

# **Annual Governance Statement 2019/2020**

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*Meeting dates above in italics were scheduled but did not take place due to impact of COVID-19.*

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# ANNUAL GOVERNANCE STATEMENT 2019/2020

## 1. SCOPE OF RESPONSIBILITY

At the time of preparing this Annual Governance Statement, NWSSP and the NHS in Wales is facing unprecedented and increasing pressure in planning and providing services to meet the needs of those who are affected by COVID-19, whilst also planning to resume other activity where this has been impacted.

The required response has meant the whole organisation has had to work very differently both internally and with our staff, partners and stakeholders and it has been necessary to revise the way the governance and operational framework is discharged. In recognition of this, Dr Andrew Goodall, Director General Health and Social Services/NHS Wales Chief Executive wrote to all NHS Chief Executives in Wales, with regard to "COVID -19- Decision Making and Financial Guidance". The letter recognised that organisations would be likely to make potentially difficult decisions at pace and without a firm evidence base or the support of key individuals which under normal operating circumstances would be available. Nevertheless, the organisation is still required to demonstrate that decision-making has been efficient and will stand the test of scrutiny with respect to compliance with Managing Welsh Public Money and demonstrating Value for Money after the COVID-19 crisis has abated and the organisation returns to more normal operating conditions.

To demonstrate this, NWSSP is recording how the effects of COVID-19 have impacted on any changes to normal decision making processes. Where relevant these, and other actions taken have been explained within this Annual Governance Statement.

As Accounting Officer, the Managing Director has responsibility for maintaining a sound system of internal control that supports the achievement of the NHS Wales Shared Services Partnership's (NWSSP), and the host's (Velindre University NHS Trust) policies, aims and objectives. The Managing Director also safeguards the public funds and departmental assets for which he is personally responsible, in accordance with the responsibilities assigned to him. The Managing Director is responsible for ensuring that NWSSP is administered prudently and economically and that resources are applied efficiently and effectively.

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

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

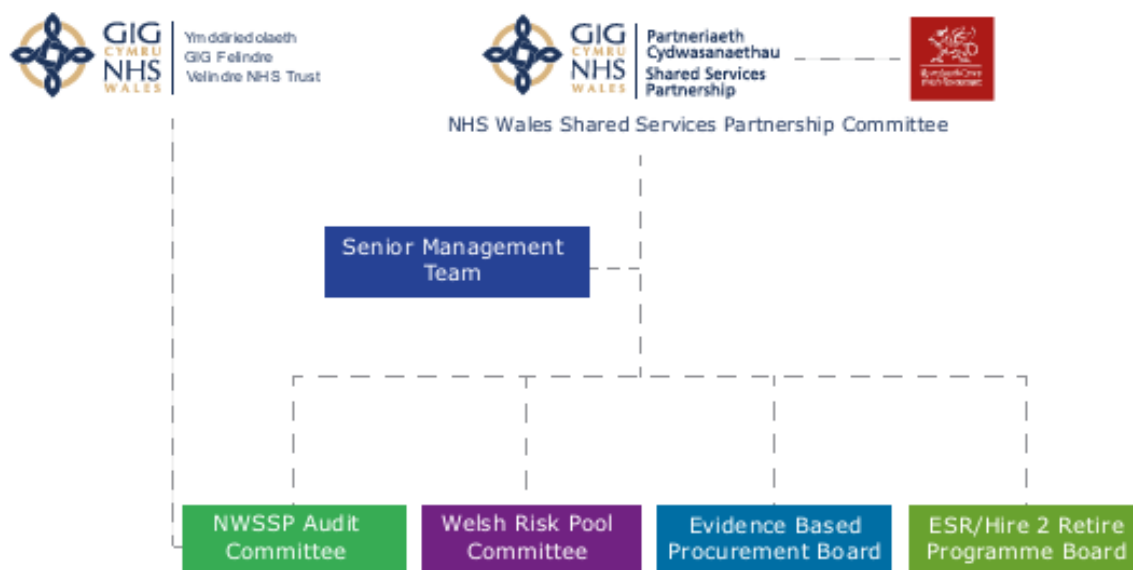
The Chief Executive of the Trust is responsible for the overall performance of the executive functions of the Trust and is the designated Accountable Officer for the Trust. As the host organisation, the Chief Executive (and the Trust Board) has a legitimate interest in the activities of the Shared Services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

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

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

Figure 1 –NWSSP’s Governance Structure

Our structure is underpinned though the overarching Velindre NHS Trust legal and assurance framework.



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

## **2. GOVERNANCE FRAMEWORK**

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

### **2.1 Shared Services Partnership Committee**

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

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

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

Health Boards, NHS Trusts and Health Education and Improvement Wales (HEIW) have collaborated over the operational arrangements for the provision of shared services and have an agreed Memorandum of Co-operation to ensure that the arrangements operate effectively through collective decision making in accordance with the policy and strategy set out above, determined by the Partnership Committee.

Whilst the Partnership Committee acts on behalf of all NHS organisations in undertaking its functions, the responsibility for the exercise of Shared Services functions is a shared responsibility of all NHS bodies in Wales.

NWSSP's governance arrangements are summarised below.

Figure 2: Summary of Governance Arrangements



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

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

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

The Membership of the Committee during the year ended 31 March 2020 is outlined in Figure 3 below. Membership was originally designed to be the Chief Executives of each Health Board and Trust but nominated deputies are allowed to attend and vote, provided they are an Executive Director of their own organisation.

Ensuring that meetings are quorate is an increasing challenge, but all were attended by the Chair, and the attendance of the Committee is outlined in Figure 4.

