

NWSSP Audit Committee

28 April 2020, 14:00 to 16:30
By Skype

Agenda

1

STANDARD BUSINESS

1.1

Welcome & Opening Remarks (Verbal)

Chair

1.2

Apologies (Verbal)

Chair

1.3

Declarations of Interest (Verbal)

Chair

1.4

Minutes of Meeting Held on 21 January 2020

Chair



1.4 DRAFT Minutes of Audit Cttee Part A
21.01.2020.pdf

(8 pages)



1.4 DRAFT Minutes of Audit Cttee Part B
21.01.2020.pdf

(2 pages)

1.5

Matters Arising - Chair

Chair



1.5 Matters Arising.pdf

(1 pages)

2

Governance and Assurance Matters During COVID-19 Pandemic

Items shared for Committee's information

Information



2.0 RB to AG re Advice-Proposals from NSW Board
Secretaries and Directors of Corp Gov COVID19
18032020.pdf

(7 pages)



2.0 Response to Letter re Advice-Proposals from
NSW Board Secretaries and Directors of Corp Gov
COVID19 26032020.pdf

(5 pages)



2.0 AG to CEs AO Letter COVID19 - Decision Making
Financial Guidance 30032020.pdf

(2 pages)



2.0 COVID19 Decision Making Financial
Guidance.pdf

(6 pages)

2.1

Verbal Update on NWSSP COVID-19 Matters



Verbal

Neil Frow/Andrew Butler

2.2

COVID-19 Expenditure and Governance Arrangements

Andrew Butler/Linsay Payne

	2.2 COVID-19 Expenditure and Governance Arrangements.pdf	(26 pages)
	2.2 Annex 1 - COVID 19 purchases in excess of £100k excl VAT.pdf	(5 pages)


3

EXTERNAL AUDIT

3.1

Wales Audit Office Position Statement

Gillian Gillett

	3.1 Wales Audit Office Position Statement.pdf	(10 pages)
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4

INTERNAL AUDIT

4.1

Internal Audit Progress Report April 2020


James Quance

	4.1 NWSSP Internal Audit Progress Report April 2020 at 230420.pdf	(10 pages)
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4.2

Primary Care Services Contractor Payments Internal Audit Report

James Quance

	4.2 NWSSP Contractor Payments Internal Audit Report 2019-20.pdf	(15 pages)
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4.3

Stores Internal Audit Report


James Quance

	4.3 NWSSP Stores Internal Audit Report 2019-20.pdf	(15 pages)
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4.4

Contact Centres Internal Audit Advisory Review


James Quance

	4.4 NWSSP Contact Centres Internal Audit Advisory Review 2019-20.pdf	(19 pages)
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4.5

Business Case Scrutiny Internal Audit Report


James Quance

	4.5 NWSSP Business Case Scrutiny Internal Audit Report 2019-20.pdf	(15 pages)
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4.6

Cyber Security Internal Audit Report


James Quance

	4.6 NWSSP Cyber Security Internal Audit Report 2019-20.pdf	(21 pages)
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4.7

Staff Expenses Internal Audit Report















James Quance

	4.7 NWSSP Staff Expenses Internal Audit Report 2019-20.pdf	(26 pages)
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4.8

Accounts Payable Internal Audit Report

James Quance

	4.8 NWSSP P2P Accounts Payable Internal Audit Report 2019-20.pdf	(29 pages)	
4.9			
Head of Internal Audit Opinion and Annual Report 2019-20			Decision James Quance
	4.9 NWSSP HOIA Annual Report and Opinion 1920 Final 230420.pdf	(22 pages)	
4.10			
Internal Audit Planning Paper 2020-21			James Quance
	4.10 NWSSP Internal Audit Planning 2020-21.pdf	(2 pages)	
5			
GOVERNANCE, ASSURANCE AND RISK			
5.1			
Draft Annual Governance Statement 2019-20			Peter Stephenson
	5.1 Cover DRAFT Annual Governance Statement 2019-20.pdf	(2 pages)	
	5.1 Appendix 1 DRAFT Annual Governance Statement 2019-20.pdf	(36 pages)	
5.2			
Corporate Risk Register			Peter Stephenson
	5.2 Corporate Risk Register AC April 20.pdf	(4 pages)	
	5.2 Appendix 1 Corporate Risk Register 20200416.xlsx	(3 pages)	
5.3			
Risk Management Protocol			Peter Stephenson
	5.3 Risk Management Protocol AC Apr 20.pdf	(1 pages)	
	5.3 Appendix 1 NWSSP Risk Protocol 2020.pdf	(17 pages)	
5.4			
Risk Appetite Statement			Peter Stephenson
	5.4 Risk Appetite Statement AC Apr 20.pdf	(1 pages)	
	5.4 Appendix 1 NWSSP Risk Appetite Statement Jan 20.pdf	(5 pages)	
5.5			
Tracking of Audit Recommendations			Roxann Davies
	5.5 Tracking of Audit Recommendations.pdf	(2 pages)	
	5.5 Appendix A Summary of Latest Audit Reports April 2020.pdf	(1 pages)	
	5.5 Appendix B Revised Deadline for Committee's Attention April 2020.pdf	(1 pages)	
6			
FOR INFORMATION			
6.1			
Audit Committee Forward Plan			Information


6.1 Audit Committee Forward Plan.pdf(3 pages)

6.2

Audit Committee Effectiveness Tracker

Information

6.2 Audit Committee Effectiveness Review.pdf(2 pages)

6.2 Appendix 1 NWSSP Audit Committee Effectiveness Action Plan Tracker 2020.pdf(2 pages)

6.3

NWSSP Integrated Medium Term Plan Summary 2020-23

Information

6.3 IMTP Executive Summary 2020-2023 v4.pdf(23 pages)

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ANY OTHER BUSINESS (Prior Approval Only)

7.1

Meeting Review (Verbal)

Chair

8

DATE OF NEXT MEETING

Tuesday, 30 June 2020 from 14:00-16:00, NWSSP HQ, Boardroom, Unit 4-5 Charnwood Court, Heol Billingsley, Parc Nantgarw, CF15 7QZ

