

# Wednesday 19 April 2023 - NWSSP Audit Committee

Wed 19 April 2023, 14:00 - 16:00

By Microsoft Teams

## Agenda

---

**14:00 - 14:15**  
15 min

### 1. Standard Business

*Martin Veale*

#### 1.1. Welcome and Opening Remarks (verbal)

*Martin Veale*

#### 1.2. Apologies

*Martin Veale*

#### 1.3. Declarations of Interest

*Martin Veale*

#### 1.4. Minutes of Meeting Held on 24 January 2023

*Martin Veale*

 1.4 Final Audit Cttee minutes 24012023.pdf (9 pages)

#### 1.5. Matters Arising

*Martin Veale*

 1.5 Matters Arising.pdf (2 pages)

---

**14:15 - 14:25**  
10 min

### 2. NWSSP Update

*Neil Frow*

 2 MD Update April 23.pdf (4 pages)

---


**14:25 - 14:40**  
15 min

### 3. External Audit

*Steve Wyndham*


#### 3.1. Audit Wales Update

*Steve Wyndham*

 3.1 Audit Wales update paper - NWSSP April 2023 .pdf (3 pages)

#### 3.2. Audit Assurance Arrangements for NWSSP 2022-23

*Steve Wyndham*

 3.2 2022-23 Audit Assurance Arrangements - NHS Wales Shared Services Partnership.pdf (10 pages)

14:40 - 15:05  
25 min

## 4. Internal Audit

*James Johns*

### 4.1. Progress Report

*James Johns*

 4.1 NWSSP Audit Cttee Progress Report April 23.pdf (7 pages)

### 4.2. Audit Reports

*James Johns/Sophie Corbett*

#### 4.2.1. Student Award Services Follow Up Review

*James Johns/Sophie Corbett*

 4.2.1 Student Awards Service Follow Up - Final Report.pdf (12 pages)

#### 4.2.2. Risk Management & Assurance Mapping Report

*James Johns/Sophie Corbett*

 4.2.2 Risk Management & Assurance Mapping Final Internal Audit Report.pdf (11 pages)

#### 4.2.3. Payroll Services

*James Johns/Sophie Corbett*

 4.2.3 Payroll Services Final Internal Audit Report.pdf (11 pages)

#### 4.2.4. Primary Care Contractor Payments

*James Johns/Sophie Corbett*

 4.2.4 Primary Care Services Contractor Payments Final Report.pdf (12 pages)


### 4.3. Draft Internal Audit Plan 2023-24

*James Johns*

 4.3 A&A Draft Internal Audit Plan 2023-24.pdf (27 pages)

### 4.4. External Quality Assessment

*Simon Cookson*

 4.4 NWSSP External Quality Assessment - PSIAS EQA - March 2023.pdf (15 pages)





15:05 - 15:20  
15 min

## 5. Counter Fraud

*Mark Weston*

### 5.1. Progress Update

*Mark Weston*

-  5.1 Period 4 2022 2023 LCFS Progress Report .pdf (9 pages)
-  5.1 Appendix 1 Payroll feedback.pdf (5 pages)
-  5.1 Appendix 1 POD Feedback.pdf (4 pages)
-  5.1 Appendix 1 AP Comments & Feedback.pdf (4 pages)

#### 5.1.1. NWSSP Thematic Progress Report

Mark Weston

 5.1.1 Wales Shared Services Thematic final progress report 25-01-2023.pdf (99 pages)

## 5.2. Counter Fraud Annual Plan 2023-24

Mark Weston

 5.2 Draft CF Annual Plan 2023 24.pdf (27 pages)

---

15:20 - 15:50

30 min

## 6. Governance, Assurance & Risk

### 6.1. Governance Matters

Andy Butler

 6.1 Final Governance Matters April 2023.pdf (13 pages)

### 6.2. Financial Valuation

Andrew Butler

#### 6.2.1. Stock Valuation

Andrew Butler

 6.2.1 AC Stock Loss Report 2023 year end.pdf (7 pages)

#### 6.2.2. Fixed Assets Summary


Andrew Butler

 6.2.2 2022-23 Fixed Asset impairment summary.pdf (4 pages)

### 6.3. Risk Register

Peter Stephenson

 6.3 Corporate Risk Register .pdf (3 pages)

 6.3 Appendix A Corporate Risk Register April 2023.pdf (3 pages)

### 6.4. Tracking of Audit Recommendations

Peter Stephenson

 6.4 Tracking of Audit recommendations report April 2023 .pdf (2 pages)

 6.4 06042023 Appendix A progress of recommendations.pdf (5 pages)

### 6.5. Audit Committee Forward Plan

 6.5 Audit Committee Forward Plan.pdf (3 pages)

---

15:50 - 16:00

10 min

## 7. Items for Information

### 7.1. NHS Audit of Accounts 2022-23

 7.1 NHS Audit of Accounts 2022-23.pdf (2 pages)

 7.1 NHS Audit of Accounts 2022-23.pdf (7 pages)

---

16:00 - 16:00

0 min

## 8. Any Other Business (By Prior Approval Only)

---

16:00 - 16:00  
0 min

## 9. Time and Date of Next Meeting, Tuesday 11 July 2023





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

**MINUTES OF THE MEETING HELD ON  
TUESDAY 24 JANUARY 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
<b>1. STANDARD BUSINESS</b>		
<b>1.1</b>	<b>Welcome and Opening Remarks</b> Welcome was given to Audit Committee members.	
<b>1.2</b>	<b>Apologies</b> Apologies were received from Steve Ham, Velindre NHS Trust.	
<b>1.3</b>	<b>Declarations of Interest</b> MV declared a potential interest as an Audit Committee independent member at Monmouthshire County Council, in item 6.1 of the agenda relating to surplus beds and their distribution to local authorities and care homes. LP confirmed that NWSSP was not involved in the arrangement as to where the beds were allocated as Welsh Government coordinated this, so there is no conflict of interest.	
<b>1.4</b>	<b>Minutes of Meeting held on 11 October 2022</b> The minutes of the meeting held in October 2022 were <b>AGREED</b> as a true and accurate record of the meeting.	

Item		Status
1.5	<p><b>Matters Arising from Meeting on 11 October 2022</b></p> <ol style="list-style-type: none"> <li>1. SW stated that there is no further update on defined criteria for risk ratings and he was unable to confirm if and when this might be addressed. Members agreed that a sensible approach would be to remove the action from the matters arising log and monitor progress through the forward planner. SW would bring back an update to the July meeting.</li> <li>2. Positive and constructive feedback has been received from the Finance Academy Board regarding the recently developed counter fraud e-learning package. AB would discuss with the NWSSP Director of People and OD the possibility of making the course mandatory.</li> <li>3. Health and Care Standards - On agenda.</li> <li>4. SW confirmed that fee consultation responses had been published on the Audit Wales website a week prior to the meeting. Audit Wales had not yet reviewed the full list of comments received but further discussion would take place with any Health body that raised a concern.</li> <li>5. It was agreed at the last meeting, that the action plan arising from the Project Governance internal audit review, would be monitored via the respective Governance Boards to avoid duplication. An update on progress would be brought to the April 2023 meeting.</li> <li>6. CW to arrange a future face to face Audit Committee meeting. MV was conscious of the geographical location of some members and suggested that a face-to-face meeting would be beneficial, but it should be planned well in advance for those travelling a significant distance. It was therefore agreed that the 11 July 2023 meeting would be held face to face at IP5, to include a tour of the site for independent members.</li> </ol> <p>TM asked that deadlines be recorded on the action plan to ensure they are specific and are time bound for responsible owners.</p>	CW
2.0	<p><b>NWSSP Update</b></p> <p>NF provided an update to the committee as to recent developments within NWSSP since the last meeting, including:</p> <ul style="list-style-type: none"> <li>• Technology was successfully implemented on 30<sup>th</sup> September 2022 across NHS Wales to allow pre-employment checks to be undertaken virtually for all UK and Irish passport holders. A reduction in time to hire has been noted since its implementation, however recruitment activity continues to be a challenge across Wales;</li> <li>• Following a recent national Penicillin V shortage, CIVAS@IP5 medicines unit utilised its national portfolio and MHRA wholesale dealer licence to procure significant quantities of Penicillin direct from the manufacturer;</li> </ul>	

Item		Status
	<ul style="list-style-type: none"> <li>• From the 1<sup>st</sup> April 2023 management of all emergency planning / medicines storage of Welsh Government owned stock will transfer to NWSSP;</li> <li>• On 22<sup>nd</sup> December 2022, the Low Vision Service Wales (LVSU) transferred to NWSSP, it was previously undertaken by Hywel Dda UHB;</li> <li>• Work is continuing to assist Welsh Government in the establishment of the new Citizens Voice Body and a separate virtual private database code has been established;</li> <li>• Capital funding for the Laundry Services Modernisation Programme continues to be an issue, NWSSP are currently considering alternative options to progress the work needed to meet the minimum standards; and</li> <li>• Neil Davies is retiring as the Director of Specialist Estates Services; his deputy Stuart Douglas has been successfully appointed and will commence in post in February.</li> </ul> <p>The Committee <b>NOTED</b> the Update Report.</p>	
<b>3. EXTERNAL AUDIT</b>		
<b>3.1</b>	<p><b>Audit Wales Update</b></p> <p>SW presented the latest position statement and details as to current and planned work. The audit of Local Authority accounts is currently on-going and the exact timings of the audits for NWSSP and other NHS Wales organisations is still uncertain. The delay is due to the introduction of the new auditing standards which has significantly impacted the team's capacity. Richard Harries has taken over from Clare James as Engagement Director and a meeting had been arranged to introduce Richard to AB and NF.</p> <p>The Committee <b>NOTED</b> the Update.</p>	
<b>4. INTERNAL AUDIT</b>		
<b>4.1</b>	<p><b>Internal Audit Position Statement</b></p> <p>JJ presented the latest Internal Audit Position Statement together with an overview of other activity undertaken since the previous meeting. Key points to highlight are that three further audits have been completed, all of which received a reasonable assurance opinion. A number of other audits are in progress. The team are currently developing the 2023-24 Internal Audit Plan, and this will be reviewed with the Senior Leadership Group in March and brought to the Audit Committee for formal approval in April 2023.</p> <p>The Committee <b>NOTED</b> the Position Statement.</p>	
<b>4.2</b>	<p><b>Internal Audit Reports</b></p> <p>The following Internal Audit Reports were presented to the Committee by SCo:</p> <p><b>Recruitment Services</b></p>	

Item		Status
	<p>The report received reasonable assurance, with two recommendations for action. The Committee expressed concerns regarding the adequacy of the management response on one of the recommendations and requested AB to discuss this with the Director of People and OD outside of the meeting.</p> <p>AB emphasised that the recruitment team had been under significant pressure due to increased activity for a long period of time. Over 30 additional staff have been recruited to help meet the spike in demand and it was therefore pleasing to receive such a positive outcome from the internal audit review.</p> <p><b>Laundry Services – Glan Clwyd</b></p> <p>The audit achieved a rating of reasonable assurance with one high priority recommendation relating to the physical condition of the building and security of the site and one medium priority rated recommendations for action. The Laundry Transformation Programme would address these issues but at present funding to take forward the required improvements is still being negotiated with Welsh Government.</p> <p>VM highlighted the significant progress made in relation to PADR compliance for the service. The service was congratulated for their efforts in achieving an 85% compliance rate.</p> <p><b>Accounts Payable</b></p> <p>The report covers the annual review of Accounts Payable on behalf of NHS Wales who all utilise the service. The report noted the significant increase in the workload of the division in recent years. The opinion of reasonable assurance was given after three medium and one low priority recommendations were noted.</p> <p>The Committee <b>NOTED</b> the Internal Audit Reports.</p>	<b>AB</b>
<b>5. COUNTER FRAUD</b>		
<b>5.1</b>	<p><b>Counter Fraud Position Statement</b></p> <p>MW presented the Counter Fraud Position Statement to the Committee. As at 31 December 2022, a total of 148 days of Counter Fraud work has been completed against the agreed 242 days in the Counter Fraud Annual Work-Plan for the 2022/23 financial year. The report summarised the following activity in the last quarter:</p> <ul style="list-style-type: none"> <li>○ Three fraud awareness sessions have been delivered and a fraud awareness survey was issued to staff with 304 responses received;</li> <li>○ Positive feedback has been received from the Finance Academy in regard to the new e-learning package;</li> </ul>	

Item		Status
	<ul style="list-style-type: none"> <li>○ There have been two cases of fraud referred, relating to working whilst on sick leave, and a salary overpayment where a repayment plan has been agreed;</li> <li>○ A case from the previous quarter relating to a Primary Care Contractor selling PPE items on social media totalling the value of £2,700 remains ongoing; and</li> <li>○ Undertaking of risk assessment exercises in partnership with other counter fraud leads to avoid duplication.</li> </ul> <p>VM asked if there are any Key Performance Indicators (KPI's) or targets in place to report against for staff training. MW confirmed that there are no KPI's set at present, but this is being considered.</p> <p>The Committee <b>NOTED</b> the Update.</p>	
<b>6. GOVERNANCE, ASSURANCE AND RISK</b>		
<b>6.1</b>	<p><b>Update on Surplus Beds</b></p> <p>LP presented a paper on the utilisation of surplus bed stock that resulted from the NHS Wales Covid response. At the start of the response to the pandemic in early March 2020, NWSSP were requested by Welsh Government to co-ordinate the central purchase of beds and mattresses for NHS Wales to equip the field hospitals being established.</p> <p>As the pandemic progressed, it became evident that the first wave in Wales was not going to realise the forecast demand for field hospital beds, and NWSSP worked with suppliers to cancel a number of large orders for beds that had been placed and at that point had not yet been delivered. There were however a large number of beds that had been delivered to field hospitals that were in the process of being dis-established and were subsequently placed in storage provided by Welsh Government.</p> <p>At 31st March 2021, the bulk of the surplus stock of these beds remained despite numerous attempts for the items to be provided to UHBs as part of any bed replacement programme. UHBs deemed these beds as not being of hospital grade and therefore unsuitable for use within NHS Wales. Due to this, Audit Committee and Welsh Government approval was sought to write off the value of these beds in 2020/21 totalling £5.7million which was funded by Welsh Government</p> <p>At September 2022 we reported 2,328 surplus beds remained in stock with 198 of these being provided during the month for transport to hospitals in Moldova supporting the Ukraine war response. At that time it was reported that options were being explored with Welsh Government to repurpose the remaining beds and mattresses. At the beginning of January 2023, an additional 1,805 beds and 1,667 mattresses have been repurposed to Local Authorities and Care Homes across Wales, with only 325 beds and 463 mattresses now remaining to be allocated.</p>	

Item		Status
	The Committee <b>NOTED</b> the Update.	
6.2	<p><b>Risk Management</b></p> <p>PS presented a number of Risk Management documents to the Audit Committee:</p> <p><b><i>Risk Appetite Statement</i></b></p> <p>This requires annual review by the Committee and was last presented at the June 2021 meeting. The statement was informally reviewed at the Shared Services Partnership Committee (SSPC) Development Day on 11 November 2022 and the Informal Senior Leadership Group on the 10<sup>th</sup> of November. It was then formally approved at the SSPC held on 19<sup>th</sup> January.</p> <p>Following the two reviews in November 2022 referred to above, the statement has been significantly amended, both in terms of content and format. The format has been updated to reflect the latest guidance from the Good Governance Institute and the content has been updated to reflect a bolder approach to taking risk, which was encouraged by both members of the SLG and SSPC.</p> <p>VM asked how assurance would be provided that the additional level of risk-taking endorsed by the SSPC would not have a detrimental effect on quality. PS replied that the Statement is a high-level guide and that all decisions and associated risks would continue to be judged on their individual merits, with controls and further mitigating actions in place to give a better chance of a successful outcome.</p> <p>GJ asked if the Risk Statement was consistent (and whether it needed to be) with the Velindre NHS Trust's Statement as host. PS replied that there was no requirement for them to be the same as each organisation delivered separate services. He also highlighted that both LF and MV were at the development day where the revision in approach was agreed.</p> <p><b><i>Corporate Risk Register</i></b></p> <p>Following a deep dive of the risk register at the November SLG the number of red risks has increased significantly and are summarised below.</p> <ul style="list-style-type: none"> <li>• Inflationary consequences of the situation in Ukraine and the resultant impact on energy prices remains red;</li> <li>• As a consequence of the above risk, an additional risk has been identified, which considers the role that NWSSP plays as lead purchaser for the whole of NHS Wales, and the reputational risk that is associated with the role;</li> <li>• Existing risk relating to the impact of industrial action has been escalated from amber to red, as strike action is confirmed;</li> </ul>	

Item		Status
	<ul style="list-style-type: none"> <li>• Similarly, the existing risk of having insufficient staff resource to meet demands has also been escalated from amber to red;</li> <li>• The current dispute with the supplier of a new system has also been escalated from amber to red;</li> <li>• The Laundry Transformation Programme has been added as a red risk due to the uncertainty over of capital funding for the scheme; and</li> <li>• Issues with the roof at Brecon House in Mamhilad has also been added as a red risk due to serious damage through water ingress and falling masonry, making the building unsafe for staff.</li> </ul> <p><b>Risk Assurance Mapping</b></p> <p>PS presented the update to the Committee, explaining that Assurance maps for NWSSP had first been presented to the Audit Committee in November 2017 and are updated annually to ensure they remain current. The last review demonstrated that the vast majority of risks had adequate assurance in place and the maps had been updated to include newly acquired services, such as Medical Examiner, Laundry and CIVAS.</p> <p>PS reminded Committee members that the assurance maps focus only on inherent risks (i.e. the specific risks of doing business) and that having the right assurances in place is not a guarantee that things will not go wrong but rather an early warning mechanism if they do.</p> <p>An internal audit of risk management is currently underway, and the assurance maps are included within the scope of the audit.</p> <p>The Committee <b>NOTED</b> the Update.</p>	
6.3	<p><b>Health and Care Standards</b></p> <p>PS presented the committee with an update on the Health and Care Standards annual Self-Assessment, which is consistent with last year's evaluation of Level 4. The eight appendices were not included in the board pack due to the size of the files, however it was confirmed that they had been reviewed and approved at the Velindre NHS Trust Quality and Safety Committee (QASC) in November, chaired by VM. The report was then taken to the SSPC earlier this month for endorsement.</p> <p>PS explained that the new Duty of Quality Bill is being introduced from April and he understood that the requirement to complete the Health and Care Standards would end. It would therefore be useful to discuss the implications of the Duty of Quality at a future meeting.</p> <p>VM confirmed that Velindre NHS Trust Senior Management Team have recently discussed the cycle of business for the forthcoming year and ultimately any actions from the Health and Care Standards action plan 2021-22 report would be addressed under the new duty.</p> <p><b>The Audit Committee NOTED the Health and Care Standards Self-Assessment update.</b></p>	

Item		Status
6.4	<p><b>Governance Matters</b></p> <p>AB presented the paper, which provides the Committee with an update on relevant matters since the last Committee meeting, including that:</p> <ul style="list-style-type: none"> <li>• There have been no departures from Standing Orders;</li> <li>• NWSSP let 38 contracts during the reporting period;</li> <li>• 22 All-Wales contracts have been let for the period; of which 10 were at briefing stage, seven at ratification stage and five were extensions against contracts;</li> <li>• There were three declarations made as to gifts, hospitality, and sponsorship during the reporting period;</li> <li>• There was a nil return to Welsh Government in respect of the quarterly update on limited and no assurance reports for Internal Audit.</li> </ul> <p>AB explained that there may need to be further stock write-offs, and increased provisions particularly relating to PPE, as part of the annual accounts process.</p> <p>GJ raised a point relating to the Gifts, Sponsorship and Hospitality declarations section of the paper. Details of the declarations included in the paper were limited and should include more detail. CW will include full details of any Gifts, Hospitality and Sponsorship received going forward.</p> <p>GJ also asked why there was 'no further action' in the procurement action required column. It was agreed that the column was not helpful and would be removed going forward.</p> <p>The Committee <b>NOTED</b> the report.</p>	<p><b>CW</b></p> <p><b>CW</b></p>
6.5	<p><b>Tracking of Audit Recommendations</b></p> <p>PS presented the paper noting the following summary:</p> <ul style="list-style-type: none"> <li>• The master tracker contains information relating to 68 reports, of which 17 achieved substantial assurance, 30 achieved reasonable assurance, one achieved limited assurance and 20 reports were advisory with no assurance applicable;</li> <li>• The tracker contains 248 recommendations, of which 233 were implemented, five were not yet due, four are not within NWSSP gift of implementation and six are overdue.</li> </ul> <p>Of the six recommendations which had not been implemented within the agreed timescales, PS requested extensions. The six recommendations related to two issues – four relating to the Decarbonisation audit where difficulties in appointing a team had delayed the required actions and two relating to the Audit Wales Nationally Hosted Systems review, where the actions of a supplier had delayed the achievement of ISO accreditation.</p> <p>The Committee agreed to extend the decarbonisation actions until the end of June and the Hosted System actions until the end of April.</p>	



Item		Status
	<b>The Audit Committee REVIEWED the overdue recommendations and APPROVED the revised deadlines.</b>	
<b>7. ITEMS FOR INFORMATION</b>		
7.1	IMTP Plan on a page	
7.2	Welsh Language Annual Report 2021-22	
7.3	Audit Committee Forward Plan	
<b>8. ANY OTHER BUSINESS</b>		
<b>8.1</b>	<b>Any Other Business</b> <ul style="list-style-type: none"> <li>Nothing raised.</li> </ul>	
<b>DATE OF NEXT MEETING:</b> Wednesday, 19 April 2023 from 14:00-16:00 via Teams		

<b>Actions arising from the meeting held on 24 January 2023</b>				<b>Action by</b>
1.	<b>SW</b>	<b>External Audit - Nationally Hosted NHS IT Systems Report</b> To review the Audit Wales risk category priority risk ratings and bring back an update to the October 2022 Committee meeting, for clarity on the matter.	<b>Complete</b>	<b>April 2023</b>
2.	<b>MW</b>	<b>Counter Fraud Annual Plan 2022-23</b> MW to bring details of the new e-learning package back to the Committee, once complete.	<b>Complete</b> The All-Wales NHS Counter Fraud E-Learning Module will be launched on Tuesday 18 <sup>th</sup> April.	<b>April 2023</b>
3.	<b>AB</b>	<b>Internal Audit</b> To obtain an update on progress from the Programme Governance Boards regarding the action plan being monitored by the Groups.	<b>Complete</b> Both reports have been considered by the Laundry Governance Board in February 2023 and Transforming Access to Medicines Programme Board on 27 March 2023.	<b>April 2023</b>
4.	<b>CW</b>	<b>Committee Administration</b> To arrange a face-to-face Audit Committee meeting in 2023.	<b>Complete</b> July meeting will be face to face and will be held at IP5 in Newport.	<b>April 2023</b>
5.	<b>AB</b>	<b>Internal Audit</b> To discuss the adequacy of the management response contained in the Recruitment Services internal audit report with the responsible Director.	<b>Complete</b>	<b>April 2023</b>
6.	<b>CW</b>	<b>Governance Matters</b> To include full details of any Gifts, Hospitality and Sponsorship received going forward.	<b>Complete</b>	<b>April 2023</b>
7.	<b>CW</b>	<b>Governance Matters</b> To make arrangements for the 'no further action' column to be	<b>Complete</b>	<b>April 2023</b>

		removed from the contracting activity listed in appendix A of the Governance Matters report.		
--	--	--	--	--

<b>MEETING</b>	Velindre University NHS Trust Audit Committee for NHS Wales Shared Services Partnership
<b>DATE</b>	19 April 2023
<b>AGENDA ITEM</b>	2.0
<b>PREPARED BY</b>	Peter Stephenson, Head of Finance and Business Development
<b>PRESENTED BY</b>	Neil Frow, Managing Director
<b>RESPONSIBLE HEAD OF SERVICE</b>	Neil Frow, Managing Director
<b>TITLE OF REPORT</b>	NWSSP Update

## **PURPOSE**

To update the Committee on recent developments within NWSSP.

## **Introduction**

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

## **IMTP**

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 Partnership Committee earlier that month and the subsequent touchpoint meetings held with Welsh Government and the Finance Delivery Unit.

## **Laundry Services**

Due to the restrictions on capital funding we are working with Welsh Government to find alternative options for delivering the programme at a significantly reduced capital value. This will include significant refurbishment to existing buildings rather than investment in new buildings. However, the same principles of reducing the number of laundries to three and of meeting the required legal and environmental standards still apply.

## **Low Vision Service**

Following discussions with Welsh Government and Hywel Dda University Health Board colleagues, the transfer of the Low Vision Service to NWSSP will now take place in June.

## **Accommodation**

We are about to start a consultation process with affected staff on moving out of Companies House and moving into the Welsh Government offices in Cathays Park in early 2024.

## **Pay Award**

The payment of the non-consolidated additional payment of 1.5% was actioned by our Payroll Teams for the March pay. The 2<sup>nd</sup> payment of a consolidated element is still being discussed with Welsh Government colleagues but should be paid within the next few months so long as clear notification to action this payment is received by the end of the current month.

## **Transforming Access to Medicine**

We are currently exploring an opportunity for acquiring a building that has already been developed as a clean room facility, that has the capability to fulfil the TRAMS South-East Wales scope, and also allow expansion space to address emerging needs. Commercial negotiations are ongoing, and building surveys are being commissioned, but initial indications are that this building provides a significant opportunity to recover the programme in terms of both time and cost. The combined cost of acquiring and developing the building is likely to be substantially lower than a new build and allow us to replace legacy facilities around two years earlier than a new build. With major construction works avoided, the carbon cost will also be lower, and the inflation risk substantially reduced.

## **Citizens Voice Body (Llais)**

We continue to support the establishment of the CVB which comes into operation on 1<sup>st</sup> April. Beyond that date we will be providing basic financial services such as accounts payable, payroll and recruitment as well as Internal Audit and Counter Fraud. Whilst the CVB are an independent body they have been granted Admitted Body status for pensions and will therefore fall under the NHS Pension Scheme. However, due to their role, there is no intention for the CVB to join the Partnership Committee. I would like to take this opportunity to offer my thanks to Hazel Robinson, Programme Director, for all her efforts in establishing the CVB. Hazel will leave the programme at the end of March.

## International Recruitment

In January 2022, an All-Wales contract with a number of providers under the Health Trust Europe framework was awarded for a period of 1 year. Standardisation of supplier rates realised circa £84K cost savings for Phase 1 (compared to awards with individual T&Cs). As @ 01 March 2023, the breakdown of onboarding activity by Health Board is indicated in the table below.

Health Board	Invoiced/ Recharged 21/22 FY	Onboarded	In progress	Yet to be replaced	% Onboarded
ABUHB	50	50	2*	0	100%
BCUHB	27	25	4*	0	92%
CAVUHB	135	128	7	0	94%
CTMUHB	97	97	0	0	100%
HDUHB	97	99	1*	0	102%*
PTHB	7	2	5	0	28%
All Wales	413	401	19	0	97%

*Some Phase one candidates (2in BCU, 5 Powys, 5 Cardiff) will land post April (FY 23/24) but already invoiced for.*

*\*Hywel Dda accepted a further two candidates in phase I and have commenced Phase II recruitment landing one candidate in March '23. The rest will land in the 23/24 FY window.*

Subsequently, the Minister for Health and Social Services had been approached by the State Government of Kerala, India to offer support with NHS Wales registered nurse staffing needs. Arrangements are being progressed to support the development of an inter-governmental MOU which would allow for a direct pipeline of healthcare professionals from Kerala to Wales, excluding the use of external recruitment agencies and delivering potential cost savings.

To support an initial pilot, NWSSP & Welsh Government colleagues have partnered with Humber and North Yorkshire Integrated Care Board (ICB) to plan a joint recruitment event in early May. The pilot will be undertaken with three organisations who have declared they have received Board approval to financially proceed with Phase II. Organisations have been approached to nominate nurse recruiters to represent NHS Wales as part of this delegation. Selection and streamlining will be progressed on a Once for Wales basis as per Phase 1, and pre-employment checks will be carried out in country. There will also be an opportunity to scope medical and dental recruitment and to visit Higher Education establishments during the visit.

In addition to Kerala, NWSSP has sought an extension to the existing All-Wales contract for a further three years to benefit the longer-term strategic approach for international nurse recruitment. The new contract will be awarded under the terms and conditions of the existing national framework agreement with fixed costs for the duration of the contract. Also, following a successful supplier day, NWSSP has incorporated a fifth supplier to the contract to provide additional capacity and capability to deliver at pace and on a scale that matches NHS Wales requirements. NWSSP continue to liaise with Health Boards and Trusts to establish their 23/24 recruitment requirements.

### **Supply Chain/Laundry Services**

Despite the recent inclement weather there was no disruption to services provided by the Supply Chain including Health Courier Services, and the Laundry service, due to the efforts of all staff involved.

### **Brecon House**

Following further investigation by the Landlord and firms of engineers, the issue with the Reinforced Autoclave Aerated Concrete in Brecon House is worse than initially thought and as a consequence we will be moving permanently out of that building at the earliest opportunity. Discussions are well advanced in terms of working with the Landlord to identify alternative options within the Mamhilad Park Estate.

### **Finance**

The Month 11 financial position is a year-to-date underspend of £1.211m, after accounting for the £2m distribution back to Health Boards. The year-end forecast outturn remains at break-even with full funding of exceptional energy pressures and Covid costs from Welsh Government.

£87.531m Welsh Risk Pool expenditure has been incurred to Month 11. A review of cases due to settle in 2022/23 indicates a potential range of £127.1m-£139.0m. The IMTP forecast of £134.780m remains within this forecast range. We continue to assume £25.345m will be funded under the Risk Share Agreement in 2022/23.

Our current Capital Expenditure Limit for 2022/23 is £5.102m. This now includes £0.303m for TRAMS OBC Fees agreed in February. Capital expenditure to Month 11 is £1.287m and we have plans to fully utilise all capital funding noting the significant expenditure to be incurred in Month 12.

**Neil Frow,  
Managing Director, NWSSP,  
April 2023**

**Date issued:** April 2023

## Audit Wales update for the NWSSP Audit Committee – April 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 work at NWSSP (as set out in a separate paper) is continuing and we are on track to complete this work by early May. There are no matters arising from this work that we need to bring to the attention of the Committee at this stage.

### General Audit Wales Update

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

### Good practice events and products

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

### Recent Audit Wales Publications

- 6 A summary is provided below of the NHS-related or other relevant national studies published in the last twelve months:



Title	Publication Date
<a href="#"><u>Orthopaedic Services in Wales – Tackling the Waiting List Backlog</u></a>	March 2023
<a href="#"><u>Digital inclusion in Wales</u></a>	March 2023
<a href="#"><u>Betsi Cadwaladr University Health Board – Review of Board Effectiveness</u></a>	February 2023
<a href="#"><u>Welsh Government purchase of Gilestone Farm</u></a>	January 2023
<a href="#"><u>Flood risk management</u></a>	December 2022
<a href="#"><u>‘A missed opportunity’ – Social Enterprises</u></a>	November 2022
<a href="#"><u>Time for change – Poverty in Wales</u></a>	November 2022
Cyber Resilience Follow-up	October 2022
<a href="#"><u>National Fraud Initiative 2020-21</u></a>	October 2022
<a href="#"><u>Equality impact assessments</u></a>	September 2022
<a href="#"><u>Welsh Government workforce planning</u></a>	September 2022
<a href="#"><u>NHS Wales Finances Data Tool - up to March 2022</u></a>	August 2022

Title	Publication Date
<a href="#"><u>Public Sector Readiness for Net Zero Carbon by 2030: Evidence Report</u></a>	July 2022
<a href="#"><u>Public Sector Readiness for Net Zero Carbon by 2030</u></a>	July 2022
<a href="#"><u>The Welsh Community Care Information System update</u></a>	July 2022
<a href="#"><u>Tackling the Planned Care Backlog in Wales</u></a>	May 2022

# 2023 Audit Assurance Arrangements **NHS Wales Shared Services Partnership**

Audit year: 2022-23

Date issued: March 2023

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

In the event of receiving a request for information to which this document may be relevant, attention is drawn to the Code of Practice issued under section 45 of the Freedom of Information Act 2000.

The section 45 code sets out the practice in the handling of requests that is expected of public authorities, including consultation with relevant third parties. In relation to this document, the Auditor General for Wales and the Wales Audit Office are relevant third parties. Any enquiries regarding disclosure or re-use of this document should be sent to Audit Wales at [infoofficer@audit.wales](mailto:infoofficer@audit.wales).

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

# Contents

**Summary**

External audit assurance arrangements	4
Fee, audit team and timetable	6

**Appendices**

Appendix 1 – audit areas and proposed timing	8
--	---

# Summary

- 1 The purpose of this paper is to set out the 2022-23 audit assurance arrangements for external audit in line with the requirements of International Standards of Auditing (UK and Ireland) (ISAs) relevant to services provided by the NHS Wales Shared Services Partnership (NWSSP).
- 2 External audit assurance arrangements need to consider:
  - ISA 315 – identifying and assessing the risks of material misstatement through understanding the entity and its environment;
  - ISA 402 – audit considerations relating to an entity using a service organisation;
  - ISA 500 – audit evidence (relevant to a management expert); and
  - ISA 610 – using the work of internal auditors.
- 3 This paper sets out my proposed work, when it will be undertaken and who will undertake it. It does not refer to any other audit work that we will be undertaking at NWSSP in regard to our audit of Velindre University NHS Trust's 2022-23 financial statements.

## External audit assurance arrangements

- 4 The Velindre University NHS Trust's external audit team and the Audit Wales IM&T auditors are responsible for co-ordinating and completing the audit work necessary to provide the assurances required by the local audit teams of each of the various NHS audited bodies across Wales. Local audit teams decide the areas of work required on the services provided by NWSSP, relevant to their responsibilities for providing an opinion on the related health bodies financial statements. They consider whether testing of the key controls within the system, or substantive testing of the figures produced by the system, provides the required assurance in the most efficient way.
- 5 The expected work programme for 2022-23 is set out in [Exhibit 1](#). Further information upon the areas subject to our review, together with a brief description of the audit procedures and proposed dates for the audit visits are detailed in [Appendix 1](#).
- 6 In determining the scope of our work for this year we have considered, in consultation with the external audit teams of NHS Wales bodies, the impact of the revised auditing standard ISA315 and therefore some small changes have been made to our approach. For this year we will not be performing control testing on payroll exception reports and instead we will document and assess the controls and recharges associated with NWSSP's single lead employer role. We will also be undertaking some work on student bursaries on behalf of the HEIW audit team. Our IT audit work is also changing slightly in response to ISA315 with a greater focus on IT controls. It is likely that the scope of our assurance work at NWSSP will continue to evolve over the coming years as a result of the impact of ISA315.

## Exhibit 1: audit assurance arrangements

The table below sets out the content of the audit assurance work programme for 2023

NWSSP managed service	Audit assurance requirements
<b>Understanding the entity and its environment (ISA 315)</b>	
<ul style="list-style-type: none"> <li>• Prescription Pricing System</li> <li>• National Health Application and Infrastructure Services (NHAIS)</li> <li>• Family Practitioner Payment System (FPPS)</li> <li>• Oracle Financial Management System (including OCR invoice scanning and e-invoicing platform)</li> <li>• Oracle ESR Payroll systems administration (user access to payroll elements only)</li> </ul>	<ul style="list-style-type: none"> <li>• Review, document and evaluate the IM&amp;T environment and application controls.</li> </ul>
<b>Service organisation (ISA 402)</b>	
<ul style="list-style-type: none"> <li>• Primary Care Services (general medical and general pharmaceutical services)</li> <li>• Employment Services – Payroll and Single Lead Employer (SLE) functions</li> <li>• Procurement Services – accounts payables system</li> <li>• Student Award Services - assessment of applications and calculation of bursaries</li> </ul>	<ul style="list-style-type: none"> <li>• To document the financial systems, identify key controls and evaluate the system.</li> <li>• Controls or substantive testing, as determined by local audit teams.</li> </ul>
<b>Management expert (ISA 500)</b>	
<ul style="list-style-type: none"> <li>• Legal and Risk Services</li> </ul>	<ul style="list-style-type: none"> <li>• Document an understanding of the services provided.</li> <li>• Evaluate the competence, capability and objectivity of the service provider.</li> <li>• Evaluate the appropriateness of the work (as relevant to the work of the local audit teams).</li> </ul>
<b>Internal audit (ISA 610)</b>	
<ul style="list-style-type: none"> <li>• All-Wales 'management arrangements'</li> <li>• Internal audit services provided to individual NHS bodies</li> </ul>	<ul style="list-style-type: none"> <li>• Assessment of compliance with internal audit standards (applicable to overall management of internal audit services across NHS Wales) – which will include regular liaison with the Director of Audit and Assurance.</li> <li>• Local audit teams may also need to assess compliance with standards relevant to internal audit work at each individual NHS body.</li> </ul>

- 7 The NWSSP manage a number of national NHS IT applications that are used by other NHS organisations in Wales. Audit Wales IM&T auditors will review the IM&T infrastructure and application controls that are applied to the following IT systems for the purposes of providing assurances for NHS audit opinions to local audit teams:
- Prescription Pricing System which is used to process prescriptions and calculate reimbursement for pharmacy contractor payments;
  - The new Family Practitioner Payment System (FPPS) - used for calculating primary care General Medical Services (GMS) contractor payments from NHS demographics uploaded from the National Health Application and Infrastructure Services (NHAIS);
  - Oracle Financial Management System (FMS), including OCR invoice scanning and e-invoicing platforms, used by all of NHS Wales as the main accounting system for managing and producing the NHS accounts; and
  - System administration functions for the payroll elements of the Electronic Staff Record (ESR) payroll system.
- 8 IM&T auditors will undertake a programme of work to understand the IT environment and the IT controls, including testing of IT controls. In addition to the above IT systems, this programme will also include work undertaken centrally at Digital Health and Care Wales (DHCW) on the IT applications and infrastructure provided which are also used by other NHS organisations in Wales.
- 9 In addition, Health Board auditors have requested that we review all contracts greater than £1 million to ensure that appropriate approval has been sought from Welsh Government.
- 10 Local audit teams may determine that additional assurances are required, from other service areas of the NWSSP, during the course of the audit. If such work arises, we will discuss this with the NWSSP management and update the Audit Committee for Shared Services accordingly.

## Fee, audit team and timetable

### Fee

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

### Audit team

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



## Exhibit 2: my local audit team

The table below provides details of my local audit team

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

## Timetable

- 13 Following the completion of the above work, the Velindre University NHS Trust external audit team will issue the following reports that provide:
  - appropriate assurances to the external auditors of the various NHS Wales bodies, or highlighting any areas of concern that need to be addressed, to support their work to inform their opinion on the financial statements; and
  - a summary of the work undertaken, together with any matters arising that need to be considered by the NWSSP management. This report will also include any issues relating to NWSSP identified by other Welsh health auditors.
- 14 The assurance reports provided to local audit teams will be reported to the health board or trust's audit committee, where appropriate, as part of the audit of their financial statements. The report to the NWSSP management will be reported to the Velindre University NHS Trust's Audit Committee for Shared Services, and shared with other audit committees, where matters arising affect their local responsibilities. My key milestones for reporting to NWSSP are set out in **Exhibit 3**.

## Exhibit 3: timetable

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

Planned output	Work undertaken	Report finalised
Audit assurance arrangements plan	February - April 2023	May 2023
Nationally Hosted NHS IT systems	February - April 2023	May 2023
Management letter	February - July 2023	Sept 2023

# Appendix 1

## Audit areas and proposed timing

Exhibit 4: audit areas and proposed timing

Audit areas	Proposed audit timing	Audit work
Internal audit	April 2023	Review Internal Audit in accordance with ISA610, "Using the Work of Internal Auditors".  Review their annual audit plan and status of their audits.
Payroll	February - April 2023	Update our understanding of the payroll system and identify key controls.  We will document the information flows and walk through the key controls in regard to the Single Lead Employer (SLE) function.
General Medical Service	February - April 2023	Update our understanding of the general medical service system and identify key controls. Controls testing of global sum payments (capitation lists and patient rates).
Pharmacy & Prescribed drugs	February - April 2023	Update our understanding of the pharmacy contract and prescribed drugs. Controls testing of payments to pharmacists (checks undertaken by the Professional Services Team and drug tariff rates).
Accounts Payable & Public Sector Payment Policy	February - April 2023	Update our understanding of the accounts payable system and undertake any substantive or controls testing as determined by local audit teams. Review the process of how PSPP works in NWSSP.
Procurement	April 2023	Review of contracts awarded with a value greater than £1 million.
Student Award Services	March – April 2023	Review the arrangements in place for the assessment of student bursary applications
Legal and Risk Services	March – April 2023	Assess the competence, capability and objectivity of NWSSP LARS staff (as required by ISA 500). Update our understanding of the systems used to record legal cases, the assumptions and methods used to populate Quantum reports. Test a sample of clinical negligence cases, reviewing the information collated on the Legal and Risk management system.
Nationally Hosted NHS IT systems – IT audit work	February - April 2023	Review our understanding of the general IT controls and identify key controls.

Audit areas	Proposed audit timing	Audit work
		Review, document and evaluate the IM&T environment and application controls. Test, by walkthrough, a sample of IT controls.



Audit Wales

24 Cathedral Road

Cardiff CF11 9LJ

Tel: 029 2032 0500

Fax: 029 2032 0600

Textphone: 029 2032 0660

E-mail: [info@audit.wales](mailto:info@audit.wales)

Website: [www.audit.wales](http://www.audit.wales)

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

# **NHS WALES SHARED SERVICES PARTNERSHIP**

## **Audit Committee**

**April 2023**

### **Audit & Assurance Services Internal Audit Progress Report**



**GIG**  
CYMRU  
**NHS**  
WALES

Partneriaeth  
Cydwasaethau  
Shared Services  
Partnership



---





<b>CONTENTS</b>	<b>Page</b>
<b>1.</b> Introduction	2
<b>2.</b> Outcomes from Finalised Audits	2
<b>3.</b> Planning & Delivery Update	2
<b>4.</b> Other Internal Audit Activity and Engagement	2
<b>5.</b> Recommendation	3
<b>Appendix A</b> - Assignment Status Schedule 2022-23	4
<b>Appendix B</b> – Key Performance Indicators	5

## 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
Risk Management & Assurance Mapping	 Reasonable
Payroll	 Reasonable
Primary Care Contractor Payments	 Substantial
Student Awards Follow up	 Substantial

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

The work to progress the delivery of the Internal Audit Plan for 2022/23 has been continuing broadly to plan at this stage of the year. The assignment status schedule at Appendix A sets out the planned audit work for the year along with current progress. Key Performance Indicators are reported at Appendix B.

In addition to the finalised audits in the table above, two audits have been issued as draft reports, with audit fieldwork having been completed in the remaining audit and its draft report being prepared.

The planning process to develop the Internal audit Plan for 23/24 has been completed with the plan on the agenda for consideration and approval for by the Committee.

### **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, Local Counter Fraud Specialist 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.