Figure 3: Table of Members of the NHS Wales Shared Services Partnership Committee during 2019/2020

<b>Name</b>	<b>Position</b>	<b>Organisation</b>	<b>From – To</b>
Margaret Foster (Chair)	<i>Independent Member</i>	<i>NHS Wales Shared Services Partnership</i>	<i>Full Year</i>
Huw Thomas (Vice Chair )	<i>Director of Finance</i>	<i>Hywel Dda UHB</i>	<i>Full Year</i>
Neil Frow	<i>Managing Director of NWSSP</i>	<i>NHS Wales Shared Services Partnership</i>	<i>Full Year</i>
Hazel Robinson	<i>Director of Workforce &amp; OD</i>	<i>Swansea Bay UHB</i>	<i>Full Year</i>
Geraint Evans	<i>Director of Workforce and OD</i>	<i>Aneurin Bevan UHB</i>	<i>Full Year</i>
Sue Hill	<i>Director of Finance</i>	<i>Betsi Cadwaladr UHB</i>	<i>Full Year</i>
Bob Chadwick	<i>Director of Finance</i>	<i>Cardiff and Vale UHB</i>	<i>Full Year</i>
Anne Phillimore	<i>Interim Director of Workforce &amp; OD</i>	<i>Cwm Taf Morgannwg UHB</i>	<i>Full Year</i>
Eifion Williams	<i>Director of Finance</i>	<i>HEIW</i>	<i>Full Year (also covered Powys for start of year)</i>
Pete Hoggood	<i>Director of Finance</i>	<i>Powys THB</i>	<i>Part Year</i>
Huw George	<i>Director of Operations and Finance</i>	<i>Public Health Wales NHS Trust</i>	<i>Full Year</i>
Steve Ham	<i>Chief Executive</i>	<i>Velindre University NHS Trust</i>	<i>Full Year</i>
Chris Turley	<i>Director of Finance</i>	<i>Welsh Ambulance Services NHS Trust</i>	<i>Full Year</i>

The composition of the Committee also requires the attendance of the following: Deputy Director of Finance, Welsh Government, Director of Finance & Corporate Services, NWSSP, Director of Workforce & Organisational Development, and Board Secretary NWSSP as governance support. Unison are also invited to the meetings.

Figure 4 – Attendance at the Meetings of the NHS Wales Shared Services Partnership Committee during 2019/2020

<b>Organisation</b>	<b>23/05/2019</b>	<b>18/07/2019</b>	<b>18/09/2019</b>	<b>02/12/2019</b>	<b>16/01/2020</b>
Aneurin Bevan UHB	✓	✓	x	✓	x
Betsi Cadwaladr UHB	✓**	x	x	X	✓**



Cardiff and Vale UHB	X	✓*	✓	✓	✓
Cwm Taf UHB	X	X	X	X	X
HEIW	✓	X	X	X	✓**
Hywel Dda LHB	X	✓	✓	✓	✓
Powys Teaching Health Board	✓	✓	✓**	✓	✓**
Public Health Wales Trust	✓**	✓**	X	✓**	X
Swansea Bay UHB	✓	X	X	X	✓
Velindre NHS Trust	✓	✓	✓**	X	✓
Welsh Ambulance Service Trust	X	X	X	X	X
Welsh Government	✓	X	X	X	✓

✓ Denotes the nominated member was present

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

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

X Denotes Health Body not represented

*NB: A further meeting of the Partnership Committee had been scheduled for March 2020, but was cancelled due to the COVID-19 crisis.*

The purpose of the Partnership Committee is set out below:

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

The Partnership Committee monitors performance monthly against key performance indicators. For any indicators assessed as being below target, reasons for current performance are identified and included in the report along with any remedial actions to improve performance. These are

presented to the Partnership Committee by the relevant Director. Deep Dive sessions are a standing item on the agenda to learn more about the risks and issues of directorates within NWSSP.

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

## **2.2 Partnership Committee Performance**

During 2019/2020, the Partnership Committee approved an annual forward plan of business, including:

- Regular assessment and review of:
  - Finance, Workforce and Performance information;
  - Corporate Risk Register;
  - Welsh Risk Pool;
  - Programme Management office updates.
- Annual review and/or approval of:
  - Integrated Medium Term Plan;
  - Annual Governance Statement;
  - Wales Audit Office Management Letter;
  - Annual Review;
  - Standing Orders and Standing Financial Instructions;
  - Health & Care Standards; and
  - Service Level Agreements.
- Deep Dives into:
  - E-Expenses;
  - Health Courier Services;
  - GP Indemnity Scheme; and
  - Medical Examiner Service.

## **2.3 Velindre Audit Committee for NWSSP**

The primary role of the Velindre University NHS Trust Audit Committee for Shared Services (Audit Committee) has been to review and report upon the adequacy and effective operation of NWSSP's overall governance and internal control system. This includes risk management, operational and compliance controls, together with the related assurances that underpin the delivery of NWSSP's objectives. This role is set out clearly in the Audit Committee's terms of reference, which were revised in July 2019 to ensure these key functions were embedded within the standing orders and governance arrangements.

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

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

The Committee attendees during 2019/2020 comprised of three Independent Members of Velindre University NHS Trust supported by representatives of both Internal and External Audit and Senior Officers of NWSSP and Velindre University NHS Trust. Ray Singh and Phil Roberts both stood down after the October 2019 Committee and were replaced with Gareth Jones and Janet Pickles as Independent Members.

Figure 5 - Composition of the Velindre University NHS Trust Audit Committee for NWSSP during 2019/20

In Attendance	April 2019	July 2019	October 2019	January 2020	Total
<b>Committee Members</b>					
Martin Veale, Chair & Independent Member	✓	✓	✓	✓	4/4
Ray Singh, Independent Member	✓	✓	✓		3/3
Phil Roberts, Independent Member	✓	✓	X		2/3
Gareth Jones, Independent Member				✓	1/1
Janet Pickles, Independent Member				X	0/1
<b>Wales Audit Office</b>					
Audit Team Representative	✓	✓	X	✓	3/4
<b>NWSSP Audit Service</b>					
Director of Audit & Assurance	✓	✓	✓	✓	4/4
Head of Internal Audit	✓	✓	✓	✓	4/4
Audit Manager	✓	✓	X	X	2/4
<b>Counter Fraud Services</b>					
Local Counter Fraud Specialist	✓	✓	✓	X	3/4
<b>NWSSP</b>					
Margaret Foster, Chair NWSSP	✓	✓	✓	✓	4/4
Neil Frow, Managing Director	✓	✓	✓	✓	4/4
Andy Butler, Director of Finance & Corporate Services	✓	✓	✓	✓	4/4
Peter Stephenson, Head of Finance & Business Development	✓	✓	✓	✓	4/4
Roxann Davies, Compliance Officer	✓	✓	X	✓	3/4
NWSSP Secretariat	✓	✓	✓	✓	4/4
<b>Velindre University NHS Trust</b>					

<b>In Attendance</b>	<b>April 2019</b>	<b>July 2019</b>	<b>October 2019</b>	<b>January 2020</b>	<b>Total</b>
Mark Osland, Director of Finance	X	✓	X	✓	<b>2/4</b>
Lauren Fear Director of Corporate Governance				✓	<b>1/1</b>