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

MINUTES OF MEETING HELD TUESDAY 21 JANUARY 2020 13:45 – 16:00 BOARDROOM, NWSSP HQ, NANTGARW Part A - Public

ATTENDANCE	DESIGNATION	
INDEPENDENT MEMBERS:		
Martin Veale (Chair)	Chair & Independent Member	
Gareth Jones (GJ)	Independent Member	
ATTENDANCE	DESIGNATION	ORGANISATION
ATTENDEES:		
Neil Frow (NF)	Managing Director	NWSSP
Margaret Foster (MF)	NWSSP Chair	NWSSP
Andy Butler (AB)	Director of Finance & Corporate Services	NWSSP
Peter Stephenson (PS)	Head of Finance & Business Development	NWSSP
Roxann Davies (RD)	Corporate Services Manager	NWSSP
Simon Cookson (SC) [Items 1.1 - 4.6 only]	Director of Audit & Assurance	NWSSP
James Quance (JQ)	Head of Internal Audit	NWSSP
Sophie Corbett (SC1)	Audit Manager	NWSSP
Gareth Price (GP)	Personal Assistant	NWSSP
Lauren Fear (LF)	Director of Corporate Governance	Velindre
Mark Osland (MO)	Director of Finance	Velindre
Gillian Gillett (GG)	Audit Representative	Wales Audit Office
David Burrridge (DB)	Audit Team Leader	Wales Audit Office
Kelsey Rees-Dykes (KRD) [Item 1 only]	Corporate Services Project Manager	NWSSP
Romano Provini (RP) [Item 5.4 only]	Contracts Officer, Procurement Services	NWSSP

Item		Action
1. PRESENTATION		
1.1	Update on NWSSP Integrated Medium Term Plan (IMTP) KRD provided a very informative update on the status of the Integrated Medium Term Plan to the Committee and it was agreed that the Microsoft PowerPoint presentation would be circulated following the meeting.	RD

Item		Action
	<p>The presentation highlighted the good progress made towards the final submission to Welsh Government. KRD stated that the approach taken this year was to refresh and redesign, not rewrite.</p> <p>The priorities included NWSSP taking the lead in introducing and promoting best practice and innovative ideas to NHS Wales. Clear references are made to legislation and national initiatives including Well-being of Future Generations, A Healthier Wales and Prudent Value Based Healthcare.</p> <p>Key themes of focus within NWSSP are being great at the basics, Once4Wales projects, sustainability and capital investment in informatics, sustainability for longer term, succession planning, talent management and employee health and well-being. Adding value through partnership, innovation and excellence was adopted at the annual SMT horizon-scanning day, as the revised integrated vision and mission.</p> <p>KRD gave an informative and comprehensive overview of the strategic objectives; excellence, our staff, customers and partners, service development and value for money, and what this looks like for NWSSP. The Chair recognised that NWSSP needs to be better at quantifying its success, considering how we measure, when we measure, and what success looks like, to increase the robustness of assurance provided.</p> <p>The submission to Welsh Government was due on 30 January 2020. The document has been approved by the Shared Services Partnership Committee (SSPC) and NF confirmed that the response from Welsh Government would be shared at the March 2020 SSPC meeting.</p>	
2. STANDARD BUSINESS		
2.1	<p>Welcome and Opening Remarks</p> <p>The Chair welcomed Committee members to the January 2020 Audit Committee meeting and announced Janet Pickles and Gareth Jones had joined the Committee as Independent Members.</p> <p>The Chair went on to welcome Lauren Fear, Director of Corporate Governance at Velindre University NHS Trust. The Chair also formally welcomed David Burrridge, Team Leader at Wales Audit Office, for NWSSP and Velindre, to the meeting.</p>	

2.2	Apologies Apologies were received from: <ul style="list-style-type: none"> • Steve Ham, Chief Executive, Velindre University NHS Trust • Craig Greenstock, Local Counter Fraud Specialist, Cardiff and Vale University Health Board • Janet Pickles, Independent Member 	
2.3	Declarations of Interest No declarations were received.	
2.4	Minutes of Meeting held on 22 October 2019 The minutes of the meeting held on the 22 October 2019 were AGREED as a true and accurate record of the meeting.	
2.5	Matters Arising from Meeting on 22 October 2019 It was noted that all Matters Arising were completed.	
3. EXTERNAL AUDIT		
3.1	Wales Audit Office (WAO) Audit Arrangements 2020 GG presented the report, which sets out the agreed work programme to be undertaken by WAO during 2020, as requested by the local External Audit teams and Health Boards. GG confirmed that the programme would be finished in March, with a report being available in June. GG advised there were no significant changes to last year's work plan and that if any matters of interest arose, they would be brought to the Committee, as well as matters that were identified by Health Boards, to be highlighted. The Chair asked for consideration to be given as to quality assurance arrangements and measuring good service from an external audit context. NF requested that WAO amend the reference to 'Welsh Health Legal' on page 8, to reflect 'NWSSP Legal and Risk Services (LARS)'. GJ queried as to whether the letter acted as a formal engagement letter between NWSSP and WAO and GG confirmed that WAO were appointed by statute and therefore the report provided assurance of the expectations for the 2020 programme of work to be undertaken.	GG
3.2	Wales Audit Office (WAO) Position Statement GG presented the WAO Position Statement as at January 2020 and confirmed that it set out an update on current and planned audit work, together with information on the Auditor General's planned programme of NHS related studies.	

	GG drew the Committee's attention to the contents, which highlighted a work in progress update, the programme of national events and NHS studies recently published.	
4. INTERNAL AUDIT		
4.1	<p>Internal Audit Position Statement</p> <p>JQ presented the Internal Audit Position Statement. The purpose of the report was to highlight progress of the 2019/20 Internal Audit Plan to the Committee, together with an overview of other activity undertaken since the previous meeting. JQ stated that good progress had been made against the Work Plan, to date.</p> <p>JQ explained that the planned audit of IT virtualisation had been carried forward from 2018/19, as a result of ongoing delays due to operational pressures within the IT team and the current review of IT arrangements within NWSSP. The report had reviewed the risk profile regarding IT and proposed a review of cyber security arrangements, including progress against the action plan, to be considered for the current Audit Plan. The Committee were happy to approve this suggestion.</p>	
4.2	<p>Strategic Planning Internal Audit Report</p> <p>JQ introduced the Internal Audit Report and presented the findings to the Committee, which highlighted achievement of reasonable assurance, with two medium priority recommendations for action.</p> <p>The findings highlighted strong engagement around compliance, benefits realisation, monitoring and recording of risk within the process. The Chair queried the process of monitoring how robust Procurement savings were and NF highlighted that benchmarking software had been commissioned would assist in the identification and recording of savings.</p>	
4.3	<p>Post Payment Verification (PPV) Internal Audit Report</p> <p>JQ introduced the Internal Audit Report and presented the findings to the Committee, which highlighted achievement of substantial assurance, with one medium and one low priority recommendation for action.</p> <p>The findings highlighted that there was a reasonable expectation of detecting significant control weaknesses and, if detected, additional work would be directed towards identification of fraud or other irregularities. The report tested evidence from 20 routine visits and 10 re-visits and found no significant issues in respect of the sample reviewed.</p>	