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

Review	Status	Assurance Rating	Matters Arising			Anticipated Audit Committee <sup>1</sup>
			High	Medium	Low	
<b>Primary Care Contractor Payments</b>	<b>FINAL</b>	<b>Substantial</b>	-	-	<b>1</b>	<b>April 23</b>
<b>Payroll</b>	<b>FINAL</b>	<b>Reasonable</b>		<b>2</b>		<b>April 23</b>
Accounts Payable	FINAL	Reasonable	-	3	1	Jan 23
Procurement – National Sourcing – Integrated Teams	Work in Progress					April 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	draft					Jan 23
Decarbonisation (Advisory)	FINAL	n/a				Oct 22
Operational ICT Infrastructure Follow up	draft	Reasonable				April 23
<b>Student Awards (2<sup>nd</sup> Follow up)</b>	<b>FINAL</b>	<b>Substantial</b>	-	<b>1</b>	-	<b>April 23</b>
<b>Risk Management and Assurance Mapping</b>	<b>FINAL</b>	<b>Reasonable</b>	-	<b>4</b>	-	<b>April 23</b>

<sup>1</sup> May be subject to change

**APPENDIX B – KEY PERFORMANCE INDICTORS**

Indicator Reported to NWSSP Audit Committee	Status	Actual
Operational Audit Plan agreed for 2022/23	G	April
Audit opinions/annual reports on track 2022/23	G	Yes
Total assignments reported, to at least draft stage, against adjusted plan to date for 2022/23	G	92%
Audits at work in progress stage	---	7%
Report turnaround: time from fieldwork completion to draft reporting [10 working days]	G	82%
Report turnaround: time taken for management response to draft report [15 working days]	G	91%
Report turnaround: time from management response to issue of final report [10 working days]	G	100%



Office details:

Contact details: [james.johns@wales.nhs.uk](mailto:james.johns@wales.nhs.uk)

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

# Follow-up: Student Awards Service Final Internal Audit Report February 2023

NHS Wales Shared Services Partnership



GIG  
CYMRU  
NHS  
WALES

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



# Contents

Executive Summary ..... 3

1. Introduction..... 4

2. Findings..... 5

Appendix A: Management Action Plan..... 6

Appendix B: Previous Matters Arising Now Closed ..... 8

Appendix C: Assurance opinion and action plan risk rating ..... 11

Review reference:	NWSSP-2223-03
Report status:	Final
Fieldwork commencement:	2 February 2023
Fieldwork completion:	9 February 2023
Draft report issued:	13 February 2023
Management response received:	16 February 2023
Final report issued:	16 February 2023
Auditors:	James Johns, Head of Internal Audit Sophie Corbett, Deputy Head of Internal Audit
Executive sign-off:	Gareth Hardacre, Director of People, OD & Employment Services
Distribution:	Darren Rees, Deputy Director of Employment Services Stephen Withers, Assistant Director of Employment Services
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

## Acknowledgement

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

## Disclaimer notice - please note

This audit report has been prepared for internal use only. Audit and Assurance Services reports are prepared, in accordance with the agreed audit brief, and the Audit Charter as approved by the Audit Committee.

Audit reports are prepared by the staff of the NHS Wales Audit and Assurance Services, and addressed to Independent Members or officers including those designated as Accountable Officer. They are prepared for the sole use of NHS Wales Shared Services Partnership and no responsibility is taken by the Audit and Assurance Services Internal Auditors to any director or officer in their individual capacity, or to any third party.

Executive Summary

**Purpose**

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.

**Overview of findings**

Considerable progress has been made in addressing two of the three recommendations reported as outstanding in the previous internal audit.

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. We identified opportunity for further enhancement to this process, which has been discussed with the Local Counter Fraud Specialist and Assistant Director of Employment Services and immediately implemented during audit fieldwork.

KPIs are yet to be reviewed due to delay in implementing the new bursary system, which is now on target to be completed in April 2023. This recommendation is therefore outstanding – full details are provided in Appendix A. In the interim, one KPI has been agreed with HEIW focusing on the timeliness of bursary application assessments – no issues were identified in this respect.

Recognising that KPIs will be reviewed as part of the imminent system implementation, we have concluded **Substantial** assurance overall.

Follow-up Report Classification

		Trend
Substantial	Follow-up	

Progress Summary

Previous Matters Arising		Previous Priority Rating	Direction of Travel	Current Priority Rating
1	Independent Checking	Medium		Closed
2	Childcare Process	Medium		Closed
3	Performance Information & Reporting	Medium		Medium

## 1. Introduction

- 1.1 Student Awards Services is part of the Employment Services Directorate within NHS Wales Shared Services Partnership (NWSSP). The Service assess NHS Bursary applications and supporting documentation and notifies the student of the award, payments are then processed by the respective universities.
- 1.2 It was confirmed in June 2019 that the bursary scheme would continue to be available in Wales for students enrolling in 2020/21, which will require the service to be in place until at least 2029, pending further announcements from the Welsh Government.
- 1.3 An audit was undertaken in early 2021 resulting in Reasonable assurance. Although we did not identify concerns with the fundamental processing of applications, a number of recommendations were made regarding aspects of the governance arrangements and control environment to ensure that senior management can be assured of the accuracy and timeliness of processing. At the time of reporting management had started to implement these recommendations as a matter of priority as part of the wider programme of improvement.
- 1.4 A follow up audit later in 2021 also concluded Reasonable assurance based on considerable progress in addressing most of the issues previously identified. However, additional actions were identified to further improve new controls introduced and address instances of non-compliance.
- 1.5 The overall risk considered in this review is failure to implement agreed audit recommendations and therefore the continued risk that:
  - Bursaries are not assessed accurately or promptly, potentially resulting in financial hardship to the student or financial loss to NHS Wales due to erroneous payments

## 2. Findings

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

Previous Priority Rating	Number of Recommendations	Implemented / Obsolete (Closed - No Further Action Required)	Action Ongoing (Further Action Required)	Not implemented (Further Action Required)
Medium	3	2	1	

- 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: Management Action Plan

Previous Matter Arising 3: Performance Information & Reporting		
Original Recommendation		Original Priority
<p>KPIs should be reviewed to ensure they are relevant, linked to the Service objectives and can be reliably measured. Examples might include measuring processing accuracy/error rates (based on the results of independent checking) and compliance with independent checking requirements.</p> <p>Evidence in support of assessed performance should be retained.</p>		<b>Medium</b>
Management Response	Target Date	Responsible Officer
<p>Agree the findings of audit: KPI' reporting capability via Boss is not working, we have raised this issue with Kainos and will chase up, the telephone calls KPI has been reported. However, the KPIs will need review in total and this will coincide with the implementation of the new system in early 2022/23.</p>	30 <sup>th</sup> April 2022	Head of Payroll Modernisation and Bursary
Current findings		Residual Risk
<p>Implementation of the new bursary system was delayed from early 22/23 to April 2023 so KPIs have not yet been reviewed.</p> <p>In the interim, the Assistant Director of Employment Services advised that one KPI has been agreed with HEIW which measures assessment of bursary applications within 20 days of receipt. Percentage of calls answered is also monitored and reported corporately.</p> <p>AS previously highlighted, reporting capability in BOSS is inadequate so performance data is manually captured from the BOSS worklist and reported to the Assistant Director of Employment Services for inclusion in the monthly KPI tracker. KPIs do not identify any instances where the 20-day target has been breached, although it is not possible to verify this to source data in BOSS.</p> <p>We were advised that implementation of the new system is in progress and on target to be operational in April 2023. KPIs will be reviewed as part of this, and the new system will enable automated KPI reporting processes.</p>		<p>Performance against KPIs is not monitored or reported.</p> <p>KPIs are not meaningful or informative.</p> <p>Reported performance is inaccurate, potentially resulting in issues not being identified and addressed.</p>

<b>Conclusion:</b> Action ongoing		
<b>New Recommendation(s)</b>		<b>Priority</b>
<i>Previous recommendation reiterated:</i> KPIs should be reviewed to ensure they are relevant, linked to the Service objectives and can be reliably measured. Examples might include measuring processing accuracy/error rates (based on the results of independent checking) and compliance with independent checking requirements. Evidence in support of assessed performance should be retained.		<b>Medium</b>
<b>Management Response</b>	<b>Target Date</b>	<b>Responsible Officer</b>
Agree with the report, KPI’s will be reviewed and implemented with the new System in April 2023, the prime key performance indicator will remain as the number of days to process an application which is pivotal in workflow management and in conjunction with HEIW.	1 <sup>st</sup> April 2023	Assistant Director of Employment Services

## Appendix B: Previous Matters Arising Now Closed

Previous Matter Arising 1: Independent Checking		
Original Recommendation	Original Priority	
Independent checking arrangements should be incorporated into the standing operating procedures.	<b>Medium</b>	
The checking log should be further enhanced by identifying the original assessor to ensure coverage of all assessors and segregation of duties in the checking process.		
Management to ensure that independent checks are completed as planned.		
Management Response	Target Date	Responsible Officer
Agree the findings of audit, A new SOP will be created for the Checking of the Bursary process for accuracy and quality this will be checking of the bursary will implemented from 1st October 2021 and the new SOP will be in place by 1st November 2021 to ensure it is operationally compliant.	1 <sup>st</sup> November 2021	Head of Payroll Modernisation and Bursary
Agree the findings of audit: The additional column will be added to the report to ensure it covers all aspects and segregation of duty by 1st October 2021	1 <sup>st</sup> October 2021	Head of Payroll Modernisation and Bursary
Agree the findings of audit: It was agreed in the last audit that we would sample check 10% of the claims twice a year. The first checks commenced at the start of September so were ongoing at the time of audit.  To alleviate this issue in the future and in order to ensure that they are checked in real time instead of retrospectively in bulk, with effect from 1 <sup>st</sup> October 2021 we have the check will become a daily operation that will resolve retrospective checking and at the point of audit a sample of any 10% can be checked.	1 <sup>st</sup> October 2021	Head of Payroll Modernisation and Bursary
Current findings		





Independent checking arrangements have been documented in standard operating procedure SAS-01-W1-23 SAS Audit Procedure. It provides comprehensive step-by-step guidance on how the checks should be performed and documented.
The checking log has been updated to record the initials of the original assessor and the individual performing the check. Review of the 22-23 checking log confirmed that all had been checked independently of the assessor.
Review of the checking logs for 21-22 and 22-23 (to date) confirmed coverage of 19% and 11% (to date) respectively, which exceeds the minimum 10% checking requirement.
<b>Conclusion</b>
Recommendation implemented – no further action required

Previous Matter Arising 2: Childcare Process		
Original Recommendation		Original Priority
Assessors must ensure that confirmation of childcare costs is received directly from the childcare provider and not the student, as per the new verification process.		<b>Medium</b>
Management Response	Target Date	Responsible Officer
Agree the findings of audit: Staff have been reminded that they can only accept childcare cost confirmation directly from the suppliers. Email confirmation has been sent to the assessors to confirm this procedure.	Complete 30 <sup>th</sup> September 2021	Head of Payroll Modernisation and Bursary
Current findings		
<p>The current process for verifying childcare costs involves requiring the student to request the childcare provider to submit details of costs directly to Student Award Services via email. This email address is checked to the provider email stated on the childcare bursary application. However, this information is provided by the student.</p> <p>Following discussion with the Local Counter Fraud Officer and Assistant Director of Employment Services it was agreed that the process would be enhanced through the verification of childcare provider email addresses by phone, using the provider telephone number listed on the Care Inspectorate Wales (CIW) or Ofsted register. This exercise commenced immediately at the time of reporting, childcare providers for 232 of the 302 students in receipt of childcare bursary had been contacted and email addresses verified against confirmation of costs emails with no issues reported so far. For new childcare bursary applications, provider email addresses will be verified as part of the bursary assessment process and prior to award.</p> <p>We sampled 10 students in receipt of childcare bursary to confirm that confirmation of costs had been received for period 1 (week 1-26) and period 2 (week 27-52) or reassessment of award completed where no evidence received. No issues were identified.</p>		
Conclusion		
Recommendation implemented – no further action required		

# Appendix C: Assurance opinion and action plan risk rating

## Audit Assurance Ratings

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

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



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

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

# Risk Management & Assurance Mapping

## Final Internal Audit Report

March 2023

NHS Wales Shared Services Partnership



# Contents

Executive Summary ..... 3


1. Introduction..... 4

2. Detailed Audit Findings ..... 5

Appendix A: Management Action Plan..... 8

Appendix B: Assurance opinion and action plan risk rating ..... 10

Review reference:	NWSSP-2223-01
Report status:	Final
Fieldwork commencement:	25 January 2023
Fieldwork completion:	February 2023
Debrief meeting:	March 2023
Draft report issued:	21 March 2023
Management response received:	23 March 2023
Final report issued:	24 March 2023
Auditors:	Henry Wellesley, Audit Manager
Executive sign-off:	Andrew Butler, Director of Finance & Corporate Services
Distribution:	Peter Stephenson, Head of Finance & Business Development Carly Wilce, Business Support Manager
Committee:	Velindre University NHS Trust Audit Committee for NWSSP



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

## Disclaimer notice - please note

This audit report has been prepared for internal use only. Audit and Assurance Services reports are prepared, in accordance with the agreed audit brief, and the Audit Charter as approved by the Audit Committee.

Audit reports are prepared by the staff of the NHS Wales Audit and Assurance Services, and addressed to Independent Members or officers including those designated as Accountable Officer. They are prepared for the sole use of NHS Wales Shared Services Partnership and no responsibility is taken by the Audit and Assurance Services Internal Auditors to any director or officer in their individual capacity, or to any third party.

# Executive Summary

## Purpose

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.

## Overview



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.

Four medium priority findings have been identified:

- The Laundry Services risk register focuses on operational plant and equipment and does not identify or manage business risks.
- In some cases the risk descriptions on the Procurement Services risk register do not clearly articulate the risk, and operational risk leads have not been identified.
- There is no assurance map for the Surgical Materials Testing Laboratory (SMTL).
- Instances were identified where controls/assurances on the Payroll Services assurance map were not appropriate or did not exist.

We have concluded **Reasonable** assurance overall. Full details of matters arising are included in Appendix A on page 8.

## Report Opinion

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

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

Objectives	Assurance
1 Risks are identified, managed and monitored in line with the Risk Protocol	Reasonable
2 Sources of assurance have been identified for all service areas and are operating as intended.	Reasonable

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

## Key Matters Arising

		Objective	Control Design or Operation	Recommendation Priority
1.1	Divisional Risk Registers	1	Operation	Medium
1.2	Divisional Risk Registers	1	Operation	Medium
2.1	Assurance Mapping	2	Operation	Medium
2.2	Assurance Mapping	2	Operation	Medium

## 1. Introduction

- 1.1 Effective risk management is a key component of corporate governance and is integral to the delivery of organisational objectives. NWSSP's risk management arrangements are defined within the Risk Protocol. The organisation's risk appetite statement identifies the amount and type of risk that the organisation is willing to accept in the pursuit of its strategic objectives.
- 1.2 NWSSP has adopted a 'top-down bottom-up' approach to risk management, with risks identified assessed and managed at a directorate and corporate level. Assurance maps for each service area identify the sources of assurance for operational risks. Directorate risks are reviewed as part of the quarterly review process, whilst the corporate risk register is discussed at Senior Leadership Group, the Shared Services Partnership Committee and Audit Committee.
- 1.3 The risk considered in the audit is that the risk management processes are not operating efficiently or effectively, potentially resulting in:
  - materialisation of risks impacting on the organisation's ability to achieve its strategic objectives

## 2. Detailed Audit Findings

**Objective 1: Risks are identified, managed and monitored in line with the Risk Protocol, with significant risks escalated from directorate level to the corporate risk register where appropriate**

Policies & Procedures

- 2.1 As a hosted organisation NWSSP comes under the Velindre University NHS Trust Risk Management Policy, which is made up of a Risk Management Framework. NWSSP has its own Risk Protocol and risk appetite statement to reflect NWSSP's approach to managing risk within the organisation. Review of the documents confirmed that NWSSP policies are in line with Velindre University NHS Trust policy.
- 2.2 The Risk Management Protocol seeks to ensure that there is an effective process in place to manage risk across the organisation and defines the way NWSSP embeds risk management process across NWSSP.
- 2.3 Risk management policies have been shared with the Senior Leadership Group (SLG), the Shared Services Partnership Committee (SSPC) and the Audit Committee. We were advised that they have been cascaded through divisional leadership teams, a recent example being the Finance and Corporate SMT in January 2023. Training has also been provided to the Senior Leadership Group during 2022. There is a risk management section on the intranet with policies and other supporting guidance available to staff.

Risk Appetite

- 2.4 NWSSP has a detailed risk appetite statement in place, which sets out the level and type of risk NWSSP is willing to accept in pursuit of its strategic and operational objectives. Risk appetite sessions have been held with the SLG, senior managers and the SSPC during the year, with the SSPC supporting NWSSP to increase the organisations risk appetite. The statement is regularly reviewed, most recently in November 2022 and reported to the January 2023 Audit Committee.

Corporate Risk Register

- 2.5 The corporate risk register is a live document maintained to monitor key strategic risks and those escalated from divisional risk registers. It identifies and tracks existing controls and further actions required to mitigate risks.
- 2.6 The register conforms to the requirements of the *Velindre University NHS Trust Risk Management Process*<sup>1</sup> and best practice. There are currently 26 risks on the register:

	Red	Amber	Yellow	Green
Risks for Action	7	9	2	
Risks for Monitoring			2	6

<sup>1</sup> [Velindre Risk Management Process](#)

- 2.7 All risks are:
- ✓ Aligned to a strategic objective or identified as an escalated divisional risk
  - ✓ Assigned a Director-level risk lead
  - ✓ Assigned a target risk RAG level and date for achievement (risks for action only)
- 2.8 We identified good practice with the corporate risk register discussed at every meeting of the Senior Leadership Group, Audit Committee and the Shared Services Partnership Committee.

Directorate Risk Registers

- 2.9 We reviewed the risk management arrangements for a sample of three divisions - Procurement Services, Laundry Services and Employment Services:

Division	Correct Template	Risk Lead Identified	Actions Identified	Target Risk Level Identified	Evidence of Review
Procurement Services	✓	✗	✓	✓	✓
Employment Services	✓	✓	✓	✓	✓
Laundry Services	Omits action progress and date for target risk rating	✗	Inconsistent	✗	✓

- 2.10 Some risks on the Procurement Services register were not clearly articulated, identifying a potential issue or control failure rather than the impact of this (see example below). Clear articulation of risks is fundamental to ensuring that risks are properly understood and appropriate mitigation strategies are identified. **[Matter Arising 1]**
- "SD Welsh Government Reporting: alignment between ProcS, NWSSP and Velindre reporting on WBFGA and Ethical Employment"*
- 2.11 The Laundry Service risk register identifies operational risks relating to plant and equipment and does not capture wider business risks such as workforce, finance and service continuity. In many cases the risk summary column identified the mitigation rather than the risk. The register also omits risk RAG ratings, required actions, date of risk review or target risk level/date. **[Matter Arising 1]**
- 2.12 Divisional risk registers are reviewed at divisional management team meetings. We also identified good practice with key divisional risks discussed at each quarterly review meeting with the Managing Director, Director of Finance & Corporate Services, Director of People, Organisational Development & Employment Services, and the Director of Planning Performance & Informatics.
- 2.13 The Director for each division/service is responsible for escalating risks to the Senior Leadership Group for consideration for inclusion on the corporate risk register. Inclusion of the Laundry Service Transformation Programme risk on the corporate risk register is an example of this.

Conclusion:

- 2.14 The corporate risk register demonstrates that key risks are well managed with plans in place to mitigate risk to an acceptable level. The sampled divisional risk registers were generally satisfactory with the exception of Laundry Services, where business risks have not been identified, captured or managed through the risk register. We have concluded **Reasonable** assurance for this objective.

**Objective 2: Sources of assurance have been identified for all service areas and are operating as intended**

- 2.15 NWSSP developed assurance maps in 2017 to further strengthen existing risk management and assurance arrangements. Assurance maps are considered to be good practice, providing oversight and qualitative assessment of assurances over key risks and controls, enabling the identification of gaps or weaknesses.
- 2.16 The assurance maps for NWSSP set out the level of assurance required for each risk and the measures it has in place to control these. They are reviewed, refreshed and presented to Audit Committee annually. The maps consider the inherent risks, controls and sources of assurance in place enabling the service to demonstrate whether its risks are being effectively managed and mitigated. In line with best practice, the format of the assurance maps is based on the HM Treasury three lines of defence model.
- 2.17 We reviewed the latest assurance maps presented to Audit Committee in January 2023 and noted that there is no assurance map in place for the Surgical Materials Testing Laboratory (SMTL). **[Matter Arising 2]**
- 2.18 The assurance maps for Recruitment and Specialist Estate Services were also incorrect as they related to Procurement/Health Courier Services, although we confirmed that this was a reporting error and maps are in place for Recruitment and SES.
- 2.19 We sampled controls/sources of assurance in the assurance maps for Payroll, Procurement and Laundry to confirm that they were appropriate to the risks identified and operating. We found three instances where the identified controls were not appropriate as they were either not relevant or did not exist. For example, an annual survey was cited as a control for 'Information Governance/Data Protection Breach' however, the Information Governance Manager was unaware of any such survey. **[Matter Arising 2]**

**Conclusion:**

- 2.20 We have concluded **Reasonable** assurance for this objective. The assurance maps are generally comprehensive and identify the controls/defences in place to address inherent risks. However, there is no assurance map for SMTL, and sample testing identified instances where controls/assurances were not appropriate or not operating as intended.

## Appendix A: Management Action Plan

Matter Arising 1: Divisional Risk Registers (Operation)		Impact	
<p>The Laundry Service risk register identifies operational risks relating to plant and equipment and does not capture wider business risks such as workforce, finance and service continuity.</p> <p>Some risks on the Procurement Services register were not clearly articulated, identifying a potential issue or control failure rather than the impact of this. Risk leads are also not identified.</p>		<p>Risks are not identified, mitigated or monitored effectively, potentially resulting in the materialisation of risks impacting on the organisations ability to achieve its objectives.</p>	
Recommendations		Priority	
1.1	Identify business risks (such as service continuity, workforce and finance) relating to the Laundry Service and manage these via the risk register process.	Medium	
1.2	Review risk summaries/descriptions on the Procurement Services risk register to ensure that the potential risk impact is clearly articulated. Identify operational leads for each risk.	Medium	
Agreed Management Action		Target Date	Responsible Officer
1.1	Agreed. The Laundry Service will document a risk register that includes key business risks.	30 April 2023	Head of Finance and Business Development
1.2	Agreed. The Procurement Risk Register will be updated to ensure that the potential risk impact is clearly articulated and that operational leads are identified for each risk.	30 April 2023	Head of Finance and Business Development


Matter Arising 2: Assurance Mapping (Design / Operation)			Impact
<p>We reviewed the latest assurance maps presented to Audit Committee in January 2023 and noted that there is no assurance map in place for the Surgical Materials Testing Laboratory (SMTL).</p> <p>A review of a sample of the controls identified in the Assurance Maps found that in three instances the controls were not appropriate or did not actually exist to control the area identified.</p>			<p>Potential risk of:</p> <ul style="list-style-type: none"> <li>• Risk mitigations not understood</li> <li>• Gaps in controls not identified</li> </ul>
Recommendations			Priority
2.1	Develop an assurance map for the Surgical Material Testing Laboratory.		Medium
2.2	Review the Payroll Services assurance map and update the areas where the controls are omitted or are not relevant to the risk identified.		Medium
Agreed Management Action		Target Date	Responsible Officer
2.1	Agreed. An assurance map will be developed for the Surgical Materials Testing Laboratory.	30 June 2023	Head of Finance & Business Development
2.2	Agreed. The Assurance Map for Payroll Services will be reviewed to ensure that it is accurate and up-to-date.	30 June 2023	Head of Finance & Business Development



# Appendix B: Assurance opinion and action plan risk rating

## Audit Assurance Ratings

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

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

## Prioritisation of Recommendations

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

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

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



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

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

# Employment Services – Payroll Final Internal Audit Report

April 2023

NHS Wales Shared Services Partnership

NWSSP Audit and Assurance



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



# Contents

Executive Summary ..... 3


1. Introduction..... 4

2. Detailed Audit Findings ..... 5

Appendix A: Management Action Plan..... 8

Appendix B: Assurance opinion and action plan risk rating ..... 10

Review reference:	NWSSP-2223-11
Report status:	Final
Fieldwork commencement:	November 2022
Fieldwork completion:	March 2023
Draft report issued:	6 April 2023
Debrief meeting:	30 March 2023 / 6 April 2023
Management response received:	13 April 2023
Executive sign-off received:	14 April 2023
Final report issued:	14 April 2023
Auditors:	Gareth Heaven (Internal Audit Manager) Rhian Williams (Principal Auditor)
Executive sign-off:	Gareth Hardacre (Director of People, OD & Employment Services)
Distribution:	Darren Rees (Deputy Director of Employment Services) Stephen Withers (Head of Payroll Modernisation & Bursary)
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

## Acknowledgement

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

## Disclaimer notice - please note

This audit report has been prepared for internal use only. Audit & 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.

# Executive Summary

**Purpose**

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.

**Overview**

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).

We have concluded **Reasonable** assurance overall.

Full details are provided in Appendix A.

### Report Classification


Reasonable



Some matters require management attention in control design or compliance.

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

Trend



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

Assurance objectives		Assurance
1	Gross payments to staff are timely and accurate	Reasonable
2	Overpayments are accurately recorded and recovered promptly	Reasonable

Matters Arising		Assurance Objective	Control Design or Operation	Recommendation Priority
1	Completeness Checks	1	Operation	Medium
2	Overpayments	2	Operation	Medium

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

# 1. Introduction

- 1.1 A review of the Payroll Services function provided to NHS Wales health bodies by NHS Wales Shared Services Partnership (NWSSP) was completed in line with the 2022/23 Internal Audit Plan.
- 1.2 The Payroll Service function is split across five teams at four sites:

Matrix House, Swansea	Companies House, Cardiff
Swansea Bay University Health Board (SBUHB)	Aneurin Bevan University Health Board (ABUHB)
Powys Teaching Health Board (PTHB)	Cardiff & Vale University Health Board (CVUHB)
Alder House, St Asaph	Cwm Taf University Health Board (CTUHB)
Betsi Cadwaladr University Health Board (BCUHB)	Public Health Wales (PHW)
Welsh Ambulance Service NHS Trust (WAST)	Velindre NHS Trust (VNHST)
Hafen Derwen, Carmarthen	Health Education & Improvement Wales (HEIW)
Hywel Dda University Health Board (HDUHB)	Digital Health & Care Wales (DHCW)
	NHS Wales Shared Services Partnership

- 1.3 The risk considered in the review was that Payroll Services were not appropriately governed or operating effectively, potentially resulting in:
- reputational damage; and
  - financial loss.

## 2. Detailed Audit Findings

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

#### Starters, Leavers and Changes

- 2.1 A total sample 100 new starters, leavers and changes processed during the period February to December 2022 was verified to supporting documentation to confirm approval by the health body and the accuracy of processing by Payroll Services. No issues were identified.
- 2.2 The previous audit (report NWSSP-2122-14 refers) highlighted the variation in enrolment, termination and change forms received by the payroll teams across Wales, including continued inconsistency in the use of Manager Self Service (MSS) within ESR, for example to process leavers and certain changes to assignment details.
- 2.3 The same was observed again this year, with 74 New Appointment Forms (NAF)/ Payroll Instruction Forms (PIF) and 26 manual forms identified within the sample. Variation stems from legacy arrangements when Payroll Services first transferred to NWSSP. Management advised that 'Pure Digital Solution' will be rolled out in 2023 that will achieve the standardisation of processes across Wales.

#### Payroll Checking Processes

- 2.4 There are three key elements to the payroll checking process:
  - input accuracy checks to ensure manual amendments to payroll data (such as starters, leavers, and changes) have been accurately processed on ESR
  - completeness checks to ensure all new starters added to the system are supported by an approved new starters form
  - exception reporting to identify and prevent potential erroneous payments
- 2.5 Our 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. **[Matter Arising 1]**
- 2.6 Completeness checking was evident across the five payroll teams. In the previous audit report, management advised that a review of payroll checking processes was ongoing. We were advised that this review process was not taken forward, pending the implementation of the new 'Pure Digital Solution' later this year, which will rationalise checking requirements and ensure consistency across Payroll teams.
- 2.7 Sample testing of 39 exception reports (three per organisation) identified evidence of checking by Payroll Officers and supervisor sign-off to independently confirm completion of checks.

#### Payroll Feeds and Data Flows

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

Conclusion:

2.9 Satisfactory checking arrangements are in place to identify and prevent/correct erroneous payments. However, we identified inconsistent application of these checks in one payroll team and instances where input checks were not evidenced. We have concluded **Reasonable** assurance for this objective.

**Objective 2: Overpayments are accurately recorded and recovered promptly**

2.10 The previous audit highlighted an inconsistent approach across NHS Wales organisations and payroll teams, although work was ongoing to develop an all-Wales policy to standardise processes. The all-Wales Overpayments Policy is in draft and currently with NHS Wales Directors of Finance for scrutiny and comment.

2.11 The volume of overpayments increased by 34% over the three-year period 2019/20 - 2021/22 and exceeded £10m across NHS Wales during 2021/22. Whilst the majority (88%) of these overpayments are a result of incorrect information or late notification of payroll changes by the health body, responsibility for initiating action to recover overpayments rests with NWSSP Payroll Services.

2.12 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. **[Matter Arising 2]**

Conclusion:

2.13 Whilst action had been taken to recover all of the sampled overpayments, significant delays were identified in some cases, which could impact on the likelihood of recovery and increase the risk of financial loss to health bodies. We have concluded **Reasonable** assurance for this objective.

**Objective 3: Agreed management actions arising from the previous internal audit report have been implemented**

2.14 Previous recommendations have been followed up as part of the current audit fieldwork set out under objectives 1 & 2 above, with the current status summarised in the table below. New recommendations have been raised where appropriate (see Appendix A) and supersede those raised in the previous audit (NWSSP-2122-14).

Ref	Finding	Priority	Status
1	Exception Reporting	Medium	<u>Implemented</u> – see para 2.7
2	Overpayments	Medium	<u>Action Ongoing</u> – see para 2.12 & Matter Arising 2
3	Pension Contribution Rate	High	<u>Implemented</u> – see para 2.15-2.16 below



- 2.15 In October 2022, the calculation of NHS Wales pension contributions changed from pensionable earnings to actual pensionable pay. This also resulted in changes to contribution tier percentages.
- 2.16 A review of 30 employees enrolled on the NHS Pensions Scheme confirmed that employee pension contribution rates stated on their January 2023 payslip were correct for their band and pay point.

**Conclusion:**

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

## Appendix A: Management Action Plan






Matter Arising 1: Independent Accuracy Checks (Operation)		Impact
Our 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.		Incorrect payments to staff potentially resulting in financial loss to health bodies and/or reputational damage.
Recommendation 1		Priority
Input accuracy checking requirements should be formally documented in standard operating procedures and applied consistently across all teams.		Medium
Agreed Management Action	Target Date	Responsible Officer
<p>Agreed</p> <p>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.</p> <p>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.</p> <p>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.</p>	30 September 2023	Assistant Director of Employment Services (Payroll)

Matter Arising 2: Overpayments (Operational)		Impact
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.		Delays in initiating action to recover overpayments reduces the likelihood of recover, potentially resulting in financial loss to health bodies.
Recommendation 2		Priority
<p>Ensure that action to recover overpayments is initiated promptly following identification.</p> <p>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.</p>		<b>Medium</b>
Agreed Management Action	Target Date	Responsible Officer
<p>Partially Agreed</p> <p>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. Payroll functions are set up on a right first-time basis and the division doesn't have the capacity to absorb this level of increased work activity.</p> <p>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.</p>	31 October 2023	Assistant Director of Employment Services (Payroll)

# Appendix B: Assurance opinion and action plan risk rating

## Audit Assurance Ratings

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

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

## Prioritisation of Recommendations

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

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

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



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

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

# Primary Care Services Contractor Payments

## Final Internal Audit Report

April 2023

NHS Wales Shared Services Partnership

NWSSP Audit and Assurance



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



# Contents

Executive Summary ..... 3

1. Introduction..... 4

2. Detailed Audit Findings ..... 6

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

Appendix B: Glossary of Terms ..... 10

Appendix C: Assurance opinion and action plan risk rating ..... 11

Review reference:	NWSSP-2223-10
Report status:	Final
Fieldwork commencement:	December 2022
Fieldwork completion:	22 March 2023
Draft report issued:	31 March 2023
Management response received:	5 April 2023
Final report issued:	5 April 2023
Auditors:	Mair Evans, Principal Auditor
Executive sign-off:	Andrew Evans, Director of Primary Care Services
Distribution:	Nicola Phillips, Deputy Director of Primary Care Services Ceri Evans, Head of Transaction Services Kelly Dixon, Processing Team Manager Julie Turner, All Wales Payment Lead
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

Acknowledgement

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

Disclaimer notice - please note

This audit report has been prepared for internal use only. Audit & 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.

# Executive Summary

## Purpose

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.

## Overview

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 does 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, although no recommendations are raised recognising ongoing development of a validation tool which will be subject to internal audit review in early 2023/24.

We have concluded **Substantial** assurance overall, with no significant findings to report.

One low priority recommendation has been raised in relation to the file administration of ophthalmic claims, which could be enhanced to simplify identification and reconciliation of returned claims. Full details are provided at Appendix A.

## Report Classification

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

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

Assurance objectives	Assurance
1 General Medical Services	Reasonable
2 General Dental Services	Substantial
3 General Ophthalmic Services	Substantial
4 Pharmacy and Prescribing Services	Substantial

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



## 1. Introduction

- 1.1 The audit of Primary Care Services Contractor Payments processed by NHS Wales Shared Services Partnership (NWSSP) Primary Care Services (PCS) was completed in line with the 2022/23 Internal Audit Plan.
- 1.2 PCS is a division of NWSSP, responsible for contract management, reimbursement, post payment verification and information services for medical, dental, ophthalmic and pharmacy/prescribing services. Claims processing and payment systems vary according to the contractor type.
- 1.3 The overall objective of this audit was to evaluate and determine the adequacy of controls in place to administer timely and accurate payments to primary care contractors.

The following objectives were reviewed:

### All Services

- adequate policies and procedures are in place and up to date;
- the All-Wales Medical, Dental, Pharmaceutical and Ophthalmic Performers lists are monitored and accurately processed; and
- payment control sheets are fully completed and appropriately authorised.

### General Medical Services

- Global Sum and Seniority/Partnership premium payments are accurately calculated and processed based on patient list size and the Statement of Financial Entitlement; and
- payments in respect of the Quality Audit and Improvement Framework (QAIF), enhanced services claims and rent/water/rates are accurately processed and agree to supporting documentation where required.

### General Dental Services

- annual contractual activity as agreed with the Health Boards is promptly and accurately input into the Compass system;
- contract changes/variations are authorised by NHS organisations prior to processing;
- additional payments (i.e. travel, subsistence and non-domestic rates) are accurately processed and supported by claim forms; and
- timely notification to NHS organisations of payments awaiting authorisation on Compass, including the temporary arrangements introduced during the pandemic.

### General Ophthalmic Services

- payments are accurately processed and supported by vouchers; and
- vouchers are fully completed by both the practitioner and patient.

### Pharmacy and Prescribing Services

- scripts submitted by Welsh dispensing contractors are recorded, sorted and scanned;
- scripts are processed and checked to ensure accuracy;
- quality audits are undertaken to identify errors;
- payment schedules (FP47) are authorised appropriately and submitted in a timely manner;
- payments made to pharmacists are accurate and supported by appropriate backing documentation; and
- stakeholders receive accurate and timely monthly reports.

1.4 The risks considered in the review are as follows:

- procedural guidance to support the processing of contractor payments has not been documented;
- payments are incorrectly processed resulting in under/overpayment of contractors;
- payments are made without appropriate authorisation or supporting documentation;
- potential fraudulent claims; and
- information provided to stakeholders is inaccurate.

## 2. Detailed Audit Findings

### All Services

- 2.1 Policies and procedures were up to date and accessible via SharePoint. We are encouraged to note that Primary Care Services are in the process of reviewing and updating all policies to create a single central SharePoint site to access all policies and procedures.
- 2.2 We did not identify any issues from our sample testing of inclusions on Performers' Lists.
- 2.3 Sample testing of BACS control sheets confirmed that all had been fully completed and appropriately authorised prior to the expected processing dates.

### General Medical Services

- 2.4 Global Sum payments are based on practice list sizes, as per the quarterly capitation reports. The 2021/22 internal audit reported a declining submission rate for the capitation reports, which increased the likelihood of incorrect payments due to out-of-date list sizes. With effect from April 2022 this information is now extracted directly from practice clinical systems by DHCW. There were three rate changes during the period for Global Sum. Our testing did not identify any errors or issues in the calculation and payment of the Global Sum.
- 2.5 Sample testing of payments made to practices in respect of the Quality Assurance and Improvement Framework (QAIF) confirmed that all had been correctly calculated and applied in line with the data received from the relevant health board.
- 2.6 Sample testing of rent / water / rates payments confirmed that all were supported by appropriate documentation and there was evidence of checking by PCS staff prior to payment.

### Enhanced Services – FPPS Issue

- 2.7 The Family Practitioner Payment System (FPPS) was introduced in December 2021, operating parallel to the existing Exeter system until March 2022, and as the sole payments system from April 2022. FPPS is an off the shelf system tailored to suit the needs of NHS Wales, facilitating practices to submit evidence in support of claims made via the system in readiness for Post Payment Verification (PPV).
- 2.8 PPV was stood down during COVID and reinstated in October 2022, with the intention to resume full reviews with effect from April 2023. Initial PPV visits identified an issue with the reconciliation of enhanced services claims to supporting evidence, due to a lack of validation controls that were present in the Exeter system to verify patient NHS numbers and validity of claims. PPV was stood down (for GMS only) for the remainder of 2022/23 whilst the issue is investigated and addressed. This was reported to PCS Senior Management Team in November 2022,

and Health Board Directors of Primary Care & Directors of Finance in December 2022.

- 2.9 In the absence of validation controls there is an increased risk of undetected erroneous claims and potential financial loss. A reconciliation tool is being developed to facilitate manual validation and reconciliation of submitted claims – retrospectively from October 2021 to March 2023, and as part of the payments process from April 2023. This tool will be subject to separate internal audit review in 2023/24.

#### Conclusion:

- 2.10 We have concluded **Reasonable** assurance for General Medical Services, noting the issues identified in relation to the validation and post-payment verification of enhanced payment claims. Recognising the ongoing development of a tool to address this issue, no recommendations are raised.

### General Dental Services

- 2.11 Sample testing of payment amendment schedules confirmed that all contract changes had been authorised by the Health Board and all variations input had been checked and matched information held in the Compass system.
- 2.12 Sample testing of changes to dentist contracts confirmed that all had been approved by the Health Board, checked by the PCS Contracts Team then processed and passed for payment in an efficient manner.
- 2.13 We did not identify any issues from our sample testing of additional payments. Forms are appropriately reviewed and are only accepted when substantiating information is provided.
- 2.14 Re-imbursement of non-domestic rates paid to a sample of providers were also tested and the associated information was found to be accurate and complete.

#### Conclusion:

- 2.15 Noting the above, we have concluded **Substantial** assurance for General Dental Services.

### General Ophthalmic Services

- 2.16 Sample testing of GOS 1, 3, 4, 5 & 6 claim forms<sup>2</sup> submitted by practitioners to claim funding for performing sight tests and spectacle repair/replacement confirmed that all forms had been fully completed by the patient and signed off where applicable by the practitioner.

---

<sup>2</sup> A GOS 2 form constitutes a patient's prescription. It is not an application for payment in the same manner as GOS 1, 3, 4, 5 and 6 forms.

- 2.17 We did note that the file management of GOS claims and returns did not facilitate identifying which claims had been paid and those returned in reconciling claims to batch payments made. **[Matter Arising 1]**

**Conclusion:**

- 2.18 We have concluded **Substantial** assurance for General Ophthalmic Services.

**Pharmacy Services**

- 2.19 For the processing of prescriptions, pricing validation against drug file and tariff reference material was carried out and revealed no errors.
- 2.20 It was evident that quality audits were being undertaken in accordance with established practices. Detailed reworking of a sample of audit reviews across the year noted minor discrepancies on related audit batches which had been identified and corrected as part of the quality audit process, prior to our review.
- 2.21 Quality audits of prescriptions are undertaken monthly and copies of the batches of mismatched prescriptions are retained on file showing the pre audit, post payment versions of the batches. We noted that the wrong batch was filed 601 853L instead of 601 853I resulting in a gap in the audit trail. The Quality Audit Section have stated that they have put a further check in place to ensure that this does not reoccur.
- 2.22 Review of a sample of FP47A(C) payment schedules confirmed that all reconciled to the corresponding PD1 reports with accurate payment to the pharmacist. We confirmed that PD1 reports are published on time and within the target dates set by Welsh Government.

**Conclusion:**

- 2.23 We have concluded **Substantial** assurance for Pharmacy & Prescribing Services.

## Appendix A: Management Action Plan

Matter Arising 1: Administration of Ophthalmic Claims (Operation)		Impact
<p>In order to confirm that a payment had been correctly made to a practitioner we were required to reconcile Ophthalmic claims within a several payment batches that made up the gross amount paid to the practitioner.</p> <p>There are numerous claims within a batch of which all claims are checked and if there is errors or incomplete sections the claim is returned to the practitioner. The returned claim still remains in the GOS viewer file as it is scanned with all the other claims but in the SharePoint file is copied and noted as a returned claim.</p> <p>Thus the current filing process does not facilitate ease of reconciliation to identify which claims were paid and those returned.</p>		<p>Potential risk of:</p> <ul style="list-style-type: none"> <li>Lack of transparent audit trail to support reconciliation of GOS claims</li> </ul>
Recommendations		Priority
Consider improving the filing arrangements for GOS claims to simplify identification and reconciliation of returned claims.		Low
Agreed Management Action	Target Date	Responsible Officer
Review Completed- This referred to a pilot carried out within 2 Health Boards (Betsi & Powys). All forms were scanned up front which then resulted in additional steps involved to identify returns. This pilot has now stopped from March 23 claiming period which will be paid in April 23 until further IT development could mitigate this and reverted back to normal processing previously agreed by Audit.	Completed	Sarah Jones, Deputy Head of Transaction Services

---

## Glossary of Terms

**BACS** – Formerly known as Bankers’ Automated Clearing Services, BACS is an electronic system used to make payments directly from one bank account to another.

**Compass** – The Dental Contract Management System.

**FP47A(C)** – The summary payment forms for pharmaceutical services.

**GDS** – General Dental Services.

**GMS** – General Medical Services.

**GOS** – General Ophthalmic Services.

**GOS 1** – This form relates to NHS funded sight tests.

**GOS 3** – This form relates to NHS funded glasses and lenses.

**GOS 4** – This form relates to NHS funded repairs and replacements.

**GOS 5** – This form relates to privately funded sight tests.

**GOS 6** – This form relates to NHS domiciliary visits to patients.

**Open Exeter** – Provides access to GP financial information.

**PCS** – Primary Care Services.

**PD1 Reports** – Provides statistical data relating to prescriptions dispensed in Wales aggregated by dispensing contractor type for each Local Health Board.

**PSU002** – The Active Chemist Prescription Batch Report.

**PSU003** – The Active Dispensing Doctor Prescription Batch Report.

**QOF** – Quality Outcomes Framework.

**QAIF** – Quality Assurance Improvement Framework

**SharePoint** – The Health Board’s document management system.

**SLA** – Service Level Agreement.

**SOP** – Standard Operating Procedure

## Appendix C: Assurance opinion and action plan risk rating

### Audit Assurance Ratings

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

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

### Prioritisation of Recommendations

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

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

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





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

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

# Annual Internal Audit Plan

## Internal Audit Charter 2023/24

### April 2023

NHS Wales Shared Services Partnership

Contents

1. Introduction ..... 3

1.1 National Assurance Audits ..... 3

2. Developing the Internal Audit Plan..... 4

2.1 Link to the Public Sector Internal Audit Standards ..... 4

2.2 Risk based internal audit planning approach ..... 4

2.3 Link to NWSSP's systems of assurance ..... 6

2.4 Audit planning meetings ..... 6

3. Audit risk assessment ..... 7

4. Planned internal audit coverage ..... 7

4.1 Internal Audit Plan 2023/24..... 7

4.2 Keeping the plan under review ..... 8

5. Resource needs assessment..... 8

6. Action required ..... 9

Appendix A: Internal Audit Plan 2023/2024..... 10

Appendix B: Key performance indicators (KPI)..... 14

Appendix C: Internal Audit Charter ..... 15

Disclaimer notice - please note

This audit report has been prepared for internal use only. Audit and Assurance Services reports are prepared in accordance with the agreed audit brief and the Audit Charter, as approved by the Audit Committee.

