Overpayments policy and this was being led by Linsay Payne. The Chair explained that it would be useful to understand how effective the recovery processes, once implemented, had been. AB would update members as appropriate. TM enquired whether there was any data highlighting which Health Boards and Trusts were efficient in their administrative processes, and which fell short. SCo advised that figures are available by each organisation and NF stated that the matter now has an increased focus given the total amount of overpayments. SW asked how alert the auditors were to these overpayment issues and asked for the analysis of the £10m across NHS Wales organisations. **AB to provide the auditors with a breakdown of the £10m across NHS Wales and to identify the latest position for 2022/23** **4.2.4 Primary Care Payments** SCo advised that there were no significant findings to report on processes in place to pay primary care contractors and **substantial** assurance was in place. Management highlighted an issue with the FPPS system impacting on the validation and post payment verification of enhanced services submitted by GPs. PCR was developing a validation tool that would be subject to an internal audit review in early 2023-24. The Chair was pleased to note the substantial assurance rating achieved in this important area. **NF asked PS to review the wording of the management response to the 2nd recommendation in the report. Primary Care Contractor Payments** **The Audit Committee NOTED the Internal Audit Reports.**	**AB** **PS**
4.3	**Draft Internal Audit Plan 2023-24** JJ advised that the document sets out the strategic planning approach and the requirement to develop the Internal Audit Plan and Charter in line with audit standards. As part of the planning process, advice was	

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	sought from key stakeholders and the draft plan was reviewed by the Senior Leadership Group in March. Completion of the plan and any required changes to it, would be monitored throughout the year. The Chair was pleased to see decarbonisation and business continuity included in the plan. The Chair asked if anything had changed in the Audit Charter from previous years. JJ confirmed that no significant changes had been made to the Charter. GJ noticed that two KPIs in Appendix B showed only 80% target achievements and asked whether this was sufficiently challenging. JJ explained that this was first year a percentage had been introduced for those KPIs and they would be monitored through the year. The second one is a standard across NHS Wales organisations but results usually exceed the target. The Chair suggested that there is a need to move away from quantitative KPIs to more qualitative output-based approach to capture the value of internal audit activity and recommendations. **The Committee APPROVED the Internal Audit Plan and Charter.**	
4.4	**4.4 External Quality Assessments** SC reported that it is a requirement of Public Sector Internal Audit Standards that every five years there is an independent review of compliance with the standards. It was last undertaken in 2018 by the Chartered Institute of Internal Auditors (CIIA) and it has now been undertaken in 2023 by the Chartered Institute of Public Finance & Accountancy (CIPFA). Their report concludes that NWSSP conforms fully to the Standards with no areas of partial or non-compliance recorded. There were no recommendations. The report would be shared with all Audit Committees and the WG. The Chair congratulated SC for the excellent report. TM agreed with MV and congratulated all concerned. VM agreed and asked SC whether the note regarding stakeholder issues being raised in a timely way was surprising. SC replied that it was the response to one question in one survey, so it may have reflected a specific issue. NF agreed and noted that the previous report had also been excellent. **The Audit Committee NOTED the report.**	
5 COUNTER FRAUD		
5.1	**Counter Fraud Progress Update** MW updated members on progress report in the last quarter. The intranet had been updated and fraud awareness sessions were being	

Item		Status
	promoted among staff. The sessions had proved effective, with an increase in new referrals. A counter fraud app had been launched in February and had been sent to all NHS Wales staff, with approximately 100 staff already downloading the app. Two reports were presented covering the thematic risk assessments carried out by the NHS Counter Fraud Authority on services provided by the NWSSP, namely pre-employment checks, procurement, and invoice fraud. Each Local Counter Fraud Specialist had to perform a risk assessment on their own organisation. Actions would be followed through, and MW would ensure economies of scale were exploited, that lessons would be learned and that efforts were not duplicated. He was also working on data for the National Fraud Initiative. The Chair thanked MW for the comprehensive report and enquired whether MW was going to highlight the individual issues in the thematic report with his colleagues across NHS Wales, and ensure it is presented to the audit committees in those bodies. MW confirmed this procedure was in place. **The Audit Committee NOTED the reports.**	
5.2	**Counter Fraud Annual Plan 2023-24** MW introduced the plan which is informed by the Cabinet Office Standards for Counter Fraud. The Plan currently includes the additional resource procured from Cardiff & Vale UHB, and the detail of how this time will be used is still to be finalised. The plan sets out how MW intends to utilise his time, but he reminded Committee members that the need to respond to any investigations that may arise can often override the intended plan. **The Committee APPROVED the 2023-24 Counter Fraud Annual Plan.**	
6 GOVERNANCE, ASSURANCE AND RISK		
6.1	**Governance Matters** AB introduced the paper which contains a wide range of matters including the contractual activity undertaken by NWSSP in the period since the last Committee. AB highlighted that the 2022/23 financial outturn and noted that a £12k surplus on turnover of £767m. The final Welsh Risk Pool risk sharing amounts were in line with that set out in the IMTP and the outturn in terms of cases settled in the financial year were in line with the funding provided by Welsh Government. AB stated that the figure which members should note is the provision for clinical	

Item		Status
	negligence and personal injury claims which stands at almost £1.5 billion. The capital allocation of £5m was fully spent, with the majority of this expenditure being undertaken in February and March following the receipt of additional WG funding late on in the financial year. Two declarations covering hospitality and sponsorship were shown in the statements; one of which had been approved and the other had been declined. A nil return was submitted to the WG in regard to limited/no assurance audit reports. Over 95% of invoices were paid within 30 days. The Chair thanked and congratulated AB and his team for the performance and summary. He suggested it would be useful to know who had made the offer of gifts and hospitality in future reports. **Action: AB to ensure future reporting included details of the offeror for gifts and hospitality.** VM noted that in the appendices Items 34 & 35 stated that a competitive tender had not been sought in accordance with SFIs. She asked AB whether anything could have been done to achieve compliance. AB would check and update members. **Action: AB would investigate the reason for non-compliance.** GJ enquired how contributions to the risk pool were calculated, and whether this took their claims history into account. AB stated that a formula had been developed over a period of time that took into account a number of factors, one of which was claims history. TM mentioned that as Chair of the Welsh Risk Pool Committee she ensures that there is a focus on learning from experience and that those organisations with a good record of being able to demonstrate learning were appropriately awarded for their efforts. **The Committee NOTED the report.**	**AB** **AB**
6.2	**Financial Valuations** AB introduced a detailed report on financial valuations concerning stocks and fixed assets and in particular to Chapter 6 of the Manual for Accounts concerning WG approvals for write downs and impairments	
6.2.1	**Stock Valuation** AB reminded Committee members that prior to COVID, stock levels were around £3m but at the height of the pandemic these had risen to in excess of £100m with over £400m of PPE purchased since April 2020. WG had requested that stocks of PPE are maintained at a level sufficient to cover 16 weeks of use at the height of the pandemic. This inevitably leads to some stock going out-of-date particularly stock purchased at an early stage of the pandemic. Additionally, the original prices paid for	

Item		Status
	some PPE during the height of the pandemic were higher than the current price. The stock valuations therefore need to be reviewed in accordance with the relevant Accounting standards. As a result of the review adjustments were required to be made to the stock valuations. These adjustments had been agreed with, and would be funded by, WG. The Chair clarified that the write off amounts and subsequent valuations would affect the 2022-23 accounts. He also enquired whether the stock of gowns and masks would be utilised. AB advised that the prudent approach would be to make adjustments in the accounts at this stage although efforts would continue to be made to find a use for them. He also emphasised that WG had provided appropriate funding to offset the impact on the 2022/23 accounts. The value of the valuation adjustments required WG approval, and the Committee were therefore asked to note the adjustments to the stock values, prior to formal approval being sought from WG. **The Committee NOTED:** **1. The accounting adjustments detailed within the report.** **2. The accounting treatment to be adopted in the 2022-23 accounts.** **3. The detail of the report as required in Chapter 6 of the Manual for Accounts prior to submission of the appropriate forms to Welsh Government to provide funding in 2022/23.**	
6.2.2	**Fixed Assets Summary** LP reported that under Chapter 6 of the Manual for Accounts, fixed asset impairments would be required to cover two separate issues relating to the All-Wales Laundry Outline Business Case and the Legal & Risk Case Management System where we are in a contractual dispute with the supplier. **The Audit Committee NOTED:** **1. The impairments detailed within the report;** **2. The accounting treatment to be adopted in the 2022-23 accounts.** **3. The detail of the report as required in Chapter 6 of the Manual for Accounts, prior to submission of the appropriate forms to Welsh Government to provide funding in 2022/23.**	
6.3	**Risk Register** PS reported that there was no fundamental change in any of the red-rated from the last Committee meeting and many of the risks had been discussed already on the agenda. However, a number of COVID-related	

Item		Status
	risks had been removed from the register following discussion at the March Senior Leadership Group. VM appreciated that Covid-specific risks would be deleted from the register and asked if systems are in place to monitor and manage mitigation, so that they do not return to the register by default. PS confirmed that such systems were in place and assurance mapping played a key part in that process. VM further enquired, in regard to the industrial action risks, whether the risk could be reduced in terms of its score, given that the pay award had been accepted. TM stated that the outcome of ballots in NHS England may well have an impact on whether the risk score can be reduced. GJ queried, in respect of the cyber security risk, whether NWSSP had any reliance on Capita as they had experienced a number of cyber security issues. NF stated that we would investigate this. **Action: Investigate whether NWSSP has any reliance on Capita for services.** **The Committee NOTED the Corporate Risk Register.**	**PS**
6.4	**Tracking of Audit Recommendations** The Chair noted that nothing was overdue in the period. PS confirmed that the situation is monitored monthly, and all required actions are currently on track. **The Committee NOTED the Report.**	
6.5	**Draft Audit Committee Forward Plan** Members received the Forward Plan for 2024. SW asked that items scheduled for July in terms of the audit outputs be shown as October instead. **Action: External Audit reporting dates for 2022/23 audit to be deferred to October**. **The Committee APPROVED the forward plan.**	**CW**
7 ITEMS FOR INFORMATION		
7.1	**NHS Audit of Accounts 2022-23** The Chair referred members to p4 and the timetable with the expectation that the accounts would be signed off by July.	
8 ANY OTHER BUSINESS		

Item		Status
8	**Any Other Business** None.	
9	**Date and Time of Next Meeting** Tuesday 11 July 2023, from 14:00-16:00 at IP5 in Newport.	

Velindre University NHS Trust Audit Committee for NHS Wales Shared Services Partnership

Matters Arising

Actions arising from the meeting held on 19 April 2023				Action by
1.	**MW**	**Matters Arising 1.5** To issue communications to staff and independent members regarding the launch of the NHS Counter Fraud E-learning Module.	**Complete** Email issued on 20 April 2023.	**July 2023**
2.	**AB**	**Internal Audit 4.2** AB to provide the auditors with a breakdown of the £10m across NHS Wales and to identify the latest position for 2022/23.	**Complete** A report was taken to the SSPC in March 2023, which detailed a breakdown of overpayments by Health Boards and Trusts. Update for 2022/23 provided on agenda	**July 2023**
3.	**PS**	**Internal Audit 4.2** PS to review the wording of the management to the second recommendation in the Payroll Services report.	**Complete** Management response has been updated and report reissued by Internal Audit on 20 April 2023.	**July 2023**
4.	**CW**	**Governance Matters 6.1** To ensure future reporting included details of the offeror for gifts and hospitality.	**Complete**	**July 2023**
5.	**AB**	**Governance Matters 6.1** AB to investigate the reason for non-compliance with SFI's for items 34 & 35 listed in appendix A of the report.	**Complete** 34. Filenote (breach)- An order was placed with a contracted supplier, but the service was let down at the last minute as the supplier was unable to source the vehicles. County Car and Van Hire was the only supplier that was able to supply the vehicles at short notice. 35. Filenote, Occupational Health Civica. The data extract is required for all Health Boards	**July 2023**

			to enable the new contractor (Civica) to implement their solution in a timely manner and to ensure continuity of service for Occupational Health.	
6.	**PS**	**Risk Register 6.3** Investigate whether NWSSP has any reliance on Capita for services.	**Complete** There are no significant contracts and therefore no risk implications for NWSSP.	**July 2023**
7.	**CW**	**Draft Audit Committee Forward Plan 6.5** To defer external audit 2022-23 reporting date for until October.	**Complete**	**July 2023**

MEETING	Velindre University NHS Trust Audit Committee for NHS Wales Shared Services Partnership
DATE	11 July 2023
AGENDA ITEM	2.0
PREPARED BY	Peter Stephenson, Head of Finance and Business Development
PRESENTED BY	Neil Frow, Managing Director
RESPONSIBLE HEAD OF SERVICE	Neil Frow, Managing Director
TITLE OF REPORT	NWSSP Update

PURPOSE
To update the Committee on recent developments within NWSSP.

Introduction

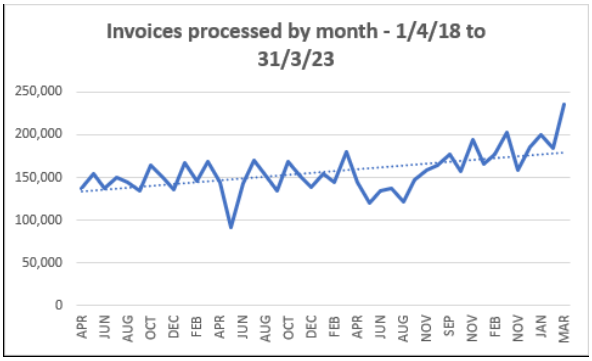
This paper provides an update into the key issues that have impacted upon, and the activities undertaken by, NWSSP, since the date of the last meeting in April.

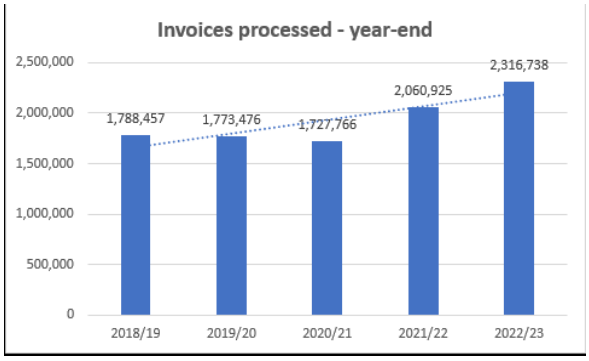
Internal Audit

The 5-year external quality assessment of Internal Audit was undertaken by the Chartered Institute of Public Finance & Accountancy over recent months and resulted in the highest possible rating being awarded to the service that is operated by NWSSP. There were no areas of either partial or non-compliance noted with the standards. CIPFA's report is included as a separate agenda item in the Committee papers.

Accounts Payable

The number of invoices processed in 2022/23 was in excess of 2.3m which represents a 30% increase in activity compared to 2019/20. The month of March 2023 saw the highest ever total of invoices processed at 235,413 invoices with a combined value of £907m.





Finance

We reported a draft Month 12 financial position with a small surplus of £0.012m. The accounts will be subject to external audit review with the audit expected to continue until the end of July. The audit of the Welsh Risk Pool accounts commenced on 25th April. The financial outturn was achieved after increasing the NWSSP 2022/23 distribution to £2m. The final 2022/23 WRP expenditure was £136.727m which was within the range forecast throughout the financial year. Total long-term provisions have increased by £69.270m in 2022/23 and now total £1.499bn at 31st March 2023. Our final Capital Expenditure Limit for 2022/23 was £5.023m which was spent in full.

Salary Sacrifice

The table below shows the launch dates for both the Home Electronics and Cycle 2 Work schemes. Most NHS Wales organisation are involved in these schemes with Hywel Dda and Powys UHBs also expressing an interest.

Staff benefits Home Electronics Scheme	
Organisation:	**Status:**
Cwm Taf Morgannwg	**Set up to launch on 3/5/23**
DHCW	**Set up to launch on 3/5/23**
NWSSP SLE	**Set up to launch on 3/5/23**
PHW	**Set up to launch on 3/5/23**
Swansea Bay	**Set up to launch on 3/5/23**
Velindre	**Set up to launch on 3/5/23**
WAST	**Set up to launch on 3/5/23**
Shown Interest:	**Status:**
Hywel Dda	**Expressed interest for NWSSP to take over their Halfords scheme admin**

Cycle 2 Work Scheme	
Organisation:	**Status:**
Cwm Taf Morgannwg	**Set up to launch on 3/5/23**
DHCW	**Set up to launch on 3/5/23**
NWSSP SLE	**Set up to launch on 3/5/23**
PHW	**Set up to launch on 3/5/23**
Swansea Bay	**Set up to launch on 3/5/23**
Velindre	**Set up to launch on 3/5/23**
WAST	**Set up to launch on 3/5/23**
Shown Interest:	**Status:**
Hywel Dda	**Expressed interest for NWSSP to take over their Halfords scheme admin**
Powys	**Expressed interest for NWSSP to administer scheme**

Powys	**Expressed interest for NWSSP to administer scheme**

The table below shows the number of cars procured through the lease car scheme. 89% of these are either totally electric or hybrid models. There are no diesel options available through the scheme, but a small number of basic petrol options remain to provide opportunities for those unable to afford the current cost of the electric and hybrid vehicles.

Salary Sacrifice Cars Organisation	Number of live Salary Sac cars	Live Electric	Live Hybrid	Cars on order 28/03/23	Estimated Income generated pa
Aneurin Bevan	556	388	112	84	£333,600
Cardiff and Vale	621	432	112	129	£372,600
Cwm Taf Morgannwg	590	384	119	95	£354,000
DHCW	109	78	22	16	£65,400
HEIW	32	28	4	5	£19,200
NWSSP SLE	138	87	40	24	£82,800
Powys	50	34	13	8	£30,000
PHW	63	50	10	15	£37,800
Swansea Bay	605	415	125	94	£363,000
Velindre	63	44	16	19	£37,800
WAST	300	227	52	59	£180,000
TOTAL	**3127**	**2167**	**625**	**548**	**£1,876,200**
Percentage		**69%**	**20%**		

Welsh Risk Pool

NWSSP Welsh Risk Pool coordinated a launch of the All-Wales Consent to Examination & Treatment e-Learning on 30th March 2023. The keynote address was delivered by the Minister for Health & Social Services. The e-Learning package has been professionally developed with a production company, The Sound Doctor, and all those who have piloted the training have stated how effective the package is, and that it is focussed to the needs of busy clinicians.

Research indicates that issues relating to consent are presented as allegations in a large proportion of claims received in NHS Wales and this is a similar picture across the other home nations. Between £10 and £20 million of reimbursements are made each year in respect of claims where issues related to consent are a factor. Clearly, by addressing the causes of claims

related to consent, considerable savings can be made in relation to the litigation quantum

IP5

The following developments have taken place within IP5:

- LED lighting with a controlled management system has been installed through the whole building driving significant savings and carbon reductions**.**
- Racking installation has been completed across the remaking part of the store adding in another 3000 pallets spaces to help grow resilience, reduce external storage costs, and enable further development of the stocked lines.
- Development of the Pharmacy storage facility to support the deployment of counter measures and the CBRN support.
- Additional installations of EV charging points for the growth in Electric vehicles

TrAMS

We continue to work with third parties to explore options for a site in the southeast. If procured this will being forward developments in the programme in terms of replacing legacy arrangements by approximately 18 months to two years compared to a new build. On-going discussions continue with Welsh Government in respect of the capital funding requirement.

Brecon House

Negotiations are continuing with the landlord to procure alternative and additional facilities at Mamhilad due to the issues with the Brecon House roof and the need for more space to expand the Patient Medical Record scheme.

Neil Frow,
Managing Director, NWSSP,
July 2023

Date issued: July 2023

Audit Wales update for the NWSSP Audit Committee – July 2023

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).

2022-23 Audit Progress update

2 Our audit and assurance fieldwork at NWSSP is complete and we are in the process of issuing the necessary internal assurances to Audit Wales colleagues.

3 There are no significant matters arising from this work that we need to bring to the attention of the Committee. However as our wider NHS external audit work is ongoing issues related to NWSSP could still arise.

General Audit Wales Update

4 Other areas of Audit Wales activity of potential interest are outlined below for your information.

5 For latest news and updates you can also **subscribe to our newsletter.**

Good practice events and products

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

Recent Audit Wales Publications

7 The following national reports and outputs have been published since the last update paper:

- Digital Inclusion (March 2023)

- Maximising EU spending (June 2023)

8 We have also published our Annual Plan setting out our work programme and priorities for 2023-24.

Other Planned Audit Wales work

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

- Net zero (pan-UK overview - produced jointly with other UK audit bodies);
- Broadband Infrastructure;
- Sustainable development – brownfield regeneration;
- Ukrainian refugee response; and
- Affordable housing.

Archwilio Cymru
Audit Wales

Velindre University NHS Trust – Detailed Audit Plan 2023

Audit year: 2022-23

Date issued: June 2023

Document reference: 3653A2023

This document has been prepared as part of work performed in accordance with statutory functions. Further information can be found in our Statement of Responsibilities.

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

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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.

About Audit Wales

Our aims and ambitions

Assure

the people of Wales that public money is well managed

Explain

how public money is being used to meet people's needs

Inspire

and empower the Welsh public sector to improve

Fully exploit our unique perspective, expertise and depth of insight

Strengthen our position as an authoritative, trusted and independent voice

Increase our visibility, influence and relevance

Be a model organisation for the public sector in Wales and beyond

Contents

Introduction

I have now largely completed my planning work.

This Detailed Audit Plan specifies my statutory responsibilities as your external auditor and to fulfil my obligations under the Code of Audit Practice.

This Plan relates to our external audit of the Trust and so a separate Audit Plan will be issued in regard to our audit of the Trust's charitable funds.

It sets out the work my team intends undertaking to address the audit risks identified and other key areas of focus during 2023.

It also sets out my estimated audit fee, details of my audit team and key dates for delivering my audit team's activities and planned outputs.

Adrian Crompton
Auditor General for Wales

Audit of financial statements

I am required to issue a report on your financial statements which includes an opinion on their 'truth and fairness' and the regularity of income and expenditure. and the proper preparation of key elements of your Remuneration and Staff Report. I lay them before the Senedd together with any report that I make on them. I will also report by exception on a number of matters which are set out in more detail in our Statement of Responsibilities.

I do not seek to obtain absolute assurance on the truth and fairness of the financial statements and related notes but adopt a concept of materiality. My aim is to identify material misstatements, that is, those that might result in a reader of the accounts being misled. The levels at which I judge such misstatements to be material is set out later in this plan.

I am also required to certify a return to the Welsh Government which provides information about Velindre University NHS Trust (the Trust) to support preparation of the Whole of Government Accounts.

There have been no limitations imposed on me in planning the scope of this audit.

Performance audit work

I must satisfy myself that the Trust has made proper arrangements for securing economy, efficiency, and effectiveness in its use of resources. I do this by undertaking an appropriate programme of performance audit work each year.

My work programme is informed by specific issues and risks facing the Trust and the wider NHS in Wales. I have also taken account of the work that is being undertaken or planned by other external review bodies and by internal audit.

The majority of my performance audit work is conducted using the International Organisation of Supreme Audit Institutions (INTOSAI) auditing standards. INTOSAI is a global umbrella organisation for the performance audit community. It is a non-governmental organisation with special consultative status with the Economic and Social Council (ECOSOC) of the United Nations

Financial statements materiality

My financial statements audit will concentrate on your risks and other areas of focus

My audit planning has identified the following risks:

Significant financial statement risk

- Management override

Other areas of audit focus

- IFRS16 – Leases
- Asset valuations
- Inventory
- Welsh Risk Pool

My performance audit will include:

- Structured Assessment – Core
- Structured Assessment – Deep dive review of investment in digital
- Local project – Follow-up of our quality governance review
- Local project – Examination of the setting of well-being objectives

Materiality

Materiality	£9.7 million
Reporting threshold	£487,000

Materiality £9.7 million

My aim is to identify and correct material misstatements, that is, those that might other cause the user of the accounts into being misled.

Materiality is calculated using:

- 2022-23 draft accounts gross expenditure of £973,161 million
- Materiality percentage of 1%

I report to those charged with governance any misstatements above a trivial level (set at 5% of materiality).

Areas of specific interest

There are some areas of the accounts that may be of more importance to the user of the accounts and we have set a lower materiality level for these:

- Remuneration report/senior pay disclosure – £1,000; and
- Related party disclosures – £10,000 for individuals' interests.

Significant financial statements risks

Significant risks are identified risks of material misstatement for which the assessment of inherent risk is close to the upper end of the spectrum of inherent risk or those which are to be treated as a significant risk in accordance with the requirements of other ISAs. The ISAs require us to focus more attention on these significant risks.

Exhibit 1: significant financial statement risks

Significant risk	Our planned response
Management Override The risk of management override of controls is present in all entities. Due to the unpredictable way in which such override could occur, it is viewed as a significant risk [ISA 240.32-33].	The audit team will: • test the appropriateness of journal entries and other adjustments made in preparing the financial statements; • review accounting estimates for bias; and • evaluate the rationale for any significant transactions outside the normal course of business.

Other areas of focus

I set out other identified risks of material misstatement which, whilst not determined to be significant risks as above, I would like to bring to your attention.

Exhibit 2: other areas of focus

Audit risk	Our planned response
IFRS16 – Leases A new accounting standard, IFRS16 Leases, has been adopted by the FReM for 2022-23. IFRS16 will significantly change how most leased assets are accounted for, as leased assets will need to be recognised as assets and liabilities in the Statement of Financial Position. There are also significant additional disclosure requirements specific to leased assets that will need to be reflected in the financial statements.	My audit team will: • consider the completeness of the lease portfolios identified by the health board/trust/authority needing to be included in IFRS16 calculations; • review a sample of calculated asset and liability values and ensure that these have been accounted for and disclosed in accordance with the Manual for Accounts; and • ensure that all material disclosures have been made.
Asset Valuations The quinquennial valuation of the NHS estate took place as at 1 April 2022. There is a risk that assets are not valued on appropriate bases and that movements in the carrying values of assets are not appropriately accounted for and disclosed. Given the current economic climate, there is a further risk that the carrying values of assets have changed during 2022-23 and that 1 April 2022 valuations are materially misstated at the balance sheet date.	My audit team will: • consider the appropriateness of the work of the Valuation Office as a management expert; • test the appropriateness of asset valuation bases; • review a sample of movements in carrying values to ensure that movements have been accounted for and disclosed in accordance with the Manual for Accounts; and • consider whether the carrying value of assets at 1 April 2022 remains materially appropriate or whether additional in-year adjustments are required due to the impact of current economic conditions.

Audit risk	Our planned response
Inventory Whilst decreasing, the inventory balance within the Trust's annual accounts remains material. In addition there have been material write-downs of some stock values during the financial year. There is a risk that these write-downs are not founded on correct assumptions, accurately calculated or complete.	We will undertake audit procedures to obtain assurance upon the accuracy and completeness of the write-downs undertaken during the financial year to help inform whether the inventory balance within the financial statements is materially correct.
Welsh Risk Pool The Trust hosts the Welsh Risk Pool Services on behalf of NHS Wales bodies in respect of costs associated settling clinical negligence claims, including structured settlement cases. As a result of the typically high value of these claims the aggregate value within the Trust's accounts far exceeds our materiality level. As a result, there is an inherent risk that any errors in presenting and disclosing these liabilities within the annual accounts could be material.	We will undertake audit testing and seek assurances from the work undertaken by other NHS Wales auditors in order to obtain assurance that the liabilities are materially correct.

Financial statements audit timetable

I set out below key dates for delivery of my accounts audit work and planned outputs.

Exhibit 3: key dates for delivery of planned outputs

Planned output	Work undertaken	Report finalised
2023 Outline Audit Plan	January – February 2023	February 2023
2023 Detailed Audit Plan	March – May 2023	June 2023
Audit of financial statements work: • Audit of Financial Statements Report • Opinion on the Financial Statements • Audit of Financial Statements Memorandum report	February – July 2023	July 2023 July 2023 September 2023

Planned performance audit work

I set out below details of my performance audit work and key dates for delivery of planned outputs.

Exhibit 4: key dates for delivery of planned outputs

Planned output	Work undertaken	Report finalised
Structured Assessment - core	Structured assessment will continue to form the basis of the work my audit teams do at each NHS body to examine the existence of proper arrangements for the efficient, effective, and economical use of resources. My 2023 structured assessment work will review the following core areas: • Board and committee cohesion and effectiveness; • corporate systems of assurance; • corporate planning arrangements; and • corporate financial planning and management arrangements. My structured assessment work will also include a review of the arrangements that are in place to track progress against previous audit recommendations. This allows the audit team to obtain assurance that the necessary progress is being made in addressing areas for improvement identified in previous audit work. It also enables us to more explicitly measure the impact our work is having.	Fieldwork to commence between June and August 2023 with reporting by the end of October 2023.
Structured Assessment – deep dive review of investment in digital	In addition to the core structured assessment work described above, my audit teams will also review certain arrangements at NHS bodies in more depth. This year, my audit teams will examine digital arrangements, with a particular focus on how NHS bodies are investing in digital technologies, solutions, and capabilities to support the workforce, transform patient care, meet demand, and improve productivity and efficiency.	Fieldwork to commence during the autumn of 2023 and reporting by April 2024.
Local project work – Follow-	My audit team will follow-up the Trust's progress in implementing actions to address the findings of my	Timing of fieldwork to be

Planned output	Work undertaken	Report finalised
up of quality governance review	2022 report on its quality governance arrangements.	confirmed, reporting by April 2024.
Local project work – Examination of the setting of well-being objectives	My audit team will assess the extent to which the Trust has acted in accordance with the sustainable development principle when setting/considering/renewing its well-being objectives.	Timing of fieldwork to be confirmed, reporting by April 2024.

Fee and audit team

In January 2023 I published the fee scheme for the 2023-24 year as approved by the Senedd Finance Committee. My fee rates for 2023-24 have increased by 4.8% for inflationary pressures. In addition, my financial audit fee has a further increase of 10.2% for the impact of the revised auditing standard ISA 315 on my financial audit approach. More details of the revised auditing standard and what it means for the audit I undertake is set out in **Appendix 1**.

I estimate your total audit fee will be **£243,111**.

Planning will be ongoing, and changes to my programme of audit work, and therefore my fee, may be required if any key new risks emerge. I shall make no changes without first discussing them with the Director of Finance.

Our financial audit fee is based on the following assumptions:

- The agreed audit deliverables sets out the expected working paper requirements to support the financial statements and includes timescales and responsibilities.
- No matters of significance, other than as summarised in this plan, are identified during the audit.

Exhibit 5: breakdown of audit fee

Audit area	Proposed fee for 2023 (£)[1]	Actual fee for 2022 (£)
Audit of Financial Statements	**165,572**	**149,849**
Performance audit work:		
• Structured Assessment	64,974	61,817
• Local projects	12,565	12,118
Performance work total	**77,539**	**73,934**
Total fee	**243,111**	**223,783**

[1] The fees shown in this document are exclusive of VAT, which is not charged to you.

The main members of my team, together with their contact details, are summarised in **Exhibit 6**.

Exhibit 6: my local audit team

Name	Role	Contact details
Richard Harries	Engagement Director and Audit Director (Financial Audit)	richard.harries@audit.wales 02920 320640
Dave Thomas	Audit Director (Performance Audit)	dave.thomas@audit.wales 02920 320604
Steve Wyndham	Audit Manager (Financial Audit)	steve.wyndham@audit.wales 02920 320664
Darren Griffiths	Audit Manager (Performance Audit)	darren.griffiths@audit.wales 02920 32051
David Burridge	Audit Lead (Financial Audit)	david.burridge@audit.wales 02920 677839
Katrina Febry	Audit Lead (Performance Audit)	katrina.febry@audit.wales 07870 266701

I can confirm that my team members are all independent of the Trust and your officers.

Audit quality

Our commitment to audit quality in Audit Wales is absolute. We believe that audit quality is about getting things right first time.

We use a three lines of assurance model to demonstrate how we achieve this. We have established an Audit Quality Committee to co-ordinate and oversee those arrangements. We subject our work to independent scrutiny by QAD* and our Chair, acts as a link to our Board on audit quality. For more information see our Audit Quality Report 2022.

Our People

The first line of assurance is formed by our staff and management who are individually and collectively responsible for achieving the standards of audit quality to which we aspire.

- Selection of right team
- Use of specialists
- Supervisions and review

Arrangements for achieving audit quality

The second line of assurance is formed by the policies, tools, learning & development, guidance, and leadership we provide to our staff to support them in achieving those standards of audit quality.

- Audit platform
- Ethics
- Guidance
- Culture
- Learning and development
- Leadership
- Technical support

Independent assurance

The third line of assurance is formed by those activities that provide independent assurance over the effectiveness of the first two lines of assurance.

- EQCRs
- Themed reviews
- Cold reviews
- Root cause analysis
- Peer review
- Audit Quality Committee
- External monitoring

* QAD is the quality monitoring arm of ICAEW.

Appendix 1

The key changes to ISA315 and the potential impact on your organisation

Key change	Potential impact on your organisation
More detailed and extensive risk identification and assessment procedures	Your finance team and others in your organisation may receive a greater number of enquiries from our audit teams at the planning stage of the audit. Requests for information may include: • information on your organisation's business model and how it integrates the use of information technology (IT); • information about your organisation's risk assessment process and how your organisation monitors the system of internal control; • more detailed information on how transactions are initiated, recorded, processed, and reported. This may include access to supporting documentation such as policy and procedure manuals; and • more detailed discussions with your organisation to support the audit team's assessment of inherent risk.
Obtaining an enhanced understanding of your organisation's environment, particularly in relation to IT	Your organisation may receive more enquiries to assist the audit team in understanding the IT environment. This may include information on: • IT applications relevant to financial reporting; • the supporting IT infrastructure (e.g. the network, databases); • IT processes (e.g. managing program changes, IT operations); and • the IT personnel involved in the IT processes. Audit teams may need to test the general IT controls and this may require obtaining more detailed audit evidence on the operation of IT controls within your organisation. On some audits, our audit teams may involve IT audit specialists to assist with their work. Our IT auditors may need to engage with members of your IT team who have not previously been involved in the audit process.

Key change	Potential impact on your organisation
Enhanced requirements relating to exercising professional scepticism	Our audit teams may make additional inquiries if they identify information which appears to contradict what they have already learned in the audit.
Risk assessments are scalable depending on the nature and complexity of the audited body	The audit team's expectations regarding the formality of your organisation's policies, procedures, processes, and systems will depend on the complexity of your organisation.
Audit teams may make greater use of technology in the performance of their audit	Our audit teams may make use of automated tools and techniques such as data analytics when performing their audit. Our teams may request different information or information in a different format from previous audits so that they can perform their audit procedures.

Through our Good Practice work we share emerging practice and insights from our audit work in support of our objectives to assure, to explain and to inspire.

Our newsletter provides you with regular updates on our public service audit work, good practice and events, which can be tailored to your preferences.

For more information about our Good Practice work click here.

Sign up to our newsletter here.

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

Follow-up: ICT Infrastructure
Final Internal Audit Report

June 2023

NHS Wales Shared Services Partnership

GIG CYMRU NHS WALES
Partneriaeth Cydwasanaethau
Gwasanaethau Archwilio a Sicrwydd
Shared Services Partnership
Audit and Assurance Services

Contents

Review reference:	NWSSP -2223 - 07
Report status:	Final
Fieldwork commencement:	18th January 2023
Fieldwork completion:	20th February 2023
Draft report issued:	23rd March 2023
Debrief meeting:	
Management response received:	21st April 2023
Final report issued:	21st April 2023
Auditors:	Martyn Lewis, IT Audit Manager
Executive sign-off:	Alison Ramsey, Director of Planning, Performance and Informatics
Distribution:	Neil Jenkins, Chief Digital Officer
Committee:	Audit and Risk Committee

Audit and Assurance Services conform with all Public Sector Internal Audit Standards as validated through the external quality assessment undertaken by the Institute of Internal Auditors.

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.

Executive Summary

Purpose

To provide the Health Board with assurance regarding the implementation of the agreed management actions from the ICT Infrastructure (2122-16) review,

Overview of findings

We have provided reasonable assutance over this area.

All the agreed actions have been progressed, with action continuing for a number, in particular where resolution is by necessity and long term action.

The security over telecoms has been improved, as has the performance of the system, with upgrades and configuration issues being resolved.

Discussions continue with DHCW to improve the information provided on performance, and work continues to remove older equipment from the infrastructure.

We note that the infrastructure upgrade project will have an impact on the management processes and DR for NWSSP. We further note the work ongoing to implement a new asset management system within NWSSP which will provide greater clarity over the infrastructure and enable NWSSP visibility of its equipment.

Follow-up Report Classification

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

Progress Summary

Previous Matters Arising	Previous Priority Rating	Direction of Travel	Current Priority Rating
1 Telecoms Resilience	Medium	⇧	Closed
2 Telecoms Performance	Medium	⇧	Closed
3 Telecoms Security	High	⇧	Closed
4 Performance Reporting	Medium	⇧	Closed
5 Old Equipment	High	⇧	Low
6 Asset Visibility	Medium	⇧	Low
7 Resource Use	Medium	⇧	Low
8 Continuity Testing	Medium	⇧	Closed
9 Skills	Medium	⇧	Closed

2.1 Introduction

1.1 The overall objective of this audit is to provide the Health Board with assurance regarding the implementation of the agreed management actions from the ICT Infrastructure (2122-16) review that was reported as part of our 2021/22 work programme.

1.2 The scope of this follow-up review does not aim to provide assurance against the full review scope and objective of the original review. The 'follow-up review opinion' provides an assurance level against the implementation of the agreed action plan only.

1.3 The areas that the review will seek to provide assurance on are:

- appropriate progress has been made with the implementation of the agreed management responses within the agreed timescales;
- adequate evidence is available to support the level of progress that has been made; and
- the actions implemented have effectively addressed the issues highlighted during the original audit.

1.4 The potential risks considered in the original review were as follows:

- NWSSP does not maximise the benefits from infrastructure investment;
- loss of a higher number of systems due to physical server failure;
- unauthorised access to information / data;
- failure of the organisation to comply with license requirements; and
- the organisation cannot appropriately recover from loss of IT services.

2.2 Findings

2.1 The table below provides an overview of progress in implementing the previous internal audit recommendations:

Original Priority Rating	Number of Recommendations	Implemented / Obsolete (Closed - No Further Action Required)	Action Ongoing (Further Action Required)	Not implemented (Further Action Required)
High	2	1	1	-
Medium	7	5	2	-
Low	-	-	-	-
Total	**9**	**6**	**3**	**-**

2.2 Full details of recommendations requiring further action are provided in the **Management Action Plan** in **Appendix A**.

2.3 Full details of recommendations that are deemed to be closed with no further action required are provided in **Appendix B**.

Appendix A: Matters Arising with Actions Remaining

Previous Matter Arising 5: Old Equipment		
Original Recommendation		Original Priority
The plan to replace all the Windows 2008 servers should be reviewed, fully developed and where appropriate revised timescales should be agreed and enacted. A funded, rolling replacement programme for infrastructure equipment should be developed.		**High**
Management Response	Target Date	Responsible Officer
We have an agreed programme of renewal of our 2008 servers as part of our Windows 10 migration and implementation of MSO365. This is alongside our migration plan to move all NWSSP staff onto the DHCW supported platform and away from other health board or Trust platforms. It is therefore known that we have a number of old servers still in place, but we are decommissioning them as the migration work is completed. Since January 2018 to present we have decommissioned 63 servers and replaced with 30% physical and 70% virtual servers. Recently we have experienced delays in the migration plans due to the pandemic, as there was a dependency not only on the availability of NWSSP staff, but also IT staff within HBs to assist with this work, and priorities understandably needed to be revised. However, we are finishing 2021-22 with much progress having been made in recent months. To mitigate the delays and potential security vulnerabilities we have paid for extensions to warranties where possible. DHCW have provided us with 15 months' notice of the need to replace the server at Companies House. This is not considered an unreasonable timeframe to plan and prepare a business case for funding and discussions have already been held with Welsh Government Finance Colleagues regarding the funding. The servers will therefore continue to be decommissioned and the major task will be the replacement of the Companies House server.		

1)We will however ensure that the replacement plan is reviewed to ensure that it is comprehensive and has identified all relevant servers. 2) A rolling programme for the replacement of infrastructure equipment will also be further developed and funding sought as appropriate.	1) 31 July 2022 2) 31 December 2022	1) Chief Digital Officer 2) Director of Planning, Performance, and Informatics

Current findings	Residual Risk
There continues to be progress in the removal of older infrastructure equipment. We were informed that all the 2003 servers have now been removed, and only a small number of 2008 servers remain. However we have not been provided with evidence that shows this. The older servers remain as these are servers holding systems on them that cannot run on newer models. We note that one of these is within procurement and hosts an Access based system. Discussions are underway with procurement to move to a newer server version in the interim while the system is redone. There has not been much change in the switch infrastructure. Some newer models have been purchased, but these have not been installed as it will require weekend working and for services to be offline and a mutual agreeable window has not been agreed with DHCW. The updating of switches is also made more difficult by continuing supply chain issues, with delays of up to 9 months for some Cisco models. We note that the hardware on which the virtual environment relies is coming to end of life, the warranty was extended to cover this year but final date is February 2024. We note that a project is underway to replace the infrastructure and move into a new, cloud, environment. There has been a delay to this and the original October deadline has slipped due to resource issues with suppliers. The new environment has not been fully defined and may require some hardware. There has been some discussion with other third parties in order to assess the potential for obtaining a longer warranty support than offered by Dell. In terms of developing a rolling programme for replacement of infrastructure equipment. A high level IT strategy has been developed and has gone to SLG, and this touched on infrastructure replacement as an item. The definition of the need is being worked up at present. The management of assets is being moved onto a new asset management tool (Wasp). The information for desktops and laptops is being included first, subsequent to that, the servers will follow, and then infrastructure equipment such as switches and firewalls. We also note that there is an intent to include medical devices within this tool.	Potential risk of unauthorised access to information / data and loss of IT Services.

Wasp is a full lifecycle tool and includes warranty information and expiry dates, this will enable a rolling replacement requirement to be identified. The funding for this will need to be assessed and bid for once the full requirement is defined. **Ongoing – with further action required.**		

New Recommendation(s)		Priority
5.1	Any hardware need for new environment should be identified and the current hardware upgraded appropriately. Funding for the rolling replacement programme should be sought.	**Low**

Management Response		Target Date	Responsible Officer
5.1	The Infrastructure Upgrade project has captured a full inventory of hardware that will be out of warranty and any related unsupported OS. These will be replaced by new on-premises or cloud solution with supported hardware and OS. Chief Digital Officer now has access to WSUS Server Compliance Reporting Dashboard that shows that all active NWSSP servers are now running supported operating systems i.e. Windows Server 2012 or above. The funding requirement for replacement of the current hosting infrastructure has been included in the NWSSP 10-year digital infrastructure investment plan submitted to Welsh Government and the NWSSP IMTP capital plan.	28th Feb 2024	Chief Digital Officer

Previous Matter Arising 6: Asset Visibility		
Original Recommendation		Original Priority
An Asset management system is included as a charge within the SLA with DHCW. This as defined as Asset Studio, which we note has been replaced by Snow Asset Management. The service statement for Asset Studio / Snow states that it provides in depth information on the hardware assets to provide a fully rounded view of the IT environment. However servers and switches were never included in Asset Studio, and they are not currently within Snow. As NWSSP do not have access into the CMDB, SCCM or Dell OpenManage this means that there is no full record held by NWSSP IT of what hardware is owned by NWWSP and there is very little visibility on the state of the infrastructure for NWSSP IT and the service as per the SLA may not be being completely delivered.		**Medium**
Management Response	Target Date	Responsible Officer
1) This issue has been raised with DHCW whose policy is not to include servers on Snow. 2) We have previously raised this issue regarding Dell OpenManage with DHCW, and the current challenge is understood to be that NWSSP cannot be given access to solely the NWSSP information within the system. We would need to be given access to the whole system, as it is currently configured including the infrastructure information of others, and this would not be appropriate. However with the appointment of the new Chief Digital Officer we will continue to investigate with DHCW any alternative solutions to address this problem.	31 July 2022	Chief Digital Officer
Current findings		**Residual Risk**
The current visibility picture has not changed. infrastructure assets are managed by DHCW and there is limited visibility by NWSSP.		Potential risk of unauthorised access to information / data and loss of IT Services.

There has been some improvement as part of the cyber security work with a service catalogue being developed, and the identification of cyber risks associated with assets.

We note the draft strategy includes reference to asset management and visibility, as it states:

"*We will work with Digital Health & Care Wales to implement a comprehensive asset management process that will deliver a single consistent view of the status of all digital assets (including hardware, infrastructure and licensing).* "

Linked to this, as referred to above there is also the implementation within NWSSP of the new WASP asset management system. As this is intended to include servers and infrastructure equipment, once this is complete NWSSP will be able to have a complete record of all its assets. We note that the first stage of implementation, with client devices being included was due for February 2023.

Ongoing – with further action required.

New Recommendation(s)		Priority
6.1	Work should continue to implement the WASP system and ensure all NWSSP assets are included.	**Low**

Management Response		Target Date	Responsible Officer
6.1	All desktop hardware has now been migrated to WASP. A period of clear running will be allowed to learn any lessons from the desktop implementation until 30th April 2024. Server and network infrastructure will then be added to the solution.	31st May 2024	Chief Digital Officer

Previous Matter Arising 7: Resource Use		
Original Recommendation		Original Priority
Consideration should be given to providing (read only) access to the hypervisor monitoring to NWSSP IT staff. A process should be established for reviewing the potential to increase resource allocations to improve performance for specific VMs and maximise the value gained from investment in the virtual environment.		**Medium**
Management Response	Target Date	Responsible Officer
Agreed - Management considers that DHCW should be doing this for NWSSP as part of the SLA. Given we, like many other NHS organisations are still relatively early on in our transition to virtual environment and have future plans to do more in this area, the Chief Digital Officer will address this as part of our Digital Strategy and review of DHCW SLA arrangements.	31 January 2023	Chief Digital Officer
Current findings		**Residual Risk**
NWSSP is undertaking an infrastructure renewal project which will result in a different (hybrid) infrastructure utilising Azure. As part of this a service model from DHCW will be defined and the intent is to build the management and reporting into that. As such there has been no provision of access into the virtual environment and we note that this has not been considered a priority, with the view being that the environment should be managed as per the SLA, and performance reports provided to demonstrate the effectiveness of this. We do note that once NWSSP moves into Azure, the financial consequences of not effectively monitoring use mean that there is an intent / requirement for NWSSP to have some level of monitoring access. **Ongoing – with further action required.**		Until the new infrastructure is implemented, there is a risk that NWSSP is not maximising the use of its virtual infrastructure, and there are some services that could utilise the underused processing.