4.4	<p>Time Recording Internal Audit Report</p> <p>JQ introduced the Internal Audit Report and presented the findings to the Committee, which highlighted achievement of substantial assurance, with one medium priority recommendation for action.</p> <p>The audit sought to assess the adequacy and effectiveness of the internal controls around time recording and found that within Accounts Payable and Legal and Risk Services, although both systems in operation were different, they were fit for purpose and there was one minor improvement suggested.</p> <p>AB noted that consideration had been given to introducing a standard system across NWSSP for time recording, however, this had not deemed to be appropriate as individual directorates had different requirements from a time recording system. The Chair stated that should more than one system be required to serve different needs within directorates, then that was reasonable and proportionate as the current process had achieved substantial assurance.</p>	
4.5	<p>Health and Safety Internal Audit Report</p> <p>JQ introduced the Internal Audit Report and presented the findings to the Committee, which highlighted achievement of reasonable assurance, with one high and four low priority recommendations for action.</p> <p>The audit sought to assess the arrangements in place to ensure compliance with health and safety legislation. JQ noted that the findings were positive and the high priority recommendation was made in relation to the site inspection programme.</p>	
4.6	<p>Internal Audit Review of Procurement Services Directorate</p> <p>JQ introduced the review of Procurement Services as a directorate, which was considered a timely advisory report following the recent appointment of Jonathan Irvine, Director of Procurement Services.</p> <p>The findings highlighted achievement of reasonable assurance, with three medium and two low priority recommendations for action. The review covered a number of areas including staff management and policy and the recommendations made related to the improvement of existing controls within the division.</p>	
5. ASSURANCE, RISK AND GOVERNANCE		
5.1	<p>Governance Matters</p> <p>RD presented the Governance Matters update and confirmed that there were no departures from Standing Orders.</p>	

	<p>There were eight items relating to NWSSP contracting activities for the period and there were 51 all Wales procurement activities, with 17 at the briefing stage, 22 at the ratification stage and 12 contract extensions actioned, with details set out in the Appendices.</p> <p>Details of regional stores write offs for the period were set out in the report for Bridgend, Denbigh and Newport as 0.12%, 0.01% and 0.97% respectively.</p> <p>A total of 6 declarations were received in relation to gifts, hospitality and sponsorship, with details set out in the Appendix.</p>	
5.2	<p>Tracking of Audit Recommendations</p> <p>RD advised that NWSSP had not received any Internal Audit Reports with limited or no assurance rating and was pleased to report the position as 181 recommendations captured in the Tracker, of which 175 were implemented and 6 were not yet due (5 medium and 1 low priority).</p> <p>RD confirmed that NWSSP Senior Management Team receive a monthly breakdown of not yet implemented recommendations and that the tracker was due to be updated following the Audit Committee meeting with the finalised Internal Audit Reports within this agenda.</p>	
5.3	<p>Corporate Risk Register</p> <p>PS advised that there were two existing red risks, both relating to the NHAIS system (Exeter) and confirmed that the Register was taken each meeting to the Shared Services Partnership Committee (SSPC), Audit Committee and Formal Senior Management Team, on a monthly basis.</p> <p>The report also highlighted six amber risks, three yellow risks and no green risks in the Risks for Action section of the Register. There remained two yellow risks in the Risks for Monitoring section of the Register.</p> <p>PS informed the Committee that one new risk had been added to the Register during October 2019, which relates to the future intentions of the Landlord at the Mamhilad Park Estate site. A further risk was removed relating to the ability of NWSSP to demonstrate the value they bring to the wider NHS Wales. Work developed as to the Performance Framework and KPIs was considered sufficient to have mitigated the risk.</p>	

	The Chair thanked PS for the helpful update which showed trends of movement and would like to see the NHAIS risk level reduce in time.	
5.4	<p>Implications of Brexit upon Catering and Textiles Work Programme</p> <p>The Chair welcomed Romani Provini, Deputy Head of Sourcing, to the meeting.</p> <p>RP presented the report prepared for the Committee in relation to catering and textiles contracts in NHS Wales, post Brexit. RP stated that due to the uncertain political landscape throughout 2019, in relation to the UK exiting the EU, the Catering & Textiles Team reviewed its portfolio in order to establish the most appropriate action required to mitigate disruption and ensure continuity of supply to NHS Wales. The report summarised the work undertaken and the current position of the work programme.</p> <p>The Chair thanked RP for the informative and helpful paper.</p>	
6. COUNTER FRAUD		
6.1	<p>Counter Fraud Progress Update</p> <p>The Committee received the Counter Fraud Progress Update Report prepared by Craig Greenstock, together with his apologies for the meeting. The Committee noted the position as at 31 December 2019.</p>	
6.2	<p>Counter Fraud Newsletter</p> <p>The Committee received the Counter Fraud Newsletter, for information. It was advised that the NWSSP Communications Team had designed the publication and that the Counter Fraud Steering Group would explore development of an All-Wales Counter Fraud Newsletter.</p>	
7. ITEMS FOR INFORMATION		
7.1-7.3	<p>Items For Information</p> <p>The following items were received for Committee information only:</p> <ul style="list-style-type: none"> • Audit Committee Forward Plan 2020-21; • Audit Committee Effectiveness Action Plan; and • NWSSP Annual Review 2018-19. 	

8. ANY OTHER BUSINESS		
8.1	Any Other Business No further items were raised for discussion during the meeting.	
8.2	Meeting Review The Chair conducted a review of effectiveness of the meeting and the observations of Committee Members were very positive.	
DATE OF NEXT MEETING: Tuesday, 28 April 2020 from 14:00-16:00 NWSSP Boardroom HQ, Charnwood Court, Nantgarw		



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

MINUTES OF MEETING HELD TUESDAY 21 JANUARY 2020

13:45 – 16:00

BOARDROOM, NWSSP HQ, NANTGARW

Part B - Confidential

ATTENDANCE	DESIGNATION	
INDEPENDENT MEMBERS:		
Martin Veale (Chair)	Chair & Independent Member	
Gareth Jones	Independent Member	
ATTENDANCE	DESIGNATION	ORGANISATION
ATTENDEES:		
Neil Frow (NF)	Managing Director	NWSSP
Margaret Foster (MF)	NWSSP Chair	NWSSP
Andy Butler (AB)	Director of Finance & Corporate Services	NWSSP
Peter Stephenson (PS)	Head of Finance & Business Development	NWSSP
Roxann Davies (RD)	Corporate Services Manager	NWSSP
James Quance (JQ)	Head of Internal Audit	NWSSP
Sophie Corbett (SC1)	Audit Manager	NWSSP
Gareth Price (GP)	Personal Assistant	NWSSP
Lauren Fear	Director of Corporate Governance	Velindre
Gillian Gillett (GG)	Audit Representative	Wales Audit Office
David Burrridge (DB)	Audit Team Leader	Wales Audit Office