Audit reports are prepared by the staff of the NHS Wales Audit and Assurance Services and addressed to Non-Executive Directors or officers including those designated as Accountable Officer. They are prepared for the sole use of the NHS Wales Shared Services Partnership (NWSSP) and no responsibility is taken by the Audit and Assurance Services Internal Auditors to any director or officer in their individual capacity, or to any third party.

# 1. Introduction

This document sets out the Internal Audit Plan for 2023/24 (the Plan) detailing the audits to be undertaken and an analysis of the corresponding resources. It also contains the Internal Audit Charter which defines the over-arching purpose, authority and responsibility of Internal Audit and the Key Performance Indicators for the service.

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

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

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

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

Accordingly, this document sets out the risk-based approach and the Plan for 2023/24. The Plan will be delivered in accordance with the Internal Audit Charter and the agreed KPIs which are monitored and reported to you. All internal audit activity will be provided by Audit & Assurance Services, a part of NHS Wales Shared Services Partnership (NWSSP).

## 1.1 National Assurance Audits

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

---

## 2. Developing the Internal Audit Plan

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

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

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

### 2.2 Risk based internal audit planning approach

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

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

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

---

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

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

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

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

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

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

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

## 2.3 Link to NWSSP's systems of assurance

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

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

## 2.4 Audit planning meetings

In developing the Plan, in addition to consideration of the above, the Head of Internal Audit has met with the Director of Finance and Corporate Services and the Head of Finance and Business Development to discuss current areas of risk and related assurance needs. Meetings have been

---

held, and planning information shared, with the NWSSP Senior Leadership Group and Chair of the Audit Committee.

The draft Plan was presented to the NWSSP Senior Leadership Group on 16<sup>th</sup> March and also discussed further by the group on the 30<sup>th</sup> March, to ensure that Internal Audit's focus is best targeted to areas of risk.

### 3. Audit risk assessment

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

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

### 4. Planned internal audit coverage

#### 4.1 Internal Audit Plan 2023/24

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

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

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

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

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

The majority of the audit work will be undertaken by our regionally based teams with support from our national Capital & Estates team, in terms of capital audit and estates assurance work, and from our IM&T team, in terms of Information Governance, IT security and Digital work.



## 4.2 Keeping the plan under review

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

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

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

## 5. Resource needs assessment

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

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

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

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

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

Under the approach we have adopted for a number of years, the top slice provided to us to undertake the core Internal Audit programme is sufficient to deliver the proposed plan for 2023/24. Work in respect of the development of any Integrated Audit & Assurance Plans for major programme would be chargeable in line with the specific requirements of those plans.

## 6. Action required

The Audit Committee is invited to consider the Internal Audit Plan for 2023/24 and:

- approve the Internal Audit Plan for 2023/24;
- approve the Internal Audit Charter; and
- note the associated Internal Audit resource requirements and Key Performance Indicators.

James Johns

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

## Appendix A: Internal Audit Plan 2023/2024

Planned output	Audit Ref	Corporate Risk Ref	Outline Scope	Executive Lead	Outline Timing
Purchase to Pay	1		To review the adequacy of the systems and controls in place for key risk areas in the Purchase to Pay Process.	Director of Finance & Corporate Services and Director of Procurement Services	Q2-4
Employment Services - Payroll	2		To review the adequacy of the systems and controls in place for key risk areas of Payroll Services processes.	Director of People, O.D & Employment Services	Q2-4
Primary Care Contractor Services (PCS)	3		To provide assurance that Primary Care Services is maintaining a robust system to facilitate timely and accurate payments.	Director of Primary Care Services	Q2-4
PCS – Reconciliation Tool	4		To review the newly developed reconciliation tool.	Director of Primary Care Services	Q1
Procurement Services	5		To review the adequacy of the systems and controls in place for key risk areas of Procurement Services.	Director of Procurement Services	Q2-4
IT /Digital - Infrastructure upgrade /Azure environment	6	A6	To review arrangements for the migration to the new infrastructure environment.	Director of Planning, Performance & Informatics	Q2/3

Planned output	Audit Ref	Corporate Risk Ref	Outline Scope	Executive Lead	Outline Timing
Decarbonisation	7		To consider progress against the NHS Wales Decarbonisation Strategic Delivery Plan and the Decarbonisation Action Plan (demonstrating how the organisation will implement the Strategic Delivery Plan initiatives). Following on from the advisory review delivered in 2022/23, the proposed scope will include governance, strategy progress and implementation.	Director of Finance / Specialist Estates Services	Q2/3
Performance Data Quality	8		Review a sample of reported performance figures and validate to supporting information.	Director of Planning, Performance & Informatics	Q2
Business Continuity Planning	9		Review arrangements for business continuity planning	Director of Planning, Performance & Informatics / Director of Procurement Services	Q2
Student Awards	10	A9	New System Implementation and testing compliance with a range of policies and procedures.	Director of People, O.D & Employment Services	Q3/4
Single Lead Employer	11		To test compliance with a range of policies and procedures, key aspects of risk and governance within the Service.	Director of People, O.D & Employment Services	Q3/4

Planned output	Audit Ref	Corporate Risk Ref	Outline Scope	Executive Lead	Outline Timing
CIVAS/Medicines Unit	12	A13	To test compliance with a range of policies and procedures, key aspects of risk and governance within the Service	Director	Q2
Central E Business Team – Oracle System	13		To test compliance with a range of policies and procedures, key aspects of risk and governance within the Service.	Central E Business	Q3
Energy Cost Management	14	A6&7	Review arrangements for energy cost Management and All Wales Purchasing.	Director of Finance & Corporate Services	Q2
Specialist Estates Services - Building for Wales Framework.	15		Review arrangements for the retendering of the NHS Building for Wales Framework.	Director of Specialist Estates Services	Q2/3
Specialist Estates Services - Prioritisation of Estates Funding Advisory Board monies for 2023/24	16		Review arrangements for the Prioritisation of Estates Funding Advisory Board monies for 2023/24	Director of Specialist Estates Services	Q3
Development of Integrated Audit & Assurance Plans (IAAP)s	-		Integrated Audit and Assurance Plans for major projects /programmes will be prepared as agreed with management.	Director of Finance / Specialist Estates Services	---

Planned output	Audit Ref	Corporate Risk Ref	Outline Scope	Executive Lead	Outline Timing
Internal Audit Management	--	--	Provision for audit planning, management, Audit Committee, liaison, annual reporting and follow up.	-----	----
NHS Wales national audit work	--	--	To collate the assurances derived from the review of NHS Wales bodies that provide services to this organisation and contribute to its overall system of control.	-----	----

## Appendix B: Key performance indicators (KPI)

KPI	SLA required	Target 2023/24
Audit plan agreed/in draft by 30 April	✓	100%
Audit opinion delivered by 31 May	✓	100%
Audits reported versus total planned audits (to at least draft)	✓	95%
Audits delivered for each Audit Committee in line with agreed plan	—	80%
Report turnaround fieldwork to draft reporting [10 days]	✓	95%
Report turnaround management response to draft report [15 working days minimum]	✓	80%
Report turnaround draft response to final reporting [10 days]	✓	95%

## Appendix C: Internal Audit Charter

### 1 Introduction

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

### 2 Purpose and responsibility

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



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

### 3 Independence and Objectivity

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

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

## 4 Authority and Accountability

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

---

private meetings with the Head of Internal Audit.

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

## 5 Relationships

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

---

## 6 Standards, Ethics, and Performance

- 6.1 Internal Audit must comply with the Definition of Internal Auditing, the Core Principles, Public Sector Internal Audit Standards and the professional Code of Ethics, as published on the NHS Wales e-governance website.
- 6.2 Internal Audit will operate in accordance with the Service Level Agreement (updated 2021) and associated performance standards agreed with the Audit Committee and the Shared Services Partnership Committee. The Service Level Agreement includes a number of Key Performance Indicators, and we will agree with each Audit Committee which of these they want reported to them and how often.

## 7 Scope

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

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

8 Approach

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

Figure 1: Audit planning hierarchy

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

- 8.2 NWSSP Audit & Assurance Services has developed an overall audit strategy which sets out the strategic approach to the delivery of audit services to all health organisations in NHS Wales. The strategy also includes arrangements for securing assurance on the national transaction processing systems including those operated by DHCW and NWSSP on behalf of NHS Wales.
- 8.3 The main purpose of the Strategic 3-year Audit Plan is to enable the Head of Internal Audit to plan over the medium term on how the

---

assurance needs of the organisation will be met as required by the Standards and facilitate:

- the provision to the Accountable Officer and the Audit Committee of an overall opinion each year on the organisation's risk management, control and governance, to support the preparation of the Annual Governance Statement;
- audit of the organisation's risk management, control and governance through periodic audit plans in a way that affords suitable priority to the organisation's objectives and risks;
- improvement of the organisation's risk management, control and governance by providing management with constructive recommendations arising from audit work;
- an assessment of audit needs in terms of those audit resources which 'are appropriate, sufficient and effectively deployed to achieve the approved plan';
- effective co-operation with external auditors and other review bodies functioning in the organisation; and
- the allocation of resources between assurance and consulting work.

8.4 The Strategic 3-year Audit Plan will be largely based on the Board Assurance Framework where it is sufficiently mature, together with the organisation-wide risk assessment.

8.5 An Annual Internal Audit Plan will be prepared each year drawn from the Strategic 3-year Audit Plan and other information and outlining the scope and timing of audit assignments to be completed during the year ahead.

8.6 The strategic 3-year and annual internal audit plans shall be prepared to support the audit opinion to the Accountable Officer on the risk management, internal control and governance arrangements within the organisation.

8.7 The annual internal audit plan will be developed in discussion with executive management and approved by the Audit Committee on behalf of the Board.

8.8 The NWSSP Audit Strategy is expanded in the form of a Quality Manual and a Consulting Protocol which together define the audit approach applied to the provision of internal audit and consulting services.

8.9 During the planning of audit assignments, an assignment brief will be prepared for discussion with the nominated operational manager. The brief will contain the proposed scope of the review along with the relevant objectives and risks to be covered. In order to ensure the scope of the review is appropriate it will require agreement by the

---

relevant Executive Director or their nominated lead and will also be copied to the Board Secretary.

## 9 Reporting

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

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

9.2 The process for audit reporting is summarised below:

- Following the closure of fieldwork and the resolution of any queries, Internal Audit will discuss findings with operational

---

managers to confirm understanding and shape the reporting stage through issue of a discussion draft report;

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



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

## 10 Access and Confidentiality

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

## 11 Irregularities, Fraud & Corruption

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

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

## 12 Quality Assurance

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

## 13 Resolving Concerns

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

---

## 14 Review of the Internal Audit Charter

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

Simon Cookson  
Director of Audit & Assurance  
NHS Wales Shared Services Partnership  
March 2023



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

# External Quality Assessment of Conformance to the Public Sector Internal Audit Standards

## NHS Wales Shared Services Partnership's Audit and Assurance Service

Final Report

Lead Associate: Ray Gard, CPFA, FCCA, CFIIA, DMS

Quality Assessment: Diana Melville, FCPFA

8 April 2023

# NHS Wales Shared Services Partnership's Audit and Assurance Service

## Table of contents

<b>Section</b>	<b>Title</b>	<b>Page</b>
1	Introduction	3
2	Background	3
3	Validation process	3
4	Opinion	5
5	Areas of full conformance	6
6	Areas of partial conformance	10
7	Areas of no conformance	10
8	Survey results	10
9	Issues for management action	10
10	Definitions	11
11	Disclaimer	13
	Summary of survey results	14

## 1. Introduction

- 1.1 Internal audit within the public sector in the United Kingdom is governed by the Public Sector Internal Audit Standards (PSIAS), which have been in place since 1<sup>st</sup> April 2013 (revised 2016 and 2017). All public sector internal audit services are required to measure how well they are conforming to the standards. This can be achieved through undertaking periodic self-assessments, external quality assessments (EQA), or a combination of both methods. However, the standards state that an external reviewer must undertake a full assessment or validate the Internal Audit Service's own self-assessment at least once in a five-year period.

## 2. Background

- 2.1 The Audit and Assurance Service provides internal audit and consultancy services to the NHS Wales Shared Services Partnership NWSSP), the seven geographic Health Boards, and the five Trusts and Specialist Health Authorities in Wales. The service is managed by the Director of Audit and Assurance and is organised into four regional teams namely Audit North Wales; Audit South East & Swansea; Audit Hywel Dda; Audit South Central; and a fifth team, the Specialist Services Unit (SSU), that provides capital project and specialist estates assurance services for the whole of NHS Wales. As is common with NHS shared services, a single NHS trust takes on responsibility for hosting the shared service. For NWSSP, including the Audit and Assurance Service, the host trust is the Velindre University NHS Trust.
- 2.2 The Director of Audit and Assurance is supported by seven Heads of Internal Audit (one each for Audit North Wales; Audit Hywel Dda; and the SSU; and two each for the Audit South Central & Swansea; and Audit South Central regions who each have a larger portfolio of clients. Audit and Assurance is a large experienced and well qualified NHS internal audit agency with, at the time of the EQA, a workforce comprising 52 employees. The Director of Audit and Assurance, and the Heads and the Deputy Heads of Internal Audit all hold relevant professional qualifications, being mainly CCAB accountants with four chartered internal auditors. Below this are the Audit Managers and Principal Auditors, the majority of which also hold relevant professional qualifications or are working towards obtaining them.
- 2.3 From an operational perspective, the Audit and Assurance Service is part of the NWSSP and reports to the Managing Director and the NWSSP's Audit Committee. Regarding Audit and Assurance's other clients, the Heads of Internal Audit report to the respective Board Secretaries and Executive Boards, and their Audit Committees. The Public Sector Internal Audit Standards requires internal audit services to define the roles of 'Senior Management' and 'the Board' in the audit charter. The Board Secretaries and the Executive Boards fulfil the role of 'Senior Management' and the Audit Committees fulfil the role of 'the Board' at each of the Audit and Assurance Service's clients. 'Senior Management' and the 'Board' at each client receive regular reports from the Heads of Internal Audit on their audit plans, progress being made on delivering the plans, details of the completed audit reviews, and the annual opinion and outturn.
- 2.4 Audit and Assurance has an audit manual that provides the auditors with a comprehensive guide to all aspects of performing an internal audit or consultancy assignment and is cross referenced to the PSIAS. The Service uses standard templates for all engagement working papers, testing schedules, and audit reports, and these are embedded in their TeamMate audit management system. Supervision of the engagements takes place at every stage of the process and is recorded on the appropriate documentation in the TeamMate.
- 2.5 There is a quality assurance process in place that includes internal and external quality assessments of the Service, reviews of live engagements, and final clearance of all

completed reports by the relevant Head of Internal Audit, or the Director of Audit and Assurance where appropriate, and post audit satisfaction client surveys. In addition, the Director of Audit and Assurance randomly selects a sample of audit reports each year and performs an in-depth quality assurance review. All these processes feed into the Audit and Assurance Service's Quality Assurance and Improvement Programme (QAIP).

- 2.6 The Audit and Assurance Service has been operating under PSIAS since its launch in 2013, and this is the second external quality assessment (EQA) that they have commissioned.

### 3. Validation Process

- 3.1 This validation of the Service's self-assessment comprised a combination of a review of the evidence provided by Audit and Assurance; a review of a sample of completed internal audits for the Service's clients; a survey that was sent to and completed by a range of stakeholders; and interviews with key stakeholders from a sample of the Service's clients, using MS Teams. The interviews focussed on determining the strengths and weaknesses of Audit and Assurance and assessed the Service against the four broad themes of Purpose and Positioning; Structure and Resources; Audit Execution; and Impact.
- 3.2 The Audit and Assurance Service provided a comprehensive range of documents that they used as evidence to support their self-assessment, and these were available for examination prior to and during this validation review. These documents included the:
- self-assessment against the standards;
  - quality assurance and improvement plan (QAIP);
  - evidence file to support the self-assessment;
  - the audit charters;
  - the annual reports and opinions;
  - the audit plans and strategies;
  - audit procedures manual;
  - a range of documents and records relating to the team members;
  - progress and other reports to the respective Audit and Standards Committees.

All the above documents were examined during this EQA.

- 3.3 The main phase of the validation process was carried out during the week commencing 6 March 2023, with further work and interviews undertaken during the following weeks. This phase of the EQA involved a review of a sample of audit files covering the Service's clients, and interviews with a wide sample of key stakeholders from the Service's clients. Overall, the feedback from the interviewees was positive with clients valuing the professional and objective way the Audit and Assurance Service delivered their services.
- 3.4 A survey was sent to a range of other key stakeholders and the results analysed during the review. Details of the survey findings have been provided to the Internal Audit Manager and a brief summary has been included in this report.
- 3.5 The assessor reviewed examples of completed audits, to confirm his understanding of the audit process used by the Audit and Assurance Service, and to determine how Audit and Assurance has applied the PSIAS in practice.



## 4. Opinion

**It is our opinion that the self-assessment for the NHS Wales Shared Services Partnership's Audit and Assurance Service is accurate, and we therefore conclude that the Audit and Assurance Service FULLY CONFORMS to the requirements of the Public Sector Internal Audit Standards and the CIPFA Local Government Application Note.**

- 4.1 The table below shows the Audit and Assurance Service's level of conformance to the individual standards assessed during this external quality assessment:

<b>Standard / Area Assessed</b>	<b>Level of Conformance</b>
Mission Statement	<b>FULLY Conforms</b>
Core principles	<b>FULLY Conforms</b>
Code of ethics	<b>FULLY Conforms</b>
Attribute standard 1000 – Purpose, Authority and Responsibility	<b>FULLY Conforms</b>
Attribute standard 1100 – Independence and Objectivity	<b>FULLY Conforms</b>
Attribute standard 1200 – Proficiency and Due Professional Care	<b>FULLY Conforms</b>
Attribute standard 1300 – Quality Assurance and Improvement Programmes	<b>FULLY Conforms</b>
Performance standard 2000 – Managing the Internal Audit Activity	<b>FULLY Conforms</b>
Performance standard 2100 – Nature of Work	<b>FULLY Conforms</b>
Performance standard 2200 – Engagement Planning	<b>FULLY Conforms</b>
Performance standard 2300 – Performing the Engagement	<b>FULLY Conforms</b>
Performance standard 2400 – Communicating Results	<b>FULLY Conforms</b>
Performance standard 2500 – Monitoring Progress	<b>FULLY Conforms</b>
Performance standard 2600 – Communicating the Acceptance of Risk	<b>FULLY Conforms</b>

## 5. Areas of full conformance with the Public Sector Internal Audit Standards

### 5.1 Mission Statement and Definition of Internal Audit

The mission statement and definition of internal audit from the PSIAS are included in the audit charter.

### 5.2 Core Principles for the Professional Practice of Internal Auditing

*The Core Principles, taken as a whole, articulate an Internal Audit function's effectiveness, and provide a basis for considering the organisation's level of conformance with the Attribute and Performance standards of the PSIAS.*

The clear indication from this EQA is that the Core Principles are embedded in Audit and Assurance's procedures and working methodologies and they are a very competent, experienced, and professional Service that conforms to all ten elements of the Core Principles.

### 5.3 Code of Ethics

*The purpose of the Institute of Internal Auditors' Code of Ethics is to promote an ethical culture in the profession of internal auditing, and is necessary and appropriate for the profession, founded as it is on the trust placed in its objective assurance about risk management, control, and governance. The Code of Ethics provides guidance to internal auditors and in essence, it sets out the rules of conduct that describe behavioural norms expected of internal auditors and are intended to guide their ethical conduct. The Code of Ethics applies to both individuals and the entities that provide internal auditing services.*

The clear indication from this EQA is that the Audit and Assurance Service conforms to the Code of Ethics, and this is embedded in their procedures, and their audit methodologies. The code of ethics is part of their overarching culture and underpins the way the Service operates.

### 5.4 Attribute Standard 1000 – Purpose, Authority and Responsibility

*The purpose, authority and responsibility of the Internal Audit activity must be formally defined in an internal audit charter, consistent with the Mission of Internal Audit and the mandatory elements of the International Professional Practices Framework (the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, the Standards, and the Definition of Internal Auditing). The internal audit charter must be reviewed regularly and presented to senior management and the audit panel for approval.*

There is a separate audit charter in place for each of the Service's clients and these are reviewed on an annual basis. We reviewed these documents and found them to be comprehensive and well written. We are satisfied that the Audit and Assurance Service conforms to attribute standard 1000.

### 5.5 Attribute Standard 1100 – Independence and Objectivity

*Standard 1100 states that the Internal Audit activity must be independent, and internal auditors must be objective in performing their work.*

The need for independence and objectivity is an integral part of the Service's culture. The Service reports in its own name and directly to the Board Secretaries and Executive Boards, and the Audit Committees at all the Service's clients. All employees declare any potential impairment to their independence or objectivity for each audit they undertake.

We have reviewed the Audit and Assurance Service's comprehensive audit manual, procedures, and their standard documentation; their quality assurance and improvement plan; and a sample of completed audit files for all of the Service's clients. We have also reviewed their reporting lines and their positioning within the respective organisations. Neither the Director of Audit and Assurance nor the Heads of Internal Audit have any other roles and responsibilities in addition to Audit and Assurance at NWSSP or any of the Service's other clients. The audit charter confirms that there are no impairments to their independence or the Audit and Assurance Service, although this is not reinforced in the Heads of Internal Audit's annual reports. As the annual report looks back on the year just finished, whereas the audit charter and plan are designed to look forward, it is recognised as good practice to confirm whether there have been any impairments to independence during the year. We have made one advisory suggestion regarding this observation. We are satisfied that the Audit and Assurance Service conforms with attribute standard 1100.

## 5.6 **Attribute Standard 1200 – Proficiency and Due Professional Care**

*Attribute standard 1200 requires the Internal Audit Services' engagements are performed with proficiency and due professional care, having regard to the skills and qualifications of the staff, and how they apply their knowledge in practice.*

It is evident from this EQA that the Audit and Assurance Service has a professional and experienced workforce. As mentioned in the background section above, the Director of Audit and Assurance, and the Heads and the Deputy Heads of Internal Audit all hold relevant professional qualifications, being mainly CCAB accountants with four chartered internal auditors. Below this are the Audit Managers and Principal Auditors, the majority of which also hold relevant professional qualifications or are working towards obtaining them.

The Audit and Assurance Service has a specialist IT audit team that undertakes all of the technical IT audits across NHS Wales, although all the team members have sufficient knowledge of the operation of high-level IT controls that they can incorporate these into their testing for the audits they undertake. In addition, the Service also undertakes a regular comprehensive programme of transactional audits for NWSSP who provide all the transactional processing for all of NHS Wales and are currently exploring the potential to expand this by using specialist data analytics software applications.

It is evident from this review that the Audit and Assurance Service's employees are experienced and well qualified and perform their duties with due professional care. We are satisfied that the Audit and Assurance Service complies with attribute standard 1200.

## 5.7 **Attribute Standard 1300 – Quality Assurance and Improvement Programmes**

*This standard requires the Head of Audit to develop and maintain a quality assurance and improvement programme that covers all aspects of the Internal Audit activity.*

The Audit and Assurance Service has developed an effective quality assurance process which feeds into their quality assurance and improvement programme that ensures engagements are performed to a high standard. Supervision of audit engagements is carried out at all stages of the audit. Evidence of the supervision of the assignments is recorded throughout the audit process. We have examined the supporting evidence provided by the Audit and Assurance Service during this EQA and are satisfied that they conform to attribute standard 1300.

## 5.8 **Performance Standard 2000 – Managing the Internal Audit Activity**

*The remit of this standard is wide and requires the Chief Audit Executive to manage the Internal Audit activity effectively to ensure it adds value to its clients. Value is added to a client and its stakeholders when Internal Audit considers their strategies, objectives,*

*and risks; strives to offer ways to enhance their governance, risk management, and control processes; and objectively provides relevant assurance to them. To achieve this, the Chief Audit Executive must produce an audit plan and communicate this and the Service's resource requirements, including the impact of resource limitations, to senior management and the Audit and Risk Committee for their review and approval. The Chief Audit Executive must ensure that Internal Audit's resources are appropriate, sufficient, and effectively deployed to achieve the approved plan.*

*The standard also requires the Chief Audit Executive to establish policies and procedures to guide the Internal Audit activity, and to share information, co-ordinate activities and consider relying upon the work of other internal and external assurance and consulting service providers to ensure proper coverage and minimise duplication of efforts.*

*Last, but by no means least, the standard requires the Chief Audit Executive to report periodically to senior management and the Audit Committees on Internal Audit's activities, purpose, authority, responsibility, and performance relative to its plan, and on its conformance with the Code of Ethics and the Standards. Reporting must also include significant risk and control issues, including fraud risks, governance issues and other matters that require the attention of senior management and/or the audit panels.*

The Audit and Assurance Service has a range of procedures in place that are incorporated in their comprehensive audit manual that is cross-referenced to the PSIAS.

The Service have developed comprehensive planning processes that take into consideration the risks and objectives of each client; their risk management and governance frameworks; any other relevant and reliable sources of assurance that are available; key issues identified by managers at each client; the Service's own risk and audit needs assessments; and any emerging risks identified through horizon scanning and networking with other organisations. The Service produces a risk-based audit plan for each client that is designed to provide them with relevant assurance on their Board Assurance Framework and their governance, risk management and internal controls. The audit plans are reviewed and approved by the Executive Boards and the Audit Committees of the respective clients.

Details of the completed audits, together with regular updates on the progress being made on delivering the audit plans and the performance of the Audit and Assurance Service, are reported to the respective Board Secretaries and Executive Boards and the Audit Committees at each client. Annual reports and opinions are also issued at the end of the year and presented to the respective Executive Boards and Audit Committees.

The clear indication from this EQA is that the Audit and Assurance Service is managed effectively and conforms to standard 2000.

## **5.9 Performance Standard 2100 – Nature of Work**

*Standard 2100 covers the way the Internal Audit activity evaluates and contributes to the improvement of the organisation's risk management and governance framework and internal control processes, using a systematic, disciplined and risk-based approach.*

This is the approach adopted by the Audit and Assurance Service and is embedded in their working methodologies. During this EQA, we reviewed a sample of completed audits and examined them to see if they conformed to standard 2100 and Audit and Assurance's own methodologies. We found that all the sample audit files examined during the EQA complied with all three.

The clear indication from this EQA is that the Audit and Assurance Service conforms to performance standard 2100.

#### 5.10 **Performance Standard 2200 – Engagement Planning**

*Performance standard 2200 requires Internal Auditors to develop and document a plan for each engagement, including the engagement's objectives, scope, timing, and resource allocations. The plan must consider the organisation's strategies, objectives, and risks relevant to the engagement.*

As mentioned above, the Service have a comprehensive and robust audit manual and supervision processes in place that include engagement planning and meets the requirements of the PSIAS. From the sample of audit files that we examined during the EQA we found that they all conformed to standard 2200 and the Service's own audit procedures, and therefore we conclude that Audit and Assurance conforms to performance standard 2200.

#### 5.11 **Performance Standard 2300 – Performing the Engagement**

*Performance standard 2300 seeks to confirm that Internal Auditors analyse, evaluate and document sufficient, reliable, relevant, and useful information to support the engagement results and conclusions, and that all engagements are properly supervised.*

As we have mentioned above, the Audit and Assurance Service has a comprehensive audit manual, sound supervision arrangements, and quality assurance processes in place that meet the requirements of the standards. We reviewed the evidence provided in support of the Service's self-assessment, together with a sample of audit files held in the TeamMate audit management system to see if they conformed to the standards, and Audit and Assurance's own working methodologies. We found that all the evidence we examined conformed to the standards and Audit and Assurance's own procedures and methodologies. We therefore conclude that the Audit and Assurance Service conforms to performance standard 2300.

#### 5.12 **Performance Standard 2400 – Communicating Results**

*This standard requires Internal Auditors to communicate the results of engagements to clients and sets out what should be included in each audit report, as well as the annual report and opinion. When an overall opinion is issued, it must take into account the strategies, objectives and risks of the clients and the expectations of their senior management, the audit panels and other stakeholders. The overall opinion must be supported by sufficient, reliable, relevant, and useful information. Where an internal audit function is deemed to conform to the PSIAS, reports should indicate this by including the phrase "conducted in conformance with the International Standards for the Professional Practice of Internal Auditing".*

The Service's audit manual and supervision processes cover the communication of results of individual audits and meet the requirements of the PSIAS. During the EQA we reviewed the evidence provided in support of the Service's self-assessment and the audit reports issued for a sample of audits to establish if they conformed to the standards. All the evidence we examined conformed to the standards and Audit and Assurance's own procedures and methodologies.

We also reviewed the progress and annual reports presented to the respective Audit Committees and found that these also conformed to the standards and the Service's own internal procedures.

We therefore conclude that the Audit and Assurance Service conforms to performance standard 2400.

#### 5.13 **Performance Standard 2500 – Monitoring Progress**

There is a comprehensive follow-up process in place, the objective of which is to monitor the client's progress towards the implementation of agreed actions. The results of the

follow-up reviews are reported to the respective Audit Committees. From this EQA, it is evident that the Audit and Assurance Service conforms to performance standard 2500.

#### 5.14 **Performance Standard 2600 – Communicating the Acceptance of Risk**

Standard 2600 considers the arrangements which should apply if the Director of Audit and Assurance and the relevant Head of Internal Audit has concluded that management have accepted a level of risk that may be unacceptable to the organisation. Situations of this kind are expected to be rare, consequently, we did not see any examples of this during this review. From this EQA, it is evident that the Audit and Assurance Service conforms to performance standard 2600.

## 6. Areas of partial conformance with the Public Sector Internal Audit Standards and the CIPFA Local Government Application Note

- 6.1 There are no areas of partial conformance with the Public Sector Internal Audit Standards.

## 7. Areas of non-conformance with the Public Sector Internal Audit Standards and the CIPFA Local Government Application Note

- 7.1 There are no areas of non-conformance with the Public Sector Internal Audit Standards.

## 8. Survey results

- 8.1 Overall, the results of the survey of key stakeholders from the Audit and Assurance Service's clients were positive with respondents valuing the services provided by them. The overall number of positive responses were very high with nearly all respondents agreeing or partially agreeing with the survey statements. The detailed findings from the survey have been shared with the Director of Audit and Assurance and a summary of the survey results has been included in this report at page 14.

## 9. Issues for management action

- 9.1 We have identified two advisory issues for management to consider, as set out in the table below.

Issues for management action	Priority
The audit charter confirms that there are no impairments to the independence of the Director of Audit and Assurance, the Heads of Internal Audit, or the Audit and Assurance Service although we have noted that this is not reinforced in the respective annual reports. As the annual report looks back on the year just finished, whereas the audit charter and plan are designed to look forward, it is recognised as good practice to confirm whether there have been any impairments to independence during the year.	Advisory

Issues for management action	Priority
Management should be mindful of the fact that a consultation on revising the Institute of Internal Auditors global International Professional Practice Framework (IPPF) which is incorporated into the PSIAS, commenced on 1 March 2023. Whilst this will not impact on the Service's current level of conformance, any changes to the Standards arising from the consultation may affect the Service's conformance in the medium term. It is therefore suggested that the Director of Audit and Assurance considers the contents of the consultation document and keeps a watching brief on the developments to the Standards and how this may impact the Service in the medium term.	<b>Advisory</b>

## 10. Definitions

Level of Conformity	Description
<b>FULLY Conforms</b>	The Internal Audit Service complies with the standards with only minor or no deviations. The relevant structures, policies, and procedures of the internal audit service, as well as the processes by which they are applied, at least comply with the requirements of the individual Standard and the Code of Ethics in all material respects. This means that there is conformance to all of the individual Standards and the Code of Ethics.
<b>Partially Conforms</b>	The Internal Audit Service is endeavouring to deliver an effective service however, they are falling short of achieving some of their objectives and/or generally conforming to a majority of the individual Standards and elements of the Code of Ethics and at least partial conformance to the others. There will usually be significant opportunities to improve the delivery of effective internal audit and enhance conformance to the Standards or elements of the Code of Ethics. The Internal Audit Service may be aware of some of these opportunities and the areas they need to develop. Some identified deficiencies may be beyond the control of Internal Audit and may result in actions for Senior Management or the Board of the organisation to address.
<b>Does Not Conform</b>	The Internal Audit Service is not aware of; not making efforts to comply with; or is failing to achieve many/all of the individual Standards or elements of the Code of Ethics. These deficiencies will usually have a significant adverse impact on Internal Audit's effectiveness and its potential to add value and are likely to represent significant opportunities for improvement to Internal Audit. Some identified deficiencies may be beyond the control of Internal Audit and may result in recommendations to Senior Management or the Board of the organisation.

Action Priorities	Criteria
<b>High priority</b>	The Internal Audit Service needs to rectify a significant issue of non-conformance with the standards. Remedial action to resolve the issue should be taken urgently.
<b>Medium priority</b>	The Internal Audit Service needs to rectify a moderate issue of conformance with the standards. Remedial action to resolve the issue should be taken, ideally within a reasonable time scale, for example six months.
<b>Low priority</b>	The Internal Audit Service should consider rectifying a minor issue of conformance with the standards. Remedial action to resolve the issue should be considered but the issue is not urgent.
<b>Advisory</b>	These are issues identified during the course of the EQA that do not adversely impact the service's conformance with the standards. Typically, they include areas of enhancement to existing operations and the adoption of best practice.

The co-operation of the Director of Audit and Assurance, the Heads of Internal Audit, the Business Support Manager, and the Deputy Head of Internal Audit at Audit Hywel Dda in providing the information requested for the EQA, is greatly appreciated. Our thanks also go to the Board Secretaries and chairs of the respective Audit Committees, and the key stakeholders from all the Service's clients that made themselves available for interview during the EQAs and/or completed the survey.

Ray Gard, CPFA, FCCA, FCIIA, DMS

8 April 2023

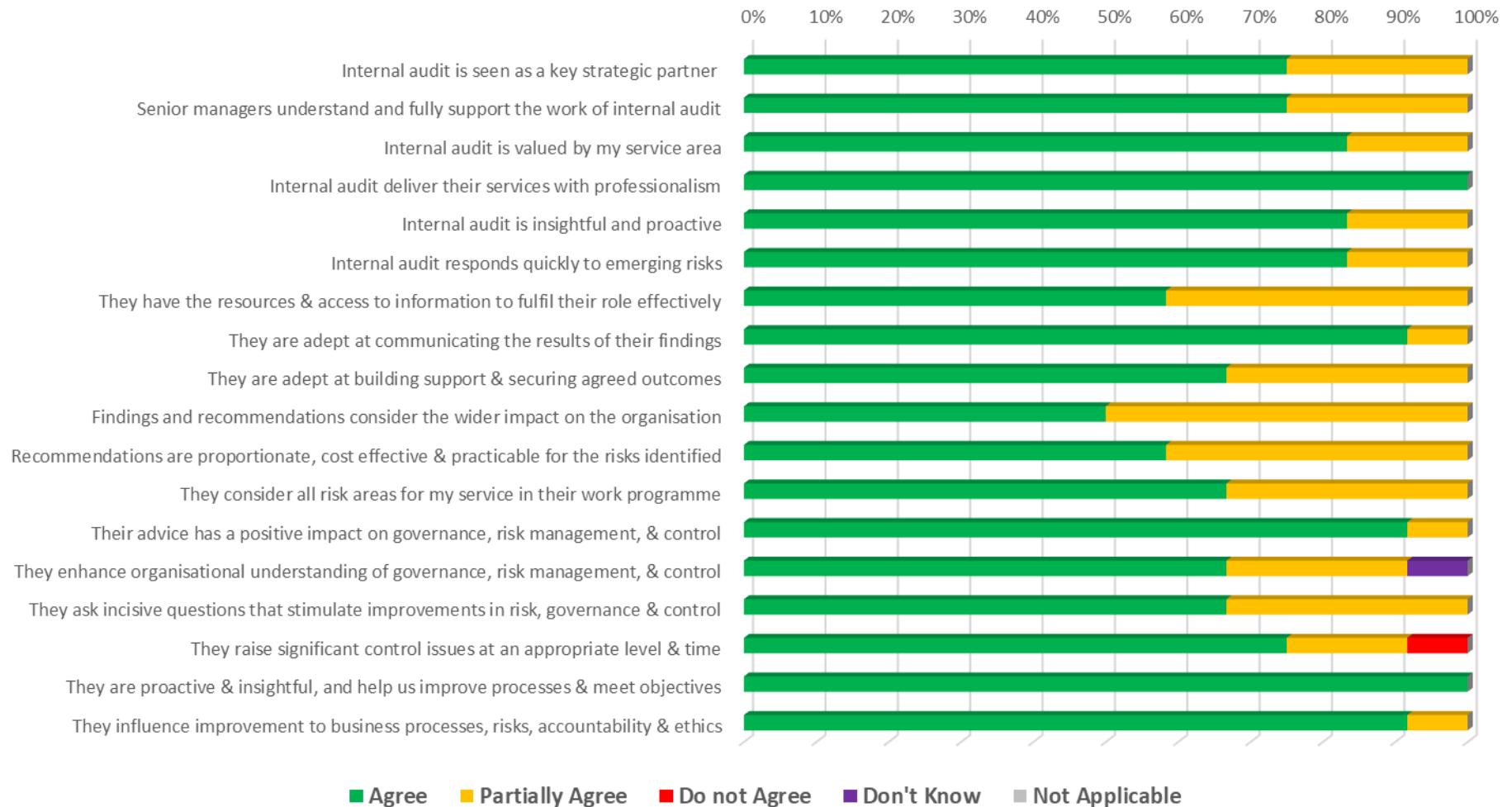


## 11. Disclaimer

This report has been prepared by CIPFA at the request of the NHS Wales Shared Services Partnership's Audit and Assurance Service, and the terms for the preparation and scope of the report have been agreed with them. The matters raised are only those that came to our attention during our work. Whilst every care has been taken to ensure that the information provided in this report is as accurate as possible, we have only been able to base findings on the information and documentation provided to us. Consequently, no complete guarantee can be given that this report is necessarily a comprehensive statement of all the issues that exist with their conformance to the Public Sector Internal Audit Standards that exist, or of all the improvements that may be required.

The report was prepared solely for the use and benefit of NHS Wales Shared Services Partnership's Audit and Assurance Service, including the Executive Boards and Audit Committees of NWSSP and the Service's clients, and to the fullest extent permitted by law, CIPFA accepts no responsibility and disclaims all liability to any other third party who purports to use or rely, for any reason whatsoever on the report, its contents, conclusions, any extract, and/or reinterpretation of its contents. Accordingly, any reliance placed on the report, its contents, conclusions, any extract, reinterpretation, amendment and/or modification by any third party is entirely at their own risk.

## NWSSP Audit and Assurance Survey Results







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

## **Counter Fraud Progress Report 01/01/2023 – 31/03/2023**

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

# TABLE OF CONTENTS

1. Introduction

2. Progress

*Staffing*

*Activity -*

*Infrastructure/Annual Plan*

*Awareness sessions*

*Newsletters*

*Fraud Alerts and Bulletins (FPN/IBURN)*

*Referrals/Enquiries/Investigations*

*Local Proactive Exercises*

*Fraud Risk Assessments*

*Other*

3. Appendices

## 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 1<sup>st</sup> January 2023 to the 31<sup>st</sup> 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 referrals, investigations, activity and operational issues.

At 31<sup>st</sup> 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. In summary the days have been used concluding ongoing fraud investigations and 5 new fraud referrals; Fraud Awareness activity was mainly focussed on Fraud Awareness sessions to Payroll, Accounts Payable and People and Organisational Development, Development and Launch of the Counter Fraud APP and conclusion of the All NHS Wales Counter Fraud E-learning module. Local Proactive Exercises were also conducted following issue of NHS CFA intelligence bulletins - IBURNs and Fraud Prevention Notices (FPN's).

The breakdown of these days is as follows:

TYPE	Days
Proactive	161.5
Reactive	43.5
Total	205

## 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 at the April 2022 meeting.

### *Staffing*

Previous reports this financial year have outlined recent changes in personnel. The NWSSP LCFS service will continue to be supported by the LCFS team at Cardiff & Vales University Health Board (CAVUHB).

### *Activity- Infrastructure/Annual Plan*

The Counter Fraud Plan for 2022-2023. is aligned fully to the NHS Counter Fraud Authority (NHS CFA) requirements as stipulated in Government Functional Standards (Gov S013) which is the suite of requirements to counter fraud across the NHS and UK Government. The plan states proposed actions throughout the year. In tandem with investigation work required, the main focus of the NWSSP Local Counter Fraud Manager during the last quarter was as follows:

- a. 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.
- b. 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.
- c. CFM has continued to liaise with Head of Internal Audit under the Joint working protocol in place.
- d. E-learning Module – The CFM has been involved with NHS CFS Wales and the Finance Academy in the development of the All-Wales Counter Fraud Awareness E-learning module. The module is currently being finalised and the aim is to launch it on Tuesday 18<sup>th</sup> April. NWSSP staff will initially be encouraged to complete this module which will be recorded against the ESR Staff Learning and Development Record. It is currently proposed that this will become a mandatory training requirement for all NWSSP staff
- e. The CFM 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 a number of sessions to the People and Organisational Development (POD) Division, Employment Services (Payroll) which is ongoing. Feedback forms were also received providing positive feedback.
- f. Liaison has continued with NWSSP's People and Organisational Development Learning Learning and Development team as fraud awareness is referenced on delivery of the staff "Welcome Session" for new staff which is delivered virtually. It is proposed that reference will be made to signpost Counter Fraud during the welcome session. Plans are being made to arrange a fraud awareness session via Microsoft TEAMS for new starters each month.
- g. A Counter Fraud App has been developed in conjunction with the NWSSP Communications Team and was launched within NWSSP on 22<sup>nd</sup> February and All NHS Wales bodies on 1<sup>st</sup> March.
- h. LCFS is also liaising with Head of CFS Wales to review the categories of data collected for recording Fraud Awareness Engagement.

### *Awareness Sessions*

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

<b>Group</b>	<b>No of attendees / Participants</b>
POD Business partnering	12
Supplier Maintenance Team (Bank Mandate Fraud)	4
Payroll (BCUHB/WAST/ABUHB payroll teams)	64
<b>Total</b>	<b>80</b>

Staff during each session were very engaging, a feedback form was issued following each of these sessions and is provided as Appendix A

Further arrangements have been made to deliver sessions to the remaining Payroll teams and also Primary Care in April.

Accounts Payable Teams on bank Mandate Fraud Risk Update.

### *Newsletters*

A further Newsletter is planned for April 2023

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

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

On 10<sup>th</sup> 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 31<sup>st</sup> March NHS Counter Fraud Authority 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 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.



Both IBURNs were recorded and actioned on the CLUE 2 Case Management system, a database in accordance with NHS CFA requirements, they were 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.

### *Referrals/Enquiries/Investigations*

During this reporting period the NWSSP Counter Fraud Team received **Five** new referrals for investigation.