New Recommendation(s)		Priority
7.1	NWSSP should ensure that reporting on the management of the infrastructure and virtual environments are built into the new service definitions. In the interim, consideration should be given to requesting quarterly information on the use and status of the virtual environment.	**Low**

Management Response		Target Date	Responsible Officer
2.1	A task has been created in the Infrastructure Upgrade project to build a reporting solution into the new hybrid infrastructure.	24th Feb 2024	Chief Digital Officer

Appendix B: Previous Matters Arising Now Closed

Previous Matter Arising 1: Telecoms Resilience		
Original Recommendation		Original Priority
The knowledge of the system and how to manage it should be shared within the IT team in NWSSP and back up support factored in to allow cover for times of absence.		**Medium**
Management Response	Target Date	Responsible Officer
Our model is like that of DHCW i.e., one member of the team with telephony experience, supported by a third-party provider. It is also important to recognise that given our strategic commitment to agile working in the future, our dependency on traditional telephony communications has diminished in the last two years, so the risk to business disruption has also decreased. Management considers the level of risk to be proportionate given we have invested in a third-party provider which provides access to a broader range of expertise and system knowledge in the event issues arise, albeit we may need to pay for such additional adhoc support. In addition work has already commenced to share user guides and this will be progressed to provide additional support within the team.	31 July 2022	Director of Planning, Performance, and Informatics
Current findings		**Residual Risk**
We note improvements in the management of telecoms, with greater resilience within the department. There are two staff looking after telephony, one substantive and one agency, although we note that due to maternity leave both roles are currently agency staff. The agency staff in use have experience in telecoms in general, and in one case has technical knowledge of Mitel. The risk associated with relying on agency in terms of staff leaving at short notice has been considered and partially mitigated by the provision of staffing via a statement of works outside IR35. This places a requirement on the agency to provide a replacement with equal qualifications should the staff leave.		N/A

We further note that procedures and guides have been developed that cover the management of telecoms, and these have been used by the agency staff as part of the NWSSP familiarisation process	

Previous Matter Arising 2: Telecoms Performance		
Original Recommendation		Original Priority
NWSSP should request that the supplier provide performance reports as per the contractual requirement.		**Medium**
Management Response	Target Date	Responsible Officer
Performance reports are available on calls routed through our Contact Centres. Live information is available via Call Centre Wallboards. Several reports are available for download by Contact Centre supervisors which includes calls received per day, average wait times, numbers of abandoned calls, average call length etc. Similar statistics for calls direct to staff and outgoing calls are not readily available because the option to purchase a dedicated Data Logger was not exercised when the system was implemented. In the 4+ years that the system has operated there have been no requests from the business to provide that data Performance of the service is managed on a by exception basis and issues such as dropped calls and call quality are raised by service managers to the telephony point of contact within the NWSSP team. There have been no incidences of significant business disruption. The relationship with the provider is positive with a regular point of contact that is familiar with our operations and ways of working to handle issues as and when they arise. As an example our requirement to move a number of staff over onto softphones during the pandemic was handled well and without disruption to core services. We are in the process of procuring a replacement telephony system, as the current contract is due to expire in the next 12 months. We will ensure that the new contract specification clearly captures regular performance reporting requirements. It is likely that our future telephony arrangements will be a cloud-based arrangement linking more closely to our investment in Microsoft Office 365 and associated apps such as Microsoft Teams.	31 January 2023	Director of Planning, Performance, and Informatics
Current findings		**Residual Risk**

We note that there is no additional information provided by the supplier. We note that call quality has continued to be an ongoing issue. However, the telecoms lead has been engaging with both suppliers (Gamma and Maintel) to try and resolve. This process identified the need for some software updates which has reduced occurrence. In addition, one of the agency staff has a technical knowledge of Mitel and has identified some configuration issues which have been fixed and further decreased the incidence of dropped calls. Moving forward NWSSP is moving off the Mitel system and on to Teams telephony. There is a joint procurement exercise with DHCW and Hywel Dda. The specification for the new service includes sections on performance monitoring, both from a contact centre / agent perspective, but also at a technical, architecture and resilience perspective. It also requires performance reports from the supplier, which include capacity monitoring. The implementation of the new telephony service will be in DHCW first, then Hywel Dda and so NWSSP will benefit from any lessons learned. The management arrangements for the new service are still being discussed, but it is likely to be 3 tiers with escalation between them: - Management within the national tenancy (as is Teams based), i.e. DHCW; - Management by NWSSP IT team; and - Management by department with Teams enabling some local configuration such as amending call paths. As DHCW are implementing first they will assess how the management works in the 3 tiers and then the service will be defined ready for NWSSP implementation.	N/A

Previous Matter Arising 3: Telecom Security		
Original Recommendation		Original Priority
The default admin accounts should be deactivated, or at least renamed and default passwords changed.		**High**
Management Response	Target Date	Responsible Officer
This has been actioned immediately IA made us aware of the issue.	Already actioned	N/a
Current findings		**Residual Risk**
This was confirmed as part of our audit work.		N/A

Previous Matter Arising 4: Performance Reporting		
Original Recommendation		Original Priority
NWSSP should formally request that DHCW provide performance reports that show the successful delivery of the functional aspects of the service, covering items such as: - patch compliance; - nodes with alerts resolved / unresolved; - server alerts outstanding / dealt with; and - proactive monitoring reports.		**Medium**
Management Response	Target Date	Responsible Officer
DHCW is our strategic partner and our goals are closely aligned. There are bi-monthly meetings with DHCW that involve the senior IT team members and lead Directors from both organisations, plus monthly meetings with operational teams. These meetings include significant levels of performance information and consider any issues relating not just to the client services elements of the SLA but also to servers as examples. As another example we have in recent months discussed access to reports that provide assurance that patches have been applied. DHCW have already considered this request and provided us with access to a dashboard that IT managers can access. Servers and systems managed by the DHCW Data Centre Team gather and report system availability statistics etc. Performance of systems and servers managed by DHCW Client Services (mostly in NWSSP server rooms) have not had this level of monitoring in the past. If this is required, NWSSP may need to fund an expansion of the SolarWinds monitoring tool. The format and content of our performance and monitoring reports is constantly evolving and will be continue to be reviewed.	31 July 2022	Chief Digital Officer
Current findings		**Residual Risk**

DHCW have improved the service description in the Service Catalogue and this provided more clarity over their role and work undertaken. This improves the ability of NWSSP to challenge and request information on the contracted service provided. Regular meetings continue to be held with DHCW. These are monthly in relation to project updates, and quarterly performance / service reviews. The ongoing discussions over reported information in relation to work undertaken have led to improved reporting, including patch compliance and project status. Although we note that the establishment of the Centre of Excellence within DHCW is impacting on this. We note that the ongoing discussions include requesting better information on incident analysis and problem management, however this is impacted by the limitations of Service Point. However a new tool is being obtained by DHCW which will enable better reporting. Update 21st April 2023 – Chief Digital Officer now has access to WSUS Server Compliance Reporting Dashboard.	N/A

Previous Matter Arising 8: Continuity Testing		
Original Recommendation		Original Priority
Services should be requested to formally confirm that they have assessed the requirement for business continuity and disaster recovery plans and that they are in place accordingly. A formal schedule of testing should be established for: • business continuity plans; and • disaster recovery plans. As the back up process is managed by DHCW, NWSSP should request that a schedule of regular testing of the back ups be implemented and the results fed back to NWSSP.		**Medium**
Management Response	Target Date	Responsible Officer
This has already been identified as part of the NWSSP Business Continuity Plan, and IT systems has been captured as an area requiring more work. A workshop is planned for Qtr 4 of 2021-22 (COVID priorities allowing), to explore further our approach to this, and prioritise the testing plans to commence from April 2022. The Central Business Team (Oracle) has offered to demonstrate their approach to DR testing. This is also an area of risk that has been identified by most other NHS Wales organisations, and there will be opportunities to work with others and share learning from respective scenario testing.	31 July 2022	Director of Planning, Performance, and Informatics

Current findings	Residual Risk
We note that the stated workshop did not take place, However the DR position for the organisation is continuing to evolve, with testing for specific systems undertaken, such as for PCS, NHAIS and Oracle. The infrastructure upgrader project will affect the DR position and requirements across NWSSP, with each plan needing to be reviewed once the new infrastructure is in place. The nature of the revisions to the DR plans will depend on the approach taken to how the service is implemented within the new infrastructure. We further note the potential decommissioning of the Companies House data centre will also require DR plan revision. In terms of backups, the service is provided by DHCW and uses the CommVault facility. We note that there are a number of procedures in place within DHCW for managing this process, and there is a specific procedure in place for backup test and restore. The procedure requires that backups are subject to testing, and as part of our work we confirmed that this restore testing does take place for NWSSP data and backups, with the outcome of the testing presented within a Power BI dashboard.	N/A

Previous Matter Arising 9: Modern Skills		
Original Recommendation		Original Priority
Training should be provided on Azure management and a role for managing resource established. Training should be provided to NWSSP IT staff on modern architecture and network trends in order to influence the direction of travel when replacement servers and switches is required.		**Medium**
Management Response	Target Date	Responsible Officer
We are waiting on the DHCW Centre of Excellence model to become established before we fully commit to the level of training that we may need to provide ourselves. The Director of Planning, Performance, and Informatics has been asked to sit on the Programme Board for the Centre of Excellence, so this will be opportunity to ensure we are able to influence its development to help achieve our NWSSP objectives. NWSSP is by no means an outlier in terms of having few trained staff in these new and emerging technologies. This is an issue faced by other NHS organisations in Wales and we are all 'shopping' in a small pool of talent and against the added challenge of market forces on salaries in such roles and the restrictions of Agenda for Change and funding. NWSSP is therefore very much linked into the national work on Digital Skills being led by HEIW. The Chief Digital Officer will take forward the future training needs plan for the internal team and will address this recommendation as part of that work.	31 January 2023	Chief Digital Officer
Current findings		**Residual Risk**
Training is touched upon in the Digital Strategy, which notes missing skills and difficulties in recruiting. We note that an additional member of staff a senior product specialist has been recently recruited. The role of this is to review specifications, both technical and service related in order to provide advice and challenge.		N/A

Training needs for staff are identified via the PADR, although we note that there is no overall training plan for the IT department. We noted the intent to better define training plans once the infrastructure replacement has been completed and the new service full defined, this will enable the required skills to be identified. There is access to training for staff. All IT staff have access to Pluralsight (an online education company), which contains a wide range of training material on Azure, and also includes other areas such as software defined networking.	

Appendix B: Assurance opinion and action plan risk rating

Audit Assurance Ratings

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

 **Substantial assurance**	Few matters require attention and are compliance or advisory in nature. **Low impact** on residual risk exposure. **Follow up:** All recommendations implemented and operating as expected
 **Reasonable assurance**	Some matters require management attention in control design or compliance. **Low to moderate impact** on residual risk exposure until resolved. **Follow up:** All high priority recommendations implemented and progress on the medium and low priority recommendations.
 **Limited assurance**	More significant matters require management attention. **Moderate impact** on residual risk exposure until resolved. **Follow up:** No high priority recommendations implemented but progress on most of the medium and low priority recommendations.
 **No assurance**	Action is required to address the whole control framework in this area. **High impact** on residual risk exposure until resolved. **Follow up:** No action taken to implement recommendations

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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Procurement Services – National Sourcing

Final Internal Audit Report

June 2023

NHS Wales Shared Services Partnership

Contents

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Distribution:	Claire Salisbury, Assistant Director of Procurement Services Heads of Operational Procurement
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 Institute of Internal Auditors

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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.

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Executive Summary

Purpose

To review national sourcing procurement activity within the new integrated procurement teams to establish consistency in processes and assess compliance with procurement guidance.

Overview

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

- incomplete ECM contracts register;
- non-compliance with procurement processes and insufficient supporting evidence / documentation;
- weaknesses in the calculation of the 'contracts completed on time' KPI; and
- completion of key documentation and lack of documented contract extension process.

Full details of all matters arising and associated recommendations are provided at Appendix A on page 10.

Report Opinion

		Trend
Reasonable 	Some matters require management attention in control design or compliance. **Low to moderate impact** on residual risk exposure until resolved.	 2021/22 (P2P)

Assurance summary[1]

Objectives		Assurance
1	Competitive procurement of goods and services	Reasonable
2	Identification and retender of expiring contracts	Reasonable
3	Procurement related invoice holds	Reasonable

[1]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	Contracts Register	1 & 2	Operation	Medium
2	Compliance with Procurement Process	1	Operation	High
3	Performance Management	2	Operation	Medium
4	Contract Extensions	2	Design	Medium

1. Introduction

1.1 NHS Wales Shared Services Partnership (NWSSP) provides a complete Procure to Pay (P2P) service to NHS Wales through national sourcing, frontline local procurement, supply chain, accounts payable and eEnablement functions. The procurement service is required to provide stakeholders and customers with the best quality service, ensuring the right product, provision or service has been sourced and supplied efficiently and at the right price for NHS Wales.

1.2 Previously, the central sourcing team focused on an all-Wales proactive procurement strategy to maximise value for money, whilst frontline procurement teams concentrated on the bespoke needs of their respective customer organisations. The pandemic response demonstrated the benefits of closer relationships between national sourcing and frontline teams. This led to accelerated implementation of the National Operating Model on 1 April 2022, with the amalgamation of central sourcing and frontline teams to form integrated regional teams.

1.3 The potential risks considered in the review were as follows:

- breach of Standing Orders, Standing Financial Instructions or Public Contract Regulations which could result in legal challenge, reputational damage and/or financial loss;
- inefficient or ineffective procurement services potentially resulting in disruption to NHS Wales services and patient harm; and
- value for money is not achieved.

1.4 Our testing focused on the key areas of national sourcing activity, across all category teams. Local procurement activity is excluded from the scope of this review.

2. Detailed Audit Findings

Objective 1: Goods and services are subject to competitive procurement and in accordance with the requirements of the Public Contracts Regulations 2015, Standing Orders & Standing Financial Instructions

Policies & Procedures

2.1 The NWSSP Procurement Services intranet page is comprehensive and thorough covering all aspects of the procurement function. Included under the numerous sections can be found various policies, procedures, guidance etc. It is evident from a review of the documentation, that a number are currently out of date.

2.2 Updating of procurement policies and procedures was identified as a priority during January 2022 by the Procurement Services Senior Leadership Team. The review is to encompass a complete re-design of the intranet, with process updates, document ownership and the identification of risks and corresponding controls. The aim is to deliver re-publication in the new format by August 2023.

2.3 A contracts register is maintained within the Electronic Contract Management (ECM) module of the Bravo e-Tendering system. Management acknowledge that the ECM register is not consistently updated and therefore cannot be relied upon as a complete record of contracts. Each team also maintains their own record of procurement activity although the format and approach for this is inconsistent. **[Matter Arising 1]**

2.4 We reviewed ten contracts to establish whether goods and services had been subject to competitive procurement and assess compliance with key controls in the procurement process. Testing identified the following:

Contract Planning

2.5 Two contracts did not have an approved contracting plan providing the context, requirements of the contract and intended route to market. **[Matter Arising 2]**

2.6 A contract notice to advertise competitive procurements must be published on Sell 2 Wales for all contracts in excess of UK procurement thresholds. All sampled contracts complied with this requirement.

2.7 Declarations of interest had been completed by health board/trust officers involved in the sampled procurements with no significant issues identified. Procurement Services staff complete annual declarations of interest. Previous internal audit review of this process identified no issues.

2.8 A sustainable risk assessment had been completed for all ten contracts.

Contract Award

2.9 The Contract Outcome Report summarises the outcome of the procurement process and seeks health body approval of the recommended contract award. Testing identified two contracts where not all participating health bodies had responded to confirm approval to proceed with contract award. **[Matter Arising 2]**

2.10 Contracts for an on behalf of NHS Wales greater than £1 million require prior approval from Welsh Government. Ministerial consent had been received prior to award of all contracts sampled.

2.11 NWSSP Standing Orders set out the scheme of delegation (below) for the approval of contracts for and on behalf of NHS Wales. Approval by the Chair was not evident in one instance, and two had been approved after contract award (one during internal audit fieldwork). **[Matter Arising 2]**

Delegated Limit	£
Managing Director & Chair	Over £1m
Managing Director	Up to £1m
Director of Procurement Services	Up to £750k

2.12 Five contracts (with multiple suppliers) did not have evidence of contract acceptance for all suppliers; and we identified a number of instances where suppliers had signed after the contract had commenced, with the longest time lapse being four months. **[Matter Arising 2]**

2.13 A contract award notice must be published on Sell 2 Wales for all contracts in excess of UK procurement thresholds. All sampled contracts complied with this requirement.

Conclusion:

2.14 The ECM database is not maintained and therefore does not represent a complete and accurate record of NHS Wales contracts. Some contracts sampled lacked evidence to demonstrate explicit health body approval and supplier acceptance of contract, and we identified instances where internal governance requirements had not been fully complied with. However, all sampled contracts had been advertised on Sell 2 Wales in line with regulatory requirements and received Ministerial approval in accordance with the Scheme of Delegation. Accordingly, we have concluded **Reasonable** assurance for this objective.

Objective 2: Contracts are monitored to identify those due for retender, with timely action taken to competitively source and agree a new contract prior to expiry of the existing contract, ensuring service continuity and ongoing compliance with the Public Contracts Regulations 2015

Identification of Expiring Contracts

2.15 The all-Wales Procure to Pay e-Manual sets out the indicative planning timescales for competitive procurement, ranging from a few days for a framework call off to 18 months for high value complex tenders. Key milestones in the procurement process are determined at the contract planning stage and documented within the contract plan.

2.16 Contract programmes are monitored weekly and monthly at team meetings to identify contracts approaching expiry and initiate a new procurement process.

2.17 The Bravo system has contract renewal alert functionality to notify the contract lead, buyers or suppliers of the pending contract expiry. However, this feature is not widely used and as noted at para. 2.3, the information currently held in the ECM system is incomplete. **[Matter Arising 1]**

Performance Monitoring

2.18 Contracts completed on time is a key performance indicator monitored through QlikView, with a target of 90%. Performance deteriorated in 2022/23 with 67% of contracts awarded on time, compared to 83% in 2021/22. Performance for 23/24 to date is 73.5%:

Source: QlikView Dashboard - Q1 23/24 performance to date (at May 2023)

2.19 Analysis of the milestone activity report for 2022/23 identified a number of factors impacting on the reliability of the KPI:

(i) It is calculated through the comparison of the planned and actual contract start dates and is therefore reliant on contracting teams populating Bravo/ECM with the key contract and milestone information – as reported in Objective 1 (see para 2.3), this is not consistently updated.

(ii) The KPI is not adjusted to reflect where information (e.g. contract start date) is added retrospectively.

(iii) The data is somewhat skewed by the high-volume low-value maintenance contracts which account for 66% of contract volume but only 2% of the total annual value, and 39% of contracts failing KPI. Excluding maintenance from the data improves 2022/23 performance from 67% to 85%.

(iv) Delayed contract renewals automatically fail the KPI even if there is a valid reason recorded for the delay. The reason for the delay was recorded for only 49% contracts, although we identified a number of examples where contracts may have inappropriately failed the KPI such as contracts no longer required or delayed due to 'external factors' including delays in health body engagement in tender evaluation or contract acceptance/approval.

[Matter Arising 1 & 3]

Contract Extensions

2.20 The process and approval requirements for contract extensions are not formally documented. Contract extensions are recorded on ECM in the usual way, although they are not easily identifiable as extensions. **[Matter Arising 4]**

2.21 A separate record of extensions over the value of £500k and submitted to the Director of Procurement Services for approval (as part of the Internal Governance process) is maintained. This identified 42 extensions approved in 2022/23 including 13 classed as 'at risk'[1]. Some extensions (including 10 of the 13 'at risk') pre-dated 2022/23 and had been retrospectively identified, recorded and approved following a compliance review by the Assistant Director of Procurement Services.

2.22 We sought to identify extensions not captured on the internal governance spreadsheet through review of a sample of 20 contracts – 10 contracts awarded during 2022/23 (to establish whether they had been extended prior to renewal) and 10 contracts due to expire during 2022/23 (to establish whether they had/are being renewed in good time or extended). We identified seven contract extensions during 2022/23, all of which were recorded on the record of extensions.

2.23 Sample testing of 12 extensions noted that six were deemed compliant on the basis that the extension was permitted within the original contract however, six were deemed as extended 'at risk' either due to absence or exhaustion of permitted extensions in the original contract.

2.24 An *Agreement to Consider an Extension (ACE)* had been completed for all 12 extensions reviewed, setting out the details and rationale and seeking internal approval for a contract extension, although five (all 'at risk' extensions) had been completed retrospectively. **[Matter Arising 4]**

2.25 The impact of COVID-19 was often cited as the rationale for extension, due to lack of capacity within procurement teams and prospective suppliers to participate in a full procurement process whilst supporting the COVID response. However, the ACE forms noted that agreements were reached with suppliers to fix prices for the duration of the extension. Recognising the impact of COVID-19, no recommendations are raised in this respect.

2.26 All 12 extensions had been approved by the Director of Procurement Services, Managing Director and the Chair, albeit five (all 'at risk' extensions) had been retrospectively approved following the compliance review by the Assistant Director of Procurement Services (as noted in para 2.19).

Conclusion:

2.27 Systems and processes are in place to facilitate the timely identification of contracts due for renewal and the procurement manual provides guidance on procurement exercise durations, which form the basis of the milestones determined at the contract planning stage.

[1] An 'at risk' extension is where the extension is not permitted within the original approved contract.

2.28 Contracting performance is monitored, although we identified a number of factors impacting on the reliability of the KPI as an accurate and valuable performance measure.

2.29 The process and approval requirements for contract extensions are not formally documented and in some cases extensions had been retrospectively recorded and approved following internal compliance review by senior management. Our sample testing did not identify any extensions that were not captured on the central record.

2.30 We have concluded **Reasonable** assurance for this objective.

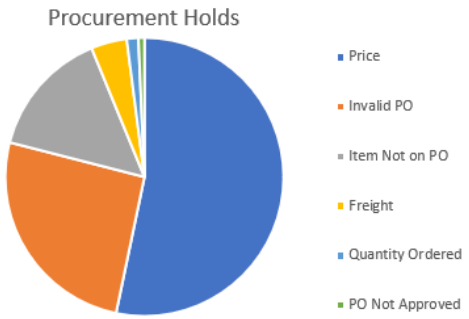
Objective 3: Procurement related invoice holds are monitored and investigated to identify and address the root cause, enabling timely payment of suppliers and preventing future holds

2.31 Invoices on Hold (IOH) are monitored and discussed as part of the weekly and monthly category team meetings. All category managers and officers have responsibility for the monitoring and clearing of their own invoice holds, with overall monitoring undertaken by the senior category managers. Evidence has been provided to support that IOH forms part of the weekly or monthly team meetings and are also a regular point for discussion with suppliers.

2.32 The P2P Governance Group formed a Task and Finish IOH Workshop to combat the increasing number of invoices on hold, as it was identified that the number of holds were steadily increasing with volumes reached outside of manageable levels.

2.33 Price holds (where the unit price on the invoice differs to the purchase order) account for the majority of procurement holds.

2.34 The eEnablement team are undertaking a review of the top ten suppliers with price holds, in the aim to reduce the overall total number, identify and address the root cause to reduce reoccurrence.



2.35 Whilst the review is ongoing, improvement is already evident (see table below) and initial findings have identified a number of catalogues which require updating. Processes for releasing holds via robotic process automation once catalogues have been updated are being explored.

	December 2022	May 2023	Movement
Invoice Lines on Price Hold	18,638	13,651	-27%
Value	£18,819,841	£10,682,226	-43%

Conclusion:

2.36 We have concluded Reasonable assurance for this objective on the basis that whilst price holds remain a challenge for the service, action is ongoing to address this and is already demonstrating improvement. Recognising this, no further recommendations are raised.

Appendix A: Management Action Plan

Matter Arising 1: Contracts Register (Operation)		**Impact**
A contracts register is maintained within the Electronic Contract Management (ECM) module of the Bravo e-Tendering system. Management acknowledge that the ECM register is not consistently updated and therefore cannot be relied upon as a complete record of contracts. As a result, the contract renewal alert function cannot be utilised, and it also impacts on the reliability of KPI reporting, which is based on milestone dates recorded in ECM. In addition to ECM, each team also maintains their own manual record of procurement activity although the format and approach for this is inconsistent.		Poor data quality potentially impacting on performance management and effective decision making. The absence of a complete and accurate central record of contracts could result in expiring contracts not identified/renewed and value for money not achieved.
Recommendations		**Priority**
1.1	Reinforce the requirement to ensure contract information in ECM is accurate and up to date. Use the data quality report in QlikView to identify and performance manage individuals/teams with poor compliance.	**Medium**
1.2	Consideration should be given to the development of a standardised template for the recording of procurement activity within the individual teams.	**Low**
1.3	Once data quality issues in ECM are addressed, the contract renewal alert function should be activated utilised.	**Low**

Agreed Management Action		Target Date	Responsible Officer
1.1	Noted and agreed. Maintenance of the ECM record will be emphasised through SMT as a priority for all teams. This will be added to the agenda for team meetings (if not already in place) and reports generated to identify areas of non-compliance and where improvement is required. Summary of compliance reports will be reviewed at SMT members 121 meetings until further notice to ensure that improvements are being made to the ECM record accuracy and completeness.	August 2023	SMT
1.2	Noted and agreed. Standardised template being rolled out across all teams to ensure consistency in line with internal process mapping/improvement plan	September 2023	SMT Business Support and Service Improvement Team
1.3	Noted and agreed. This will be activated and need to cross reference data to 1.2 above to ensure consistency.	September 2023	SMT

Matter Arising 2: Compliance with Procurement Process (Operation)	**Impact**
We reviewed ten contracts to establish whether goods and services had been subject to competitive procurement and assess compliance with key controls in the procurement process. Testing identified: • Two contracts did not have an approved contracting plan providing the context, requirements of the contract with the intended route to market. • Two contracts had evidence from some, but not all, participating health bodies confirming approval to proceed with contract award. • One contract had no evidence of approval by the NWSSP Chair, and two had been retrospectively approved (one during the audit). • Five contracts with multiple suppliers did not have evidence of contract acceptance for all suppliers, and we identified a number of instances where suppliers had signed up to four months after the contract had commenced.	Non-compliance with procurement processes, potentially resulting in: • Inefficient or ineffective procurement which could impact on service continuity, quality and value for money • Legal challenge resulting in reputational damage and/or financial loss

Recommendations		**Priority**
2.1	Establish ongoing checking/audit arrangements to ensure compliance with procurement process and that sufficient evidence is maintained to demonstrate this.	**High**

Agreed Management Action		**Target Date**	**Responsible Officer**
2.1	Noted and agreed. Process mapping and improvement plan underway within the Division. This will ensure compliance with DMS (document management system) which will include Standard Operating Procedures to address the issues highlighted. Internal audits within the Division will be instigated to ensure ongoing compliance.	October 2023	SMT Business Support and Service Improvement Team

Matter Arising 3: Performance Monitoring (Operation)	**Impact**
Contracts completed on time is a key performance indicator monitored through QlikView, with a target of 90%. Analysis of the milestone activity report for 2022/23 identified a number of factors impacting on the reliability of the KPI: (i) It is calculated through the comparison of the planned and actual contract start dates and is therefore reliant on contracting teams populating Bravo/ECM with the key contract and milestone information – as reported in Objective 1 (see para 2.3), this is not consistently updated. *See Matter Arising 1* (ii) The KPI is not adjusted to reflect where information (e.g. contract start date) is added retrospectively. (iii) The data is somewhat skewed by the high-volume low-value maintenance contracts which account for 66% of contract volume but only 2% of the total annual value, and 39% of contracts failing KPI. Excluding maintenance from the data improves 2022/23 performance from 67% to 85%. (iv) Delayed contract renewals automatically fail the KPI even if there is a valid reason recorded for the delay. The reason for the delay was recorded for only 49% contracts, although we identified a number of examples where contracts may have inappropriately failed the KPI such as contracts no longer required or delayed due to 'external factors' including delays in health body engagement in tender evaluation or contract acceptance/approval.	KPI performance is not accurate or meaningful.

Recommendations		**Priority**
3.1a	Review the basis for assessing the 'contracts completed on time' KPI with a view to addressing the issues identified, to ensure performance monitoring is both accurate and meaningful. *See also Matter Arising 1*	**Medium**
3.1b	Further analyse performance data to identify and target areas where contract completion is consistently late. Establish the root cause of delays for these areas and take action to improve performance where necessary.	

Agreed Management Action		Target Date	Responsible Officer
3.1a	Noted and agreed. This will be addressed through actions outlined in 1.1, 1.2 and 1.3 above.	October 2023	SMT Business Support and Service Improvement Team
3.1b	Noted and agreed. This will be addressed as stated above in 1.1, 1.2 and 1.3.	October 2023	SMT Business Support and Service Improvement Team

Matter Arising 4: Contract Extensions (Design)			**Impact**
The process and approval requirements for contract extensions are not formally documented. Contract extensions are recorded on ECM in the usual way, although they are not easily identifiable as extensions. An *Agreement to Consider an Extension (ACE)* had been completed for all 12 extensions reviewed, setting out the details and rationale and seeking internal approval for a contract extension, although five (all 'at risk' extensions) had been completed retrospectively.			Non-compliance with procurement processes, potentially resulting in: • Inefficient or ineffective procurement which could impact on service continuity, quality and value for money • Legal challenge resulting in reputational damage and/or financial loss
Recommendations			**Priority**
4.1a	The process and approval requirements for contract extensions should be formally documented and communicated to staff.		**Medium**
4.1b	All contract extensions should be clearly identified as such on the local procurement activity records and ECM to support contract monitoring and compliance checking arrangements (including compliance with ACE approval requirements).		
Agreed Management Action		**Target Date**	**Responsible Officer**
4.1a	Noted and agreed. The actions referenced in 2.1 above will address this issue.	October 2023	SMT Business Support and Service Improvement Team
4.1b	Noted and agreed. The actions referenced 1.1, 1.2 and 1.3 will address this issue.	October 2023	SMT Business Support and Service Improvement Team

Appendix B: Assurance opinion and action plan risk rating

Audit Assurance Ratings

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

	**Substantial assurance**	Few matters require attention and are compliance or advisory in nature. **Low impact** on residual risk exposure.
	**Reasonable assurance**	Some matters require management attention in control design or compliance. **Low to moderate impact** on residual risk exposure until resolved.
	**Limited assurance**	More significant matters require management attention. **Moderate impact** on residual risk exposure until resolved.
	**No assurance**	Action is required to address the whole control framework in this area. **High impact** on residual risk exposure until resolved.
	**Assurance not applicable**	Given to reviews and support provided to management which form part of the internal audit plan, to which the assurance definitions are not appropriate. These reviews are still relevant to the evidence base upon which the overall opinion is formed.

Prioritisation of Recommendations

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

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

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

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Final Head of Internal Audit Opinion & Annual Report 2022/2023

July 2023

NHS Wales Shared Services Partnership

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

Report status:	Final
Draft report issued:	May 2023
Final report issued:	21st June 2023
Author:	Head of Internal Audit
Executive Clearance	Head of Finance & Business Development and Director of Finance & Corporate Services
Audit Committee	July 2023

This audit report has been prepared for internal use only. Audit & Assurance Services reports are prepared, in accordance with the Service Strategy and Terms of Reference, approved by the Audit Committee.
Audit reports are prepared by the staff of the NHS Wales Shared Services Partnership – Audit and Assurance Services, and addressed to Independent Members or officers including those designated as Accountable Officer. They are prepared for the sole use of the NHS Wales Shared Services Partnership and no responsibility is taken by the Audit and Assurance Services Internal Auditors to any director or officer in their individual capacity, or to any third party.

1. EXECUTIVE SUMMARY

1.1 Purpose of this Report

The Managing Director of NHS Wales Shared Services Partnership (NWSSP) is accountable to the Shared Services Partnership Committee (SSPC) for maintaining a sound system of internal control that supports the achievement of the organisation's objectives and is also responsible for putting in place arrangements for gaining assurance about the effectiveness of that overall system. A key element in that flow of assurance is the overall assurance opinion from the Head of Internal Audit.

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

1.2 Head of Internal Audit Opinion 2022-23

The purpose of the annual Head of Internal Audit opinion is to contribute to the assurances available to the Managing Director as Accountable Officer and the SSPC which underpin the assessment of the effectiveness of the system of internal control. The approved internal audit plan is biased towards risk and therefore NWSSP will need to integrate these results with other sources of assurance when making a rounded assessment of control for the purposes of the Annual Governance Statement.

The overall opinion for 2022/23 is that:

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

1.3 Delivery of the Audit Plan

The internal audit plan has needed to be agile and responsive to ensure that key developing risks are covered. As a result of this approach, and with the support of management, the plan has been delivered substantially in accordance with the agreed schedule and changes required during the year, as approved by the Audit Committee (the 'Committee'). In addition, regular audit progress reports have been submitted to the Committee. Although changes have been made to the plan during the year, we can confirm that we have undertaken sufficient audit work during the year to

be able to give an overall opinion in line with the requirements of the Public Sector Internal Audit Standards.

The Internal Audit Plan for 2022/23 year was initially presented to the Committee in April 2022. Changes to the plan have been made during the course of the year and these changes have been reported to the Audit Committee as part of our regular progress reporting.

There are, as in previous years, audits undertaken other NHS Wales organisations, particularly, Digital Health & Care Wales (DHCW) that support the overall opinion for NHS Wales health bodies (see section 3).

Our latest External Quality Assessment (EQA), conducted by the Chartered Institute of Public Finance and Accountancy (in March 2023), and our own annual Quality Assurance and Improvement Programme (QAIP) have both confirmed that our internal audit work 'fully conforms' to the requirements of the Public Sector Internal Audit Standards (PSIAS) for 2022/23. We are able to state that our service 'conforms to the IIA's professional standards and to PSIAS.'

1.4 Summary of Audit Assignments

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

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

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

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

A summary of the audits undertaken in the year and the results are summarised in table 1 below.

Table 1 – Summary of Audits 2022/23

Substantial Assurance	Reasonable Assurance
• Primary Care Services Contractor Payments • Surgical Materials Testing Laboratory • Follow up (2nd) - Student Awards • Cyber Security	• Accounts Payable • Recruitment Services • Payroll Services • Risk Management & Assurance Mapping • Health Courier Services • Laundry Services (South-East) • Laundry Services (North) • Follow Up - NWSSP Operational ICT Infrastructure • Procurement
Limited Assurance	**Advisory/Non-Opinion**
N/A	• Decarbonisation
No Assurance	
N/A	

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

2. HEAD OF INTERNAL AUDIT OPINION

2.1 Roles and Responsibilities

The Managing Director of NHS Wales Shared Services Partnership is accountable to the Shared Services Partnership Committee (SSPC) for maintaining a sound system of internal control that supports the achievement of the organisation's objectives and is also responsible for putting in place arrangements for gaining assurance about the effectiveness of that overall system.

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

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

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

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

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

The Managing Director, on behalf of the Partnership Committee, through the Audit Committee, will need to consider the Head of Internal Audit opinion together with assurances from other sources including reports

issued by other review bodies, assurances given by management and other relevant information when forming a rounded picture on governance, risk management and control for completing its Governance Statement.

2.2 Purpose of the Head of Internal Audit Opinion

The purpose of the annual Head of Internal Audit opinion is to contribute to the assurances available to the Accountable Officer and the Shared Services Partnership Committee which underpin the Board's own assessment of the effectiveness of the organisation's system of internal control.

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

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

2.3 Assurance Rating System for the Head of Internal Audit Opinion

The overall opinion is based primarily on the outcome of the work undertaken during the course of the 2022/23 audit year. We also consider other information available to us such as our overall knowledge of the organisation, the findings of other assurance providers and inspectors, and the work we undertake at other NHS Wales organisations where appropriate. The Head of Internal Audit considers the outcomes of the audit work undertaken and exercises professional judgement to arrive at the most appropriate opinion for each organisation.

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

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

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

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

The individual conclusions arising from detailed audits undertaken during the year have been summarised by the assurance ratings received. The aggregation of audit results gives a better picture of assurance to the Board and also provides a rational basis for drawing an overall audit opinion. However, please note that for presentational purposes we have shown the results of each audit using the headings of NWSSP Audits and National Audits. (See section 2.4.2).

2.4 Head of Internal Audit Opinion

2.4.1 Scope of opinion

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

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

This opinion will need to be reflected within the Annual Governance Statement along with confirmation of action planned to address the issues raised. Particular focus should be placed on the agreed response to any Limited Assurance opinions issued during the year and the significance of the recommendations made (of which there was no audits in 2022/23).

2.4.2 Basis for Forming the Opinion

The audit work undertaken during 2022/23 and reported to the Audit Committee has been aggregated at Section 5.

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

- An assessment of the range of individual opinions and outputs arising from risk-based audit assignments contained within the Internal Audit plan that have been reported to the Audit Committee throughout the year. In addition, and where appropriate, work at

either draft report stage or in progress but substantially complete has also been considered, and where this is the case then it is identified in the report. This assessment has taken account of the relative materiality of these areas and the results of any follow-up audits in progressing control improvements (see section 2.4.3).

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

As stated above, these detailed results have been aggregated to build a picture of assurance across the NHS Wales Shared Services Partnership.

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

From the opinions issued during the year, four were allocated Substantial Assurance, nine were allocated Reasonable Assurance and none were allocated Limited Assurance. No reports were allocated a 'no assurance' opinion. In addition, one advisory/non-opinion report was also undertaken.

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

A summary of the findings is shown below.

NATIONAL AUDITS

The assurance ratings from the national system audits are a key component of the overall NWSSP opinion.

- Primary Care Services Contractor Payments: This audit was given a **Substantial** Assurance rating overall. Three of the four areas, Pharmacy & Prescribing Services, General Dental Services and General Ophthalmic Services individually given substantial assurance with General Medical Services given reasonable assurance. Controls in place for the administration of contractor payments are satisfactory and operating as intended with no significant issues identified. During the review management highlighted an issue with the FPPS system which is impacting on the validation and post-payment verification of enhanced services claims submitted by GP practices. Whilst this did not directly impact on the payments process, it does increase the risk of undetected erroneous claims due to the impact on the PPV process. For this reason, we concluded Reasonable assurance for GMS, noting the ongoing development of a validation tool which will be subject to internal audit review in early 2023/24.

- Accounts Payable - The audit was given a **Reasonable** assurance rating. Individual objectives each received either reasonable or substantial assurance, with three medium priority matters arising relating to: clarification and application of the verification and review /approval process for supplier bank additions/amendments; authorisation of non-PO invoices in line with organisation approval hierarchies; and exploring use of the Oracle Invoice Approval Workflow to facilitate more efficient and robust approval of non-PO invoices.

- Payroll Services – The audit was given a **Reasonable** assurance rating. The design and operation of controls for the administration of Payroll Services are generally satisfactory, with considerable progress made in addressing the recurring issues identified in previous audits. Two medium priority matters arising have been identified this year in relation to: • inconsistent checking arrangements with one team not undertaking independent accuracy checks for leavers and changes data input into ESR by Band 4 payroll officers; and • timeliness of initiating action to recover overpayments (this matter was also raised in the previous audit).

- Procurement – The audit was given a **Reasonable** assurance rating, although did highlight some control weaknesses around an incomplete contracts register, contract extensions and performance management. A high priority recommendation as also made on relation to compliance with aspects of the procurement process.

- Recruitment Services – **Reasonable Assurance**. The Recruitment Service had in place a service level agreement that set out key responsibilities and timescales, a robust system ensuring compliance with the NHS Employment Check Standards and regular monitoring of performance. Two medium priority matters arising were identified relating to the Employment Services risk register needing to appropriately reflect the risk associated with new starters commencing employment before the completion of pre-employment checks and also the need to undertake an analysis of customer service surveys.

NWSSP AUDITS

The majority of these audits were given Reasonable Assurance with two given Substantial Assurance, with one non opinion audit:

- Risk Management & Assurance Mapping - **Reasonable Assurance**. The audit identified that corporate risks are well managed with actions identified and being implemented to mitigate risk to an acceptable level. Assurance maps are also in place for most service areas. Recommendations were raised to further improvement the assurance mapping process and in relation to divisional risk registers.

- The audit of Health Courier Services was given **Reasonable Assurance**. The audit reviewed the adequacy and operation of key controls in relation to Risk Management, Business Continuity, Vehicle Incidents, Fuel Cards and KPIs with the majority of areas concluding positively. The Health Courier Service had in place a formal structure with appropriate governance, risk management and business continuity arrangements. One high priority matter was identified in relation to the failure to fully investigate and learn from vehicle incidents, which could reduce future incidents and potential injury, with this area given Limited Assurance. We also identified a medium priority matter arising relating to the need to review and update the Business Continuity Plan & supporting Action Cards.

- Laundry Service Glan Clwyd Site– **Reasonable Assurance** – The audit concluded positively for the majority of areas covered. However, Physical Security with was given Limited Assurance, with a High Priority recommendation raised. A further recommendation was raised in relation to the lack of an ICT asset register.

- Laundry Service Green Vale Site – **Reasonable Assurance** - The audit concluded positively for the majority of areas covered. However, Plant & Equipment Records with was given Limited Assurance, with a High Priority recommendation raised. Further recommendations were also raised in relation to, Security Controls, ICT Assets, Pricing, updating of staff information in ESR and also PADRs.

- NWSSP Operational ICT Infrastructure Follow up Audit – **Reasonable Assurance** was given for the follow up audit. The original audit in 21/22 was given Limited assurance. All the agreed actions have been progressed, with action continuing for a number, in particular where resolution is by necessity and long term action. The security over telecoms has been improved, as has the performance of the system, with upgrades and configuration issues being resolved. Discussions continue with DHCW to improve the information provided on performance, and work continues to remove older equipment from the infrastructure. We note that the infrastructure upgrade project will have an impact on the management processes and DR for NWSSP. We further note the work ongoing to implement a new asset management system within NWSSP which will provide greater clarity over the infrastructure and enable NWSSP visibility of its equipment.
- Surgical Material Testing Laboratory (SMTL) was given **Substantial Assurance.** The audit highlighted that SMTL had established appropriate governance arrangements and risk management processes and had robust invoicing and pricing of commercial testing arrangements were also evident.
- Student Awards – 2nd Follow Up – **Substantial Assurance** was given for the implementation of the remaining recommendations, made from the previous audit report. It was identified that independent checking controls have been strengthened in line with our recommendations and are operating as intended. The process for verifying childcare costs has also been strengthened, with confirmation of costs required to be provided directly by the childcare provider, with a further enhancement mad enduring the time of the audit.
- Cyber Security - **Substantial Assurance** - There is an improvement plan in place which includes actions identified through the CAF process. This is being managed using a project structure and progress is being made which is improving the cyber security of the organisation. There is regular reporting on project progress and there is a process in place for backing up data and testing he backups. The matters requiring management attention included developing a cyber status reporting framework.
- One non-opinion audit / advisory assignment was undertaken during the year covering **Decarbonisation**. The audit concluded that whilst some progress had been observed, this has been restricted by the availability of financial and staff resource. The recommendations made aimed to aid management in driving forward the strategies, whilst also highlighting some of the competing pressures/ risks.

2.4.3 Approach to Follow Up of Recommendations

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

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

We recognise that it has been more challenging for NHS organisations to implement recommendations to the timescales they had originally agreed. In addition, we also recognise that for new recommendations it may be more difficult to be precise on when exactly actions can be implemented by. However, it remains the role of Audit Committees to consider and agree the adequacy of management responses and the dates for implementation, and any subsequent request for revised dates, proposed by Management. Where appropriate, we have adjusted our approach to follow-up work to reflect these challenges. Going forward, given that it is very likely that the number of outstanding recommendations will have grown during the course of the pandemic, audit committees will need to reflect on how best they will seek to address this position.

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

As part of the governance arrangements within NWSSP an audit recommendation tracker was in operation during 2022/23. This is monitored and reported to Audit Committee on a regular basis, providing the ongoing position of recommendations implemented and the level of recommendations still to be actioned.

As part of the Internal Audit work during 2022/23 we followed up on recommendations made during previous audits of both Student Awards and the Operational ICT Infrastructure. This work has highlighted good progress having been made with the implementation of recommendations in both audits.

2.4.4 Limitations to the Audit Opinion

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

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

Caution should be exercised when making comparisons with prior years. Audit coverage will vary from year to year based upon risk assessment and cyclical coverage on key control systems.

2.4.5 Period covered by the Opinion

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

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

The majority of audit reviews will relate to the systems and processes in operation during 2022/23 unless otherwise stated and reflect the condition of internal controls pertaining at the point of audit assessment.

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

There are some specific assurance reviews which remain relevant to the reporting of the organisation's Annual Report required to be published after the year end. Where required, any specified assurance work would be aligned with the timeline for production of organisation's Annual Report and accordingly will be completed and reported to management and the Audit Committee subsequent to this Head of Internal Audit Opinion. However, the Head of Internal Audit's assessment of arrangements in these areas

would be legitimately informed by drawing on the assurance work completed as part of this current year's plan.

2.5 Required Work

Please note that following discussions with Welsh Government we were not mandated to audit any areas in 2022/23.