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

## **2.4 Reviewing Effectiveness of Audit Committee**

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

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

The survey questionnaire comprises self-assessment questions intended to assist the Committee in assessing their effectiveness with a view to identifying potential areas for development going forward. A survey undertaken during May 2019, had a 91% response rate (10 responses received) and identified the following:

- Over 90% of all responses were positive;
- All respondents felt that the Committee had been provided with sufficient authority and resource to perform its role effectively;
- All respondents considered that the Committee meets sufficiently frequently to deal with planned matters and that sufficient time is made available for questions and discussion;
- All respondents agreed that the atmosphere at Committee meetings is conducive to open and productive debate;
- All respondents agreed that the behaviour of members and attendees was courteous and professional; and
- All respondents agreed that the reports received by the Committee were timely and included the right format and content to enable the Committee to discharge its internal control and risk management responsibilities.

The results of the survey were included in a wider review of the effectiveness of the Audit Committee. This review was undertaken internally, but drew on the following sources of information:

1. Review of the revised UK Code of Corporate Governance 2018 (researching similar associated literature, guides and precedents in this field e.g. NHS Governance e-Manual);

2. Benchmarking exercise of results from both the NWSSP Audit Committee and Velindre's Audit Committee Effectiveness Survey (ACES) in 2018;
3. Attending Velindre's Audit Committee to compare and contrast; identify where NWSSP Audit Committee can add value from actions implemented within Velindre;
4. Assessment of corporate communications around the NWSSP Audit Committee and Members to identify ways to encourage visibility in the organisation through better promotion of Independent Members;
5. Considering observations raised at Meeting Reviews conducted by the NWSSP Audit Committee Chair, following each meeting; and
6. Liaising with the NHS Wales Deputy Board Secretaries Network in relation to Committee Effectiveness.

The output from this exercise was an action plan that comprised 36 recommendations across a range of headings. Progress with achievement of the action plan is reported to each Audit Committee meeting. As at 31 March 2020, 27 recommendations had been implemented with nine on-going, that have not yet been implemented and these actions will be integrated to inform the Audit Committee effectiveness action plan for 2020-21.

## 2.5 Sub Groups and Advisory Groups

The Partnership Committee is supported by three advisory groups:

- **Welsh Risk Pool Committee**
  - Reimburse losses over £25,000 incurred by Welsh NHS bodies arising out of negligence;
  - Provide oversight of the GP Indemnity Scheme;
  - Funded through the NHS Wales Healthcare budget;
  - Oversees the work and expenditure of the Welsh Risk Pool; and
  - Helps promote best clinical practice and lessons learnt from clinical incidents.
- **Evidence-Based Procurement Board**
  - Advisory group to promote wider liaison across NHS Wales;
  - Includes representatives of various disciplines across NHS Wales and relevant research bodies;
  - Helps inform and develop a value and evidence based procurement process for medical consumables and devices for NHS Wales.
- **Local Partnership Forum (LPF)**
  - Formal mechanism for consultation and engagement between NWSSP and the relevant Trade Unions. The LPF facilitates an open forum in which parties can engage with each other to inform debate and seek to agree local priorities on workforce and health service issues.

## 2.6 Senior Management Team (SMT)

The Managing Director leads the SMT and reports to the Chair of the Partnership Committee on the overall performance of NWSSP. The Managing Director is the designated Accountable Officer for Shared Services and is accountable, through the leadership of the Senior Management Team, for:

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

The SMT are responsible for determining NWSSP policy, setting the strategic direction and aims to ensure that there is effective internal control, and ensuring high standards of governance and behaviour. In addition, the SMT is responsible for ensuring that NWSSP is responsive to the needs of Health Boards and Trusts.

The SMT comprises:

Figure 7 – Composition of the SMT at NWSSP during 2019/2020

<b>Name</b>	<b>Designation</b>
Neil Frow	Managing Director
Andy Butler	Director of Finance and Corporate Services
Gareth Hardacre	Director of Workforce and Organisational Development
Jonathan Irvine*	Director of Procurement Services
Paul Thomas	Director of Employment Services
Simon Cookson	Director of Audit and Assurance
Anne-Louise Ferguson MBE	Director of Legal and Risk
Dave Hopkins	Director of Primary Care Services
Neil Davies	Director of Specialist Estates
Professor Malcolm Lewis OBE**	Medical Director

- *Jonathan Irvine commenced in post in September 2019, after the retirement of Mark Roscrow, MBE.*
- *Professor Malcolm Lewis was formally appointed as NWSSP's first Medical Director in November 2019.*

Since the start of March 2020, the SMT has been supported by a Planning and Response Group to meet the challenges arising from the COVID-19 outbreak. In addition to the core members of the SMT, the Planning and Response Group includes representation from Trade Unions, Communications and the Surgical Materials Testing Laboratory. All

decisions taken by the Group are recorded on an Issues and Decisions Log, and the Group meets at least weekly via Skype.

### **3. THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to the achievement of the policies, aims and objectives of NWSSP. Therefore, it can only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks, evaluate the likelihood of those risks being realised and the impact they would have, and to manage them efficiently, effectively and economically. The system of internal control has been in place in NWSSP for the year ending 31 March 2020 and up to the date of approval of the Trust Annual Report and Accounts.

#### **3.1 External Audit**

NWSSP's external auditors are the Wales Audit Office (WAO). The Audit Committee has worked constructively with the WAO and the areas examined included:

- Position Statements (to every meeting);
- NWSSP Nationally Hosted NHS IT Systems Assurance Report 2018-19;
- Management Letter 2018/19; and
- WAO Assurance Arrangements 2020.

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

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

#### **3.2 Internal Audit**

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

Quarterly returns providing assurance on any audit areas assessed as having “no assurance” or “limited assurance” were issued to Welsh Government in accordance with the instruction received from Dr Andrew Goodall, Chief Executive NHS Wales/Director General in July 2016. During 2019/20 no internal audit reports were rated as limited or no assurance.

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

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

### **3.3 Counter Fraud Specialists**

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

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

- Progress Update at each meeting
- Annual Report 2018-19
- Counter Fraud Work Plan 2019-20
- Counter Fraud Self Review Tool Submission 2018-19

During 2019/20, four new investigations into possible fraudulent or corrupt activity were instigated together with the four cases that were brought forward from 2018/19. Of the four new cases, all of them involved alleged false claims that had been submitted to the NHS Student Awards Service.