**Case 1 Ref 023/00130** being investigated by NHS CFS Wales team with support from NWSSP Lead LCFS. Report received from Payroll on 17/1/2023 concerns a potential theft of salary overpayment of £17k by a Doctor formerly employed by NWSSP SLE, investigations have been made into the circumstances and the subject who no longer works as a doctor will be contacted during Q1.

**Case 2 (Ref 023/00468)** Referral received from Payroll on 8/3/2023 concerns a potential theft of overpayment of salary £16k by a Doctor formerly employed by NWSSP SLE Net. Investigations and checks have been made into the circumstances; the subject will be contacted during Q1.

**Case 3 (Ref 023/00607)** Information received from Health Courier Service on 16/3/2023 advising that they had identified suspicious claims for journeys from a Taxi contractor Est value £528 Journeys were queried and the company identified that an employee at the Taxi company had made claims to the for personal journeys to the NHS and also other private clients. The employee has been dismissed, re-imbursement of £528 has now been received and the matter referred to the Police for investigation as private clients were also involved. NWSSP Lead LCFS to liaise with Police to ensure the matter is investigated.

**Case 4 (Ref 23/00610)** Concerns over invoices referred to LCFS for investigation on 13/3/2023. Invoices were from a large Company who were not a creditor nor provided services to NWSSP. Invoices lacked detail and initial responses from company led to further suspicion. Further enquiries made by LCFS established that the invoices related to services provided by the company to a Primary Care contractor. The invoices were therefore referred to them for payment. **Case Closed**

**Case 5 (Ref 23/00609)** Concerns over suspicious invoices referred to LCFS for investigation on 16/3/2023. Invoice details from a care provider looked suspicious and lacked information. Following further investigation the invoice was submitted via the incorrect process and additional details were verified as correct. Case to be closed

## Cases open from previous QTR.

(Ref 22/01515) related to an overpayment of Salary of £22k received over a nine-month period. Initial enquiries concluded that the case would not have been suitable for further criminal investigation. An agreement was made to recover the amount overpaid in one lump sum payment of £10k which received in January 2023 and four instalments of £3k. Two further instalments each for £3k were received in February and March 2023 and two further instalments totalling £6k are due in April and May 2023.

(Ref 22/00977) The case from the previous quarter concerning the owner of a domiciliary care service provider selling boxes of PPE items on social media has now been closed. The LCFS liaised with the NWSSP National Clinical Logistics Manager to ensure that all related documentation includes a notice to stipulate that PPE should not be resold and is for use only by the NHS and Health and Social Care only. The amount saved due to this intervention was valued at **£2,700** as the subject was prevented from selling the PPE items and warned of her future conduct. LCFS also liaised with Care Inspectorate Wales on this matter. **Case now closed.**

## *Local Proactive Exercises*

As part of the Government Functional Standards LCFS are required to conduct Local Proactive Exercises (LPE's) and Fraud Risk Assessments and record them on the CLUE case management system. LPE's should be conducted on a local risk-based approach or can be directed by NHS CFA or 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 mandate fraud and employee identity fraud which were detailed above and also on the following separate LPE's:

**Salary Overpayment** – I have previously reported that instances relating to theft of overpayment of salary from NWSSP 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. 3 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.

The LCFS Manager has also liaised further with the POD 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.

**Ref LPE/23/00903** A number of separate requests were made for the payment of an invoice to a payee not named on the invoice.

Eg 1 a Invoice in name of a Ltd Company and the request was made for payment to personal bank accounts on 2 separate but unrelated occasions.

Eg 2 Invoice in name of registered charity where a request for payment was made into to personal bank account.

On each occasion LCFS Liaised with Supplier Maintenance Team to advise the payee of the correct payee account.

### *Risk Assessments*

The NWSSP LCFS is also currently:

- Continuing to liaise with SBUHB LCFS to conduct a risk measurement exercise on pre-Employment checks undertaken by NWSSP Recruitment and Health Board Departmental Managers;
- Liaising with C&VUHB /HEIW LCFS to conduct a risk measurement exercise on the new Bursary Management system.
- Discussing the methodology of recording fraud risk assessments with the NWSSP Head of Finance and Business Development.
- Liaising 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:
  - The Thematic Assessment exercise published by the NHS CFA in 2020 (Appendix B) and updated with a final progress report from NHS CFA on 25<sup>th</sup> January 2023 in relation to NHS Wales Shared Services Standards (Appendix C):
    - 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 29<sup>TH</sup> September 2022.
  - NHS CFA Preventing Procurement Fraud
  - Velindre NHS Trust PO Report Sept 2022

### *National Fraud Initiative*

National Fraud (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 Corporate Services Compliance Manager to conduct checks against Declaration of Interests.

#### *Other*

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

- All-Wales Fraud Awareness E-Learning module due to be launched April 2023.
- 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 BCUHB Lead LCFS' and the CFM has requested an update from Audit Wales.

# Fraud Awareness Session Feedback Form Payroll Teams

33  
Responses

09:37  
Average time to complete

Active  
Status

1. Did you find your Fraud Awareness Session Informative and Useful

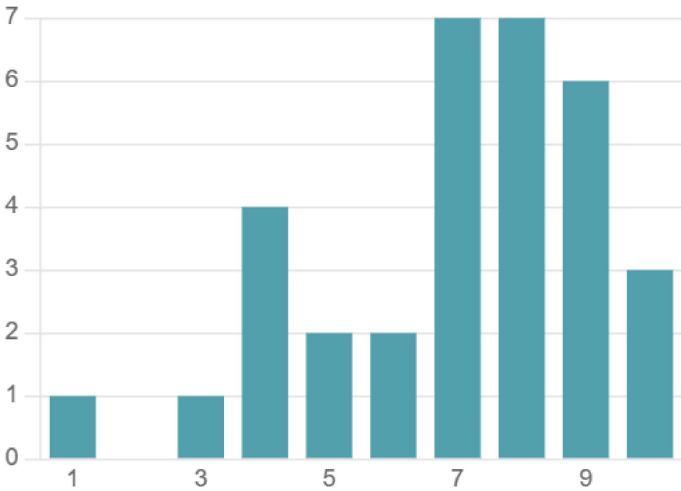
- Yes
- No

33  
0



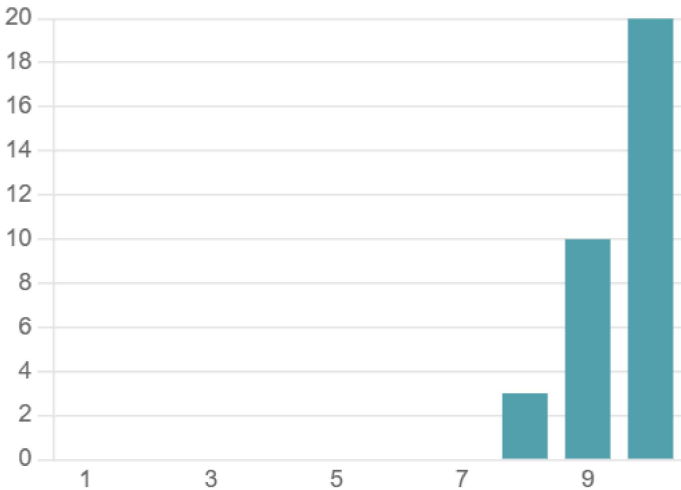
2. Rate your awareness of Fraud in the NHS **BEFORE** your Fraud Awareness Session

7.00  
Average Rating



3. Rate your Fraud Awareness **AFTER** your fraud Awareness Session

9.52  
Average Rating



4. Do you think the content was relevant to your role

Yes	33
No	0



5. Following your fraud awareness session do you feel more confident in recognising a fraud concern

yes	31
No	1
Maybe	1



6. If you suspected that fraud has taken place within the NHS would you report it?

Yes	33
No	0
Maybe	0

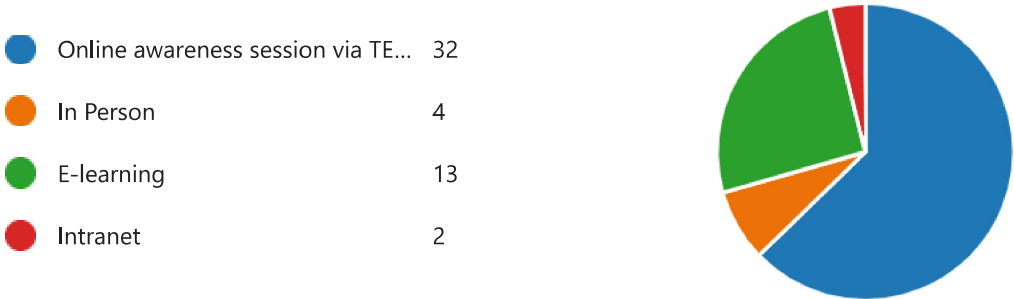


7. If you were to report Fraud, Bribery or Corruption which method would you most likely use.

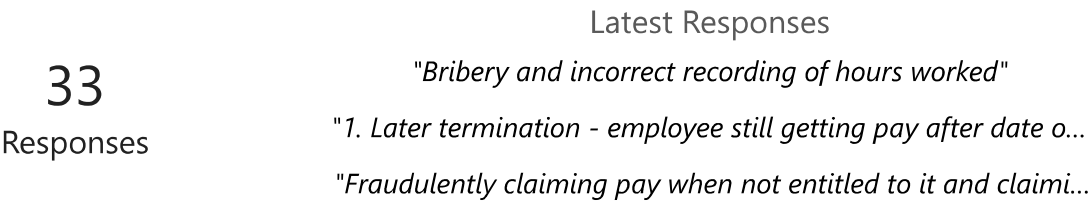
NHS online report form	6
NHS Fraud and Corruption Rep...	9
Report to Line Manager	19
Report Direct to your LCFS	15
Counter Fraud APP	3



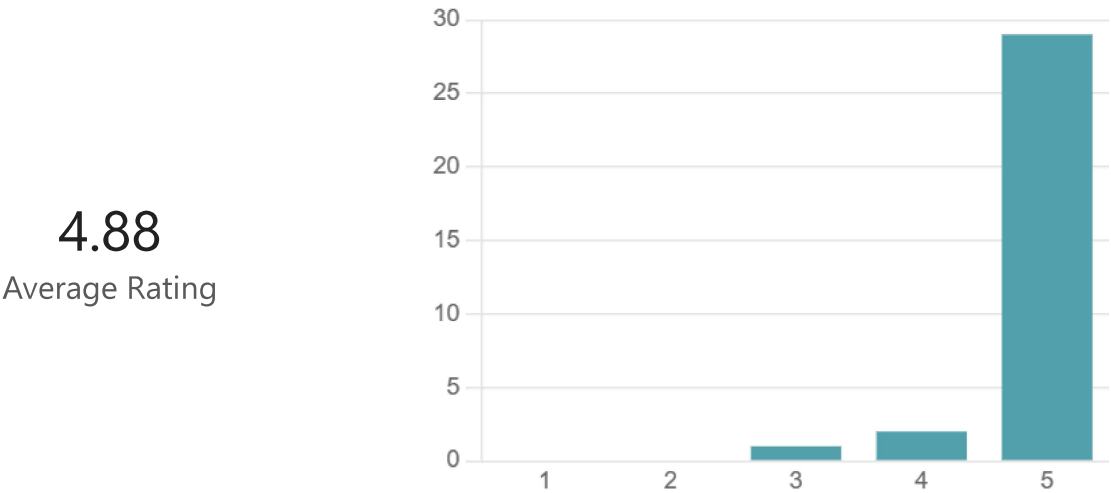
8. What do you think is the best way to provide Fraud Awareness Material and Training.



9. Following what you learned from your Fraud Awareness Session please name 2 types of Fraud Offences which may occur within NWSSP.



10. Please rate your satisfaction of your fraud awareness session





11. Please add any other comments or suggestions.

11

Responses

Latest Responses

---

# Fraud Awareness Session Feedback Form POD

7

Responses

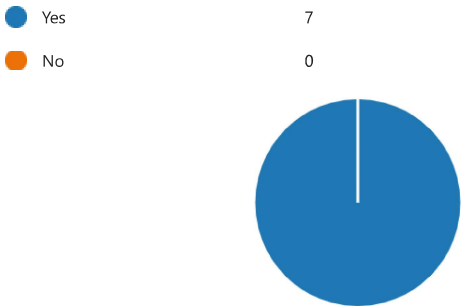
04:11

Average time to complete

Active

Status

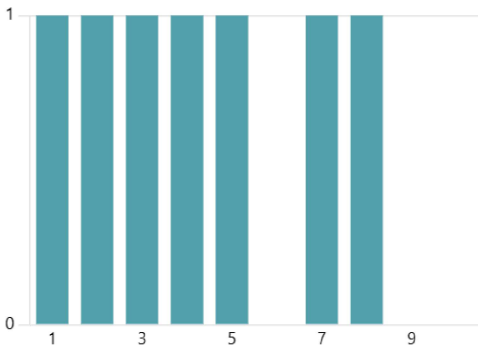
1. Did you find your Fraud Awareness Session Informative and Useful



2. Rate your awareness of Fraud in the NHS **BEFORE** your Fraud Awareness Session

4.29

Average Rating



To attract more attention and responses, AI is used to create immersive styles for you.

Fraud Awareness Session Feedback Form POD

Fraud Awareness Session

Fraud Awareness Sessi...

Fraud Awareness Session

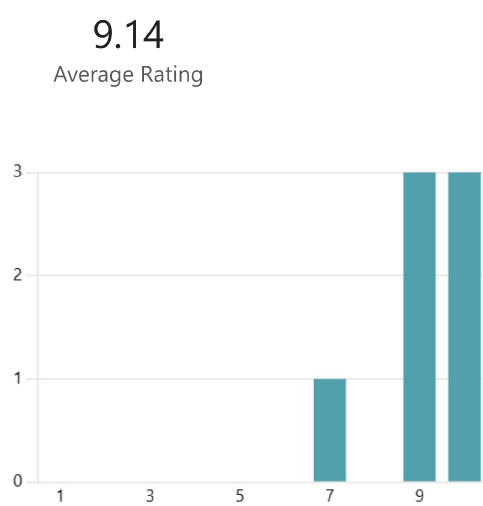
View all



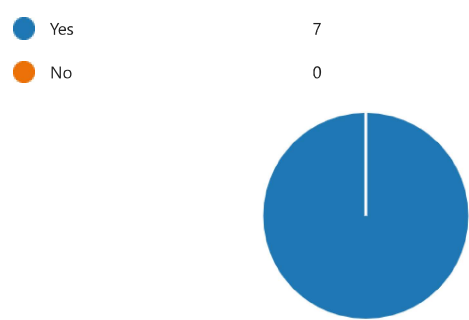
Background music



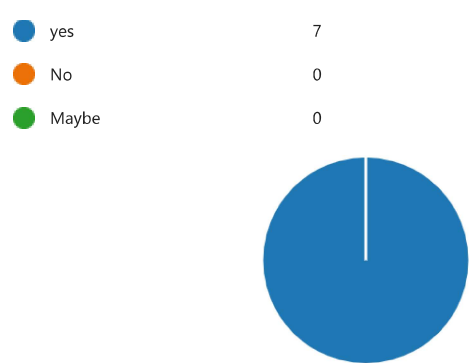
3. Rate your Fraud Awareness **AFTER** your fraud Awareness Session



4. Do you think the content was relevant to your role

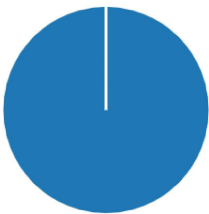


5. Following your fraud awareness session do you feel more confident in recognising a fraud concern



6. If you suspected that fraud has taken place within the NHS would you report it?

Yes	7
No	0
Maybe	0



7. If you were to report Fraud, Bribery or Corruption which method would you most likely use.

NHS online report form	3
NHS Fraud and Corruption Rep...	1
Report to Line Manager	2
Report Direct to your LCFS	5



8. What do you think is the best way to provide Fraud Awareness Material and Training.

Online awareness session via TE...	7
In Person	1
E-learning	4
Intranet	1



9. Following what you learned from your Fraud Awareness Session please name 2 types of Fraud which may occur within NWSSP.

6  
Responses

Latest Responses

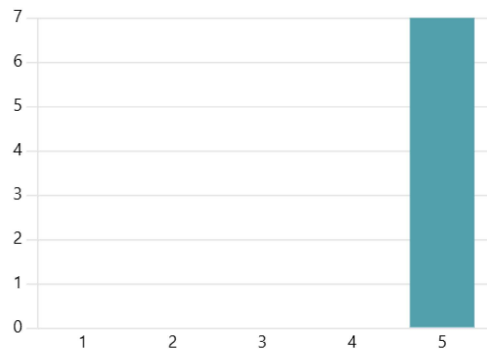
"Working whilst on sick leave and claiming for hour...

"falsifying timesheets, working elsewhere during sic...

"candidates lying on their application to gain a new...

10. Please rate your satisfaction of your fraud awareness session

5.00  
Average Rating



11. Please add any other comments or suggestions.

5  
Responses

Latest Responses  
*"It was really informative, thank you!"*

# Fraud Awareness Session Feedback Form Accounts Payable

3

Responses

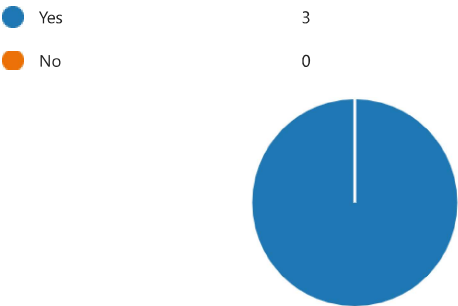
02:10

Average time to complete

Active

Status

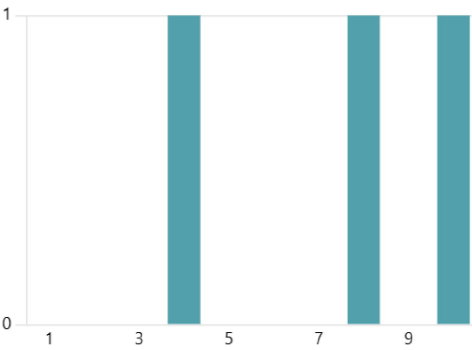
1. Did you find your Fraud Awareness Session Informative and Useful



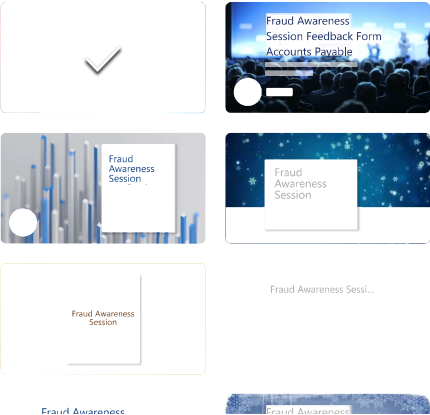
2. Rate your awareness of Fraud in the NHS **BEFORE** your Fraud Awareness Session

7.33

Average Rating



To attract more attention and responses, AI is used to create immersive styles for you.



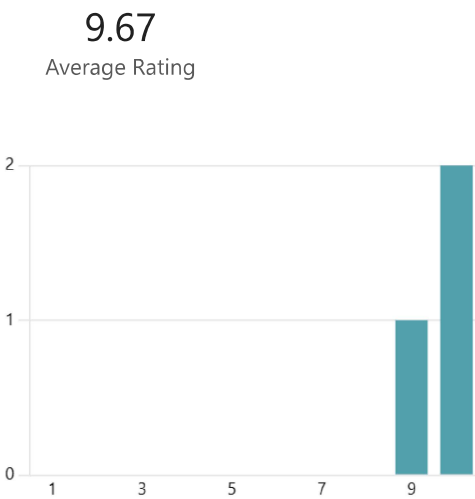
View all



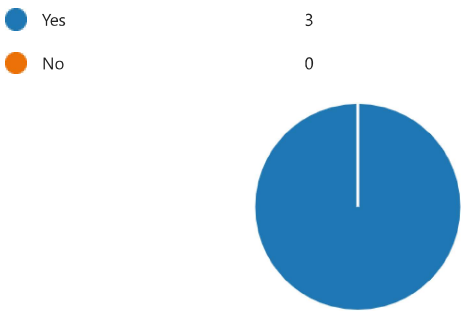
Background music



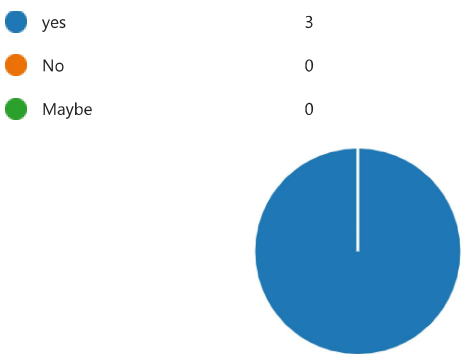
3. Rate your Fraud Awareness **AFTER** your fraud Awareness Session



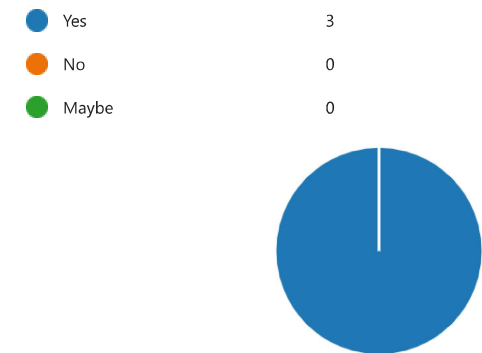
4. Do you think the content was relevant to your role



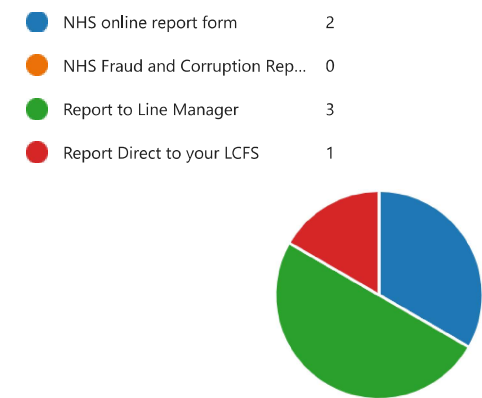
5. Following your fraud awareness session do you feel more confident in recognising a fraud concern



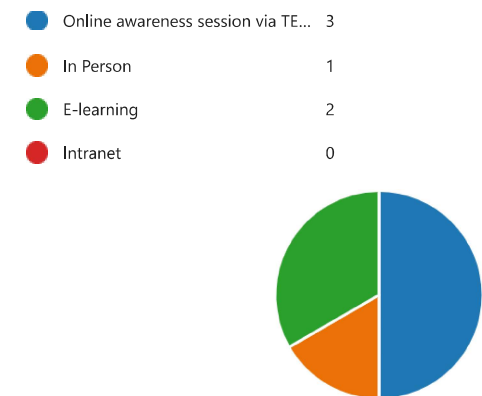
6. If you suspected that fraud has taken place within the NHS would you report it?



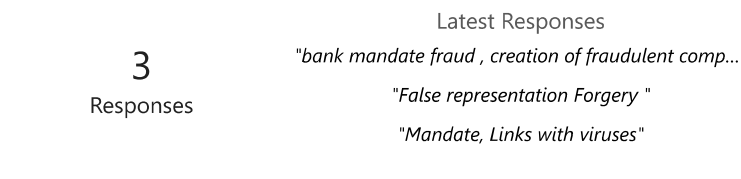
7. If you were to report Fraud, Bribery or Corruption which method would you most likely use.



8. What do you think is the best way to provide Fraud Awareness Material and Training.

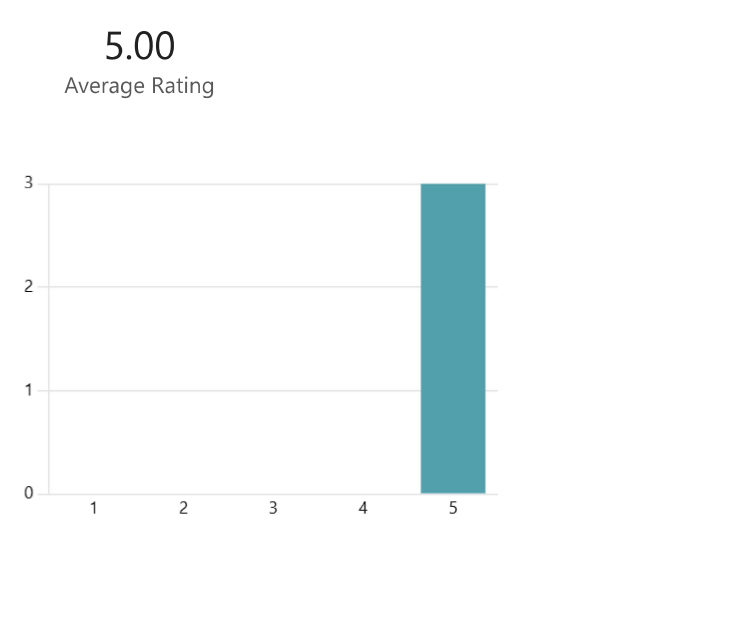


9. Following what you learned from your Fraud Awareness Session please name 2 types of Fraud Offences which may occur within NWSSP.





10. Please rate your satisfaction of your fraud awareness session



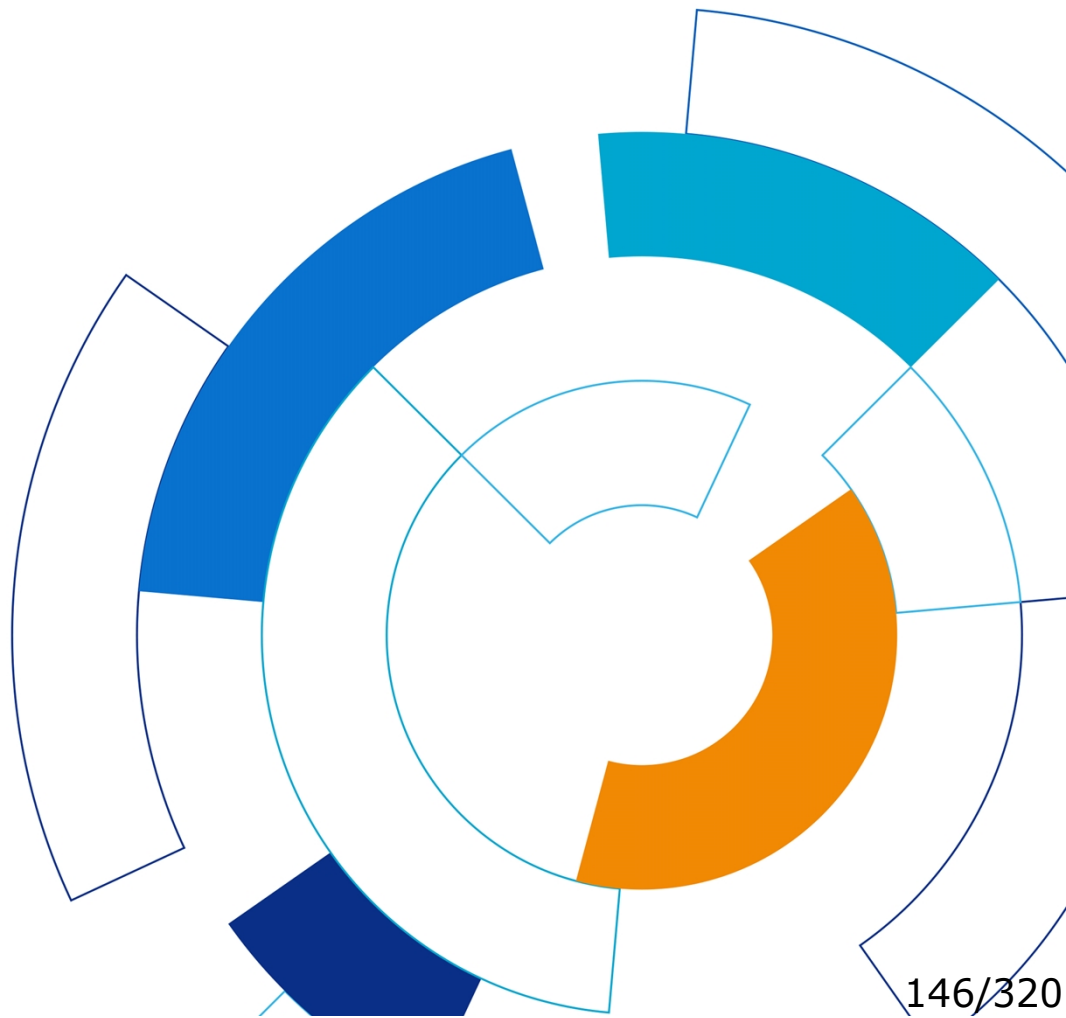
11. Please add any other comments or suggestions.

Latest Responses	
2 Responses	"."
	"I think that would be a very good session for the ne..."

Restricted

**Final Progress Report  
Thematic Assessment  
Wales Shared Services  
Standards 3.4,3.5 and 3.6**

**NHS fraud.  
Spot it. Report it.  
Together we stop it.**



Version control

Version	Name	Date	Comment
V0.1	T Barlow	10/01/2023	First draft
V0.2	J. Gall	25/01/23	Second draft
V1.0	T Barlow	25/01/23	Final

## 1. Background

In March 2020 the NHSCFA undertook a thematic assessment against measures in place Wales wide for those services provided by the NHS Wales Shared Services Partnership (NWSSP). The assessment measured activity at all health boards and a report entitled “*Thematic Assessment, Wales Shared Services, Standards 3.4, 3.5 and 3.6, 8 March 2020*” which was issued to all health boards and to CFA Wales.

## 2. Objectives

To measure completion of actions identified in the 2020 report following the 2 year period affected by the covid pandemic.

- To seek assurances that actions have been completed
- To identify those actions yet to be completed
- To publish our findings to NHS Wales Counter Fraud Steering Group (CFSG), NWSSP and all health bodies, directors of finance and lead LCFSs identifying progress against the original action plan.

## 3. Purpose

To provide assurances to NHS Wales CFSG that appropriate measures to prevent fraud, bribery and corruption in the areas of pre-employment, procurement and invoice payment are in place. Where they are not in place, to reinforce recommendations made to address any system weaknesses.

## 4. Scope

The exercise will seek to engage with all health bodies to understand the variance of mechanisms utilised to mitigate risk.

The exercise will only consider those health bodies who submitted an SRT in 2019 and NWSSP.

## 5. Out of Scope

Organisations falling outside the mandatory requirements of the NHSCFA standards, fraud, bribery and corruption.

## 6. Methodology

The exercise will take the form of face-to-face meetings held in September and October 2022 with the LCFS leads for those organisations identified in appendix A

## 7. Response rate

All organisations invited to this exercise attended meetings and provided evidence requested.

## 8. Executive Summary

All health bodies in Wales have the capacity to adopt policies and procedures put in place by NWSSP. These policies and protocols are robust in nature and are regularly reviewed, evaluated and audited for effectiveness. However not all health bodies adopt all policies and protocols, a number of localised systems have been adopted. The body of the report sets out the detailed findings and recommendations that health bodies were asked to consider to manage risk and ensure compliance with NHSCFA standards. It also includes a review of completion of those actions based on the information provided by each health body. It should be noted that the standards we originally tested against have been replaced by Government Functional Standard GovS013 and the NHS requirements.

It should be noted that NWSSP now have their own LCFS who commenced in post Q2, and we have supported Mark during this review. The intention is that where any weaknesses are identified the NWSSP LCFS will take forward those actions.

Overall, the majority of recommendations made in the initial report have been taken forward and where they had not work was planned to address the issues.

It will be prudent for all health boards to seek regular assurances from NWSSP that those services provided ensure robust implementation of counter fraud measures.

### Note

Pre- employment checks appear to be weak in relation specifically to agency staff with a belief that agencies who are on the framework undertaking these checks meet the requirements. Whilst this may well be true, the responsibility for ensuring pre-employment checks are undertaken to the required standard lies with the health body.

## 9. Findings

Those recommendations that have not been completed should be considered and measured action plans implemented.

Formal assurance reporting to all health bodies should be considered by NWSSP to ensure continued monitoring of fraud risk for the services they provide to Wales.

## 10. Recommendations

Detailed health body specific recommendations can be found in appendix A of this report under the column Action Required (text in red) with an update on each recommendation on progress to date.

# Appendix A

## Health Body: Swansea Bay University Health Board

Question	Response	Action Required	Action completed
Standard 3.4 Pre-Employment Checks			Yes / No (comments included)
Can the organisation confirm that all directly employed staff are recruited using the shared services (SS) policies and protocols including pre-employment checks?	Not all directly employed staff are processed by NWSSP, but all recruiting managers should be adhering to the NHS Employers recruitment guidance, which is the guidance that NWSSP's processes are based on	<p>There should be a proactive exercise undertaken between the LCFS and HR implementing recommendations made in NHSCFA and NHS Employers guidance and with policies and protocols set out by NWSSP.</p> <p>The findings of the proactive exercise should inform the health bodies fraud risk assessments and an action plan should be developed to mitigate identified risks.</p> <p>Risk assessments should be undertaken,</p>	Actions for this issue have been undertaken and presented to the health bodies audit committee.

OFFICIAL

		<p>recorded and managed in line with health bodies risk management policies.</p> <p>Progress against action plans should be reported upon to audit committee.</p>	
Does the organisation employ agency staff?	We don't employ agency staff, we contract with various agencies to provide staff.	<p>There should be a proactive exercise undertaken between the LCFS and HR implementing recommendations made in NHSCFA and NHS Employers guidance and with policies and protocols set out by NWSSP.</p> <p>The findings of the proactive exercise should inform the health bodies fraud risk assessments and an action plan should be developed to mitigate identified risks.</p> <p>Risk assessments should be undertaken,</p>	Actions for this issue have been undertaken and presented to the health bodies audit committee.

OFFICIAL

		<p>recorded and managed in line with health bodies risk management policies.</p> <p>Progress against action plans should be reported upon to audit committee.</p>	
When employing agency staff does the organisation use the SS policies and protocols including pre-employment checks?	We don't employ agency staff, we contract with various agencies to provide staff	<p>There should be a proactive exercise undertaken between the LCFS and HR implementing recommendations made in NHSCFA and NHS Employers guidance and with policies and protocols set out by NWSSP.</p> <p>The findings of the proactive exercise should inform the health bodies fraud risk assessments and an action plan should be developed to mitigate identified risks.</p> <p>Risk assessments should be undertaken,</p>	Actions for this issue have been undertaken and presented to the health bodies audit committee.



OFFICIAL

		<p>recorded and managed in line with health bodies risk management policies.</p> <p>Progress against action plans should be reported upon to audit committee.</p>	
<p>If agency staff are not employed using the SS policies and protocols, what pre-employment checks are undertaken?</p>	<p>There would be an expectation that the providing agency will have undertaken pre-employment checks. Certainly, with agency nurses, the agency is responsible for the PECs, but we contract with the agency to provide the staff rather than directly employing the staff.</p>	<p>There should be a proactive exercise undertaken between the LCFS and HR implementing recommendations made in NHSCFA and NHS Employers guidance and with policies and protocols set out by NWSSP.</p> <p>The findings of the proactive exercise should inform the health bodies fraud risk assessments and an action plan should be developed to mitigate identified risks.</p> <p>Risk assessments should be undertaken,</p>	<p>Actions for this issue have been undertaken and presented to the health bodies audit committee.</p>

OFFICIAL

		recorded and managed in line with health bodies risk management policies.  Progress against action plans should be reported upon to audit committee.	
When were HR staff last given fraud awareness training and what did this include?	New starters to Recruitment also receive counter fraud training during induction. NWSSP Recruitment staff are booked to receive refresher Counter Fraud training on 17/12/19.		
Have HR staff received document recognition training and if so, when?	Recruitment staff received ID Fraud Training from Terry Stevens (Terry.Stevens@south-wales.pnn.police.uk), Counter Terrorism Security Officer, South Wales Police on 14/10/19.		
Standard 3.5 Procurement Fraud			
Can the organisation confirm whether all procurement is undertaken utilising the shared services protocols and procedures?	All Procurement activity undertaken by the Procurement department is conducted in line with NWSSP Procurement services protocols and procedures. Some areas of procurement activity undertaken by the Health Board are devolved and so are not conducted in line with NWSSP		

OFFICIAL

	Procurement services protocols and procedures. Advice is however available from the Procurement department regarding all organisation procurement activity.		
If you answered no which areas of procurement within your organisation are not undertaken utilising shared services protocols and procedures?	<p>At present, HSDU, MEMS and Pathology are able to raise orders in Oracle, any individual orders raised that exceed the quotation threshold (£5k) have to be approved by the Frontline Procurement Department. Where purchases exceed the threshold, checks are conducted by the Procurement department to ensure that the organisations Standing Orders and Standing Financial Instructions are adhered to.</p> <p>Catering and Estates orders have moved away from local purchasing to the Procurement department within the last 18 months.</p>		
Does all procurement comply with the organisations standing financial instructions?	Yes, all procurement activity is conducted in line with the organisations Standing Orders and Standing Financial Instructions where the Procurement department have visibility of the activity.		

OFFICIAL

	<p>The following advice is both available to all parts of the Health Board and is followed by the Procurement department in conducting activity;</p> <p>Purchases in excess of £5,000 - if not covered by an existing contract are subject to the Health Boards Quotation procedure. If in doubt please contact a member of the procurement department before putting a requisition on the system.</p> <p>Single Quotation Action (SQA) - is only to be used in exceptional circumstances when the equipment or service required exceeds the HB's Quotation threshold, but cannot be put out to quote as it is either unique in its functionality, (there is nothing in the market that does the same or similar), or we can only purchase specific goods or services due to compatibility issues with existing equipment/services. If in doubt please contact a member of the procurement department before putting a requisition on the system</p> <p>Purchases in excess of £25,000 - if not covered by an existing contract are subject to the Health Boards Tender procedure. If in doubt please contact a member of the procurement</p>		
--	---	--	--

OFFICIAL

	<p>department before putting a requisition on the system.</p> <p>Single Tender Action (STA) - is only to be used in exceptional circumstances when the equipment or service required exceeds the HB's Tender threshold, but cannot be put out to quote as it is either unique in its functionality, (there is nothing in the market that does the same or similar), or we can only purchase specific goods or services due to compatibility issues with existing equipment/services. If in doubt please contact a member of the procurement department before putting a requisition on the system.</p>		
When were staff engaged in procurement last given fraud awareness training and what did this include	<p>This is part of all Procurement departments staff's mandatory training and we are 100% compliant. I am unable to confirm whether the wider staff group that are engaged in procurement (local purchasers, members of evaluation panels) have been given fraud awareness training.</p>		
Do the organisation ensure that those staff engaged in procurement complete	<p>Yes, this is a standard requirement that is embedded within NWSSP Procurement services Integrated Management System Policies,</p>		

OFFICIAL

declarations of interest documentation and are these recorded?	Procedures and templates. All returns are recorded in accordance with the requirements of the procedure. Annual DOI forms are completed by all NWSSP Procurement staff at band 6 level and above.		
Has the organisation carried out a risk assessment to consider the risks identified in the NHSCFA document "Pre-contract procurement fraud and corruption: Guidance for prevention and detection"?	All risks that are identified are covered within the NWSSP Procurement services Integrated Management System Policies, Procedures and templates. The Guidance documents are also available via NWSSP Procurement Services intranet page.		
Is all procurement activity at the organisation subject to audit?	Yes, NWSSP Procurement services activity is subject to both internal and external audits. These include the Wales Audit Office, ISO 3 <sup>rd</sup> party auditors, NWSSP Internal Audit, NWSSP Procurement Audit, Swansea Bay UHB internal Audit and Swansea Bay UHB appointed external auditors.		
Standard 3.6 Invoice Fraud			
Has the organisation ensured that it has adequate and proportionate processes in place for the prevention,	Yes, NWSSP commissioned forensic software in 2016 that detects duplicate payments and in addition since becoming a Shared Service, it has centralised its supplier set-up and		

OFFICIAL

detection and deterrence of invoice fraud, bribery and corruption?	validation activities, so that supplier edit rights are restricted to a few individuals. In addition, the AP Division is proactively working with the All Wales P2P Forum to reduce the number on no PO invoices that are transacted each year		
Has the organisation undertaken a comprehensive and systematic risk assessment to consider the risk identified in the NHSCFA document "Invoice fraud: Guidance for prevention and detection" within the last two years?	Yes, this is part of our day to day responsibilities and we work closely with local Counter Fraud staff in undertaking this responsibility		
Has the organisation undertaken any preventative and detection work as described in sections 3 to 6 of the same document?	Yes, we have commissioned forensic software and in addition we have commissioned a third party supplier to undertake recovery audit work on behalf of NHS Wales		
When were staff engaged in invoicing processes last given fraud awareness training and what was the content?	Training is currently being delivered to AP staff in North & South Wales. This should be completed by mid-January 2020		
Have any findings from either pro-active or reactive work relating to invoice fraud, bribery and corruption led	The AP Division works closely with Internal Audit, Counter Fraud and the Wales Audit office in improving and enhancing our procedures and processes. During 2018/19 the AP		

OFFICIAL

to improvements in the processes in place at the organisation?	Division achieved ISO 9001, ensuring a consistency of approach in tackling this		
--	---	--	--

**Health Body: Aneurin Bevan Health Board**

Question	Response	Action Required	Action completed
Standard 3.4 Pre-Employment Checks			Yes / No (comments included)
Can the organisation confirm that all directly employed staff are recruited using the shared services (SS) policies and protocols including pre-employment checks?	Yes, additionally, internal nurse/clerical bank applications have to undertake a new DBS if their previous one is over 3 years old. They also have to undergo further occ. health assessments as well as the application being supported by the manager.		
Does the organisation employ agency staff?	Yes, observing the framework contract protocol.		
When employing agency staff does the organisation use the SS policies and protocols including pre-employment checks?	Yes, fully implemented by NWSSP.		



## OFFICIAL

If agency staff are not employed using the SS policies and protocols, what pre-employment checks are undertaken?	N/A		
When were HR staff last given fraud awareness training and what did this include?	HR staff were given face to face personal LCFS fraud awareness inputs circa 2011 from HR Director/Assistant Director level throughout Senior Management level and eventually spanning down to HR Officer level. HR personnel within ABUHB have had few staffing changes since that time. The LCFS has a continuous working relationship with HR personnel and visits their Department frequently, the most recent office visit being on 22/11/2019. HR staff have been made fully conversant with identity fraud, falsified CV's, timesheet fraud, expenses fraud working whilst on sick leave etc. The HR staff instinctively refer any integrity issue to the LCFS.		
Have HR staff received document recognition training and if so, when?	Yes, circular on topic disseminated accordingly.		
Standard 3.5 Procurement Fraud			
Can the organisation confirm whether all procurement is undertaken utilising	Yes		

OFFICIAL

the shared services protocols and procedures?			
If you answered no which areas of procurement within your organisation are not undertaken utilising shared services protocols and procedures?	N/A		
Does all procurement comply with the organisations standing financial instructions?	Yes – ABUHB SFI currently out of date and in process of being updated.	Ensure SFI is reviewed and updated.	Completed
When were staff engaged in procurement last given fraud awareness training and what did this include	Please see full details below.		
Do the organisation ensure that those staff engaged in procurement complete declarations of interest documentation and are these recorded?	Yes - collated by NWSSP HQ annually, in addition to which, within ABUHB, each PADR core document carries a declaration of interest requirement for completion at all staffing levels at annual appraisal stage.		
Has the organisation carried out a risk assessment to consider the risks identified in the NHSCFA document "Pre-contract procurement fraud and corruption: Guidance for prevention and detection"?	No, not at present.	The organisation should carry out local detailed risk assessment considering the NHSCFA guidance document.  Risk assessments should be undertaken. Recorded and	Completed in collaboration with procurement teams.