2.6 Statement of Conformance

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

The provision of professional quality Internal Audit is a fundamental aim of our service delivery methodology and compliance with PSIAS is central to our audit approach. Quality is controlled by the Head of Internal Audit on an ongoing basis and monitored by the Director of Audit & Assurance. The work of Internal Audit is also subject to an annual assessment by Audit Wales. In addition, at least once every five years, we are required to have an External Quality Assessment. This was undertaken by the Chartered Institute of Public Finance and Accountancy (CIPFA) in March 2023. CIPFA concluded that NWSSP's Audit & Assurance Service fully conforms to the requirements of the PSIAS.'

The NWSSP Audit and Assurance Services can assure the Audit & Risk Committee that it has conducted its audit at NHS Wales Shared Services Partnership in conformance with the Public Sector Internal Audit Standards for 2022/23.

Our conformance statement for 2022/23 is based upon:

- the results of our internal Quality Assurance and Improvement Programme (QAIP) for 2022/23 which will be reported formally in the Summer of 2022;
- the results of the External Quality Assessment; and
- the results of the work completed by Audit Wales.

We have set out, in **Appendix A**, the key requirements of the Public Sector Internal Audit Standards and our assessment of conformance against these requirements. The full results and actions from our QAIP will be included in the 2022/23 QAIP report. There are no significant matters arising that need to be reported in this document.

We also note that there have been no impairments to the independence of the Head of Internal Audit or to any other member of NWSSP's Audit & Assurance Service who undertook work on the NWSSP audit programme for 2022/23.

2.7 Completion of the Annual Governance Statement

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

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

3. OTHER WORK RELEVANT TO NWSSP

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

Digital Health & Care Wales (DHCW)

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

Audit	Opinion	Objective
Switching Services	Reasonable	To ensure that the switching service is maintained appropriately and that risks to the operation of the service are appropriately managed.
Embedding the Stakeholder Engagement Plan	Reasonable	To provide an opinion over the arrangements for the embedding of the External Stakeholder Engagement Plan.
Centre of Excellence	Reasonable	To provide an opinion over the controls for the establishment of the Office 365 Centre of Excellence.
Technical Resilience	Substantial	To establish and assess the organisation's position to maintain acceptable service levels through, and beyond, severe disruptions to its critical processes and the IT systems which support them
Cyber Security	Substantial	To ensure that the organisation is working to improve its cyber security position, and that appropriate reporting is in place that shows the current status.

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

4. DELIVERY OF THE INTERNAL AUDIT PLAN

4.1 Performance against the Audit Plan

The Internal Audit Plan has been delivered substantially in accordance with the schedule agreed with the Audit Committee, subject to changes agreed as the year progressed. Regular audit progress reports have been submitted to the Audit Committee during the year. Audits that remain to be reported but are reflected within this Annual Report will be reported alongside audits from the 2023/24 operational audit plan.

The revised audit plan approved by the Committee in April 2022 contained thirteen planned reviews. Changes have been made to the plan with one audit split in to two. All these changes have been reported to and approved by the Audit Committee. As a result of these agreed changes, we have delivered 14 reviews.

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

4.2 Service Performance Indicators

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

Indicator Reported to NWSSP Audit Committee	Status	Actual	Target	Red	Amber	Green
Operational Audit Plan agreed for 2022/23	G	April	By 30 June	Not agreed	Draft plan	Final plan
Total assignments reported against adjusted plan for 2022/23	G	100%	100%	v>20%	10%<v<20%	v<10%
Report turnaround: time from fieldwork completion to draft reporting	G	86%	80%	v>20%	10%<v<20%	v<10%

Indicator Reported to NWSSP Audit Committee	Status	Actual	Target	Red	Amber	Green
[10 working days]						
Report turnaround: time taken for management response to draft report [15 working days]	G	86%	80%	v>20%	10%<v<20%	v<10%
Report turnaround: time from management response to issue of final report [10 working days]	G	100%	80%	v>20%	10%<v<20%	v<10%

5. RISK BASED AUDIT ASSIGNMENTS

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

5.1 Overall summary of results

In total 14 audit reviews were reported during the year. Figure 2 below presents the assurance ratings and the number of audits derived for each.

Figure 2 Summary of audit ratings

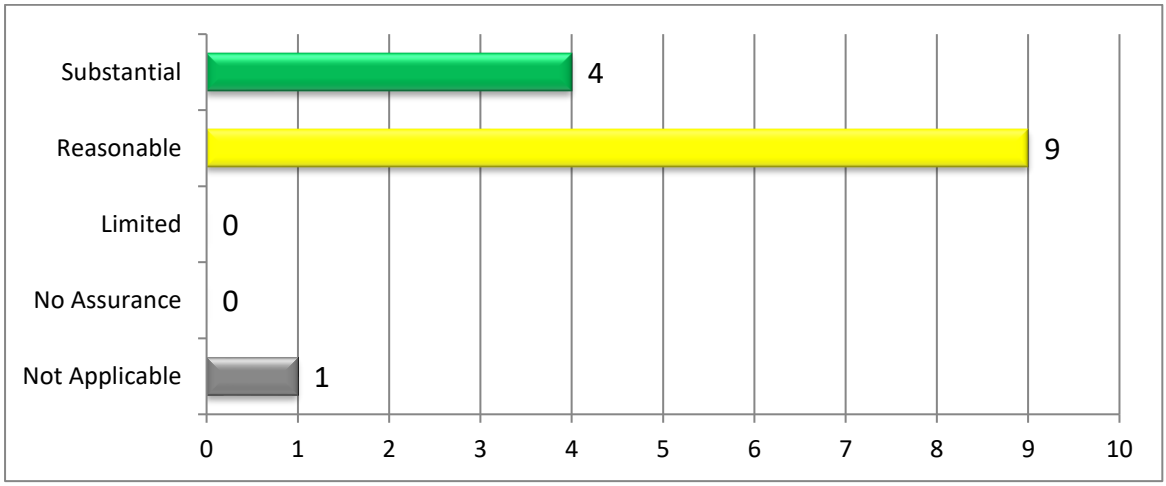

Figure 2 above does not include the audit ratings for the reviews undertaken at DHCW.

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

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

5.2 Substantial Assurance (Green)

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

Review Title	Objective
Primary Care Services Contractor Payments	The overall objective of the review was to evaluate and determine the adequacy of controls in place to administer timely and accurate payments to primary care contractors.
Surgical Materials Testing Laboratory (SMTL)	The overall objective of this audit was to assess the adequacy and effectiveness of systems and controls for the management of Surgical Materials Testing Laboratory (SMTL).
Follow up (2nd) - Student Awards	To assess progress in implementing the recommendations arising from the 2020/21 internal audit review (report NWSSP-2021-15 refers) which were reported as outstanding in the 2021/22 follow up review (report NWSSP-2122-02 refers) which concluded Reasonable assurance.
Cyber	To provide assurance that the organisation is working to improve its cyber security position, and that appropriate reporting is in place that shows the current status.

5.3 Reasonable Assurance (Yellow)

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

Review Title	Objective
Accounts Payable	The purpose of the audit review was to evaluate and determine the adequacy of the systems and controls in place over the management of the NWSSP Accounts Payable service.
Payroll	The overall objective of this audit was to evaluate and determine the adequacy of the systems and controls in place for the management of Payroll Services.
Recruitment Service	The overall objective of this audit was to assess the adequacy and effectiveness of systems and controls for the management of Recruitment Services.
Risk Management & Assurance Mapping	The overall objective of this audit was to provide a high-level overview of existing governance and management arrangements and assess the operation of key policies and procedures.
Laundry Services (North Wales)	The overall objective of the review was to provide a baseline for the new national Laundry Service hosted by NWSSP since April 2021, and a high-level overview of existing governance and management arrangements.
Laundry Services (Green Vale)	The overall objective of the review was to provide a baseline for the new national Laundry Service hosted by NWSSP since April 2021, and a high-level overview of existing governance and management arrangements.
Health Courier Services	The audit reviewed the adequacy and operation of key controls in relation to Risk Management, Business Continuity, Vehicle Incidents, Fuel

Review Title	Objective
	Cards and KPIs within the Health Courier Service.
Operational ICT Infrastructure Follow up	To provide the Health Board with assurance regarding the implementation of the agreed management actions from the ICT Infrastructure (2122-16) review.
Procurement	To review national sourcing procurement activity within the new integrated procurement teams to establish consistency in processes and assess compliance with procurement guidance.

5.4 Limited Assurance (Amber)

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

Review Title	Objective
N/A	-

5.5 No Assurance (Red)

No reviews were assigned a 'no assurance' opinion.

5.6 Assurance Not Applicable (Grey)

The following reviews were undertaken as part of the audit plan and reported without the standard assurance rating indicator, owing to the nature of the audit approach. The level of assurance given for these reviews are deemed not applicable – these are reviews and other assistance to management, provided as part of the audit plan, to which the assurance

definitions are not appropriate, but which are relevant to the evidence base upon which the overall opinion is formed.

Review Title	Objective
Decarbonisation	Audits were planned to be undertaken simultaneously across NHS Wales to provide assurance to respective NHS Wales bodies on their arrangements to reduce carbon emissions and control climate change as outlined above.

5.7 Deferred Audits

Additionally, the following audits were deferred for the reasons outlined below. We have considered these reviews and the reason for their deferment when compiling the Head of Internal Audit Opinion. These adjustment to the plan were subject to approval at the Audit Committee during the year where required.

Review Title	
N/a	

6. ACKNOWLEDGEMENT

In closing I would like to acknowledge the time and co-operation given by Directors and staff of the NHS Wales Shared Services Partnership to support delivery of the Internal Audit assignments undertaken within the 2022/23 plan.

James Johns

Pennaeth yr Archwiliad Mewnol/Head of Internal Audit

Gwasanaethau Archwilio a Sicrwydd/Audit and Assurance Services
Partneriaeth Cydwasanaethau GIG Cymru/NHS Wales Shared Services Partnership

June 2023

Appendix A

ATTRIBUTE STANDARDS	
1000 Purpose, authority and responsibility	Internal Audit arrangements are derived ultimately from the NHS organisation's Standing orders and Financial Instructions. These arrangements are embodied in the Internal Audit Charter adopted by the Audit Committee on an annual basis.
1100 Independence and objectivity	Appropriate structures and reporting arrangements are in place. Internal Audit does not have any management responsibilities. Internal audit staff are required to declare any conflicts of interests. The Head of Internal Audit has direct access to the Chief Executive and Audit Committee chair. There have been no impairments to our independence during 2022/23.
1200 Proficiency and due professional care	Staff are aware of the Public Sector Internal Audit Standards and code of ethics. Appropriate staff are allocated to assignments based on knowledge and experience. Training and Development exist for all staff. The Head of Internal Audit is professionally qualified.
1300 Quality assurance and improvement programme	Head of Internal Audit undertakes quality reviews of assignments and reports as set out in internal procedures. Internal quality monitoring against standards is performed by the Head of Internal Audit and Director of Audit & Assurance. Audit Wales complete an annual assessment. An EQA was undertaken in 2023.
PERFORMANCE STANDARDS	
2000 Managing the internal audit activity	The Internal Audit activity is managed through the NHS Wales Shared Services Partnership. The audit service delivery plan forms part of the NWSSP integrated medium term plan. A risk based strategic and annual operational plan is developed for the organisation. The operational plan gives detail of

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

2600 Communicating the acceptance of risks	If Internal Audit considers that a level of inappropriate risk is being accepted by management, it would be discussed and will be escalated to Board level for resolution.

Appendix B - Audit Assurance Ratings

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

	**Substantial assurance**	Few matters require attention and are compliance or advisory in nature. **Low impact** on residual risk exposure.
	**Reasonable assurance**	Some matters require management attention in control design or compliance. **Low to moderate impact** on residual risk exposure until resolved.
	**Limited assurance**	More significant matters require management attention. **Moderate impact** on residual risk exposure until resolved.
	**No assurance**	Action is required to address the whole control framework in this area. **High impact** on residual risk exposure until resolved.
	**Assurance not applicable**	Given to reviews and support provided to management which form part of the internal audit plan, to which the assurance definitions are not appropriate. These reviews are still relevant to the evidence base upon which the overall opinion is formed.

GIG CYMRU NHS WALES
Partneriaeth Cydwasanaethau
Gwasanaethau Archwilio a Sicrwydd
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NHS WALES SHARED SERVICES PARTNERSHIP

Audit Committee

July 2023

Audit & Assurance Services
Internal Audit Progress Report

CONTENTS Page

1. Introduction

The purpose of this report is to highlight the progress of the Internal Audit Plan to the Audit Committee and provide an overview of other activity undertaken since the previous meeting.

2. Outcomes from Finalised Audits

The Internal Audit reports from the 2022/23 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
Follow up - Operational ICT Infrastructure	 Reasonable
Procurement	 Reasonable
Cyber Security	 Substantial

3. Planning and Delivery Update

- **2022/23**

The work to deliver of the Internal Audit Plan for 2022/23 has been completed with all audits reported and finalised. The assignment status schedule at Appendix A sets out audit worked delivered and finalised during the year.

The Head of Internal Audit Opinion and Annual report has been produced and has concluded with a Reasonable overall opinion.

- **2023/24**

Progress has already been made in terms of the delivery of the Internal Audit Plan for 23/24, with planning activity underway for a number of audits and the audit field work having commenced for the Primary Care Services Reconciliation Tool. The schedule for 23/24 is shown in Appendix B.

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, Director of Finance and Corporate Services and Audit Committee Chair. Meetings with other Directors and senior managers have taken place as part of the planning and delivery of individual audits.

5. Recommendation

The Audit Committee is invited to note the progress with the delivery of the Internal Audit Plan, and the assurance provided within the Head on Internal Audit Opinion and Annual Report.

Appendix A: Assignment Status - 2022/23 Internal Audit Plan

Review	Status	Assurance Rating	Matters Arising			Audit Committee
			High	Medium	Low	
Primary Care Contractor Payments	FINAL	Substantial	-	-	1	April 23
Payroll	FINAL	Reasonable		2		April 23
Accounts Payable	FINAL	Reasonable	-	3	1	Jan 23
Procurement – National Sourcing – Integrated Teams	FINAL	Reasonable	1	3		July 23
Health Courier Service	FINAL	Reasonable	1	1	-	Oct 22
Surgical Materials Testing Laboratory	FINAL	Substantial	-	-	-	Oct 22
Laundry Service (Green Vale)	FINAL	Reasonable	-	5	-	Oct 22
Laundry Service (North Wales)	FINAL	Reasonable	1	1	1	Jan 23
Recruitment Services	FINAL	Reasonable	-	2	-	Jan 23
Cyber Security	FINAL	Substantial	-	1	-	July 23
Decarbonisation (Advisory)	FINAL	n/a				Oct 22
Operational ICT Infrastructure Follow up	FINAL	Reasonable				July 23
Student Awards (2nd Follow up)	FINAL	Substantial	-	1	-	April 23
Risk Management and Assurance Mapping	FINAL	Reasonable	-	4	-	April 23

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

Review	Status	Assurance Rating	Matters Arising			Timing
			High	Medium	Low	
Primary Care Contractor Payments						Q2-4
PCS Reconciliation Tool	WIP					Q1
Payroll Services						Q2-4
Purchase to Pay						Q2-4
Procurement						Q2-4
IT /Digital - Infrastructure upgrade /Azure environment						Q2/3
Decarbonisation						Q2/3
Performance Data Quality	Planning					Q2
Business Continuity Planning	Planning					Q2
Student Awards						Q3/4
Single Lead Employer						Q3/4
CIVAS/Medicines Unit						Q2
Central E Business Team – Oracle System						Q3
Energy Cost Management						Q2
Specialist Estates Services - Building for Wales Framework						Q2/3
Specialist Estates Services - Prioritisation of Estates Funding Advisory Board monies for 2023/24						Q3

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NHS WALES
Shared Services Partnership (NWSSP)

Counter Fraud Annual Report 01/04/2022 – 31/03/2023

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 supported by Cardiff and Vale University Health Board's (CAVUHB) Local Counter Fraud Specialists for NWSSP from the financial year 1st April 2022 to the 31st March 2023.

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 activity i.e. Fraud Awareness, risks, proactive work, referrals, investigations, recoveries and other operational issues.

The Counter Fraud Annual Plan 2022/2023 was completed jointly by Cardiff Vale Lead LCFS and the NWSSP LCFS Manager and approved by the Director of Finance and Corporate Services and Audit Committee in June 2022.

At 31st March 2023, 205 days of Counter Fraud work have been completed against the agreed 242 days in the Counter Fraud Annual Work-Plan for the 2022/23 financial year.

The breakdown of these days is as follows:

TYPE	Days Planned	Days Actual
Proactive	150	161.5
Reactive	92	43.5
Total	**242**	**205**

2. Progress

Staffing

Previously NWSSP obtained all of its Local Counter Fraud Services from Cardiff and Vale University Health Board (C&VUHB) on a limited provision of 75 service days under a Service Level Agreement (SLA).

Since 6th June 2022 NWSSP have directly employed its own Local Counter Fraud Services (LCFS) Manager. The position was taken by Mark Weston on the basis of a 3-year secondment. Mark was previously employed within the NHS Counter Fraud Service Wales team hosted by NWSSP.

NWSSP continued with the SLA with Cardiff and Vale University Health Board, however during the year it did not receive the full benefit of the agreed 75 days, partly due to the new appointment of the NWSSP LCFS Manager and the additional resources the position provided, and also due to a high turnover of staff at the C&VUHB which limited the resources available to support NWSSP. The Director of Finance at C&VUHB has recently written to NWSSP giving notice of the withdrawal of the service due to the limitations on resource within the Health Board.

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Activity

Infrastructure/Annual Plan outcomes

The Counter Fraud Plan's objectives for 2022-2023 were fully aligned to the NHSCFA requirements as stipulated in Government Standard 13 (GovS13). The plan stated proposed delivery throughout the year and has been updated outlining the outcomes/delivery against each objective set by NWSSP's Local Counter Fraud Manager during the reporting period from 1st April 2022 to 31st March 2023. and is presented as Appendix 1.

All but one of the functional standards have been rated as green and is summarised as follows. LCFS is currently reviewing NHS CFA thematic risk assessments to ensure that action points have been dealt with and more work needs to be carried out in other key areas to detect fraud using data analytics and liaison with service providers.

Ref	Objective / Functional Standard	Rating
1	Accountable individual	GREEN
1b	Counter Fraud Champion, Audit Chair and Board Level Reporting	GREEN
2	Counter fraud bribery and corruption strategy	GREEN
3	Fraud bribery and corruption risk assessment	GREEN
4	Policy and Response Plan	GREEN
5	Annual action plan	GREEN
6	Outcome-based metrics	GREEN
7	Reporting routes for staff, contractors and members of the public	GREEN
8	Report identified loss	GREEN
9	Access to trained investigators	GREEN
10	Undertake detection activity	AMBER
11	Access to and completion of training	GREEN
12	Policies and registers for gifts and hospitality and COI.	GREEN

In addition to the Annual Plan Objectives which are aligned to the Government Functional Standards a summary is provided of the traditional core actions as follows:

- Improving Fraud Awareness to develop an Anti-Fraud Culture,

- Prevention and Detection of Fraud
- Investigation
- Sanctions and Financial Recoveries.

Fraud Awareness

Fraud Awareness Sessions

From 1st April 2022 to 31st March 2023 a total of 11 fraud awareness sessions were delivered to 527 NWSSP staff. Groups included the Senior Leadership Team, Internal Audit, Primary Care Services, People and Organisational Development Business Partnering Team, Supplier Maintenance Team, and Payroll Teams.

Staff during each session were very engaging, a feedback forms were issued following most sessions with very supportive and positive feedback. Feedback samples have been provided to the Audit Committee.

All Wales E-Learning Fraud Awareness Module

The LCFS has collaborated with NHS CFS Wales and NWSSP Learning and Development to produce a new Fraud Awareness e-Learning module. The training was subsequently launched in April 2023 and made available to all NHS Wales staff. The module will also be available in the Welsh Language and manual versions will be produced for staff with restricted access to computers.

Newsletters

Two Newsletters were issued throughout the year, one coinciding with Fraud Awareness week in November 2022. Newsletters showed recent fraud prosecutions and focussed on topical areas.

Counter Fraud Videos

The LCFS Manager collaborated with NWSSP Communications Team to produce five fraud videos to improve fraud awareness. Each video was also translated into Welsh. They are available on the NWSSP intranet/Internet sites via a You-Tube link and have been disseminated to staff by email and social media (Twitter). The videos were also made available to all Health Bodies in NHS Wales to help raise fraud awareness.

Counter Fraud App

The LCFS Manager collaborated with NWSSP Communications Team to produce a Counter Fraud Mobile App. The initial uptake of this innovative was disappointing, however LCFS continue to promote it via all fraud awareness presentations and communications.

Fraud Prevention and Detection Activity

Summary 2022/2023

No of deterrence activities	*For example, media reports or articles published in local newsletters etc, relating to successful cases or counter fraud activities.*	*26*
No of fraud prevention activities	*Actions undertaken to directly change procedures identified as being at risk to fraud, or actions to implement a structured prevention process*	*17*

Fraud Prevention Notices (FPN'S)

During Q2 two FPN's were issued by the NHS CFA, both related to the risks associated with Mandate Fraud with one specifically concerning cyber related mandate fraud. The concerns were discussed with the Supplier Maintenance Team Lead in Finance to provide assurance on the processes in place. Changes to supplier bank accounts are limited to the team of four staff who conduct relevant checks. Further checks are made independently at a senior level by the Head of Finance and Business Development.

A FPN was issued on 19/12/2022 to raise awareness as to the possible risks in relation to fraudulent attempts with false invoices relating to payment of office supplies/consumables, concentrating mainly on printer toners and printer drums. In most cases the items have not been ordered or received. It should be noted that the fraud not only applies to office supplies but could apply to supplies in general. The risk was mainly with Primary Care Contractors. The methodology of the fraudster is to impersonate a company that may do business with the NHS, therefore adding plausibility that the invoice request is legitimate. The information was disseminated to Finance Leads and Accounts Payable managers who assessed that the risk to NWSSP and HB's we serve was minimal. In this instance the information was circulated wider to all NHS Wales Primary Care contractors to make them aware of the risk.

Intelligence Bulletins (IBURN's)

An IBurn issued on 25/7/22 gave specific details of IP addresses and Bank Accounts used by cyber criminals in preparation for mandate fraud attempts. Liaison also took place with the DCHW LCFS to obtain assurance on the cyber related threats to prevent mandate fraud. No IP addresses or accounts quoted were identified in checks made by DCHW for all NHS Wales. The aforementioned FPN was issued as a response to the intelligence on this cyber threat.

The NHS Counter Fraud Authority also issued an Intelligence Threat Assessment which highlighted a potential risk concerning fraudsters making requests under the Freedom of Information Act (FOIA) in order to obtain NHS suppliers information. It is suspected that they then use this information to target the supplier in order to hack their email systems to commit mandate frauds. NWSSP liaised with NHS CFS Wales and met with the NWSSP Information Governance Manager to make him aware of the risks and agreed to report any unusual requests or activity to Counter Fraud. The

Supplier Maintenance Team have also been made aware. Arrangements are already in place whereby Suppliers whose IT systems have been compromised advise the Supplier Maintenance Team who in turn advise NWSSP LCFS and NHS CFA Wales. This information is then shared with NHS CFA as intelligence.

The IBURN issued on 22/12/22 again related Mandate Fraud against Health bodies in NHS England where a supplier's bank account had been hacked and fake emails issued in an attempt to request to change their bank account details. Checks carried out with NWSSP Supplier Maintenance Team show no attempts made by the parties involved and that NHS Wales does not pay this company. Checks also made with DCHW show no emails received from the email domains reported and they were blocked to mitigate the risk.

Changes to supplier bank accounts are limited to the Supplier Maintenance Team to conduct checks. Further checks are made independently at a senior level by the Head of Finance and Business Development. A bespoke fraud awareness session was delivered to the Supplier Maintenance Team (SMT) in February 2023, it was well received but it is acknowledged that the SMT is very fraud aware and engage frequently with the LCFS and CFS Wales.

On 10th March 2023 NHS CFA issued an Intelligence Bulletin (IBURN) which related to concerns over an individual with a significant history of fraud offences against their employer who was actively seeking employment with Government Organisations including the NHS. Checks were made with Employment Services which confirmed that the individual was not employed in NHS Wales, nor had they applied for jobs given the known aliases. CFM now liaising with Asst Head of Recruitment to consider the use of markers on the TRAC system

On 31st March NHS CFA issued an intelligence bulletin (IBURN) which related to concerns over an unsuccessful mandate fraud against two NHS Trusts in England relating to spoof emails from a supplier whose email account had been compromised. Checks made on all-Wales basis with the Supplier Maintenance Team showed no attempts were made. However, it was confirmed that the supplier had been a dormant creditor on Oracle with one HB for many years and it was decided to remove them from the systems.

Where possible FPN's and IBURN's are also actioned by NWSSP Lead LCFS centrally and outcomes disseminated to all Lead LCFS in NHS Wales to avoid duplication which previously existed in verifying similar alerts.

All FPN's and IBURN's are recorded and actioned on the CLUE 2 database in accordance with NHS CFA requirements.

Risk Assessments

The NWSSP LCFS also undertook risk-based activity:

- Continues to liaise with Swansea Bay UHB LCFS to conduct a risk measurement exercise on pre-employment checks undertaken by NWSSP Recruitment and Health Board Departmental Managers.

- Liaison with C&VUHB/Health Education and Improvement Wales LCFS to conduct a risk measurement exercise on the new Bursary Management system.
- Discussing the methodology of recording fraud risk assessments with the Head of Finance and Business Development.
- Liaison with NHS CFS Wales and other Lead LCFS in NHS Wales on management and recording of fraud risks. A particular focus will be given to the Thematic Assessment exercise published by the NHS CFA in 2020 and updated with a final progress report from NHS CFA on 25th January 2023 in relation to NHS Wales Shared Services Standards.
    - 3.4 Pre-Employment Checks
    - 3.5 Procurement Fraud
    - 3.6 Invoice Fraud
- The work already completed and provided in the NHS CFA Covid-19 Post Event Assurance (PEA) Report of Findings for Velindre NHS Trust (Organisation specific feedback) (which includes NWSSP) issued on 29TH September 2022.
- NHS CFA Preventing Procurement Fraud
- Velindre NHS Trust PO Report Sept 2022

National Fraud Initiative (NFI)

Data has now been collected and processed by the Cabinet Office NFI Team, and the results were made available for analysis in January 2023. Initial analysis of the data has identified that NWSSP data is included within the Velindre NHS Trust, arrangements have been made with C&V Lead LCFS to make the data available and NWSSP Lead LCFS will review the data relating to NWSSP. Initial checks have been made on Payroll/Creditor/Companies House data and liaison to discuss matches with the Corporate Services Compliance Manager to conduct checks against Declaration of Interests.

Other Detection activity

Work is ongoing on other proactive projects with NHS CFS Wales and Audit Wales

- Community Pharmacy Data Analytics Exercise - a long-term data analytical exercise with NHS CFS Wales and Audit Wales to analyse Primary Care Services Community Pharmacy Services claims data for expensive items to identify and assess unusual claiming trends. The exercise is still in a pilot stage with two Health Board's data used to test analyse the data and collaborate with the Pharmacy Teams. The NWSSP LCFS Manager will continue to engage with the project with CFS Wales, Audit Wales and the Health Boards involved.
- The NWSSP Lead LCFS also met with CFS Wales, Audit Wales, NWSSP Primary Care Services and others to consider a further data analytical exercise to provide assurance on General Medical Services Patient Registration and Capitation Fees. Further meetings have taken place with Audit Wales, NWSSP, and the Betsi Cadwaladr UHB Lead LCFS and have requested an update from Audit Wales.

Referrals/Enquiries/Investigations

Summary 1st April 2022 – 31st March 2023

Summary of case numbers	Status	No
Number of cases investigated 2022/2023	**b/f** at 31/3/2022	**1**
	Opened 2022/2023	**8**
	Closed during 2022/2023	**4**
	Cases open at 31/3/2023	**5**

Annual Case Summary 2022 / 2023

No.	Case Ref	Start Date	Subject Category (as recorded on Clue)	Potential Offences (as recorded on Clue)	Outcome sanctions and recoveries	Closure Date	Recovery	Prevented
1	INV/023/00607	30/03/2023	Non NHS Staff	Fraud by False Representation	Taxi company employee false journeys. Case being investigated by Police as non NHS victims were also identified. Subect interviewed by Police and further update pending. Taxi company has already repaid NHS loss of £528.48	Open	£528.48	
2	INV/023/00608	30/03/2023	NHS Supplier	Fraud by False Representation	Various creditor requests made for payment to an account different than that named on invoice. Each case unique, step made to ensure payment made to correct payee.No fraud found but recommendations made on handing future requests / anomalies to A/P.	Open		
3	INV/23/00610	30/03/2023	NHS Supplier	Fraud by False Representation	Company chasing non payment of invoices for services not provided. Confirmed services provided to Primamry care contractor who was liable. No Fraud	Open		
4	INV/22/01515	19/10/2022	NHS Employee	Theft (of Sal O/P)	SLE Dr left employment yet salary continued for 10 months £22,265.34. Investigations concluded and recovery agreed over 5 months, final repayment due June 2023.	Open	£13,000.00	
5	INV/023/00468	08/03/2023	NHS Employee	Theft (of Sal O/P)	SLE Dr left employment yet salary continued for 12 months £15,964.86. Investigations concluded and agreed to repay in one payment, invoice requested.	Open		
6	INV/22/0055	13/01/2022	NHS Employee	Fraud by False Representation	Employee alleged falsifying timesheet, no fraud found.	05/08/2022		
7	INV/2201531	21/10/2022	NHS Employee	Fraud by False Representation	Allegations of employee working whilst on sick leave. Advised Manager. HR / Managerial issue due to nature of work involved and sickness reason	14/11/2022		
8	INV/22/00977	28/07/2022	NHS Contractor	Fraud By Abuse of Position	Care Provider selling PPV on Social Mec	30/03/2023		£2,700.00
9	INV/02300609	30/03/2023	NHS Contractor	Fraud by False Representation	Concerns raised over false invoice. Investigations made showed no fraud and invoice payable by Primary Care conractor	31/03/2023		
10	INV/23/130 CFS Wales Case	17/01/2023	NHS Employee	Theft (of Sal O/P)	Staff Member Overpaid Salary	Open		
						Total	**£13,528.48**	**£2,700.00**

Local Proactive Exercises

As part or 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 or can be directed by NHS CFA or because of an action point e.g. from an investigation, a Fraud Prevention Notice (FPN) or a wider nationally driven proactive exercise.

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

Salary Overpayment – It was noted that instances relating to overpayment of salary from NWSSP Finance and Payroll were being under reported to NWSSP to counter fraud. LCFS have liaised with Payroll and Finance to ensure such cases are reported at the earliest opportunity with criteria for reporting cases and an interim process has now been set up. Several new cases of overpayment of salary have since been received as an outcome of this liaison. In addition further work is ongoing to devise a consistent approach for referring Salary Overpayments to counter fraud with a working group involving the NWSSP Assistant Director of Finance, Payroll, HR, Finance and Audit representation from all Health Boards.

It was identified that the Velindre Policy for addressing Overpayment of Salary used by NWSSP requires updating following more recent guidance from NHS CFS Wales. LCFS will continue to liaise with Employment Services and the NWSSP Deputy Director of Finance to address the policy and process issues and advise on an All Wales Policy to ensure a consistent approach.

The LCFS Manager has also liaised further with the Single Lead Employer HR Manager on ongoing cases to identify why they occurred to detect potential system weaknesses to minimise instances of large overpayment of salaries, and also more prompt reporting when identified.

Appendix 1 – Gov S013 requirements NWSSP Counter Fraud Plan objectives v Outcome Delivery

Gov s013 / NHS Requirement	Objective	Proposed Delivery	Outcome / Delivery	Rating
1: Accountable individual NHS Requirement 1A: 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. 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. 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	Counter Fraud Manager (CFM) to hold regular scheduled meetings with Director of Finance (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 and Assurance Committee (AAC) and Senior Leadership Group to allow key risks to be identified, managed, and mitigated. CFM to produce the SSP Counter Fraud Annual Report & Workplan which is to be agreed with the DoF and ratified by the Audit Committee. CFM to provide quarterly progress reports to Dof and AAC and to present these quarterly at AAC. Checks to be carried out by CFM that nominations to NHSCFA are correct, up to date and in order. 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. Counter Fraud to remain a standing agenda item at AAC. Counter Fraud Manager to provide written and oral	Ongoing throughout the Year Q4 Q1 As required Ongoing throughout the year Throughout the year addressing matters arising as necessary	The Director of Finance and Corporate Services (DoF) is the accountable individual, responsible for LCFS Fraud governance, strategy etc. LCFS has now planned regular monthly meetings with the Dof and fortnightly meetings with the Counter Fraud Champion(cfc). Dof approves an annual workplan Qtly and Annual Counter Fraud Progress reports which are presented to and approved by Audit Committee and by LCFS. DoF receives CFA benchmarking data. Dof works closely with CFC Audit Committee Chair and ensures nominations are up to date. The LCFS delivered a Fraud awareness presentation to Senior Management Team and routinely liaises with Senior Managers.	GREEN SCORE 3

Gov s013 / NHS Requirement	Objective	Proposed Delivery	Outcome / Delivery	Rating
NHS Requirement 1B: 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. The Counter Fraud Champion understands the threat posed and promotes awareness of fraud, bribery and corruption within the organisation. Board level evaluation of the effectiveness of counter fraud, bribery and corruption work undertaken is documented. Where recommendations 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. The organisation reports annually on how it has met the standards set by NHSCFA in relation to counter fraud, bribery and corruption work, and	reports to this forum, annually and progressively throughout the year. CFM to report to DoF and AAC any matters arising from NHSCFA in relation to thematic assessment exercises, matters arising out of Fraud Prevention Notices and national exercises. 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. CFM and Counter Fraud Champion to meet fortnightly to discuss all aspects of Counter Fraud work. 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.	Throughout the year Throughout the year Q1	LCFS meets monthly DoF with LCFS to update on all Counter Fraud matters along with Counter Fraud Champion on a fortnightly basis who is Head of Finance and Business Development ensure that Counter Fraud is considered at Board Senior Management Team Level and at Audit Committee. This also ensures Welsh Government Fighting Fraud Strategy is implemented in line with Government Functional Standards on Counter Fraud. Audit Committee minutes provide evidence that monitoring and evaluation of counter fraud work is carried out in compliance with the counter fraud functional standards. LCFS liaises regularly with Internal Audit, HR, Information Governance, Cyber Security team and Communication Department to develop and maintain a working relationship to provide a firm foundation for the Counter Fraud provision. Counter fraud, bribery and corruption work plan completed. Annual report on counter fraud, bribery and corruption work completed. Evidence of the implementation of any recommendations made by the	GREEN SCORE 3

Gov s013 / NHS Requirement	Objective	Proposed Delivery	Outcome / Delivery	Rating
details corrective action where standards have not been met.			NHSCFA - raised at Audit Committee as part any engagement. NWSSP DoF Chairs NHS Wales Counter Fraud Steering group to influence Counter Fraud matters within NHS Wales.	
2: Counter fraud bribery and corruption strategy NHS Requirement 2: 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, 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. (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)	CFM to verify that the organisational Counter Fraud Bribery and Corruption Policy is in place and review to check that in date and fit for purpose. CFM to ascertain whether the local policy is properly aligned to the current NHS CFA Strategy. CFM to ensure that work planned for in the Annual Counter Fraud Plan and that work carried out is aligned to the NHS CFA strategy and that the objectives are being met. 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.	Q1 & Q2 Q1 Continual Monitoring	The organisation has a Counter Fraud, Bribery and Corruption Policy. This policy is due for review in QTR 1 2023/2024. This review will ensure that it is fully aligned to the NHS CFA strategy. The policy is available to staff via the Intranet and has been promoted during fraud awareness work carried out throughout the year, further work will be done to link these to LCFS intranet page. LCFS annual workplan and resource allocation are fully aligned to the objectives in the Government Functional Standard GovS 013 and NHS Wales Counter Fraud Strategy and activity is reported upon quarterly and annually to Audit Committee. All LCFS are fully accredited and suitably experienced. All risk work carried out is reported to DoF and Counter Fraud Champion and also through AAC where it is monitored.	GREEN SCORE 3

Gov s013 / NHS Requirement	Objective	Proposed Delivery	Outcome / Delivery	Rating
			Counter Fraud Functional Standard Return has been completed. LCFS has reviewed and acted upon various thematic reports from NHS CFA some work is ongoing.	
3: Fraud bribery and corruption risk assessment NHS Requirement 3: 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 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). For NHS organisations the fraud risk assessments should also consider	Counter Fraud Department 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 AAC by way of counter fraud progress reporting. Counter Fraud department 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. Local Proactive exercises to be undertaken by LCFS as the need arises throughout the year as a result of local 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.	Dynamic – throughout the year as the need arises Dynamic – throughout the year as the need arises Ongoing throughout the Year Ongoing throughout the Year	LCFS continues to work across the service to share expertise & guidance around fraud proofing, risks and vulnerability. LCFS maintain direct review and input role in relation to policy which aims to strengthen the wider practices to reducing the risk of fraud through poor policy or governance controls. During the upcoming year this will be strengthened further. Where local risks are identified, assessment work is carried out accordingly. Further work needs to be done to identify NHS CFA Risk descriptors, organisational fraud risks in line with GCFP methodology and in line with organisational risk management policy. Resources have been allocated to focus on fraud risk assessments within the workplan objectives to ensure they are demonstrably achieved, whilst ensuring attention is provided to emerging risks. LCFS continues to review the risks identified from recent NHS CFA	GREEN SCORE 3

Gov s013 / NHS Requirement	Objective	Proposed Delivery	Outcome / Delivery	Rating
the fraud risks within any associated sub company of the NHS organisation.	CF manager to explore with Corporate Governance the preferred method of reporting and recording risk, including the maintenance of a register review. (To compliment the recording upon CLUE) Where resource implications are present priority to be given to those areas identified as higher risk.	Q1& Q2	thematic risk assessments. Progress will be monitored by Audit Committee to ensure that risks are mitigated.	
4: Policy and response plan NHS Requirement 4: 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. The plan is reviewed, evaluated and updated as required, and levels of staff awareness are measured.	CF Manager to establish/review existing counter fraud bribery and corruption policy, update and amend as appropriate. Counter Fraud team to promote awareness of the policy at presentations and through newsletters. 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.	Q1 & Q2 Throughout the Year Q3 & Q4	NWSSP has a Counter Fraud Policy, which promotes the NHSCFA Fraud and Corruption Reporting Line and online reporting tool. The Counter Fraud Policy is regularly updated and publicised via the Intranet site. Executive approval of the document is received via the Audit Committee. Issues relating to bribery and fraud are also referenced within the Standards of Behaviour Framework Policy. Staff awareness of these key policy documents are measured using questionnaires following every Fraud Awareness presentation where attendees complete feedback forms which includes questions to measure their views on how effective the presentation was. A staff survey was carried out in July 2022 and will be repeated along with risk awareness evaluations in the next financial year.	GREEN SCORE 3

Gov s013 / NHS Requirement	Objective	Proposed Delivery	Outcome / Delivery	Rating
5: Annual action plan NHS Requirement 5: 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).	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. CF Manager to ensure the plan is agreed by DoF, ratified by AAC and is informed by national and local risk and is aligned to organisational objectives and CFA Strategy. CF Manager to ensure that the provision of the CF function is written into the overall organisation plan. CF manager to provide quarterly reports to AAC. CF manager to provide quarterly statistics to Counter Fraud Service Wales. CF manager to provide annual report measuring the effectiveness of the plan.	Q4 (Due to change of manager 22/23 plan provided Q1 as agreed by AAC) Q1 Throughout the Year Throughout the Year Q4	An annual action plan has been completed for the year ahead that has been produced and is fully aligned to the new Government Standards Gov s013 which has been approved by DoF and Audit Committee. Progress of LCFS work will be reported quarterly at the Audit Committee which are minuted. Due to the nature of Counter Fraud work the plan remains broad, flexible and subject to change throughout the year as new risks and requirements are identified. Where new risks are identified all subsequent work shall be carried out following CFA rationale and Cabinet office methodology. LCFS is actively involved in reviewing policies to ensure they are fraud proofed. Liaison with IA has and will continue to take place in order to obtain IA reports pertinent to CF. This report measures the Functional standards which are aligned to the core objectives and outline how they have been met to comply with Government Standards Gov s013.	GREEN SCORE 3

Gov s013 / NHS Requirement	Objective	Proposed Delivery	Outcome / Delivery	Rating
6: Outcome-based metrics NHS Requirement 6: 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 the approved NHS fraud case management system. 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.	The new contact, enquiry and reporting methods being developed by the CF team will benefit from the automatic facility of analytical data collection. This will be utilised as an important tool to measure the effectiveness of the actions and work undertaken by the CF Team. Where necessary regular review will be used to inform change. Data will be collected in relation to the amount of fraud awareness work is carried out. In turn the effectiveness of these actions will be measured by how many enquiries/actions are generated on a newly developed internal interactive Counter Fraud Enquiry/Referral Form. A new local incident reporting form is to be created in order that all enquiries made to the team are recorded and have an audit trail not just those that are logged on the CLUE system, providing a clearer picture of the work generated as a result of the fraud awareness work undertaken by the CF team. The development of a generic email account will take place in order to assist in the process of this. Interactive feedback forms will be developed and utilised to measure the effectiveness of the service supplied by the CF team throughout the year.	Q1 Development and Implementation Q1 Development and Implementation Data collection throughout the year Q1 Development and Implementation Data collection throughout the year	All investigative work and Local Proactive exercises are recorded in accordance with the NHS Counter Fraud manual on Clue the NHSCFA's Case management system. This provides metrics which are reconciled via quarterly returns to NHS CFS Wales, reported as benchmarking by NHSCFA and NHS CFS Wales to NHS Counter Fraud Steering Group and Welsh Government. Data is also collected regarding NHS CFA Thematic assessments, Circulars, IBurns and Fraud Prevention Notices. Work is also carried out in the areas of raising awareness, investigation, risk, awareness, joint working, sanctions, and financial loss and recovery. Metrics are also provided each quarter to DoF and Audit Committee. Data is also provided on Fraud Awareness engagement with the number of presentations and number of staff engaged with. Awareness session feedback metrics are also presented to show the impact of staff awareness. NFI outcomes will also be reported upon.	GREEN SCORE 3

Gov s013 / NHS Requirement	Objective	Proposed Delivery	Outcome / Delivery	Rating
	Locally and nationally informed risk assessments will be recorded according to 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 department and reported to the AAC. All investigations will be recorded and Managed on the CLUE case management system and reported to AAC via the Audit Committee quarterly reporting process. This Data will also be shared with the Counter Fraud Service Wales and the NHS CFA. All losses, recoveries, outcomes, decisions and criminal, disciplinary and professional sanction will be recorded on the CLUE system and reported to AAC via the Audit Committee quarterly reporting process. This Data will also be shared with the Counter Fraud Service Wales and the NHS CFA.	Q1 development and implementation Throughout the Year Throughout the Year		
7: Reporting routes for staff, contractors and members of the public NHS Requirement 7: The organisation has well established and documented reporting routes for	CF team to undertake a project of assessing the current infrastructure in place for the reporting of concerns and making of general enquiries from all groups. This will involve infrastructure development to include the creation a	Q1 & Q2	Fraud reporting routes are well signposted on intranet/internet sites. This includes FCRL, online reporting tool and LCFS contact number, email address, a link to report fraud direct to the LCFS.	GREEN SCORE 3

Gov s013 / NHS Requirement	Objective	Proposed Delivery	Outcome / Delivery	Rating
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. The incident reporting routes are publicised, reviewed, evaluated and updated as required, and levels of staff awareness are measured.	dedicated Counter Fraud Enquiry email address, the development of interactive referral/awareness request forms available internally to provide a dedicated route of reporting and enquiry to staff (incorporating an anonymised version to provide assurance to the reporter), liaison with the Communications Department in order to ensure that this process and route is promoted in the most effective way in order to give the CF Fraud team have a brand identity and presence. CF manager to arrange and meet with Communications team in order to discuss the creation of a dedicated CF page on the organisation's intranet. Ongoing review of the effectiveness of the work undertaken via data analytics and where necessary remedial action to take place dynamically throughout the year. Continuance of promotion of the National Fraud Reporting Line and the National Fraud Reporting tool as managed by the NHSCFA. Ongoing events throughout the year such as half-day events at key premises promoting the reporting methods available to all groups. E.g. SSP HQ.	Implementation Q1 & Q2 Q1/Q2 Throughout the Year Throughout the Year Throughout the Year	All instances of fraud are assessed and investigation are entered onto the CLUE. Reporting methods are promoted in fraud awareness sessions and regular newsletters. NWSSP have developed a Counter Fraud App where staff can download to mobile devices, this provides information and links to all methods of reporting fraud to NWSSP and all NHS Wales Health Bodies. Fraud awareness material has also been issued to promote the FCRL and online reporting tool. A staff fraud awareness survey was carried out and presented to DoF and Audit committee. A new Fraud Awareness E-learning module has been produced and its aim is to make it mandatory. Plans are in place to provide regular fraud awareness sessions on staff induction and a specific Fraud page in the staff induction toolkit.	
8: Report identified loss	CF team to make full use of the CLUE case management system for recording and managing Investigations, System		The LCFS has reported all incidents of suspected fraud, bribery using the CLUE case management system.	GREEN

Gov s013 / NHS Requirement	Objective	Proposed Delivery	Outcome / Delivery	Rating
NHS Requirement 8: 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	Weakness reporting, and Local Proactive exercise reporting. CF Manager to ensure that all members of CF team are suitably trained and qualified to access the CLUE case management system. H Bales (C&VUHB) to be added upon accreditation as ACFS. CF Manager to supervise the reporting of cases on CLUE ensuring that all referrals are suitably recorded and investigated CF manager to oversee live investigations on CLUE. CF manager to supervise the recording of all proactive work carried by way of Local Proactive exercise/System Weakness reporting. CF manager to provide direction to IO concerning case management where necessary. CF manager to ensure that all outcomes by way of sanction, recovery and loss are suitably recorded and reported to DoF and AAC at progress updates and at year end in Annual report.	Ongoing throughout the Year	This reporting tool is used to record all investigations, sanctions, recoveries and losses and also has a mechanism to record system weakness and Local Proactive Exercise work. This system has been supervised by CFS Wales and all information has been used to inform progress reporting to Audit Committee and CFS Wales. CFS Wales report onward to Welsh Government in relation to investigations, sanctions, awareness and loss, recovery and savings.	SCORE 3
9: Access to trained investigators NHS Requirement 9: The organisation employs or contracts in an accredited, person (or	The organisation has recently obtained additional resources of a dedicated full time and fully accredited Counter Fraud Manager (CFM). This position is a long term (three years) secondment from the NHS CFS Wales Team and will be directly	Ongoing throughout The year	NWSSP appointed and nominated its own dedicated and accredited full time Local Counter Fraud Manager on 6th June 2022.	GREEN SCORE 3

Gov s013 / NHS Requirement	Objective	Proposed Delivery	Outcome / Delivery	Rating
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. 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.	employed by NWSSP. The CFM will be responsible for all management of Counter Fraud Work from date of commencement (6th June 2022). The organisation will continue to utilise the services from the C&V Counter Fraud Team with 75 days annually (0.3 WTE). The organisation currently therefore employs/has access to provision from four fully accredited, nominated, and qualified LCFS (1.3 WTE). The team has a further member who is currently undertaking ACFS training course. Target date for accreditation July 2022. Nomination to CFA to follow accreditation and to be actioned by CF manager. All members work on a full-time basis but resources from C&V are limited to 0.3 WTE). All staff members of the CF team are skilled and trained in criminal investigation and fully up to date with their knowledge of relevant legislation such as PACE, CPIA, DPA, HRA, GDPR, offence legislation. All staff will keep abreast of changes and updates to legislation and undertake training as necessary. All staff will continue to develop professionally, attending appropriate training sessions provided by NHSCFA to enhance their knowledge and skills as well as attending regional forums hosted by	Ongoing Throughout the Year Ongoing Throughout the Year	In addition NWSSP continued to receive additional resources of 75 service days annually from Cardiff and Vale UHB. However due to the new full time appointment and a high turnover in staff at C&V only a limited amount of service days were provided under this agreement. This agreement is due to end on 30th June 2023. LCFS Continues to use Clue Case management system for proactive exercises investigations which are conducted in accordance with legislation and the NHS CFA Manual of Guidance and reviewed by Head of NHS CFS Wales. LCFS Continues to attend training and professional development provided by NHS CFS Wales / NHS CFA.	