Item		Action
1. STANDARD BUSINESS		
1.1	Welcome and Opening Remarks The Chair welcomed Committee members to Part B of the January 2020 Audit Committee meeting.	
1.2	Apologies Apologies were received from: <ul style="list-style-type: none"> Steve Ham, Chief Executive, Velindre University NHS Trust Mark Osland, Director of Finance, Velindre University NHS Trust Craig Greenstock, Local Counter Fraud Specialist, Cardiff & Vale University Health Board Simon Cookson, Director of Audit and Assurance, NWSSP Janet Pickles, Independent Member 	

Item		Action
1.3	Declarations of Interest No declarations were received.	
1.4	Minutes from Meeting on 22 October 2019 The minutes of the meeting held on the 22 October 2019 were AGREED as a true and accurate record of the meeting.	
1.5	Matters Arising from Meeting on 22 October 2019 No matters arising were noted.	
2. ANY OTHER BUSINESS (Prior Approval Only)		
2.1	Any Other Business (Prior Approval Only) No further items were raised for discussion.	
<p align="center">DATE OF NEXT MEETING: Tuesday, 28 April 2020 from 14:00-16:00 NWSSP Boardroom HQ, Charnwood Court, Nantgarw</p>		

Actions arising from the meeting held on 22 October 2019

Item	Responsibility	Description	Status
1.1	RD	Integrated Medium Term Plan 2019-22 Presentation <ul style="list-style-type: none"> Circulate a copy of the PowerPoint presentation given by Kelsey Rees-Dykes at Committee on 21 January 2020 	Complete Circulated following Committee
3.1	GG	Wales Audit Office (WAO) Audit Arrangements 2020 <ul style="list-style-type: none"> Amend reference to 'Welsh Health Legal' on page 8, to reflect 'NWSSP Legal and Risk Services (LARS)'. 	Complete
N/A	MV / RD	Meeting Review <ul style="list-style-type: none"> Chair to remind Members of the importance of attending Committee meetings. Extend meeting times to 4.30pm, to ensure adequate time available for Part B. 	Complete



GIG
CYMRU
NHS
WALES

Bwrdd Iechyd Prifysgol
Aneurin Bevan
University Health Board

Our Ref: RB/lab

Direct Line: 01633 435958

18th March 2020

Dr Andrew Goodall CBE
Director General Health and Social Services/
NHS Wales Chief Executive
Welsh Government
Cathays Park
CARDIFF CF10 3NQ

Dear Andrew

**Advice/Proposals from NHS Board Secretaries/Directors of
Corporate Governance on COVID-19**

Further to the e-mail exchanges over last weekend (14th and 15th March 2020), the all-Wales Board Secretaries Group was asked to consider governance matters in NHS Wales during the period of the COVID-19 Pandemic. The Board Secretaries Group met yesterday via telephone conference and was joined on the call by Sioned Rees from Welsh Government.

The Group emphasised that it was particularly important as the Pandemic is expected to escalate over coming weeks and months that we are clear how we use NHS governance arrangements to enable continued appropriate functioning of NHS organisations and that governance requirements are not be seen as a framework of bureaucracy that hinders agile decision making and taking.

Therefore, we have proposed a number of governance principles to use as a framework, but also maintain a continued focus for NHS organisations on our responsibilities to the public and partners in relation to openness, transparency and accountability and discharging these in the right ways during these unprecedented times.

Bwrdd Iechyd Prifysgol Aneurin Bevan
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Bwrdd Iechyd Aneurin Bevan yw enw gweithredol Bwrdd Iechyd Lleol Aneurin Bevan
Aneurin Bevan Health Board is the operational name of Aneurin Bevan Local Health Board

We have also proposed a number of changes to the ways in which Boards and their Committees operate and have also asked a range of further questions with regard to the coming months and the arrangements for Boards and their membership, decision making and schemes of delegation and also required end of year reporting. The advice and guidance of Welsh Government would be welcomed with regard to the arrangements and your approval to progress with some of these changes for the coming period.

Governance Principles: The Board Secretaries Group has framed a number of governance principles that are designed to help focus consideration of governance matters over coming weeks and months. These are:

- **Public interest and patient safety** - We will always act in the best interests of the population of Wales and will ensure every decision we take sits in this context taking into account the national public health emergency that (COVID-19) presents.
- **Staff wellbeing and deployment** – we will protect and support our staff in the best ways we can. We will deploy our knowledge and assets where there are identified greatest needs.
- **Good governance and risk management** – we will maintain the principles of good governance and risk management ensuring decisions and actions are taken in the best interest of the public, our staff and stakeholders ensuring risk and impact is appropriately considered.
- **Delegation and escalation** – any changes to our delegation and escalation frameworks will be made using these principles, will be documented for future record and will be continually reviewed as the situation unfolds. Boards and other governing fora will retain appropriate oversight, acknowledging different arrangements may need to be in place for designated officers, deputies and decisions.
- **Departures** - where it is necessary to depart from existing standards, policies or practices to make rapid but effective decisions - these decisions will be documented appropriately. Departures are likely, but not exclusively, to occur in areas such as standing orders (for example in how the Board operates), Board and executive scheme of delegation, consultations, recruitment, training and procurement, audit and revalidation.
- **One Wales** – we will act in the best interest of all of Wales ensuring where possible resources and partnerships are maximised and consistency is achieved where it is appropriate to do so. We will support our own organisation and the wider NHS to recover as quickly as possible from the national public health emergency that COVID-19 presents returning to business as usual as early as is safe to do so.
- **Communication and transparency** - we will communicate openly and transparently always with the public interest in mind accepting our normal arrangements may need to be adapted, for example Board and Board Committee meetings being held in public.

We hope these will be a helpful frame of reference for our management of our organisations and responsibilities and accountabilities.

Proposed changes and amendments to organisational governance arrangements and processes: The Board Secretaries have confirmed that we have already begun to amend our meeting schedules for Boards and Committees. Therefore, our advice is that during the next six months at least, we should continue to focus on key governance requirements, but all other arrangements should be paused. Therefore, it is proposed that we continue to run our Boards as key decision making entities, but that we progressively run these in ways that require a focus on only key decision making only and levels of required assurance, particularly with regard to COVID-19 and quality and patient safety considerations to enable the public to have confidence in our approaches.