OFFICIAL

		<p>managed in line with their risk management policies.</p> <p>Action plans should be developed to mitigate risks and progress should be reported on and submitted to the audit committee.</p>	
Is all procurement activity at the organisation subject to audit?	Yes – Lots of audit!		
Standard 3.6 Invoice Fraud			
Has the organisation ensured that it has adequate and proportionate processes in place for the prevention, detection and deterrence of invoice fraud, bribery and corruption?	<p>NHS Wales Shared Service Partnership (NWSSP) who represent Procurement Services on behalf of Aneurin Bevan University Health Board, commissioned Meridian Finance to undertake a Recovery Audit in March 2016. This exercise mirrored the work undertaken by the NFI process with regard to trade creditor's payment history data and trade creditors standing data. NWSSP supplied Meridian with 4-years of data detailing all payments made over the 4-year period from 2012/13 to 2015/16. Meridian completed this work and the outcomes were shared. The 2012/13 and 2013/14 data sets had previously been reviewed by Capita/PCMG but</p>		

OFFICIAL

	furthermore, NWSSP commissioned Meridian to conduct a secondary review of the data. Additionally, NWSSP also implemented Forensic software to prevent duplicate payments being made. This software went live for Aneurin Bevan University Health Board on the 9 <sup>th</sup> January 2017.		
Has the organisation undertaken a comprehensive and systematic risk assessment to consider the risk identified in the NHSCFA document "Invoice fraud: Guidance for prevention and detection" within the last two years?	NWSSP utilise Forensic Software (Fiscal Technology) from which, a Risk Analysis Report this is run and checked daily. It is checked for duplicate invoice numbers, amounts, descriptions also available is dates, invoice status and batch names. Under the NFI, Trade Creditors standing history receives the largest proportion of data matches under the initiative which runs into thousands of data matches. It is a continuously repeated theme that existing internal financial controls identify these invoice anomalies and implement remedial action prior to any data matches being received from the NFI. This is assurance that existing financial controls are strong, robust, and withstand attack from fraud and corruption. These findings forms the basis of risk assessment in correlation with likelihood and consequence.	<p>The organisation should undertake a local detail risk assessment in line with the NHSCFA document, "Invoice fraud: Guidance for prevention and detection".</p> <p>Risk assessments should be recorded and managed in line with the organisations risk management policy.</p> <p>Actions required to mitigate any identified risks should be developed into an action plan and progress reported</p>	Completed

OFFICIAL

		to the audit committee.	
Has the organisation undertaken any preventative and detection work as described in sections 3 to 6 of the same document?	As above, in addition to which, all CFA circulars and IBURNS on the topic have been actioned accordingly.		
When were staff engaged in invoicing processes last given fraud awareness training and what was the content?	A staff survey of Procurement staff was conducted by LCFS in February 2019 and the outcomes retained and included in Annual Counter Fraud report for Audit Committee. The LCFS shares the same corridor with the Procurement Team and encounters and interacts with its staff on a daily basis from Senior Management level to junior staff members. An example of this interaction is the LCFS makes random visits to the Procurement Team Office and shouts 'no P.O.' across the room. The entire room shouts back, 'no pay'. This light-hearted, informal personal approach on the part of the LCFS is arguably more effective than churning out circular after circular because it instils an instinctive response into the Procurement Team as to what action they should adopt if presented with a scenario of that nature. In addition to the above, all CF measures in relation to the implementation of banking mandate changes have been continuously reinforced by LCFS.		

OFFICIAL

Have any findings from either pro-active or reactive work relating to invoice fraud, bribery and corruption led to improvements in the processes in place at the organisation?	As outlined above.		

### Health Body: Betsi Cadwaladr University Health Board

Question	Response	Action Required	Action completed
Standard 3.4 Pre-Employment Checks			Yes / No (comments included)
Can the organisation confirm that all directly employed staff are recruited using the shared services (SS) policies and protocols including pre-employment checks?	Yes		
Does the organisation employ agency staff?	Yes		
When employing agency staff does the organisation use the SS policies and protocols including pre-employment checks?	We use NHS policies and procedures as attached. NB: no policies attached.	There should be a proactive exercise undertaken between the LCFS and HR implementing recommendations made in NHSCFA and NHS Employers guidance and with policies and	Exercise completed and recorded accordingly on CLUE. Fraud risk assessment completed in line with local policy.

		<p>protocols set out by NWSSP.</p> <p>The findings of the proactive exercise should inform the health bodies fraud risk assessments and an action plan should be developed to mitigate identified risks.</p> <p>Risk assessments should be undertaken, recorded and managed in line with health bodies risk management policies.</p> <p>Progress against action plans should be reported upon to audit committee.</p>	
If agency staff are not employed using the SS policies and protocols, what pre-employment checks are undertaken?	PECs are undertaken at all times evidence of checks will be supplied by the agency prior to commencement of worker		



OFFICIAL

<p>When were HR staff last given fraud awareness training and what did this include?</p>	<p>Head of Workforce need to respond to this. NB: no further response</p>	<p>There should be a proactive exercise undertaken between the LCFS and HR implementing recommendations made in NHSCFA and NHS Employers guidance and with policies and protocols set out by NWSSP.</p> <p>The findings of the proactive exercise should inform the health bodies fraud risk assessments and an action plan should be developed to mitigate identified risks.</p> <p>Risk assessments should be undertaken, recorded and managed in line with health bodies risk management policies.</p>	<p>The LCFS has made a number of attempts to gain assurances from the department but to no avail. This remains an outstanding action.</p>
--	---	---	---

OFFICIAL

		Progress against action plans should be reported upon to audit committee.	
Have HR staff received document recognition training and if so, when?	Head of Workforce need to respond to this. NB: no further response	<p>There should be a proactive exercise undertaken between the LCFS and HR implementing recommendations made in NHSCFA and NHS Employers guidance and with policies and protocols set out by NWSSP.</p> <p>The findings of the proactive exercise should inform the health bodies fraud risk assessments and an action plan should be developed to mitigate identified risks.</p> <p>Risk assessments should be undertaken,</p>	<p>The LCFS has made a number of attempts to gain assurances from the department but to no avail. This remains an outstanding action.</p>

OFFICIAL

		recorded and managed in line with health bodies risk management policies.  Progress against action plans should be reported upon to audit committee.	
Standard 3.5 Procurement Fraud			
Can the organisation confirm whether all procurement is undertaken utilising the shared services protocols and procedures?	For procurements undertaken with NWSSP involvement		
If you answered no which areas of procurement within your organisation are not undertaken utilising shared services protocols and procedures?	The Estates department utilises its own purchasing system (Gramms) for the procurement of goods and services. Data from this system is now being shared with Procurement & Finance through the Operational Estates Finance Management Meeting. The Dental and Orthotics departments are in the process of moving their procurement activity to the oracle system. Pharmacy purchase supplies through their own system due to licensing requirements		

OFFICIAL

Does all procurement comply with the organisations standing financial instructions?	Yes whereby procurements are undertaken with NWSSP involvement		
When were staff engaged in procurement last given fraud awareness training and what did this include	Local Procurement staff within last few years, however due to number of new staff having joined the service in 2019 refresher sessions planned for early 2020		
Do the organisation ensure that those staff engaged in procurement complete declarations of interest documentation and are these recorded?	All Procurement Services staff involved in procurements complete an annual declaration of interest. BCUHB staff that are involved in procurement projects complete a project specific declaration of interest		
Has the organisation carried out a risk assessment to consider the risks identified in the NHSCFA document "Pre-contract procurement fraud and corruption: Guidance for prevention and detection"?	Not to date, though all the guidance documents have been circulated to all Procurement staff and staff in the Estates, Dental, Pharmacy and Orthotics departments who may undertake their own procurements currently. In our work plan for early 2020	The organisation should carry out local detailed risk assessment considering the NHSCFA guidance document.  Risk assessments should be undertaken. Recorded and managed in line	Actions completed

## OFFICIAL

		with their risk management policies.  Action plans should be developed to mitigate risks and progress should be reported on and submitted to the audit committee.	
Is all procurement activity at the organisation subject to audit?	Yes		
Standard 3.6 Invoice Fraud		Lack of answers would suggest no risk analysis.	
Has the organisation ensured that it has adequate and proportionate processes in place for the prevention, detection and deterrence of invoice fraud, bribery and corruption?			
Has the organisation undertaken a comprehensive and systematic risk assessment to consider the risk identified in the NHSCFA document "Invoice fraud: Guidance for prevention and detection" within the last two years?		The organisation should undertake a local detail risk assessment in line with the NHSCFA document, "Invoice fraud: Guidance for	Actions completed

		<p>prevention and detection”.</p> <p>Risk assessments should be recorded and managed in line with the organisations risk management policy.</p> <p>Actions required to mitigate any identified risks should be developed into an action plan and progress reported to the audit committee.</p>	
<p>Has the organisation undertaken any preventative and detection work as described in sections 3 to 6 of the same document?</p>		<p>The organisation should undertake a local detail risk assessment in line with the NHSCFA document, “Invoice fraud: Guidance for prevention and detection”.</p> <p>Risk assessments should be recorded and managed in line</p>	<p>Actions completed</p>

		<p>with the organisations risk management policy.</p> <p>Actions required to mitigate any identified risks should be developed into an action plan and progress reported to the audit committee.</p>	
When were staff engaged in invoicing processes last given fraud awareness training and what was the content?			
Have any findings from either pro-active or reactive work relating to invoice fraud, bribery and corruption led to improvements in the processes in place at the organisation?			

### Health Body: Cardiff and Vale University Health Board

Question	Response	Action Required	Action completed
Standard 3.4 Pre-Employment Checks			Yes / No (comments included)
Can the organisation confirm that all directly employed staff are recruited using the shared services (SS) policies and protocols including pre-employment checks?	Yes, except Drs/Dentists which are recruited by UHB staff within Medical Workforce (not shared services) but to the same standards (as a minimum)	<p>There should be a proactive exercise undertaken between the LCFS and HR implementing recommendations made in NHSCFA and NHS Employers guidance and with policies and protocols set out by NWSSP.</p> <p>The findings of the proactive exercise should inform the health bodies fraud risk assessments and an action plan should be developed to mitigate identified risks.</p> <p>Risk assessments should be undertaken, recorded and managed in line with</p>	<p>Local proactive exercises have been recorded on CLUE however at the time of the site visit fraud risk assessments had yet to be completed and recorded in line with local policy.</p>



OFFICIAL

		health bodies risk management policies.  Progress against action plans should be reported upon to audit committee.	
Does the organisation employ agency staff?	Yes		
When employing agency staff does the organisation use the SS policies and protocols including pre-employment checks?	Yes, through agencies as per framework agreement	<p>There should be a proactive exercise undertaken between the LCFS and HR implementing recommendations made in NHSCFA and NHS Employers guidance and with policies and protocols set out by NWSSP.</p> <p>The findings of the proactive exercise should inform the health bodies fraud risk assessments and an action plan should be developed to mitigate identified risks.</p> <p>Risk assessments should be undertaken, recorded and</p>	<p>Local proactive exercises have been recorded on CLUE however at the time of the site visit fraud risk assessments had yet to be completed and recorded in line with local policy.</p>

OFFICIAL

		<p>managed in line with health bodies risk management policies.</p> <p>Progress against action plans should be reported upon to audit committee.</p>	
<p>If agency staff are not employed using the SS policies and protocols, what pre-employment checks are undertaken?</p>	<p>Drs are engaged through a managed service run for us by Medacs to the same standards (as a minimum)</p>	<p>There should be a proactive exercise undertaken between the LCFS and HR implementing recommendations made in NHSCFA and NHS Employers guidance and with policies and protocols set out by NWSSP.</p> <p>The findings of the proactive exercise should inform the health bodies fraud risk assessments and an action plan should be developed to mitigate identified risks.</p> <p>Risk assessments should be undertaken, recorded and managed in line with</p>	<p>Action completed</p>

OFFICIAL

		<p>health bodies risk management policies.</p> <p>Progress against action plans should be reported upon to audit committee.</p>	
When were HR staff last given fraud awareness training and what did this include?	3-4 years ago	<p>There should be a proactive exercise undertaken between the LCFS and HR implementing recommendations made in NHSCFA and NHS Employers guidance and with policies and protocols set out by NWSSP.</p> <p>The findings of the proactive exercise should inform the health bodies fraud risk assessments and an action plan should be developed to mitigate identified risks.</p> <p>Risk assessments should be undertaken, recorded and managed in line with health bodies risk management policies.</p>	Action not yet completed.

OFFICIAL

		Progress against action plans should be reported upon to audit committee.	
Have HR staff received document recognition training and if so, when?	HR Staff – no, not required as PECs are carried out by Recruitment (Shared Services); Medical Workforce – yes, and any new starters have been trained internally	<p>There should be a proactive exercise undertaken between the LCFS and HR implementing recommendations made in NHSCFA and NHS Employers guidance and with policies and protocols set out by NWSSP.</p> <p>The findings of the proactive exercise should inform the health bodies fraud risk assessments and an action plan should be developed to mitigate identified risks.</p> <p>Risk assessments should be undertaken, recorded and managed in line with health bodies risk management policies.</p> <p>Progress against action plans should</p>	The health body has implemented new technology which mitigates this area of risk.

OFFICIAL

		be reported upon to audit committee.	
Standard 3.5 Procurement Fraud			
Can the organisation confirm whether all procurement is undertaken utilising the shared services protocols and procedures?	Yes all within NWSSP procedures, with exception of some Estates contracts		
If you answered no which areas of procurement within your organisation are not undertaken utilising shared services protocols and procedures?	Some Estates contracts	<p>The organisation should carry out local detailed risk assessment considering the NHSCFA guidance document, Pre-contract procurement fraud and corruption: Guidance for prevention and detection"</p> <p>Risk assessments should be undertaken. Recorded and managed in line with their risk management policies.</p> <p>Action plans should be developed to mitigate risks and progress should be reported on and</p>	Assurances have been received by the LCFS however the formal fraud risk assessment is yet to be completed.

## OFFICIAL

		submitted to the audit committee.	
Does all procurement comply with the organisations standing financial instructions?	Yes AW		
When were staff engaged in procurement last given fraud awareness training and what did this include	All staff have been trained in this area, which was carried out in 2018, and is also part of the corporate NWSSP induction for all new starters		
Do the organisation ensure that those staff engaged in procurement complete declarations of interest documentation and are these recorded?	Yes an annual return for the both the HB and NWSSP and on all individual procurements		
Has the organisation carried out a risk assessment to consider the risks identified in the NHSCFA document "Pre-contract procurement fraud and corruption: Guidance for prevention and detection"?	Yes		
Is all procurement activity at the organisation subject to audit?	Yes regular audits, peer to peer internal to procurement services, NWSSP audit services and WAO audit services		

## OFFICIAL

Standard 3.6 Invoice Fraud			
<p>Has the organisation ensured that it has adequate and proportionate processes in place for the prevention, detection and deterrence of invoice fraud, bribery and corruption?</p>	<p>Yes, NWSSP commissioned forensic software in 2016 that detects duplicate payments and in addition since becoming a Shared Service, it has centralised it's supplier set-up and validation activities, so that supplier edit rights are restricted to a few individuals. In addition the AP Division is proactively working with the All Wales P2P Forum to reduce the number on no PO invoices that are transacted each year</p>		
<p>Has the organisation undertaken a comprehensive and systematic risk assessment to consider the risk identified in the NHSCFA document "Invoice fraud: Guidance for prevention and detection" within the last two years?</p>	<p>Yes, this is part of our day to day responsibilities and we work closely with local Counter Fraud staff in undertaking this responsibility</p>		
<p>Has the organisation undertaken any preventative and detection work as described in sections 3 to 6 of the same document?</p>	<p>Yes, we have commissioned forensic software and in addition we have commissioned a third party supplier to undertake recovery audit work on behalf of NHS Wales</p>		

OFFICIAL

When were staff engaged in invoicing processes last given fraud awareness training and what was the content?	Training is currently being delivered to AP staff in North & South Wales. This should be completed by mid-January 2020		
Have any findings from either proactive or reactive work relating to invoice fraud, bribery and corruption led to improvements in the processes in place at the organisation?	The AP Division works closely with Internal Audit, Counter Fraud and the Wales Audit office in improving and enhancing our procedures and processes. During 2018/19 the AP Division achieved ISO 9001, ensuring a consistency of approach in tackling this		



## Health Body: Cwm Taf Morgannwg Health Board

Question	Response	Action Required	Action completed
Standard 3.4 Pre-Employment Checks			Yes / No (comments included)
Can the organisation confirm that all directly employed staff are recruited using the shared services (SS) policies and protocols including pre-employment checks?	Not all directly employed staff are processed by NWSSP, but all recruiting teams should be adhering to the NHS Employers recruitment guidance, which is the guidance that NWSSP's processes are based on.	<p>There should be a proactive exercise undertaken between the LCFS and HR implementing recommendations made in NHSCFA and NHS Employers guidance and with policies and protocols set out by NWSSP.</p> <p>The findings of the proactive exercise should inform the health bodies fraud risk assessments and an action plan should be developed to mitigate identified risks.</p> <p>Risk assessments should be undertaken, recorded and managed in line with health bodies risk</p>	<p>Actions for this issue have been undertaken and presented to the health bodies audit committee. No assurances had been offered to the LCFS from the workforce team at the time of the site visit.</p>

OFFICIAL

		<p>management policies.</p> <p>Progress against action plans should be reported upon to audit committee.</p>	
Does the organisation employ agency staff?	We don't employ agency staff, we contract with an agency to provide staff.	<p>There should be a proactive exercise undertaken between the LCFS and HR implementing recommendations made in NHSCFA and NHS Employers guidance and with policies and protocols set out by NWSSP.</p> <p>The findings of the proactive exercise should inform the health bodies fraud risk assessments and an action plan should be developed to mitigate identified risks.</p> <p>Risk assessments should be undertaken, recorded and managed in line with health bodies risk</p>	<p>Actions for this issue have been undertaken and presented to the health bodies audit committee. No assurances had been offered to the LCFS from the workforce team at the time of the site visit.</p>

OFFICIAL

		<p>management policies.</p> <p>Progress against action plans should be reported upon to audit committee.</p>	
<p>When employing agency staff does the organisation use the SS policies and protocols including pre-employment checks?</p>	<p>We don't employ agency staff, we contract with an agency to provide staff.</p>	<p>There should be a proactive exercise undertaken between the LCFS and HR implementing recommendations made in NHSCFA and NHS Employers guidance and with policies and protocols set out by NWSSP.</p> <p>The findings of the proactive exercise should inform the health bodies fraud risk assessments and an action plan should be developed to mitigate identified risks.</p> <p>Risk assessments should be undertaken, recorded and managed in line with health bodies risk</p>	<p>Actions for this issue have been undertaken and presented to the health bodies audit committee. No assurances had been offered to the LCFS from the workforce team at the time of the site visit.</p>

OFFICIAL

		<p>management policies.</p> <p>Progress against action plans should be reported upon to audit committee.</p>	
<p>If agency staff are not employed using the SS policies and protocols, what pre-employment checks are undertaken?</p>	<p>If agency staff are not employed using the SS policies and protocols, what pre-employment checks are undertaken? There would be an expectation that the providing agency will have undertaken pre-employment checks. Certainly with agency nurses, the agency is responsible for the PECs, but we contract with the agency to provide the staff rather than directly employing the staff</p>	<p>There should be a proactive exercise undertaken between the LCFS and HR implementing recommendations made in NHSCFA and NHS Employers guidance and with policies and protocols set out by NWSSP.</p> <p>The findings of the proactive exercise should inform the health bodies fraud risk assessments and an action plan should be developed to mitigate identified risks.</p> <p>Risk assessments should be undertaken, recorded and managed in line with health bodies risk</p>	<p>Actions for this issue have been undertaken and presented to the health bodies audit committee. No assurances had been offered to the LCFS from the workforce team at the time of the site visit.</p>

OFFICIAL

		<p>management policies.</p> <p>Progress against action plans should be reported upon to audit committee.</p>	
When were HR staff last given fraud awareness training and what did this include?	Don't know.	<p>There should be a proactive exercise undertaken between the LCFS and HR implementing recommendations made in NHSCFA and NHS Employers guidance and with policies and protocols set out by NWSSP.</p> <p>The findings of the proactive exercise should inform the health bodies fraud risk assessments and an action plan should be developed to mitigate identified risks.</p> <p>Risk assessments should be undertaken, recorded and managed in line with health bodies risk</p>	<p>Actions for this issue have been undertaken and presented to the health bodies audit committee. No assurances had been offered to the LCFS from the workforce team at the time of the site visit.</p>

OFFICIAL

		<p>management policies.</p> <p>Progress against action plans should be reported upon to audit committee.</p>	
Have HR staff received document recognition training and if so, when?	Don't know	<p>There should be a proactive exercise undertaken between the LCFS and HR implementing recommendations made in NHSCFA and NHS Employers guidance and with policies and protocols set out by NWSSP.</p> <p>The findings of the proactive exercise should inform the health bodies fraud risk assessments and an action plan should be developed to mitigate identified risks.</p> <p>Risk assessments should be undertaken, recorded and managed in line with health bodies risk</p>	<p>Actions for this issue have been undertaken and presented to the health bodies audit committee. No assurances had been offered to the LCFS from the workforce team at the time of the site visit.</p>

OFFICIAL

		management policies. Progress against action plans should be reported upon to audit committee.	
Standard 3.5 Procurement Fraud			
Can the organisation confirm whether all procurement is undertaken utilising the shared services protocols and procedures?	Areas that NWSSP Procurement Services are responsible for all procurement exercises are undertaken utilising the shared services protocols and procedures. There are areas of devolved procurement activity within the UHB that won't be subject to Shared Services protocols & procedures		
If you answered no which areas of procurement within your organisation are not undertaken utilising shared services protocols and procedures?	Major Projects/Construction/Capital works Voluntary Sector agreements Commissioning Healthcare Primary Care WHSCC (these are hosted by CTM)		
Does all procurement comply with the organisations standing financial instructions?	Yes		
When were staff engaged in procurement last given fraud	Last training undertaken was 31.07.19 by Craig Greenstock		

OFFICIAL

awareness training and what did this include			
Do the organisation ensure that those staff engaged in procurement complete declarations of interest documentation and are these recorded?	Declaration of Interests are completed as part of the procurement process and is embedded within the NWSSP Procurement's IMS Policies, Procedures and templates and are recorded in accordance with the procurement process. Annual DoI's are completed by NWSSP Procurement staff >Band 6.		
Has the organisation carried out a risk assessment to consider the risks identified in the NHSCFA document "Pre-contract procurement fraud and corruption: Guidance for prevention and detection"?	All risks that are identified are covered within the NWSSP Procurement's IMS Policies, Procedures and templates. The Guidance documents are also available via the local sharepoint page and via NWSSP Procurement Services intranet page	<p>The organisation should carry out local detailed risk assessment considering the NHSCFA guidance document, Pre-contract procurement fraud and corruption: Guidance for prevention and detection"</p> <p>Risk assessments should be undertaken. Recorded and managed in line with their risk management policies.</p>	Fraud risk assessments have been completed for this action



OFFICIAL

		Action plans should be developed to mitigate risks and progress should be reported on and submitted to the audit committee.	
Is all procurement activity at the organisation subject to audit?	NWSSP Procurement activity is subject to both internal and external audits		
Standard 3.6 Invoice Fraud			
Has the organisation ensured that it has adequate and proportionate processes in place for the prevention, detection and deterrence of invoice fraud, bribery and corruption?	Cwm Taf Morgannwg UHB do not carry out any of functions/actions as stated in the questionnaire. These functions would be carried out by the NHS Wales Shared Services Partnership		
Has the organisation undertaken a comprehensive and systematic risk assessment to consider the risk identified in the NHSCFA document "Invoice fraud: Guidance for prevention and detection" within the last two years?	No answer	The organisation should undertake a local detail risk assessment in line with the NHSCFA document, "Invoice fraud: Guidance for prevention and detection".  Risk assessments should be recorded and managed in line with the	Fraud risk assessments have been completed for this action

OFFICIAL

		<p>organisations risk management policy.</p> <p>Actions required to mitigate any identified risks should be developed into an action plan and progress reported to the audit committee.</p>	
Has the organisation undertaken any preventative and detection work as described in sections 3 to 6 of the same document?	No answer	<p>The organisation should undertake a local detail risk assessment in line with the NHSCFA document, "Invoice fraud: Guidance for prevention and detection".</p> <p>Risk assessments should be recorded and managed in line with the organisations risk management policy.</p> <p>Actions required to mitigate any identified risks should be developed into an action plan and progress</p>	Fraud risk assessments have been completed for this action

OFFICIAL

		reported to the audit committee.	
When were staff engaged in invoicing processes last given fraud awareness training and what was the content?	No answer		
Have any findings from either pro-active or reactive work relating to invoice fraud, bribery and corruption led to improvements in the processes in place at the organisation?	No answer		

**Health Body: Hywel Dda Health Board**

Question	Response	Action Required	Action completed
Standard 3.4 Pre-Employment Checks			Yes / No (comments included)
Can the organisation confirm that all directly employed staff are recruited using the shared services (SS) policies and protocols including pre-employment checks?	The recruitment process for Medical Recruitment and Bank staff is 'in house' (therefore nothing is done by Shared Services). However the processes /protocols are the same.	There should be a proactive exercise undertaken between the LCFS and HR implementing recommendations made in NHSCFA and NHS Employers guidance and with policies and	There should be a proactive exercise undertaken between the LCFS and HR implementing recommendations made in NHSCFA and NHS Employers guidance and with policies and

		<p>protocols set out by NWSSP.</p> <p>The findings of the proactive exercise should inform the health bodies fraud risk assessments and an action plan should be developed to mitigate identified risks.</p> <p>Risk assessments should be undertaken, recorded and managed in line with health bodies risk management policies.</p> <p>Progress against action plans should be reported upon to audit committee.</p>	<p>protocols set out by NWSSP.</p> <p>The findings of the proactive exercise should inform the health bodies fraud risk assessments and an action plan should be developed to mitigate identified risks.</p> <p>Risk assessments should be undertaken, recorded and managed in line with health bodies risk management policies.</p> <p>Progress against action plans should be reported upon to audit committee.</p> <p><b>Response</b></p> <p>As recommended, a proactive exercise looking at recruitment processes and compliance against current NWSSP</p>
--	--	---	--

			<p>Recruitment Procedures was undertaken and it was found that checks were being undertaken in accordance with current procedures and that the required checks, including, identification, qualifications, right to work, convictions, registration and references etc were being were indeed being undertaken and recorded on electronic systems. However, it was noted that physical checks of original documents were to be followed up by individual recruiting managers.</p> <p>The sample examined included Bank workers, temporary and medical staff. It was</p>
--	--	--	---

			<p>noted that all internal checks were undertaken in accordance with NWSSP procedures and subsequent Covid-19 amended procedures.</p> <p>Potential fraud risks were identified and are being recorded and managed in line with the HB's risk management policies. (as per excel update ref recruitment link, provided to Tim Barlow. This risk was recorded on Datix and tracked at a corporate level.)</p> <p>The exercise / report was submitted to audit committee Q2 of 2021.</p> <p>In addition, as a result of the Covid-19 pandemic a</p>
--	--	--	--

OFFICIAL

			number of streamlined processes were implemented and risk assessed at the outset, this included reducing the need for more than one references in certain scenarios, online / virtual ID checking processes and virtual interview procedures. Risks associated with these amendments were identified, recorded and submitted to gold command, who in turn reviewed and accepted the associated risks.
Does the organisation employ agency staff?	Yes on contract and Off contract		
When employing agency staff does the organisation use the SS policies and protocols including pre-employment checks?	No	There should be a proactive exercise undertaken between the LCFS and HR implementing recommendations	As stated, the HB relies on the relevant agency supplying the staff in accordance with the current framework in place

		<p>made in NHSCFA and NHS Employers guidance and with policies and protocols set out by NWSSP.</p> <p>The findings of the proactive exercise should inform the health bodies fraud risk assessments and an action plan should be developed to mitigate identified risks.</p> <p>Risk assessments should be undertaken, recorded and managed in line with health bodies risk management policies.</p> <p>Progress against action plans should be reported upon to audit committee.</p>	<p>at an all-Wales Level, however local records / details of our own bank staff are kept in line with NWSSP policies.</p> <p>As recommended a proactive exercise looking at recruitment processes and compliance against current all Wales framework recommendations was undertaken and it was found that checks were being undertaken in accordance with current procedures and that the required checks, including, identification, qualifications, right to work, convictions, registration and references etc were being were indeed being undertaken</p>
--	--	---	---



			and recorded on electronic systems.  The exercise / report was submitted to audit committee Q2 of 2021.
If agency staff are not employed using the SS policies and protocols, what pre-employment checks are undertaken?	Employment checks are done by the agency's on contact in line with the all Wales bank and agency agreement – Off contract Thornbury etc are done in line with their internal procedures.	There should be a proactive exercise undertaken between the LCFS and HR implementing recommendations made in NHSCFA and NHS Employers guidance and with policies and protocols set out by NWSSP.  The findings of the proactive exercise should inform the health bodies fraud risk assessments and an action plan should be developed to mitigate identified risks.	As stated, the HB relies on the relevant agency supplying the staff in accordance with the current framework in place at an all-Wales Level, however local records / details of our own bank staff are kept in line with NWSSP policies.  As recommended a proactive exercise looking at recruitment processes and compliance against current all Wales framework recommendations was undertaken and it was found that checks were

OFFICIAL

		<p>Risk assessments should be undertaken, recorded and managed in line with health bodies risk management policies.</p> <p>Progress against action plans should be reported upon to audit committee.</p>	<p>being undertaken in accordance with current procedures and that the required checks, including, identification, qualifications, right to work, convictions, registration and references etc were being were indeed being undertaken and recorded on electronic systems.</p> <p>The exercise / report was submitted to audit committee Q2 of 2021.</p>
When were HR staff last given fraud awareness training and what did this include?	Fraud Training provided by LCFS to all Workforce Staff during their annual meeting. Training delivered in May 2018. The training included definitions of Fraud, Role of LCFS, joint LCFS – HR work including investigations, real life case examples.		
Have HR staff received document recognition training and if so, when?	Yes December 2018 provided by Home Office.		

## OFFICIAL

Standard 3.5 Procurement Fraud			
Can the organisation confirm whether all procurement is undertaken utilising the shared services protocols and procedures?	The procurement which goes via the HDD Frontline Procurement team and NWSSP AW and other NHS framework contracts are all compliant.		
If you answered no which areas of procurement within your organisation are not undertaken utilising shared services protocols and procedures?	N/A		
Does all procurement comply with the organisations standing financial instructions?	Where this is managed through NWSSP procurement, yes.		
When were staff engaged in procurement last given fraud awareness training and what did this include	21 <sup>st</sup> October 2019. Awareness and real life examples, reporting process.		
Do the organisation ensure that those staff engaged in procurement complete declarations of interest documentation and are these recorded?	Yes. Held centrally within NWSSP. Now extended to HDD DoI records with Alison Gittins.		
Has the organisation carried out a risk assessment to consider the risks identified in the NHSCFA document "Pre-contract procurement fraud and corruption: Guidance for prevention and detection"?	I am not aware of one, but NWSSP may have undertaken one on an AW basis.	The organisation should carry out local detailed risk assessment considering the NHSCFA guidance document, Pre-contract	Following a review of the above guidance several individual pieces of work has been undertaken in connection with the risks identified in

		<p>procurement fraud and corruption: Guidance for prevention and detection”</p> <p>Risk assessments should be undertaken. Recorded and managed in line with their risk management policies.</p> <p>Action plans should be developed to mitigate risks and progress should be reported on and submitted to the audit committee.</p>	<p>the guidance document, including risk assessments, proactive exercises and planned awareness training for both Estates and the procurement teams.</p> <p>As well as this, several audits have been undertaken covering procurement, contracts and declarations. The CF department undertook an exercise on single tenders actions, contracts and the procurements of goods and services providing a written report to the Audit committee, which included recommendations and future planned pieces of proactive (on an annual</p>
--	--	--	---

			<p>basis) and awareness exercises in connection with the risk areas identified in the guidance document.</p> <p>There are several policies and processes in place to mitigate the risks associated with procurement, including No PO no Pay, Catalogue purchasing systems (managed by NWSSP), declarations of interests and gifts and hospitalities, including mandatory submissions for high risk staff groups, including Finance.</p> <p>As a result of the Covid-19 Pandemic further reactive risk analysis work has been undertaken and reported to the</p>
--	--	--	---

			<p>Audit Committee in connection with Procurement (and other HB functions) as identified in the 2020 'Thematic Assessment: Fraud threats to the NHS from Covid-19' document.</p> <p>In total, 3 exercises were undertaken, one following this thematic report and a further two, one looking at PO compliance and another looking at Declaration of interests linked to PO authorisers. All reports have been submitted to Audit Committee.</p> <p>Procurement Risk Assessments have been completed, including:</p> <p>Procurement - Mandate Fraud, include update</p>
--	--	--	--

			<div>reference Cyber enabled fraud.</div> <div>Procurement - Cyber enabled mandate fraud.</div> <div>Procurement - Insider Fraud.</div> <div>Procurement - Supplier</div> <div>Procurement - Contract Splitting</div> <div>Procurement - Contract Reviews</div> <div>Procurement - Buying Goods</div> <div>Procurement - Due Diligence</div> <div>Credit Cards / Purchase Cards</div> <div>A further procurement exercise has been planned in relation to Credit / Purchase Cards for Q3 / 4 2022/23.</div>
--	--	--	---

OFFICIAL

Is all procurement activity at the organisation subject to audit?	All procurement which is transacted via NWSSP procurement.		
Standard 3.6 Invoice Fraud			
Has the organisation ensured that it has adequate and proportionate processes in place for the prevention, detection and deterrence of invoice fraud, bribery and corruption?	<p>No PO No Pay Policy in place from. Scheme of delegation approved at Board level with additional approval hierarchy for cost centres. Quality check of NWSSP Accounts Payable via review of BACS payment for individual invoices. Health Board's Standards of Behaviour Policy states that Declaration of Interests must be completed by all staff.</p> <p>Additional controls are in place at NWSSP within Accounts Payable. Regular contact with NWSSP links and Health Board Finance staff.</p>		
Has the organisation undertaken a comprehensive and systematic risk assessment to consider the risk identified in the NHSCFA document "Invoice fraud: Guidance for prevention and detection" within the last two years?	Yes, risk assessments completed around risks identified in NHSCFA document specifically Mandate, Insider, Invoice and Overpayments. Risk assessments completed in line with Health Board Risk Assessment Policy and Procedure.		
Has the organisation undertaken any preventative and detection work as	NWSSP have systems in place that prevent and detect fraud and error on a		



OFFICIAL

described in sections 3 to 6 of the same document?	live or periodic basis. Systems are tested using National Fraud Initiative creditors matches.		
When were staff engaged in invoicing processes last given fraud awareness training and what was the content?	For Health Board staff LCFS attended Market Day Finance Event in July 2019, Finance Specific LCFS delivered May 2019 and Training and delivery of session on Finance specific induction.		
Have any findings from either pro-active or reactive work relating to invoice fraud, bribery and corruption led to improvements in the processes in place at the organisation?	Enforcing robust No PO no pay policy with Finance Assurance papers highlighting non-compliance to Audit Risk and Assurance NWSSP issue weekly reports on compliance with this policy. This policy was instigated proactively in response to identified risk.		

**Health Body: Powys (Teaching) Health Board**

Question	Response	Action Required	Action completed
Standard 3.4 Pre-Employment Checks			Yes / No (comments included)
Can the organisation confirm that all directly employed staff are recruited using the shared services (SS) policies	Not all directly employed staff are processed by NWSSP, but all recruiting managers should be adhering to the NHS Employers recruitment guidance, which is	There should be a proactive exercise undertaken between the LCFS	Recommendations have been made to the health body to enhance

OFFICIAL

and protocols including pre-employment checks?	the guidance that NWSSP's processes are based on	<p>and HR implementing recommendations made in NHSCFA and NHS Employers guidance and with policies and protocols set out by NWSSP.</p> <p>The findings of the proactive exercise should inform the health bodies fraud risk assessments and an action plan should be developed to mitigate identified risks.</p> <p>Risk assessments should be undertaken, recorded and managed in line with health bodies risk management policies.</p> <p>Progress against action plans should be reported upon to audit committee.</p>	<p>compliance as it was identified that limited ID checks were being undertaken. It would be beneficial to follow up these recommendation to seek assurances against the identified risk.</p>
--	--	---	---

OFFICIAL

<p>Does the organisation employ agency staff?</p>	<p>We don't employ agency staff, we contract with various agencies to provide staff.</p>	<p>There should be a proactive exercise undertaken between the LCFS and HR implementing recommendations made in NHSCFA and NHS Employers guidance and with policies and protocols set out by NWSSP.</p> <p>The findings of the proactive exercise should inform the health bodies fraud risk assessments and an action plan should be developed to mitigate identified risks.</p> <p>Risk assessments should be undertaken, recorded and managed in line with health bodies risk management policies.</p>	<p>The recommendations made following proactive work and fraud risk assessment should be followed up to seek assurance that measures are robust.</p>
---	--	---	--

		Progress against action plans should be reported upon to audit committee.	
When employing agency staff does the organisation use the SS policies and protocols including pre-employment checks?	We don't employ agency staff, we contract with various agencies to provide staff	<p>There should be a proactive exercise undertaken between the LCFS and HR implementing recommendations made in NHSCFA and NHS Employers guidance and with policies and protocols set out by NWSSP.</p> <p>The findings of the proactive exercise should inform the health bodies fraud risk assessments and an action plan should be developed to mitigate identified risks.</p> <p>Risk assessments should be undertaken, recorded and managed in line</p>	<p>The recommendations made following proactive work and fraud risk assessment should be followed up to seek assurance that measures are robust.</p>

		<p>with health bodies risk management policies.</p> <p>Progress against action plans should be reported upon to audit committee.</p>	
<p>If agency staff are not employed using the SS policies and protocols, what pre-employment checks are undertaken?</p>	<p>There would be an expectation that the providing agency will have undertaken pre-employment checks. Certainly, with agency nurses, the agency is responsible for the PECs, but we contract with the agency to provide the staff rather than directly employing the staff.</p>	<p>There should be a proactive exercise undertaken between the LCFS and HR implementing recommendations made in NHSCFA and NHS Employers guidance and with policies and protocols set out by NWSSP.</p> <p>The findings of the proactive exercise should inform the health bodies fraud risk assessments and an action plan should be developed to mitigate identified risks.</p> <p>Risk assessments should be</p>	<p>The recommendations made following proactive work and fraud risk assessment should be followed up to seek assurance that measures are robust.</p>

## OFFICIAL

		undertaken, recorded and managed in line with health bodies risk management policies.  Progress against action plans should be reported upon to audit committee.	
When were HR staff last given fraud awareness training and what did this include?	New starters to Recruitment also receive counter fraud training during induction. NWSSP Recruitment staff are booked to receive refresher Counter Fraud training on 17/12/19.		
Have HR staff received document recognition training and if so, when?	Recruitment staff received ID Fraud Training from Terry Stevens (Terry.Stevens@south-wales.pnn.police.uk), Counter Terrorism Security Officer, South Wales Police on 14/10/19.		
Standard 3.5 Procurement Fraud			
Can the organisation confirm whether all procurement is undertaken utilising the shared services protocols and procedures?	Yes, for procurements undertaken with NWSSP involvement		
If you answered no which areas of procurement within your organisation	The majority of ICT procurements are performed through Powys County Council.		

OFFICIAL

are not undertaken utilising shared services protocols and procedures?			
Does all procurement comply with the organisations standing financial instructions?	Yes, whereby procurements are undertaken with NWSSP involvement		
When were staff engaged in procurement last given fraud awareness training and what did this include	Procurement staff within 2+ years, refresher sessions planned for early 2020		
Do the organisation ensure that those staff engaged in procurement complete declarations of interest documentation and are these recorded?	All Procurement Services staff involved in procurements complete an annual declaration of interest. Powys staff that are involved in procurement projects complete a project specific declaration of interest		
Has the organisation carried out a risk assessment to consider the risks identified in the NHSCFA document "Pre-contract procurement fraud and corruption: Guidance for prevention and detection"?	Checks are undertaken on a project-by-project basis. However no overarching risk assessment of system and process has been undertaken.	The organisation should carry out local detailed risk assessment considering the NHSCFA guidance document, Pre-contract procurement fraud and corruption: Guidance for prevention and detection"	Action completed

## OFFICIAL

		<p>Risk assessments should be undertaken. Recorded and managed in line with their risk management policies.</p> <p>Action plans should be developed to mitigate risks and progress should be reported on and submitted to the audit committee.</p>	
Is all procurement activity at the organisation subject to audit?	Yes		
Standard 3.6 Invoice Fraud			
Has the organisation ensured that it has adequate and proportionate processes in place for the prevention, detection and deterrence of invoice fraud, bribery and corruption?	<p>Yes, NWSSP commissioned forensic software in 2016 that detects duplicate payments and in addition since becoming a Shared Service, it has centralised it's supplier set-up and validation activities, so that supplier edit rights are restricted to a few individuals. In addition the AP Division is proactively working with the All Wales P2P Forum to reduce the number on no PO invoices that are transacted each year</p>		



OFFICIAL

Has the organisation undertaken a comprehensive and systematic risk assessment to consider the risk identified in the NHSCFA document "Invoice fraud: Guidance for prevention and detection" within the last two years?	Yes, this is part of our day to day responsibilities and we work closely with local Counter Fraud staff in undertaking this responsibility		
Has the organisation undertaken any preventative and detection work as described in sections 3 to 6 of the same document?	Yes, we have commissioned forensic software and in addition we have commissioned a third party supplier to undertake recovery audit work on behalf of NHS Wales		
When were staff engaged in invoicing processes last given fraud awareness training and what was the content?	Training is currently being delivered to AP staff in North & South Wales. This should be completed by mid-January 2020		
Have any findings from either pro-active or reactive work relating to invoice fraud, bribery and corruption led to improvements in the processes in place at the organisation?	The AP Division works closely with Internal Audit, Counter Fraud and the Wales Audit office in improving and enhancing our procedures and processes. During 2018/19 the AP Division achieved ISO 9001, ensuring a consistency of approach in tackling this		

### Health Body: Velindre NHS Trust

Question	Response	Action Required	Action completed
Standard 3.4 Pre-Employment Checks			Yes / No (comments included)
Can the organisation confirm that all directly employed staff are recruited using the shared services (SS) policies and protocols including pre-employment checks?	Yes		
Does the organisation employ agency staff?	Yes		
When employing agency staff does the organisation use the SS policies and protocols including pre-employment checks?	No	<p>There should be a proactive exercise undertaken between the LCFS and HR implementing recommendations made in NHSCFA and NHS Employers guidance and with policies and protocols set out by NWSSP.</p> <p>The findings of the proactive exercise</p>	Please read findings as the same as Cardiff and Vale

OFFICIAL

		<p>should inform the health bodies fraud risk assessments and an action plan should be developed to mitigate identified risks.</p> <p>Risk assessments should be undertaken, recorded and managed in line with health bodies risk management policies.</p> <p>Progress against action plans should be reported upon to audit committee.</p>	
If agency staff are not employed using the SS policies and protocols, what pre-employment checks are undertaken?	The Trust relies on the Agencies pre-employment checks process	<p>There should be a proactive exercise undertaken between the LCFS and HR implementing recommendations made in NHSCFA and NHS Employers guidance and with policies and protocols set out by NWSSP.</p> <p>The findings of the proactive exercise</p>	Please read findings as the same as Cardiff and Vale

OFFICIAL

		<p>should inform the health bodies fraud risk assessments and an action plan should be developed to mitigate identified risks.</p> <p>Risk assessments should be undertaken, recorded and managed in line with health bodies risk management policies.</p> <p>Progress against action plans should be reported upon to audit committee.</p>	
When were HR staff last given fraud awareness training and what did this include?	Not known	<p>There should be a proactive exercise undertaken between the LCFS and HR implementing recommendations made in NHSCFA and NHS Employers guidance and with policies and protocols set out by NWSSP.</p> <p>The findings of the proactive exercise</p>	Please read findings as the same as Cardiff and Vale

OFFICIAL

		<p>should inform the health bodies fraud risk assessments and an action plan should be developed to mitigate identified risks.</p> <p>Risk assessments should be undertaken, recorded and managed in line with health bodies risk management policies.</p> <p>Progress against action plans should be reported upon to audit committee.</p>	
Have HR staff received document recognition training and if so, when?	No	<p>There should be a proactive exercise undertaken between the LCFS and HR implementing recommendations made in NHSCFA and NHS Employers guidance and with policies and protocols set out by NWSSP.</p> <p>The findings of the proactive exercise</p>	Please read findings as the same as Cardiff and Vale

		<p>should inform the health bodies fraud risk assessments and an action plan should be developed to mitigate identified risks.</p> <p>Risk assessments should be undertaken, recorded and managed in line with health bodies risk management policies.</p> <p>Progress against action plans should be reported upon to audit committee.</p>	
Standard 3.5 Procurement Fraud			
Can the organisation confirm whether all procurement is undertaken utilising the shared services protocols and procedures?	<p>All Procurement staff are required to adhere to their respective organisation's Standing Orders and Standing Financial Instructions, as they affect the procurement of goods and services.</p> <p>Staff receive guidance and training in relation to placing orders and seeking the minimum required number of quotations and tenders from suppliers</p>	<p><b>Questions not answered as requested and therefore some assumptions have been made with recommendations.</b></p> <p>The organisation should carry out local detailed risk</p>	Please read findings as the same as Cardiff and Vale

OFFICIAL

	<p>in the market. Where the required number of quotations or tenders cannot be provided, this is recorded and/or approval is sought to proceed with the lesser number.</p> <p>New members of staff attend the Induction Programme and Counter Fraud is included as part of the Programme.</p> <p>Senior Procurement staff (Band 6 and above) are required to complete a Declaration of Interest Form, on an annual basis.</p> <p>As part of the tender process, Declarations of Interest Forms are completed by all staff members involved in the procurement (Procurement and Trust), at the commencement of the tender process and staff are required to update their DOI at each stage, i.e. at pre-tender issue, formal discussion/evaluation meetings and presentations.</p> <p>Staff are required to report any suspicious activity where they may be a devolved buying.</p>	<p>assessment considering the NHSCFA guidance document, Pre-contract procurement fraud and corruption: Guidance for prevention and detection”</p> <p>Risk assessments should be undertaken. Recorded and managed in line with their risk management policies.</p> <p>Action plans should be developed to mitigate risks and progress should be reported on and submitted to the audit committee.</p>	
--	--	--	--

OFFICIAL

	Staff are required to challenge the justification/reasons for seeking Single Quotation Action and Single Tender Action requests to ensure transparency, etc.		
If you answered no which areas of procurement within your organisation are not undertaken utilising shared services protocols and procedures?			
Does all procurement comply with the organisations standing financial instructions?			
When were staff engaged in procurement last given fraud awareness training and what did this include			
Do the organisation ensure that those staff engaged in procurement complete declarations of interest documentation and are these recorded?			
Has the organisation carried out a risk assessment to consider the risks identified in the NHSCFA document "Pre-contract procurement fraud and corruption: Guidance for prevention and detection"?			