Gov s013 / NHS Requirement	Objective	Proposed Delivery	Outcome / Delivery	Rating
	NHSCFA and NHS CFS Wales. CF team will undertake continuing professional development opportunities associated with role throughout the year as they become available. All staff to maintain full compliance with mandatory training/e learning as measured on the ESR system. 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 out their role (inclusive of secure access to relevant IT systems, data systems and access to NHS Wales) All training and development to be recorded on ESR and referenced during annual staff appraisals.	Ongoing Throughout the year		
10: Undertake detection activity NHS Requirement 10: 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	CF team to assess the work already completed in relation to the Thematic Assessment exercise published by the NHS CFA in 2020. Any work left incomplete to be carried out in period stated. CF team to undertake national exercise work as it is published by NHS CFA throughout the year. CF team to react appropriately to the issue of FPN's from NHS CFA. CF team to react appropriately to fraud alerts raised by other Health Boards and Special Health Authorities.	Q1 & Q2 Throughout the Year	LCFS has conducted several proactive exercises relating to Mandate Fraud and has developed strong line of communication with the relevant Finance Team. LCFS responds to NHS CFA IBurns and FPN's and where possible on a once for Wales approach. LCFS has developed effective reporting and referral process with the Payroll Teams to identify and investigate payroll anomalies and involved in producing an all Wales policy to deal with overpayments of	AMBER SCORE 2

Gov s013 / NHS Requirement	Objective	Proposed Delivery	Outcome / Delivery	Rating
and deter fraud, bribery and corruption. Relevant information and intelligence may include (but is not limited to) internal and external audit reports, information on outliers, recommendations in investigation reports and NHSCFA led loss measurement exercises. The findings are acted upon promptly.	CF team will undertake Local Proactive Exercises (LPE's) in response to locally identified risk with a view to identifying if fraud has occurred. Remedial action will be reported as appropriate and any necessary investigative action undertaken. CF Manager to interact with key managers and stakeholder groups such as NWSSP Payroll Services, Corporate Finance, Information Governance, Communications Department and HR to foster relationships improve awareness of CF department and function. CF Manager to agree to a joint working protocol with Internal Audit and to meet with Head of IA on a quarterly basis to discuss ongoing areas of mutual concern. CF team will engage with investigators from other organisations and agencies where necessary (including police, UKBA, DWP, HMRC, local authorities, regulatory and professional bodies, complying with relevant legislation and organisational policies when countering fraud bribery and corruption. CF team to make use of NFI database to assist in countering fraud, bribery and corruption within NHS and other organisations.	Throughout the Year Throughout the year (with the aim of scheduling regular quarterly catch ups.) Quarterly and as required Throughout the Year As required	salary as a result of a proactive exercise. LCFS has regular liaison with internal and access to relevant internal audit reports. LCFS is currently reviewing NHS CFA Thematic risk assessments to ensure that action points have been dealt with. Data mining has also been undertaken within the context of the NFI database. LCFS is working together with NHS CFS Wales, Audit Wales and 2 HB's to identify risks and detect outliers in Pharmacy Fraud. More work needs to be carried out with Procurement and Recruitment and also other services areas.	

Gov s013 / NHS Requirement	Objective	Proposed Delivery	Outcome / Delivery	Rating
11: Access to and completion of training NHS Requirement 11: 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. Content may be delivered through presentations, newsletters, leaflets, 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.	CF manager to ascertain whether CF awareness training is a standing item on all corporate inductions to new employees. If not, then meetings with Workforce OD and Educational Development to be held to drive the initiative forward. CF team to develop/maintain an up-to-date e-learning module for staff to undertake. CF team to develop awareness of the Counter Fraud Department team through all available avenues. To include but not limited to • Digital banners on organisation intranet site • Regular publishing of Counter Fraud news items via Counter Fraud Newsletter • Regular messaging across available social media systems • All staff email bulletins to advise of fraud alerts • Ad hoc and bespoke fraud awareness training for different staff cohorts throughout the organisation • The use of a Counter Fraud Awareness staffed stand at impactive sites around the organisational estate in order to provide face to face contact with	Q1 Q1 & Q2 Development and implementation to take place Q1 Delivery throughout the Year	Since the pandemic it is clear that the preferred method of engagement is via MS TEAMS, an efficient & effective way of delivering bespoke fraud awareness sessions to specific teams. Feedback forms measure effectiveness. A new Fraud Awareness E-learning module has been produced and its aim is to make it mandatory for all staff. Plans are in place to produce a manual version for those with limited access to computers in the workplace. Plans are in place to provide regular fraud awareness sessions on staff induction and a specific Fraud page in the staff induction toolkit. NWSSP have developed a Counter Fraud App where staff can download to mobile devices, this provides information and links to all methods of accessing training and reporting fraud to NWSSP and all NHS Wales Health Bodies. LCFS has produced a series of bilingual videos for use across NHS Wales. Regular Newsletters are produced using MS Sways which collects metrics to measure engagement to apply resources accordingly.	GREEN SCORE 3

Gov s013 / NHS Requirement	Objective	Proposed Delivery	Outcome / Delivery	Rating
	staff promoting the work of the team and its function CF team to be fully conversant with the use of the NHSCFA 'ngage' tool in accessing materials and literature suitable for dissemination organisation wide. CF team to fully participate in National Counter Fraud Week initiative.	Throughout the year		
12: Policies and registers for gifts and hospitality and COI. NHS Requirement 12: 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 Bribery Act 2010. The effectiveness of the implementation of the process and staff awareness of the requirements of the policy are regularly tested	CF manager to assess whether a conflicts of interest/business conduct policy is in place and is in date. CF team to assess whether a register for conflicts of interest, gifts and hospitality is in place and in date and being utilised effectively. CF fraud team to raise awareness of the registers and policies by way of fraud awareness sessions and news bulletins/letters. CF manager to provide a presence and input into relevant policy review, and to record and document changes highlighted through Counter Fraud review.	Q1 & Q2 Q1 & Q2 Throughout the Year As required	NWSSP has in place policies and registers in compliance with this requirement. There is a tiered approach from a lifetime declaration with annual reminders to update the register and annual declarations required from some groups of staff eg procurement. The register of Declaration of Conflicts of Interest is managed by a Compliance Officer and overseen by the Director of Finance and Corporate Services. New declarations are also reported quarterly to Audit Committee. Potential matches on NFI were identified and assurances sought from the compliance officer. Compliance and Standards of Behaviour and conduct are included in the induction toolkit so new staff are aware of the requirements on Declaration of Interests and Gifts and Hospitality on commencement. This is also included	GREEN SCORE 3

Gov s013 / NHS Requirement	Objective	Proposed Delivery	Outcome / Delivery	Rating
			as part of all fraud awareness sessions along with awareness of Bribery and Corruption offences.	

NHS WALES
Shared Services Partnership
(NWSSP)

Counter Fraud Progress Report
01/04/2023 – 30/06/2023

Mark Weston
Local Counter Fraud Manager
NHS Wales Shared Services Partnership

TABLE OF CONTENTS

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 supported by Cardiff and Vale University Health Board's (CAVUHB) Local Counter Fraud Specialists for NWSSP from the 1st April 2023 to the 30th June 2023 (NB this arrangement came to an end at the end of June- see below for more detail).

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

At 30th June 2023, 49.25 days of Counter Fraud work have been completed against the agreed 242 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 seven new fraud referrals have been received during the first quarter. Fraud Awareness activity was mainly focussed on Fraud Awareness sessions to Payroll, Accounts Payable and People and Primary care services. The Counter Fraud e-Learning module is also now available to staff on ESR following its launch on 18th April 2023.

The breakdown of these days is as follows:

TYPE	Days
Proactive	26.75
Reactive	22.5
Total	49.25

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.

Staffing

During the previous financial year, Cardiff and Vale University Health Board (C&VUHB), struggled to deliver the 75 days provided for under the Service Level Agreement that we have in place with them. This was due to limited staffing resource and the Director of Finance at C&VUHB has recently written to NWSSP giving notice of the withdrawal of the service. The SLA with C&VUHB will terminate on 30th June 2023.

Activity- Infrastructure/Annual Plan

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

- Review of the Counter Fraud Bribery and Corruption Policy – review and update is currently being undertaken by NWSSP which is still in progress due to other workload commitments.
- The NWSSP LCFM has continued to liaise with Head of Internal Audit under the Joint working protocol in place.

Fraud Awareness Activity

- The NWSSP Local Counter Fraud Service intranet page has continued to be updated with assistance from the Communications team. It will be continuously reviewed and kept up to date with news and relevant topics
- E-learning Module **–** The LCFS Manager has been involved with NHS CFS Wales in the development of the All-Wales Counter Fraud Awareness E-learning module. The module was launched on Tuesday 18th April. Communications were sent out to NWSSP staff will initially be encouraged to complete this module which will be recorded against the ESR Staff Learning and Development Record. 81 NWSSP staff have completed the e-learning module during Q1 and a total of 1,322 staff in all NHS Wales Bodies. Some Health Boards have made the module mandatory.
- The LCFS Manager has liaised with a number of divisions to deliver bespoke and general awareness sessions to staff in order to refresh knowledge and awareness of fraud in the NHS. This included Accounts payable and four sessions to the Employment Services (Payroll Teams) which means all payroll teams have now received a fraud awareness session. Feedback forms were also received providing positive feedback.
- Liaison has continued with the People and Organisational Development Learning and Development Team. Fraud awareness is now included on delivery of the staff “Welcome Session” for new staff which is delivered virtually and also included in the induction toolkit. Plans are being made to arrange a fraud awareness session via Microsoft TEAMS for new starters each month.
- A Counter Fraud App has been developed in conjunction with the NWSSP Communications Team and was launched within NWSSP on 22nd February and All NHS Wales bodies on 1st March. Participation is currently low, however it will continue to be promoted.

Awareness Sessions Summary

During this reporting period eight fraud awareness sessions have been delivered to 263 NWSSP staff.

Group	No of attendees / Participants
Primary Care Processing Team	26
Medicines Manufacturing Team (Procurement)	10
Payroll (BCUHB/WAST/ABUHB) (4 sessions)	85
Primary Care Services Quality Assurance Team	13
Accounts Payable	129
e-Learning	81
Total	344

Staff during each session were very engaged, and feedback forms were issued following each of these sessions.

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

IBURN-2023-04-01 was issued on 6th April 2023. The allegations concerned a named individual who had gained employment making false representations concurrently using aliases at multiple organisations including several NHS bodies in England bordering Wales. Checks were made with Recruitment Managers who confirmed no applications were made in NHS Wales. Have discussed with Recruitment to consider an alert system to flag future applications or concerns. Further discussion with recruitment will need to take place.

During this reporting period NHS CFA did not issue any FPN's.

Referrals/Enquiries/Investigations

During this reporting period the NWSSP Counter Fraud Team received seven new referrals for investigation. The summary is as follows together with amounts prevented and recovered in this new format. A breakdown of each case in a new template is also provided as Appendix 1.

	Caseload	No
A	Cases b/f	5
B	Add No new of cases opened	7
C	**Caseload during Q1** **(A+B)**	**12**
D	**Less** Cases closed during Q1	6
E	**Cases open at end of Q1** **(C-D)**	**6**
	Fraud prevented	**£2,150.42**
	Fraud Recovered	**£50,419.03**
	Number of sanctions	**0**

Cases referred for investigation include three overpayment of salary cases which have resulted in investigation from NWSSP LCFS. Each case is unique and dealt with on a case-by-case basis. The most appropriate action in each of these cases was recovery of the overpayment. LCFS involvement has therefore resulted in significant and prompt recoveries totalling **£50,419.03** during QTR 1 2023/2024.

One noteworthy case involved a fraudulent application under the Home Electronics Salary Sacrifice Scheme. The case was identified and prevented by the Salary Sacrifice Team (SST). NWSSP LCFS, SST Manager and Cyber Security Managers have liaised with NHS Fleet Solutions to investigate the matter. 11 other separate incidents across NHS England have been identified and have been referred by NHS Fleet Solutions to the Police for investigation and also referred to the Information Commissioner. NWSSP have suspended the scheme in NHS Wales until further assurances are obtained from the systems provider. NWSSP are now liaising with NHS CFA, NHS Fleet Solutions LCFS and the Police to ensure the matter is fully investigated.

Other new cases include working whilst on sick leave and a false claim for injury at work.

Local Proactive Exercises

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

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

Salary Overpayment – It has been previously reported that instances relating to overpayment of salary from Finance and Payroll were being under reported. LCFS have liaised with Payroll and Finance to ensure such cases are reported at the earliest opportunity with criteria for reporting cases and an interim process has now been set up. Three new cases of overpayment of salary have now been received during the last quarter as an outcome of this liaison.

It was identified that the Velindre Policy for addressing Overpayment of Salary used by NWSSP requires updating following more recent Guidance from NHS CFS Wales. LCFS will continue to liaise with Employment Services and NWSSP Deputy Director of Finance to address the policy and process issues and advise on an All-Wales Policy to ensure a consistent approach. Several meetings have taken to adopt a consistent approach on dealing with Salary Overpayments with Payroll developing an automated system for better management and recovery of overpayments and also referral onto Counter Fraud under an agreed criteria.

The LCFS Manager has also liaised further with the Single Lead Employer HR Manager on ongoing cases to identify why they occurred to detect potential system weaknesses to minimise instances of large overpayment of salaries, and also more prompt reporting when identified.

Risk Assessments

The NWSSP LCFS also currently:

- Continues to liaise with Swansea Bay UHB LCFS to conduct a risk measurement exercise on pre-Employment checks undertaken by NWSSP Recruitment and Health Board Departmental Managers;
- Liaises with C&VUHB /Health Education and Improvement Wales LCFS to conduct a risk measurement exercise on the new Bursary Management system.
- Discusses the methodology of recording fraud risk assessments with the Head of Finance and Business Development.
- Liaises with NHS CFS Wales and other Lead LCFS in NHS Wales on management and recording of fraud risks.

- Reviewing and addressing the Thematic Assessment exercise published by the NHS CFA in 2020 and updated with a final progress report from NHS CFA on 25th January 2023 in relation to NHS Wales Shared Services Standards
    - 3.4 Pre-Employment Checks
    - 3.5 Procurement Fraud
    - 3.6 Invoice Fraud
- The work already completed and provided in the NHS CFA Covid-19 Post Event Assurance (PEA) Report of Findings for Velindre NHS Trust (Organisation specific feedback) (which includes NWSSP) issued on 29TH September 2022.

National Fraud Initiative

Data has now been collected and processed by the Cabinet Office NFI Team, and the results were made available for analysis in January 2023. Initial analysis of the data has identified that NWSSP data is included within the Velindre NHS Trust, arrangements were made with C&V Lead LCFS. NWSSP Lead LCFS is currently reviewing the NWSSP data available and Initial checks have been made on Payroll / Creditor / Companies House with liaison to discuss matches with employment services.

Other

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

- Community Pharmacy Data Analytics Exercise - a long-term data analytical exercise with NHS CFS Wales and Audit Wales to analyse Primary Care Services Community Pharmacy Services claims data for expensive items to identify and assess unusual claiming trends. The exercise is still in a pilot stage with two Health Board's data used to test analyse the data and collaborate with the Pharmacy Teams. The NWSSP LCFS Manager will continue to engage with the project with CFS Wales, Audit Wales and the Health Boards involved. NWSSP LCFS and CFS Wales have now liaised with Primary Care Services Post Payment Verification Manager and Health Board Pharmacy Teams to enter the next stages to review data as Audit Wales will now play less of a role but still provide support in managing the data tools.
- The NWSSP Lead LCFS previously met with CFS Wales, Audit Wales, NWSSP Primary Care Services and others to consider a further data analytical exercise to provide assurance on General Medical Services Patient Registration and Capitation Fees. NWSPP LCFS requested an updated from Audit Wales on this project and further meetings will now be scheduled with Audit Wales, NWSSP, and the BCUHB Lead LCFS' and an have requested an update from Audit Wales.

CASES CLOSED IN QUARTER 1 (01.04.23 TO 30.06.23)

No.	Case Ref	Start Date	Subject Category	Potential Offences	Outcome sanctions and recoveries	Closure Date	Financial Recovery	Fraud Prevented	sanctions
1	INV/023/00608	30/03/2023	NHS Supplier	Fraud by False Representation	Various creditor requests made for payment to an account different than that named on invoice. Each case unique, step made to ensure payment made to correct payee.No fraud found but recommendations made on handing future requests / anomalies to A/P.	11/05/2023	£0.00	0	N
2	INV/23/00610	30/03/2023	NHS Supplier	Fraud by False Representation	Company chasing non payment of invoices for services not provided. Confirmed services provided to Primamry care contractor who wa sliable. No Fraud Found	05/04/2023	£0.00	0	N
3	INV/023/00681	06/04/2023	NHS Employee	Theft (of Sal O/P)	SLE Dr left employment yet salary continued for 4 months £15,019.70. Investigations concluded and repayment made in full in June 2023. NFA	26/06/2023	£15,019.70	0	N
4	INV/023/00805	26/04/2023	NHS Employee	Theft (of Sal O/P)	L&R Employee left employment yet salary continued for 7 months. Investigations concluded and recovery of £10,169.13 received 15/5/2023. NFA	26/06/2023	£10,169.13	0	N
5	INV/22/01515	19/10/2022	NHS Employee	Theft (of Sal O/P)	SLE Dr left employment yet salary continued for 10 months £22,265.34. Investigations concluded and recovery agreed over 5 months, final repayment received June 2023. (£13,000 received during last QTR) NFA	07/06/2023	£9,265.34	0	N
6	INV/023/00468	08/03/2023	NHS Employee	Theft (of Sal O/P)	SLE Dr left employment yet salary continued for 12 months £15,964.86. Investigations concluded and repayment made in full in June 2023. NFA	26/06/2023	£15,964.86	0	N
					Q1	**TOTAL**	**£50,419.03**		

CASES CARRIED FORWARD TO QUARTER 2 (STILL OPEN ON 01.07.23)

No.	Case Ref	Start Date	Subject Category	Potential Offences	Status	Closure Date	Financial Recovery	Fraud Prevented	sanctions
1	INV/023/00607	30/03/2023	Non NHS Staff	Fraud by False Representation	Taxi company employee false journeys. Case being investigated by Police as non NHS victims were also identified. Subect interviewed by Police and further update pending. Taxi company has already repaid NHS loss of £528.48	OPEN	£0.00	£0.00	0
2	INV/023/00931	15/05/2023	NHS Employee	Theft (of Sal O/P)	Salary O/P £5.5k former employee identified following termination - investigations ongoing.	OPEN	£0.00	£0.00	0
3	INV/02300993	23/05/2023	NHS Employee	Fraud by False Representation	Working whilst on sick leave - Enquiries ongoing.	OPEN	£0.00	£0.00	0
4	INV/023/01067	05/06/2023	NHS Employee	Fraud by False Representation	Employee not working hours claimed. Awaiting full details of allegation.	OPEN	£0.00	£0.00	0
5	INV/023/01169	19/06/2023	Non NHS	Fraud by False Representation	Fraudulent applications under salary sacrifice scheme. £2k Fraud prevented. IT Systems compromised cyber security incident affecting personal data. Investigations ongoing which involves other NHS Bodies in NHS England. Urgent control measures put in place.	OPEN	£0.00	£2,150.42	0
6	INV/02301243	27/06/2023	NHS Employee	Fraud by False Represenatation	False claim for injury at work.	OPEN	£0.00	£0.00	0
					Q1	**TOTAL**	**£0.00**	**£2,150.42**	

Addysg a Gwella Iechyd Cymru (AaGIC)
Health Education and Improvement Wales (HEIW)

FRAUD RISK ASSESSMENT FORM

Risk Owning Organisation:	HEIW/NWSSP	**Location of Risk:**	Student Award Services/Finance
Risk Owning Directorate / Dept :	Student Award Services/Finance	**Date Form Completed:**	24/05/2023

Risk Title

NHS Bursary Fraud

Description of Risk:

Describe identified fraud risk using the Actor, Action, Outcome format.

Actor: NHS Bursary Applicant e.g Student Nurse

Action:

i) Student Nurse/Bursary Applicant makes false claims for child care provision that has not been provided – inflated or false claims
ii) Student Nurse/Bursary Applicant makes false claims/provides false documentation/proof in relation to household arrangements – e.g single occupancy, dependency

Outcome:

i) Financial loss to the organisation as the result of paying out on dishonest claims.
ii) Risk of creating a culture of dishonest claiming i.e. copycat behaviour
iii) Risk of decline in morale throughout student cohort
iv) Risk of further fraud within the NHS post training i.e. get away with it now > motivation to act dishonestly again
v) Reputational damage to the organisation

Assessment of control measures in place:

Bursary Application

System/Process – Student makes application for bursary via the newly implemented online system managed and administrated by NWSSP. Applicant submits details in relation to living arrangements, income and benefits status. The amount of bursary awarded to the applicant is based upon these criteria. NWSSP have control measures in place that require proof of; identity (Two forms, one photographic), residency (passport, Visa), household income (pay slips), benefit awards (Universal Credit/Working Tax Credit) and housing occupancy (Council Tax status). These documents are then required to be directly uploaded to NWSSP system for verification purposes. The Student must then make a declaration in relation to the accuracy of the information provided. The award is then assessed against the information provided and a confirmation of award email is sent. The University will check the credentials of the Student, and confirm a funded place with HEIW before the University gives final approval on the application. The award is then paid directly to the student by the University attended. The award is financed by HEIW who carry out payment directly to the University.

Childcare Application

System/Process - Student completes the CC1 child care element application form estimating the costs for childcare for the year ahead. The Student must then make a declaration in relation to the accuracy of the information provided The Childcare provider completes the relevant section on the CC1 form to confirm the childcare arrangements. This is then emailed directly to NWSSP. Independent checking is made with CIW (Care Inspectorate Wales) or Ofsted Register to verify that the email addresses and other contact details are correct. (The NWSSP Student Award team, contact every Child Care provider to confirm the email address which is shown on the CIW Website. This is cross checked with the details provided by the Student to provide assurance that the details are legitimate) Only

contact details verified by this independent checking mechanism are used to verify services supplied.
Evidential documents are uploaded by the Student to the NWSSP system e.g. birth certificates, council tax single occupancy documents. Calculation of Childcare element made by NWSSP and sent to Student and University. University makes payment to Student. CC2 (Confirmation of Childcare Costs form) process carried out mid-year and at end year to verify actual costs of childcare. This is emailed directly from the Childcare provider to NWSSP Student Award Services. Adjustment of costs made and any overpayment is recovered/underpayment reconciled.

Counter Fraud Team – awareness and deterrent controls in place – regular bulletins/newsletters disseminated at the start of academic year and mid-term. All allegations/referrals of Fraud subject to thorough investigation and appropriate sanction.

Internal Audit – regular reviews of processes in place form part of Audit Plans. Counter Fraud Team feed into these pieces of work and advise on matters of Fraud.

Risk score with current control measures in place and no action or remedy
(Use Risk Scores Rationale template at bottom of form)

Likelihood (3) x Consequence (3) = 9 (Nine)

Gaps in Assurance/Control with current control measures in place:

If no change is made to the current control measures, describe the weaknesses that may allow fraud to occur.

- Production of false documentation to verify information can go untested
- Staff untrained/unsure of authenticity of supporting documentation allowing false documentation to be submitted
- Genuine document supplied that has been fraudulently obtained from another authority/body e.g. council tax document
- Collusion between Childcare provider and Student to inflate claims
- Risk of fraudulent claims due to lack of deterrent measures in required declarations

Recommendations to reduce risk :

- Full review of new system by Internal Audit (Planned)
- Counter Fraud input into the Internal Audit work above
- Further awareness and deterrent Work to be carried out by the Counter Fraud Team (Planned for Sept 2023)
- Standard Operating Procedures for staff administering the new process to be produced as soon as possible (In progress)
- Standard Operating Procedures/Copies of Declarations that are made to be supplied to Counter Fraud Team for assessment and possible recommendation
- List of supporting documents to be made and where possible authentic example documents obtained from relevant Authority/External Body to act as tool to aid in verification (Counter Fraud Team to assist)
- Counter Fraud Awareness training for all NWSSP SAS staff administering the process
- Enhancement of required Declarations from Student / Dependents to include deterrent information concerning the likelihood of criminal investigation and prosecution should they provide false information (Complete)
- Gain an understanding of the process completed by the University when making payment to the Student and consider if any system weaknesses are evident.

Is there a requirement to escalate:
Put here any supporting information to justify whether the risk can be managed locally or whether it needs to be escalated. This risk can be managed internally within NWSSP SAS/Counter Fraud and HEIW. The risk has been reported to the relevant stakeholders for inclusion upon Risk Registers and has been reported through Audit Committee. No further escalation is necessary.

Proposed Actions to be undertaken by Counter Fraud Team *(Counter Fraud Department to complete)*
Include here any proposed actions that are to be carried out by Counter Fraud Team. E.g. Arrange and conduct awareness sessions to staff, provide support materials to relevant cohorts of staff • In person Awareness sessions to all NHS Wales student nurse cohorts at all University Sites inclusive of the dissemination of deterrent materials at the start of the Academic year. • Local Proactive Exercise – dip sampling of applications of students and proactive enquiries made into the authenticity of supporting documents with relevant authorities/external bodies to test the system. • Local Proactive Exercise – dip sampling of Childcare claims and proactive investigation with Child care providers to test the authenticity that the new control measure of verifying email addresses is robust. • Assist in obtaining authentic documents from relevant authorities for verification purposes • Provide wording for required Declarations by Student / Dependents • To carry out an information finding exercise into the process employed by Universities when completing payment to the Student • To carry out three monthly reviews into recommended actions and instances of fraud referral.

Name/Signature of Assessor	Gareth Lavington / Henry Bales
Date of Assessment	24/05/2023
Risk Owner	Andrew Butler (NWSSP) - DoF Glyn Jones (HEIW) - DoF
Disseminated to in addition to Risk Owner	Steven Withers (NWSSP SAS) Martyn Pennell (HEIW Finance) Sophie Corbett (NWSSP IA)
Signature of Head of Counter Fraud	Gareth Lavington
Date of Dissemination	01/06/2023

Proposed Actions to be undertaken within the Risk Domain *(Risk owning Department to complete)*
Please provide details of proposed actions (including timescale) to be introduced to reduce the risk. If no actions are to be taken then provide justification for this decision. **Meeting between NWSSP and HEIW DoFs has taken place where this risk and actions being taken were discussed.** **Internal Audit review planned for Q3/Q4 2023/24 to provide assurance and/or any further actions required.**

Further meeting between NWSSP and HEIW DoFs will take place as necessary, following Internal Audit review, to review any further actions required.
Has this Risk been added to the Local Risk Register:
Please state whether the risk outlined in this report has been added to the local risk register as is required by the organisational Risk Management Policy, and on what date. If this risk has not been added to the register then please provide justification for this decision.

Risk Owner Signature: 	**Date: 28/06/2023**

Risk Scoring Rationale

	Likelihood				
Consequence	1 Rare	2 Unlikely	3 Possible	4 Likely	5 Almost certain
5 Catastrophic	5	10	15	20	25
4 Major	4	8	12	16	20
3 Moderate	3	6	9	12	15
2 Minor	2	4	6	8	10
1 Negligible	1	2	3	4	5

	1-3	Low risk
	4-6	Moderate risk
	8-12	High risk
	15-25	Extreme risk

Guide to completion and process

1. *Risk Assessor to complete template and forward to Head of Counter Fraud.*
2. *Head of Counter fraud to review and return to assessor signed off or with remedial action required.*
3. *When complete, Risk Assessor to forward to relevant stakeholders including Risk Owner.*
4. *Risk Owner and/or delegated representative to review report, record risk on local risk register, and outline any actions to be undertaken to address any weaknesses/risk identified.*
5. *Risk owner to return completed form, and copy of entry on local risk register to Head of Counter Fraud (Gareth.lavington2@wales.nhs.uk)*

MEETING	Velindre University NHS Trust Audit Committee for NHS Wales Shared Services Partnership
DATE	11 July 2023
PREPARED BY	Carly Wilce, Corporate Services Manager
PRESENTED BY	Peter Stephenson, Head of Finance and Business Development
RESPONSIBLE HEAD OF SERVICE	Andy Butler, Director of Finance and Corporate Services
TITLE OF REPORT	Audit Committee Annual Report 2022-23

PURPOSE

The NWSSP Audit Committee Annual Report 2022-23 is presented to the Committee, for **APPROVAL**.

1. INTRODUCTION

The Annual Report of the NWSSP Audit Committee, for the reporting period 2022-23, highlights the activities and details the performance of the Committee. The primary role of the Annual Report is to review the establishment and maintenance of the effective systems of internal control and risk management. In achieving this aim, the Committee assesses the work undertaken by Internal Audit, External Audit and Local Counter Fraud Specialists, together with management in areas of governance, risk and control.

The Committee shall endeavour to continue to develop its functions and effectiveness and intends to seek further assurance, throughout 2023-24.

2. RECOMMENDATION

The Committee is asked to **APPROVE** the Annual Report.

Velindre University NHS Trust Audit Committee for NHS Wales Shared Services Partnership

Annual Report 2022-2023

1. FOREWORD

I am pleased to present the Annual Report of the Velindre University NHS Trust Audit Committee for NHS Wales Shared Services Partnership. It outlines the coverage and results of the Committee's work for the year ending 31 March 2023.

During the year, I was supported by my independent member colleagues, Gareth Jones and Vicky Morris, who bring substantial knowledge and wide-ranging experience to the Committee. I would also like to express my thanks to all the Officers of the Committee who have supported and contributed to the work carried out on its behalf and for their commitment in meeting important targets and deadlines. I also wish to record my appreciation for the support and contribution given by Internal Audit at NWSSP, Local Counter Fraud Services and by Audit Wales. I was particularly pleased to see the excellent results of the External Quality Assessment of Internal Audit and am glad to note that our Counter Fraud provision has been enhanced by the appointment of a dedicated LCFS resource for NWSSP.

During 2022-23 NWSSP has continued to grow both in terms of size and complexity. The total revenue spend for the year was £778m, compared to less than £50m when NWSSP was first established in 2011. Total staff numbers are now in excess of 5,500 driven largely in recent times through hosting the Single Lead Employer scheme. The range of services that are provided continue to diversify with 2022-23 representing the first full year of NWSSP being responsible for the operation of the five current laundries across Wales, and the on-going development of the Transforming Access to Medicine programme, which is starting to deliver significant savings across NHS Wales. The development of these services significantly changes the risk profile of NWSSP and require the Committee to work with its auditors in particular, in ensuring that appropriate assurances are in place.

All meetings continue to be held virtually and have worked well, albeit that we are intending to reintroduce one face-to-face meeting from 2023/24 with the first scheduled for IP5 in July 2023. A characteristic of the Committee's work and its related meetings has been the willingness of all parties to raise issues, acknowledge shortcomings and put forward positive suggestions to help bring about meaningful improvements to services, systems, and day-to-day working practices. This approach is to be welcomed and is very much appreciated by the Committee.

I am keen to foster and promote a culture of continual improvement and, as a Committee, we continued to conduct a brief effectiveness review session at the end of each meeting and introduced topical service presentations to the agenda in order to strengthen and engage in a meaningful way with this

process. Looking forward, the Committee intends to continue to pursue a full programme of work covering a wide range of topics and subject areas as part of its long-term aim to help further strengthen the governance arrangements of NWSSP, in order to achieve better value for money and high quality, sustainable outcomes for NHS Wales.

Mr Martin Veale JP
Chair of the Velindre University NHS Trust
Audit Committee for NWSSP

2. INTRODUCTION

The Committee's business cycle runs from the closure of the Annual Accounts in one financial year to the next. This reflects its key role in the development and monitoring of the Governance and Assurance framework for NWSSP, which culminates in the production of the Annual Governance Statement.

This report sets out the role and functions of the Audit Committee and summarises the key areas of business undertaken during the year. In addition, the report sets out some of the key issues, which the Committee will be focussing on over the next few years.

3. ROLE, MEMBERSHIP, ATTENDEES AND COMMITTEE ATTENDANCES

3.1 Role

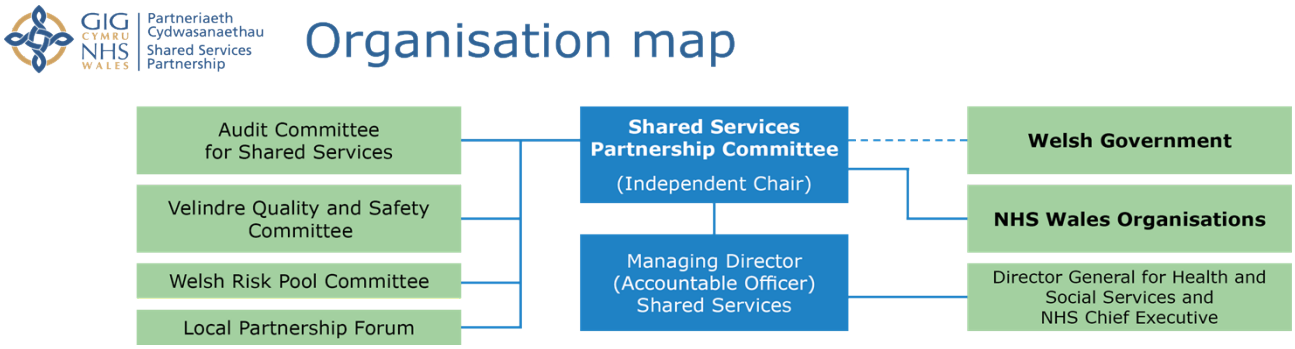
The Audit Committee advises and assures the Shared Services Partnership Committee (SSPC) on whether effective governance arrangements are in place through the design and operation of the SSPC Assurance Framework. This framework supports the SSPC in its decision-making and in discharging its accountabilities for securing the achievement of NWSSP's objectives in accordance with the standards of good governance determined for the NHS in Wales.

The organisation's system of internal control has been designed to identify the potential risks that could prevent NWSSP achieving its aims and objectives. It evaluates the likelihood of the risks being realised, considers the impact should they occur and seeks to manage them efficiently, effectively, and economically. Where appropriate, the Committee will advise the SSPC (and Velindre University NHS Trust, where appropriate) and the Accountable Officer(s) on where and how the Assurance Framework may be strengthened and developed further.

The Committee's Terms of Reference are reviewed annually and are included within the Standing Orders for the SSPC and Velindre University NHS Trust.

Detail of the overall Assurance Framework is set out in **Figure 1** overleaf:

Figure 1: Overall Assurance Framework



Underpinned through the overarching Velindre University NHS Trust legal and assurance framework

3.2 Membership

The Audit Committee for NWSSP is a sub-committee of Velindre University NHS Trust and sits alongside Velindre's own Audit Committee. The same three Independent Members sit on both Audit Committees, with one being the Chair.

3.3 Attendees

The Committee's work is informed by reports provided by Audit Wales, Internal Audit, Local Counter Fraud Services and NWSSP personnel. Although they are not members of the Committee, auditors, and other key personnel from both Velindre University NHS Trust and NWSSP are invited to attend each meeting of the Audit Committee. Invitations to attend the Committee meeting are also extended where appropriate to staff where reports relating to their specific area of responsibility are discussed.

3.4 Attendance at Audit Committee 2022-23

During the year, the Committee met on four occasions. All meetings were quorate and were well attended as shown in **Figure 2** overleaf:

Figure 2: Meetings and Member Attendance 2022-23

In Attendance	April 2022	June 2022	Oct 2022	Jan 2023	Total
Committee Members					
Martin Veale, Chair & Independent Member	✓	✓	✓	✓	**4/4**
Gareth Jones, Independent Member	✓	✓	✓	✓	**4/4**
Vicky Morris, Independent Member	✓	✓	✓	✓	**4/4**
Audit Wales					

In Attendance	April 2022	June 2022	Oct 2022	Jan 2023	Total
Audit Team Representative	✓	✓	✓	✓	**4/4**
NWSSP Audit Service					
Director of Audit & Assurance	✓	✓	✓	✓	**4/4**
Head of Internal Audit	✓	✓	✓	✓	**4/4**
Counter Fraud Services					
Local Counter Fraud Specialist	✓	✓	✓	✓	**4/4**
NWSSP					
Tracy Myhill, Chair NWSSP	✓	✓	✓	✓	**4/4**
Neil Frow, Managing Director	✓	✓	✓	✓	**4/4**
Andy Butler, Director of Finance & Corporate Services	✓	✓	✓	✓	**4/4**
Peter Stephenson, Head of Finance & Business Development	✓	✓	✓	✓	**4/4**
Carly Wilce Interim Corporate Services Manager	✓	✓	✓	✓	**4/4**
Velindre University NHS Trust					
Matthew Bunce Director of Finance	✓	✓	✓	✓	**4/4**
Lauren Fear, Director of Corporate Governance	✓	✓	✓	✓	**4/4**

3.5 AUDIT COMMITTEE BUSINESS

The Audit Committee provides an essential element of the organisation's overall assurance framework. It has operated within its Terms of Reference in accordance with the guidance contained within the NHS Wales Audit Committee Handbook.

The Audit Committee agenda broadly follows a standard format, comprising four key sections; External Audit, Internal Audit, Counter Fraud Services and 'Internal Control and Risk Management'. These are discussed further below.

3.5.1 EXTERNAL AUDIT (AUDIT WALES)

Audit Wales provides an Audit Position Statement at each meeting, summarising progress against its planned audit work. The following additional reports were presented during the year:

- Audit Wales Nationally Hosted NHS IT Systems Assurance Report
- Audit Wales Management Letter
- Audit Wales Audit Assurance 2022
- Audit Wales Stock/Inventories Report 2022/23

Audit Wales have stated that the findings of their work enable them to place reliance on the services provided by NWSSP.

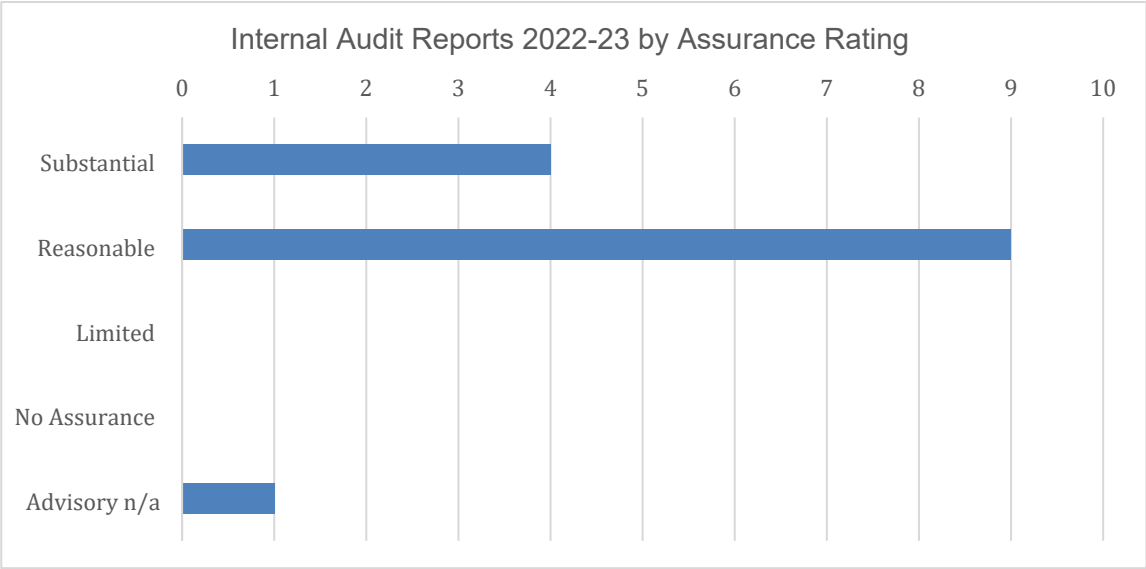
3.5.2 INTERNAL AUDIT

Internal Audit have continued to support the organisation in the development and improvement of its governance framework by providing proactive advice and support on new developments and ensuring that the existing systems and processes of control are reviewed, weaknesses identified, and suggestions for improvement made.

14 Internal Audit reports were generated during 2022-23 and they achieved assurances as follows:

- Four reports achieved Substantial assurance;
- Nine reports achieved a Reasonable assurance;
- None achieved Limited Assurance; and
- One report was advisory with no formal assurance given.

Figure 3: Internal Audit Reports 2022-23 by Assurance Rating



During 2022-23, the reports to Committee on Internal Audit's programme of work included:

- Internal Audit Position Statement at each meeting;
- Head of Internal Audit Opinion and Annual Report;
- Quality Assurance and Improvement Programme Report;
- Internal Audit Operational Plan; and
- Internal Audit Reports, as detailed in Appendix A.

<u>Head of Internal Audit Opinion and Annual Report</u>

Figure 4: Head of Internal Audit Opinion: Reasonable Assurance

 Reasonable	The Shared Services Partnership Committee can take **reasonable assurance** that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. Some matters require management attention in control design or compliance with low to moderate impact on residual risk exposure until resolved.

3.5.3 LOCAL COUNTER FRAUD SERVICES

The work of the Local Counter Fraud Services is undertaken to help reduce and maintain the incidence of fraud (and/or corruption) within NWSSP to an absolute minimum. Regular reports were received by the Committee to monitor progress against the agreed Counter Fraud Plan, including the following:

- Counter Fraud Work Plan 2022/23
- Counter Fraud Progress Update at each meeting;
- Counter Fraud Annual Report 2022/23; and
- Counter Fraud Newsletter.

As part of its work, there is a regular annual programme of raising fraud awareness, for which a number of days are allocated and included as part of a Counter Fraud Work Plan which is approved annually by the Audit Committee. In addition to this a quarterly newsletter is produced which is available to all staff on NWSSP's intranet; all successful prosecution cases are publicised to obtain the maximum deterrent effect.

I was pleased to note the appointment of Mark Weston as a dedicated Local Counter Fraud Specialist for NWSSP who commenced in post in June 2022.

3.5.4 INTERNAL CONTROL AND RISK MANAGEMENT

In addition to the audit reports dealt with by the Committee during the reporting period, a wide range of internally generated governance reports/papers were produced for consideration by the Audit Committee including:

***Annual Governance Statement*:** During 2022-23, the NWSSP produced its Annual Governance Statement which explains the processes and procedures in place to enable NWSSP to carry out its functions effectively. The Statement was produced following a review of NWSSP's governance arrangements undertaken by the NWSSP Senior Leadership Group and the Head of Finance and Business Development. The Statement brings together all disclosures relating to governance, risk, and control for the organisation.

***Tracking of Audit Recommendations*:** The Committee has continued focus on the timely implementation of audit recommendations. The overall position with this is very positive but occasionally requests are made to extend the

date of an agreed action due to a change in circumstance. All such requests have to be approved by the Committee.

Audit Committee Effectiveness Survey: An anonymised Committee Effectiveness Survey was undertaken to obtain feedback from Committee members on performance and potential areas for development. The statements used in the survey were devised in accordance with the guidance outlined within the NHS Audit Committee Handbook and aligned with the statements used by Velindre University NHS Trust for its Effectiveness Survey. The results of the survey were very positive and highlighted that 80% of respondents agree that their experience of remote meetings have been effective and that 100% agree that the content of the organisations system of assurance are robust. Operating an e-board software system has allowed us to significantly reduce our paper/printing usage reducing our carbon footprint and impact on the Environment, supporting our commitments to ISO 14001 certification and Wellbeing of Future Generations goals.