In terms of our committees and partnership committees, it is proposed that all these are stood down for the coming period with the exception of our Quality and Patient Safety Committees, which can operate on the basis of a quorum only and also our Audit Committees, which likewise should operate through quorum arrangements, this will be important for end of financial end of year considerations and general assurance with regard to our systems and overall risk management approaches.

Therefore, in terms of how we run our forthcoming Board Meetings and in public Committee Meetings, we discussed three stages prior to having to cancel our meetings all together (and then use the provisions of Standing Orders through Chair's Actions for key decisions, which we could report publically sooner rather than waiting for the next Board). We also recognised that some organisations would decide to get to stage three sooner rather than later and some might wish to start there, which was a view of the majority of Board Secretaries. However, this would need to be agreed with respective Chairs and Chief Executives.

The three proposed levels are:

- **Level One** - to bring the Board together as normal, but with reduced agenda with a focus on key decisions and key elements of assurance, particularly around COVID-19. However, such Board environments need to be set-up in such a way that would allow appropriate distancing between participants. We envision that this option would not be viable for long.
- **Level Two** – use skype or other types of group conference software. Again, with a reduced and focused agenda. It is recognised, that some of these arrangements can be unpredictable and can affect the dynamics of meetings. However, with this option it was also clear that the public would not be able to observe, as the software doesn't allow. Therefore,

the publication of a post Board report and minutes would be an essential way of ensuring a public line of sight for our discussion at Board and committee meetings.

- **Level Three** – was to use the provisions of Standing Orders and run the Board on the basis of a quorum only. Again, to keep the agenda focused to key decisions only and key areas of assurance reporting. This would solve some of the issues that have been experienced with video and audio conferences. It would also keep us business focused. The papers would be shared with all members and they could feed any key comments to the Board Secretary or nominated individual for feeding into Board consideration.
- **The final level** - as mentioned above, would be to cancel Board and committee Meetings and use the provisions of Standing Orders for Chair's Action for key decisions during this time, but not wait to report to the next Board, but publish these immediately and share with Board Members. This would require resilience in our Scheme of Delegation and Authorisation Matrices with clear arrangements for Chair, Vice Chair and a Third (perhaps Chair of Audit) and also this arrangement for other authorised signatories. These approvals could be managed electronically, especially with the required Independent Member signatures i.e. Chair, Vice Chair and IMs).

Therefore, in terms of our Boards, we advise that bringing potentially a group of 24 people together at this time with current national guidance would not be recommended. Recognising that further social distancing and shielding measures are likely to come in at the weekend, especially with the age profile of some of our Boards, that the first level is no longer viable.

In all instances, it was agreed that we should not at this time invite the public in to observe these meetings as it would be in their own public interest not to attend (and this might be taken out of our hands soon anyway). However, if at all possible we should seek to webcast or Facebook live, for instance. If this is not possible, either due to technology restraints or recognising that support for this would come from communications staff who are currently hard pressed.

Therefore, it is recommended that we discharge our public responsibilities by producing a news from the Board communication in quick order after the Board (perhaps within three working days) and publish it and also produce the minutes quickly after the meeting for publishing.

In the current circumstances we find ourselves it was considered this was the most reasonable approach to seek to discharge our responsibilities. We would explain this in our public notices and ask members of the public not to attend due to current circumstances and give them the details of the alternative arrangements we have established. Board Secretaries have developed common wording for our public notices to ensure consistency and standardisation across NHS Wales.

It was considered that the public and interested parties would understand this and consider this prudent for their and others safety. We would of course always publish our papers beforehand, which would be in the public domain. However, it was recognised that there might need to be some flexibility around publication timelines given the capacity of organisations to produce papers etc in what are very fluid and challenging conditions currently. Therefore advice from Welsh Government on this would be welcomed.

The Board Secretaries Group is clear that Standing Orders provide us with a clear framework for decision taking in these circumstances and that they should be used effectively during this time. However, we also recommend that Welsh Government consider a potential future requirement for the suspension of Standing Orders or a range of the provisions and expectations within Standing Orders to reduce the bureaucratic burden on organisations. The Board Secretaries Group would welcome the opportunity to support Welsh Government colleagues in consideration of this point.

The Group also considered a number of other associated areas and these are outlined below, where advice and permission is sought for further changes.

End of Year Reporting: Further advice is sought from Welsh Government with regard to our end of year reporting requirements and arrangements. We are aware of the requirement for our accounts and public disclosure statements to inform Welsh Government Accounts and the requirement of HM Treasury, but further advice is sought with regard to any relaxation of requirements and timelines with regard to these arrangements, especially the range of public disclosure statements that are required i.e. Accountability Report, Annual Governance Statement, Performance Report, Annual Quality Statement and Annual Report.

Particularly with the Annual Report and our Annual General Meetings. We are aware that Welsh Government, in line with HM Treasury requirements, have sought to reduce the timeline for reporting. However, Annual Reports and AGMs are now required by the end of July each year, when historically they were required by the end of September each year. We would like to

request that consideration is given to returning to the September date for the Annual Report and AGM requirement for 2020.

Wales Audit Office: We are aware that Welsh Government colleagues are already in conversation with Wales Audit Office colleagues on a number of matters. Therefore, it would be helpful for an early determination with regard to audit programmes for NHS Wales and also any relaxation of commitments that we have currently made for actions from recommendations from key audits such as the Structured Assessment.

NHS organisations is already in conversation with our Internal Audit colleagues with regard to our own programmes, but of course the Head of Internal Audit opinion is a key element of our end of year reporting and we need to ensure that our programmes are completed enough to ensure that they can form an opinion from the work they have completed.

Consultations: The Group are seeking clarity with regard to consultations for service change during this time. We will as organisations need to change the configuration and location of our services at short notice as part of our response to the Pandemic. Therefore, advice with regard to any relaxation of the requirement for consultation at this time would be welcomed. However, we will continue to liaise with our Community Health Councils, but any revised guidance to both the NHS and CHCs would be helpful.

Mental Health Act and Mental Health Act Managers: The Group is seeking clarity on our responsibilities under the Mental Health Act and required reporting. We also require further consideration and guidance on the continued role of Mental Health Act Managers, as again the age profile of many of these individuals might mean they have to isolate or shield themselves. Therefore, we will need to have advice with regard to continued requirements and also any proposals for alternative arrangements. Further guidance on this area from Welsh Government would be helpful.

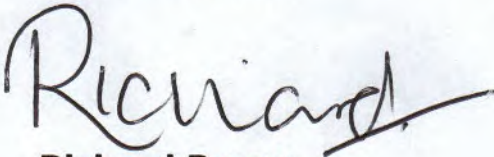
Appointment and Tenure of Board Members: Many organisations are currently undertaking recruitment activity to replace Board Members. It is anticipated that this will be difficult to conclude over coming months. Therefore, guidance on whether or not this recruitment should be paused would be welcomed or if appointments awaiting approval could be expedited. Also, consideration at this time if there is an option to extend the tenure of existing members who might have reached the end of their 8 year term, as this would assist with resilience.