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

As part of that planned area of work, regular fraud awareness sessions are arranged and then held with various staff groups at which details on how and to who fraud can be reported are outlined.

In addition to this and in an attempt to promote an Anti-Fraud Culture within NWSSP, a quarterly newsletter is produced which is then available



to all staff on the intranet and all successful prosecutions are also publicised in order to obtain the maximum deterrent effect.

### **3.4 Integrated Governance**

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

- The Quality Assurance and Improvement Plan arising from the 2018-19 Internal Audit self-assessment;
- Tracking of Audit Recommendations;
- Corporate Risk Register;
- Directorate Assurance Maps; and
- Governance Matters report on single tender actions, declarations of interest, gifts and hospitality received and declined.

During 2019/20, the Audit Committee reported any areas of concern to the Partnership Committee and played a proactive role in communicating suggested amendments to governance procedures and the corporate risk register.

### **3.5 Quality**

During 2019/20, the Partnership Committee has given attention to assuring the quality of services by including a section on "Quality, Safety and Patient Experience" as one of the core considerations on the committee report template when drafting reports for Partnership Committee meetings.

In addition, quality of service provision is a core feature of the discussions undertaken between NWSSP and the Health Boards and Trusts during quarterly review meetings with the relevant Directors.

Procurement Services maintains certification to a number of international and national standards including ISO 9001 Quality Management, ISO 27001 Information Security, OHSAS 18001 Occupational Health & Safety and Customer Service Excellence. The Regional Stores are also accredited to the STS Code of Practice & Technical Standard for the Public Sector. During 2019/20 the ISO 9001 scope of certification was extended to include the Accounts Payable function in North Wales. The Customer Service Excellence certification was also extended to include Health Courier Services in June 2019. Work is now underway to transition from OHSAS 18001 to ISO 45001 for the 2020/21 period, which will include an extension of scope to include IP5 in Newport. In 2020/21, further extensions to certification will be implemented across the Supply Chain, Logistics & Transport team including certification to ISO 9001.

Procurement Services continues to hold the ISO27001 Information Security Management Standard (ISMS) certification and this was recertified by a new Assessment Body in 2019/20. NWSSP has developed an organisation wide cyber-security action plan that is being deployed across Services.

NWSSP took part in a cyber-security audit as part of the work to achieve the Cyber Essentials Plus standard from the international NIST framework and the action plan has been updated to reflect the recommendations. The standard aims to improve resilience and responsiveness to threats to information, preserving confidentiality, integrity and availability of information by applying a risk management process. It deals with the need for prevention and all aspects of protocol including technical, physical and legal control.

### **3.6 Looking Ahead**

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

Looking forward to 2020-21 the Audit Committee will continue to explore the financial, management, governance and quality issues that are an essential component of the success of NWSSP.

Specifically, the Audit Committee will:

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

## **4. CAPACITY TO HANDLE RISK**

As previously highlighted the need to plan and respond to the COVID-19 pandemic presents a number of challenges to the organisation. A number of new and emerging risks were identified. Whilst NWSSP did have a major incident and business continuity plan in place, as required by the Civil Contingencies Act 2004, the scale and impact of the pandemic has been unprecedented. Significant action has been taken at a national and local level to prepare and respond to the likely impact on the organisation. There does remain a level of uncertainty about the overall impact this will have on the immediate and longer term delivery of services by NWSSP, although there is confidence that all appropriate action has been taken, and all services have been sustained thus far. The identified risks, which are recorded in a separate COVID-19 Risk Register, are as follows:

- Threats to the supply of medical equipment and consumables, and in particular Personal Protective Equipment;
- Insufficient numbers of staff are able to work to provide the business critical services to our customers;
- Staff (including GP Trainees) are put at risk of contracting COVID-19 whilst at work;
- Staff well-being is adversely affected through concerns arising from COVID-19;
- The operational cost of addressing the pandemic cannot be contained within available funding resulting in a potential breach of the planned outturn for 2020-21; and
- Threats to the Strategic Outline Case for the Imperial Park building due to it currently having to store substantial levels of equipment for field hospitals that may now not be required, at least in the short-term.

NWSSP continues to work closely with a wide range of partners, including the Welsh Government as it continues with its response, and planning into the recovery phase. It will be necessary to ensure this is underpinned by robust risk management arrangements and the ability to identify, assess and mitigate risks which may impact on the ability of NWSSP to achieve its strategic objectives.

In addition to the risks arising as a result of the COVID-19 pandemic there are other risks facing the organisation. Some of these risks will have been exacerbated as a result of the COVID-19 response. The organisations risk profile relating to non-COVID-19 risks includes two red-rated risks as follows:

- Plans for the replacement of the NHAIS system to allow payments to be made to GPs; and
- The need to develop an in-house system for the payment of Opticians.

Both risks have seen some delay in mitigation due to the pandemic, but should be fully addressed in the first half of 2020/21.

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

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

The Trust has an approved strategy for risk management and NWSSP has a risk management protocol in line with its host's strategy providing a clear systematic approach to the management of risk within NWSSP. The Risk Protocol was re-approved by the SMT in January 2020, and will be presented to the Audit Committee in April 2020 for further review.

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

The Corporate Risk Register is reviewed monthly by the SMT who ensure that key risks are aligned to delivery and are considered and scrutinised by the SMT as a whole. The register is divided into two sections as follows:

- Risks for Action – this includes all risks where further action is required to achieve the target score. The focus of attention for these risks should be on ensuring timely completion of required actions; and
- Risks for Monitoring – this is for risks that have achieved their target score but which need to remain on the Corporate Risk Register due to their potential impact on the organisation as a whole. For these risks the focus is on monitoring both any changes in the nature of the risk (e.g. due to external environmental changes) and on ensuring that existing controls and actions remain effective (e.g. through assurance mapping).

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

Each Director is required to provide a regular update on the status of their directorate specific risk registers during quarterly review meetings with the Managing Director. All risks categorised as being red within individual directorate registers trigger an automatic referral for review by the SMT, and if deemed appropriate the risk is added to the NWSSP Corporate Risk Register.