Private Meeting with Auditors

In line with recognised good practice, an annual private meeting was held in January 2023 between Audit Committee members, Internal Audit, External Audit, and the Local Counter Fraud Specialist. This provided an opportunity for any matters of concern to be raised without the involvement of Executives. No issues of concern arose from the meeting. All auditors are also aware that they can directly approach the Chair at any time with any matters that concerns them.

5. REPORTING AND COMMUNICATION OF THE COMMITTEE'S WORK

The Committee reports a summary of the key issues discussed at each of its meetings to the Senior Leadership Group, Shared Services Partnership Committee and to Velindre University NHS Trust Board by way of an Assurance Report. In addition, this Annual Report seeks to bring together details of the work carried out during the reporting period, to review and test NWSSP's Governance and Assurance Framework. The outcome of this work has helped to demonstrate the effectiveness of NWSSP's governance arrangements and underpins the assurance the Committee was able to provide.

6. CONCLUSION AND FORWARD LOOK

The work of the Audit Committee in 2022-23 has been varied and wide-ranging. The Committee has sought to play its part in helping to develop and maintain a more effective assurance framework in a constantly changing and developing organisation, and improvements have been evidenced by the findings of internal and external audit.

Looking forward to 2023-24 the Audit Committee will continue to explore the financial, management, governance and quality issues that are an essential component of the success of NWSSP.

Specifically, the Audit Committee will:

- Continue to examine the governance and internal controls of NWSSP;
- Monitor closely risks faced by NWSSP;
- Work with the Chairs of Audit Committee group on issues arising from financial governance matters affecting NHS Wales and the broader public sector community;
- Work closely with external and internal auditors, on issues arising from both the current and future agenda for NWSSP;
- Work with the Local Counter Fraud Specialist for NWSSP to develop an appropriate work plan;
- Consider the impact and implications of the Duty of Quality and the Duty of Candour;
- Ensure that the SSPC and Velindre's Board is kept aware of its work including both positive and adverse developments; and
- Request and review a number of deep dives into specific areas to ensure that it provides adequate assurance to both the Audit Committee and the SSPC.

APPENDIX A

List of Internal Audits Undertaken and Assurance Ratings

Internal Audit Assignment	Assurance Rating 2022-23	Date Presented To Audit Committee
Surgical Materials Testing Laboratory	Substantial	October 2022
NWSSP - PCS Contractor Payments	Substantial	April 2023
Follow up Student Awards	Substantial	April 2023
Cyber Security	Substantial	July 2023
Health Courier Services	Reasonable	October 2022
Laundry Services (South- East)	Reasonable	October 2022
Accounts Payable	Reasonable	January 2023
Recruitment Services	Reasonable	January 2023
Laundry Services (North)	Reasonable	January 2023
Payroll Services	Reasonable	April 2023
Risk Management & Assurance Mapping	Reasonable	April 2023
Follow up Operational Infrastructure- NWSSP ICT	Reasonable	July 2023
Procurement Services – National Sourcing	Reasonable	July 2023
Decarbonisation	Advisory	October 2022
Substantial Assurance Rating	*4*	
Reasonable Assurance Rating	*9*	
Limited Assurance Rating	*0*	
No Assurance Rating	*0*	
Assurance Not Applicable	*1*	
Total	**14**	

APPENDIX B

Internally Generated Assurance Reports/Papers

Report/Paper	Every Meeting	Annually	As Appropriate
Tracking of Audit Recommendations	✓		
Governance Matters	✓		
Corporate Risk Register	✓		
Audit Committee Forward Plan	✓		
Annual Governance Statement		✓	
Audit Committee Effectiveness Review and Results		✓	
Audit Committee Annual Report		✓	
Audit Committee Terms of Reference		✓	
Assurance Mapping		✓	
Freedom of Information (FOI) Annual Report		✓	
NWSSP Integrated Medium Term Plan (IMTP)		✓	
NWSSP Annual Review		✓	
Welsh Language Annual Report		✓	
Review of Stores Write-Offs		✓	
Review of the Shared Services Partnership Committee's Standing Orders (SSPC SOs)			✓

MEETING	Velindre University NHS Trust Audit Committee for NHS Wales Shared Services Partnership
DATE	11 July 2023
PREPARED BY	Carly Wilce, Corporate Services Manager
PRESENTED BY	Andy Butler, Director of Finance and Corporate Services
RESPONSIBLE HEAD OF SERVICE	Andy Butler, Director of Finance and Corporate Services
TITLE OF REPORT	Annual Review of Audit Committee Terms of Reference

PURPOSE

The Audit Committee is required to review its Terms of Reference annually in accordance with the Shared Services Standing Orders. These are attached below, no changes have been made since it was last reviewed by the Audit Committee in July 2022.

1. RECOMMENDATIONS

The Committee is asked to **NOTE** and APPROVE the Terms of Reference.

Velindre University NHS Trust Audit Committee for NHS Wales Shared Services Partnership

Terms of Reference & Operating Arrangements

July 2023

1. BACKGROUND

1.1 In May 2012, all Health Boards and Trusts approved the Standing Orders for Shared Services Partnership Committee. Section 4.0.3 of the Standing Orders (as amended 1 March 2019) states:

*"The SSPC shall establish a Sub-Committee structure that meets its own advisory and assurance needs and/or **utilise Velindre's Committee arrangements** to assist in discharging its governance responsibilities."*

These Terms of Reference set out the arrangements for utilising the Velindre University NHS Trust Audit Committee to support the discharge of those relevant functions in relation to NHS Wales Shared Services Partnership (NWSSP).

ORGANISATIONAL STRUCTURE

Velindre University NHS Trust has an interest in NWSSP on two levels:

a) The internal governance of NWSSP in relation to the host relationship; and
b) As a member of NWSSP Committee in relation to the running of national systems and services.

The governance and issues relating to the hosting of NWSSP dealt with in **(a)** will be incorporated into the standard business of the existing Velindre University NHS Trust Audit Committee, with a specific focus on alternating Trust Audit Committee business. The assurance for the business dealt with in **(a)** will be to the Velindre University NHS Trust Board. The Chair of NWSSP Audit Committee should receive copies of the meeting papers and will be invited to attend, should there be anything on the agenda which has implications for the Shared Services Partnership Committee (SSPC).

Issues relating to NWSSP nationally run systems and services **(b)** will be fed into a separate Velindre University NHS Trust Audit Committee for NWSSP operating within its own work cycle. The assurance for the business dealt with in **(b)** will be to NWSSP Chair and the NWSSP Audit Committee, via the communication routes, detailed below.

The arrangements for **(a)** above, will not be considered further within these Terms of Reference, as it is for Velindre University NHS Trust Audit Committee to determine the relevant assurance required in relation to the host relationship.

2. INTRODUCTION

2.1 Velindre University NHS Trust's Standing Orders provide that "*The Board may and, where directed by the Welsh Government must, appoint Committees of the Trust either to undertake specific functions on the Board's behalf or to provide advice and assurance to the Board in the exercise of its functions. The Board's commitment to openness and transparency in the conduct of all its business extends equally to the work*

carried out on its behalf by Committees".

2.2 In line with Standing Orders and NWSSP's scheme of delegation, the SSPC shall nominate, annually, a Committee to be known as the Velindre University NHS Trust Audit Committee for NWSSP. The detailed Terms of Reference and Operating Arrangements in respect of this Committee are set out below.

2.3 These Terms of Reference and Operating Arrangements are based on the model Terms of Reference, as detailed in the NHS Wales Audit Committee Handbook, June 2012.

3 PURPOSE

3.1 The purpose of the Audit Committee ("the Committee") is to:

- ***Advise*** and ***assure*** the SSPC and the Accountable Officer on whether effective arrangements are in place - through the design and operation of NWSSP's **system of assurance** - to support them in their decision taking and in discharging their accountabilities for securing the achievement of the organisation's objectives, in accordance with the standards of good governance determined for the NHS in Wales.

Where appropriate, the Committee will advise the Velindre University NHS Trust Board and SSPC as to where and how its system of assurance may be strengthened and developed further.

4 DELEGATED POWERS AND AUTHORITY

4.1 With regard to its role in providing advice to both Velindre University NHS Trust Board and the SSPC, the Audit Committee will comment specifically upon:

- The adequacy of NWSSP's strategic governance and assurance arrangements and processes for the maintenance of an effective system of good governance, risk management and internal control across the whole of the organisation's activities, designed to support the public disclosure statements that flow from the assurance processes (including the Annual Governance Statement) and providing reasonable assurance on:

  - NWSSP's ability to achieve its objectives;
  - Compliance with relevant regulatory requirements, standards, quality and service delivery requirements, other directions and requirements set by the Welsh Government and others;

- The reliability, integrity, safety and security of the information collected and used by the organisation;
- The efficiency, effectiveness and economic use of resources; and
- The extent to which NWSSP safeguards and protects all of its assets, including its people.

- NWSSP's Standing Orders, and Standing Financial Instructions (including associated framework documents, as appropriate);
- The planned activity and results of Internal Audit, External Audit and the Local Counter Fraud Specialist (including Strategies, Annual Work Plans and Annual Reports);
- The adequacy of executive and management's response to issues identified by audit, inspection and other assurance activity, via monitoring of NWSSP's Audit Action Plan;
- Proposals for accessing Internal Audit service (where appropriate);
- Anti-fraud policies, whistle-blowing processes and arrangements for special investigations as appropriate; and
- Any particular matter or issue upon which the SSPC or the Accountable Officer may seek advice.

4.2 The Audit Committee will support the SSPC with regard to its responsibilities for governance (including risk and control) by reviewing:

- All risk and control related disclosure statements (in particular the Annual Governance Statement together with any accompanying Head of Internal Audit Statement, External Audit Opinion or other appropriate independent assurances), prior to endorsement by the SSPC;

- The underlying assurance processes that indicate the degree of the achievement of corporate objectives, the effectiveness of the management of principal risks and the appropriateness of the above disclosure statements;

- The policies for ensuring compliance with relevant regulatory, legal and code of conduct and accountability requirements; and

- The policies and procedures for all work related to fraud and corruption as set out in Welsh Government Directions and as required by the NHS Counter Fraud Authority.

4.3 In carrying out this work, the Audit Committee will primarily utilise the work of Internal Audit, External Audit and other assurance functions, but will not be limited to these audit functions. It will also seek reports and assurances from directors and managers as appropriate, concentrating on the overarching systems of good governance, risk management and internal control, together with indicators of their effectiveness.

4.4 This will be evidenced through the Audit Committee's use of effective governance and assurance arrangements to guide its work and that of the audit and assurance functions that report to it, and enable the Audit Committee to review and form an opinion on:

- The ***comprehensiveness*** of assurances in meeting the SSPC and the Accountable Officer's assurance needs across the whole of the organisation's activities; and
- The ***reliability and integrity*** of these assurances.

4.5 To achieve this, the Audit Committee's programme of work will be designed to provide assurance that:

- There is an effective internal audit function that meets the standards set for the provision of internal audit in the NHS in Wales and provides appropriate independent assurance to the SSPC and the Accountable Officer through the Audit Committee;
- There is an effective Counter Fraud service that meets the standards set for the provision of counter fraud in the NHS in Wales and provides appropriate assurance to the SSPC and the Accountable Officer through the Audit Committee;
- There are effective arrangements in place to secure active, ongoing assurance from management with regard to their responsibilities and accountabilities, whether directly to the SSPC and the Accountable Officer or through the effective completion of Audit Recommendations and the Audit Committee's review of the development and drafting of the Annual Governance Statement;
- The work carried out by key sources of external assurance, in particular, but not limited to the SSPC's external auditors, is appropriately planned and co-ordinated and that the results of external assurance activity complements and informs (but does not replace);
    - internal assurance activity;
- The work carried out by the whole range of external review bodies is brought to the attention of the SSPC and that the organisation is aware of the need to comply with related standards and recommendations of these review bodies, together with the risks of failing to comply;
- The systems for financial reporting to the SSPC, including those of budgetary control, are effective; and
- The results of audit and assurance work specific to the organisation and the implications of the findings of wider audit and assurance activity relevant to the SSPC's operations, are appropriately considered and acted upon to secure the ongoing development and improvement of the organisation's governance arrangements.

In carrying out this work, the Audit Committee will follow and implement the Audit Committee for Shared Services Annual Work Plan and will be evidenced through meeting papers, formal minutes, and highlight reports to the SSPC, Velindre Trust Board and annually, via the Annual Governance Statement, to the Velindre University NHS Trust's Chief Executive.

Authority

4.6 The Audit Committee is authorised by the SSPC to investigate or to have investigated any activity within its Terms of Reference. In doing so, the Audit Committee shall have the right to inspect any books, records or documents of NWSSP, relevant to the Audit Committee's remit and ensuring patient/client and staff confidentiality, as appropriate. It may seek relevant information from any:

- Employee (and all employees are directed to co-operate with any reasonable request made by the Audit Committee); and
- Any other Committee, Sub Committee or Group set up by the SSPC to assist it in the delivery of its functions.

4.7 The Audit Committee is authorised by the SSPC to obtain external legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers it necessary, in accordance with the SSPC's procurement, budgetary and other requirements.

Access

4.8 The Head of Internal Audit and the Audit Manager of External Audit shall have unrestricted and confidential access to the Chair of the Audit Committee at any time and the Chair of the Audit Committee will seek to gain reciprocal access as necessary.

4.9 The Audit Committee will meet with Internal and External Auditors and the nominated Local Counter Fraud Specialist, without the presence of officials, on at least one occasion each year.

4.10 The Chair of Audit Committee shall have reasonable access to Executive Directors and other relevant senior staff.

Sub Committees

4.11 The Audit Committee may, subject to the approval of the SSPC, establish Sub Committees or Task and Finish Groups to carry out on its behalf specific aspects of Committee business. Currently, there are no Sub Committees of the Audit Committee.

5 MEMBERSHIP

Members

5.1 A minimum of 3 members, comprising:

Chair	Independent member of the Board
Members	Two other independent members of the Velindre Trust Board. The Audit Committee may also co-opt additional independent 'external' members from outside the organisation to provide specialist skills, knowledge and expertise. The Chair of the organisation shall not be a member of the Audit Committee.

Attendees

5.2 In attendance:

NWSSP Managing Director, as Accountable Officer
NWSSP Chair
NWSSP Director of Finance & Corporate Services
NWSSP Director of Audit & Assurance
NWSSP Head of Internal Audit
NWSSP Audit Manager
NWSSP Head of Finance and Business Development
NWSSP Corporate Services Manager
Representative of Velindre University NHS Trust
Local Counter Fraud Specialist
Representative of the Auditor General for Wales
Other Executive Directors will attend as required by the Committee Chair

By invitation The Committee Chair may invite:

- any other Partnership officials; and/or
- any others from within or outside the organisation

to attend all or part of a meeting to assist it with its discussions on any particular matter.

The Velindre Chief Executive Officer should be invited to attend, where appropriate, to discuss with the Audit Committee the process for assurance that supports the Annual Governance Statement.

Secretariat

Secretary	As determined by the Accountable Officer

Member Appointments

5.3 The membership of the Audit Committee shall be determined by the Velindre Trust Board, based on the recommendation of the Trust Chair; taking account of the balance of skills and expertise necessary to deliver the Audit Committee's remit and subject to any specific requirements or directions made by Welsh Government.

5.4 Members shall be appointed to hold office for a period of four years. Members may be re-appointed, up to a maximum of their term of office. During this time a member may resign or be removed by the Velindre Trust Board.

5.5 Audit Committee members' Terms and Conditions of Appointment, (including any remuneration and reimbursement) are determined on appointment by the Minister for Health and Social Services.

Support to Audit Committee Members

5.6 The NWSSP Head of Finance and Business Development and NWSSP Corporate Services Manager, on behalf of the Audit Committee Chair, shall:

- Arrange the provision of advice and support to Audit Committee members on any aspect related to the conduct of their role;
- Ensure that Committee agenda and supporting papers are issued five working days in advance of the meeting taking place; and
- Ensure the provision of a programme of organisational development for Audit Committee members as part of the Trust's overall Organisational Development programme developed by the Velindre Executive Director of Workforce & Organisational Development.

6 AUDIT COMMITTEE MEETINGS

Quorum

6.1 At least two members must be present to ensure the quorum of the Audit Committee, one of whom should be the Audit Committee Chair or Vice Chair.

Frequency of Meetings

6.2 Meetings shall be held no less than quarterly and otherwise as the Chair of the Audit Committee deems necessary, consistent with NWSSP's Annual Plan of Business. The External Auditor or Head of Internal Audit may request a meeting if they consider that one is necessary.

Withdrawal of Individuals in Attendance

6.3 The Audit Committee may ask any or all of those who normally attend but who are not members to withdraw to facilitate open and frank discussion of particular matters.

7 RELATIONSHIP & ACCOUNTABILITIES WITH THE TRUST BOARD & SSPC DELEGATED TO THE AUDIT COMMITTEE

7.1 Although the Velindre Trust Board, with the SSPC and its Sub Committees, has delegated authority to the Audit Committee for the exercise of certain functions as set out within these Terms of Reference, it retains overall responsibility and accountability for ensuring the quality and safety of healthcare for its citizens through the effective governance of the organisation.

7.2 The Audit Committee is directly accountable to the Velindre Trust Board for its performance in exercising the functions set out in these Terms of Reference.

7.3 The Audit Committee, through its Chair and members, shall work closely with NWSSP and its other sub-Committees to provide advice and assurance to the SSPC by taking into account:

- Joint planning and co-ordination of the SSPC business; and
- Sharing of information

in doing so, contributing to the integration of good governance across the organisation, ensuring that all sources of assurance are incorporated into NWSSP's overall risk and assurance arrangements. This will primarily be achieved through the discussions held at the SSPC, annually, at the end of the financial year.

7.4 The Audit Committee will consider the assurance provided through the work of the SSPC's other Committees and sub-Committees to meet its responsibilities for advising the SSPC on the adequacy of the organisation's overall system of assurance by receipt of their annual work plans.

7.5 The Audit Committee shall embed the SSPC's and Trust's corporate standards, priorities and requirements, e.g. equality and human rights, through the conduct of its business.

8 REPORTING AND ASSURANCE ARRANGEMENTS

8.1 The Audit Committee Chair shall:

- Report formally, regularly and on a timely basis to the Board, SSPC and the Accountable Officer on the Audit Committee's activities. This includes verbal updates on activity and the submission of committee minutes, and written highlight reports throughout the year;
- Bring to the Velindre University NHS Trust Board, SSPC and the Accountable Officer's specific attention any significant matters under consideration by the Audit Committee; and
- Ensure appropriate escalation arrangements are in place to alert the SSPC Chair, Managing Director (and Accountable Officer) or Chairs of other relevant Committees, of any urgent/critical matters that may affect the operation and/or reputation of the organisation.

8.2 The Audit Committee shall provide a written Annual Report to the SSPC and the Accountable Officer on its work in support of the Annual Governance Statement, specifically commenting on the adequacy of the assurance arrangements, the extent to which risk management is comprehensively embedded throughout the organisation, the integration of governance arrangements and the appropriateness of self-assessment activity against relevant standards. The report will also record the results of the Audit Committee's self-assessment and evaluation.

8.3 The Velindre Trust Board and SSPC may also require the Audit Committee Chair to report upon the Audit Committee's activities at public meetings or to community partners and other stakeholders, where this is considered appropriate, e.g. where the Audit Committee's assurance role relates to a joint or shared responsibility.

8.4 The NWSSP Head of Finance and Business Development and Corporate Services Manager, on behalf of the Partnership, shall oversee a process of regular and rigorous self-assessment and evaluation of the Audit Committee's performance and operation, including that of any sub-Committees established. In doing so, account will be taken of the requirements set out in the NHS Wales Audit Committee Handbook.

9 APPLICABILITY OF STANDING ORDERS TO COMMITTEE BUSINESS

1.1 The requirements for the conduct of business as set out in the NWSSP's Standing Orders are equally applicable to the operation of the Audit Committee, except in the following areas:

- Quorum *(as per section on Committee meetings)*
- Notice of meetings
- Notifying the public of meetings
- Admission of the public, the press and other observers

10 REVIEW

10.1 These Terms of Reference and operating arrangements shall be reviewed annually by the Audit Committee with reference to the SSPC and Velindre Trust Board.

MEETING	Velindre University NHS Trust Audit Committee for NHS Wales Shared Services Partnership
DATE	11 July 2023
AGENDA ITEM	6.3
PREPARED BY	Peter Stephenson, Head of Finance and Business Development
PRESENTED BY	Andy Butler, Director of Finance and Corporate Services
RESPONSIBLE HEAD OF SERVICE	Andy Butler, Director of Finance and Corporate Services
TITLE OF REPORT	Final Annual Governance Statement 2022-23

PURPOSE

To present the Final Annual Governance Statement (AGS) to the Committee, for assurance purposes.

1. BACKGROUND

The Annual Governance Statement is a mandatory requirement. It provides assurance that NWSSP has a generally sound system of internal control that supports the achievement of its policies, aims and objectives, and provides detail of any significant internal control issues.

The Statement must be signed off by the Managing Director as the accountable officer and approved by the Shared Services Partnership Committee (SSPC). As a hosted organisation, NWSSP's annual governance statement forms part of the Velindre University NHS Trust's annual report and accounts. The external auditor will report on inconsistencies between information in the Statement and their knowledge of the governance arrangements for NWSSP.

The Head of Internal Audit provides an annual opinion to the accounting officer and the Velindre University NHS Trust Audit Committee for NWSSP on the adequacy and effectiveness of the risk management, control, and governance processes to support the Statement.

2. TIMELINE FOR APPROVAL

The timeline for approving the statement is as follows:

	Approved
1	**SLG 30 March 2023 draft for endorsement**
2	**Velindre Integrated Governance Group April 2023**
3	**SSPC 18 May 2023 draft for comment**
4	**SLG 29 June 2023 final for endorsement**
5	**Audit Committee 11 July 2023 for approval**
6	**SSPC 20 July 2023 Final for Information**

3. GOVERNANCE & RISK

The Managing Director of NWSSP, as head of the Senior Leadership Group, reports to the Chair and is responsible for the overall performance of NWSSP. The Managing Director is the designated Accountable Officer for NWSSP and is accountable through the leadership of the Senior Leadership Group.

The Managing Director is accountable to the Shared Services Partnership Committee (SSPC) in relation to those functions delegated to him by the SSPC. The Managing Director is also accountable to the Chief Executive of Velindre NHS Trust in respect of the hosting arrangements supporting the operation of NWSSP.

Section 4 of the SSPC Standing Orders states that:

> *"With regard to its role in providing advice to both Velindre Trust Board and the SSPC, the Audit Committee will comment specifically upon:*
>
> - *The adequacy of the organisation's strategic governance and assurance arrangements and processes for the maintenance of an effective system of good governance, risk management and internal control across the whole of the organisation's activities designed to support the public disclosure statements that flow from the assurance processes, including the Annual Governance Statement ....."*

4. RECOMMENDATION

The Audit Committee are asked to:

- **APPROVE** the Final Annual Governance Statement.

Annual Governance Statement 2022/2023

NHS Wales Shared Services Partnership

	Approved
1	SLG 30 March 2023 draft for endorsement
2	Velindre Integrated Governance Group April 2023
3	SSPC 18 May 2023 draft for comment
4	SLG 29 June 2023 final for endorsement
5	Audit Committee 11 July 2023 for approval
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CONTENTS

ANNUAL GOVERNANCE STATEMENT 2022/2023

1. SCOPE OF RESPONSIBILITY

As Accounting Officer, the Managing Director has responsibility for maintaining appropriate governance structures and procedures as well as a sound system of internal control that supports the achievement of the organisation's policies, aims and objectives, whilst safeguarding the public funds and the organisation's assets for which he is personally responsible. These are carried out in accordance with the responsibilities assigned by the Accountable Officer of NHS Wales.

Governance comprises the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved. Effective governance is paramount to the successful and safe operation of NHS Wales Shared Services Partnership's (NWSSP) services. This is achieved through a combination of "hard" systems and processes including standing orders, policies, protocols, and processes; and "soft" characteristics of effective leadership and high standards of behaviour (Nolan principles).

The NWSSP Managing Director is accountable to the Shared Services Partnership Committee (SSPC) in relation to those functions delegated to it. The Managing Director is also accountable to the Chief Executive of Velindre University NHS Trust (the Trust) in respect of the hosting arrangements supporting the operation of NWSSP.

The Chief Executive of the Trust is responsible for the overall performance of the executive functions of the Trust and is the designated Accountable Officer for the Trust. As the host organisation, the Chief Executive (and the Trust Board) has a legitimate interest in the activities of NWSSP and has certain statutory responsibilities as the legal entity hosting NWSSP.

The Managing Director (as the Accountable Officer for NWSSP) and the Chief Executive of the Trust (as the Accountable Officer for the Trust) shall be responsible for meeting all the responsibilities of their roles, as set out in their respective Accountable Officer Memoranda. Both Accountable Officers co-operate with each other to ensure that full accountability for the activities of NWSSP and the Trust is afforded to the Welsh Government Ministers/Cabinet Secretary whilst minimising duplication.

The Governance Structure for NWSSP is presented in Figure 1 below:

Figure 1 –NWSSP's Governance Structure

Organisation map

Underpinned through the overarching Velindre University NHS Trust legal and assurance framework

2. GOVERNANCE FRAMEWORK

NWSSP currently has two main Committees that have key roles in relation to the Governance and Assurance Framework. Both Committees undertake scrutiny, development discussions, and assess current risks and monitor performance in relation to the diverse number of services provided by NWSSP to NHS Wales.

2.1 Shared Services Partnership Committee (SSPC)

The SSPC was established in accordance with the Velindre National Health Service Trust Shared Services Committee (Wales) Regulations 2012 and the functions of managing and providing shared services (professional, technical, and administrative services) to the NHS in Wales is included within the Velindre National Health Service Trust (Establishment) (Amendment) Order 2012.

The composition of the SSPC includes an Independent Chair, the Managing Director of Shared Services, and either the Chief Executive of each partner organisation in NHS Wales or a nominated executive representative who acts on behalf of the respective Health Body.

At a local level, NHS Wales organisations must agree Standing Orders for the regulation of proceedings and business. They are designed to translate the statutory requirements set out within the Local Health Boards (Constitution, Membership and Procedures) (Wales) Regulations 2009, into day-to-day operating practice, and, together with the adoption of a scheme of matters reserved to the Board; a scheme of delegations to officers and others; and Standing Financial Instructions, they provide the regulatory framework for the business conduct of NWSSP and define its way of working. These documents, accompanied by relevant Trust policies and NWSSP's corporate protocols, approved by the SLG, provide NWSSP's Governance Framework.

Health Boards, NHS Trusts and the two Special Health Authorities (Health Education and Improvement Wales (HEIW) and Digital Health & Care Wales (DHCW)) have collaborated over the operational arrangements for the provision of shared services and have an agreed Memorandum of Co-

operation to ensure that the arrangements operate effectively through collective decision making in accordance with the policy and strategy set out above, determined by the SSPC.

Whilst the SSPC acts on behalf of all NHS organisations in undertaking its functions, the responsibility for the exercise of NWSSP functions is a shared responsibility of all NHS bodies in Wales.

NWSSP's governance arrangements are summarised below.

Figure 2: Summary of Governance Arrangements

The SSPC has in place a robust Governance and Accountability Framework for NWSSP including:

- Standing Orders;
- Hosting Agreement;
- Interface Agreement between the Chief Executive Velindre University NHS Trust and Managing Director of NWSSP; and
- Accountability Agreement between the SSPC Chair and the Managing Director of NWSSP.

These documents, together with the Memorandum of Co-operation form the basis upon which the SSPC's Governance and Accountability Framework is developed. Together with the Trust's Values and Standards of Behaviour framework, this is designed to ensure the achievement of the standards of good governance set for the NHS in Wales.

The Membership of the SSPC during the year ended 31 March 2023 is outlined in Figure 3 below. Membership was originally designed to be the Chief Executives of each Health Board and Trust but nominated deputies are allowed to attend and vote, provided they are an Executive Director of their own organisation.

Figure 3: Table of Members of the NHS Wales Shared Services Partnership Committee during 2022/2023

Name	**Position**	**Organisation**	**Full/Part Year**
Tracy Myhill (Chair)	*Independent Member*	*NHS Wales Shared Services Partnership*	*Full Year*
Huw Thomas (Vice Chair)	*Director of Finance*	*Hywel Dda UHB*	*Full Year*
Neil Frow	*Managing Director of NWSSP*	*NHS Wales Shared Services Partnership*	*Full Year*
Sarah Simmonds	*Director of Workforce and OD*	*Aneurin Bevan UHB*	*Full Year*
Sue Hill/Steve Webster	*Executive Director of Finance*	*Betsi Cadwaladr UHB*	*Full Year*
Catherine Phillips	*Director of Finance*	*Cardiff and Vale UHB*	*Full Year*
Hywel Daniel	*Director of Workforce & OD*	*Cwm Taf Morgannwg UHB*	*Full Year*
Claire Osmundsen-Little	*Director of Finance*	*Digital Health and Care Wales*	*Full Year*
Rhiannon Beckett	*Interim Director of Finance*	*HEIW*	*Full Year*
Pete Hopgood	*Director of Finance*	*Powys THB*	*Full Year*
Helen Bushell *	*Board Secretary*	*Public Health Wales NHS Trust*	*Part Year*
Debbie Eyitayo	*Director of Workforce and OD*	*Swansea Bay UHB*	*Full Year*
Steve Ham	*Chief Executive*	*Velindre University NHS Trust*	*Full Year*
Chris Turley	*Director of Finance*	*Welsh Ambulance Services NHS Trust*	*Full Year*

**Until 30 November 2022*

The composition of the Committee also requires the attendance of the following: Deputy Director of Finance, Welsh Government, Director of Finance & Corporate Services, NWSSP, Director of People & Organisational Development, NWSSP, Medical Director, NWSSP, Director of Planning, Performance, and Informatics, NWSSP and Head of Finance & Business Development, NWSSP as governance support. Trade Unions are also invited to the meetings.

Figure 4 – Attendance at the Meetings of the NHS Wales Shared Services Partnership Committee during 2022/2023

Organisation	19/05/ 2022	21/07/ 2022	22/09/ 2022	19/01/ 2023	23/03/ 2023
Aneurin Bevan UHB	x	✓	x	✓	✓
Betsi Cadwaladr UHB	✓	✓**	✓**	✓**	x
Cardiff and Vale UHB	✓	✓**	✓	✓**	✓
Cwm Taf UHB	✓**	✓**	✓**	✓	✓**
DHCW	✓	✓	✓	✓	✓
HEIW	✓**	✓	✓	✓**	✓**
Hywel Dda UHB	✓	✓	✓	✓	✓
Powys Teaching Health Board	✓**	✓	✓	✓	x
Public Health Wales Trust	x	✓**	✓**	✓**	x
Swansea Bay UHB	✓	✓	✓	x	✓
Velindre University NHS Trust	✓**	✓	✓	✓*	x
Welsh Ambulance Service Trust	✓	✓	✓	x	✓**
Welsh Government	✓	✓	✓	✓	✓
Trade Union	x	✓	✓	x	x
Chair	✓	✓	✓	✓	✓
Accountable Officer	✓	✓	✓	✓	✓

✓ Denotes the nominated member was present

✓**Denotes the nominated member was not present and that an alternative Executive Director attended on their behalf*

✓*** Denotes that the nominated member was not present and that while a deputy did attend, they were not an Executive Member of their Board.*

X Denotes Health Body not represented

The November 2022 meeting was cancelled due to a unavoidable clash with a Directors of Finance Away Day. However, a development session was held

face-to-face with Committee members earlier that month. All other meetings have been held virtually.

In accordance with the Public Bodies (Admissions to Meetings) Act 1960 the organisation is required to meet in public. We did not receive any requests from the public to attend the SSPC but to ensure business was conducted in as open and transparent manner as possible during this time the following actions were taken:

- The dates of all meetings are published on the NWSSP website prior to the start of the financial year;
- The agenda is published in English and Welsh at least seven days prior to the meeting;
- All papers are published in English on the website, and minutes are also provided in Welsh, shortly after the meeting has taken place.

The purpose of the SSPC is set out below:

- To set the policy and strategy for NWSSP;
- To monitor the delivery of shared services through the Managing Director of NWSSP;
- To seek to improve the approach to delivering shared services which are effective, efficient and provide value for money for NHS Wales and Welsh Government;
- To ensure the efficient and effective leadership, direction, and control of NWSSP; and
- To ensure a strong focus on delivering savings that can be re-invested in direct patient care.

The SSPC monitors performance monthly against key performance indicators. For any indicators assessed as being below target, reasons for current performance are identified and included in the report along with any remedial actions to improve performance. These are presented to the SSPC by the relevant Director. Deep Dive sessions are a standing item on the agenda to learn more about the risks and issues of directorates within NWSSP.

The SSPC ensures that NWSSP consistently followed the principles of good governance applicable to NHS organisations, including the oversight and development of systems and processes for financial control, organisational control, governance, and risk management. The SSPC assesses strategic and corporate risks through the Corporate Risk Register.

2.2 SSPC Performance

During 2022/2023, the SSPC approved an annual forward plan of business, including:

- Regular assessment and review of:
    - Finance, Workforce and Performance information;
    - Quarterly IMTP Progress reports:

    - Corporate Risk Register;
    - Welsh Risk Pool;
    - Programme Management office updates.
- Annual review and/or approval of:
    - Integrated Medium-Term Plan;
    - Annual Governance Statement;
    - Audit Wales Management Letter;
    - Annual Review;
    - Standing Orders and Standing Financial Instructions;
    - Service Level Agreements.
- Deep Dives into:
    - Medical Examiner Service;
    - Procurement – New Operating Model; and
    - Energy Costs.

2.3 Velindre Audit Committee for NWSSP

The primary role of the Velindre University NHS Trust Audit Committee for Shared Services (Audit Committee) has been to review and report upon the adequacy and effective operation of NWSSP's overall governance and internal control system. This includes risk management, operational and compliance controls, together with the related assurances that underpin the delivery of NWSSP's objectives. This role is set out clearly in the Audit Committee's terms of reference, which were reapproved in July 2022 to ensure these key functions were embedded within the standing orders and governance arrangements

The Audit Committee reviews the effective local operation of internal and external audit, as well as the Counter Fraud Service. In addition, it ensures that a professional relationship is maintained between the external and internal auditors so that assurance resource is effectively used.

The Audit Committee supports the SSPC in its decision-making and in discharging its accountabilities for securing the achievement of NWSSP's objectives in accordance with the standards of good governance determined for the NHS in Wales.

The Audit Committee attendees during 2022/2023 comprised of three Independent Members of Velindre University NHS Trust supported by representatives of both Internal and External Audit and Senior Officers of NWSSP and Velindre University NHS Trust.

Figure 5 - Composition of the Velindre University NHS Trust Audit Committee for NWSSP during 2022/23

In Attendance	April 2022	July 2022	October 2022	January 2023	Total
Members					
Martin Veale, Chair & Independent Member	✓	✓	✓	✓	**4/4**
Gareth Jones, Independent Member	✓	✓	✓	✓	**4/4**

In Attendance	April 2022	July 2022	October 2022	January 2023	Total
Vicky Morris, Independent Member	✓	✓	✓	✓	**4/4**
Audit Wales					
Audit Team Representative	✓	✓	✓	✓	**4/4**
NWSSP Audit Service					
Director of Audit & Assurance	✓	✓	✓	✓	**4/4**
Head of Internal Audit	✓	✓	✓	✓	**4/4**
Counter Fraud Services					
Local Counter Fraud Specialist	✓	✓	✓	✓	**4/4**
NWSSP					
Tracy Myhill, Chair NWSSP	✓	✓	✓	✓	**4/4**
Neil Frow, Managing Director	✓	✓	✓	✓	**4/4**
Andy Butler, Director of Finance & Corporate Services	✓	✓	✓	✓	**4/4**
Peter Stephenson, Head of Finance & Business Development	✓	✓	✓	✓	**4/4**
Carly Wilce Interim Corporate Services Manager	✓	✓	✓	✓	**4/4**
Velindre University NHS Trust					
Matthew Bunce, Director of Finance	✓	✓	✓	✓	**4/4**
Lauren Fear Director of Corporate Governance	✓	✓	✓	✓	**4/4**

The Audit Committee met formally on four occasions during the year with the majority of members attending regularly and all meetings were quorate. An Audit Committee Highlight Report is reported to the SSPC after each Audit Committee meeting.

2.4 Reviewing Effectiveness of Audit Committee

The Audit Committee completes an annual committee effectiveness survey evaluating the performance and effectiveness of:

- the Audit Committee members and Chair;
- the quality of the reports presented to Committee; and
- the effectiveness of the Committee secretariat.

The survey questionnaire comprises self-assessment questions intended to assist the Audit Committee in assessing their effectiveness with a view to identifying potential areas for development going forward. A survey reported to the October 2022 Committee had a 80% response rate (12 responses received) and identified the following:

- Very positive responses received from participants in regard to the Chairing of the Audit Committee;
- The atmosphere at meetings is conducive to open and productive debate;
- All members and attendees' behaviour are courteous and professional;
- The majority of participants have found virtual meetings a positive experience;
- Members agree the Audit Committee meets sufficiently frequently to deal with planned matters and enough time is allowed for questions and discussions;
- All respondents agreed that the Audit Committee is provided with sufficient authority and resources in order to perform its role effectively; and
- The vast majority of responses indicated that the reports received by the Audit Committee are timely and have the right format and content, which enables the Audit Committee to enhance its internal control and risk management responsibilities.

2.5 Sub-Groups and Advisory Groups

The SSPC is supported by two advisory groups:

- **Welsh Risk Pool Committee**
  - Reimburse losses over £25,000 incurred by Welsh NHS bodies arising out of negligence;
  - Provide oversight of the GP Indemnity Scheme;
  - Funded through the NWSSP allocation supplemented by a risk sharing agreement with health boards and trusts ;
  - Oversees the work and expenditure of the Welsh Risk Pool; and
  - Helps promote best clinical practice and lessons learnt from clinical incidents.

- **Local Partnership Forum (LPF)**
  - Formal mechanism for consultation and engagement between NWSSP and the relevant Trade Unions. The LPF facilitates an open forum in which parties can engage with each other to inform debate and seek to agree local priorities on workforce and health service issues.

At the Partnership Committee meeting held on 23 March 2023, the establishment of a third advisory group was agreed. This will be the Welsh Energy Group, which will take over the responsibilities of the Energy Price Risk Management Group. This new Group will come into force during 2023/24.

In addition to the above, NWSSP report twice yearly to the Velindre Quality and Safety Committee. The main topic for our reports are the Transforming Access to Medicine/Clinical Pharmacy Technical Services area and annual

updates on the Surgical Materials Testing Laboratory and the Medical Examiner Service.

2.6 Senior Leadership Group (SLG)

The Managing Director leads the SLG and reports to the Chair of the SSPC on the overall performance of NWSSP. The Managing Director is the designated Accountable Officer for NWSSP and is accountable, through the leadership of the Senior Leadership Group, for:

- The performance and delivery of NWSSP through the preparation of the annually updated Integrated Medium-Term Plan (IMTP) based on the policies and strategy set by the SSPC and the preparation of Service Improvement plans;
- Leading the SLG to deliver the IMTP and Service Improvement Plans;
- Establishing an appropriate Scheme of Delegation for the SLG; and
- Ensuring that adequate internal controls and procedures are in place to ensure that delegated functions are exercised properly and prudently.

The SLG is responsible for determining NWSSP policy, setting the strategic direction and aims to ensure that there is effective internal control, and ensuring high standards of governance and behaviour. In addition, the SLG is responsible for ensuring that NWSSP is responsive to the needs of NHS Wales organisations.

The SLG comprises:

Figure 7 – Composition of the SLG at NWSSP during 2022/2023

Name	Designation
Neil Frow	Managing Director
Andy Butler	Director of Finance and Corporate Services
Gareth Hardacre	Director of People, Organisational Development and Employment Services
Jonathan Irvine	Director of Procurement Services
Simon Cookson	Director of Audit and Assurance
Mark Harris	Director of Legal and Risk Services
Andrew Evans	Director of Primary Care Services
Neil Davies	Director of Specialist Estates
Dr Ruth Alcolado	Medical Director
Alison Ramsey	Director of Planning, Performance & Informatics
Colin Powell	Director of Pharmacy Technical Services
Gavin Hughes	Director, Surgical Materials Testing Laboratory
Alwyn Hockin	Trade Union Representative
Claire Daw	Trade Union Representative

3. THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to the achievement of the policies, aims and objectives of NWSSP. Therefore, it can only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks, evaluate the likelihood of those risks being realised and the impact they would have, and to manage them efficiently, effectively, and economically. The system of internal control has been in place in NWSSP for the year ending 31 March 2023 and up to the date of approval of the Trust Annual Report and Accounts.

3.1 External Audit

NWSSP's external auditors are Audit Wales. The Audit Committee has worked constructively with Audit Wales and the areas examined in the 2022/23 financial year included:

- Position Statements (to every meeting);
- NWSSP Nationally Hosted NHS IT Systems Assurance Report;
- Management Letter 2021/22; and
- Assurance Arrangements 2022/23.

The work of external audit is monitored by the Audit Committee through regular progress reports. Their work is considered timely and professional. The recommendations made are relevant and helpful in our overall assurance and governance arrangements and in minimising risk. There are clear and open relationships with officers and the reports produced are comprehensive and well presented.

In addition to internal NWSSP issues, the Audit Committee has been kept appraised by our external auditors of developments across NHS Wales and elsewhere in the public sector. These discussions have been helpful in extending the Audit Committee's awareness of the wider context of our work.

3.2 Internal Audit

The Audit Committee regularly reviewed and considered the work and findings of the internal audit team. The Director of Audit and Assurance and the relevant Heads of Internal Audit attend meetings to discuss their work and present their findings. The Audit Committee are satisfied with the liaison and coordination between the external and internal auditors.

Quarterly returns providing assurance on any audit areas assessed as having "no assurance" or "limited assurance" were issued to Welsh Government in accordance with the instruction received from Dr Andrew Goodall, former Chief Executive NHS Wales/Director General in July 2016.

During 2022/23 no internal audit reports were rated as limited or no assurance.

For both internal and external audit, the Audit Committee have ensured that management actions agreed in response to reported weaknesses were implemented in a timely manner. Any planned revisions to agreed timescales for implementation of action plans requires Audit Committee approval. A separate report on the position with implementation of audit recommendations is monitored at each Audit Committee and is also taken for action at each monthly meeting of the SLG.

Reports were timely and enabled the Audit Committee to understand operational and financial risks. In addition, the internal auditors have provided valuable benchmarking information relating to best practice across NHS Wales.

3.3 Counter Fraud

The work of the Local Counter Fraud Services is undertaken to help reduce and maintain the incidence of fraud (and/or corruption) within NWSSP to an absolute minimum.

The Local Counter Fraud Service has traditionally been provided by staff from Cardiff & Vale UHB under a Service Level Agreement. This amounted to 75 days per annum. Over recent years NWSSP has grown both in size and complexity, and it was recognised that this level of support was insufficient to address the fraud risk needs of the organisation. Last year's Annual Governance Statement included our intention to appoint our own dedicated Local Counter Fraud Specialist (LCFS) and this was achieved in June 2022 with the full-time secondment of Mark Weston from the Counter Fraud Services, Wales team for a period of three years. Cardiff & Vale UHB continue to provide the 75 days annually to supplement Mark's work (although subsequent notice has been received of the planned withdrawal of this service from October 2023).

Regular reports were received by the Audit Committee to monitor progress against the agreed Counter Fraud Plan, including the following:

- Progress Update at each meeting
- Annual Report 2021-22
- Counter Fraud Work Plan 2022-23.

As part of its work, Counter Fraud has a regular annual programme of raising fraud awareness for which a number of days are then allocated and included as part of an agreed Work-Plan which is signed off by the Director of Finance and Corporate Services annually.

As part of that planned area of work, regular fraud awareness sessions are arranged and then held with various staff groups at which details on how and to who fraud can be reported are outlined. During 2022/23, these sessions have been provided both in face-to-face sessions and virtually.

In addition to this and in an attempt to promote an Anti-Fraud Culture within NWSSP, a quarterly newsletter is produced which is available to all staff on the intranet and all successful prosecutions are publicised in order to obtain the maximum deterrent effect.

3.4 Integrated Governance

The Audit Committee is responsible for the maintenance and effective system of integrated governance. It has maintained oversight of the whole process by seeking specific reports on assurance, which include:

- The Quality Assurance and Improvement Plan arising from the 2021-22 Internal Audit self-assessment;
- Tracking of Audit Recommendations;
- Corporate Risk Register;
- Directorate Assurance Maps; and
- Governance Matters report on single tender actions, declarations of interest, gifts and hospitality both received and declined.

During 2022/23, the Audit Committee reported any areas of concern to the SSPC and played a proactive role in communicating suggested amendments to governance procedures and the Corporate Risk Register.

3.5 Quality

The SSPC gives attention to assuring the quality of services by including a section on "Quality, Safety and Patient Experience" as one of the core considerations on the committee report template when drafting reports for SSPC meetings.

Since the start of the 2021/22 financial year, the Velindre Quality and Safety Committee gives over part of its meetings to NWSSP issues and particularly those relating to the Temporary Medicines Unit. An assurance report is produced following this meeting for review at the SSPC.

In addition, quality of service provision is a core feature of the discussions undertaken between NWSSP and the Health Boards and Trusts during quarterly review meetings with the relevant Directors. With the introduction of the Duty of Quality from April 2023, this will become a more prominent feature going forward.