The Board Secretaries Group hope the above considerations are helpful at this time. We will always seek to communicate openly and transparently and ensure that good governance principles and are applied and

maintained, but we recognise that some arrangements will require to be adapted or amended in coming weeks and months and we will of course want to play our part in ensuring this can be done effectively and appropriately. Grateful in the interim for the advice of Welsh Government on some of the questions and requested that we have highlighted above.

If you need any further information or clarification on any of the points made, please do not hesitate to contact me.

Yours sincerely

A handwritten signature in dark ink, appearing to read 'Richard', with a long, sweeping horizontal stroke extending to the right.

Richard Bevan

Chair of the Board Secretaries Group

Signing for and on behalf of the Members of this Group.



Richard Bevan
Chair of Board Secretaries Group and
Board Secretary
Aneurin Bevan University Health Board
St Cadoc's Hospital
Caerleon
Newport, NP19 3XQ

Your Ref : RB/lab

26 March 2020

Dear Richard

Dear Richard

Advice/Proposals from NHS Board Secretaries/Directors of Corporate Governance on Covid-19

I am writing in response to your letter to Andrew Goodall of 18 March 2020 regarding governance matters in NHS Wales whilst responding to the Covid-19 pandemic. I wish to thank you and the Board Secretaries/Directors of Corporate Services for co-ordinating a consistent approach and proposals across the NHS for us to consider.

Since we have received your letter the UK and Welsh Government have announced further restrictions that I realise will have resulted in your organisations having moved rapidly through the proposed levels for ensuring that Board and Committee key decisions can be made. We have taken this into account when considering the appropriate response which is provided to the key points below. In responding consideration has been given to the need to try to ensure that we do not need to revisit these principles, but as we are all very aware this is an ever changing situation.

As indicated in your letter, it is important to ensure a continued focus for NHS organisations on their governance responsibilities to the public and partners in relation to openness, transparency and accountability but it is accepted the ways these have traditionally been discharged will need to change whilst responding to this pandemic. The ability to communicate electronically with the public does allow organisations to share copies of Board and Committee papers electronically and the suggestion of providing an update as soon as possible after the meeting will also aid with communication and openness.

The Governance Principles as laid out appear to be appropriate, whilst paying due regard to the need to ensure that legal responsibilities are discharged especially where they are designed to protect the health, safety and welfare of staff, patients and service users. This will require Boards to ensure good risk management based on effective and dynamic risk assessment.

A response to the individual points you raised seeking advice and permission on future changes is provided below:

- 1) Where the proposals are appropriate and require amendment of the Model Standing Orders this will be forthcoming subject to the agreement of the Minister for Health and Social Services and advice will be prepared to this effect. This advice recognises that:
 - a) Whilst the Board is responsible for establishing the Committee structure that it determines best meets its needs as a minimum it will establish Committees which cover the following aspects of Board business:
 - ☐ Quality and Patient Safety;
 - ☐ Audit;
 - ☐ Information Governance;
 - ☐ Charitable Funds;
 - ☐ Remuneration and Terms of Service; and
 - ☐ Mental Health Act requirements.

The proposal that these meetings are stood down during this time, with the exception of Quality and Patient Safety Committee and the Audit Committee, requires amendment or agreement to move away from your own Standing Orders and Terms of Reference of these Committees. It does not require us to amend the Model Standing Orders as it only requires the establishment of the Committees. Each organisation is required to agree its own Standing Orders under the appropriate Regulations and Model Standing Orders regarding the operation of these Committees.

Your Boards are able to vary or suspend their own Standing Orders, providing that the Board is able to satisfy that it complies with the relevant regulations. This will require approval by the Audit Committee (or relevant committee) and that it has given notice of the motion.

The Quality and Patient Safety Committee has a critical role during this public health emergency and the challenging decisions needed to ensure actions are quality and risk assessed and organisations act in the best interest of the public and staff.

- b) Level 3 advises that the Board and Committees will operate within the quorum, focusing agendas on key decisions only. The Standing Orders and Terms of Reference of Boards and Committees make provision for this. The quorum for each Board is specified within the respective Regulations, whereas the quorum for Committees is determined by each individual organisation. As Committee membership, with the exception of the Remuneration and Terms of Service Committee, is taken only from Independent Members/Non-Executive Directors, providing they are themselves able to fulfil their duties this should not present too much of a

challenge. Organisations will obviously be considering very carefully the items for discussion to ensure that unnecessary pressure is not placed on the executive or officers of the organisation whilst they are responding to the pandemic.

- c) The proposal to stand down partnership groups is also acknowledged but the need to ensure continued communication and dialogue with staff and stakeholders during this time, whilst the Forums are not meeting should be recognised.
- d) It is acknowledged that in these unprecedented times, there are limitations on Boards and Committees being able to physically meet where this is not necessary and can be achieved by other means. The UK and Welsh Government has stopped public gatherings of more than two people and it is therefore not possible for you to hold your meetings in public whilst these restrictions are in place. I note that technological solutions are being considered and it will be necessary to ensure that any decisions that are taken at this time could not be held over until it is possible to resume the requirement to meet in public.
- e) With regard to the ability to introduce a future requirement to suspend or vary the Model Standing Orders or a range of provisions within them to reduce bureaucratic burden on organisations – as you will be aware when the Model Standing Orders were issued in September 2019 Appendix 1 advised of those areas which were:
 - In accordance in legislation, or
 - Issued under direction as part of the Model Standing Orders

When determining whether or not it is possible to reduce bureaucratic burden it will be necessary to consider the sections of the Model Standing Orders that are referred to. If they do not relate to requirements specified in legislation or a section issued under Direction the individual organisation does already have the ability to vary or suspend the relevant sections as detailed in a) above. I am content for officials to further discuss with you if your needs involve the suspension or variation related to a section issued under Direction as this would require a specific amendment and the re-issuing of the Model Standing Orders when and if the occasion arose.

- 2) **End of Year Reporting:** It is acknowledged that the end of year reporting requirements will need to change and consideration has been given to this. A detailed schedule will be issued to Directors of Finance but in the interim the dates are as follows:
 - Draft accounts, Annual Governance Statement, Statement of Directors Responsibilities and Remuneration Report – 22 May 2020
 - Final accounts , Annual Governance Statement, Statement of Directors Responsibilities and Remuneration Report - 30 June 2020
 - All other sections of the Annual Report, includes Performance Report and the Accountability Report (excluding the Annual Governance Statement and the Remuneration Report – 31 August 2020

- Annual Quality Statement - 30 September 2020

This revised timescale will inform the date for the holding of the Annual General Meeting and the Model Standing Orders will be amended requiring this to be held before the 30 November 2020.