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

A Risk Appetite statement has also been documented and approved by the Audit Committee. This covers nine specific aspects of NWSSP activity with a separate appetite score for each. The operationalisation of the risk appetite is through the target scores in the corporate and directorate risk registers. The Risk Appetite was reviewed again by the SMT in January 2020 to ensure that it remains appropriate, and was also presented to the Audit Committee in April 2020.

The annual internal audit of risk management was last undertaken at the end of 2018/19 and concluded that the level of assurance given as to the

effectiveness of the system of internal control in place to manage the risk associated with Risk Management was Substantial Assurance.

NWSSP's approach to risk management therefore ensures that:

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

## **5. THE RISK AND CONTROL FRAMEWORK**

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

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

### **5.1 Corporate Risk Framework**

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

- NWSSP is governed by Standing Orders and Standing Financial Instructions which are reviewed on an annual basis;
- The Partnership Committee and Audit Committee both have forward work plans for committee business which provide an assurance framework for compliance with legislative and regulatory requirements;
- The effectiveness of governance structures is regularly reviewed including through Committee self-effectiveness surveys;
- The front cover pro-forma for reports for Committees includes a summary impact analysis section to be completed prior to submission. This provides a summary of potential implications relating to equality and diversity, legal implications, quality, safety

- and patient experience, risks and assurance, Wellbeing of Future Generations, Health and Care Standards and workforce;
- The Service Level Agreements in place with the Health Boards and NHS Trusts set out the operational arrangements for NWSSP's services to them and are reviewed on an annual basis;
  - NWSSP are proactive in completing the Welsh Government's Health and Care Standards framework and ensure that Theme 2 Safe Care provides a clear picture of NWSSP's approach to health, safety and risk management; and
  - The responsibilities of Directors are reviewed at annual Performance and Development Reviews (PADRs).

## **5.2 Policies and Procedures**

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

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

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

## **5.3 Information Governance**

NWSSP has established arrangements for Information Governance to ensure that information is managed in line with the relevant ethical law and legislation, applicable regulations and takes guidance, when required from the Information Commissioner's Office (ICO). This includes established laws including Data Protection Legislation, Common Law Duty of Confidentiality, the Human Rights Act, the Caldicott Report and specific Records Management Principles. The implementation of the General Data Protection Regulations in May 2018 increased the responsibilities to ensure that the data that NWSSP collects, and its subsequent processing, is for compatible purposes, and it remains secure and confidential whilst in its custody.

The Director of Finance and Corporate Services is the designated Senior Information Risk Owner (SIRO) in relation to Information Governance for NWSSP and, due to NWSSP's hosted status, the Caldicott Guardian for decisions of a clinical nature is Mr Rhydian Hurle, Medical Director, who is employed by the NHS Wales Informatics Service (NWIS).

NWSSP has an Information Governance Manager who has the objective of facilitating the effective use of controls and mechanisms to ensure that staff comply with Information Governance fundamental principles and procedures. This work includes awareness by delivery of an online core skills training framework eLearning module on Information Governance, classroom based training for identified high risk staff groups, developing and reviewing policies and protocols to safeguard information, and advising on and investigating Information Governance breaches reported on the Datix incident reporting system.

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

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

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

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

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

An annual report is produced on Information Governance within NWSSP. This was submitted to the SMT in September 2019, and will now be produced annually going forward. Information governance performance is also included in an overall Governance Report that was taken to the SMT in January 2020 for the first time, and will continue to be submitted quarterly in the future.

## **5.4 Counter Fraud**

Counter Fraud support is incorporated within the hosting agreement with the Trust. Under this agreement, local Counter Fraud Services are provided to NWSSP by Cardiff and Vale UHB.

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

In 2018/19 the Group documented and approved a NHS Fighting Fraud Strategy for Wales. During 2019/20, the strategy has been signed off by Welsh Government and has been taken to all boards of Health Boards and Trusts in NHS Wales. An action plan to deliver the strategy has also been documented and is reviewed at the quarterly meetings of the CFSG. Work has also been undertaken to improve and enhance the quarterly reporting of both the Local Counter Fraud Specialists, and the Counter Fraud Services Wales Team. Reports are submitted to the meetings of the CFSG, and are then shared with both Welsh Government and the Directors of Finance Group for NHS Wales.

## **5.5 Internal Audit**

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

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

The delivery of the audit plan for NWSSP culminates in the provision of a Head of Internal Audit opinion on the governance, risk and control processes operating within NWSSP. The opinion forms a key source of assurance for the Managing Director when reporting to the Partnership Committee and partner organisations.

In March 2018, the internal audit team was subject to a formal external quality assessment undertaken by the Chartered Institute of Internal Auditors. The opinion from this review was that:

*The Institute of Internal Audit's (IIA's) International Professional Practice Framework (IPPF) includes the Definition of Internal Auditing, Code of Ethics, Core Principles and International Standards. The Public Sector Internal Audit Standards are wholly aligned with these standards. There are 64 fundamental principles to achieve with 118 points of recommended*



*practice. It is our view that NWSSP Audit and Assurance Services conforms to all of these principles, and it is therefore appropriate for NWSSP Audit and Assurance Services to say in reports and other literature that it "conforms to the IIA's professional standards and to PSIAS".*

## 5.6 Integrated Medium Term Plan (IMTP)

NWSSP has continued with the medium term approach to planning and has undertaken a significant amount of work which continues to ensure it maintains progress to develop its three year IMTP. The IMTP is approved by the Partnership Committee and performance against the plan is monitored throughout the year. The key priorities in the plan during 2019/20 were largely achieved as were also the financial targets.

The IMTP is formally reviewed and amended annually and approved by the Partnership Committee in January each year prior to submission to Welsh Government. The planning process for the 2020-2023 IMTP commenced with a stakeholder away day in September 2019 and the completed IMTP was submitted to Welsh Government at the end of January 2020.

Welsh Government formally responded in March 2020 to confirm that the plan was satisfactory, and consistent with the requirements of the NHS Planning Framework 2019-22. However, in light of the current COVID-19 challenges, Welsh Government have paused the IMTP process to enable all resources to be redirected to sustaining and supporting key services. Pausing the process has meant that NWSSP were able to focus attention on the response to COVID-19. Welsh Government have stated that they will discuss any further implications for this year's plan and the next planning cycle at an appropriate time later in the year.