OFFICIAL

Is all procurement activity at the organisation subject to audit?			
Standard 3.6 Invoice Fraud			
Has the organisation ensured that it has adequate and proportionate processes in place for the prevention, detection and deterrence of invoice fraud, bribery and corruption?	Yes, NWSSP commissioned forensic software in 2016 that detects duplicate payments and in addition since becoming a Shared Service, it has centralised it's supplier set-up and validation activities, so that supplier edit rights are restricted to a few individuals. In addition the AP Division is proactively working with the All Wales P2P Forum to reduce the number on no PO invoices that are transacted each year		
Has the organisation undertaken a comprehensive and systematic risk assessment to consider the risk identified in the NHSCFA document "Invoice fraud: Guidance for prevention and detection" within the last two years?	Yes, this is part of our day to day responsibilities and we work closely with local Counter Fraud staff in undertaking this responsibility		
Has the organisation undertaken any preventative and detection work as described in sections 3 to 6 of the same document?	Yes, we have commissioned forensic software and in addition we have commissioned a third party supplier to undertake recovery audit work on behalf of NHS Wales		

OFFICIAL

When were staff engaged in invoicing processes last given fraud awareness training and what was the content?	Training is currently being delivered to AP staff in North & South Wales. This should be completed by mid-January 2020		
Have any findings from either proactive or reactive work relating to invoice fraud, bribery and corruption led to improvements in the processes in place at the organisation?	The AP Division works closely with Internal Audit, Counter Fraud and the Wales Audit office in improving and enhancing our procedures and processes. During 2018/19 the AP Division achieved ISO 9001, ensuring a consistency of approach in tackling this		

### Health Body: Welsh Ambulance NHS Trust

Question	Response	Action Required	Action completed
Standard 3.4 Pre-Employment Checks			Yes / No (comments included)
Can the organisation confirm that all directly employed staff are recruited using the shared services (SS) policies and protocols including pre-employment checks?	Yes for Agenda for Change Recruitment processed by the NWSSP Recruitment Team		
Does the organisation employ agency staff?	Yes		
When employing agency staff does the organisation use the SS policies and protocols including pre-employment checks?	no all checks are completed by the agency they are being hired from	There should be a proactive exercise undertaken between the LCFS and HR implementing recommendations made in NHSCFA and NHS Employers guidance and with policies and	At the time of the site visit the actions had not been undertaken. The LCFS informed us this work was due to be undertaken in December 2022. It would be prudent to seek assurances that this work has now been completed.

		<p>protocols set out by NWSSP.</p> <p>The findings of the proactive exercise should inform the health bodies fraud risk assessments and an action plan should be developed to mitigate identified risks.</p> <p>Risk assessments should be undertaken, recorded and managed in line with health bodies risk management policies.</p> <p>Progress against action plans should be reported upon to audit committee.</p>	
If agency staff are not employed using the SS policies and protocols, what pre-employment checks are undertaken?	All pre-employment checks are completed by the agency	There should be a proactive exercise undertaken between the LCFS and HR implementing recommendations made in NHSCFA and NHS	At the time of the site visit the actions had not been undertaken. The LCFS informed us this work was due to be undertaken in December 2022. It would be prudent to

OFFICIAL

		<p>Employers guidance and with policies and protocols set out by NWSSP.</p> <p>The findings of the proactive exercise should inform the health bodies fraud risk assessments and an action plan should be developed to mitigate identified risks.</p> <p>Risk assessments should be undertaken, recorded and managed in line with health bodies risk management policies.</p> <p>Progress against action plans should be reported upon to audit committee.</p>	<p>seek assurances that this work has now been completed.</p>
When were HR staff last given fraud awareness training and what did this include?	unsure sorry	<p>There should be a proactive exercise undertaken between the LCFS and HR implementing</p>	<p>At the time of the site visit the actions had not been undertaken. The LCFS informed us this work was due</p>

OFFICIAL

		<p>recommendations made in NHSCFA and NHS Employers guidance and with policies and protocols set out by NWSSP.</p> <p>The findings of the proactive exercise should inform the health bodies fraud risk assessments and an action plan should be developed to mitigate identified risks.</p> <p>Risk assessments should be undertaken, recorded and managed in line with health bodies risk management policies.</p> <p>Progress against action plans should be reported upon to audit committee.</p>	<p>to be undertaken in December 2022. It would be prudent to seek assurances that this work has now been completed.</p>
Have HR staff received document recognition training and if so, when?	unsure sorry there are some staff carrying out DBS checks and are checking the	There should be a proactive exercise undertaken	At the time of the site visit the actions had not been

OFFICIAL

	documents but not sure if official training was provided	<p>between the LCFS and HR implementing recommendations made in NHSCFA and NHS Employers guidance and with policies and protocols set out by NWSSP.</p> <p>The findings of the proactive exercise should inform the health bodies fraud risk assessments and an action plan should be developed to mitigate identified risks.</p> <p>Risk assessments should be undertaken, recorded and managed in line with health bodies risk management policies.</p> <p>Progress against action plans should be reported upon to audit committee.</p>	<p>undertaken. The LCFS informed us this work was due to be undertaken in December 2022. It would be prudent to seek assurances that this work has now been completed.</p>
--	--	--	--

OFFICIAL

Standard 3.5 Procurement Fraud			
Can the organisation confirm whether all procurement is undertaken utilising the shared services protocols and procedures?	For procurements undertaken with NWSSP involvement		
If you answered no which areas of procurement within your organisation are not undertaken utilising shared services protocols and procedures?	The Fleet department utilises its own Fleet Management System for the procurement of Fleet parts and consumables.		
Does all procurement comply with the organisations standing financial instructions?	Yes whereby procurements are undertaken with NWSSP involvement		
When were staff engaged in procurement last given fraud awareness training and what did this include	Procurement staff within 2+ years , refresher sessions planned for early 2020		
Do the organisation ensure that those staff engaged in procurement complete declarations of interest documentation and are these recorded?	All Procurement Services staff involved in procurements complete an annual declaration of interest. WAST staff that are involved in procurement projects complete a project specific declaration of interest		
Has the organisation carried out a risk assessment to consider the risks identified in the NHSCFA document "Pre-contract procurement fraud and corruption: Guidance for prevention and detection"?	clarify does this pertain to NWSSP or WAST?	The organisation should carry out local detailed risk assessment considering the NHSCFA guidance document, Pre-contract	At the time of the site visit the actions had not been undertaken. The LCFS informed us this work was due to be undertaken in December 2022. It



		<p>procurement fraud and corruption: Guidance for prevention and detection”</p> <p>Risk assessments should be undertaken. Recorded and managed in line with their risk management policies.</p> <p>Action plans should be developed to mitigate risks and progress should be reported on and submitted to the audit committee.</p>	would be prudent to seek assurances that this work has now been completed.
Is all procurement activity at the organisation subject to audit?	Yes		
Standard 3.6 Invoice Fraud			
Has the organisation ensured that it has adequate and proportionate processes in place for the prevention, detection and deterrence of invoice fraud, bribery and corruption?	Introduction of Fiscal Forensics to identify possible error / duplicate payments. Covered under Policies and Procedures, SFI's		

OFFICIAL

Has the organisation undertaken a comprehensive and systematic risk assessment to consider the risk identified in the NHSCFA document "Invoice fraud: Guidance for prevention and detection" within the last two years?	clarify does this pertain to NWSSP or WAST	<p>The organisation should undertake a local detail risk assessment in line with the NHSCFA document, "Invoice fraud: Guidance for prevention and detection".</p> <p>Risk assessments should be recorded and managed in line with the organisations risk management policy.</p> <p>Actions required to mitigate any identified risks should be developed into an action plan and progress reported to the audit committee.</p>	<p>At the time of the site visit the actions had not been undertaken. The LCFS informed us this work was due to be undertaken in December 2022. It would be prudent to seek assurances that this work has now been completed.</p>
Has the organisation undertaken any preventative and detection work as described in sections 3 to 6 of the same document?	?	<p>The organisation should undertake a local detail risk assessment in line with the NHSCFA document, "Invoice fraud: Guidance for</p>	<p>At the time of the site visit the actions had not been undertaken. The LCFS informed us this work was due to be undertaken in December 2022. It</p>

OFFICIAL

		<p>prevention and detection".</p> <p>Risk assessments should be recorded and managed in line with the organisations risk management policy.</p> <p>Actions required to mitigate any identified risks should be developed into an action plan and progress reported to the audit committee.</p>	<p>would be prudent to seek assurances that this work has now been completed.</p>
When were staff engaged in invoicing processes last given fraud awareness training and what was the content?	AP staff within 2+ years , refresher sessions planned for early 2020		
Have any findings from either pro-active or reactive work relating to invoice fraud, bribery and corruption led to improvements in the processes in place at the organisation?	Introduction of Fiscal Forensics		

**Health Body: Public Health Wales**

<b>Question</b>	<b>Response</b>	<b>Action Required</b>	<b>Action completed</b>
Standard 3.4 Pre-Employment Checks			Yes / No (comments included)
Can the organisation confirm that all directly employed staff are recruited using the shared services (SS) policies and protocols including pre-employment checks?	Yes they are, we get sent the pre-employment check evidence to keep on file.		
Does the organisation employ agency staff?	Yes		
When employing agency staff does the organisation use the SS policies and protocols including pre-employment checks?	Yes we send the recruitment manager a list of pre-employment checks required.		
If agency staff are not employed using the SS policies and protocols, what pre-employment checks are undertaken?	Not applicable, as all agency staff are employed using the SS policies and protocols.		

OFFICIAL

When were HR staff last given fraud awareness training and what did this include?	A member of the counter fraud team came in to deliver an awareness raising session to the HR Operations team on the 7 November 2019. We do not have a course outline/content.		
Have HR staff received document recognition training and if so, when?	HR staff have not received document recognition training		
Standard 3.5 Procurement Fraud			
Can the organisation confirm whether all procurement is undertaken utilising the shared services protocols and procedures?	<p>All Procurement staff are required to adhere to their respective organisation's Standing Orders and Standing Financial Instructions, as they affect the procurement of goods and services.</p> <p>Staff receive guidance and training in relation to placing orders and seeking the minimum required number of quotations and tenders from suppliers in the market. Where the required number of quotations or tenders cannot be provided, this is recorded and/or approval is sought to proceed with the lesser number.</p> <p>New members of staff attend the Induction Programme and Counter</p>	<p><b>Questions not answered as requested and therefore some assumptions have been made with recommendations.</b></p> <p>The organisation should carry out local detailed risk assessment considering the NHSCFA guidance document, Pre-contract procurement fraud and corruption: Guidance for</p>	Please read as same as Cardiff and Vale

OFFICIAL

	<p>Fraud is included as part of the Programme.</p> <p>Senior Procurement staff (Band 6 and above) are required to complete a Declaration of Interest Form, on an annual basis.</p> <p>As part of the tender process, Declarations of Interest Forms are completed by all staff members involved in the procurement (Procurement and Trust), at the commencement of the tender process and staff are required to update their DOI at each stage, i.e. at pre-tender issue, formal discussion/evaluation meetings and presentations.</p> <p>Staff are required to report any suspicious activity where they may be a devolved buying.</p> <p>Staff are required to challenge the justification/reasons for seeking Single Quotation Action and Single Tender Action requests to ensure transparency, etc.</p>	<p>prevention and detection”</p> <p>Risk assessments should be undertaken. Recorded and managed in line with their risk management policies.</p> <p>Action plans should be developed to mitigate risks and progress should be reported on and submitted to the audit committee.</p>	
--	---	---	--

## OFFICIAL

If you answered no which areas of procurement within your organisation are not undertaken utilising shared services protocols and procedures?			
Does all procurement comply with the organisations standing financial instructions?			
When were staff engaged in procurement last given fraud awareness training and what did this include			
Do the organisation ensure that those staff engaged in procurement complete declarations of interest documentation and are these recorded?			
Has the organisation carried out a risk assessment to consider the risks identified in the NHSCFA document "Pre-contract procurement fraud and corruption: Guidance for prevention and detection"?			
Is all procurement activity at the organisation subject to audit?			
Standard 3.6 Invoice Fraud			
Has the organisation ensured that it has adequate and proportionate processes in place for the prevention, detection	Yes, NWSSP commissioned forensic software in 2016 that detects duplicate payments and in addition since becoming a Shared		

OFFICIAL

and deterrence of invoice fraud, bribery and corruption?	Service, it has centralised it's supplier set-up and validation activities, so that supplier edit rights are restricted to a few individuals. In addition the AP Division is proactively working with the All Wales P2P Forum to reduce the number on no PO invoices that are transacted each year		
Has the organisation undertaken a comprehensive and systematic risk assessment to consider the risk identified in the NHSCFA document "Invoice fraud: Guidance for prevention and detection" within the last two years?	Yes, this is part of our day to day responsibilities and we work closely with local Counter Fraud staff in undertaking this responsibility		
Has the organisation undertaken any preventative and detection work as described in sections 3 to 6 of the same document?	Yes, we have commissioned forensic software and in addition we have commissioned a third party supplier to undertake recovery audit work on behalf of NHS Wales		
When were staff engaged in invoicing processes last given fraud awareness training and what was the content?	Training is currently being delivered to AP staff in North & South Wales. This should be completed by mid-January 2020		
Have any findings from either pro-active or reactive work relating to invoice fraud, bribery and corruption led to	The AP Division works closely with Internal Audit, Counter Fraud and the Wales Audit office in improving and enhancing our procedures and processes. During 2018/19		



OFFICIAL

improvements in the processes in place at the organisation?	the AP Division achieved ISO 9001, ensuring a consistency of approach in tackling this		
---	--	--	--

**Health Body: HEIW**

Question	Response	Action Required	Action completed
Standard 3.4 Pre-Employment Checks		Read as Velindre for all actions	Yes / No (comments included)
Can the organisation confirm that all directly employed staff are recruited using the shared services (SS) policies and protocols including pre-employment checks?	Read as Velindre NHS Trust		
Does the organisation employ agency staff?	Read as Velindre NHS Trust		
When employing agency staff does the organisation use the SS policies and protocols including pre-employment checks?	Read as Velindre NHS Trust		
If agency staff are not employed using the SS policies and protocols, what pre-employment checks are undertaken?	Read as Velindre NHS Trust		

## OFFICIAL

When were HR staff last given fraud awareness training and what did this include?	Read as Velindre NHS Trust		
Have HR staff received document recognition training and if so, when?	Read as Velindre NHS Trust		
Standard 3.5 Procurement Fraud			
Can the organisation confirm whether all procurement is undertaken utilising the shared services protocols and procedures?	Read as Velindre NHS Trust		
If you answered no which areas of procurement within your organisation are not undertaken utilising shared services protocols and procedures?	Read as Velindre NHS Trust		
Does all procurement comply with the organisations standing financial instructions?	Read as Velindre NHS Trust		
When were staff engaged in procurement last given fraud awareness training and what did this include	Read as Velindre NHS Trust		
Do the organisation ensure that those staff engaged in procurement complete declarations of interest documentation and are these recorded?	Read as Velindre NHS Trust		
Has the organisation carried out a risk assessment to consider the risks	Read as Velindre NHS Trust		

## OFFICIAL

identified in the NHSCFA document “Pre-contract procurement fraud and corruption: Guidance for prevention and detection”?			
Is all procurement activity at the organisation subject to audit?	Read as Velindre NHS Trust		
Standard 3.6 Invoice Fraud			
Has the organisation ensured that it has adequate and proportionate processes in place for the prevention, detection and deterrence of invoice fraud, bribery and corruption?	Read as Velindre NHS Trust		
Has the organisation undertaken a comprehensive and systematic risk assessment to consider the risk identified in the NHSCFA document “Invoice fraud: Guidance for prevention and detection” within the last two years?	Read as Velindre NHS Trust		
Has the organisation undertaken any preventative and detection work as described in sections 3 to 6 of the same document?	Read as Velindre NHS Trust		
When were staff engaged in invoicing processes last given fraud awareness training and what was the content?	Read as Velindre NHS Trust		
Have any findings from either pro-active or reactive work relating to invoice	Read as Velindre NHS Trust		

OFFICIAL

fraud, bribery and corruption led to improvements in the processes in place at the organisation?			
--	--	--	--



# **NHS WALES**

## **Shared Services Partnership**

### **COUNTER FRAUD PLAN**

#### **2023/2024**

Mark Weston  
Counter Fraud Manager  
NHS Wales Shared Service Partnership

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

Workplan prepared by:

Counter Fraud Manager – Mark Weston

Workplan agreed by:

Andrew Butler - Executive Director of Finance and Corporate Services

NWSSP Audit Committee

Date:

## WORKPLAN 2022-2023

### Background

On 29<sup>th</sup> January 2021, the NHS rolled out new counter fraud requirements for NHS-funded services in relation to the **Government Functional Standard GovS 013: Counter Fraud**. The NHSCFA worked closely with a wide range of stakeholders to ensure that the NHS Counter Fraud Requirements had greater consistency and remained fit for purpose for organisations, including providers and commissioners. The standards apply to all NHS funded services (those receiving partial or full NHS funding). The purpose of the Government Functional Standard is to set expectations for the management of fraud, bribery and corruption risk across government and wider public services, and to reinforce the government's commitment to fighting fraud against the public sector. The final engagement which sealed the implementation of the Government Functional Standard GovS 013: Counter Fraud occurred at the All Wales DoF's meeting on 19<sup>th</sup> February 2021.

The NHSCFA is responsible for leading and influencing the improvement of counter fraud standards across the NHS and will be responsible for ensuring the effective implementation of the NHS Counter Fraud Requirements. The requirements have superseded our own fraud, bribery and corruption standards for providers, commissioners and NHS bodies in England and Wales. The NHSCFA is required to provide assurance to the Cabinet Office of NHS compliance with the Functional Standard. This will be accomplished by the receipt and validation by the NHSCFA of the Counter Fraud Functional Standard Return submitted by organisations providing any NHS funded services. Deadline for submission of this document in relation to this plan is 31/05/2023. The NHSCFA Quality Assurance Programme will enable the analysis of performance of the Counter Fraud team against each requirement. They will provide a grading of compliance in relation to all areas of the functional standards. (Green, Amber or Red)

NHS Wales Shared Services Partnership (NWSSP) now directly employs its own dedicated full time and professionally accredited Local Counter Fraud Specialist (LCFS) to manage and deliver the local counter fraud service for NWSSP. This will ensure that NWSSP follows the Welsh Government Directions on Countering Fraud, Bribery and Corruption within the NHS in Wales and the standards set by the NHSCFA are achieved. The additional full-time resource commenced on 6<sup>th</sup> June 2022. NWSSP continue to obtain additional resources of accredited NHS Local Counter Fraud Specialists (LCFS) from Cardiff and Vale University Health Board. These arrangements will also ensure that the organisations resources remain resilient to the risk of fraud, bribery and corruption. An Annual Work-Plan is compiled by the Counter Fraud Manager that is agreed by Executive Director of Finance and submitted to the Audit Committee for approval at the commencement of each financial year. The Workplan provided below formulates Local Counter

Fraud arrangements for NWSSP for 2023-2024. The tasks outlined will be considered and reviewed dynamically throughout the year as the need arises. The effectiveness of the plan will be reported in the end of year Annual Report to Audit Committee and in the NHSCFA Functional Return as referred to above.

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

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

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

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

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

To help organisations take a risk-based approach to counter fraud work and planning, the NHSCFA has issued up to date risk assessment advice and training. This helps the LCFS when assessing the counter fraud arrangements at their own organisation. This provides direction in risk assessment work and provides a basis of measuring local risks using a dedicating risk matrix scoring



system and template. Results of all local risk work carried out by the Counter Fraud Team will be reported through the quality assurance process to NHS CFA, managed on the CLUE case management system and will be locally reported to the Audit Committee

## Outcomes/Results

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

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

## Resource Provision

Resource Provision for NHSWSSP	Days Planned 23 / 24
Counter Fraud Manager and LCFS provision by CAVUHB	75
NHSWSSP Counter Fraud Manager	210
<b>Total</b>	<b>285</b>

## Resource by Activity

Activity	Days Planned 23 / 24				
	C&V Resource		NWSSP Manager		
Proactive	50	+	140	=	190
Reactive	25	+	70	=	95
<b>Total</b>	<b>75</b>		<b>210</b>	<b>=</b>	<b>285</b>

With the move to the GovS:13 taking place and the previous 4 standards of Strategic Governance, Inform and Involve, Prevent and Deter and Hold to Account are now obsolete, the methodology to be adopted in breaking down resource time spent by activity area is simplified into Proactive and Reactive areas. Generally Proactive work will involve activities such as fraud awareness, eg presentations, newsletters and other engagement etc and also National CFA Proactive exercises, Local Proactive Exercises, and Risk Assessments. Reactive work will involve activities such as, investigation into referrals received, carrying out system weakness analysis as a result of investigation findings.

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

## Work Plan Objectives

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

Gov s013 / NHS Requirement	Objective	Proposed Delivery	Resources (Days)
<p><b>1: Accountable individual</b></p> <p><b>NHS Requirement 1A:</b></p> <p>A member of the executive board or equivalent body is accountable for provision of strategic management of all counter fraud, bribery and corruption work within the organisation. The accountable board member is responsible for the provision of assurance to the executive board in relation to the quality and effectiveness of all counter fraud bribery and corruption work undertaken.</p> <p>The accountable board member is responsible for ensuring that nominations to the NHSCFA for the accountable board member, audit committee chair and counter fraud champion are accurate and that any changes are notified to the NHSCFA at the earliest opportunity and in accordance with the nominations process.</p>	<p>Counter Fraud Manager (CFM) to hold regular scheduled meetings with Director of Finance (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.</p> <p>CFM to produce the SSP Counter Fraud Annual Report &amp; Workplan which is to be agreed with the DoF and ratified by the AAC.</p> <p>CFM to provide quarterly progress reports to DoF and AAC and to present these quarterly at AAC.</p> <p>Checks to be carried out by CFM that nominations to NHSCFA are correct, up to date and in order.</p>	<p>Ongoing throughout the Year</p> <p>Q4</p> <p>Qtly</p> <p>Q1</p> <p>As required</p>	15

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

Gov s013 / NHS Requirement	Objective	Proposed Delivery	Resources (Days)
<p>have been made by NHSCFA following an engagement, it is the responsibility of the accountable board member to provide assurance to the board surrounding the progress of their implementation.</p> <p>The organisation reports annually on how it has met the standards set by NHSCFA in relation to counter fraud, bribery and corruption work, and details corrective action where standards have not been met.</p>	<p>CFM and Counter Fraud Champion to meet fortnightly to discuss all aspects of Counter Fraud work.</p> <p>CFM to carry out annual reporting to NHSCFA in the form of the NHS CFA Functional Standard return and to subsequently address any issues rising from the results of this assessment.</p>		
<p><b>2: Counter fraud bribery and corruption strategy</b></p> <p><b>NHS Requirement 2:</b></p> <p>The organisation aligns counter fraud, bribery and corruption work to the NHSCFA counter fraud, bribery and corruption strategy. This is documented in the organisational counter fraud, bribery and corruption policy, and is submitted upon request. The counter fraud work plan and resource allocation</p>	<p>CFM to finalise organisational Counter Fraud Bribery and Corruption Policy to ensure it is properly aligned to the current NHS CFA Strategy. CFM to Liaise with other LCFS to ensure a once for Wales approach.</p> <p>CFM to ensure that work planned for in the Annual Counter Fraud Plan and that work carried out is aligned to the NHS CFA strategy and that the objectives are being met.</p>	<p>Q1 &amp; Q2</p> <p>Qtly and throughout the year</p>	<p>6</p>

Gov s013 / NHS Requirement	Objective	Proposed Delivery	Resources (Days)
are aligned to the objectives of the strategy and locally identified risks.  <b>(The organisation may have its own counter fraud, bribery and corruption strategy, however, this must be aligned to and referenced to the NHSCFA counter fraud, bribery and corruption strategy)</b>	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.	Continual Monitoring	
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	CFM to review NWSSP fraud risk register and NHS CFA risk descriptors to prioritise areas for risk assessment appropriate to NWSSP.  CF manager to explore with DoF, Counter Fraud Champion and Corporate Governance the preferred method of reporting and recording risk, including the maintenance of a register for review to compliment the recording upon CLUE. Where resource implications are present priority to be given to those areas identified as higher risk.  CFM to meet with CFS Wales and other Lead LCFS to discuss and agree management of fraud risks and risk analysis and report to DoF.	Q1/Q2  Q1 / Q2  Q1	40

Gov s013 / NHS Requirement	Objective	Proposed Delivery	Resources (Days)
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).	CFM to carry out risk analysis in line with the Government Counter Fraud Profession (GCFP) fraud risk methodology. Locally identified risk to be recorded in line with the organisations Risk Management Policy and entered on to the appropriate risk registers. All risks identified to be assessed and remedial action identified and reported to key stakeholders. All matters arising to be reported to DoF and AAC by way of counter fraud progress reporting.	Ongoing throughout the Year	
For NHS organisations the fraud risk assessments should also consider the fraud risks within any associated sub company of the NHS organisation.	CFM to develop a fraud risk profile upon the CLUE case management system in order to effectively evaluate, evidence and measure the effectiveness of counter fraud risk assessment work with a view to reducing fraud to an absolute minimum.	Q1& Q2	
	Further Local Proactive exercises to be undertaken by CFM 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.	Throughout the year	

Gov s013 / NHS Requirement	Objective	Proposed Delivery	Resources (Days)
<p>4: Policy and response plan</p> <p>NHS Requirement 4:</p> <p>The organisation has a counter fraud, bribery and corruption policy and response plan (the policy and plan) that follows NHSCFA's strategic guidance and has been approved by the executive body or senior management team.</p> <p>The plan is reviewed, evaluated and updated as required, and levels of staff awareness are measured.</p>	<p>CF Manager to establish/review existing counter fraud bribery and corruption policy, update and amend as appropriate.</p> <p>Counter Fraud team to promote awareness of the policy at presentations and through newsletters.</p> <p>CF team to utilise staff surveys to evaluate if staff are aware of the policy and how and where to locate it. Also establish that they are aware of the correct procedures associated with reporting fraud, bribery and corruption.</p>	<p>Q1 &amp; Q2</p> <p>Throughout the Year</p> <p>Q3 &amp; Q4</p>	<p>5</p>
<p>5: Annual action plan</p> <p>NHS Requirement 5:</p> <p>The organisation maintains an annual work plan that is informed by national and local fraud, bribery and corruption risk assessment identifying activities to improve capability and resilience. This includes (but is not limited to) defined objectives, milestones for the delivery of each activity and measurable areas for improvement in line with strategic aims</p>	<p>CF Manager to complete annual CF fraud workplan detailing planned actions for the coming year. Where possible actions to be given a proposed action time period.</p> <p>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.</p>	<p>Q1</p> <p>Q1</p>	<p>8</p>



Gov s013 / NHS Requirement	Objective	Proposed Delivery	Resources (Days)
and objectives. The plan is agreed, and progress monitored by the audit committee (or equivalent body).	<p>CF Manager to ensure that the provision of the CF function is written into the overall organisation plan.</p> <p>CF manager to provide quarterly reports to AAC. CF manager to provide quarterly statistics to Counter Fraud Service Wales.</p> <p>CF manager to provide annual report measuring the effectiveness of the plan.</p>	<p>Throughout the Year</p> <p>Throughout the Year</p> <p>Q4</p>	
<p>6: Outcome-based metrics</p> <p>NHS Requirement 6:</p> <p>The organisation identifies and reports on annual outcome-based metrics with objectives to evidence improvement in performance. This should be informed by national and local risk assessment, national benchmarking and other comparable data. Proactive and reactive outcomes and progress are recorded on the approved NHS fraud case management system.</p> <p>Metrics should include all reported incidents of fraud, bribery and corruption, the value of identified fraud</p>	<p>All fraud referrals and cases to be recorded on CLUE case management system. All outcomes to recorded on Clue Accordingly. This includes all reported incidents of fraud, bribery and corruption, the value of identified fraud losses, the value of fraud recoveries, the value of fraud prevented, criminal sanctions and disciplinary sanctions.</p> <p>All Local Proactive exercises and outcomes recorded on CLUE and reported quarterly.</p> <p>Locally and nationally informed risk assessments will be recorded according to 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</p>	<p>Throughout the year</p> <p>Reported Qtly</p> <p>Reported Qtly</p> <p>Data collection throughout the year</p>	15

Gov s013 / NHS Requirement	Objective	Proposed Delivery	Resources (Days)
losses, the value of fraud recoveries, the value of fraud prevented, criminal sanctions and disciplinary sanctions.	<p>will also be shared automatically with the Internal audit department and reported to the AAC.</p> <p>Data will be collected in relation to the amount of fraud awareness work is carried out. Feedback is sought from each session. Monitoring and reporting on metrics received from Interactive feedback forms are reported quarterly to DoF and AAC. This measures the effectiveness of the service supplied by the LCFS throughout the year.</p> <p>CFM to devise a process to collect metrics from referral sources to measure effectiveness of each awareness method.</p> <p>CFM has requested CFS Wales to review the way fraud awareness data is captured, recorded and reported. CFM to work with CFS Wales to improve metrics to better reflect current methods of engagement with fraud awareness.</p> <p>All data and metrics collected from referrals, investigations, outcomes, sanctions, LPE's, Risk Measurement Exercises and Fraud</p>	<p>Q1 Data Reported QTLY</p> <p>Q1</p> <p>Q1</p> <p>Data collection throughout the year  Reported Qtly</p>	

Gov s013 / NHS Requirement	Objective	Proposed Delivery	Resources (Days)
	awareness engagement is reported upon quarterly to NHS CFS Wales who provide a consolidated report to Welsh Government and CFSG to provide benchmarking. All activity is also reported to DoF and AAC quarterly.		
<p>7: Reporting routes for staff, contractors and members of the public</p> <p>NHS Requirement 7:</p> <p>The organisation has well established and documented reporting routes for staff, contractors and members of the public to report incidents of fraud, bribery and corruption. Reporting routes should include NHSCFA's Fraud and Corruption Reporting Line and online reporting tool. All incidents of fraud, bribery and corruption are recorded on the approved NHS fraud case management system.</p> <p>The incident reporting routes are publicised, reviewed, evaluated and updated as required, and levels of staff awareness are measured.</p>	<p>CF team to continue to assess the infrastructure in place for the reporting of concerns and making of general enquiries from all groups.</p> <p>CF team continue to promote reporting routes for staff, contractors and members of the public to report incidents of fraud, bribery and corruption via:</p> <p>Intranet/ Internet sites Sways Newsletters Fraud Awareness Presentations Wall Posters Counter Fraud App Social Media e.g. Twitter</p> <p>CF team continue to liaise with the Communications Team in order to update, evaluate and ensure that all reporting routes</p>	<p>Q1 &amp; Q2</p> <p>Throughout the year</p> <p>Q1/Q2</p> <p>And Throughout the year</p>	<p>10</p>

Gov s013 / NHS Requirement	Objective	Proposed Delivery	Resources (Days)
	<p>are promoted in the most effective way with up to date relevant information in order to continue to ensure the CF team have a brand identity and presence.</p> <p>CF Manager to liaise with Communications to team to further update, promote and review effectiveness the new NHS Wales Counter Fraud App.</p> <p>CF Manager to liaise with Communications team to design and produce manual posters for distribution to all NWSSP sites, particularly those with staff with limited access to computers, email and intranet.</p> <p>CF Manager to liaise with Communications team to produce additional fraud awareness videos to promote reporting routes and share with NHS Wales LCFS/CFS community</p> <p>Ongoing review of the effectiveness of the work undertaken via data analytics, metrics and where necessary remedial action to take place dynamically throughout the year.</p> <p>CFM to capture feedback from fraud awareness sessions and act upon</p>	<p>Q1/Q2</p> <p>Q1/Q2</p> <p>Q2/Q3</p> <p>Throughout the Year</p> <p>Throughout the Year</p>	

Gov s013 / NHS Requirement	Objective	Proposed Delivery	Resources (Days)
	<p>suggestions to continually improve engagement.</p> <p>Continuance of promotion of the National Fraud Reporting Line and the National Fraud Reporting tool as managed by the NHSCFA.</p> <p>Ongoing events throughout the year such as half-day events at key premises promoting the reporting methods available to all groups.</p>	<p>Throughout the Year</p> <p>Q2/Q3</p>	
<p>8: Report identified loss</p> <p>NHS Requirement 8:</p> <p>The organisation uses the approved NHS fraud case management system to record all incidents of reported suspect fraud, bribery and corruption, to inform national intelligence and NHS counter fraud functional standard return submission by the NHSCFA. The case management system is used to record all fraud, bribery and corruption investigative activity, including all outcomes, recoveries and system weaknesses identified during the course of investigations and/or proactive prevention and detection exercises</p>	<p>CFM to make full use of the CLUE case management system for recording and managing Investigations, System Weakness reporting, and Local Proactive exercise reporting.</p> <p>CFM to ensure that all members of CF team are suitably trained and qualified to access the CLUE case management system.</p> <p>CFM to supervise the reporting of cases on CLUE ensuring that all referrals are suitably recorded and investigated</p> <p>CFM to oversee live investigations on CLUE.</p> <p>CF manager to supervise the recording of all proactive work carried by way of Local</p>	<p>Ongoing throughout the Year</p>	<p>20</p>

Gov s013 / NHS Requirement	Objective	Proposed Delivery	Resources (Days)
	<p>Proactive exercise/System Weakness reporting.</p> <p>CFM to provide direction to IO concerning case management where necessary.</p> <p>CFM 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.</p>	Ongoing throughout the Year	
<p>9: Access to trained investigators</p> <p>NHS Requirement 9:</p> <p>The organisation employs or contracts in an accredited, person (or persons) nominated to the NHSCFA to undertake the full range of counter fraud, bribery and corruption work, including proactive work to prevent and deter fraud, bribery and corruption and reactive work to hold those who commit fraud, bribery or corruption to account. The organisation will ensure that any changes to nominations are notified to the NHSCFA at the earliest opportunity and in</p>	<p>In June 2022 NWSSP obtained its own dedicated full time and fully accredited Counter Fraud Manager (CFM). This position is a long term secondment (three years) from the NHS CFS Wales Team and will be directly employed by NWSSP. The CFM is responsible for all management of Counter Fraud Work.</p> <p>NWSSP will continue to utilise the services from the C&amp;V Counter Fraud Team with 75 days annually (0.3 WTE).</p> <p>NWSSP currently therefore employs/has access to provision from four fully accredited, nominated, and qualified LCFS (1.3 WTE). All</p>	Ongoing throughout The year	50

Gov s013 / NHS Requirement	Objective	Proposed Delivery	Resources (Days)
<p>accordance with the nominations process.</p> <p>The accredited nominated person (or persons) must demonstrate continuous professional competencies and capabilities on an annual basis by examples of practical application of skills and associated training to include (but is not limited to), obtaining witness statements, conducting interviews under caution and maintaining up to date knowledge of legal and procedural requirements.</p>	<p>members work on a full-time basis but resources from C&amp;V are limited to 0.3 WTE).</p> <p>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.</p> <p>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 NHSCFA and NHS CFS Wales. CF team will undertake continuing professional development opportunities associated with role throughout the year as they become available.</p> <p>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</p>	<p>Ongoing Throughout the Year</p> <p>Ongoing Throughout the Year</p> <p>Ongoing Throughout the year</p>	

Gov s013 / NHS Requirement	Objective	Proposed Delivery	Resources (Days)
	<p>out their role (inclusive of secure access to relevant IT systems, data systems and access to NHS Wales)</p> <p>All training and development to be recorded on ESR and referenced during annual staff appraisals.</p>		
<p>10: Undertake detection activity</p> <p>NHS Requirement 10:</p> <p>The organisation undertakes proactive work to detect fraud using relevant information and intelligence to identify anomalies that may be indicative of fraud, bribery and corruption and takes the appropriate action, including local exercises and participation or response to national exercises. Results of this work are evaluated and where appropriate feed into improvements to prevent and deter fraud, bribery and corruption.</p> <p>Relevant information and intelligence may include (but is not limited to) internal and external audit reports, information on outliers,</p>	<p>On 13<sup>th</sup> April 2023 CFM will meet with Head of CFS Wales and other LCFS leads to discuss the NHS CFA reports below and other fraud risks to formulate a plan to ensure best use of resources and avoid duplication and a Once for Wales approach.</p> <p>CFM to assess the work already completed in relation to the Thematic Assessment exercise published by the NHS CFA in 2020 and updated with a final progress report from NHS CFA on 25<sup>th</sup> January 2023 In relation to Wales Shared Services Standards: 3.4, Pre-Employment Checks 3.5 Procurement Fraud 3.6 Invoice Fraud</p> <p>Any work left incomplete to be carried out in period stated.</p>	<p>Q1</p> <p>Q1 &amp; Q2</p> <p>Q1 &amp; Q2</p> <p>Q1 &amp; Q2</p>	<p>50</p>



Gov s013 / NHS Requirement	Objective	Proposed Delivery	Resources (Days)
recommendations in investigation reports and NHSCFA led loss measurement exercises. The findings are acted upon promptly.	<p>CFM to assess the work already completed and provided in the NHS CFA Covid-19 Post Event Assurance Report of Findings for Velindre NHS Trust (Organisation specific feedback) (which includes NWSSP) issued on 29<sup>TH</sup> September 2022.</p> <p>CFM to undertake national exercise work as it is published by NHS CFA throughout the year.</p> <p>CFM to react appropriately to the issue of FPN's and iBURN's from NHS CFA.</p> <p>CFM to issue fraud alerts where relevant and react appropriately to fraud alerts raised by NHS CFA and other Health Bodies.</p> <p>CFM to monitor overpayments of salary from monthly data provided by payroll and report or investigate any concerns.</p> <p>CFM to examine 2023 National Fraud Initiative (NFI) data output, identify and investigate cases in accordance and prioritisation with the allocated risk score.</p>	<p>Throughout the year</p> <p>as required</p> <p>Monthly Throughout the Year</p> <p>As required and Throughout the year</p> <p>As required and Quarterly</p>	

Gov s013 / NHS Requirement	Objective	Proposed Delivery	Resources (Days)
	<p>CFM to continue to work with NHS CFS Wales and Audit Wales on the Pharmacy Data Analytical Pilot exercise involving data from CTMUHB and SBUHB to identify potential pharmaceutical fraud.</p> <p>CFM to continue to liaise with Audit Wales to explore the possibilities of GP Registration Data inclusion in NFI.</p> <p>CFM to explore possibilities of identifying fraud by use of data analytics. CFM to interact with key managers and stakeholder groups such as NWSSP Employment Services, Procurement, Accounts Payable, Corporate Finance to identify areas suitable for data analytical projects and liaise with Information Governance manager to ensure compliance with Data Protection and GDPR.</p> <p>CFM 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.</p> <p>CFM to interact with key managers and stakeholder groups such as NWSSP</p>	<p>As required Report on Progress during Q2</p> <p>Q2/Q3</p> <p>As required Throughout the year</p> <p>Throughout the year</p> <p>Focus on Q2/Q3</p>	

Gov s013 / NHS Requirement	Objective	Proposed Delivery	Resources (Days)
	<p>Employment Services, Procurement, Accounts Payable, Corporate Finance, Information Governance, Legal and Risk, NWSSP Single Lead employer, Communications Department and POD to foster relationships improve awareness of CF department and function.</p> <p>CFM to liaise with Internal Audit in accordance with the joint working protocol in place. Receive all relevant reports where system weakness for fraud has been identified. CFM to meet with Head of IA on a quarterly basis to discuss ongoing areas of mutual concern.</p> <p>CFM 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.</p> <p>CFM to attend Counter Fraud and Post Payment Verification Team liaison meetings to be aware of current practice, exercises and potential detection opportunities.</p>	<p>Qtly</p> <p>As required Focus Q2/Q3</p> <p>Quarterly</p>	

Gov s013 / NHS Requirement	Objective	Proposed Delivery	Resources (Days)
<p><b>11: Access to and completion of training</b></p> <p>NHS Requirement 11:</p> <p>The organisation has an ongoing programme of work to raise awareness of fraud, bribery and corruption and to create a counter fraud, bribery and corruption culture among all staff, across all sites, using all available media. This should cover the role of the NHSCFA, LCFS and the requirements and national implications of Government Counter Fraud Functional Standard providing a standardised approach to counter fraud work.</p> <p>Content may be delivered through presentations, newsletters, leaflets, posters, intranet pages, induction materials for new staff, emails and other media, making use of the NHSCFA's fraud awareness toolkit as appropriate. The effectiveness of the awareness programme is measured.</p>	<p>CFM has now established that Fraud Awareness training is not included in corporate inductions (now referred to as "Welcome Session" to new employees. Identified best way forward to deliver a generic monthly Fraud awareness session for new starters independent from the Welcome session in a similar way to Information Governance induction sessions. CFM to liaise with payroll to obtain new starters list each month to invite new staff to attend a fraud awareness session the following month.</p> <p>CFM together with NWSSP POD Digital Learning and NHS CFS Wales have developed a new e-learning module for all NWSSP staff to undertake. The package is generic and will be offered to all NHS Wales organisations. Subject to completion It is scheduled to be launched on 17<sup>th</sup> April accessible via ESR.</p> <p>The new e-learning module will be closely monitored during Q1 to ensure accessibility and usability with the aim to make it mandatory for all Wales NHS Staff with agreement from all DoF's, POD.</p>	<p>Q1</p> <p>Q1</p> <p>Q1/Q2</p>	<p>46</p>

Gov s013 / NHS Requirement	Objective	Proposed Delivery	Resources (Days)
	<p>CFM to develop fraud awareness further through all available avenues. To include but not limited to</p> <ul style="list-style-type: none"> <li>Digital banners on organisation intranet site</li> <li>Regular publishing of Counter Fraud news items via intranet and emailed Counter Fraud Newsletter using SWAYS which collects metrics on user engagement.</li> <li>Regular messaging across available social media systems eg Twitter</li> <li>All staff email bulletins to advise of fraud alerts</li> <li>Ad hoc and bespoke fraud awareness training for different staff cohorts throughout the organisation</li> <li>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 staff promoting the work of the team and its function</li> <li>Drop in sessions at various office locations where the CFM can work remotely but invite and encourage staff to discuss any fraud concerns.</li> </ul>	<p>Delivery throughout the Year</p> <p>Throughout the year</p> <p>Q2/Q3/Q4</p> <p>Q1</p>	

Gov s013 / NHS Requirement	Objective	Proposed Delivery	Resources (Days)
	<p>Along with NWSSP Comms the CFM has developed a digital mobile Fraud APP which contains similar content to intranet pages. CFM and Comms will continue update the content, closely monitor its usage and promote further users to access it. Reports of a technical problem will be investigated by CFM and Comms team to correct where possible,</p> <p>CFM to be fully conversant with the use of the NHSCFA 'ngage' tool in accessing materials and literature suitable for dissemination organisation wide.</p> <p>CF team to fully participate in National Counter Fraud Week initiative.</p> <p>CFM to collate metrics for all fraud awareness activity and report to CFS Wales team, CFSG, WG and Audit Committee. CFM to liaise with CFS Wales team to update metrics collected to better reflect use of new technology and methods of delivery.</p> <p>CFM to collect feedback from fraud awareness sessions and take on board any suggestions for improvement.</p>	<p>Throughout the year</p> <p>Q3</p> <p>Q1</p> <p>Quarterly</p>	

Gov s013 / NHS Requirement	Objective	Proposed Delivery	Resources (Days)
<p>12: Policies and registers for gifts and hospitality and COI.</p> <p>NHS Requirement 12:</p> <p>The organisation has a managing conflicts of interest policy and registers that include gifts and hospitality with reference to fraud, bribery and corruption, and the requirements of the Bribery Act 2010. The effectiveness of the implementation of the process and staff awareness of the requirements of the policy are regularly tested</p>	<p>CFM to conduct an LPE and review of the COI Register and ensure conflicts of interest/business conduct policy is in place and is up to date.</p> <p>CFM to review NFI matches with staff on companies house and any Creditor payments made to ensure that COI register has been updated and no concerns exist.</p> <p>CF fraud team to raise awareness of the registers and policies by way of fraud awareness sessions and news bulletins/letters.</p> <p>CF manager to provide a presence and input into relevant policy review, and to record and document changes highlighted through Counter Fraud review.</p>	<p>Q1 &amp; Q2</p> <p>Q1 &amp; Q2 Throughout the Year</p> <p>As required</p>	<p>5</p> <p>285</p>
		<b>TOTAL (Days)</b>	<b>285</b>

<b>MEETING</b>	Velindre University NHS Trust Audit Committee for NHS Wales Shared Services Partnership
<b>DATE</b>	19 April 2023
<b>PREPARED BY</b>	Carly Wilce, Corporate Services Manager
<b>PRESENTED BY</b>	Andy Butler, Director of Finance and Corporate Services
<b>RESPONSIBLE HEAD OF SERVICE</b>	Andy Butler, Director of Finance and Corporate Services
<b>TITLE OF REPORT</b>	Governance Matters
<b>PURPOSE</b> The purpose of this paper is to provide the Audit Committee with a brief update on governance developments within NWSSP.	