In addition to corporate governance arrangements for risk management and control, Procurement Service maintains compliance and certification with a number of national and international standards as appropriate to the provision of its services. They include ISO 9001 Quality Management Standard, BS ISO 45001 Occupational Health & Safety and Customer Service Excellence. Our regional warehouses and national distribution centre at Newport are also accredited to the STS Food Safety Standard for the storage and distribution of food products. The receipt, storage and distribution of pharmaceuticals and controlled drugs at designated

warehouses are compliant with Good Distribution Practice and MHRA licence conditions. Compliance with these standards and their associated audit by external bodies is supported and assured by a robust internal audit plan that highlights any areas of non-compliance and improvement opportunities. Our Quality Plan includes improvement objectives that are reviewed each year to ensure that they are aligned and continue to support strategic objectives for the Division.

3.6 Looking Ahead

As a result of its work during the year the Audit Committee is satisfied that NWSSP has appropriate and robust internal controls in place and that the systems of governance incorporated in the Standing Orders are fully embedded within the Organisation.

Looking forward to 2023-24 the Audit Committee will continue to explore the financial, management, governance and quality issues that are an essential component of the success of NWSSP.

Specifically, the Audit Committee will:

- Continue to examine the governance and internal controls of NWSSP;
- Monitor closely risks faced by NWSSP and also by its major providers;
- Work closely with the Chairs of Audit Committee group on issues arising from financial governance matters affecting NHS Wales and the broader public sector community;
- Work closely with external and internal auditors on issues arising from both the current and future agenda for NWSSP;
- Ensure the SSPC is kept aware of its work including both positive and adverse developments;
- Assess the impact of the Duty of Quality and the Duty of Candour on the activities of NWSSP; and
- Request and review a number of deep dives into specific areas to ensure that it provides adequate assurance to both the Audit Committee and the SSPC.

4. CAPACITY TO HANDLE RISK

The Corporate Risk Register is reviewed at each meeting of the formal SLG, SSPC and Audit Committee to ensure that the key risks are aligned to delivery and are appropriately considered and scrutinised. The register is divided into two sections as follows:

- Risks for Action – this includes all risks where further action is required to achieve the target score. The focus of attention for these risks should be on ensuring timely completion of required actions; and

- Risks for Monitoring – this is for risks that have achieved their target score, but which need to remain on the Corporate Risk Register due to their potential impact on the organisation as a whole. For these

risks the focus is on monitoring both any changes in the nature of the risk (e.g. due to external environmental changes) and on ensuring that existing controls and actions remain effective (e.g. through assurance mapping).

There are currently a number of red risks on the Corporate Risk Register as follows:

- The role that NWSSP plays as the lead energy purchaser for the whole of NHS Wales, and the reputational risk that is associated with that role.
- The risk of having insufficient staff resource to meet demand. NWSSP have a lot of staff on bank contracts who help to deliver essential services but for whom we are unable to guarantee security of employment due to Welsh Government not confirming whether these posts will continue to be funded.
- The contractual dispute affecting the replacement for the Legal & Risk Case Management system.
- The Laundry Transformation Programme which now needs to be significantly reshaped due to there being insufficient capital monies available to fund it; and
- The Brecon House roof at Mamhilad where there are serious issues with water ingress and falling masonry, making the building unsafe for staff.

The SSPC has overall responsibility and authority for NWSSP's Risk Management programme through the receipt and evaluation of reports indicating the status and progress of risk management activities.

The Lead Director for risk is the Director of Finance and Corporate Services who is responsible for establishing the policy framework and systems and processes needed for the management of risks within the organisation.

The Trust has an approved strategy for risk management and NWSSP has a risk management protocol in line with its host's strategy providing a clear systematic approach to the management of risk within NWSSP. The Risk Protocol was re-approved by the Audit Committee in June 2021.

NWSSP seeks to integrate risk management processes so that it is not seen as a separate function but rather an integral part of the day-to-day management activities of the organisation including financial, health and safety and environmental functions.

It is the responsibility of each Director and Head of Service to ensure that risk is addressed within each of the locations relevant to their Directorates. It is also important that an effective feedback mechanism operates across NWSSP so that frontline risks are escalated to the attention of Directors.

Each Director is required to provide a regular update on the status of their directorate specific risk registers during quarterly review meetings with the Managing Director. All risks categorised as red within individual directorate

registers trigger a referral for review, and if deemed appropriate the risk is added to the NWSSP Corporate Risk Register.

Assurance maps are updated at least annually for each of the directorates to provide a view on how the key operational, or business-as-usual risks are being mitigated. The Audit Committee review all assurance maps annually.

A Risk Appetite statement has also been documented and approved by the Audit Committee. This has been revised significantly in-year, with detailed review taking place both within NWSSP and also at the SSPC Development day held in November 2022. This has resulted in both a new format for the Risk Appetite Statement and also an encouragement from SSPC members in particular, for NWSSP to be bolder in its approach to risk. The revised Risk Appetite Statement was approved at the January 2023 Audit Committee.

NWSSP's approach to risk management therefore ensures that:

- Leadership is given to the risk management process;
- Staff receive training on how to identify and manage risk;
- Risks are identified, assessed, and prioritised ensuring that appropriate mitigating actions are outlined on the risk register;
- The effectiveness of key controls is regularly assured; and
- There is full compliance with the Orange Book on Management of Risk.

5. THE CONTROL FRAMEWORK

NWSSP's commitment to the principle that risk is managed effectively means a continued focus to ensure that:

- There is compliance with legislative requirements where non-compliance would pose a serious risk;
- All sources and consequences of risk are identified, and risks are assessed and either eliminated or minimised; information concerning risk is shared with staff across NWSSP and with Partner organisations through the SSPC and the Audit Committee;
- Damage and injuries are minimised, and staff health and wellbeing is optimised; and
- Lessons are learnt from compliments, incidents, and claims in order to share best practice and reduce the likelihood of reoccurrence.

5.1 Corporate Risk Framework

The detailed procedures for the management of corporate risk have been outlined above. Generally, to mitigate against potential risks concerning governance, NWSSP is proactive in reviewing its governance procedures and ensuring that risk management is embedded throughout its activities, including:

- NWSSP is governed by Standing Orders and Standing Financial Instructions which are reviewed on an annual basis;
- The SSPC and Audit Committee both have forward work plans for committee business which provide an assurance framework for compliance with legislative and regulatory requirements;
- The effectiveness of governance structures is regularly reviewed including through self-effectiveness surveys;
- The front cover pro-forma for reports for the SSPC includes a summary impact analysis section to be completed prior to submission. This provides a summary of potential implications relating to equality and diversity, legal implications, quality, safety and patient experience, risks and assurance, Wellbeing of Future Generations, and workforce;
- The Service Level Agreements in place with NHS Wales organisations set out the operational arrangements for NWSSP's services to them and are reviewed on an annual basis;
- NWSSP currently complete the Welsh Government's Health and Care Standards framework and ensure that Theme 2 Safe Care provides a clear picture of NWSSP's approach to health, safety, and risk management. As we move into 2023/24, we will embrace and comply with the requirements under the Duty of Quality; and
- The responsibilities of Directors are reviewed at annual Performance and Development Reviews (PADRs).

5.2 Policies and Procedures

NWSSP follows the policies and procedures of the Trust as the host organisation. In addition, a number of workforce policies have been developed and promulgated on a consistent all-Wales basis through the Welsh Partnership Forum and these apply to all staff within NWSSP.

All staff are aware of and have access to the internal Intranet where the policies and procedures are available. In a number of instances supplementary guidance has been provided. The Trust ensures that NWSSP have access to all the Trust's policies and procedures and that any amendments to the policies are made known as they are agreed. NWSSP participate in the development and revision of workforce policies and procedures with the host organisation and has established procedures for staff consultation.

The SSPC will where appropriate develop its own protocols or amend policies if applicable to the business functions of NWSSP. The Managing Director and other designated officers of NWSSP are included on the Trust Scheme of Delegation.

5.3 Information Governance

NWSSP has established arrangements for Information Governance to ensure that information is managed in line with the relevant ethical law and legislation, applicable regulations and takes guidance, when required from the Information Commissioner's Office (ICO). This includes established laws including Data Protection Legislation, Common Law Duty of

Confidentiality, the Human Rights Act, the Caldicott Report, and specific Records Management Principles. The General Data Protection Regulations increased the responsibilities to ensure that the data that NWSSP collects, and its subsequent processing, is for compatible purposes, and it remains secure and confidential whilst in its custody.

The Director of Finance and Corporate Services is the designated Senior Information Risk Owner (SIRO) in relation to Information Governance for NWSSP. NWSSP has an Information Governance Manager who has the objective of facilitating the effective use of controls and mechanisms to ensure that staff comply with Information Governance fundamental principles and procedures. This work includes awareness by delivery of an online core skills training framework eLearning module on Information Governance, classroom-based training (when possible) for identified high risk staff groups, developing, and reviewing policies and protocols to safeguard information, and advising on and investigating Information Governance breaches reported on the Datix incident reporting system.

The Information Governance Manager is responsible for the continuing delivery of an enhanced culture of confidentiality. This includes the presence of a relevant section on the intranet and a dedicated contact point for any requests for advice, training, or work.

NWSSP has an Information Governance Steering Group (IGSG) that comprises representatives from each directorate who undertake the role of Information Asset Administrators for NWSSP. The IGSG discusses quarterly issues such as GDPR and Data Protection Legislation, the Freedom of Information Act, Information Asset Ownership, Information Governance Breaches, Records Management, training compliance, new guidance documentation and training materials, areas of concern and latest new information and law.

NWSSP has a suite of protocols and guidance documents used in training and awareness for all staff on the importance of confidentiality and to ensure that all areas are accounted for. These include email and password good practice guides, summarised protocols, and general guidance for staff. There is also a documented Privacy Impact Assessment (or "Privacy by Design") process in place to ensure consideration of Information Governance principles during the early stages of new projects, processes or work streams proposing to use identifiable information in some form.

NWSSP has developed an Integrated Impact Assessment process to include broader legislative and regulatory assurance requirements, and the pro-forma includes the need to consider the impact of the protected characteristics (including race, gender, and religion) on the various types of Information Governance protocols.

The Information Governance Manager attends various meetings including the Trust IG and IM&T Committee and the NHS Wales Information Governance Management Advisory Group (IGMAG) hosted by NHS Wales Informatics, attended by all NHS Wales Health Bodies.

An annual report is produced on Information Governance within NWSSP. This was last submitted to the SLG in April 2022.

5.4 Counter Fraud

As mentioned earlier. Counter Fraud support was traditionally incorporated within the hosting agreement with the Trust. Under this agreement, local Counter Fraud Services are provided to NWSSP by Cardiff and Vale UHB, although notice has recently been received from the Health Board of their intention to terminate this arrangement with effect from October 2023. In June 2022, NWSSP appointed its own dedicated LCFS to supplement the services provided by Cardiff and Vale UHB.

NWSSP host the NHS Wales Counter Fraud Steering Group (CFSG), facilitated by Welsh Government, which works in collaboration with the NHS Counter Fraud Authority in NHS England to develop and strengthen counter fraud services across NHS Wales. The Director of Finance and Corporate Services chairs the group.

The Group has a documented NHS Fighting Fraud Strategy for Wales with an accompanying action plan which is reviewed at the quarterly meetings of the CFSG. Work has also been undertaken to improve and enhance the quarterly reporting of both the Local Counter Fraud Specialists, and the Counter Fraud Services Wales Team. Reports are submitted to the meetings of the CFSG and are then shared with both Welsh Government and the Directors of Finance Group for NHS Wales.

During 2020/21 the Group received and considered a report "Raising our Game" which was produced by Audit Wales, and which assessed the counter-fraud arrangements in place across NHS Wales and both local and central government. While the findings of the review were largely positive, there were some recommendations for all sectors, and actions to respond to these recommendations have been incorporated into a combined action plan which also includes the required actions from the Fighting Fraud Strategy.

5.5 Internal Audit

The NWSSP hosting agreement provides that the SSPC will establish an effective internal audit service as a key source of its internal assurance arrangements, in accordance with the Public Internal Auditing Standards.

Accordingly, for NWSSP, an internal audit strategy has been approved by the Audit Committee which provides coverage across NWSSP functions and processes sufficient to assure the Managing Director of NWSSP and in turn the SSPC and the Trust as host organisation on the framework of internal control operating within NWSSP.

The delivery of the audit plan for NWSSP culminates in the provision of a Head of Internal Audit opinion on the governance, risk and control processes operating within NWSSP. The opinion forms a key source of

assurance for the Managing Director when reporting to the SSPC and partner organisations.

The 5-year external quality assessment of Internal Audit was undertaken recently by the Chartered Institute of Public Finance & Accountancy and resulted in the highest possible rating being awarded to the service that is operated by NWSSP. There were no areas of either partial or non-compliance noted with the standards.

5.6 Health and Care Standards for NHS Wales

The Standards for Health Service in Wales provide a framework for consistent standards of practice and delivery across the NHS in Wales, and for continuous improvement. In accordance with the programme of internal audits, the process is tested and is an integral part of the organisation's assurance framework process.

The Health and Care Standards Framework comprises seven main themes and sub criteria against which NHS bodies need to demonstrate compliance.

The process for undertaking the annual self-assessments is:

- The Corporate Services Manager undertakes an initial evaluation;
- A draft self-assessment is then presented to the SLG for discussion and further consultation is undertaken at Directorate level;
- Feedback from each Directorate is reviewed and incorporated into the self-assessment pro-forma and is then re-presented to SLG for final approval
- Once approved, it is presented to the SSPC, Audit Committee and the Trust Quality and Safety Committee.

Each theme is assessed and given an overall self-assessment rating of between 1 and 5. As a largely non-clinical service provider, not all of the sub-criteria are applicable.

A summary of the self-assessment ratings is outlined below:

Figure 9 – Self- Assessments Rating Against the Health and Care Standards 2022/2023

Theme	Executive Lead	2022/23 Self-Assessment Rating	2021/22 Self-Assessment Rating
Governance, Leadership and Accountability	Senior Management Team	4	4

Theme	Executive Lead	2022/23 Self-Assessment Rating	2021/22 Self-Assessment Rating
Staying Healthy	Director of Workforce and Organisational Development	4	4
Safe Care	Director of Finance and Corporate Services Director of Specialist Estates	4	4
Effective Care	Senior Management Team	4	4
Dignified Care	Not applicable	Not applicable	Not applicable
Timely Care	Not applicable	Not applicable	Not applicable
Individual Care	Senior Management Team	4	4
Staff and Resources	Director of Workforce and Organisational Development	4	4

The overall rating against the mandatory Governance, Leadership, and accountability module and the seven themes within the Health and Care Standards reflects NWSSP's overall compliance against the standards and has been rated as a 4 as outlined below:

Figure 10 – NWSSP's Overall Self-Assessment Score Health and Care Standards 2022/2023

Assessment Level	**1** We do not yet have a clear, agreed understanding of where we are (or how we are doing) and what / where we need to improve	**2** We are aware of the improvements that need to be made and have prioritised them, but are not yet able to demonstrate meaningful action	**3** We are developing plans and processes and can demonstrate progress with some of our key areas for improvement	**4** We have well developed plans and processes can demonstrate sustainable improvement throughout the organisation / business	**5** We can demonstrate sustained good practice and innovation that is shared throughout the organisations / business, and which others can learn from
Rating				✓	

As mentioned earlier in this statement, the introduction of the Duty of Quality will change the way in which quality is measured and reported with effect from the 2023/24 financial year.

6. PLANNING ARRANGEMENTS

The Integrated Medium-Term Plan is approved by the SSPC and performance against the plan is monitored throughout the year. The 2022-2025 plan was submitted to Welsh Government in accordance with required timescales, and the current 2023-2026 plan has similarly met the required Welsh Government deadlines.

Significant work has been undertaken to revise the performance framework to ensure that it is fully integrated with the key priorities in the plan. The majority of performance targets for 2022/23 were achieved and progress against each of these is reported to the SLG and the SSPC. There is also regular reporting to Welsh Government requirement on progress against the plan through Joint Executive Team (JET) meetings.

The planning process includes substantial engagement with key stakeholders, both internally and across NHS Wales and the wider public sector, in both virtual team events and on a one-to-one basis.

The IMTP was submitted to Judith Paget and Welsh Government in January and there were no significant amendments to the plan following the approval of the Committee earlier that month and the subsequent touchpoint meetings held with Welsh Government and the Finance Delivery Unit.

7. DISCLOSURE STATEMENTS

In addition to the need to report against delivery of the Standards for Health Services in Wales, NWSSP is also required to report that arrangements are in place to manage and respond to the following governance issues:

7.1 Equality, Diversity and Human Rights

NWSSP is committed to eliminating discrimination, valuing diversity, and promoting inclusion and equality of opportunity in everything it does. NWSSP's priority is to develop a culture that values each person for the contribution they can make to the services provided for NHS Wales. As a non-statutory hosted organisation within the Trust, NWSSP is required to adhere to the Trust Equality and Diversity Policy, Strategic Equality Plan and Objectives, which set out the Trust's commitment and legislative requirements to promote inclusion.

NWSSP are a core participant of the NHS Wales Equality Leadership Group (ELG), who work in partnership with colleagues across NHS Wales and the wider public sector, to collaborate on events, facilitate workshops, deliver,

and undertake training sessions, issue communications and articles relating to equality, diversity, and inclusion, together with the promotion of dignity and respect for all. NWSSP is proactive in supporting NHS Wales organisations with completion of their submission for all-Wales services, such as Procurement and Recruitment. We host a range of staff networks, and we are developing our inclusion offering for our workforce.

The process for undertaking Equality Integrated Impact Assessments (EQIIA) has matured, and considers the needs of the protected characteristics identified under the Equality Act 2010, the Public Sector Equality Duty in Wales and the Human Rights Act 1998, whilst recognising the potential impacts from key enablers such as Well-being of Future Generations (Wales) Act 2015, incorporating Environmental Sustainability, Modern Slavery Act 2015 incorporating Ethical Employment in Supply Chains Code of Practice 2017, Welsh Language, Information Governance and Health and Safety.

With effect from March 31st, 2021, the Socio-Economic Duty placed a legal responsibility on NHS bodies when they are taking strategic decisions to have due regard to the need to reduce the inequalities of outcome resulting from socio-economic disadvantage.

Personal data in relation to equality and diversity is captured on the Electronic Staff Record (ESR) system and staff are responsible for updating their own personal records using the Electronic Staff Record Self-Service. This includes ethnicity; nationality, country of birth, religious belief, sexual orientation, and Welsh language competencies. The NHS Jobs All-Wales recruitment service, run by NWSSP adheres to all of the practices and principles in accordance with the Equality Act and quality checks the adverts and supporting information to ensure no discriminatory elements are present.

NWSSP has a statutory and mandatory induction programme for its workforce, including the NHS Wales "Treat Me Fairly" e-learning module, which forms part of a national training package and the statistical data captured for NWSSP completion contributes to the overall figure for NHS Wales. A Core Skills for Managers Training Programme is provided, and the Managing Conflict module includes an awareness session on Dignity at Work.

7.2 Welsh Language

NWSSP is committed to ensuring that the Welsh and English languages are treated equally in the services provided to the public and NHS partner organisations in Wales. This is in accordance with the current Trust Welsh Language Scheme, Welsh Language Act 1993, the Welsh Language Measure (Wales) 2011 and the Welsh Language Standards [No7.] Regulations 2018.

The work of NWSSP in relation to Welsh language delivery and performance is reported to the Welsh Government and the Welsh Language

Commissioner within the Annual Performance Report. This work is largely undertaken by the Welsh Language Officer and a team of Translators.

These posts enable compliance with the current obligations under the Welsh Language Scheme and in meeting the requirements of the Welsh Language Standards. This has significantly increased the demand for translation services in the following areas:

- Service Delivery Standards;
- Policy Making Standards;
- Operational Standards;
- Record Keeping Standards; and
- Supplementary Standards.

NWSSP has made significant progress in developing and growing its Welsh language services by successfully offering all staff the opportunity to learn Welsh at work. The NWSSP website is bilingual and there has been investment in the development of a candidate interface on the TRAC recruitment system. NWSSP also offer language services to other organisations and have delivered translation and other language services to Public Health Wales, HEIW, and DHCW over recent years.

An annual report on performance with Welsh Language services is also produced and was submitted to the SLG in October 2022 and to the SSPC in January 2023.

7.3 Handling Complaints and Concerns

NWSSP is committed to the delivery of high-quality services to its customers. The NWSSP Issues and Complaints Management Protocol is reviewed annually. The Protocol aligns with the Velindre University NHS Trust Handling Concerns Policy, the Concerns, Complaints and Redress Arrangements (Wales) Regulations 2011 and Putting Things Right Guidance.

During 2022-23, 68 complaints have been received, of which:

- 67 complaints responded to within 30 working days (98.5%); and
- 1 complaint responded to outside of 30 working days (1.5%).

The total number of complaints received represents a significant decrease on the total for the previous financial year (100).

As detailed above, 98% of the complaints received were responded to within the 30-working day target. This is consistent with the prior year, and almost half of these were responded to and closed down within 24 hours of receipt of the complaint.

7.4 Freedom of Information Requests

The Freedom of Information Act (FOIA) 2000 gives the UK public the right of access to a variety of information held by public bodies and provides commitment to greater openness and transparency in the public sector, especially for those who are accountable for decisions made on behalf of patients and service users.

Figure 12 – Freedom of Information Requests 2022-23

There were 91 requests received within NWSSP during 2022/23, all of which were responded to within the 20-day deadline for compliance. The prior year saw 87 requests received.

7.5 Data Security and Governance

In 2022/23, there were 42 (2021/22 40) information governance breaches reported within NWSSP; these included issues with mis-sending of email and records management. The majority of these were down to human error and despite training provided to ensure awareness of confidentiality and effective breach reporting, unfortunately errors can happen.

All breaches are recorded in the Datix risk management software and investigated in accordance with the Information Governance and Confidentiality Breach Reporting protocols, which comply with the General Data Protection Regulation (GDPR). The protocols encourage staff to report those breaches that originate outside the organisation for recording purposes.

From this, the Information Governance Manager writes quarterly reports including relevant recommendations and any areas for improvement to minimise the possibility of further breaches. Members of the Information Governance Steering Group are required to report on any incidents in their areas to include lessons learned and any changes that have been made since an incident was reported.

There was one Information Governance breach referred to the Information Commissioner's Office (ICO) for further investigation, but the ICO were content to close the case with no further action being taken.

7.6 ISO14001 – Environmental Management and Carbon Reduction

The ISO14001:2015 Standard places greater emphasis on protection of the environment, continuous improvement through a risk process-based approach and commitment to top-down leadership, whilst managing the needs and expectations of interested parties and demonstrating sound environmental performance, through controlling the impact of activities, products, or services on the environment. NWSSP is committed to environmental improvement and operates a comprehensive EMS in order to facilitate and achieve the Environmental Policy.

In November 2022 NWSSP was subject to its first annual surveillance audit of the ISO 14001:2015 standard with British Assessment Bureau (BAB) to access the continued implementation of the organisations Environmental

Management System, to ensure it remains up to date, effective and fully operational. NWSSP successfully achieved recertification of the standard and the report was very positive and demonstrates the Management System in place conforms to all requirements of the Standard.

Carbon Footprint

We committed to reducing our carbon footprint by implementing various environmental initiatives and efficiencies at our sites within the scope of our ISO14001:2015 certification. As part of our commitment to reduce our contribution to climate change, a target of 3% reduction in our carbon emissions (year on year, from a baseline of carbon footprint established in 2016-17), was agreed and this was reflected within our Environmental Sustainability Objectives.

In 2022-23 many of our staff continue to work from home, thereby significantly reducing carbon emissions through not commuting to work, albeit that these savings are difficult to measure within NWSSP.

Despite this, all of our sites remain operational and therefore all require heating and lighting. The provision of electric vehicles charging points at many sites has also increased the amount of electricity used, albeit that this is green electricity, and the provision of this facility has benefits in making electric cars and fleet vehicles more attractive to NHS Wales and its staff, thus reducing emissions from fossil fuels. However, the benefits from this fossil fuel reduction are impossible to measure for NWSSP, particularly as this facility is available to all NHS Wales staff. During the year we have seen a 54% increase in the use of Electric Vehicle charging use compared to the prior year.

Notwithstanding the increase in charging point use, in overall terms our carbon emissions relating to electricity usage has decreased by 32% compared to the prior year (NB these figures do not currently include the Laundry sites). This is due to the increased use of green energy and the installation of LED lighting at a number of our sites. Reductions have also been noted in gas and water usage. However, in overall terms our overall carbon footprint has increased by just over 1% in the year due to the inclusion of accurate waste figures for the first time.

	Target	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	Achieved
Electricity CO2e	**3% ↓**	18% ↓	11.5% ↓	27% ↓	15% ↓	4.4% ↑	32% ↓	✓
Gas CO2e	**3% ↓**	7% ↓	38% ↓	35 % ↑	32% ↓	12% ↓	3% ↓	✓
Water CO2e	**3% ↓**	9% ↓	6% ↑	50% ↓	46% ↓	13.3% ↑	6% ↓	✓
Overall Carbon Footprint	**3%**	**5% ↓**	**11.3% ↓**	**12% ↓**	**16.2% ↓**	**3.1% ↓**	**1.17% ↑**	**x**

Decarbonisation Action Plan

The NHS Wales Decarbonisation Strategic Delivery Plan (2021-2030) was published in March 2021 and provides a detailed road map for NHS Wales, built around 46 initiatives each of which has been assessed for the potential to help facilitate or directly reduce carbon emissions.

NWSSP led the development and publication of the Strategic Plan which sets out the NHS Wales response to the 2030 net zero ambitions. The organisation has an All-Wales lead role in Buildings, Transport, Procurement, Estates Planning and Land Use but also has responsibilities across other activity streams at both a national and local level due to our significant direct influence on key aspects of the Plan.

NWSSP has also developed its own action plan which was summarised in the IMTP for 2022-25 and progress reporting will be integrated into the IMTP monitoring process. This plan sets out how the organisation will be decarbonising our own activities. Key actions include reducing the impact of our buildings, fleet, and new laundry service, as well as working with staff to help raise the profile of decarbonisation across the organisation. This was submitted to Welsh Government at the end of March 2022 after being signed off by the SLG and reported to the SSPC.

7.7 Business Continuity Planning/Emergency Preparedness

NWSSP is proactive in reviewing the capability of the organisation to continue to deliver products or services at acceptable predefined levels following a disruptive incident. NWSSP recognise its contribution in supporting NHS Wales to be able to plan for and respond to a wide range of incidents and emergencies that could affect health or patient care, in accordance with requirement for NHS bodies to be classed as a Category 1 responders deemed as being at the core of the response to most emergencies under the Civil Contingencies Act (2004).

As a hosted organisation under the Trust, NWSSP is required to take note of their Business Continuity Management Policy and ensure that NWSSP has effective strategies in place for:

- People – the loss of personnel due to sickness or pandemic;
- Premises – denial of access to normal places of work;
- Information Management and Technology and communications/ICT equipment issues; and
- Suppliers internal and external to the organisation.

NWSSP is committed to ensuring that it meets all legal and regulatory requirements and has processes in place to identify, assess, and implement applicable legislation and regulation requirements related to the continuity of operations and the interests of key stakeholders. There is a network of BCP Champions who meet bi-monthly and who represent all directorates and major teams. The Group is chaired by the Director of Planning, Performance, and Informatics.

The Welsh Government Health Emergency Planning Report is completed annually on a calendar year basis. This provides assurance over the measures in place within NWSSP to cope with and respond to major disruptive incidents and reaffirmed the robust arrangements in place within the Supply Chain and Health Courier Services who are well versed in this area. It did however identify the need to ensure that the rest of NWSSP was appropriately trained, communicated with, and engaged with key external stakeholders where appropriate. An Action Plan has been developed to address these requirements. In year we have undertaken basic emergency planning training with both the Champions and the SLG, and a significant number of relevant staff (50+) have also completed the on-line Emergency Planning training on ESR. As we move forward more tailored training is being considered, alongside the introduction of a BCP app which will help to promote more effective communication. Lessons learned reports are now completed after every incident and are routinely reported to both the Champions and the SLG.

As we continue to recover from the pandemic staff have continued to work from home where possible and have been provided with the IT equipment to enable them to do so effectively. For staff who were required, or preferred to attend NWSSP sites, safe systems of working were implemented and enhanced to keep them as safe as possible, and in compliance with national guidance. Staff welfare is safeguarded, whether working from home or a NWSSP site, through employee support programmes including a network of Mental Health First Aiders across NWSSP who provide a point of contact for employees who are experiencing a mental health issue or emotional distress.

In addition, the NWSSP Mental Health Support Group is a virtual online group open to all colleagues and provides a supporting community where other individuals facing similar struggles can come together to find support, resources, and self-help tools. NWSSP has signed an employer pledge with Time to Change Wales; the first national campaign to end stigma and discrimination faced by people with mental health problems, which is delivered by two of Wales's leading mental health charities, Hafal and Mind Cymru.

Cyber Security

NWSSP continues to work towards implementing the Cyber Security Framework in order to address the specific needs of the service. This is an ongoing plan covering the areas of Identify, Protect, Detect, Respond and Recover. NWSSP have already started a number of work streams including Information Workflows and Governance, Awareness and Training, Procurement of Professional Incident Response Capability, Protective Technology through the SIEM Procurement Project and Business Continuity Planning workshops across the whole of the whole of NWSSP. NWSSP has a robust virtualised infrastructure based on the tenets of the framework in order to provide a safe and secure environment for NWSSP business systems.

The Cyber Security team continues to be strengthened with the planned recruitment of two more staff to take the number directly involved in cyber security to four. During the year training has been provided at a number of levels and phishing campaigns continue to run. Heightened concerns over cyber security due to the war in Ukraine have led to action cards being updated and staff reminded of required practice when dealing with IT systems and responding to e-mails and other forms of contact. NWSSP is also represented on the all-Wales Cyber Security Network.

7.8 UK Corporate Governance Code

NWSSP operates within the scope of the Trust governance arrangements. The Trust undertook an assessment against the main principles of the UK Corporate Governance Code as they relate to an NHS public sector organisation in Wales. This assessment was informed by the Trust's assessment against the "Governance, Leadership and Accountability" theme of the Health and Care Standards undertaken by the Board. The Trust is clear that it is complying with the main principles of the Code, is following the spirit of the Code to good effect and is conducting its business openly and in line with the Code. The Board recognises that not all reporting elements of the Code are outlined in this Governance Statement but are reported more fully in the Trust's wider Annual Report. NWSSP have also completed the self-assessment on the "Governance, Leadership and Accountability" theme of the Health and Care Standards with a positive maturity rating of 4.

7.9 NHS Pension Scheme

As an employer hosted by the Trust and as the payroll function for NHS Wales, there are robust control measures in place to ensure that all employer obligations contained within the Scheme regulations for staff entitled to membership of the NHS Pension Scheme are complied with. This includes ensuring that deductions from salary, employer's contributions and payments into the Scheme are in accordance with the Scheme rules, and that member Pension Scheme records are accurately updated in accordance with the timescales detailed in the Regulations.

8. MANAGING DIRECTOR'S OVERALL REVIEW OF EFFECTIVENESS

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the system of internal control is informed by the work of the internal auditors, and the Directors and Heads of Service within NWSSP who have responsibility for the development and maintenance of the internal control framework, and comments made by external auditors in their audit letter and other reports.

As Accountable Officer I have overall responsibility for risk management and report to the SSPC regarding the effectiveness of risk management across NWSSP. My advice to the SSPC is informed by reports on internal

controls received from all its committees and in particular the Audit Committee.

Each of the Committees have considered a range of reports relating to their areas of business during the last year, which have included a comprehensive range of internal and external audit reports and reports on professional standards from other regulatory bodies. The Committees have also considered and advised on areas for local and national strategic developments and a potential expansion of the services provided by NWSSP. Each Committee develops an annual report of its business and the areas that it has covered during the last year, and these are reported in public to the Trust and Health Boards.

Internal Audit Opinion

Internal Audit provide me and the SSPC through the Audit Committee with a flow of assurance on the system of internal control. I have commissioned a programme of audit work which has been delivered in accordance with Public Sector Internal Audit Standards by the Audit and Assurance function within NWSSP.

The scope of this work is agreed with the Audit Committee and is focussed on significant risk areas and local improvement priorities. The overall opinion of the Head of Internal Audit on governance, risk management and control is a function of this risk-based audit programme and contributes to the picture of assurance available to the Board in reviewing effectiveness and supporting our drive for continuous improvement.

The Head of Internal Audit is satisfied that there has been sufficient internal audit coverage during the reporting period in order to provide the Head of Internal Audit Annual Opinion. In forming the Opinion, the Head of Internal Audit has considered the impact of the audits that have not been fully completed.

The Head of Internal Audit opinion for 2022/2023 was that the Partnership Committee can take **Reasonable Assurance** that arrangements to secure governance, risk management and internal control, within those areas under review, were suitably designed and applied effectively:

RATING	INDICATOR	DEFINITION
Reasonable assurance	 - + Yellow	The Committee can take **reasonable assurance** that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. Some matters require management attention in control design or compliance with **low to moderate impact on residual risk** exposure until resolved.

In reaching this overarching opinion the Head of Internal Audit has identified that the assurance domains relevant to NWSSP have all been assessed as providing reasonable assurance. During the year, there were no internal audit reports issued with a rating of limited or no assurance. All reports were either substantial or reasonable assurance or were issued as advisory reports.

Financial Control

NWSSP was established by Welsh Government to provide a range of support services to the NHS in Wales. As Managing Director and Accountable Officer, I retain overall accountability in relation to the financial management of NWSSP and report to the Chair of the SSPC.

NWSSP Financial Control Overview

There are four key elements to the Financial Control environment for NWSSP as follows:

- **Governance Procedures** – As a hosted organisation NWSSP operates under the Governance Framework of the Trust. These procedures include the Standing Orders for the regulation of proceedings and business. The statutory requirements have been translated into day-to-day operating practice, and, together with the Scheme of Reservation and Delegation of Powers and Standing Financial Instructions (SFIs), provide the regulatory framework for the business conduct of the Trust. These arrangements are supported by detailed financial operating procedures covering the whole of the Trust and also local procedures specific to NWSSP.

- **Budgets and Plan Objectives** – Clarity is provided to operational functions through approved objectives and annual budgets. Performance is measured against these during the year.

- **Service Level Agreements (SLAs) –** NWSSP has SLAs in place with all customer organisations and with certain key suppliers. This ensures clarity of expectations in terms of service delivery, mutual obligations, and an understanding of the key performance indicators. Annual review of the SLAs ensures that they remain current and take account of service developments.

- **Reporting** – NWSSP has a broad range of financial and performance reports in place to ensure that the effectiveness of service provision and associated controls can be monitored, and remedial action taken as and when required.

Through this structure NWSSP has maintained effective financial control which has been reviewed and accepted as appropriate by both the Internal and External Auditors.

9. CONCLUSION

This Governance Statement indicates that NWSSP has continued to make progress and mature as an organisation during 2022/23 and that it is further developing and embedding good governance and appropriate controls throughout the organisation. NWSSP has received positive feedback from Internal Audit on the assurance framework and this, in conjunction with other sources of assurance, leads me to conclude that it has a robust system of control.

Looking forward – for the period 2023/24:

I confirm that I am aware of my on-going responsibilities and accountability to you, to ensure compliance in all areas as outlined in the above statements continues to be discharged for the financial year 2023/24.

Signed by:

Managing Director – NHS Wales Shared Services Partnership

Date: 21 June 2023

MEETING	Velindre University NHS Trust Audit Committee for NHS Wales Shared Services Partnership
DATE	11 July 2023
PREPARED BY	Carly Wilce, Corporate Services Manager and Julie Winterburn Procurement Services
PRESENTED BY	Andy Butler, Director of Finance and Corporate Services
RESPONSIBLE HEAD OF SERVICE	Andy Butler, Director of Finance and Corporate Services & Jonathan Irvine – Director of Procurment Services
TITLE OF REPORT	Governance Matters
PURPOSE The purpose of this paper is to provide the Audit Committee with a brief update on governance developments within NWSSP.	

1. Salary Overpayments update

Audit Committee members will recall the discussion at the April 2023 Audit Committee concerning salary overpayments and the levels of overpayments across NHS Wales. It was noted that Salary overpayments amounted to £10.177 million in 2021/22 and during 2022/23 the level of overpayments has increased to £12.006m. It was also noted that two pieces of work would commence to address the issues, and as requested the latest position is summarised below:

All Wales Overpayments Policy

An All-Wales Overpayments Policy Review Group has been established with membership from all NHS Wales Organisations. The membership includes Finance, Payroll, Local Counter Fraud, National Counter Fraud and Internal Audit representatives. The Finance leads act as a key point of contact across their individual Organisations with regard the policy review including obtaining comments from Workforce colleagues.
The group is chaired by Linsay Payne, Deputy Director of Finance & Corporate Services for NWSSP, and to date two meetings have been held in May and June 2023 which were well attended with all Organisations actively involved and participating. The initial draft policy has been reviewed in detail and comments received and reviewed by the group. An updated version of the policy is now being drafted for recirculation and further comment by the end of July. There have been some important agreements reached on an All-Wales basis with regards to standardising the process and triggers for Counter Fraud involvement in the overpayments process and defining and standardising the communication process between the employee, payroll, finance and the line manager when overpayments occur. The policy, once agreed, will be supported by the new overpayments dashboard developed by Payroll Services which will automate and standardise the process, a demonstration of which was provided to the last meeting in June.

Payroll overpayments End to End review

A review of the end-to-end process is being undertaken by the NWSSP Service Improvement Team. One of the main objectives of the review is to undertake a root cause analysis of payroll overpayments with a view to preventing them from occurring in the first instance. These will also be shared with HB colleagues during regular review meetings, as most of the root cause of overpayments is late notification of a termination or change to

conditions by the HB or Trust. The fieldwork is substantially complete, and the initial findings and recommendations will be presented to Employment Services colleagues during July 2023.

2. NWSSP 2022/23 Financial Outturn update

The financial results of NWSSP are consolidated within the Velindre University NHS Trust financial statements. The financial outturn for 2022/23 has been prepared and the financial position over the past 3 years can be summarised as follows.

	2020/21	2021/22	2022/23
Total Core Revenue Expenditure	£304m	£386m	£540m
WRP In-year Settled Claims (DEL)	£124m	£130m	£137m
Covid Expenditure	£165m	£58m	£32m
EXPENDITURE SUB-TOTAL	**£593m**	**£574m**	**£709m**
WRP (Decrease)/Increase in provisions (AME)	(£1m)	£296m	£69m
TOTAL REVENUE EXPENDITURE	**£592m**	**£870m**	**£778m**
Distribution to UHBs/Trusts/WG	£2m	£2m	£2m
Financial outturn surplus	(£0.021m)	(£0.011m)	(£0.012m)
Capital Expenditure	£4.5m	£17.0m	£5.0m
Year end stores stock balance	£91m	£57m	£24m
WRP Provisions (AME)	£1.13bn	£1.43bn	£1.50bn

The above table highlights how the NWSSP revenue expenditure has continued to increase over the last 3 years reflecting the increased scope of services provided. The main movements are due to

- Completion of Single Lead Employer phased rollout (£70m 20/21, £150m 21/22 to £246m 22/23).
- Pharmacy Rebates (£24m 20/21, £41m 21/22, £55m 22/23)
- Phased transfer of Laundry Service from 1st April 2021 (£9m 21/22, £11m 22/23).
- Continued reductions in PPE and Other Covid expenditure.

The table also highlights that a small surplus was generated after distributing £2m to Welsh Government/ Health Boards and Trusts. The Welsh Risk Pool cases settled during the year was in line with the forecast and funding agreed with Welsh Government however the Welsh Risk Pool provisions have increased to £1.5billion. Capital Expenditure of £5m was incurred in accordance with the capital funding provided by Welsh Government.

The accounts have been submitted for audit and regular update meetings have been held with Audit Wales in May and June to discuss audit progress and address audit queries. These meetings have been helpful and constructive, and all mattes raised to date in respect of NWSSP have been addressed. The audit is still ongoing and it is envisaged that it should be completed during the next fortnight.

CONTRACTS FOR NWSSP

The table overleaf summarises contracting activity undertaken during the period **21 March 2023 to 30 June 2023**. A summary of activity for the period is set out in **Appendix A**.

Description	No.
File Note	**5**
Invitation to competitive quote of value between £5,000 and £25,000 (excl VAT)	**8**
Invitation to competitive tender - £25,000 and the OJEU threshold	**0**
Single Tender Actions	**1**
Single Quotation Actions	**2**
Direct Call Off against National Framework Agreement	**2**
Invitation to competitive tender of value exceeding OJEU threshold (excl VAT)	**0**
Contract Extensions	**0**
Total	**18**

3. NWSSP PROCUREMENT SERVICES ALL WALES CONTRACTING ACTIVITY

During the period **1 April 2023 to 30 June 2023**, activity against **31 contracts** have been completed. This includes **14** contracts at the **briefing** stage and **15** contracts at the **ratification** stage. In addition to this activity, **2 extensions** have been actioned against contracts. A summary of activity for the period is set out in **Appendix B**.

4. GIFTS, HOSPITALITY & SPONSORSHIP

There have been no further declarations 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. RECOMMENDATIONS

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

APPENDIX A - NWSSP Contracting Activity Undertaken (21/03/2023 to 30/06/2023)

No.	Trust	Division	Procurement Ref No	Date	SFI Reference	Agreement Title/Description	Supplier	Anticipated Agreement Value (ex VAT)	Reason/Circumstance and Issue
1.	VEL	NWSSP	NWSSP-DCO-829	06/04/2023	Direct Call Off	Provision of Salary Sacrifice Home Electronics Scheme	NHS Fleet Solutions and Home Electronic Solutions	Zero cost to NHS	Income Generation - Benefit scheme available to NHS Wales Employees
2.	VEL	NWSSP	NWSSP-DCO-838	14/04/2023	Direct Call Off	Insurance for Matrix House	AJ Gallagher	£6,713.39	Property Owners Commercial Insurance
3.	VEL	NWSSP	NWSSP-MQ-RA329313	28/03/2023	Multiquote	Flights & Accommodation for an International Careers Fair in India	City Travel UK Ltd	£17,834.50	Awarded to lowest price quotation
4.	VEL	NWSSP	NWSSP-MQ-RA329440	04/04/2023	Multiquote	Safety Works for Loading Bay	Bolton Gate Services Ltd	£8,458.00	Awarded to lowest price quotation
5.	VEL	NWSSP	NWSSP-MQ-RA331174	06/06/2023	Multiquote	Legionella Testing	Rock Compliance Ltd	£5,793.85	Awarded to lowest price quotation
6.	VEL	NWSSP	NWSSP-RFQ-(22-23)-18	23/03/2023	Request for Quote	Inclined Motorised Conveyor with Brake and Accessories	Innova Systems Ltd	£24,472.00	Awarded to lowest price quotation
7.	VEL	NWSSP	NWSSP-RFQ-(22-23)-19	23/03/2023	Request for Quote	Room and Equipment Hire, Catering and Accommodation for Finance Academy Conference 2023	St Georges Hotel	£9,742.25	Awarded to lowest price quotation
8.	VEL	NWSSP	NWSSP-RFQ-(22-23)-21	28/03/2023	Request for Quote	Construct Timber Canopy & Groundworks	Pen-Y-Bryn Joinery	£7,938.35	Awarded to lowest price quotation
9.	VEL	NWSSP	NWSSP-RFQ-(22-23)-22	30/03/2023	Request for Quote	Auto CD LT Commercial Single User – 3-year Subscription renewal	Graitec Ltd	£5,700.00	Awarded to lowest price quotation

10.	VEL	NWSSP	NWSSP-RFQ-(22-23)-20	24/04/2023	Request for Quote	Canopy Works Lansamlet Laundry Swansea	T Richard Jones Betws Ltd	£21,458.20	Awarded to lowest price quotation
11.	VEL	NWSSP	NWSSP-SQA-(23-24)-2	24/05/2023	Single Quotation Action	Annual service of 'Four Medimix Automated Syringe Fillers and two Vigo Pumps	Feelassured Ltd	£13,387.00	The Medimix is specialist production equipment service can only be carried by the manufacturer. There are no other organisations or companies with the technical knowledge and experience able to do this work, and outside servicing or fixing would invalidate the service agreement and be against the principles of EU Good Manufacturing Practice. The devices are unable to be used without servicing and this is the only supplier
12.	VEL	NWSSP	NWSSP-SQA-(23-24)-1	12/06/2023	Single Quotation Action	Cwmbran House, Mamhilad Resilient Fibre Link, material, and labour	Cable Network & Accessories	£6,945.00	This supplier is contracted by landlord, PCS network connection would fail
13.	VEL	NWSSP	NWSSP-STA-(22-23)-26	12/06/2023	Single Tender Action	Additional WIFI at IP5	Stoneleigh Consultancy	£33,025.82	Not going ahead with this requirement would impact efficiency of new racking installation to allow storage of additional product lines
14.	VEL	NWSSP	NWSSP-FN-(22-23)-15	21/03/2023	File Note	ISO9001 Accreditation Audit & Surveillance services	SGS UK Ltd	£17,730.90	The ISO accreditation was sought to support our existing CSE accreditation. Unfortunately, we made the assumption that the additional accreditation would be considered as an addition to the current contract as opposed to it requiring the need to go through formal procurement process. A formal

									procurement exercise will be undertaken before the current arrangement expires
15.	VEL	NWSSP	NWSSP-FN-(23-24)-17	13/04/2023	File Note	Provision of HGV Tachograph Analysis and Specialist Transport Advice to meet Legal Compliance	A1 Tachograph Services Ltd	£8,330.00	Previous award was based on 3 MQ value increase due to fleet increase, this file note interim agreement whilst formal tender exercise undertaken and awarded. A formal procurement process is now being followed.
16.	VEL	NWSSP	NWSSP-FN-(23-24)-18	22/05/2023	File Note	Retrospective invoice for the Provision of Gritting services at Matrix House	Facility Services Group Ltd	£5,208.00	FSG have the Facilities Management contract for Matrix House. Winter Gritting is an informal arrangement dependant on the requirement. The invoice is for an unpredictable cumulative amount over a period of months. A review of the FM arrangments at Matrix is being undertaken.
17.	VEL	NWSSP	NWSSP-FN-(23-24)-19	25/05/2023	File Note	Retrospective invoice for independent review of planning within the Hywel Dda University Health Board during February & Marc h2023	Sally Attwood	£5,940.00	This was conducted to support the approach set out in the Procurement Brief from Welsh Government, the work included conducting interviews; holding workshops/group sessions; and delivering a final report. Regular progress meetings are included in the estimated work schedule. The initial proposal was for less than £5,000 however

									additional days were required to complete the work
18.	VEL	NWSSP	NWSSP-FN-(23-24)-1	08/06/2023	File Note	Provision of Laundry Agency Staff to cover sickness and vacancies within the service – retrospective invoice payment	Blue Arrow	£43,447.58	Due to delays a direct contract award has been made for 10 weeks with an option to extend for a further 10 weeks. This will allow sufficient time for an appointment is made via the NWSSP bank Team.