## 5.7 Health and Care Standards for NHS Wales

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

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

The process for undertaking the annual self-assessments is:

- The Corporate Services Manager undertakes an initial evaluation;
- A draft self-assessment is then presented to the SMT for discussion and further consultation is undertaken at Directorate level;



- Feedback from each Directorate is reviewed and incorporated into the self-assessment pro-forma and is then re-presented to SMT for final approval
- Once approved, it is presented to the Partnership Committee, Audit Committee and the Trust Quality and Safety Committee.

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

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

Figure 9 – Self- Assessments Rating Against the Health and Care Standards 2019/2020

<b>Theme</b>	<b>Executive Lead</b>	<b>2019/2020 Self-Assessment Rating</b>	<b>2018/2019 Self-Assessment Rating</b>
<b>Governance, Leadership and Accountability</b>	Senior Management Team	4	4
<b>Staying Healthy</b>	Director of Workforce and Organisational Development	4	4
<b>Safe Care</b>	Director of Finance and Corporate Services  Director of Specialist Estates	4	4
<b>Effective Care</b>	Senior Management Team	4	4
<b>Dignified Care</b>	Not applicable	Not applicable	Not applicable
<b>Timely Care</b>	Not applicable	Not applicable	Not applicable
<b>Individual Care</b>	Senior Management Team	4	4
<b>Staff and Resources</b>	Director of Workforce and Organisational Development	4	4

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

Figure 10 – NWSSP’s Overall Self-Assessment Score Health and Care Standards 2019/2020

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

## 6. MANDATORY DISCLOSURES

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

### 6.1 Equality, Diversity and Human Rights

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

NWSSP’s Corporate Services Manager chairs the NHS Wales Equality Leadership Group (ELG), who work in partnership with colleagues across NHS Wales and the wider public sector, to collaborate on events, facilitate workshops, deliver and undertake training sessions, issue communications and articles relating to equality, diversity and inclusion, together with the promotion of dignity and respect for all. During 2019-20, the ELG began scoping Once4Wales opportunities and committed to developing a work programme to support this agenda. NWSSP is proactive in supporting NHS Wales organisations with completion of their submission for all-Wales services, such as Procurement and Recruitment

The process for undertaking Equality Integrated Impact Assessments (EQIIA) has matured, and considers the needs of the protected characteristics identified under the Equality Act 2010, the Public Sector Equality Duty in Wales and the Human Rights Act 1998, whilst recognising the potential impacts from key enablers such as Well-being of Future Generations (Wales) Act 2015, incorporating Environmental Sustainability, Modern Slavery Act 2015 incorporating Ethical Employment in Supply Chains Code of Practice 2017, Welsh Language, Information Governance and Health and Safety. During 2019-20, reference was included to the Socio-Economic Duty, coming into force on 1 April 2020, to ensure NWSSP capture and mitigate any potential impacts arising from strategic decisions made, in a fair, effective and efficient manner.

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

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

## **6.2 Welsh Language**

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

The work of NWSSP in relation to Welsh language delivery and performance is reported to the Welsh Government, National Assembly and the Welsh Language Commissioner within the Annual Performance Report. This work is largely undertaken by the Welsh Language Officer and a team of Translators.

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

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

NWSSP has made significant progress in developing and growing its Welsh language services by successfully offering all staff the opportunity to learn Welsh at work. The NWSSP website is bilingual and there has been investment in the development of a candidate interface on the TRAC recruitment system. NWSSP also offer language services to other organisations and have delivered translation and other language services to Public Health Wales, HEIW, and NWIS during 2019/20.

An annual report on performance with Welsh Language services is also produced and was submitted to the SMT in September 2019.

### **6.3 Handling Complaints and Concerns**

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

During 2019-20, 30 complaints were received, of which:

- 12 complaints responded to within 30 working days (40%);
- 14 complaints responded to outside of 30 working days (47%);
- One complaint withdrawn (3%); and
- Three complaints which were ongoing at the time of writing (10%).

As detailed above, only 40% of the complaints received were responded to within the 30 working day target, which is a decrease in performance compared to 88% compliance during 2018-19, based on 25 complaints received.

Where responses were issued outside of the target, cases were particularly complex in nature and delays arose related to staff absence, specifically within Employment Services. However, in all instances holding letters were issued and/or telephone calls were made to the complainants explaining that NWSSP were still in the process of investigating the matters raised and that they would be provided with a substantive response as soon as the investigation had been concluded.

Of the complaints recorded, eight were found to be upheld, in their entirety, or in part. Three complaints were escalated to the Public Services Ombudsman Wales (PSOW) for independent investigation during 2019-20. However, in each case investigated, the PSOW found in the favour of NWSSP.

## 6.4 Freedom of Information Requests

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

### **Figure 12 – Freedom of Information Requests 2019-2020**

There were **66** requests received within NWSSP during 2019/20, some of these were redirected to other bodies for response but those received were mostly handled within the prescribed 20 day time limit for requests. **3** requests were answered slightly over the deadline for compliance but this was due to the complexity of the information requested within those requests and the far ranging input required by other parties to agree the information to be supplied.

<b>FOI Breakdown</b>
<b>49</b> answered within the 20 day target
<b>14</b> transferred out to another NHS body
<b>3</b> responded to outside of the deadline

## 6.5 Data Security and Governance

In 2019/20, there were **42** information governance breaches reported within NWSSP; these included issues with mis-sending of email and records management. The majority of these were down to human error and despite education effectively provided to ensure awareness of confidentiality and effective breach reporting, unfortunately errors can happen.

Staff are encouraged to report all manner of confidentiality breaches regardless of whether they originate within the organisation or not as a concern. In 2019/20, **126** breaches were reported, of those **84** were incidents occurring outside NWSSP's control.

All breaches are recorded in the Datix risk management software which was upgraded and relaunched as RLDatix in January 2020, and investigated in accordance with the Information Governance and Confidentiality Breach Reporting protocols, which comply with the General Data Protection Regulation (GDPR). The protocols encourage staff to report those breaches that originate outside the organisation for recording purposes.

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

There were no Information Governance breaches reported in 2019/20 that were assessed as being of a category serious enough to report to the Information Commissioner's Office (ICO) for further investigation.

## **6.6 ISO14001 – Environmental Management and Carbon Reduction**

NWSSP is committed to managing its environmental impact, reducing its carbon footprint and integrating the sustainable development principle into day-to-day business. NWSSP successfully implemented ISO14001 as its Environmental Management System (EMS), in accordance with Welsh Government requirements and have successfully maintained certification since August 2014, through the operation of the Plan, Do, Check, Act model of continuous improvement.