- 3) **Wales Audit Office:** It will be for the Auditor General for Wales to consider the impact of Covid-19 on the requirements placed upon him. This in turn will inform the requirements placed upon NHS organisations in Wales and the determination of the subsequent audit programme. I can assure you from a Welsh Government perspective we will be considering progress against previous audit actions, such as the structured assessments taking account of the current needs and priority to respond to the pandemic and our planning for recovery.

With regard to Internal Audit programmes and the Head of Internal Audit's ability to provide an annual opinion, this will need to be considered on an organisation by organisation basis as this will be dependent on the progress made against the annual plan before the current pandemic started to have an impact.

- 4) **Consultations:** There is provision within Regulation 27 (5) of the Community Health Council (Constitution, Membership and Procedures (Wales) Regulations 2010 for service change to be made without prior consultation where the relevant health service body is satisfied that, in the interests of the health service or because of the risk to safety or welfare of patients or staff, a decision has to be taken without allowing for consultation, this does state that *in such a case, the relevant Local Health Board, Strategic Health Authority, Primary Care Trust and NHS Trust must notify the Council immediately of the decision taken and the reason why no consultation has taken place.* It will be important for you all to constructively engage with the Community Health Councils on the changes you are making in response to the pandemic. I acknowledge that the current guidance and local protocols agreed may not be appropriate for the challenges we now face and the pace of decision making and service change which may be required in response to this pandemic. I have, therefore asked colleagues to develop an addendum to the guidance to help the NHS and CHCs.
- 5) **Mental Health Act and Mental Health Act Managers:** As you may now be aware the Coronavirus Act includes provision for temporary emergency changes to the Mental Health Act which will only be switched on **if** the mental health sector is experiencing unprecedented resource constraints, which are resulting in patients' safety being put at significant risk. Welsh Government is engaging with key partners to determine the conditions that would make it appropriate for the powers to be exercised locally – and further information and guidance will follow in due course. The Mental Health Incident Group will consider the need for further guidance.
- 6) **Appointment and Tenure of Board Members:** A decision has been taken regarding current and future recruitment campaigns and this was communicated to you on the 19 March 2020 by the Public Appointments Unit. This will have an impact on NHS organisations which will be discussed with you individually. There is still the requirement to comply with the Governance Code and to inform

the Commissioner for Public Appointments where a decision is made to extend an appointment as outlined in the previous correspondence. The matter of allowing individuals to serve for a total of more than eight years will, for Local Health Boards and Public Health Wales NHS Trust require an amendment to Regulations and I have asked colleagues to take this forward. There is currently no upper limit for Velindre NHS Trust and the Welsh Ambulance Service NHS Trust but the Model Standing Orders will require amendment subject to agreement by the Minister for Health and Social Services.

I hope the above provides clarification on the matters you raised and provides assurance that we are acting and providing you with the support required during these challenging times. The Governance team will be in contact regarding progress on the work being taken forward.

Yours sincerely



Jo-Anne Daniels

Cyfarwyddwr Iechyd Meddwl, Grwpiau Agored I Niwed a Llywodraethu'r GIG
Director of Mental Health, Vulnerable Groups and NHS Governance

Copy: Board Secretaries and Heads of Corporate Governance, Local Health Boards,
NHS Trusts and Health Education and Improvement Wales
Committee Secretaries, Welsh Health Specialised Services Committee,
Emergency Ambulance Committee and NHS Wales Shared Services
Partnership
Andrew Goodall, Director General and Chief Executive NHS Wales

Cyfarwyddwr Cyffredinol Iechyd a Gwasanaethau Cymdeithasol/
Prif Weithredwr GIG Cymru
Grŵp Iechyd a Gwasanaethau Cymdeithasol

Director General Health and Social Services/
NHS Wales Chief Executive
Health and Social Services Group



Llywodraeth Cymru
Welsh Government

To Chief Executives

Our Ref: AG/SE/SB

30 March 2020

Dear Colleagues

COVID-19 – Decision Making & Financial Guidance

I want to take this opportunity to thank you and your teams for your support and commitment during these unprecedented times. The challenges associated with COVID-19 are significant, and delivering the necessary solutions are the priority for us all.

In these exceptional and unprecedented circumstances, I recognise that organisations and teams are required to make potentially difficult decisions at pace. These decisions may at times be without a full evidence base, or be without the support of key individuals who would ordinarily support business as usual processes and advice.

In taking urgent and exceptional decisions in this challenging environment, I recognise that there is a disruption to our usual financial discipline and authorisation processes. However, this continues to be within the context of needing to ensure appropriate use of public money. It is vital therefore, that within this disrupted environment, individual and collective decision-making is effective and stands the test of scrutiny when our services and systems return to a normalised position in the future. Once we return to a normalised position, the NHS will be called to account for its stewardship of public funds.

Across Welsh Government, the First Minister has asked all departments of government to both prioritise resources to deal with the COVID-19 pandemic and to ensure those resources are deployed effectively on the actions that will make the biggest difference. It is within that context that I am writing this letter to you.

I would urge organisations to ensure that in making decisions at this time the following applies:

- Due consideration is given to regularity in relying on legal powers, propriety and meeting the standards of 'Managing Welsh Public Money', and value for money supported by an assessment of the realistic options available to you at the time

- Decisions taken must be rational and justifiable with due consideration of all options and risk. If approval is required then it should be sought, and justification for decisions should be recorded, if not at the time then subsequently. Ultimately, we need to ensure the decisions we are taking are defensible to the patients and public we serve, and this should provide a clear and consistent test to our actions.
- Individuals and organisations should ensure that our decision making conduct is in line with Nolan Principles, and integrity is at the heart of what we do, with no conflict of interest affecting or appearing to affect decisions. If a decision is planned which is particularly novel, contentious, or repercussive, my officials are on hand to provide advice and guidance to inform any decision making.
- During emergencies such as these, organisations inevitably are more vulnerable to a risk of fraud, and unfortunately, some will try to take advantage of this situation for personal gain. That is why at times like these a continued focus on good governance and potential fraud is key.
- If you have any concerns in any aspects of your decision making process and revised governance arrangements, in addition to seeking advice of officials, you should ensure the continual involvement of Wales Audit Office in your activities to re-focus your decision making processes.