APPENDIX B - All Wales Contracting Activity In Progress (01/04/2023 - 30/06/2023)

No.	Contract Title	Doc Type	Total Value	JI approval <£750K	WG approval >£500k	NF approval £750-£1M	Chair Approval £1M+
1.	Cleaning & Janitorial Products (NPS Framework)	Ratification	£ 3,145,833	11/04/2023	N/A - NPS Framework	21/04/2023	24/04/2023
2.	Prosthetic Components & Associated products This contract covers a wide range of Prosthetic Components and Associated Products such as Integrated Limb Systems, Shoulder Joints, Microprocessor Knees, and Residual Limb Compression Garments. NWSSP-PS worked in collaboration with the Artificial Limb and Appliance Service (ALAS), who manage the Prosthetic service in NHS Wales	Extension	£ 10,560,880	30/03/2023	original approval applies 17/5/21	04/04/2023	04/04/2023
3.	Ambient Groceries includes a range of dry and tinned products including flours, sugar, tinned fruit and vegetables, dried pasta and rice, hot beverages and other dry ingredients	Ratification	£ 14,843,109	05/04/2023	12/04/2023	04/05/2023	04/05/2023
4.	Whole Blood and Ancillary Collection systems Blood Collection systems (packs used in the collection and manufacturing process) are business critical consumables used to collect blood from donors and produce blood components for use	Briefing	£ 3,000,000	05/04/2023	N/A Direct Award from Framework	n/a	n/a
5.	All Wales Taxi and Light Goods Transportation Services – South & West Wales The service requirements are the conveyance of staff, patients, light goods, and medical/pathological specimens and other items, to or from either their place of residence to locations within these Health Board & Trust sites or to other NHS locations. This is on a routine and an ad hoc basis.	Briefing	£ 16,000,000	27/04/2023	26/05/2023	n/a	n/a
6.	PTP Education and Training Services HEIW Practitioner Training Programme Part Time Education for Clinical Engineering, Audiology and Life Sciences	Briefing	£ 9,874,418	20/04/2023	17/05/2023	n/a	n/a
7.	Clinical Waste sharps Containers NMD-DCO-52537 provision of Bins for Sharps, Cytotoxic, Limb & Placenta Waste	Ratification	£ 5,163,817	12/04/2023	N/A Direct Award from Framework	14/04/2023	17/04/2023
8.	Contrast Media The different products will have different licensed indications for use in various therapy areas for example there are specific X-ray media for use within cardiac investigations.	Briefing	£ 12,329,124	18/04/2023	03/05/2023	n/a	n/a
9.	Nurses Uniform Contract for the supply of Nurses and Other Healthcare Professionals Uniform all NHS Wales Health Boards and Trusts.	Ratification	£ 4,767,545 (Global) £ 7,355,682 (Blended)	18/04/2023	01/06/2023	07/06/2023	07/06/2023
10.	Energy supply of electricity and gas to NHS Trusts	Ratification	Gas fy 22/23 – £63,634,844 Gas fy 23/24 - £71,076,501 Power fy 22/23 - £57,868,334 Power fy 23/24 - £88,730,862	18/04/2023	N/A CCS Framework - sent to WG for info 19/4	Sent to NF 22/6	
11.	Oral Liquids The contract consists of generic liquids, syrups, solutions, suspensions and powders purchased through Pharmacy Departments	Ratification	£ 4,549,452	27/04/2023	07/06/2023	08/06/2023	09/06/2023
12.	Biomass Fuel Woodchip and Wood Pellet fuel biomass is used as a heating fuel by organisations across Wales which have a requirement.	Briefing	£ 651,518	28/04/2023	n/a at this stage	n/a	n/a

13.	Maintenance of YSIO X-Pree Digital Radiography Systems Provision of regular servicing, corrective maintenance visits to site and the supply and fitting of replacement parts, including specialist elements for the life of the contract. Full technical and clinical applications support is also provided for the life of the contract	Ratification	£ 699,105	05/05/2023	N/A Direct Award from Framework	n/a	n/a
14.	Blood Glucose Briefing Paper Blood glucose monitoring refers to testing the concentration of glucose in the blood to aid in the management of Diabetes types 1 and 2. Similarly, monitoring the presence of ketones in the blood is also important as high levels can result in complications such as Ketoacidosis.	Briefing	£ 7,677,000	05/05/2023	sent to WG 05/05	n/a	n/a
15.	All Wales Patient Level Information Costing System (PLICS) The solution provides a patient level costing engine that can be traced back to the detail of the financial ledger. In the current financial climate, it is increasingly important to have reliable service cost information and access to the underpinning, more granular patient level direct and support costs	Briefing	£ 1,000,000	05/05/2023	sent to WG 05/05	n/a	n/a
16.	Generic Drugs Tablets & Capsules across a range of therapy areas such as Chemotherapy, Arthritis, Heart Disease and Analgesics.	Briefing	£ 24,221,230	05/05/2023	18/05/2023	n/a	n/a
17.	HLA Typing for Welsh Bone Marrow Donor Registry Provide will conduct HLA tissue typing of blood or cheek swab samples of prospective bone marrow volunteer donors. Tissue typing is critical to the matching of a donor with a patient.	Ratification	£ 843,950	10/05/2023	09/06/2023	12/06/2023	NA
18.	Lift Maintenance The requirement relates to 464 Lifts, across Wales, the contractor would be required to manage the entire portfolio, supporting the quantity and diverse range of equipment, providing maintenance and servicing of these.	Ratification	£ 3,290,046	11/05/2023	N/A Direct Award from Framework	12/05/2023	12/05/2023
19.	Distance part time learning nursing Part-Time Distance Learning Nursing education and training services for the four fields of Nursing, Adult, Child, Mental Health, and Learning Disabilities, to complement the full time equivalent within the Health Professional Education and Training Services	Briefing	£ 12,636,000	11/05/2023	sent to WG 11/5	n/a	n/a
20.	Continence Products The contract is for the supply and delivery of disposable and washable (reusable) continence products to Secondary Care and Primary Care patients.	Briefing	£ 12,000,000	12/06/2023	sent to WG 12/6	n/a	n/a
21.	Primary Care workforce AW079 The solution will engage with key stakeholders such as performers, providers, practice/contractor managers, body corporate organisations, Welsh Government, Health Education and Improvement Wales (HEIW) and NHS Wales Health Boards and Trusts and there is a requirement for the solution to exchange data with a number of solutions and look up from external sources to validate data	Ratification	£ 1,831,648	17/05/2023	sent to WG 17/5		
22.	Wigs are provided to patients who temporarily lose their hair through oncology or haematology treatments and to patients who suffer ongoing hair loss through dermatological conditions such as alopecia.	Briefing	£ 693,200	16/05/2023	NA at this stage	n/a	n/a
23.	Ophthalmology consumables A Framework Agreement covering all NHS Wales bodies, for the supply of the following ophthalmology consumables that are used in both surgical and outpatient settings of Ophthalmology: Disposable Ophthalmic Instruments, Reusable Ophthalmic Instruments, Ophthalmic machine specific consumables, Ophthalmic packs and kits, Ophthalmic Rings, Glaucoma Implants & Consumables, Vision Testing & Correction Consumables, Eye Stains, Gases, Oils & Visco, Ophthalmic Consumables, Ophthalmic Cannula and Needles, IOL's & Consumables, Value Based/Innovation Offers	Ratification	£ 25,203,137	30/05/2023	sent to WG 5/6		

24.	Orthotics The contract covers a range of Upper Limb orthotic products (such as wrist braces and slings), Lower Limb orthotic products (such as knee braces, hip braces and ankle supports) and Head, Neck and Abdominal orthotic products (such as cervical collars and spinal supports).	Briefing	£ 9,816,966	06/06/2023	19/06/2023	n/a	n/a
25.	Laryngoscope blades The contract allows the users to purchase their Laryngoscope blades and handles, combi sets, video laryngoscopes and accessories, stylets, bougies and airway exchange catheters.	Ratification	£ 2,127,451	06/06/2023	sent to WG 6/6		
26.	Emergency Department Well-being and Home Safe Service The service offers support for frail older people and vulnerable adults in emergency departments, as well as resettle 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	Ratification	£ 2,465,444	07/06/2023	12/06/2023	12/06/2023	sent to TM 12/6
27.	Sevoflurane is a rapid acting volatile liquid anaesthetic, used for the induction and maintenance of general anaesthesia. A specially calibrated vaporiser is used for its administration.	Ratification	£ 1,953,405	12/06/2023	19/06/2023	20/06/2023	sent to TM 20/6
28.	TRAC The Once for Wales e-recruitment system (TRAC) provides visibility of the full end-to-end recruitment process to all users allowing for the tracking of applicants, shortlisting, interview, and appointment stages.	Briefing	£ 2,831,634	13/06/2023	N/A Direct Award from Framework	n/a	n/a
29.	Urine Meters A Urine Meter is a device that accurately measures urine output. They are commonly found in a surgical and intensive care setting.	Ratification	£ 928,325	Query to team 21/06			
30.	Post Registration Pharmacy Programme (HEIW-FTS-47927) the delivery of a training programme for post-registration foundation pharmacists in Wales.	Extension	£ 3,146,500	19/06/2023	original approval applies 19/7/22	20/06/2023	sent to TM 20/6
31.	Anti-Infective drugs includes antibacterial and antifungal drugs.	Briefing	£ 12,266,565	19/06/2023	sent to WG 19/6		

MEETING	NWSSP Audit Committee
DATE	11 July 2023
PREPARED BY	Carly Wilce, Corporate Services Manager
PRESENTED BY	Peter Stephenson, Head of Finance & Business Development
RESPONSIBLE HEAD OF SERVICE	Andy Butler, Director of Finance & Corporate Services

TITLE OF REPORT

Conflict of Interests Declarations July 2023.

PURPOSE OF REPORT

The purpose of this report is to provide the Audit Committee with a record of Directors Interests and a summary of the completion rates for each service for Conflicts of Interest as at July 2023.

1. BACKGROUND

The Velindre University NHS Trust Standards of Behaviour Framework outlines arrangements within the organisation to ensure that staff comply with requirements, including recording and declaring potential conflicts of interest. It is important to note that any private interest(s) does not conflict with NHS duties.

The Nolan Principles on Public Life were established in 1994 and have recently been extended to define public office as applying to all those involved in the delivery of public services. The seven principles are as follows:

1. **Selflessness** - You should take decisions solely in terms of the public interest. You must not act in order to gain financial or other material benefit for family or friends.
2. **Integrity** - You should not place yourself under any financial or other obligation to any individual or organisation that might reasonably be thought to influence you in the performance of your duties

3. **Objectivity** - You must make decisions solely on merit when carrying out public business (including the awarding of contracts)
4. **Accountability** - You are accountable for your decisions and actions to the public. Consider issues on their merits, taking account of the views of others and ensure the organisation uses resources prudently and in accordance with the law.
5. **Openness** - You should be as open as possible about all decisions and actions, giving reasons for your decisions and restricting information only when the wider public interest demands.
6. **Honesty** - You have a duty to act honestly. Declare private interests relating to public duties and take steps to resolve any conflicts arising in a way that protects the public interest.
7. **Leadership** - Holders of public office should promote and support the foregoing principles by leadership and example.

It is the responsibility of all individuals to ensure that they are familiar with the requirements of Nolan Principles and every public body should develop Codes of Conduct for staff and Independent Members, which reflect these Nolan Principles and its shared values. The guidance in terms of disclosing potential conflicts of interest is to err on the side of caution and disclose more rather than less. What is important is whether a relationship could be perceived as a conflict of interest, whether or not it actually is. Guidance had been revised to require staff to highlight any family relationships in their declarations made, in accordance with our Managing Personal Relationships at Work Protocol.

2. DECLARING CONFLICTS OF INTEREST

In 2022 NWSSP implemented a lifetime declaration approach. All employees regardless of their banding are required to complete the exercise, in line with best practice and to improve compliance rates. Members of Senior Leadership Group will still be required to complete an annual declaration, the details of which will be made publicly available on our website. Once a declaration has been submitted, staff will only need to revisit their declaration if their circumstances change. Staff are asked to complete the exercise via ESR, however those who do not have access to the system are able to complete a hard copy form, which must be subsequently authorised by their Director of Service prior to being submitted to Corporate Services for recording. Guidance on how to complete a declaration via ESR is available and should managers require this, they can contact Corporate Services for assistance.

Compliance completion across the organisation, as at 03 July 2023 are as follows:

Directorate	Headcount	Declarations completed	Percentage Completion	Outstanding Declarations
Audit & Assurance Services	58	55	95%	3
Employment Services	401	330	81%	71
Finance & Corporate Services	244	198	82%	46
Laundry Services	132	22	17%	110
Legal & Risk Services	182	173	95%	9
Medical Examiners	84	55	65%	31
People and OD	50	35	70%	15
Planning, Performance Informatics	42	40	95%	2
Primary Care Services	329	305	93%	24
Procurement Services	820	639	78%	181
Specialist Estates Services	53	52	98%	1
SMTL	24	24	100%	0
TMU	25	10	40%	15
Total	2444	1938	79%	508

We continue to remind staff on a quarterly basis of the need to complete a declaration, which also should ensure that new starters are included. A large number of staff in the Laundry Service and in Procurement Stores have yet to complete a declaration. These are the harder-to-reach staff who tend not to have daily computer access. We are pursuing the hard copy declaration with these staff where the risk profile tends to be relatively low due to the nature of their role. Procurement staff directly involved in the letting of contracts also complete a separate declaration specific to the contract(s) that they are involved in. At present the above figures do not include staff on the Single Lead Employer Scheme and we are again investigating how best to ensure that these staff are included.

A summary of the declarations received for each directorate is emailed through to the relevant Director, to develop a local Action Plan for the Management of Potential Conflicts. Directors will find a link to the guidance and templates below to use in developing best practice Action Plans.

- http://nww.sharedservicespartnership.wales.nhs.uk/conflicts-of-interest

3. RECOMMENDATION

The Audit Committee is asked to:

NOTE the Conflicts of Interest declared to date.

Appendix A – List of Declarations for SLG Members and Independent Members

No.	Name	Job Title	Disclosure
1.	Neil Frow	Managing Director of NWSSP	Observer Life Science Hub Board - Attend Board Meetings Non-Paid.
			Spouse is employed by Cwm Taf Morgannwg University Local Health Board.
2.	Andy Butler	Director of Finance and Corporate Services	Spouse is an Audit Manager in Audit Wales.
			Independent member of the Arts Council for Wales Audit & Risk Committee.
			Son – is a Graduate Trainee in Swansea Bay University Health Board.
			Nephew - Procurement officer, NWSSP Procurement Services.
3.	Ruth Alcolado	Medical Director	Spouse works for NWSSP Medical Examiner Services.
4.	Simon Cookson	Director of Audit & Assurance Services	Independent Member of the Audit Committee at Bristol City Council; and Owner and Director of a company called S Cookson Consulting Ltd (formed in 2013). Company has been dormant since 2014.
5.	Stuart Douglas	Director SES	Dormant Director of Chadwick Holdings Limited, no remuneration received; Shareholder in Chadwick Enterprises Limited - (SD has no active role in CHL or CEL); Director of Douglas Management Consultants Limited (Not trading); and Family members work at C&VUHB & CTMUHB.
6.	Andrew Evans	Director of PCS	No interests to declare.
7.	Gareth Hardacre	Director of People & OD	Spouse is Director of Midwifery at Cwm Taf UHB.
			Son is an Admin Employee in C&V UHB.
			Chair of HPMA Cymru - and National Committee Member of HPMA (a Charity for NHS HR Professionals).
8.	Mark Harris	Director of Legal & Risk Services	Spouse is a GP partner in a medical centre in the Aneurin Bevan area.
9.	Gavin Hughes	Director of Surgical Materials Testing Laboratory	No interests to declare.
10.	Jonathan Irvine	Director of Procurement Services	No interests to declare.
11.	Colin Powell	Director of Pharmacy Technical Services	Son - Production operative within the Medicines Unit in IP5.
12.	Alison Ramsey	Director of Planning, Performance, and Informatics	Governor on the University of South Wales Board and Chair of the Audit Committee of the University of South Wales.
13.	Gareth Jones	Independent Member	Senior Counsel (Previously Partner) - Womble Bond Dickinson UK LLP. My firm and I personally advise the Department of Health and Social Care on various arrangements relating to COVID response. My firm has acted for John Sisk & Son Limited which is named in one of the Consortia – PQQ for the nVCC. I do not have any dealings with that client. In addition, we work regularly with other consultants, such as Ove Arup, on behalf of other clients - 13 Years - Salary and Profit Share.
			Director - Dentrain Limited - 19 Years - Dormant Company.
			Spouse/Partner is a Director at Gill Jones Consulting Limited - 2

			Years -Trading Company
			Interest in Dentrain Limited - 19 years as a 50% shareholder.
			Spouse/Partner has an interest in Gill Jones Consulting Limited - 2 years - 100% Shareholder
			Spouse Partner is a Trustee of National Examining Board for Dental Nurses - 2 years - honorary Trustee.
			General Dental Council - Education Associate and Fitness to Practice Panel member.
			Lay member of Policy and Standards Committee for Institute of Osteopathy.
			Registrar for UK Public Health Register.
14.	Vicky Morris	Independent Member	Local Authority School Governor - St Mary's RC Primary School, Newtown, Powys - February 2022 to date.
			Non-executive member role with Herefordshire and Worcestershire Integrated Care System as Chair of their Quality, Resource and Delivery Committee and member of their Audit Committee, Strategic Commissioning Committee and Remuneration Committee.
15.	Tracy Myhill	NWSSP Chair	Senior Independent Panel Member for Public Appointments in Wales – WG Public appointment.
			Non-Executive Director - Ministry of Defence People Committee Associate Harvey Nash - now Alumi Global - executive recruitment NHS.
			Director and owner of Tracy Myhill Associates Ltd; Management Consultancy providing Organisational Development Support and Mentoring to public, private and third sector including the NHS. Through Tracy Myhill Associates Limited - • Contracted to provide consultancy support on Development of Health Education to University of South Wales; and • Contracted by Welsh Government to provide support to Betsi Cadwallader University Health Board (BCU).
			Spouse Denise Campbell is Director in Tracy Myhill Associates Ltd. Management Consultancy providing Organisational Development Support and Mentoring to public, private and third sector including the NHS.
			Appointed as Specialist Advisor to PwC – Contract is ad hoc, as and when required.
16.	Martin Veale	NWSSP Audit Committee Chair	Sport Wales - Board Member and Chair of Audit and Risk Committee 2018 – Remunerated.
			Hafod (Housing Association & Care Homes) - Member of Audit and Risk Committee 2020 – Remunerated.
			Pen y Cymoedd Windfarm Community Fund (charity) - Director 2019– Daily Rate.
			Welsh Government Member of Audit and Risk Assurance Committee, Health and Social Services Directorate 2019– Daily Rate.
			Merthyr Tydfil County Borough Council - Lay Member of Standards Committee 2019– Daily Rate.
			Pembrokeshire County Council - Lay Member of Audit Committee 2017– Daily Rate.
			Blaenau Gwent County Borough Council - Lay Member of Audit Committee 2020– Daily Rate.
			HM Court and Tribunal Service Justice of the Peace, Mid Wales Bench 2016– Voluntary.
			Coleg Gwent - Governor and Chair of Audit Committee 2015– Voluntary.

			Hawthorn High School, Pontypridd - Governor 2019– Voluntary. New 3-16 school at Hawthorn, Pontypridd, Governor 2021-
			South Wales Police – Member of Joint Audit Committee (joint committee reporting to Chief Constable and Police & Crime Commissioner) – 2021– Daily Rate.
			Mid and West Wales Fire Authority – Chair of Standards Committee – 2021– Daily Rate.
			Merthyr Tydfil County Borough Council Lay Member of Governance and Audit Committee – 2022– Daily rate.
			Brecon Beacons National Park Authority – Lay member of Standards Committee – 2021- Daily rate.
			Rhondda Cynon Taf CBC – Governor member of Children & Young People Committee – 2022- Daily rate.
			Monmouthshire County Council – Lay member of Governance and Audit Committee – 2022- Daily rate.
			New 3-16 school at Hawthorn, Pontypridd – Governor of temporary governing body – 2021- Voluntary.
			Member of the Audit Committee at ACAS since 1 March 2023 - Daily fee
			Any Other Interest: Personal - Fellow of the Chartered Institute of Public Finance & Accountancy; Member of the Institute of Internal Auditors; Alumni of University of South Wales; Alumni of Birmingham City University; Alumni of University of East London; and Member of Ebbw Vale RFC.

MEETING	NWSSP Audit Committee
DATE	11 July 2023
PREPARED BY	Carly Wilce, Corporate Services Manager
PRESENTED BY	Peter Stephenson, Head of Finance & Business Development
RESPONSIBLE HEAD OF SERVICE	Andy Butler, Director of Finance & Corporate Services

TITLE OF REPORT

Annual Report of Gifts, Hospitality & Sponsorship Declarations

PURPOSE OF REPORT

The purpose of this report is to provide the Audit Committee with a summary of the Gifts, Hospitality and Sponsorship declared within the reporting period, 1 April 2022 to 31 March 2023.

1. BACKGROUND

The Velindre University NHS Trust Standards of Behaviour Framework Policy ("the Policy") outlines arrangements within the organisation to ensure that staff comply with requirements, including recording and declaring potential conflicts of interest and offers gifts, hospitality and sponsorship, regardless of whether these have been accepted or declined. It is important to note that any private interest(s) does not conflict with NHS duties.

Supplementary to the Policy referenced above, the NWSSP also has its own Gifts and Hospitality Procedure.

2. GIFTS, HOSPITALITY & SPONSORSHIP

All employees of the NWSSP should consider their position very carefully before accepting any personal gifts or offers of hospitality during, or outside of, office hours. They should avoid placing themselves in a position where acceptance of such gifts or hospitality might be perceived to influence their decision in respect of purchasing goods or services, awarding contracts, or making appointments. Anyone found to be in breach of this procedure could face disciplinary action.

If staff receive any offer over the value of £25 (or several small gifts, which value over £100, received from the same or closely related source in a 12-month period), whether accepted or declined, these are required to be recorded in the Gifts and Hospitality Register, held by the Corporate Services Manager. A summary of declarations received is presented to the Audit Committee at each meeting.

During 2022/23, the following declarations were received –

Department	Type of sponsorship	Source of hospitality	Description	Value	Accepted or declined
Welsh Risk Pool (WRP)	Sponsorship	RLDatix	Funding from RLDatix to support the recruitment and training of post within the Once for Wales Concerns Management System Central Team. Funding will cover twelve months pay of Band 7 with a small surplus to cover travel and subsistence. £55k total covering the period Dec 22 to Nov 23.	£55,000	Accepted
Welsh Risk Pool	Sponsorship	RLDatix	Funding from RLDatix to facilitate travel and accommodation for NWSSP's Head of Safety and Learning and his deputy to travel to Edinburgh and present to the forum on the Once for Wales	£500	Accepted

			programme.		
Corporate Services	Hospitality	IO Associates	Golf event September 2022, registration, breakfast, tee off and hot buffet and awards ceremony.	£85	Declined
Corporate Services	Sponsorship	HCSA Health Care Supply Association	To attend the annual conference of Procurement and supply chain in the USA.	£3,700	Accepted
Corporate Services	Hospitality	IO Associates	Hospitality Box invite to attend the Bristol City v Sunderland game, Saturday 6th August 2022.	£100	Declined
Corporate Services	Hospitality	Department of Health and Social Care/Healthcare Supply Association Costs	Awards evening for Procurement staff.	£375	Accepted
Corporate Services	Hospitality	BIP Solutions	Evening awards dinner linked to the BIP Procurex. Offer made as chief Judge for the awards event.	£40	Accepted
Corporate Services	Hospitality	HCSA/HFMA	Evening awards dinner linked to the HCSA event	£350	Accepted
WRP	Sponsorship	RLDatix Ltd	Invite to PROMPT Wales Celebratory Event.	£250	Accepted
WRP	Sponsorship	RLDatix Ltd	To attend RLDatix Educational (Palooza) Event Orlando to present on behalf of NWSSP to the North America Datix community event on the Once for Wales programme, plus participation in workshops on system design and	£2,500	Accepted

			development.		
Corporate Services	Hospitality	IO Associates	Hospitality Box at Ashton Gate for the Bristol Bears Rugby.	£250	Declined

3. RECOMMENDATION

The Audit Committee is asked to:

- **NOTE** the report.

MEETING	Velindre University NHS Trust Audit Committee for NHS Wales Shared Services Partnership
DATE	11 July 2023
AGENDA ITEM	6.7
PREPARED BY	Peter Stephenson, Head of Finance and Business Development
PRESENTED BY	Peter Stephenson, Head of Finance and Business Development
RESPONSIBLE HEAD OF SERVICE	Andy Butler, Director of Finance and Corporate Services
TITLE OF REPORT	NWSSP Corporate Risk Register

PURPOSE

To provide the Audit Committee with an update as to the progress made against the organisation's Corporate Risk Register.

1. INTRODUCTION

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

2. RISKS FOR ACTION

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

Current Risk Rating	July 2023
Red Risk	5
Amber Risk	12
Yellow Risk	2
Green Risk	0
Total	**19**

2.1 Red-rated Risks

There are currently five red risks on the register as follows:

- The role that NWSSP plays as the lead energy purchaser for the whole of NHS Wales, and the reputational risk that is associated with that role.

- The risk of having insufficient staff resource to meet demand. NWSSP have a lot of staff on bank contracts who help to deliver essential services but for whom we are unable to guarantee security of employment due to lack of confirmation of future funding from Welsh Government.
- The contractual dispute affecting the replacement for the Legal & Risk Case Management system. While there are contingency arrangements in place to maintain services, the potential financial loss could be significant.
- The Laundry Transformation Programme which now needs to be significantly reshaped due to there being insufficient capital monies available to fund it; and
- The Brecon House roof at Mamhilad where there are serious issues with water ingress and falling masonry, making the building unsafe for staff.

2.2 New/Deleted Risks

Three new active risks have been added to the Corporate Risk Register since the last meeting of the Audit Committee:

- The reputational risk to NWSSP arising from the investigations into financial accounting practices at BCUHB;
- The potential impact upon services, especially procurement, in responding to the demands of the UK COVID Public Inquiry; and
- On-going problems with the roof at IP5 leading to water ingress and lack of funds to repair the damage.

3. RISKS FOR MONITORING

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

Current Risk Rating	July 2023
Red Risk	0
Amber Risk	0
Yellow Risk	3
Green Risk	2
Total	**5**

3. RECOMMENDATION

The Audit Committee is asked to:

- **NOTE** the Corporate Risk Register.

Corporate Risk Register

Ref	Risk Summary	Inherent Risk			Existing Controls & Mitigations	Current Risk			Further Action Required	Progress	Trend since last review	Target & Date
		Likelihood	Impact	Total Score		Likelihood	impact	Total Score				
Risks for Action												
A1	Lack of storage space across NWSSP due to increased demands on space linked to COVID and specific requirements for IP5 **Strategic Objective - Service Development**	4	4	16	IP5 Board Additional facilities secured at Picketston	2	4	8	Consider alternative accommodation optons offered by Johnseys on the Mamhilad site and their respective affordability. (AE - 31 July 2023)	Business Case approved at June SLG and July SSPC. There is now also a problem with Brecon House that impacts current capacity. This has led to a funding gap for the business case - options to close this gap are being reviewed. **Risk Lead: Programme Director**	→	**31-Aug-23**
A2	Suppliers, Staff or the general public committing fraud against NWSSP. **Strategic Objective - Value For Money**	5	3	15	Dedicated NWSSP LCFS Counter Fraud Service Internal Audit WAO PPV National Fraud Initiative Counter Fraud Steering Group Policies & Procedures Fraud Awareness Training Fighting Fraud Strategy & Action Plan	3	3	9	Produce review of 1st year activity for NWSSP LCFS (PS/MW 30 June 2023)	C&V have recruited an additional Band 6 LCFS and an 8A. Dedicated LCFS commenced in post for NWSSP with effect from 6/6/22. Fraud Awareness session held for, and tailored to, specific teams. **Risk Lead: Director of Finance & Corporate Services**	→	**31-Jul-23**
A3	Risk of cyber attack exacerbated if NWSSP, or other NHS Wales organisations, run unsupported versions of software. **Strategic Objective - Service Development**	5	5	25	Cyber Security Action Plan BCP Champions Meeting Information Governance training Mandatory cyber security e-learn Internal Audit review BCP Action Cards CAF completed and report received from CRU CAF remediation project established with support from PMO. 'Exercise in a box' launch event held with SLG (face to face) on 12 May. Phishing testing has been running since February 2022 alongside proactive communications on cyber awareness. Part of All-Wales Cyber Security Network	2	5	10	Complete Impact Assessment of all major systems (Nick Lewis - 31/03/2024)	Heightened state of alert due to war in Ukraine and targeted attacks on public sector bodies. **Risk Lead: Director of Planning, Performance & Informatics**	→	**31-Mar-24**
A4	The demand on services within Employment Services as a result of Health Boards taking on substantial numbers of staff to respond to and recover from the pandemic, is unsustainable, leading to sub-optimal levels of performance. **Strategic Objective - Customers**	4	4	16	Established working practices governed by Service Level Agreements and measured by reporting of KPIs on monthly basis.	3	4	12	Extend Modernisation Programme to all Health Boards and Trusts (GH 31 July 2023)	Good progress being made with the early adopters of the Recruitment Modernisation Programme. New systems in place within Student Awards and recent internal audit review awarded substantial assurance. **Risk Lead: Director of People and OD**	→	**31-Jul-23**
A5	The level of stock that we are being asked to hold is likely to mean that some items go out-of-date before being issued for use and need to be written off causing a loss to public funds and possible reputational damage to NWSSP.	5	5	25	Internal Audit Review of Stores Stock Rotation - based on FIFO Donations to India and Namibia	2	3	6	Consider levels of write-off for year-end accounts (AB - 30 April 2023) - complete	SMTL working with DHSC to investigate whether expiry dates can be extended on some PPE equipment Schedules produced and discussed with senior finance officials in WG and Velindre. There may be a need to write off significant values of PPE stock **Risk Lead: Director of Finance & Corporate Services**	→	**31/07/2023**
A6	The increase in energy prices, exacerbated by the war in Ukraine, is likely to lead to significant price increases across the whole range of goods and services resulting in severe cost pressures for NWSSP. **Strategic Objective - Value For Money**	5	5	25	Energy Price Risk Management Group Forward purchase of energy Briefings to Welsh Government	2	5	10	Action switch to Crown Commercial Services following Centrica's announcement that it is withdrawing from the market (AB 30 April 2023) - complete Establish new Group structure - Welsh Energy Group and Wesh Energy Operational Group (AB 30 April 2023) - complete	Paper on energy costs to March SSPC, where approval was given for switch to CCS and estabishment of the WEG and WEOG. **Risk Lead: Director of Finance & Corporate Services**	↓	**31/07/2023**

A7	The volatility in the energy market, due to the war in Ukraine, increases the reputational risk to NWSSP in its role in securing energy on behalf of NHS Wales. **Strategic Objective - Value For Money**	5	5	25	Energy Price Risk Management Group Forward purchase of energy Briefings to Welsh Government	4	5	20	Restructure the EMRMG to establish the Welsh Energy Group and the Welsh Energy Operational Group. (AB 30/04/2023) - complete	Paper on energy costs to March SSPC, where approval was given for switch to CCS and estabishment of the WEG and WEOG. **Risk Lead: Director of Finance & Corporate Services**	→	**31/07/2023**
A8	The threat of industrial action (both within the NHS and across other sectors) is likely to lead to staff shortages in both NWSSP and across NHS Wales impacting delivery of services **Strategic Objective - Staff**	4	4	16	Good working relationship with Trade Union colleagues - presence on and updates to SLG. Business Continuity Plans and Arrangements - action cards updated Training provided by Legal & Risk	2	4	8	Continue to monitor impact through SLG (SLG - 30 April 2023)	Pay award accepted. Current risk score reduced. **Risk Lead: Director of People and OD**	↓	**31/07/2023**
A9	Adverse publicity arising from the financial irregularities at BCUHB have a reputational impact on NWSSP. **Strategic Objective - Customers**	4	4	16	All requests for information are channelled through a formal Communications route,	4	4	16	Ensure consistent and strategic responses to any information request concerning this issue (SLG - 31/07/23) Review Comms resource in the light of increased scrutiny (AB - 31/07/23)	 **Risk Lead:**	*	**30/09/2023**
A10	NWSSP are unable to continue to provide business-critical services due to having insufficient numbers of staff available and able to undertake the work. This is particularly an issue with staff on bank or fixed term contracts where funding from WG is uncertain e.g. COVID-related activity and SLE. **Strategic Objective - Customers**	5	5	25	Identification of all business-critical services Redeployment of staff to business-critical services Increased provision of laptops and VPN Roll-out of Office 365 Use of Bomgar service for PCS Daily monitoring and reporting of absence figures. IT Update also given to weekly COVID-19 Planning & Response Group.	4	5	20	The review of bank staff employed under COVID funding continues, but the priority has been on focusing on those fixed term contracts that are coming to an imminent end as set out below. (GH - 31 July 2023)	19.3 WTE staff in Recruitment extended for a further 12 months. In terms of Supply Chain, Logistics and Transport staff, those involved on the mass vaccination programme have also been extended until March 31, 2024, as Welsh Government funding has been confirmed. Confirmation of funding beyond 30 June 2023 now received for staff employed in the provision of PPE **Risk Lead: Director of People and OD**	→	**31-Jul-23**
A11	An issue with the supplier of the replacement Legal & Risk Case Management System threatens financial loss and the delivery of the service **Esclalated Divisional Risk**	4	4	16	Formal project managed through PMO	4	4	16	Regular updates to SLG (MH - 31 May 2023)	There is currently a significant issue about the scope, duration and cost of the project. **Risk Lead: Director, Legal & Risk Services**	→	**31/07/2023**
A12	The planned development of the Clinical Pharmacy Service is adversely impacted due to financial and staffing challenges **Esclalated Divisional Risk**	4	4	16	CIVAS Board National QA Pharmacist	3	4	12	Discussion regarding funding and TUPE of staff from Health Boards (CP 31 July 2023).	Update to January 2023 SSPC **Risk Lead: Service Director**	→	**31/07/2023**
A13	The unaffordable nature of the laundry transformation programme has led to the development of a short to medium solution, this generates an inherent risk in the form operating ageing equipment / infrastructure and plant for the foreseeable future resulting in increased breakdowns **Strategic Objective - Service Development**	4	4	16	Tried and tested Business continuity plan for supporting production downtime from local and national stock holdings as well as rerouting production to supporting plan	4	3	12	Further discussion with Welsh Government regarding the availability of the level of funding per year and the development of a plan to align with the phasing of funding	Awaiting the allocation of year by year capital for the implementation of the short to medium term plan **Risk Lead: Director, Procurement Services**	→	**01/08/2023**
A14	Difficulties in recruiting staff leave us unable to meet the expectations of Welsh Government in playing a leading role in delivering the decarbonisation agenda. **Strategic Objective - Service Development**	5	5	25	Decarbonisation Programme Board Project Execution Plan PMO Support	3	4	12	Continue to recruit to fill vacant posts (SD - 30/06/2023)	Anticipated that the full team will not be in place until the summer of 2023. **Director, Specialist Estates Services**	→	**31/08/2023**
A15	The move to agile working, and the relatively imminent expiry of a number of our property leases, require urgent agreement of an Accommodation Strategy. **Strategic Objective - Staff**	5	4	20	Mark Roscrow tasked with developing Accommodation Strategy. Working Group established to oversee move.	3	4	12	Set up working group to oversee move from Companies House to Cathays Park (MR 31/05/23) - complete	Nantgarw lease renegotiated. Initial meeting of Steering Group held 15 May. **Director, Specialist Estates Services**	→	**31/12/2023**
A16	The presence of Reinforced Autoclaved Aerated Concrete in the Brecon House building in Mamhilad has contributed to the unsafe state of repair of the roof, making the building unsafe for staff, and similarly in the Repository in Companies House. **Esclalated Divisional Risk**	5	5	25	Majority of staff working from home. Health & Safety Reviews Structural Engineers appointed	3	5	15	Immediate work being undertaken to make building safe for staff (SD 31/05/2023). Plan to vacate Brecon House asap (AE 31/07/2023) Plan to vacate Companies House by 31/12/2023 - RAAC in self-contained area.	Case for relocation being nearly finished (transfer between Nov 23- Mar 24) Ove Arup in place for monitoring RAAC condition Cook & Arkwright appointed to mobilise contractors to intervene directly if required Update contained in SES report dated May 2023 **Director, Primary Care Services**	→	**31/07/2023**
A17	The COVID Planning Inquiry places extreme demands on staff groups, particularly Procurement, and impacts the delivery of business-as-usual services. **Strategic Objective - Services**	5	4	20	Appointment of Legal Counsel Support from Legal & Risk COVID Inquiry Planning Readiness Group	5	2	10	Continue to monitor requests from Inquiry through the Planning Readiness Group (AB 31/07/23)	Risk Rating may be escalated once demands for information start to be received. **Director, Finance & Corporate Services**	*	**30/09/2023**
A18	Leaks to the roof at IP5 threaten the operation of services and are extremely expensive to repair. **Strategic Objective - Services**	4	4	16	IP5 Steering Board	3	4	12	Position is monitored through regular meetings of the Steering Board.	 **Director, Specialist Estates Services**	*	**30/09/2023**

A19	The transfer of the laundries to NWSSP expose a number of risks including concerns over health and safety and formality of customer relationships. **Strategic Objective - Service Development**	4	4	16	All-Wales Programme Business Case 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. (AB 30/06/2023)	Transfer has now taken place for all of the 5 laundries, although arrangements are different for Hywel Dda and Cwm Taf. Updates provided to SLG. IA reviews have provided reasonable assurance. **Risk Lead: Director of Procurement Services**	→	**30-Sep-23**
Risks for Monitoring												
M1	Disruption to services and threats to staff due to unauthorised access to NWSSP sites.	5	4	20	Manned Security at Matrix CCTV Locked Gates installed at Matrix. Security Review Undertaken (reported Dec 18) Increased Security Patrols at Matrix. CTSA underake 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. **Risk Lead; Director Specialist Estates Services/Director of Finance and Corporate Services**	→	
M2	There is an increased fire risk with a consequence for protection of buildings at Alder House, Brecon House and Matrix House due to a lack of compartmentation in the roof space.	2	5	10	Fire Safety Officer Risk Assessment - assessed risk to life as low - Update Paper to Feb, May and November SMTs.	1	5	5	Discrete fire risk assessments undertaken for each site at the recommended intervals. Risk to remain on Corporate Risk Register to ensure sufficient monitoring.	Landlords consider any work on compartmentation to be our responsibility. SES reported to Nov 2020 SLT where it was agreed that the risk to life is very low. **Risk Lead: Director of People and OD**	→	
M3	Specific fraud risk relating to amendment of banking details for suppliers due to hacking of supplier e-mail accounts leading to payments being made to fraudsters	5	3	15	Documented process for bank mandate changes Role of Supplier Maintenance Team Authorisation by Senior Finance Staff Internal Audit Reviews	1	3	3	Spate of attacks (Apr 22) reinforces need to maintain current controls.	Further spate of attempted frauds in April/May 2022 (4) but all stopped by team. This has reinforced the need to maintain and possibly even strengthen existing controls. **Risk Lead: Director of Finance & Corporate Services**	→	
M4	There is a reputational risk associated with the establishment of the Citizens' Voice Body **Strategic Objective - Service Development**	4	4	16	Experienced Programme Director Appointment of (Agency) Governance Lead	1	3	3	SLA and MoU require final sign-off.	CVB now established - SLA and MoU being completed **Risk Lead: Director of Finance & Corporate Services**	→	
M5	The Student Awards software is at end of life and needs replacement without which delays to student bursary payments could be significantly affected. **Strategic Objective - Customers**	5	5	25	Formal project management in place	1	4	4	Phase 1 delivered by April 2023. (GH - 31 March 2023)	SAS contract support agreement with Kainos in place to end of March 2023. FBC approved by Welsh Govt 5/9/22 and funding agreed. **Risk Lead: Director of People and OD**	→	

MEETING	Velindre University NHS Trust Audit Committee for NHS Wales Shared Services Partnership
DATE	11 July 2023
PREPARED BY	Carly Wilce, Corporate Services
PRESENTED BY	Peter Stephenson, Head of Finance & Business Development
RESPONSIBLE HEAD OF SERVICE	Andy Butler, Director of Finance and Corporate Services
TITLE OF REPORT	Update on the Implementation of Audit Recommendations

PURPOSE

This report provides an update to the Audit Committee on the progress of audit recommendations within NWSSP.

1. INTRODUCTION

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

2. CURRENT POSITION

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

There are **69** reports (one more than last month) covered in this review; **18** reports have achieved **Substantial** assurance; **31** reports have achieved **Reasonable** assurance, **and** no reports have been awarded **Limited** or **No Assurance;** and **20** reports were generated with **Assurance Not Applicable**. The reports include **232** recommendations for action.

Table 1 - Summary of Audit Recommendations

As at 3 July 2023					
Recommendations		**Implemented**	**Not Yet Due**	**Overdue**	**Dependant on third party organisations**
Internal Audit	**187**	**175**	**11**	**0**	**1**
High	13	12	1	0	0
Medium	89	81	7	0	1
Low	67	64	3	0	0
Not Applicable	18	18	0	0	0
External Audit	**17**	**16**	**0**	**1**	0
High	0	0	0	0	0
Medium	13	12	0	**1**	0
Low	1	1	0	0	0
Not Applicable	3	3	0	0	0
Other Audit	**28**	**28**	**0**	**0**	**0**
High	4	4	0	0	0
Medium	5	5	0	0	0
Low	19	19	0	0	0
Not Applicable	0	0	0	0	0
TOTALS:	**232**	**219**	**11**	**1**	**1**

3. Overdue Recommendations

There is currently one overdue recommendation relating to the implementation of ISO27001 by the Central Team e-Business Service (CTeS). This recommendation was originally raised by Audit Wales as part of their review of nationally hosted systems a number of years ago. Since being raised, the CTeS team has achieved accreditation under ISO20000, which includes a number of the required elements in ISO27001. The process for acquiring ISO27001 accreditation is relatively lengthy and expensive and would require the appointment of external consultants. Our key suppliers, such as Version 1 and Qlik, and those who provide software services we use need to have ISO27001, so data and information held is compliant with this standard. It is possible that the ISO27001 accreditation may be pursued on an organisational-wide basis in future but for the time being a paper is being taken to the next meeting of the Strategy and Development Group in August with a recommendation that the pursuance of the ISO27001 accreditation within CTeS is no longer taken forward. If approved, this recommendation and audit action would therefore be closed.

4. Dependant on Third Party Organisations

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

NWSSP Audit Committee
11 July 2023

5. RECOMMENDATIONS

The Audit Committee is asked to:

- **NOTE** the report findings and progress made to date regarding implementation of audit recommendations.

APPENDIX A - PROGRESS OF AUDIT RECOMMENDATIONS

ID	Internal Audit Report Ref Rec No / Ref NWSSP Service Report Title Report Year	Status	Issue Identified	Risk Rating	Recommendation	Responsibility for Action	Management Response	Original Deadline	Updated Deadline	Update On Progress Made
PROGRESS WITH RECOMMENDATIONS										
FINANCE AND CORPORATE SERVICES										
Cyber Security										
CTES										
1.	Review of National Hosted NHS IT Systems. Oracle Financial Management System - IT Controls. AW/2021-22/2	**OVERDUE**	Raised in 2020-21 CTES has completed and a gap analysis assessment of the Oracle FMS to the Information Security Management Standard (ISO 27001) to identify potential improvement areas. The outcome will be a set of recommendations for implementation during 2021-22. It is good security management practice to assess and baseline a comparison to the ISO 27001 standard. CTES have completed the gap analysis and we were informed during our fieldwork that they aim to complete accreditation during 202122 cycle.	**Medium**	(a) Complete the accreditation to the Information Security Management Standard (ISO 27001) to identify potential improvement areas; and	Stuart Fraser- Head, CTeS	It was agreed by the All Wales Oracle (STRAD) Board in 2021 that this should be deferred due to high priority projects and in particular the requirement to complete the major Oracle system upgrade and that we will seek to obtain accreditation by 31 December 2022. A dedicated project manager has been appointed to progress the action and good progress is now being made, with gap analysis underway and outcomes recorded.	**31/12/2022**	**30/04/2023**	ISO 20000 audit took place on 26 April 2023 and full accreditation of the standard was attained. IS0 27001 audit will be completed in December 2023.
EMPLOYMENT SERVICES										
Payroll										
2.	Payroll Services - 2021-22 NWSSP-2122-14	**DEPENDANT ON THIRD PARTY ORGANISATIONS**	The previous Payroll audit report (NWSSP-2021-08) highlighted an inconsistent approach across NHS Wales organisations and Payroll teams. An all-Wales Overpayments Policy has been drafted but has not yet been approved. Overpayment registers are maintained for each health body. Sample testing of 60 overpayments for the period February 2021 to January 2022 noted that all had evidence on file to demonstrate action taken to recover monies. However, we identified 27 instances where there were delays of more than five weeks between identification of the overpayment and initiating action to recover.	**Medium**	2.2 Management should progress in agreeing and approving the drafted all-Wales Overpayments Policy to ensure a consistent approach is implemented across all Payroll Teams.	Head of modernisation	2.2 We acknowledge the finding of the audit report, the All-Wales Overpayments Procedure has been completed, it has been out for consultation with the Finance Colleagues and Counter Fraud and the details of the responses will be discussed on how to progress this.	**30/06/2022**		The matter was discussed at the March SSPC and the Service Improvement Team have been tasked with undertaking an end-to-end review of the payroll process – this should lead to an agreement on the all-Wales Overpayment Policy.