Annual surveillance audits are undertaken to assess continued compliance with the Standard. The last external assessment was undertaken in August 2019. The ISO14001:2015 Standard, places greater emphasis on protection of the environment, continuous improvement through a risk process based approach and commitment to top-down leadership, whilst managing the needs and expectations of interested parties and demonstrating sound environmental performance, through controlling the impact of activities, products or services on the environment. NWSSP is committed to environmental improvement and operates a comprehensive EMS in order to facilitate and achieve the Environmental Policy.

### **Carbon Footprint**

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

During 2019-20, we **achieved** our target and obtained a **12.09% reduction** overall in CO2 emissions, as illustrated in the sustainability performance table overleaf.

Where we did not meet our gas consumption targets, this was due to baseline reporting for additional sites including Brecon House and Surgical Materials Testing Laboratory, which is detailed in the narrative in our Sustainable Development Statement and Annual Review, which explore performance, achievements and highlights in further detail.

	Target	2016-17	2017-18	2018-19	2019-20	Achieved
<b>Electricity CO<sub>2</sub>e</b>	3% ↓	11% ↓	18% ↓	11.5% ↓	27% ↓	✓
<b>Gas CO<sub>2</sub>e</b>	3% ↓	13% ↑	7% ↓	38% ↓	35% ↑	✗
<b>Water m<sup>3</sup></b>	3% ↓	51% ↑	9% ↓	6% ↑	50% ↓	✓
<b>Waste CO<sub>2</sub>e Recycled/recovered</b>	70% ↓	62% ↓	95% ↓	89% ↓	94.68% ↓	✓
<b>Business mileage</b>	15% by 2021 ↓	7% ↓	11% ↓	10% ↑	19% ↓	✓
<b>Business mileage expenditure</b>	15% by 2021 ↓	6% ↓	15% ↓	11% ↑	14% ↓	✓
<b>Overall carbon footprint</b>		5.37% ↑	3.78% ↓	11.32% ↓	12.04% ↓	

## 6.7 Business Continuity Planning/Emergency Preparedness

The impact of COVID-19 has resulted in business continuity and emergency preparedness procedures being implemented. The scale of the crisis is unprecedented in living memory and consequently the documented procedures have had to be updated and tailored to reflect the actuality of the situation. These measures were implemented towards the end of the 2019-20 financial year and are likely to be in place for a significant proportion of 2020-21. To date, NWSSP has been able to continue to provide services to all its customers and while staff are working very differently, there has been very few things that have had to stop, and indeed some productivity levels are actually higher than they were before the crisis. The new ways of working are largely predicated on the use of technology to allow large numbers of staff to work remotely and more flexibly.

Notwithstanding COVID-19, NWSSP is proactive in reviewing the capability of the organisation to continue to deliver products or services at acceptable predefined levels following a disruptive incident. NWSSP recognise its contribution in supporting NHS Wales to be able to plan for and respond to a wide range of incidents and emergencies that could affect health or patient care, in accordance with requirement for NHS bodies to be classed as a Category 1 responders deemed as being at the core of the response to most emergencies under the Civil Contingencies Act (2004).



As a hosted organisation under the Trust, NWSSP is required to take note of their Business Continuity Management Policy and ensure that NWSSP has effective strategies in place for:

- People – the loss of personnel due to sickness or pandemic;
- Premises – denial of access to normal places of work;
- Information Management and Technology and communications/ICT equipment issues; and
- Suppliers internal and external to the organisation.

Specific and significant work was undertaken during 2019/20 in terms of the business continuity risks arising from the potential of a no-deal Brexit. NWSSP purchased additional warehouse facilities at Imperial Park, Newport, on the instruction of Welsh Government and increased stock levels to provide 12 weeks of stock, rather than the usual four. NWSSP took part in various testing scenarios and were a member of the Trust Brexit Planning Group, as well as being represented in regular meetings with Welsh Government and the Department of Health.

NWSSP is committed to ensuring that it meets all legal and regulatory requirements and has processes in place to identify, assess, and implement applicable legislation and regulation requirements related to the continuity of operations and the interests of key stakeholders. During 2019/20 the NWSSP Business Continuity Plan and supporting Business Impact Assessment have been updated as necessary and Action Cards have been documented for the majority of specific scenarios within Directorates. A number of specific and mainly IT-related incidents have tested business continuity measures for real during the year, and particularly the current COVID-19 crisis. In addition though, incidents included the loss of the Blaenavon Data Centre in June 2019, for which a lessons learned paper was taken to the July Partnership Committee. The Business Continuity procedures were also the subject of an internal audit at the end of 2018/19 which resulted in a reasonable assurance opinion.

NWSSP continues to work towards implementing the Cyber Security Framework in order to address the specific needs of the service. This is an ongoing plan covering the areas of Identify, Protect, Detect, Respond and Recover. NWSSP have already started a number of work streams including Information Workflows and Governance, Awareness and Training, Procurement of Professional Incident Response Capability, Protective Technology through the SIEM Procurement Project and Business Continuity Planning workshops across the whole of the whole of Shared Services. NWSSP have also recently implemented a robust new virtualised infrastructure based on the tenets of the framework in order to provide a safe and secure environment for NWSSP business systems. Internal Audit have also recently undertaken a review of Cyber Security, and provided a rating of reasonable assurance.

## **6.8 UK Corporate Governance Code**

NWSSP operates within the scope of the Trust governance arrangements. The Trust undertook an assessment against the main principles of the UK Corporate Governance Code as they relate to an NHS public sector organisation in Wales. This assessment was informed by the Trust's assessment against the "Governance, Leadership and Accountability" theme of the Health and Care Standards undertaken by the Board. The Trust is clear that it is complying with the main principles of the Code, is following the spirit of the Code to good effect and is conducting its business openly and in line with the Code. The Board recognises that not all reporting elements of the Code are outlined in this Governance Statement but are reported more fully in the Trust's wider Annual Report. NWSSP have also completed the self-assessment on the "Governance, Leadership and Accountability" theme of the Health and Care Standards with a positive maturity rating of 4.