### 1. STANDING ORDERS AND FINANCIAL INSTRUCTIONS (SOs and SFIs)

There have been no departures from the Standing Orders and financial regulations during the period.

### 2. CONTRACTS FOR NWSSP

The table overleaf summarises contracting activity undertaken during the period **21 December 2022 to 20 March 2023**. A summary of activity for the period is set out in **Appendix A**.

Description	No.
File Note	2
Invitation to competitive quote of value between £5,000 and £25,000 (exclusive of VAT)	10
Invitation to competitive tender of value between £25,000 and the prevailing OJEU threshold (exclusive of VAT)	3
Single Tender Actions	4
Single Quotation Actions	3
Direct Call Off against National Framework Agreement	12
Invitation to competitive tender of value exceeding prevailing OJEU threshold (exclusive of VAT)	1
Contract Extensions	0
<b>Total</b>	<b>35</b>

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

During the period **2 January 2023 to 20 March 2023**, activity against **45 contracts** have been completed. This includes **10** contracts at the **briefing** stage and **17** contracts at the **ratification** stage. In addition to this activity, **18 extensions** have been actioned against contracts. A summary of activity for the period is set out in **Appendix B**.



#### 4. 2022/23 Outturn Position

The financial results of NWSSP are consolidated into the Velindre University NHS Trust financial statements. The financial position for 2022/23 has been prepared and the key highlights (subject to any changes arising from the NHS Wales agreement of balance exercise) can be summarised as follows:

	£million
Total Revenue Expenditure	730.000
Surplus	0.012
Risk Pool Settled cases in year (outturn – in line with budget agreed with Welsh Government)	136.724
Stocks & Inventory balance	25.855
Provision for Clinical and Personal Injury Cases	1,499.266
Capital expenditure - in line with budget	5.023
	%
Percentage of Invoices paid within 30 days – target 95%	95.71%

The draft financial results statements will be subject to audit, by Audit Wales during April to July 2023

#### 5. GIFTS, HOSPITALITY & SPONSORSHIP

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

- Sponsorship opportunity for NWSSP's Principal Systems Lead, Head of Learning and his advisor to attend the 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 to participate in workshops on system design and development, funded by RLDatix Ltd. Total value of £2,500 – **Accepted and Approved by the Director of Legal and Risk and Managing Director**; and
- Hospitality offer to the Managing Director and colleagues to attend the **Bristol Bears Rugby** game against the **Northampton Saints**, the elite package included, 4 course meal, free beverages all evening, premium padded seats for viewing and half time food. Total package cost in circa of £250.00, this offer was **declined**.

#### 6. 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 (20/12/2022 to 20/03/2023)

No.	Trust	Division	Procurement Ref No	Date	SFI Reference	Agreement Title/Description	Supplier	Anticipated Agreement Value (ex VAT)	Reason/Circumstance and Issue	Compliance Comment
1.	VEL	NWSSP	NWSSP-OJEU-51529	11/01/2023	Above Threshold Tender	Provision of Roll Cages (Pallets)	Palletower GB Ltd	£200,000.00	Provision of Roll Cages for NWSSP Supply Chain & Laundry	Endorsed – Compliant
2.	VEL	NWSSP	NWSSP-ITT-51557	02/02/2023	Under Threshold Tender	Provision of an Automatic Blanket Machine	Weir	£80,000.00	Provision of an Automatic Blanket Machine	Endorsed – Compliant
3.	VEL	NWSSP	NWSSP-MINI-51630	01/12/2022	Mini Competition	Consultancy & Cost Management Services for Completion of a Feasibility Report for Developing Electric Vehicle Charging Capacity and Back Up Power for Sites Operated By NWSSP	Arcadis	£43,172.73	Consultancy for the provision of a Feasibility Study of the EV Charging and Backup Power across NWSSP	Endorsed – Compliant
4.	VEL	NWSSP	NWSSP-ITT-51701	28/02/2023	Under Threshold Tender	Wet Penetration testing	Centexbel	£100,000.00	Wet Penetration Testing for SMTL	Endorsed – Compliant
5.	VEL	NWSSP	NWSSP-DCO-823	28/11/2022	Direct Call Off	BA Campus - Due Diligence Services	Ove Arup and Partners (Arup)	£46,600.43	Due Diligence Services prior to the purchase of a building	Endorsed – Compliant
6.	VEL	NWSSP	NWSSP-DCO-824	13/01/2023	Direct Call Off	Air Conditioning	Trefoil	£18,362.00	Purchase of Air Conditioning for SMTL	Endorsed – Compliant
7.	VEL	NWSSP	SCLT-DCO-001	28/11/2022	Direct Call Off	IP5 Racking	Whittan Industrial Ltd	£199,401.00	Racking for Supply Chain	Endorsed – Compliant
8.	VEL	NWSSP	NWSSP-DCO-825	23/12/2022	Direct Call Off	Provision of Garment/Towel Folder – Llansamlet Laundry	Cherry Tree Machines Ltd	£48,545.00	Provision of Garment/Towel Folder – Llansamlet Laundry	Endorsed – Compliant
9.	VEL	NWSSP	NWSSP-DCO-826	23/12/2022	Direct Call Off	Provision of Laundry Dryer Bank and Sheet Folder – Green Vale Laundry (Capital)	Cherry Tree Machines Ltd	£781,969.90	Provision of Laundry Dryer Bank and Sheet Folder – Green Vale Laundry (Capital)	Endorsed – Compliant

10.	VEL	NWSSP	NWSSP-DCO-827	23/12/2022	Direct Call Off	Provision of Laundry Batch Washer Tumble Dryer, Garment/Towel Folder and 3-Roll Ironer – Glan Clwyd Laundry (Capital)	Cherry Tree Machines Ltd	£363,718.20	Provision of Laundry Batch Washer Tumble Dryer, Garment/Towel Folder and 3-Roll Ironer – Glan Clwyd Laundry (Capital)	Endorsed – Compliant
11.	VEL	NWSSP	NWSSP-DCO-828	01/01/2023	Direct Call Off	Provision of Legal Services for Clinical Negligence Claims	Clyde & Co LLP	£60,000.00	Provision of Legal Services for Clinical Negligence Claims	Endorsed – Compliant
12.	VEL	NWSSP	NWSSP-DCO-830	01/02/2023	Direct Call Off	Provision of Laundry Wash Extractor	Cherry Tree Machines Ltd	£39,785.71	Provision of Laundry Wash Extractor	Endorsed – Compliant
13.	VEL	NWSSP	NWSSP-DCO-832	28/02/2023	Direct Call Off	Provision of Racking for Denbigh Stores	Whittan Industrial Ltd	£31,598.19	Provision of Racking for Denbigh Stores	Endorsed – Compliant
14.	VEL	NWSSP	NWSSP-DCO-833	02/03/2023	Direct Call Off	Provision of Public Liability and Professional Indemnity Insurance - HTW & SMTL	AJ Gallagher	£16,800.00	Provision of Public Liability and Professional Indemnity Insurance - HTW & SMTL	Endorsed – Compliant
15.	VEL	NWSSP	NWSSP-DCO-834	01/03/2023	Direct Call Off	Provision of two wash extractors for Greenvale	Cherry Tree Machines Ltd	£87,800.00	Provision of two wash extractors for Greenvale Laundry	Endorsed – Compliant
16.	VEL	NWSSP	NWSSP-DCO-835	20/03/2023	Direct Call Off	Provision of Temporary Recruitment – Digital Infrastructure Manager	Concept Resourcing	£112,150.00	Provision of Temporary Recruitment – Digital Infrastructure Manager for CVB	Endorsed – Compliant
17.	VEL	NWSSP	NWSSP-MQ-RA327130	20/02/2023	Multiquote	Training for PMO	NILC, QA and The Knowledge Academy	Up to £25,000	Awarded to lowest price quotation	Endorsed
18.	VEL	NWSSP	NWSSP-MQ-RA327348	10/03/2023	Multiquote	Replacement of Existing Femax Video Entry System	PLEXUS FIRE & SECURITY LTD	£9,875.55	Awarded to lowest price quotation	Endorsed
19.	VEL	NWSSP	NWSSP-MQ-RA327402	18/02/2023	Multiquote	Provision of Translation Software	Phrase GmbH	£23,170.00	Awarded to lowest price quotation	Endorsed

20.	VEL	NWSSP	NWSSP-RFQ-(22-23)-11	08/02/2023	Request for Quote	To Supply and install ELGI EG22-10V Air Compressors	A7B Air Systems Ltd	£23,261.00	Awarded to lowest price quotation	Endorsed
21.	VEL	NWSSP	NWSSP-RFQ-(22-23)-12	10/02/2023	Request for Quote	Lab 2 mechanical servicing	solvit	£6,205.70	Awarded to lowest price quotation	Endorsed
22.	VEL	NWSSP	NWSSP-RFQ-(22-23)-13	17/02/2023	Request for Quote	Supply, Install & Commissioning of a Back Up Power Generator	Server Room Environm ents Ltd	£19,697.41	Awarded to lowest price quotation	Endorsed
23.	VEL	NWSSP	NWSSP-RFQ-(22-23)-14	13/03/2023	Request for Quote	Heat Exchanger To Suit Passat Dryer	Kannegie sser Uk Ltd	£8,795.37	Awarded to lowest price quotation	Endorsed
24.	VEL	NWSSP	NWSSP-RFQ-(22-23)-15	14/04/2023	Request for Quote	Electric calss 2 forklift truck	Gwent Mechanic al Handling Ltd	£6,000.00	Awarded to lowest price quotation	Endorsed
25.	VEL	NWSSP	NWSSP-RFQ-(22-23)-16	17/03/2023	Request for Quote	New sky jack 3219 - scissor lift	SOUTH WALES INDUST RIAL EQUIPM ENT LTD	£9,550.00	Awarded to lowest price quotation	Endorsed
26.	VEL	NWSSP	NWSSP-RFQ-(22-23)-17	17/03/2023	Request for Quote	4-wheel electric fork lift with charger	FORK TRUCK EXPRES S LTD	£18,085.00	Awarded to lowest price quotation	Endorsed
27.	VEL	NWSSP	NWSSP-STA-(22-23)-15	01/12/2022	Single Tender Action	Lease, Service & Calibration of Temperature Controlled Boxes (Euroengel) used to transport Pathology and Pharmacy, Including Covid Vaccine	DBS Ltd (David Brett Solutions ), as agent for Eberspac her UK	£40,000.00	Specific item manufactured to order, that must mirror the original item (Currently 300 in operational circulation as part of Major Incident Resilience No alternative supplier that will connect to our systems	Endorsed
28.	VEL	NWSSP	NWSSP-SQA-(22-23)-18	09/01/2023	Single Quotation Action	Agency Senior Finance Officer	Siamo Group Ltd	£18,091.00	No candidates were appointable when advertised substantively for this role. The service approached 3 suppliers	Endorsed

									on the Framework (Michael Page, Hays and Randstad) and none were able to supply a member of staff with the relevant essential criteria for the Job description. Siamo have supplied staff to Betsi and Powys previously so there is precedent for them supplying staff to NHS Wales.	
29.	VEL	NWSSP	NWSSP-STA-(22-23)-19	01/12/2022	Single Tender Action	Provision of Barcoding Health Standards Membership	GS1	£85,969.70	GS1 provide the standards behind barcoding in Health. This was mandated by DoH in England for their Trusts and has been running since 2016 as part of their Scan4Safety programme.	Endorsed
30.	VEL	NWSSP	NWSSP-STA-(22-23)-20	01/04/2022	Single Tender Action	Upgrade Laundry Dispatch system with ongoing PPM	Bundle	£37,231.33	No other company offer bespoke laundry products for commercial industrial laundries. Laundry Services ran a multi-quote exercise for a Laundry Dispatch System in 2022 and only Benchmark applied, this company has now been bought by Bundle so this demonstrates there are no suppliers able to provide the bespoke software required. The utilisation of a PPM will mean machinery within the Laundry will not breakdown causing costly repairs and loss of service. It will ensure revenue is continued and will provide value	Endorsed

									for money by avoiding breakdowns.	
31.	VEL	NWSSP	NWSSP-SQA-(22-23)-21	01/03/2023	Single Quotation Action	Calibration and service of Instron 3345 and 34SC-5 Tensometers	Instron	£20,387.25	The National and International Standards SMTL test against require specific limits for medical devices, therefore a reliable and accurately performing calibrated test unit is essential. Instron manufactured both the test units and bespoke software and as such have a unique and full understanding of how the test unit and software interact. They are the sole supplier of replacement parts and software checks and updates, and as such there is no other company who can offer this service in the UK	Endorsed
32.	VEL	NWSSP	NWSSP-STA-(22-23)-22	01/03/2023	Single Tender Action	Provision of two Grifil Compounding Devices	Bbraun	£55,000.00	The Grifil is the only device available in the UK at present that provides the technology to manufacture OPAT and infusion devices whilst providing bespoke compounder control and scheduling capabilities. This meets the national strategic objectives and technological software innovation required to be piloted prior to TrAMS implementation.	Endorsed
33.	VEL	NWSSP	NWSSP-SQA-(22-23)-23	15/03/2023	Single Quotation Action	Replacement of qty 26 argonite gas cylinders and replacement of 14 batteries for control panel operation	Aspect Fire Solutions LTD	£15,421.00	Attempts have been made to seek competitive quotations from other local suppliers however, as they are unfamiliar with	Endorsed

									our requirements, they have declined to submit a quote.	
34.	VEL	NWSSP	NWSSP-FN-(22-23)-13	23/12/2022	File Note	Winter contingent of 4 no 4x4 vehicles from 28th November 2022 to 31st March 2023	County car and van Hire T/A Lutain	£12,953.76	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.	Competition not sought in accordance with SFI'S
35.	VEL	NWSSP	NWSSP-FN-(22-23)-14	04/01/2023	File Note	Occupational Health System	Cority Cohort	£74,880	The data extract is required for all Health Boards to enable the new contractor (Civica) to implement their solution in a timely manner and to ensure continuity of service for Occupational Health. This is covered within the terms and conditions of the contract as follows:- Clause 30.11.1 of the contract states " the Contractor shall provide to the Authority or any Replacement Contractor nominated by the Authority all Authority Data in its possession either in its then current format or in a format nominated by the Authority (in which event the Authority will reimburse the Contractor's reasonable data conversion expenses), together with any other information and all copies thereof owned by the Authority;"	Competition not sought in accordance with SFI'S

## APPENDIX B - All Wales Contracting Activity In Progress (02/01/2023 - 20/03/2023)

No.	Contract Title	Doc Type	Total Value	JI approval <£750K	WG approval >£500k	NF approval £750-£1M	Chair Approval £1M+
1.	<a href="#">Wheelchair seating</a> contract encompasses a range of wheelchair seating and positioning equipment such as seat cushions, back cushions, seating systems (including bespoke provisions) and postural supports	briefing	£2,881,960	20/01/2023	27/01/2023	n/a	n/a
2.	<a href="#">Ultra-High Resolution Human Leukocyte Antigen (HLA) Typing for the Welsh Bone Marrow Donor Registry</a> The service currently provided is HLA tissue typing for all relevant genetic markers to facilitate a stem cell transplant. For blood samples the supplier is required to also supply CCR5 testing result. For swab kit samples the supplier is required to provide CMV testing results and ABO/Rh results	briefing	£960,000	22/12/2022	n/a as below £1M	n/a	n/a
3.	<a href="#">Care Homes FA</a> procurement for a Framework Agreement for the provision of Services by independent providers to younger adults (18+) in mental health and learning disabilities care homes and care homes with nursing.	extension	£339,000,000	30/12/2022	original approval applies 28/9/16	20/01/2023	20/01/2023
4.	<a href="#">Frozen Foods &amp; desserts</a> The meals are used for patient feeding and are utilised within all Health Boards across Wales, with the meals consisting of frozen-plated, multi-portion, texture modified, cultural and children's meals.	extension	£7,035,091	20/01/2023	original approval applies 25/03/2021	23/01/2023	17/02/2023
5.	<a href="#">Sevoflurane</a> 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.	briefing	£1,748,736	20/01/2023	01/03/2023	n/a	n/a
6.	<a href="#">Wheelchair reconditioning</a> provision of several categories of reconditioning and decontamination of manual and powered wheelchairs	ratification	£1,383,141	20/01/2023	26/01/2023	27/01/2023	27/01/2023
7.	<a href="#">Alternative Radiology reporting service</a> the purposes of reporting which has an exclusivity clause which prohibits the use of alternate provider(s) unless the provider advises of an inability to meet the demand on a monthly basis. Therefore, this contractual agreement is required to meeting any shortfall in the incumbent providers ability to meet all requested non-urgent reporting, within the monthly client demand forecast, Health Boards and Trusts will be able to seek the support of alternate provider(s) for that the unabsorbed demand.	ratification	£646,944	25/01/2023	30/01/2023	n/a	n/a
8.	<a href="#">Emergency Department Well-being and Home Safe Service</a> The purpose of the pilot scheme was to offer support for frail older people and vulnerable adults in emergency departments and to 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.	extension	£2,622,851	01/02/2023	original approval applies 12/2/21	01/02/2023	01/02/2023
9.	<a href="#">Maintenance of MRI Sola Fit Scanner - Cwm Taf Morgannwg</a> Provision of regular servicing, corrective maintenance visits to site and the supply and fitting of replacement parts, including specialist elements and hardware and software upgrades for the life of the contract.	ratification	£562,707	06/02/2023	13/02/2023	n/a	n/a
10.	<a href="#">Laparoscopic consumables</a> Framework for the provision of Laparoscopic Instruments and Consumables including Staplers and Clip Appliers, Instruments, Accessories, Kits, and Advanced Energy Devices	ratification	£28,459,599	07/02/2023	17/03/2023	17/03/2023	28/03/23



11.	<a href="#">Lymphoedema</a> including compression garments such as off the shelf and made to measure upper and lower limb garments (arm sleeves & stockings) for the treatment of various types of oedema, but also includes products such as compression wraps, glue and donning/doffing aids	ratification	£6,557,904	06/02/2023	17/03/2023	17/03/2023	28/03/23
12.	<a href="#">Influenza Vaccine Season 2023</a> contract is for the Seasonal Influenza Vaccine 2023 for the occupational health departments in the Hospitals on an all Wales basis.	ratification	£1,005,433	14/02/2023	08/03/2023	07/03/2023	09/03/2023
13.	<a href="#">Haemostatic products</a> provision of products used to promote haemostasis where suturing or other conventional methods would not be effective enough	extension	£5,172,581	10/02/2023	original approval applies 30/8/18	27/03/2023	27/03/2023
14.	<a href="#">Breathing circuits &amp; accessories and breathing filters masks &amp; accessories</a> A breathing system is an assembly of components which connects patient's airway to an anaesthesia machine through which a controlled composition of gas mixture is dispensed. It delivers gas to the patient, removes expired gas and controls the temperature and humidity of the inspired mixture.	extension	£4,200,000	10/02/2023	original approval applies 16/2/18 & 28/11/16	27/03/2023	27/03/2023
15.	<a href="#">Laparoscopic instruments and consumables</a> Laparoscopic Surgery is a minimally invasive surgery which involves a small incision on the abdomen to allow a surgeon to access the inside of the abdomen and pelvis.	extension	£34,371,647	10/02/2023	original approval applies 17/10/17	27/03/2023	27/03/2023
16.	<a href="#">Laryngoscope Blades &amp; Associated Consumables</a> provision of Laryngoscope blades, video laryngoscope blades and consumables	extension	£2,500,000	10/02/2023	original approval applies 27/4/18	27/03/2023	27/03/2023
17.	<a href="#">Vascular Access Accessories</a> The contract allows user to purchase Vascular Access Accessories including connectors, filters, administration sets, blood sets, pressure tubing, extension sets including needle free access devices.	extension	£17,200,000	10/02/2023	original approval applies 12/10/16	27/03/2023	27/03/2023
18.	<a href="#">Wristbands</a> A Patient identification wristband refers to the ID bands that are issued when patients are admitted into Hospital	extension	£1,500,000	10/02/2023	original approval applies 31/3/17	27/03/2023	27/03/2023
19.	<a href="#">Chest &amp; Wound Drainage</a> Chest Drainage products are a conduit to remove air, blood, pus or fluid from the pleural/thoracic cavity	extension	£2,320,704	10/02/2023	original approval applies 18/3/19	27/03/2023	27/03/2023
20.	<a href="#">Airway management</a> The Airway Management agreement consists of items that are required to undertake an array of medical procedures that prevent airway obstruction or asphyxiation. Most commonly the items are used to ventilate the lungs of critically ill patients or those that have been anaesthetised to carry out a procedure.	extension	£700,000	10/02/2023	original approval applies 25/4/17	n/a	n/a
21.	<a href="#">Maintenance of MRI Sola Fit Scanner - BCU</a> Provision of regular servicing, corrective maintenance visits to site and the supply and fitting of replacement parts, including specialist elements and hardware and software upgrades for the life of the contract.	ratification	£588,879	10/02/2023	15/02/2023	n/a	n/a
22.	<a href="#">Enteral Feeding</a> consists of items that are required to feed patients via their nose, directly into their stomach or directly into their small intestine, due to malnourishment or chronic disabilities	extension	£4,233,199	21/02/2023	original approval applies 18/7/17	27/03/2023	27/03/2023
23.	<a href="#">Ambient Groceries</a> supply of ambient food and drink products to all NHS Wales Health Boards and Trusts.	ratification	£15,729,474	22/02/2023	sent to WG 22/2		
24.	<a href="#">Wound management</a> ongoing treatment of a wound by providing an appropriate environment for healing, via both direct and indirect methods, together with the prevention of skin breakdown.	extension	£2,290,873	22/02/2023	original approval applies 5/10/16	27/02/2023	27/02/2023
25.	<a href="#">Framework for Insourcing/Outsourcing of Clinical, Surgical and Diagnostic Procedures</a> The scope of the framework covers a wide range of major diagnostic and clinical procedures potentially required by Health Boards. These include Breast, Cardiac & Cardiology related Diagnostics, Cardiology & Cardiology related Diagnostics, CT Scanning, Dermatology, Ear, Nose &	ratification	£200,000,000	23/02/2023	27/02/2023	28/02/2023	28/02/2023

	Throat, Endoscopy (including Cystoscopy), Gastroenterology, General Surgery, MRI Scanning, Neurology & Neurology related Diagnostics, Neuroscience, Non-Obstetric Ultrasound, Oral Maxillo Facial Surgery, Orthopaedic Surgery, Pain Management, Plastic Surgery, Thoracic Ultrasound Diagnostics, Urology and Vascular						
26.	<a href="#">Breathing systems &amp; consumables</a> contract allows the users to purchase their anaesthetic face masks, breathing filter sets and components, catheter mounts, breathing circuits, gas sampling lines, tube supports, oxygen enrichment device, reservoir bags, BVM's, and anaesthetic connectivity consumables through a compliant all Wales agreement.	ratification	£2,604,577	22/02/2023	21/03/2023	21/03/2023	21/03/2023
27.	<a href="#">Stoma Care Support Services</a> deliver value to those receiving stoma care services and to build on the existing arrangements by delivering a range of benefits across Wales.	ratification	Income generation - £14,137,284.00 Prescribed items - £125,000,000 Delivery & Preparation - £17,500,000	27/02/2023	23/03/23	27/03/2023	27/03/2023
28.	<a href="#">Heparins</a> Anticoagulants, commonly known as blood thinners, are chemical substances that prevent or reduce coagulation of blood, prolonging the clotting time. Anticoagulants interfere with the proteins in your blood that are involved with the coagulation process. These proteins are called factors. Different anticoagulants interfere with different factors to prevent clotting.	extension	£32,804,340	01/03/2023	original approval applies 15/4/20	02/03/2023	02/03/2023
29.	<a href="#">GP Reporting tool - locum hub</a> The contract provided by GP Wales enables an interface with existing NHS Wales primary care infrastructure and that of third-party solutions. It delivers integrated solutions for practices that work across clusters; to support multi-disciplinary deployment of the workforce and provide a source of intelligence to inform the development of the wider primary care workforce thus ensuring a more robust approach to workforce planning and reporting to Welsh Government	extension	£759,000	01/03/2023	original approval applies 8/1/20	02/03/2023	n/a
30.	<a href="#">Urine Meters</a> A Urine Meter is a device that accurately measures urine output. They are commonly found in a surgical and intensive care setting. Urine output is the best indicator of the state of a patient's kidneys; if an adequate amount of urine is being produced, the kidneys are well perfused and oxygenated	briefing	£761,750	01/03/2023	n/a as below £1M	n/a	n/a
31.	<a href="#">All-Wales Hospital Medical Record Forms</a> provision of All-Wales Hospital Medical Record Forms (HMR's)	extension	£1,303,200	03/03/2023	original approval applies 24/3/21	03/03/2023	06/03/2023
32.	<a href="#">Supply of Computer Consumables</a> purchase a mixture of original branded, compatible and remanufactured cartridges to meet their individual requirements.	briefing	£3,600,000	03/03/2023	N/A direct award from framework	n/a	n/a
33.	<a href="#">Ultrasound &amp; Decontamination Managed Service Contract</a> The contract will include Equipment Hardware, Software, Implementation, onsite support and maintenance and Decontamination included as part of the managed service with clear KPIs and Contract Terms designed to keep the Health Board at low risk of clinical downtime and service delays	briefing	£10,396,353	09/03/2023	sent to WG 9/3	n/a	n/a
34.	<a href="#">Provision of Cleaning and Security Services</a> provision of general office cleaning and security services	ratification	£12,046,062	06/03/2023	N/A direct award from framework	17/03/2023	28/03/23

35.	<a href="#">Clinical Waste Sharps Containers</a> The range of products available on the contract evolve in line with healthcare requirements and legislation to cover the safe disposal of clinical sharps in all clinical circumstances and are available in a wide variety of plastic moulded items. Bins come with colour coded lids to aid waste segregation, an essential aspect of the contract. A selection of waste stream colour coded Cardboard boxes has also been introduced to the contract in recent years, providing a cost saving and sustainable approach to the disposal of items such as administration sets and non-sharps items. Disposal through cardboard boxes rather than plastic boxes is more environmentally friendly and cost effective	briefing	£1,300,000	06/03/2023	N/A direct award from framework	n/a	n/a
36.	<a href="#">Clozapine</a> is indicated for the treatment of schizophrenia (including psychosis in Parkinson's disease) in patients unresponsive to, or intolerant of, conventional antipsychotic drugs.	ratification	£1,771,580	06/03/2023	20/03/2023	21/03/2023	21/03/2023
37.	<a href="#">Hep C</a> This contract is for the provision of antiviral medicines for the treatment of Hepatitis C (HCV). These medicines are designed to stop the virus from multiplying inside the body and thereby preventing liver damage. The World Health Organisation has a strategy to eliminate HCV as a significant public health threat by 2030. Treatment using these medicines is in accordance with the WHO strategy	ratification	£13,454,112	14/03/2023	27/03/2023	27/03/2023	27/03/2023
38.	<a href="#">Occupational Health AW056</a> a contract with Cority Cohort to provide Occupational Health services to Health Boards in Wales. The contract is administered by NWSSP Digital Workforce on behalf of participating Health Boards and license costs are recharged to Health Boards. A new solution was procured in October 2022 in accordance with the Public Contract Regulations 2015 and awarded to Civica UK Limited.	extension	£516,000	06/03/2023	original approval applies	n/a	n/a
39.	<a href="#">Maintenance of Star Guide Spect/CT/NM System</a> To ensure that the system in question which is located within Singleton Hospital is serviced on a regular basis and receives all appropriate software updates to function fully, all in accordance with the original equipment manufacturer's recommendations and all applicable guidelines	ratification	£536,191	14/03/2023	N/A direct award from framework	n/a	n/a
40.	<a href="#">Erythropoietin Stimulating Agents &amp; IV Iron</a> the process by which red blood cells are produced. It is stimulated by the decreased oxygen in circulation, which is detected by the kidneys, which then secrete the hormone erythropoietin. Erythropoietin Stimulating Agents (ESA) are structurally and biologically similar to naturally occurring protein erythropoietin. Clinicians prescribe ESAs to maintain haemoglobin at the lowest level that both minimises transfusions and best meets individual patient needs. Iron is very important in maintaining many body functions, including the production of haemoglobin, the molecule in your blood that carries oxygen. Iron is also necessary to maintain healthy cells, skin, hair, and nails.	briefing	£7,641,200	14/03/2023	sent to WG 14/3	n/a	n/a
41.	<a href="#">International Nurse Recruitment project</a> This contract is for the continued provision of services to recruit experienced nurses from a range of overseas countries to be deployed across NHS Wales.	ratification	£4,360,000	16/03/2023	N/A direct award from framework	16/03/2023	17/03/2023
42.	<a href="#">Cleaning &amp; Janitorial Products (NPS Framework)</a> This would comprise of – Catering Chemicals Cleaning Chemicals/Detergents - other	briefing	£3,145,833	20/03/2023	N/A direct award from framework	n/a	n/a

	Janitorial products (including Micro Fibre products)						
43.	<a href="#">Pathology Consumables, equipment &amp; instruments</a> The All-Wales Pathology Consumables, Equipment, and Instruments Framework Agreement will be utilised by a range of Laboratories across Wales, including Blood Science, Histopathology, Microbiology, Public Health Wales (PHW), and Welsh Blood Service (WBS).	briefing	£12,481,012	16/03/2023	sent to WG 16/3	n/a	n/a
44.	<a href="#">AW069 e-scheduling (district nurses)</a> E-Scheduling software enables the District Nursing workforce in Wales to access a mobile app to schedule their visits, moving away from paper or spreadsheet-based systems. The technology allows for the intelligent scheduling of staff by matching clinical skills with individual patients' needs. Visits are schedules based on clinical priorities and travel routes are optimised to minimise travel time as much as possible. A live visit status board and staff safeguarding board also ensures real-time tracking of nurses while attending their visits	extension	£1,460,701	21/3/23	original approval applies - 1/4/21	22/03/2023	23/03/2023
45.	<a href="#">Computer Consumables</a> purchase a mixture of original branded, compatible and remanufactured cartridges to meet their individual requirements.	ratification	£4,080,000	21/3/23	N/A direct award from framework	22/03/2023	23/03/2023

<b>MEETING</b>	Velindre University NHS Trust Audit Committee for NHS Wales Shared Services Partnership
<b>DATE</b>	11 April 2023
<b>AGENDA ITEM</b>	6.2.1
<b>PREPARED BY</b>	Jane Tyler, Senior Finance and Business Partner
<b>PRESENTED BY</b>	Andy Butler, Director of Finance and Corporate Services
<b>RESPONSIBLE HEAD OF SERVICE</b>	Andy Butler, Director of Finance and Corporate Services
<b>TITLE OF REPORT</b>	End of Year Inventory Stores Adjustments

<b>PURPOSE</b>
<b>To detail the required Inventory Stores Provisions and Write Offs included in the 2022/23 NHS Wales Shared Services (NWSSP) Accounts.</b>

## Introduction

Audit Committee members will be aware that NWSSP was required to hold significant amounts of additional stock because of the COVID pandemic. Pre pandemic stock levels were circa £3m whereas at the height of the pandemic NWSSP were holding just over £100m.

Welsh Government have requested that we hold 16 weeks of stock based on usage at the height of the pandemic as a result elements of this stock will inevitably reach its use by date and will need to be written off in the Accounts. In addition, the cost of certain items of PPE has reduced significantly since 2020 and the value needs to be written down to net realisable value. Furthermore, there are items of slow-moving / potentially obsolete stock that need to be provided for in the accounts.

These issues were flagged at the last Audit Committee meeting in January 2023 and over the past few months the NWSSP Finance and Procurement teams have undertaken a comprehensive review of PPE stocks and have, in consultation with Welsh Government Finance, identified several areas where adjustments amounting to £18.858m need to be made to the value of stock in the year end accounts which are summarised in the following table and details of which are set out in the remainder of this report.

The below table summarises the adjustments described.

	NWSSP £	WG £	TOTAL £
<b><u>1. PPE</u></b>			
a. Revaluation		12,858,053	<b>12,858,053</b>
b. Write off			
Fluid Resistant Gowns		583,096	<b>583,096</b>
FFP3 Masks		66,195	<b>66,195</b>
c. Stock to be donated to Africa		2,369,080	<b>2,369,080</b>
d. Provision for out-of-date stock		496,646	<b>496,646</b>
			<b>16,373,069</b>
<b><u>2. Provision for Lateral Flow Testing Stocks</u></b>		942,348	<b>942,348</b>
<b><u>3. Provision for Renal Fluid Stock</u></b>			
Provide for Renal Fluid	65,300		<b>65,300</b>
Provide for Renal Fluid disposal cost	24,985		<b>24,985</b>
			<b>90,285</b>
<b><u>4. Other Stocks</u></b>			
Write Off - Gowns		585,693	<b>585,693</b>
Slow Moving Stock Provision - BAU	433,508		<b>433,508</b>
Slow Moving Stock Provision - BREXIT		433,508	<b>433,508</b>
			1,452,709
<b>Total</b>	<b>523,793</b>	<b>18,334,618</b>	<b>18,858,411</b>

## Adjustments

### 1. PPE Stocks - value £16.373m

- a. Adjustment to the year-end valuation of PPE – Revaluation of £12.858m

The NHS Wales Manual for Accounts stipulates that

*'Whilst it is accounting convention for inventories to be valued at the lower of cost and net realisable value using the weighted average or "first-in first-out" cost formula, it should be recognised that the NHS is a special case in that inventories are not generally held for the intention of resale and indeed there is no market readily available*

NWSSP Audit Committee

April 19, 2023

*where such items could be sold. Inventories are valued at cost, and this is considered to be a reasonable approximation to fair value due to the high turnover of stocks’.*

To date, with few exceptions, we have adopted this policy in the valuation of year end stocks. However, in early 2023 the position relating to PPE stocks was such that the carrying value (weighted average) and consequently price list price for PPE stocks within NWSSP Stores was significantly in excess of market prices. This was due to the purchase of significant stock volumes during the Covid 19 pandemic when prices for PPE were inflated. A consequence of these inflated prices has been the need to manage a push back from Health Boards and Trusts favouring cheaper non-NHS suppliers and thereby increasing the risk of obsolescence across the stockholding. To manage this risk and appropriately reflect the true value of PPE stocks within the balance sheet a revaluation exercise was carried out at the end of March 2023 to adjust PPE stock prices to the lower of cost (weighted average) and market value (net realisable value). Discussions have been held with Welsh Government who have agreed to provide funding to cover the revaluation.

b. Write Off – Gowns and Masks

***Fluid resistant Gowns – 2,242,676 gowns with a value of £0.583m.***

Problems have been experienced with the quality of these items which were purchased from a single supplier. These were written down in the 2021/22 accounts to net realisable value however due to the ongoing issues, we have been unable to issue the product. This is being pursued with the supplier; however, replacement is now unlikely and alternative usage limited. Following discussions with Welsh Government it has been considered prudent to write off this stock value and WG have agreed to provide funding to cover this.

FFP3 faulty masks – 19,412 masks with a value of £0.019m

In 2019/20 number of batches of FFP3s were identified as faulty and returned to stores and onward to suppliers for replacement, this required legal support. As PPE stores have been closed in health board locations a number of additional faulty FFP3 masks have been returned to stores which at this late stage cannot be returned to suppliers for resolution. Following discussions with Welsh Government it is considered appropriate to write off this stock value and WG have agreed to provide funding to cover this.

c. Stocks to be donated to Africa - value £2.369m

There are a number of products in stores for which there is now no anticipated NHS Wales use, this includes; respirator masks which were purchased as resilience stocks which are no longer required due to the very high stock levels of the preferred FFP3 masks now in stock; Goggles which were purchased as eye protection early in the pandemic prior to adoption of face visors as a preferred choice; Hand Sanitiser purchased early in the pandemic, which lack the pump attachment. Following an approach by Welsh Government these items have been earmarked for a donation to Africa. To facilitate this WG have agreed to provide funding to cover this.

Product Type	Item Description	Eaches	Value
FFP3 Masks	FACE MASK FFP3 RESPIRATOR MEIXIN	18,000	£119,815.20
FFP2 Masks	FACE MASK FFP2 RESPIRATOR	341,974	£519,406.14
Eye Protector	GOGGLES PROTECTIVE	585,200	£1,463,000.00
Hand Sanitizer	HAND SANITISER LIQUID 50ML ALCOHOL GEL	155,872	£266,858.34
Total		1,101,046	£2,369,079.68

d. Provision for out-of-date PPE stock – value £0.497m

This provision relates to stocks which may go out of date before use. Work is ongoing to capture the date life of PPE products within the existing Welsh stockpile and the following have been identified as items that are at risk of becoming out of date in 2023/24 before they are consumed.

Item	Description	Quantity	Value
FTE076	GLOVE EXAM LATEX POWDER FREE N/STR (HEALTHGARD) SMALL	140	£1,096.33
FTE077	GLOVE EXAM LATEX POWDER FREE N/STR (HEALTHGARD) MEDIUM	57	£470.27
BWK422	3M HP- GOWN REINFORCED XXL : 7698	25	£1,512.00
MRB093	HAND SANITISER LIQUID 400ML	1,132	£2,209.66
MRB097	HAND SANITISER LIQUID 150ML	696	£522.00
MRB101	HAND SANITISER LIQUID 400ML	2,566	£7,207.89
MRB106	HAND SANITISER LIQUID 400ML	3,436	£9,651.72
BWM223	FACE MASK MEDICAL TYPE IIR DISPOSABLE	197,490	£473,976.00
Total		205,542	£496,645.88

A provision of £496,646 will be made for the above items in the 2022/23 accounts. Discussions have been held with Welsh Government who have agreed to provide funding to cover the provision.



## **2. Provision for Lateral Flow Testing Stocks - value £0.942m**

In 2020/21 200 POC LumiraDX devices and 200,000 test strips were purchased at the request of Welsh Government. During early 2021 a higher number of false positive cases than expected were identified using Lumira DX, this meant that some health boards lost confidence and sourced alternative POC tests, in addition, Lumira DX are a category C test and are not as sensitive as the alternatives being used across Wales. These stocks are vested and maintained in Lumira Stores because date life is relatively short, and stock requires rotation. Lower than anticipated usage has resulted in a significant amount of Lumira DX POC testing stock remaining vested in the Lumira DX contract. This contract has been extended for 2 years but we have been made aware that Lumira will be unwilling to extend again when the contract expires in December 2023. Current Stocks have a value of £1.398m and if usage remains in line with 2022/23 issues a loss of £0.942m is anticipated at the end of the contract. Discussions have been held with Welsh Government who have agreed to provide funding to cover the provision.