APPENDIX A - PROGRESS OF AUDIT RECOMMENDATIONS

3.	Payroll Services 2022-23 NWSSP-2223-11	NYD	A sample testing identified 12 instances where there was no evidence that input accuracy checks had been completed. Seven related to one payroll team which does not undertake these checks for leavers and changes processed by band 4 team members. Nevertheless, our sample testing did not identify any errors or incorrect payments.	Medium	Input accuracy checking requirements should be formally documented in standard operating procedures and applied consistently across all teams.	Assistant Director of Employment Services (Payroll)	Agreed. The inconsistency is a result of legacy arrangements which have not needed to change based on the high payroll accuracy rates which indicate the absence of these checks in the identified team is not impacting on accuracy. We do however acknowledge the need for a consistent, risk-based approach in determining and rationalising the level of checking required within each team and we will liaise with audit on this. We also need to recognise the significant shift in volume of transactions being received via electronic roster or forms. This does negate the requirement for checking of input. This work will need to be completed this summer and checking aligned to a more commercially focused perspectives as my division is being tasked with reducing costs but still being tasked by audit with outdated and costly tasks.	30/09/2023		Current update - Checking results in the system will be addressed through the pure digital solution, once implemented.
4.	Payroll Services 2022-23 NWSSP-2223-11	NYD	Sample testing of 65 overpayments for the period February to December 2022 noted that all had evidence on file to demonstrate action taken to recover monies. However, we identified 10 instances where there were significant delays of more than 50 days between identification of the overpayment and initiating action to recover. Management cited increased activity impacting on capacity within payroll teams as the cause of the delays.	Medium	Ensure that action to recover overpayments is initiated promptly following identification. Management should agree a reasonable timescale for this and monitor compliance, taking prompt action to address any delays and escalating to health bodies where appropriate.	Assistant Director of Employment Services (Payroll)	Agreed. Whilst we agree with the need to action overpayments promptly, as already highlighted in the report overpayments have gone up by 34% and that 88% of these are due to the health bodies and not the payroll division. We will continue to push agreement of the all-Wales Overpayments Policy and work with health bodies across Wales to support them in reducing the volume of overpayments arising. We are reporting regularly to the Shared Services Partnership Committee on this.	31/10/2023		Current update- Overpayments will be addressed as part of the new automated overpayments system. The system will be introduced in July however a confirmed date for implementation has not yet been confirmed.

APPENDIX A - PROGRESS OF AUDIT RECOMMENDATIONS

Procurement										
Laundry										
5.	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 Benchmarker 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		This recommendation cannot be actioned for some time as the pricing model is fixed until the completion of the transformational programme. No further update to report.

APPENDIX A - PROGRESS OF AUDIT RECOMMENDATIONS

Procurement National Sourcing										
6.	Procurement Services – National Sourcing NWSSP-2223-09	NYD	A contracts register is maintained within the Electronic Contract Management (ECM) module of the Bravo e-Tendering system. Management acknowledge that the ECM register is not consistently updated and therefore cannot be relied upon as a complete record of contracts. As a result, the contract renewal alert function cannot be utilised, and it also impacts on the reliability of KPI reporting, which is based on milestone dates recorded in ECM. In addition to ECM, each team also maintains their own manual record of procurement activity although the format and approach for this is inconsistent.	Medium	1.1 Reinforce the requirement to ensure contract information in ECM is accurate and up to date. Use the data quality report in QlikView to identify and performance manage individuals/teams with poor compliance. 1.2 Consideration should be given to the development of a standardised template for the recording of procurement activity within the individual teams. 1.3 Once data quality issues in ECM are addressed, the contract renewal alert function should be activated utilised.	1.1 SMT & Business Support and Service Improvement Team	1.1 Noted and agreed. Maintenance of the ECM record will be emphasised through SMT as a priority for all teams. This will be added to the agenda for team meetings (if not already in place) and reports generated to identify areas of noncompliance and where improvement is required. Summary of compliance reports will be reviewed at SMT members 121 meetings until further notice to ensure that improvements are being made to the ECM record accuracy and completeness; 1.2 Noted and agreed. Standardised template being rolled out across all teams to ensure consistency in line with internal process mapping/improvement plan; and 1.3 Noted and agreed. This will be activated and need to cross reference data to 1.2 above to ensure consistency.	1.1 - 01/08/2023 1.2 - 01/09/2023 1.3 - 01/09/2023		
7.	Procurement Services – National Sourcing NWSSP-2223-09	NYD	We reviewed ten contracts to establish whether goods and services had been subject to competitive procurement and assess compliance with key controls in the procurement process. Testing identified: (1) Two contracts did not have an approved contracting plan providing the context, requirements of the contract with the intended route to market; (2) Two contracts had evidence from some, but not all, participating health bodies confirming approval to proceed with contract award; (3) One contract had no evidence of approval by the NWSSP Chair, and two had been retrospectively approved (one during the audit); and (4) Five contracts with multiple suppliers did not have evidence of contract acceptance for all suppliers, and we identified a number of instances where suppliers had signed up to four months after the contract had commenced.	High	Establish ongoing checking/audit arrangements to ensure compliance with procurement process and that sufficient evidence is maintained to demonstrate this.	SMT & Business Support and Service Improvement Team	Noted and agreed. Process mapping and improvement plan underway within the Division. This will ensure compliance with DMS (document management system) which will include Standard Operating Procedures to address the issues highlighted. Internal audits within the Division will be instigated to ensure ongoing compliance.	01/10/2023		

APPENDIX A - PROGRESS OF AUDIT RECOMMENDATIONS

8.	Procurement Services – National Sourcing NWSSP-2223-09	NYD	Contracts completed on time is a key performance indicator monitored through QlikView, with a target of 90%. Analysis of the milestone activity report for 2022/23 identified a number of factors impacting on the reliability of the KPI: (1) It is calculated through the comparison of the planned and actual contract start dates and is therefore reliant on contracting teams populating Bravo/ECM with the key contract and milestone information – as reported in Objective 1 (see para 2.3), this is not consistently updated; (2) (The KPI is not adjusted to reflect where information (e.g. contract start date) is added retrospectively; (3) The data is somewhat skewed by the high-volume low-value maintenance contracts which account for 66% of contract volume but only 2% of the total annual value, and 39% of contracts failing KPI. Excluding maintenance from the data improves 2022/23 performance from 67% to 85%; and (4) Delayed contract renewals automatically fail the KPI even if there is a valid reason recorded for the delay. The reason for the delay was recorded for only 49% contracts, although we identified a number of examples where contracts may have inappropriately failed the KPI such as contracts no longer required or delayed due to 'external factors' including delays in health body engagement in tender evaluation or contract acceptance/approval.	Medium	3.1a Review the basis for assessing the 'contracts completed on time' KPI with a view to addressing the issues identified, to ensure performance monitoring is both accurate and meaningful. 3.1b Further analyse performance data to identify and target areas where contract completion is consistently late. Establish the root cause of delays for these areas and take action to improve performance where necessary.	SMT & Business Support and Service Improvement Team	3.1a Noted and agreed. This will be addressed through actions outlined in 1.1, 1.2 and 1.3 above. 3.1b Noted and agreed. This will be addressed as stated above in 1.1, 1.2 and 1.3.	01/10/2023		
9.	Procurement Services – National Sourcing NWSSP-2223-09	NYD	The process and approval requirements for contract extensions are not formally documented. Contract extensions are recorded on ECM in the usual way, although they are not easily identifiable as extensions. An Agreement to Consider an Extension (ACE) had been completed for all 12 extensions reviewed, setting out the details and rationale and seeking internal approval for a contract extension, although five (all 'at risk' extensions) had been completed retrospectively.	Medium	4.1a The process and approval requirements for contract extensions should be formally documented and communicated to staff. 4.1b All contract extensions should be clearly identified as such on the local procurement activity records and ECM to support contract monitoring and compliance checking arrangements (including compliance with ACE approval requirements).	SMT & Business Support and Service Improvement Team	4.1a Noted and agreed. The actions referenced in 2.1 above will address this issue. 4.1b Noted and agreed. The actions referenced 1.1, 1.2 and 1.3 will address this issue.	01/10/2023		
Planning, Performance & Informatics										

APPENDIX A - PROGRESS OF AUDIT RECOMMENDATIONS

ICT										
10.	ICT Infrastructure: Follow up review NWSSP-2223-07	NYD	Wasp is a full lifecycle tool and includes warranty information and expiry dates, this will enable a rolling replacement requirement to be identified. The funding for this will need to be assessed and bid for once the full requirement is defined.	Low	Any hardware need for new environment should be identified and the current hardware upgraded appropriately. Funding for the rolling replacement programme should be sought.	Chief Digital Officer	The Infrastructure Upgrade project has captured a full inventory of hardware that will be out of warranty and any related unsupported OS. These will be replaced by new on-premises or cloud solution with supported hardware and OS. Chief Digital Officer now has access to WSUS Server Compliance Reporting Dashboard that shows that all active NWSSP servers are now running supported operating systems i.e. Windows Server 2012 or above. The funding requirement for replacement of the current hosting infrastructure has been included in the NWSSP 10-year digital infrastructure investment plan submitted to Welsh Government and the NWSSP IMTP capital plan.	28/02/2024		
11.	ICT Infrastructure: Follow up review NWSSP-2223-07	NYD	The current visibility picture has not changed. infrastructure assets are managed by DHCW and there is limited visibility by NWSSP. There has been some improvement as part of the cyber security work with a service catalogue being developed, and the identification of cyber risks associated with assets. We note the draft strategy includes reference to asset management and visibility. Linked to this, there is also the implementation within NWSSP of the new WASP asset management system. As this is intended to include servers and infrastructure equipment, once this is complete NWSSP will be able to have a complete record of all its assets. We note that the first stage of implementation, with client devices being included was due for February 2023.	Low	Work should continue to implement the WASP system and ensure all NWSSP assets are included.	Chief Digital Officer	All desktop hardware has now been migrated to WASP. A period of clear running will be allowed to learn any lessons from the desktop implementation until 30th April 2024. Server and network infrastructure will then be added to the solution.	31/05/2024		

APPENDIX A - PROGRESS OF AUDIT RECOMMENDATIONS

12.	ICT Infrastructure: Follow up review NWSSP-2223-07	NYD	NWSSP is undertaking an infrastructure renewal project which will result in a different (hybrid) infrastructure utilising Azure. As part of this a service model from DHCW will be defined and the intent is to build the management and reporting into that. As such there has been no provision of access into the virtual environment and we note that this has not been considered a priority, with the view being that the environment should be managed as per the SLA, and performance reports provided to demonstrate the effectiveness of this. We do note that once NWSSP moves into Azure, the financial consequences of not effectively monitoring use mean that there is an intent / requirement for NWSSP to have some level of monitoring access.	Low	NWSSP should ensure that reporting on the management of the infrastructure and virtual environments are built into the new service definitions. In the interim, consideration should be given to requesting quarterly information on the use and status of the virtual environment.	Chief Digital Officer	A task has been created in the Infrastructure Upgrade project to build a reporting solution into the new hybrid infrastructure.	24/02/2024		
Cyber Security										
13.	Cyber Security NWSSP-223-06	NYD	Currently there is no reporting to a senior group (such as SLT) that sets out the current state of cyber security within NWSSP using KPIs.	Medium	Formal reporting that shows the current status of cyber security within NWSSP should be defined. This should include key KPIs and report to a relevant senior group.	Head of Cyber Security	Development of appropriate cyber security reporting mechanisms based on ongoing business impact assessments (BIA) across NWSSP in 2023 will be presented to SLG.	31/03/2024		

MEETING	Velindre University NHS Trust Audit Committee for NHS Wales Shared Services Partnership
DATE	11 July 2023
PREPARED BY	Carly Wilce, Corporate Services Manager
PRESENTED BY	Carly Wilce, Corporate Services Manager
RESPONSIBLE HEAD OF SERVICE	Andy Butler, Director of Finance and Corporate Services
TITLE OF REPORT	Audit Committee Forward Plan 2023-24

PURPOSE

To provide a summary of items expected to be presented at forthcoming Audit Committee meetings, scheduled for 2023-24.

Month	Standing Items	Audit Reports	Governance	Annual Items
Q1 2023/24 **19 April 2023** *Boardroom* *NWSSP HQ, Unit 4/5* *Charnwood Court, Heol* *Billingsley, Parc Nantgarw,* *Cardiff, CF15 7QZ* *or by Teams (as appropriate)*	Minutes & Matters Arising External Audit Position Statement Internal Audit Progress Report Counter Fraud Position Statement NWSSP Update	**Internal Audit** As outlined in the Internal Audit Operational Plan Review of Internal Audit Operational Plan 2023-24 **External Audit** Audit Assurance Arrangements for NWSSP 2022-23	Governance Matters Tracking of Audit Recommendations Corporate Risk Register	2023-24 Counter Fraud Annual Plan
Q2 2023/24 **11 July 2023** *Meeting Room 1* *NWSSP IP5, Newport, NP10 8BE*	Minutes & Matters Arising External Audit Position Statement Internal Audit Progress Report Counter Fraud Position Statement NWSSP Update	**Internal Audit** As outlined in the Internal Audit Operational Plan Internal Audit Quality Assurance & Improvement Programme	Governance Matters Tracking of Audit Recommendations Corporate Risk Register Review of Audit Committee Terms of Reference	Final Annual Governance Statement Audit Committee Annual Report 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
Q3 2023/24 **10 October 2023** *Boardroom* *NWSSP HQ, Unit 4/5* *Charnwood Court, Heol* *Billingsley, Parc Nantgarw,* *Cardiff, CF15 7QZ*	Minutes & Matters Arising External Audit Position Statement Internal Audit Progress Report Counter Fraud Position Statement	**Internal Audit** As outlined in the Internal Audit Operational Plan **External Audit** Audit Wales Nationally Hosted IT Systems Report Audit Wales Management Letter	Governance Matters Tracking of Audit Recommendations to include Annual Review of Audit Recommendations Not Yet Implemented Corporate Risk Register	Audit Committee Effectiveness Survey Results Internal Audit Charter NWSSP Annual Review Information Governance Annual Report 2022-23

or by Teams (as appropriate)	NWSSP Update	Update on the development of defined criteria for risk ratings.	Duty of Quality	
Q4 2023/24 **23 January 2024** *Boardroom* *NWSSP HQ, Unit 4/5* *Charnwood Court, Heol* *Billingsley, Parc Nantgarw,* *Cardiff, CF15 7QZ* *or by Teams (as appropriate)*	Minutes & Matters Arising External Audit Position Statement Internal Audit Progress Report Counter Fraud Position Statement NWSSP Update	**Internal Audit** As outlined in the Internal Audit Operational Plan **External Audit** Audit Wales Office Proposed Audit Work	Governance Matters Tracking of Audit Recommendations Corporate Risk Register Review of Standing Orders for the Shared Services Partnership Committee Review of Risk Management Protocol, Risk Appetite Statement and Assurance Mapping	Annual pre-meet between Audit Committee Chair, Independent Members, Internal and External Auditors and Local Counter Fraud IMTP Plan on a page

Welsh Language Annual Performance Report

2022 – 2023

Contents:

Introduction

This Welsh Language Annual Performance Report outlines key achievements during 2022/2023 in our delivery of our services through the medium of Welsh, and performance in line with the Welsh Language Standards (no.7) 2018 and the Welsh Language (Wales) Measure 2011.

Overall, we've had a successful year in implementing the Welsh language standards and increasing our capacity to offer Welsh language services through dynamic systems.

The increase for our translation services continues to grow, and we have invested in staff and technology resources in order to meet the increasing demand for our services.

The Welsh Language Standards (no.7) 2018 are an integral part of our service planning as are the priorities of the More Than Just Words Strategy for 2022 – 2027, which launched in September 2022. Both standards and strategies remain at the forefront of our future planning and benchmarking of our services.

Service Delivery Standards

In order to ensure that we maintain and improve our compliance with all the Welsh Language Service Delivery Standards within NWSSP, each division or service delivery area are required to self-assess against the requirements of the each of the standards in category areas.

The self-assessment tool provides a basis for conversations and putting in place local improvement and action plans, and also informs us where further support is required to strengthen the service offer.

The self-assessment will also enable us to share best practice between divisions and service delivery areas across the organisation.

The overall outcome of the Self-Assessment for 2022/23 were as follows:

Set of Standards	Level of compliance
Correspondence (1,4,5,6,7)	High level of compliance
Telephone services main number/contact centres (8,9,10,11,12,13,14,15,16)	Low to medium level of compliance
Telephone services direct numbers (16,17,18, 19)	Low to medium level of compliance
Telephone automated systems (20)	Medium to high level of compliance
Meetings (21,22, 22A, 22CH)	High level of compliance
Public Meetings (26,27,28,29)	Not applicable
Displaying written material at public meetings (30)	Not applicable
Public Event (31,32,33,34)	Medium to high level of compliance
Forms to be completed by individuals (36)	High level of compliance
Documents available to individuals (37)	High level of compliance
Documents and Forms (38)	High level of compliance
Websites (39,40,,41,42,43)	High level of compliance
Apps (used on electronic devices) (44)	High level of compliance
Social media (45,46)	Medium to high level of compliance
Signage in publicly accessible areas (47,48,49)	Medium to high level of compliance
Reception services (50, 52, 53)	Medium level of compliance
Applications and documents for grants (54,55,56)	High level of compliance
Invitations to Tender (57,58,59)	High level of compliance
Promote Welsh language services (60-61)	High level of compliance
Corporate Identity (62)	High level of compliance
Public Address Systems (64)	Not applicable

We review our protocols that are available to all members of staff employed by NWSSP annually to ensure that our protocols and processes are deliverable across all service delivery areas. All protocols are available on our internal Welsh language support page.

We promote that we welcome correspondence and telephone calls in Welsh on our websites and in emails and corporate letterheads.

Most meetings are now hosted on virtual platforms, such as Microsoft TEAMS and Zoom. We have a protocol as to how meetings can be facilitated in both languages and the Welsh language support all divisions and service delivery areas to source interpreters as and when required.

As an organisation, we do not host public meetings where the public are invited to participate or speak, therefore, we consider these standards as not applicable. However, it is important to state that agendas and minutes of the Shared Services Partnership Committee are available in Welsh on our website.

The majority of our events are not public facing. However, when an event is organised, we have a protocol and a checklist in place for event organisers to ensure that they consider and accommodate the Welsh language when planning events.

All NWSSP Forms and Documents intended for use by individuals are available in Welsh, whether they are hard copies or whether they are digital copies. We also recognise that is important for us to give instruction as to how to use these resources where staff manage their administration and dissemination.

Our websites and pages are available in Welsh. The websites are audited on a quarterly basis by the Welsh Language Unit, and if any content is found to be non-compliant, the web authors are contacted immediately with a list of recommendations and corrections to be made. Our websites have a high level of compliance and we have a robust protocol in place to ensure that our website pages remain fully compliant.

Applications to be used on electronic devices that are for use by patients, the public at large or by staff, in specific relation to their employment are made available in Welsh from the outset. We have an effective EQIA system that determines the Welsh language requirements for applications. The Welsh Language Manager works closely with our Planning and Performance Directorate which also hosts our ICT and Project Management Office.

Our social media posts are planned ahead and are translated, if required in advance of any social media events and activities. We reply to Welsh language social media posts in Welsh if a reply is required.

We currently have 12 social media accounts for NWSSP, which consist of 2 You Tube channels and 10 Twitter accounts. All accounts have dedicated administrators from the divisions that they represent. They are trained by the Communications Team and as part of that training, they are made aware of the requirements of the Welsh language standards. All accounts are monitored for compliance by the Communication team on a monthly basis and we have a social media protocol for staff to follow to ensure that posts are compliant

with Standards 45 and 46. If we were to find that accounts were non-compliant at any one time, we will pick this up with the administrators and rectify the situation.

Signage and notices in our buildings/sites are bilingual and the site leads/managers are responsible for ensuring that all NWSSP signage and notices are available in both languages. They undertake a regular audit to check signage at our sites.

We have reception services across 4 administration sites for NWSSP.

Our office in Cardiff is supported by the building's reception services, for which we are not responsible for. Our reception at our north Wales office offers Welsh language services to visitors.

Reception staff at our other two sites in south Wales have been supported to learn key Welsh language phrases to be able to greet visitors to our buildings. There is a protocol in place to support Welsh reception services further if required.

The average number of visitors we welcome to our buildings post the Covid-19 pandemic averages 10.5 visitors per month per site. Most of our staff now work from home and tend to host meetings/appointments virtually.

During 2022/23 we developed a new Student Bursary System, the system will launch on the 1st of April 2023, and will be fully functional in Welsh. The Student Awards System is the only grant giving programme that we host in NWSSP. During 2023/24 we will be developing the Student Streamlining System to be fully bilingual and launch by 2024/25.

We received no requests for Invitations to Tender through the medium of Welsh during 2022/23. We received no tenders through the medium of Welsh in 2022/23. However, we do train all our procurement staff to challenge all commissioning staff in Health Boards and Trusts about the Welsh language requirements in the contracting of services. We also focus on the specification of service/system or goods that are required and outline those requirements clearly in invitations to tender.

Investigation to Telephone Services – outcomes pending.
We received no complaints or concerns about our services in 2022/23.

However, we were contacted by the Welsh Commissioner's Office in October 2022, notifying us that the Commissioner's office had undertaken a series of mystery shoppers calls to selected Velindre University NHS Trust telephone numbers, one of those numbers was our main telephone number, where we failed to offer a Welsh language service on our main telephone number 01443 848585 at 11.54am on 24 June 2022.

The Welsh Language Manager investigated internally and provided a response to the Welsh Language Commissioner by the 31st of January 2023. As of the 31st of March 2023, we are still awaiting the outcomes of the investigation from the Welsh Language Commissioner's Office.

We have outlined improvements we intend to make in our investigation and have begun to roll those improvements in priority areas. This work will continue in 2023/24.

Policy Making Standards (Standards 69 – 77)

NHS Wales Shared Services Partnership is hosted by Velindre University NHS Trust.
All our policies are therefore Velindre University NHS Trust policies.

Velindre University NHS Trust follows all Wales policies, which consider the Welsh language when they are produced or reviewed.

Whenever we need to develop or review a local NWSSP protocol, we ensure that the Welsh language is considered in the development or review of that protocol. All relevant protocols are available in Welsh.

We do have a policy on the use of the Welsh language in NWSSP and it is available on our Welsh Language support intranet page.

Operational Standards (Standards 79 – 114)

As part of the self-assessment process we also included the operational standards.
The outcomes from the self-assessments for Operational Standards are as follows:

Set of Standards	Level of compliance
Welsh Language Policy – Using Welsh internally (79)	High level of compliance
Contract of Employment (80)	High level of compliance
Documents relating to employment of employees (81)	High level of compliance
Policies relating to employment & workplace (82)	High level of compliance
Complaints made by staff & disciplinary matters (83 – 88)	High level of compliance
Computer software for spelling and grammar & interfaces (89)	Medium to high level of compliance
Intranet pages (90 – 95)	High level of compliance
Assessing Welsh language skills of employees (96)	Medium level of compliance
Training for staff in key areas (97 & 98)	Medium to high level of compliance
Opportunities to learn Welsh (99 – 103)	High level of compliance
Email signatures, wording and Welsh language logo (104)	High level of compliance
Welsh badges and branding for staff (105)	High level of compliance
Assessing skills, advertising, recruiting & onboarding (106 – 109)	Medium to high level of compliance.
Signage & notices (113)	High level of compliance
Recorded announcements (114)	Not applicable.

We have a local Welsh language protocol for NWSSP and this is available to all staff on our Welsh language support page on the intranet. It is communicated widely and also referred to in meetings with divisions.

The contract of employment, policies and documents relating to employment are available in Welsh and are available on our People and OD intranet pages for all staff to access.

There is an all Wales policy on complaints and disciplinaries, and the Welsh language has been considered in the development and delivery of that policy. The policy is available in Welsh.

In most cases Welsh language software is made available to staff across the organisation.

All intranet pages detailed in our compliance notice are available in Welsh. When a new page is produced and published it is done so in Welsh at the same time as the English version of the page. Any reviews and updates are undertaken in both languages at the same time.

NWSSP's record for recording Welsh language skills is currently at 95%. We recognise that we need to find a solution to enable trainees on the SLE programme to be able to access ESR from smart devices to be able to update their skills on ESR. We will be addressing this in 2023/24.

We have developed a number of training courses in Welsh:

- All statutory and mandatory training on ESR is available in Welsh, these also include dealing with the public, health & safety
- We provide training for managers to cover recruitment and interviewing, performance management, complaints and disciplinary procedures, induction and dealing with the public. We embed Welsh language considerations into the training itself.
- We've also developed training on using the Welsh language in meetings and interviews and these are supported by local protocols.
- Training is available on the all Wales policy in handling and managing complaints and disciplinary procedures.

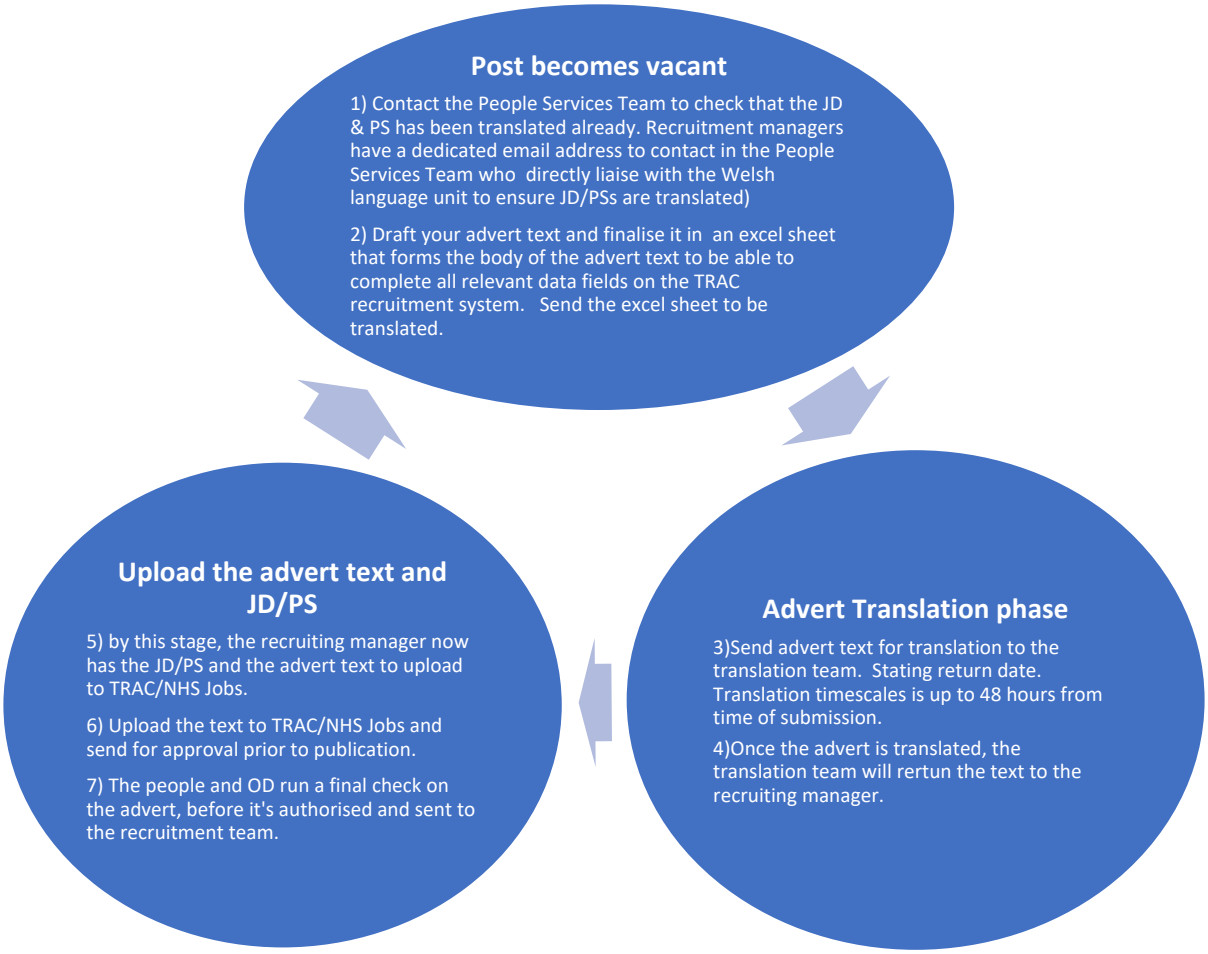
All the training is supported with local protocols for managers and staff to follow to ensure that we comply with standards 97 and 98.

We are committed to providing training to staff to learn the Welsh language and to be aware of the language and culture of Wales.

In 2022/23, 108 members of staff received induction training, and within that training there is information about the Welsh language and their obligations as employees to comply with our Welsh language standards. They are also informed and signposted to where they can find support to deliver our services through the medium of Welsh.
We offer a number of opportunities to introduce our staff to the Welsh language and culture. As specified in Standards 99 to 103.

Compliance with Standard 106A

NHS Wales Shared Services categorises vacant or newly created posts as either Welsh essential or Welsh desirable, and we have introduced a matrix to determine which skill category is most relevant to each vacancy. We have devised a protocol and a system whereby all advertisements are translated and published on the TRAC recruitment system and NHS Jobs in both Welsh and English since June 2022. We regularly review the system to capture any issues that arise in the creating vacancy advert process.



Opportunities to learn Welsh:

We currently have a provider to host Welsh language courses to our staff.
The courses that were hosted in 2022/23 were as follows:

Course Level	Number of staff enrolled onto the courses
Entry Level 1	14
Entry Level 2	14
Foundation Level 1	4
Intermediate Level 1	3
Higher Level 1 part 2	5
Work Welsh Welcome part 1	10
Work Welsh Welcome back part 2	12

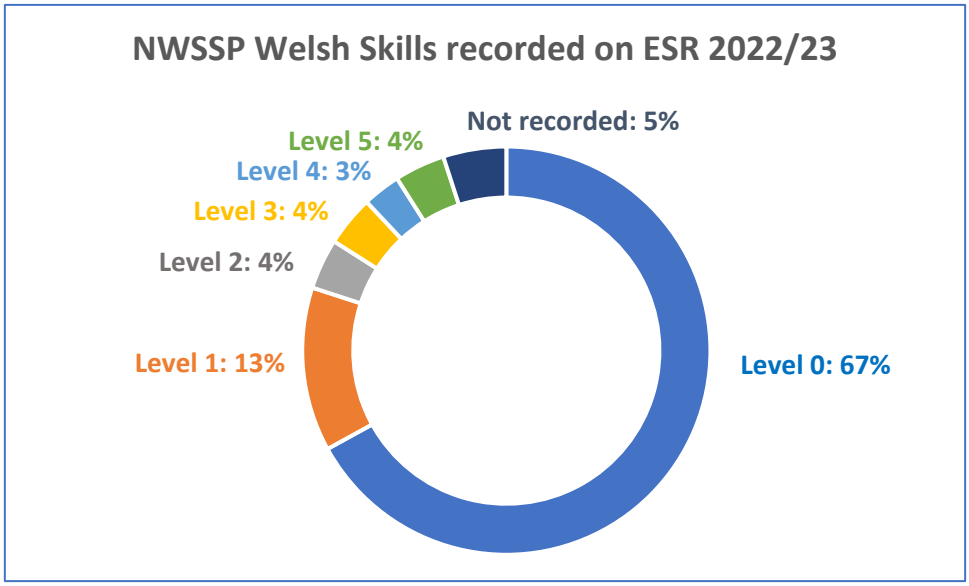
All these courses are hosted during work time. The cost of the courses and coursebooks are covered by NWSSP as the employing organisation. We actively promote opportunities to learn Welsh to all NWSSP employees. We also promote other opportunities apart from the Learn Welsh courses, such as Duolingo and Say Something in Welsh.

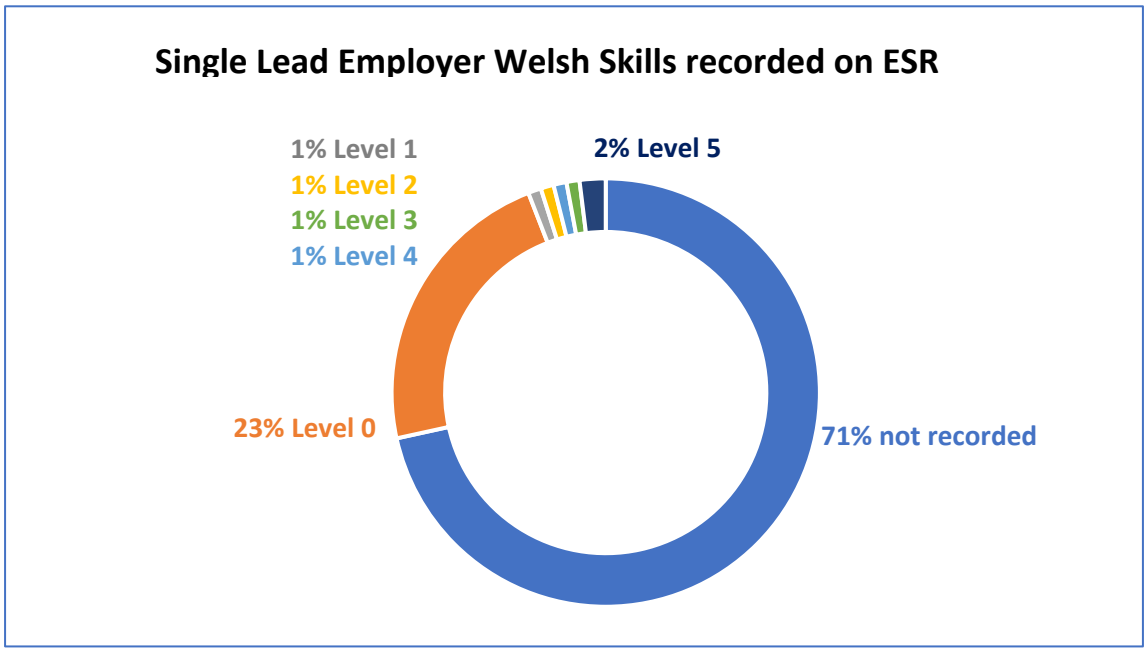
Record Keeping Standards (115 – 117)

Record Keeping Standards - Complaints and Concerns - Standard 115:

We did not receive a complaint nor a concern about our services in 2022/23.
However we did receive notice of investigation from the Welsh Commissioner's office in autumn 2022. We responded by 31 January 2023. Outcomes pending as at 31 March 2023.

Record Keeping Standards - Recording Welsh Language Skills on ESR - Standard 116:





Information about Single Lead Employer:

Prior to 2015, trainees who undertook a training programme requiring them to rotate/move over various departments, in different hospitals and/or health boards every 6 months, would then need to complete new starter paperwork for every rotation (e.g. payroll forms, pre employment checks). So, the Single Lead Employer (SLE) arrangement was put into place so the trainees could be employed by one employer throughout the duration of their training programme.

It was then agreed that not only would the SLE employ GP Trainees but all Medical & Dental training groups over Wales. Since Aug 2020, the team have been transferring a different trainee group from Health Board employment to SLE employment every month.

Once the transfer process has been completed for each group, they then become SLE's responsibility. The groups will continue to transfer to SLE individually and is scheduled to be fully complete in May 2022. The SLE team will then directly employ any new intakes for the groups, which includes onboarding tasks such as undertaking pre employment checks and processing New Employee forms for payroll.

The benefits of the SLE model for Trainees are:

For the whole of the training scheme, the trainee will have one employer. This means that if you rotate into a different organisation you will remain employed by NWSSP and your employment checks will not generally require re-examination.

It is anticipated that the model will cut down bureaucracy, provide greater equity and improve the working experience for trainees.

Prior to the new arrangements, each time a trainee moved from one health board or host organisation to another, they had to change employer. This was time-consuming and caused problems in areas such as mortgages, tax codes, access to employee service based entitlements (e.g. cycle to work, childcare vouchers). These problems will be removed by the new arrangements.

The benefits to the Health Boards/Trusts and HEIW:

- Economies of scale savings for NHS Wales;
- One point of contact for employment support and expertise for all trainees;
- Streamlining of transactional processes; and
- Increased close working with GMC/BMA/GDC/GPC/NHS Wales Employers in relation trainee contractual matters.

The Welsh language is integrated into the SLE Programme, the challenges we face is the accessibility to ESR to be able to record language skills, and to undertake statutory and mandatory training, due to the nature of the work of all of our trainees.

To this end, we're currently exploring ways and means of making ESR more accessible to our trainees across all NHS organisations in Wales. It is our intention to address this issue in 2023/24.

Record Keeping Standards - Advertising vacancies – Standard 117:

Total number of vacancies advertised as:	
Welsh language skills are essential	2
Welsh language skills are desirable	646
Welsh language skills need to be learnt when appointed to the post	0
Welsh language skills are not necessary	33
Total Number of vacancies advertised 01/04/2022 - 31/03/2023	681

NHS Wales Shared Service's Senior Leadership Group, agreed unanimously in 2020/21 that the basic requirement for advertising vacancies at NWSSP would be Welsh Desirable. We are an inclusive organisation that welcomes and values Welsh language skills.

The two vacancies that were advertised as Welsh Essential were:

- Translator for the Welsh Language Unit – recruited
- Call Agent for the ESR Support Desk - recruited

There were fewer vacancies advertised where Welsh skills were not necessary:

- 15 of these vacancies were test vacancies, and were not advertised publicly.
- 4 of these vacancies were hidden/internal adverts for people on a redeployment list.
- 14 of these vacancies were due to human error* and/or due to old vacancies stored in the TRAC recruitment system that had been noted as 'Welsh language skills are not necessary' previously.

*There is a protocol in place to check the language skills required for vacancies, and this protocol will be implemented more rigorously in 2023/24. A copy of the protocol is available in Appendix 1, to this report. Managers who selected Welsh language skills are not necessary will be communicated with directly and provided training on advertising based on language assessment of either Desirable or Essential.

We have also identified posts within NWSSP where Welsh Language Skills would be 'Essential" until services can offer a minimum of 20% to 25% compliment of Welsh speaking staff across service delivery areas. These posts are:

- Reception staff
- Call handling staff on main telephone and helpline numbers
- Communication roles

We intend to continue to build capacity in critical areas where there is engagement and liaison with customers, services users, patients and the public at large.

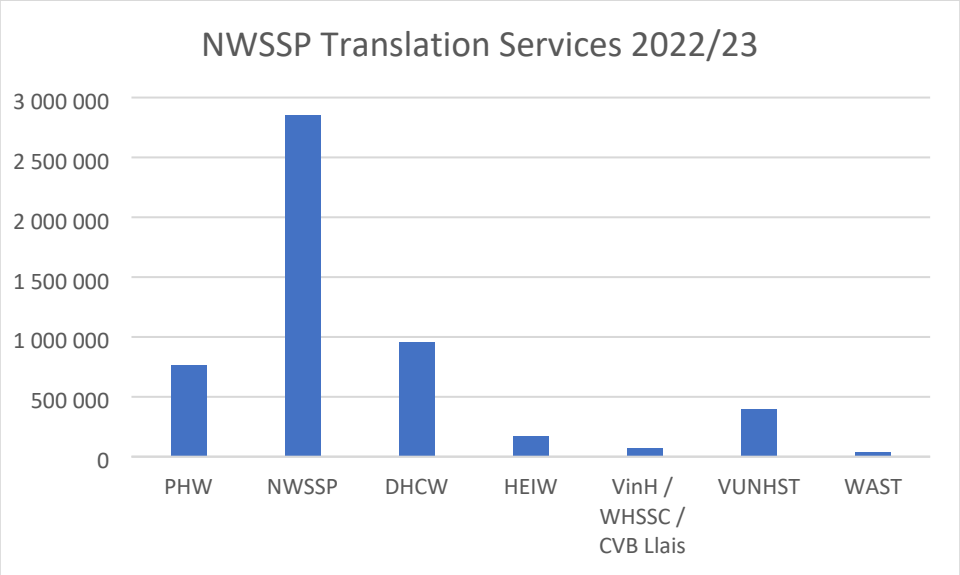
This will be achieved combined with opportunities to improve and build confidence in the use of the Welsh language amongst existing staff and targeting the offer of those courses to relevant service delivery teams.

Projects and Support Services 2022/23:

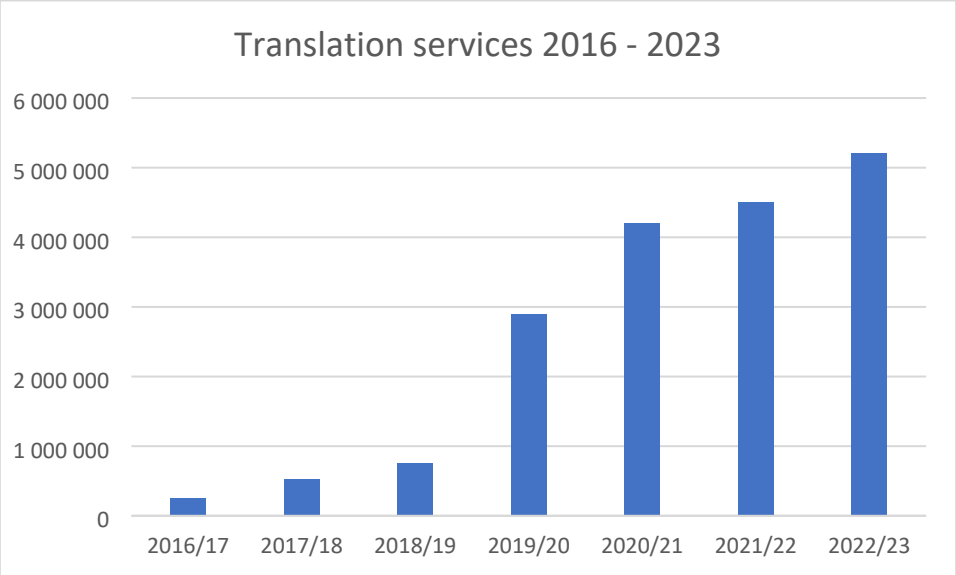
Translation services:

The demand for translation services continues to grow, and this year we've translated even more words that in 2021/22. In 2022/23 NWSSP has translated a total of over 5.2million words for the following organisations:

- NHS Wales Shared Services Partnership
- Velindre University NHS Trust
- Public Health Wales NHS Trust
- Digital Health Care Wales
- Health Education Improvement Wales
- Wales Ambulance Service Trust
- Value in Health Care
- WHSSC



The illustration below demonstrates clearly the increase in demand for Welsh language translation services from the NWSSP Welsh Language Unit between 2016/17 and 2022/23. The introduction of the Welsh Language Standards has influenced the increase in demand in 2019/20 and the demand has steadily increased over the last four years. We continue to build capacity to be able to support smaller NHS organisations with translation services support.



It is clear to see that the Welsh Language Standards have been a driving force in the demand for Welsh language translation services from 2018/19 onwards. The aspiration and determination of NWSSP and other NHS organisations to improve service delivery through the medium of Welsh is clearly demonstrated in the increase in these figures.

Easy-read Patient Information Leaflets
During the year, we've undertaken a full review of existing easy-read leaflets and new leaflets and have ensured that the translation of these leaflets are suitable for the audience for which they are intended.

Student Awards System
We reviewed the old system to ensure that the user journey was entirely through the medium of Welsh. During 2022/23 we have commissioned a new developer and a new Student Awards System, whereby the interface for students will be available through the medium of Welsh as well as any mail tips, correspondence and messages that are generated by the system. This work will continue into 2023/24.

Workforce Reporting System
This site provides a Web Portal for Primary Care Data accessible to GP practice staff, Clusters and Health Boards of NHS Wales and other approved stakeholder organisations. This site is only available to registered users. However, we have ensured that the system is bilingual.

Duty of Candour Public Video
We have supported the production of an animated video for the public in Wales about the duty of candour in collaboration with Welsh Government.
The video is available in both Welsh and English.

Counter Fraud Awareness Course and App
The Counter Fraud Awareness Course for all Wales NHS Staff is available in Welsh, as is the application for NHS Staff to report fraud or suspicion of fraud in NHS Wales.

All Wales GDPR Awareness Course
We have been supporting the production of the All Wales GDPR Awareness Course through the medium of Welsh and this will be available to launch in 2023/24.

All Wales Occupational Health System for NHS Wales Staff
The specification in the tender process for this system has included detailed requirements for the system interface and any correspondence/messages and mail tips to be available through the medium of Welsh as well as English. Further work on this system will continue in 2023/24.

Audit and Assurance Services Promotional Video
The NWSSP Audit and Assurance Services produced a promotional video to inform our customers of what Audit and Assurance Services do and how they conduct audits across NHS Wales. The promotional video is available in Welsh.

Finance Academy promotional video
The Finance Academy hosted by NWSSP created a video to promote the opportunities that the Finance Academy offers in terms of training and careers in finance within NHS Wales. The video is available in Welsh.

More Than Just Words

The More Than Just Words five year plan 2022 – 2027 was published in September 2022. We have developed a draft plan to identify areas of priority for NWSSP in supporting NHS organisations and ourselves in achieving the ambitions of the strategy and identifying further future opportunities in improving our services for the future. We will be reporting on our initial (September 2022 – March 2023) progress to Welsh Government by the endo f June 2023.