## **6.9 NHS Pension Scheme**

As an employer hosted by the Trust and as the Payroll function for NHS Wales, there are robust control measures in place to ensure that all employer obligations contained within the Scheme regulations for staff entitled to membership of the NHS Pension Scheme are complied with. This includes ensuring that deductions from salary, employer's contributions and payments into the Scheme are in accordance with the Scheme rules, and that member Pension Scheme records are accurately updated in accordance with the timescales detailed in the Regulations. During 2019/20, NWSSP responded to and implemented the requirements of the Ministerial Direction of December 2019 in respect of the tax implications for the pension schemes for clinicians.

## **7. MANAGING DIRECTOR'S OVERALL REVIEW OF EFFECTIVENESS**

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the system of internal control is informed by the work of the internal auditors, and the Directors and Heads of Service within NWSSP who have responsibility for the development and maintenance of the internal control framework, and comments made by external auditors in their audit letter and other reports.

As Accountable Officer I have overall responsibility for risk management and report to the NHS Wales Shared Services Partnership Committee regarding the effectiveness of risk management across NWSSP. My advice to the Partnership Committee is informed by reports on internal controls received from all its committees and in particular the Audit Committee.

Each of the Committees have considered a range of reports relating to their areas of business during the last year, which have included a comprehensive range of internal audit and external audit reports and reports on professional standards from other regulatory bodies. The

Committees have also considered and advised on areas for local and national strategic developments and a potential expansion of the services provided by NWSSP. Each Committee develops an annual report of its business and the areas that it has covered during the last year and these are reported in public to the Trust and Health Boards.


### Internal Audit Opinion

Internal audit provide me and the Partnership Committee through the Audit Committee with a flow of assurance on the system of internal control. I have commissioned a programme of audit work which has been delivered in accordance with Public Sector Internal Audit Standards by the Audit and Assurance function within NWSSP.

The scope of this work is agreed with the Audit Committee and is focussed on significant risk areas and local improvement priorities. The overall opinion of the Head of Internal Audit on governance, risk management and control is a function of this risk based audit programme and contributes to the picture of assurance available to the Board in reviewing effectiveness and supporting our drive for continuous improvement.

The programme has been impacted by the need to respond to the COVID-19 pandemic with some audits deferred, cancelled or curtailed as the organisation responded to the pandemic. The Head of Internal Audit is satisfied that there has been sufficient internal audit coverage during the reporting period in order to provide the Head of Internal Audit Annual Opinion. In forming the Opinion he Head of Internal Audit has considered the impact of the audits that have not been fully completed.

The Head of Internal Audit opinion for 2019/2020 was that the Partnership Committee can take **Reasonable Assurance** that arrangements to secure governance, risk management and internal control, within those areas under review, were suitably designed and applied effectively:

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

In reaching this overarching opinion the Head of Internal Audit has identified that the assurance domains relevant to NWSSP have all been assessed as providing reasonable assurance. During the year, no internal audit reports were issued with a rating of limited or no assurance.

### Internal Audit Review of Risk Management

Internal Audit undertook a review of Risk Management in 2018/19 to assess the effectiveness of the systems in place to manage and assure risks. This audit provides assurance to the Audit Committee that risks material to the achievement of system objectives are managed appropriately.

Internal Audit concluded that the level of assurance given as to the effectiveness of the system of internal control in place to manage the risk management framework was **Substantial Assurance**. This report was taken into account when completing the theme on the Governance, Leadership and Accountability Health and Care Standards self-assessment for 2019/20.

## **Financial Control**

NWSSP was established by Welsh Government to provide a range of support services to the NHS in Wales. As Managing Director and Accountable Officer, I retain overall accountability in relation to the financial management of NWSSP and report to the Chair of the Partnership Committee.

### **NWSSP Financial Control Overview**

There are four key elements to the Financial Control environment for NWSSP as follows:

- **Governance Procedures** – As a hosted organisation NWSSP operates under the Governance Framework of the Trust. These procedures include the Standing Orders for the regulation of proceedings and business. The statutory requirements have been translated into day-to-day operating practice, and, together with the Scheme of Reservation and Delegation of Powers and Standing Financial Instructions (SFIs), provide the regulatory framework for the business conduct of the Trust. These arrangements are supported by detailed financial operating procedures covering the whole of the Trust and also local procedures specific to NWSSP. During the current COVID-19 crisis the governance arrangements have been enhanced through the establishment of a Finance Governance Committee. This meets as and when required to consider and approve large scale and urgent requisitions. Membership of the Committee includes senior finance staff from NWSSP, the Velindre Director of Finance and an independent member of the Board, representatives from Counter Fraud, Accounts Payable and Legal and Risk Services. The Committee is chaired by the Director of Audit and Assurance Services, and Procurement colleagues (virtually) attend the Committee to give background and context to specific requisitions.
- **Budgets and Plan Objectives** – Clarity is provided to operational functions through approved objectives and annual budgets. Performance is measured against these during the year.
- **Service Level Agreements (SLAs)** – NWSSP has SLAs in place with all customer organisations and with certain key suppliers. This

ensures clarity of expectations in terms of service delivery, mutual obligations and an understanding of the key performance indicators. Annual review of the SLAs ensures that they remain current and take account of service developments.

- **Reporting** – NWSSP has a broad range of financial and performance reports in place to ensure that the effectiveness of service provision and associated controls can be monitored and remedial action taken as and when required.

Through this structure NWSSP has maintained effective financial control which has been reviewed and accepted as appropriate by both the Internal and External Auditors.


## **CONCLUSION**

This Governance Statement indicates that NWSSP has continued to make progress and mature as an organisation during 2019/20 and that it is further developing and embedding good governance and appropriate controls throughout the organisation. No significant control weaknesses have been identified during the year. NWSSP has received positive feedback from Internal Audit on the assurance framework and this, in conjunction with other sources of assurance, leads me to conclude that it has a robust system of control.

As indicated throughout this statement, the need to plan and respond to the COVID-19 has had a significant impact on the organisation, wider NHS and society as a whole. It has required a dynamic response which has presented a number of opportunities in addition to the risks. The need to respond and recover from the pandemic will be with the organisation and wider society throughout 2020/21 and beyond. I will ensure our Governance Framework considers and responds to this need.

### **Looking forward – for the period 2020/21:**

I confirm that I am aware of my on-going responsibilities and accountability to you, to ensure compliance in all areas as outlined in the above statements continues to be discharged for the financial year 2020/21.

Signed by: 

Managing Director – NHS Wales Shared Services Partnership

Date: 28<sup>th</sup> May 2020