## **3. Provision for Renal Stocks – value £0.090m**

In 2019 it was considered necessary to provide a resilience stock of Renal Fluid anticipating that this product would be key in the treatment of Covid 19 and consequently difficult to source. A national stock of Baxters Renal Fluid was provided on a 4 Nation basis, however, NWSSP were required to provide a stock of Fresenius Renal Fluid for the use of the Intensive Care Units in Wales who use this product rather than Baxters. Stock remaining in NWSSP Stores now totals £65,300 and has a date life of June 2023. There is little demand for this stock and it unlikely that it can be consumed in date and therefore it is considered prudent to provide for this stock write off and associated estimated disposal cost of £24,985. NWSSP have provided cover for this in the slow moving / obsolete stock provision.

## **4. Other Stocks – value £1.453m**

### **a. Write Off of Gowns with a value £0.586m**

NWSSP Stores carries Surgeons Gowns as a standard stock line, available from inventory stores prior to the pandemic. Surgical Materials Testing Laboratory (SMTL) have advised NWSSP that these gowns have been tested in NHS England and have failed sterility tests. We have been advised to quarantine this product pending further advice and an alternative product is being supplied. We understand that the company that produces these gowns, rely on this product and if the product range is faulty, it is unlikely that replacement or reimbursement will be possible. This issue is ongoing

for the NHS; however, it is considered prudent to write off this stock. Discussions have been held with Welsh Government who have agreed to provide funding to cover this write off.

b. Slow Moving Stocks provision - £0.867m

Each year NWSSP makes a provision for slow moving stocks against the 'Business as Usual' (BAU) Stockpile. Total write offs for 2022/23 were 6.62% of opening stock value, prior to Covid this was around 6% of closing stock value per annum. For 2023/24 the provision is set at 6.62% in line with write offs for 2022/3. This provision relates to non-PPE stocks which comprise BAU stocks, and the balance of Brexit stocks now transferred to BAU stockholdings. Provision for out-of-date PPE stocks is covered in 1b above. Discussions have been held with Welsh Government who have agreed to provide funding to cover half of this provision relating to Brexit stocks. This based on an estimate of the split between pre and post Brexit stock holding values.

Welsh Government Approval

Chapter 6 of the Manual for Accounts stipulates that:

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

*Annex 4 to Chapter 6 sets out the delegated limits above which Health bodies need to obtain WG approval for the write off of the loss. The delegated limit in is **£50,000***

As noted above, the determination of the write downs, write offs and provisions have been discussed with Welsh Government colleagues and in accordance with the Manual for accounts loss write off forms will be submitted to the Welsh Government Health & Social Services Finance Director requesting formal approval.

## **Recommendation**

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

1. The write downs, write offs and provisions of stock 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 losses forms to Welsh Government to provide funding in 2022/23

<b>MEETING</b>	Velindre University NHS Trust Audit Committee for NHS Wales Shared Services Partnership
<b>DATE</b>	19 <sup>th</sup> April 2023
<b>AGENDA ITEM</b>	6.2.2
<b>PRESENTED BY</b>	Andy Butler, Director of Finance and Corporate Services, NWSSP
<b>PREPARED BY</b>	Linsay Payne - Deputy Director of Finance & Corporate Services
<b>TITLE OF REPORT</b>	2022/23 Fixed Assets Impairment Summary

## PURPOSE

The purpose of this paper is to outline the details of two fixed asset impairments that have been undertaken within 2022/23. Due to their value these both require noting by the Audit Committee prior to submission of a losses form to Welsh Government to provide impairment funding.

## 1. INTRODUCTION

As required by Chapter 6 of the Manual for Accounts 2022-23, any losses identified must be reported to the Audit Committee prior to submitting the completed losses templates to Welsh Government. In particular it identifies

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

*Annex 4 to Chapter 6 sets out the delegated limits above which Health bodies need to obtain WG approval for the write off of the loss. The delegated limit is **£50,000***

During 2022-23 we have had to impair two fixed assets which fall under the jurisdiction of Chapter 6 as they are due to the abandonment of the original capital projects. Costs associated with abandoned works would normally be classed as fruitless payments, however due to the expenditure incurred being either exploratory in nature or not linked to any accountability irregularities, we are treating these as constructive losses in line with Chapter 6.

This report details the circumstances that gave rise to the expenditure and the need to recognise an impairment within the 2022/23 financial year. Welsh Government have agreed to provide funding for these impairments in 2022/23 once the formal requests for funding have been made.

## **2. FIXED ASSET IMPAIRMENTS**

### **(i) All Wales Laundry Outline Business Case Fees - £995,319.31 – Abandonment of a Capital Project**

Capital funding of £1.411m for the All-Wales Laundry Transformation Project was received in 2021/22 to progress the Outline Business Cases. The associated costs were capitalised within the financial year as an Asset Under Construction.

The Outline Business cases were submitted to Welsh Government in Summer 2022 for consideration of funding. On 13<sup>th</sup> January 2023 we received a letter from Welsh Government confirming that capital funding to the level identified in the business cases would not be available and that it would be “prudent to pause further business case development and focus on the sustainability of the existing sites at least in the short to medium term”.

Consequently, we have recognised the need to impair the value of the capitalised fees within our fixed asset register in 2022/23. Due to some of the costs incurred being of benefit to any redevelopment of our existing laundry sites, under what we are now terming ‘Plan B’, we have undertaken a line-by-line review of the expenditure incurred. This has included an assessment of the future value of any of the expenditure already incurred that will be of benefit for the revised Laundry ‘Plan B’ project. This review identified that £995,319.31 of fees need to be impaired, with £189,634.00 of expenditure incurred deemed of value to the reduced scale capital project we are now instead looking to progress. The balance of

£226,360.98 is due to expenditure which we previously accounted for as contingency costs which we were able to avoid upon the cessation of the capital scheme.

**(ii) Legal & Risk Case Management System - £348,349.56 – Abandonment of a Capital project (due to a breakdown in the contractual relationship with the supplier)**

This impairment is the subject of an ongoing legal dispute so confidential information has been excluded from this report.

In 2021/22 we incurred £348,349.56 of expenditure on the development, design and build of a new case management system for our Legal & Risk Services. These costs were capitalised within the financial year as an Asset Under Construction.

In early summer 2022, it became apparent that the supplier had grossly underestimated the work, time and cost required to complete the project and following deliverables not being met, the relationship with the supplier began to break down. We are progressing legal action to recover the full expenditure incurred, however at the close of 2022/23 there is no guarantee that any funds will be recovered. Due to there currently being no economic value in any of the work that the supplier has undertaken to date it has therefore been considered prudent to fully impair this capital asset within 2022/23.

## **Recommendation**

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

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 losses forms to Welsh Government to provide funding in 2022/23



<b>MEETING</b>	Velindre University NHS Trust Audit Committee for NHS Wales Shared Services Partnership
<b>DATE</b>	19 April 2023
<b>AGENDA ITEM</b>	6.5
<b>PREPARED BY</b>	Peter Stephenson, Head of Finance and Business Development
<b>PRESENTED BY</b>	Peter Stephenson, Head of Finance and Business Development
<b>RESPONSIBLE HEAD OF SERVICE</b>	Andy Butler, Director of Finance and Corporate Services
<b>TITLE OF REPORT</b>	NWSSP Corporate Risk Register

## PURPOSE

To provide the Audit Committee with an update as to the progress made against the organisation's Corporate Risk Register.

## 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:

<b>Current Risk Rating</b>	<b>April 2023</b>
Red Risk	7
Amber Risk	9
Yellow Risk	2
Green Risk	0
<b>Total</b>	<b>18</b>

### 2.1 Red-rated Risks

There are currently seven red risks on the register as follows:

- The inflationary consequences of the situation in Ukraine and the resultant impact on energy prices is being mitigated through the role of the Energy Price Risk Management Group (EPRMG), but energy prices remain very volatile.



- 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 the impact of potential industrial action. While the strikes currently called by the RCN are not likely to have a significant impact on NWSSP, the likely industrial action from other Trade Unions will have a greater impact.
- 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 be funded into 2023/24.
- 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**

No new active risks have been added to, or removed from, the Corporate Risk Register.

## **3. RISKS FOR MONITORING**

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

<b>Current Risk Rating</b>	<b>April 2023</b>
Red Risk	0
Amber Risk	0
Yellow Risk	2
Green Risk	1
<b>Total</b>	<b>3</b>

Following a detailed review at the March Senior Leadership Group, five monitoring risks that were specifically related to COVID have been removed from the Register.

### **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 (added April 2021)	4	4	16	IP5 Board Additional facilities secured at Picketston	2	4	8	Consider alternative accommodation options offered by Johnseys on the Mamhilad site (AE - 30 April 2023)	Business Case approved at June SLG and July SSPC. Currently with Welsh Government for final approval. There is now also a problem with Brecon House that may impact on current capacity.	➡	31-Aug-23
	Strategic Objective - Service Development									Risk Lead: Programme Director		
A2	Suppliers, Staff or the general public committing fraud against NWSSP. (added April 2019)	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.	➡	30-Jun-23
	Strategic Objective - Value For Money									Risk Lead: Director of Finance & Corporate Services		
A3	Risk of cyber attack exacerbated if NWSSP, or other NHS Wales organisations, run unsupported versions of software. (added Apr 2019)	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	Present update to SLG on CAF (AR 30 April 2023)	Heightened state of alert due to war in Ukraine and targeted attacks on public sector bodies.	➡	31-Mar-24
	Strategic Objective - Service Development									Risk Lead: Director of Planning, Performance & Informatics		
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. (added November 2021)	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 30 June 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.	➡	30-Jun-23
	Strategic Objective - Customers									Risk Lead: Director of People and OD		
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. (added January 2022)	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)	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	➡	30/04/2023
										Risk Lead: Director of Finance & Corporate Services		
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. (added March 2022)	5	5	25	Energy Price Risk Management Group Forward purchase of energy Briefings to Welsh Government	4	5	20	Action switch to Crown Commercial Services following Centrica's announcement that it is withdrawing from the market (AB 30 April 2023) Establish new Group structure - Welsh Energy Group and Wesh Energy Operational Group (AB 30 April 2023)	Paper on energy costs to March SSPC, where approval was given for switch to CCS and establishment of the WEG and WEOG.	➡	31/07/2023

	Strategic Objective - Value For Money								Risk Lead: Director of Finance & Corporate Services			
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.	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)	Paper on energy costs to March SSPC, where approval was given for switch to CCS and establishment of the WEG and WEOG.	➔	31/07/2023
	Strategic Objective - Value For Money									Risk Lead: Director of Finance & Corporate Services		
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 (added August 22)	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	5	4	20	Continue to monitor impact through SLG (SLG - 30 April 2023)	Pay award accepted.	➔	30/06/2023
	Strategic Objective - Staff									Risk Lead: Director of People and OD		
A9	The Student Awards software is at end of life and needs replacement without which delays to student bursary payments could be significantly affected. (added May 2022)	5	5	25	Formal project management in place	2	4	8	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.	➔	31/05/2023
	Strategic Objective - Customers									Risk Lead: Director of People and OD		
A10	There is a reputational risk associated with the establishment of the Citizens' Voice Body (added July 2022)	4	4	16	Experienced Programme Director Appointment of (Agency) Governance Lead	2	4	8	New body launched 1 April 2023 (HR - 31 March 2023)	Role is to assist Welsh Government in determining how CVB will operate. Governance advice provided initially by PS but an Agency Governance Lead has now been appointed.	➔	31/05/2023
	Strategic Objective - Service Development									Risk Lead: Director of Finance & Corporate Services		
A11	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. (added back Sept 2022)	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 May 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. There is no confirmation of funding beyond 30 June 2023 for staff employed in the provision of PPE	➔	31-May-23
	Strategic Objective - Customers									Risk Lead: Director of People and OD		
A12	An issue with the supplier of the replacement Legal & Risk Case Management System threatens financial loss and the delivery of the service (added Sept 22)	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.	➔	31/07/2023
	Escalated Divisional Risk									Risk Lead: Director, Legal & Risk Services		
A13	The planned development of the Clinical Pharmacy Service is adversely impacted due to financial and staffing challenges (added Sept 22)	4	4	16	CIVAS Board National QA Pharmacist	3	4	12	Discussion regarding funding and TUPE of staff from Health Boards (CP 31 May 2023).	Update to January 2023 SSPC	➔	31/05/2023
	Escalated Divisional Risk									Risk Lead: Service Director		
A14	The lack of available capital threatens the successful implementation of the Laundry Transformation programme, resulting in required service improvements not being achieved.	5	5	25	Business Case signed off at SSPC and Trust Board	5	5	25	Develop alternative plans that do not rely on substantial capital investment. (SD 30/06/2023)	Welsh Government have confirmed that the required capital funding is not available for the foreseeable future.	➔	30/06/2023
	Strategic Objective - Service Development									Risk Lead: Director, Procurement Services		
A15	Difficulties in recruiting staff leave us unable to meet the expectations of Welsh Government in playing a leading role in delivering the decarbonisation agenda.	5	5	25	Decarbonisation Programme Board Project Execution Plan PMO Support	3	4	12	Continue to recruit to fill vacant posts (SD - 30/04/2023)	Anticipated that the full team will not be in place until the summer of 2023.	➔	31/08/2023
	Strategic Objective - Service Development									Director, Specialist Estates Services		
A16	The move to agile working, and the relatively imminent expiry of a number of our property leases, require urgent agreement of an Accommodation Strategy.	5	4	20	Mark Roscrow tasked with developing Accommodation Strategy.	3	4	12	Re-negotiate the Nantgarw lease and/or consider alternative options (AB 30/04/2023) Seek to exit Companies House lease asap and consider alternative options, most likely Cathays Park. (AB 30/09/2023)	Nantgarw lease currently being negotiated.	➔	30/09/2023
	Strategic Objective - Staff									Director, Specialist Estates Services		
A17	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. (added January 2023)	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 30/06/2023)	Negotiations being undertaken for alternative accommodation. Update paper to February 2023 SLG.	➔	30/06/2023
	Escalated Divisional Risk									Director, Primary Care Services		

A18	The transfer of the laundries to NWSSP expose a number of risks including concerns over health and safety and formality of customer relationships. (added April 2021)	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.		30-Jun-23
	Strategic Objective - Service Development									Risk Lead: Director of Procurement Services		
Risks for Monitoring												
M1	Disruption to services and threats to staff due to unauthorised access to NWSSP sites.	5	4	20	Manned Security at Matrix CCTV Locked Gates installed at Matrix. Security Review Undertaken (reported Dec 18) Increased Security Patrols at Matrix. CTSA 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		



<b>MEETING</b>	Velindre University NHS Trust Audit Committee for NHS Wales Shared Services Partnership
<b>DATE</b>	19 April 2023
<b>PREPARED BY</b>	Carly Wilce, Corporate Services
<b>PRESENTED BY</b>	Peter Stephenson, Head of Finance & Business Development
<b>RESPONSIBLE HEAD OF SERVICE</b>	Andy Butler, Director of Finance and Corporate Services
<b>TITLE OF REPORT</b>	Update on the Implementation of Audit Recommendations
<b>PURPOSE</b>  This report provides an update to the Audit Committee on the progress of audit recommendations within NWSSP.	

## 1. INTRODUCTION

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

## 2. CURRENT POSITION

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

There are **68** reports covered in this review; **17** reports have achieved **Substantial** assurance; **30** reports have achieved **Reasonable** assurance, **1** report has achieved **Limited** assurance and no reports have been awarded **No Assurance**; and **20** reports were generated with **Assurance Not Applicable**. The reports include **239** recommendations for action.

### **Table 1 - Summary of Audit Recommendations**

### As at 6 April 2023

Recommendations		Implemented	Not Yet Due	Overdue	Dependant on third party organisations
<b>Internal Audit</b>	<b>194</b>	<b>183</b>	<b>7</b>	<b>0</b>	<b>4</b>
<i>High</i>	16	16	0	0	0
<i>Medium</i>	96	90	3	0	3
<i>Low</i>	64	64	0	0	0
<i>Not Applicable</i>	18	13	4	0	1
<b>External Audit</b>	<b>17</b>	<b>16</b>	<b>1</b>	<b>0</b>	<b>0</b>
<i>High</i>	0	0	0	0	0
<i>Medium</i>	13	12	1	0	0
<i>Low</i>	1	1	0	0	0
<i>Not Applicable</i>	3	3	0	0	0
<b>Other Audit</b>	<b>28</b>	<b>28</b>	<b>0</b>	<b>0</b>	<b>0</b>
<i>High</i>	4	4	0	0	0
<i>Medium</i>	5	5	0	0	0
<i>Low</i>	19	19	0	0	0
<i>Not Applicable</i>	0	0	0	0	0
<b>TOTALS:</b>	<b>239</b>	<b>227</b>	<b>8</b>	<b>0</b>	<b>4</b>

### 3. Overdue Recommendations

There are no overdue recommendations to report. Full details of the recommendations are set out in Appendix A, for the attention of the Audit Committee.

### 5. Dependant on Third Party Organisations

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

### 6. 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	NOT YET DUE	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 (b) Complete CTES accreditation to the Information Technology Service Management (ISO 20000) standard for service management.	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 01/12/2023	Good progress made and Tender awarded to BSI and dates agreed for the various phases, Gap analysis, site visit review. Supplier availability is limited in the market for ISO. The IMTP has been updated to reflect the situation and to focus on ISO 20000 and not ISO 27001 until later in the year. Full accreditation of ISO 20000 should be achieved by April 2023. ISO 20000 Audit has been scheduled for 26 April 2023 and ISO 27001 will be completed in December 2023.
2.	Risk and Assurance  NWSSP-2223-01	NOT YET DUE	The Laundry Service risk register identifies operational risks relating to plant and equipment and does not capture wider business risks such as workforce, finance and service continuity.  Some risks on the Procurement Services register were not clearly articulated, identifying a potential issue or control failure rather than the impact of this. Risk leads are also not identified.	Medium	(a) Identify business risks (such as service continuity, workforce and finance) relating to the Laundry Service and manage these via the risk register process; and (b) Review risk summaries/descriptions on the Procurement Services risk register to ensure that the potential risk impact is clearly articulated. Identify operational leads for each risk.	Head of Finance and Business Development	(a) Agreed. The Laundry Service will document a risk register that includes key business risks; and (b) Agreed. The Procurement Risk Register will be updated to ensure that the potential risk impact is clearly articulated and that operational leads are identified for each risk.	30/04/2023		
3.	Risk and Assurance  NWSSP-2223-01	NOT YET DUE	We reviewed the latest assurance maps presented to Audit Committee in January 2023 and noted that there is no assurance map in place for the Surgical Materials Testing Laboratory (SMTL).  A review of a sample of the controls identified in the Assurance Maps found that in three instances the controls were not appropriate or did not actually exist to control the area identified.	Medium	(a) 2.1 Develop an assurance map for the Surgical Material Testing Laboratory; and (b) Review the Payroll Services assurance map and update the areas where the controls are omitted or are not relevant to the risk identified.	Head of Finance and Business Development	(a) 2.1 Agreed. An assurance map will be developed for the Surgical Materials Testing Laboratory; and (b) Agreed. The Assurance Map for Payroll Services will be reviewed to ensure that it is accurate and up-to-date.	30/06/2023		



## APPENDIX A - PROGRESS OF AUDIT RECOMMENDATIONS

EMPLOYMENT SERVICES								
Payroll								
4.	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  This was considered at the November 2022 Deputy Directors of Finance meeting and views were expressed as to whether the policy was needed and if it was, whether this should be taken forward by the Finance Academy.
Planning Performance & Informatics								
5.	NWSSP Operational ICT infrastructure  NWSSP-2122-16	DEPENDANT ON THIRD PARTY ORGANISATIONS	Performance against service standards is reported by DHCW, however there is no reporting on the detail of the performance of the functions within the SLA. e.g. there is no reporting on how servers are supported and managed that would show the success of this service. Without this NWSSP has no visibility of the status of this service. We note that DHCW have developed internal performance reporting on some aspects of these.	Medium	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.	Chief Digital Officer	The format and content of our performance and monitoring reports is constantly evolving and will continue to be reviewed.	31/07/2022  Matter Arising 4 - DHCW have delivered the desktop on-demand dashboard, but delivery of the server dashboard has been delayed due to resource issues. No estimated delivery timescale is currently available.  Dependant on DCHW to action the work needed in order to complete. NWSSP are fully engaged with DCHW on the requirements and discussions are taking place to identify a revised timeframe to achieve the work.

## APPENDIX A - PROGRESS OF AUDIT RECOMMENDATIONS

6.	NWSSP Operational ICT infrastructure  NWSSP-2122-16	DEPENDANT ON THIRD PARTY ORGANISATIONS	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 NWSSP 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	NWSSP should have further discussions with DHCW regarding the possibility of adding the servers should added to Snow to enable visibility of the whole infrastructure. In the interim, access should be granted to Dell OpenManage for NWSSP IT staff.	Chief Digital 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.	31/07/2022		DHCW's new WASP asset management software has been identified as the appropriate repository for tracking the asset status for servers and core infrastructure equipment. Migration of NWSSP desktop assets into WASP is in progress. Servers and core infrastructure will follow. The project is targeted to complete by the end of March 2023
Procurement										
7.	Review of Laundry Services  NWSSP-2223-1a  PROC/22-23/2	NOT YET DUE	Current prices are based on 2019/20 prices plus 2% inflation and vary across Wales due to legacy arrangements. Furthermore, the cost of missing linen stock is currently absorbed by the Laundry in terms of replacement costs. Health Boards/Trusts are invoiced based on the number of items issued, with the exception of one Health Board which is on a fixed rate agreement paying £290k each quarter based on agreed annual activity. Review of the Benchmark activity for April – June 2022 identified that the costs for quarter 1 were in excess of £500k. We were advised that agreed annual activity is compared to actual activity at the end of the year with a debit or credit adjustment for variances beyond the 6% tolerance. Green Vale also processes laundry for two private sector organisations Prices charged reflect legacy arrangements and are inflated annually. However, they have not been subject to review to establish whether represent value for money. We were advised that a standard pricing model will be implemented following completion of the All-Wales Laundry Transformational Programme which will incorporate all operating costs including replacement linen stock.	Medium	Reiterated from the 2021/22 audit of Llansamlet Laundry:  3.1 We concur with the plans to implement a standard pricing model following completion of the All-Wales Laundry Transformational Programme. This should incorporate all operating costs including linen stock purchases to ensure that the service is not operating at a loss.	Anthony Hayward, Assistant Director of Laundry Operations	3.1 Management accept the recommendation and acknowledge it is dependent on the transformational programme	01/04/2024		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

Specialist Estates Services									
8.	Specialist Estates Services  Decarbonisation  SES/2022-23/1 t	DEPENDANT ON THIRD PARTY ORGANISATIONS	The Welsh Government is party to international agreements to reduce carbon emissions and control climate change. In October 2021 the Welsh Government set out its second carbon budget, Net Zero Wales, which confirmed that Our ambition is for the public sector to be collectively net zero by 2030.	Advisory	The Project Execution Plan should be revised to reflect the implementation phase, and ensure accountabilities are known and embedded.	Stuart Douglas, Director of SES	The Project Execution Plan was originally developed to deliver the DAP but is now being amended and updated to reflect a broader remit including NWSSP's national initiatives.	01/12/2022	The overall remit of the Decarbonisation Programme Board is still being explored through review with the Welsh Government. Key aspects of the Project Execution Plan will be presented to the Decarbonisation Programme Board for approval on 12/12/2022, to include a broader range of programme management activities across all NHS Wales Decarbonisation Strategic Delivery Plan initiatives.
9.	Specialist Estates Services  Decarbonisation  SES/2022-23/1	NOT YET DUE	The Welsh Government is party to international agreements to reduce carbon emissions and control climate change. In October 2021 the Welsh Government set out its second carbon budget, Net Zero Wales, which confirmed that Our ambition is for the public sector to be collectively net zero by 2030.	Advisory	Management should consider establishing a risk management tool to bring together the various risks associated with the implementation of the decarbonisation agenda.	Stuart Douglas, Director of SES	Establishing a risk management tool is an integral part of the programme management approach adopted by NWSSP's Project Management Office (PMO). The risk management tool will be developed when the programme management resources are secured. These resources are anticipated to become available during October to December 2022.	01/01/2023	30/06/2023  Partially Complete: Securing the right level of programme management resources continues to be extremely challenging. Notwithstanding these challenges a risk plan has been established as part of the PMO documentation and is being updated with the relevant stakeholders at NWSSP. The risk document was presented to Decarbonisation Programme Board on 12/12/2022.
10.	Specialist Estates Services  Decarbonisation  SES/2022-23/1	NOT YET DUE	The Welsh Government is party to international agreements to reduce carbon emissions and control climate change. In October 2021 the Welsh Government set out its second carbon budget, Net Zero Wales, which confirmed that Our ambition is for the public sector to be collectively net zero by 2030.	Advisory	A mechanism should be established to ensure greater visibility with other NHS Wales bodies surrounding the implementation of assigned element of the NHS Wales Strategic Delivery Plan.	Stuart Douglas, Director of SES	A communication strategy will be implemented to ensure visibility of NWSSP's decarbonisation activities to other NHS Wales bodies. The communication strategy will be developed when the programme management resources are secured. These resources are anticipated to become available during October to December 2022.	01/01/2023	30/06/2023  Partially Complete: Securing the right level of programme management resources continues to be extremely challenging. Notwithstanding these challenges a communication plan has been established as part of the PMO documentation and is being updated to reflect the emerging strategy. This plan will be further developed when the full team is established post Q2 2023.
11.	Specialist Estates Services  Decarbonisation  SES/2022-23/1	NOT YET DUE	The Welsh Government is party to international agreements to reduce carbon emissions and control climate change. In October 2021 the Welsh Government set out its second carbon budget, Net Zero Wales, which confirmed that Our ambition is for the public sector to be collectively net zero by 2030.	Advisory	Monitoring and reporting arrangements within Delivery Team require development, with Specific Measurable Agreed Realistic Timely objectives being embedded (specifically). Agreed – Ownership of action need established and refined. Realistic – financial implication of the actions need understood and sources of finance identified.	Stuart Douglas, Director of SES	The use of SMART objectives is strongly supported by NWSSP. Monitoring and reporting arrangements are an integral part of the programme management approach adopted by NWSSP's PMO. The monitoring and reporting arrangements and use of SMART objectives will be developed when the programme management resources are secured. These resources are anticipated to become available during October to December 2022.	01/01/2023	30/06/2023  Not Complete: Securing the right level of programme management resources is key to developing SMART objectives. Whilst it is recognised that key measurements must reflect the carbon savings identified in the Strategic Delivery Plan further work is necessary to test these original targets before incorporating into reporting structures.

## APPENDIX A - PROGRESS OF AUDIT RECOMMENDATIONS

12.	Specialist Estates Services  Decarbonisation Report  SES/2022-23/1	NOT YET DUE	The Welsh Government is party to international agreements to reduce carbon emissions and control climate change. In October 2021 the Welsh Government set out its second carbon budget, Net Zero Wales, which confirmed that Our ambition is for the public sector to be collectively net zero by 2030.	Advisory	Timely – Start dates and completion targets needs established and resource available to effectively implement the assigned actions. Standardised approaches to monitoring and reporting activities should be established. Where appropriate, reporting should be from a single repository of information.	Stuart Douglas, Director of SES	Standardised monitoring and reporting arrangements are an integral part of the programme management approach adopted by NWSSP's PMO and will be adopted when the decarbonisation programme management resources are secured. These resources are anticipated to become available during October to December 2022. A single repository of information will be established.	01/01/2023	30/06/2023	Partially Complete: Securing the right level of programme management resources continues to be extremely challenging. Notwithstanding these challenges Risk/Opportunities/Issues/Decision s (ROID) logs has been established as part of the PMO documentation and are being updated with the relevant stakeholders at NWSSP on an ongoing basis. This suite of documents was presented to the Decarbonisation Programme Board on 12/12/2022 and will be further developed when the full team is established post Q2 2023.
-----	--	-------------	---	----------	---	---------------------------------	---	------------	------------	---

<b>MEETING</b>	Velindre University NHS Trust Audit Committee for NHS Wales Shared Services Partnership
<b>DATE</b>	19 April 2023
<b>PREPARED BY</b>	Carly Wilce, Corporate Services Manager
<b>PRESENTED BY</b>	Carly Wilce, Corporate Services Manager
<b>RESPONSIBLE HEAD OF SERVICE</b>	Andy Butler, Director of Finance and Corporate Services
<b>TITLE OF REPORT</b>	Audit Committee Forward Plan 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
<b>Q1 2023/24</b> <b>19 April 2023</b>  <i>Boardroom</i> <i>NWSSP HQ, Unit 4/5</i> <i>Charnwood Court, Heol</i> <i>Billingsley, Parc Nantgarw,</i> <i>Cardiff, CF15 7QZ</i>  <i>or by Teams (as appropriate)</i>	Minutes & Matters Arising  External Audit Position Statement  Internal Audit Progress Report  Counter Fraud Position Statement  NWSSP Update	<b>Internal Audit</b> As outlined in the Internal Audit Operational Plan  Review of Internal Audit Operational Plan 2023-24  <b>External Audit</b>  Audit Assurance Arrangements for NWSSP 2022-23	Governance Matters  Tracking of Audit Recommendations  Corporate Risk Register	2023-24 Counter Fraud Annual Plan
<b>Q2 2023/24</b> <b>11 July 2023</b>  <i>Meeting Room 1</i> <i>NWSSP IP5, Newport, NP10</i> <i>8BE</i>	Minutes & Matters Arising  External Audit Position Statement  Internal Audit Progress Report  Counter Fraud Position Statement  NWSSP Update	<b>Internal Audit</b> As outlined in the Internal Audit Operational Plan  Internal Audit Quality Assurance & Improvement Programme  <b>External Audit</b> Audit Wales Nationally Hosted IT Systems Report  Audit Wales Management Letter  Update on the development of defined criteria for risk ratings.	Governance Matters  Tracking of Audit Recommendations  Corporate Risk Register  Review of Audit Committee Terms of Reference  <b>Duty of Quality</b>	Final Annual Governance Statement  Head of Internal Audit Opinion and Annual Report  Internal Audit Charter  Gifts & Hospitality Annual Report Declarations of Interest Annual Report  Counter Fraud Annual Report  Welsh Language Annual Report
<b>Q3 2023/24</b> <b>10 October 2023</b>  <i>Boardroom</i> <i>NWSSP HQ, Unit 4/5</i> <i>Charnwood Court, Heol</i> <i>Billingsley, Parc Nantgarw,</i> <i>Cardiff, CF15 7QZ</i>	Minutes & Matters Arising  External Audit Position Statement  Internal Audit Progress Report  Counter Fraud Position Statement	<b>Internal Audit</b> As outlined in the Internal Audit Operational Plan  <b>External Audit</b>	Governance Matters  Tracking of Audit Recommendations to include Annual Review of Audit Recommendations Not Yet Implemented  Corporate Risk Register	Audit Committee Effectiveness Survey Results  Audit Committee Annual Report  NWSSP Annual Review  Information Governance Annual Report 2022-23



<i>or by Teams (as appropriate)</i>	NWSSP Update			
<b>Q4 2023/24</b> <b>23 January 2024</b>  <i>Boardroom</i> <i>NWSSP HQ, Unit 4/5</i> <i>Charnwood Court, Heol</i> <i>Billingsley, Parc Nantgarw,</i> <i>Cardiff, CF15 7QZ</i>  <i>or by Teams (as appropriate)</i>	Minutes & Matters Arising  External Audit Position Statement  Internal Audit Progress Report  Counter Fraud Position Statement  NWSSP Update	<b>Internal Audit</b> As outlined in the Internal Audit Operational Plan  <b>External Audit</b> Audit 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

24 Cathedral Road / 24 Heol y Gadeirlan  
Cardiff / Caerdydd  
CF11 9LJ

Tel / Ffôn: 029 2032 0500

Fax / Ffacs: 029 2032 0600

Textphone / Ffôn testun: 029 2032 0660

[info@audit.wales](mailto:info@audit.wales) / [post@archwilio.cymru](mailto:post@archwilio.cymru)

[www.audit.wales](http://www.audit.wales) / [www.archwilio.cymru](http://www.archwilio.cymru)

**To:**

NHS Audit Committee Chairs

NHS Directors of Finance

NHS Board Secretaries

The Chair of the NHS Technical Accounting  
Group

Steve Elliot – NHS Director of Finance Welsh Government

John Evans – Welsh Government

Jacqui Salmon – Welsh Government

**Reference:** AC350/3415A2023

**Date issued:** 1 March 2023

Dear colleague

## NHS – Audit of Accounts 2022-23

We are about to commence our accounts audit work for all NHS bodies in Wales and I am conscious that the closure of the 2022-23 NHS financial statements will be challenging to both Audit Wales and the NHS.

In the attached letter, my Executive Director of Audit Services provides some important information on the introduction of a new auditing standard. The new standard fundamentally impacts how we will undertake the 2022-23 audit and has implications for you and your teams. The letter gives more detail on the standard itself and its impact on fees and the 2022-23 audit certification deadline.

I am acutely conscious that the message is a difficult one, with our fee rates increasing and deadlines moving later, at a time when colleagues everywhere in the public service are under great pressure. It is for that reason that I wanted to write to you directly, to explain the drivers behind the changes and to give my assurance that Audit Wales will be doing all it can, in the coming years, to continue to provide high quality audit, delivered efficiently, and that we have a plan to bring deadlines forward. I would like to thank you for your continued communication and engagement, which are so vital if we are to deliver those things.



In respect of the certification deadlines, the introduction of the revised Standard, and a radically different audit approach, has implications for audit timetables and it is inevitable that the new approach will require additional time to implement. I am also conscious that there will be additional challenges for finance teams preparing accounts this year, including the introduction of IFRS 16 – Accounting for Leases and accounting adjustments resulting from the quinquennial valuation of the NHS estate. It is important that finance teams have sufficient time to reflect these changes accurately in draft accounts submitted for audit to ensure a smooth audit process.

Given the circumstances set out above, I feel I have no option but to extend the audit certification deadline to 31 July 2023 to ensure I build in sufficient time to deliver an audit that meets my high standard in terms of audit quality.

That said, it is essential I recover this position in future years. In terms of my proposed certification deadlines in 2023-24 and 2024-25, I have signalled to my colleagues at Audit Wales the importance of recovering the position and a continual and collaborative dialogue with NHS colleagues is crucial.

To help us achieve the proposed certification deadlines set out in the attached letter, my Engagement Director and audit teams will continue to liaise closely with you and your colleagues. Notwithstanding the ongoing dialogue taking place at a local level, I have asked my Executive Director of Audit Services to arrange discussions with key stakeholder groups across the NHS. I hope that this is a helpful update and I wish you all the very best for the forthcoming audit of accounts.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Adrian Crompton', with a long horizontal flourish extending to the right.

**ADRIAN CROMPTON**  
**Auditor General for Wales**

24 Cathedral Road / 24 Heol y Gadeirlan  
Cardiff / Caerdydd  
CF11 9LJ

Tel / Ffôn: 029 2032 0500

Fax / Ffacs: 029 2032 0600

Textphone / Ffôn testun: 029 2032 0660

[info@audit.wales](mailto:info@audit.wales) / [post@archwilio.cymru](mailto:post@archwilio.cymru)

[www.audit.wales](http://www.audit.wales) / [www.archwilio.cymru](http://www.archwilio.cymru)

[by-email]

**Reference:** 3415A2023

**Date issued:** 1 March 2023

To: NHS Directors of Finance  
NHS Audit Committee Chairs  
NHS Board Secretaries  
The Chair of the NHS Technical Accounting Group  
Steve Elliot – NHS Director of Finance Welsh Government  
John Evans – Welsh Government  
Jacqui Salmon – Welsh Government

Dear colleague

## NHS – Audit of Accounts 2022-23

- 1 We are about to commence our accounts audit work for all NHS bodies. We are therefore taking the opportunity to write to you with some important information on the introduction of a revised auditing standard which fundamentally impacts on how we will undertake your 2022-23 audit.
- 2 Within this letter we consider:
  - the impact of the revised standard;
  - the resultant impact on audit fees; and
  - the timetable for the Audit of Accounts 2022-23 and for future years.

## The impact of ISA 315

- 3 Our audits of NHS accounts for the year ended 31 March 2023 will be carried out under a revised auditing standard ([ISA 315 \(UK\) Identifying and Assessing the Risks of Material Misstatement \(Revised July 2020\)](#)).

- 4 This revised standard is effective for audits of accounts for periods beginning on or after 15 December 2021 and applies to the audit of all private and public sector entities across the UK, regardless of their nature, size or complexity.
- 5 The revised standard will have significant and far-reaching impacts on how auditors undertake audit risk assessments and our overall audit approach.
- 6 In planning our audit, we will be required to undertake more detailed and extensive risk assessment procedures to identify risks of material misstatement. The subsequent design and performance of our audit approaches will be responsive to each assessed risk.
- 7 **Appendix 1** outlines the key changes and the potential impact on your organisation in terms of information requests from our audit teams.
- 8 The standard has been amended to drive better quality, more effective risk assessments, as well as to promote greater exercise of professional scepticism. It also requires us to obtain a much more robust understanding of an organisation's IT systems. Financial reporting frameworks and governance structures are becoming increasingly complex, while technology continues to play a more advanced role in the control environment of entities. These changes require risk identification and assessment to be enhanced and rigorous audit processes.
- 9 The previous standard did not address automated tools and techniques, which are increasingly being used by auditors to inform risk assessment. All audits of 2021-22 NHS accounts incorporated elements of our Analytics Assisted Audit. The revised standard introduces specific considerations relating to the auditors' use of automated tools and techniques.

## Impact on audit fees

- 10 As a result of the changes outlined above, we expect 2022-23 audits to take longer to complete. We will also be required to use more experienced CCAB qualified staff on audits to deal with the higher level of judgement necessitated by the standard.
- 11 In our August 2022 Consultation on Fee Scales, we indicated that our initial assessment of the impact of this richer skill mix on fees was a potential average increase in fee scales for our financial audit work of between 12% and 18%. This is consistent with expectations in other UK public audit bodies and the private sector audit firms.
- 12 We have now started more detailed risk assessment under the new audit approach and will be able to provide you with an updated assessment of the audit fee once we have completed that initial risk planning. Our initial estimate is

that audit fees will increase by 10.2% for ISA 315, in addition to the 4.8% inflationary increase set out in our Audit Wales [2023-24 Fee Scheme](#) . Your Engagement Director will discuss the proposed fee for your audit once that risk assessment has been completed.

## Timetable for the Audit of Accounts 2022-23

- 13 The introduction of the revised Standard and a radically different audit approach has implications for audit timetables. We have worked closely with the other UK Public Audit Bodies to develop an audit methodology which, we believe, will add value to Audited Bodies whilst continuing to maintain the high-quality audit which we know you expect from us. However, it is inevitable that the new approach will require additional time to implement.
- 14 We are also conscious that there will be additional challenges for finance teams preparing accounts this year, including the introduction of IFRS 16 – Accounting for Leases and accounting adjustments resulting from the quinquennial valuation of the NHS estate. It is important that finance teams have sufficient time to reflect these changes accurately in draft accounts submitted for audit to ensure a smooth audit process.
- 15 We will be working closely with NHS finance teams over the next few weeks to agree the precise timings for submission of NHS draft accounts. There will also be logistical matters to consider, such as managing staff annual leave and potentially securing revised Audit Committee, Board and Annual General Meeting (AGM) dates. We are aware that Health Boards and Trusts must hold an AGM no later than 31 July each year as per Standing Orders.
- 16 From our discussions with Health Bodies, we are aware that a number of you are struggling to recruit experienced finance staff and that this may also impact audit timetables. We are facing similar challenges and know that this position is consistent with the National Audit Office (NAO), Audit Scotland and the Northern Ireland Audit Office. The NAO's recovery plan article is a useful reference in this context<sup>1</sup>. In addition, a more recent report by the National Audit

---

<sup>1</sup> [The NAO: getting government accounts back on track | ICAEW](#)

<sup>2</sup> [Timeliness of local auditor reporting on local government in England](#)

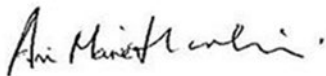
Office (January 2023) highlights how the delays to local government audit opinions are impacting elsewhere in the public sector, including the NHS, and describes plans to get back on track with the timetable for published audit opinions<sup>2</sup>.

- 17 For information, reporting deadlines in England are slightly more complicated, with providers and commissioners having different dates and different requirements around annual reports. The NAO have just published in their opinion for the Department of Health and Social Care Annual Report and Accounts 2021-22 (page 264) that 25% of providers in NHS England and 20% of commissioners failed to meet the Department of Health and Social Care audited accounts deadline in 2021-22.
- 18 As the auditors of Local Government Bodies in Wales, we have been experiencing similar delays to those seen in England in completing our audit of the 21-22 accounts. These delays result mainly from a technical issue regarding the valuation of Local Government infrastructure assets, which resulted in the Welsh Government deferring the audit certification deadline to 31 January 2023 and have impacted our ability to commence our 2022-23 audits in line with previous year timetables.
- 19 Taking all of this into account and having discussed with colleagues in Welsh Government responsible for preparing the NHS Consolidated accounts, we are therefore proposing an audit certification deadline of **31 July 2023** for NHS Bodies in Wales.
- 20 We recognise that this is later than many bodies would like but we believe it is important to set realistic timescales we can all work to. Over the next three years our plan would be to revert to a 15 June deadline as follows:
  - Audit of Accounts 2022-23 – certification by 31 July 2023;
  - Audit of Accounts 2023-24 – certification by 30 June 2024; and
  - Audit of Accounts 2024-25 – certification by 15 June 2025.

- 21 You will note that by 2024-25, we are not intending to revert to the pre-covid 31 May deadline but will aim to certify accounts by 15 June. This will ensure that the time required for Health Boards and Trusts to circulate the requisite accounts and audit reports to the Audit Committee and the Board, does not compress the audit window to less than a month.
- 22 In respect of the Charitable Funds audit or the independent examination, we intend to complete these by the deadline set by the Charities Commission.
- 23 We value the constructive working relationship we have with your finance teams and will continue to work closely with you to bring forward the deadlines for future years.
- 24 We remain committed to working collaboratively with you to successfully navigate this challenge, building on our shared experiences. We will ensure we attend all the relevant NHS fora to discuss the content of this letter with you and will be arranging meetings with all NHS Directors of Finance and Audit Committee Chairs to provide you with an opportunity to meet with us all.

Thank you to you and your teams for working so well with us.

Yours sincerely



Ann-Marie Harkin  
Executive Director Audit Services

## Appendix 1 – the key changes to the standard and the potential impact on your organisation

Key change	Potential impact on your organisation
<b>More detailed and extensive risk identification and assessment procedures</b>	<p>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:</p> <ul style="list-style-type: none"> <li>• information on your organisation's business model and how it integrates the use of information technology (IT);</li> <li>• information about your organisation's risk assessment process and how your organisation monitors the system of internal control;</li> <li>• 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</li> <li>• more detailed discussions with your organisation to support the audit team's assessment of inherent risk.</li> </ul>
<b>Obtaining an enhanced understanding of your organisation's environment, particularly in relation to IT</b>	<p>Your organisation may receive more enquiries to assist the audit team in understanding the IT environment. This may include information on:</p> <ul style="list-style-type: none"> <li>• IT applications relevant to financial reporting;</li> <li>• the supporting IT infrastructure (e.g. the network, databases);</li> <li>• IT processes (e.g. managing program changes, IT operations); and</li> <li>• the IT personnel involved in the IT processes.</li> </ul> <p>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.</p> <p>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.</p>

Key change	Potential impact on your organisation
<b>Enhanced requirements relating to exercising professional scepticism</b>	Our audit teams may make additional inquiries if they identify information which appears to contradict what they have already learned in the audit.
<b>Risk assessments are scalable depending on the nature and complexity of the audited body</b>	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.
<b>Audit teams may make greater use of technology in the performance of their audit</b>	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.