In keeping with the principles and spirit of this correspondence, and the indication set out by the Minister to step back from routine monitoring arrangements, our routine financial arrangements need to adapt on an interim basis. I therefore attach guidance to organisations on expectations from a financial management and reporting perspective at this time. This outlines the minimum expectation in this area, and aims to ensure a supportive and balanced focus in forthcoming months on ensuring core minimum requirements are in place to support all organisations at this challenging time.

Once again, thanks to you and your teams for everything that you do. My officials continue to be available to provide support on the issues I have outlined above. If there are any areas for further clarification or where additional advice and guidance is required, let me know.

Yours sincerely



Dr Andrew Goodall CBE

COVID-19 - Financial Guidance to NHS Wales' organisations

Given the immediate challenges presented by the COVID-19 pandemic, it is recognised that routine financial arrangements and disciplines are disrupted and need to adapt on an interim basis.

In this environment, there is a need to ensure that:

- There are clear and pragmatic financial arrangements in place which minimise any disruption to the system
- Business continuity arrangements are effective
- Frameworks to support effective decision making are clear
- Core financial assumptions and positions are clear and monitored, but with a light touch approach whilst maintaining sufficient clarity on minimum key measures

This guidance has been developed to support organisations and provide clarity on expectations for this disrupted period and until organisations return to business as usual arrangements.

Principles

This document has been developed with the following guiding principles:-

- Finance will not be a barrier to delivering the operational needs of the service in response to the COVID-19 pandemic but needs to be managed and monitored in a structured manner;
- Funds will flow to and from NHS Wales' organisations in a timely manner;
- Organisations are expected to work together to ensure that services are not disrupted during this period as a result of cross-border flows and commissioning;
- Requests for COVID-19 funding will be facilitated through a simplified process that balances financial governance and operational need; and
- Organisations will track both the additional costs arising from COVID-19, and reductions in expenditure due to COVID-19 (i.e. reduced elective activity) in a structured and transparent manner.

Financial Governance

The maintenance of financial control and stewardship of public funds will remain critical during the NHS Wales response to COVID-19. Chief Executives, Accountable Officers and Boards must continue to comply with their legal responsibilities and have regard to their duties as set out in [Managing Welsh Public Money](#) and other related guidance. Any financial mismanagement during this period should be managed in exactly the same way as at any other time.

NHS Wales organisations should undertake an urgent and timely review of financial governance arrangements to ensure decisions to commit resources in response to COVID-19 are robust and appropriate. Value for money is expected to remain a consideration when making decisions with a significant financial impact.

Specifically, organisations are expected to ensure that systems are in place to support decision-making at pace whilst maintaining appropriate controls and governance. This relates in particular to:

- Ensuring an appropriate scheme of delegation is in place and compliance with SFIs. This should include ensuring effective authorisation and signatory systems are in place to minimise any disruption
- Financial information should be collected in support of COVID-19 which is auditable and evidenced and supported by good documentation of key decisions

- Delegation limits and approvals should be documented and followed, having been approved by the Board. The arrangements should also be sufficiently robust and flexible to ensure that authorisation and decisions can take place in the absence of key staff.

No new revenue or capital business investments should be progressed unless related to the response to COVID-19 or otherwise expressly approved by Welsh Government.

From a governance perspective, organisations are also expected to ensure that any proposed service delivery solution in response to COVID-19 have appropriate NHS Indemnity arrangements and advice from Welsh Risk Pool as required.

Core Financial Systems & Processes

NHS Wales Shared Services Partnership has outlined the business continuity arrangements in respect of key financial processes including payroll, procurement and accounts payable. These systems are able to operate via remote working with limited disruption. The systems are, however, dependent upon the ongoing exercise of controls within NHS Wales' organisations. In particular, organisations are asked to ensure that purchase to pay arrangements are appropriately effective and timely, and any payroll adjustments are communicated at an early stage. This will ensure timely payments to suppliers and maintaining cash flow, and ensuring no impact on the pay of our staff.

Organisations should ensure that robust business continuity arrangements are in place covering core financial systems, monitoring and reporting. This should include ensuring procedures, and rules for key systems are available and accessible to all appropriate staff, in a common place (both hard copy and electronically) to support staff required to undertake roles outside of their normal duties.

Business continuity plans should be kept under constant review, tested to ensure they remain effective, shared with all staff members, and updated on a timely basis where required with clear and timely communication.

Standing Financial Instructions require clear quotations and tender processes, which in the current situation, may not be possible. In ensuring appropriate use of public money, where this is not possible any new arrangements must be clearly documented, and decision making justifiable in the context of future scrutiny and accountability.

Organisations should ensure that control is maintained over inventory and stocks which will be critical should supply chains be under pressure. Organisations should therefore consider whether more frequent stock checks are required, and have clear processes in relation to products in high demand and optimise product distribution to ensure the right items are available at the times for patient care.

If inventory is moved to other NHS organisations, then records will need to be kept of where these items are being sent to ensure that they are appropriately accounted for and are not lost or wasted.

NHS Wales' organisations are required to continue to pay suppliers and other NHS bodies (including NHS England providers) on a timely basis.

Counter Fraud

During emergencies and crises, organisations are inevitably more vulnerable to a risk of fraud. There is already emerging evidence of increased phishing e-mails and other fraudulent activity. There are particular risks around invoice and procurement fraud.

We would encourage organisations to remain vigilant to this heightened risk of fraud and to take the following actions:-

- Maintain basic and fundamental financial controls around authorisation and segregation of duties; and
- Engage with your local counter fraud service if you require any guidance or note any suspicious activity.

Revenue & Capital Allocations and Cash

NHS Wales organisations have received clear allocations for 2020/21, and all organisations should always utilise the funding available within their agreed allocation. It is anticipated that reductions in planned care activity as part of the response to COVID-19 will free up resources (finance and workforce) to be diverted to the COVID-19 response.

Welsh Government recognises the importance of liquidity and cash management at this time. The NHS Financial Management Team will prioritise the distribution of cash to support NHS Wales' organisations. Welsh Government will ensure that cash is paid to NHS Wales' organisations on a regular and timely basis to facilitate key financial activities such as payroll, procurement and accounts payable.

If additional allocations and/or requests for funding are approved through the processes outlined in this document, Welsh Government will communicate approval and issue the allocation in a timely manner, including converting into cash allocations on a timely basis.

It is acknowledged that organisations will incur additional costs in relation to COVID-19 and outline arrangements for monitoring and reimbursement below.

Ring-fenced Allocations (excluding DEL/AME Non Cash Depreciation)

During this period, it is recognised that there may be under-utilisation or re-direction of ring-fenced services for their traditional purpose with therefore a reduced expenditure level against the baseline ring-fenced allocation. During this period there will be no claw-back of ring-fenced allocations therefore any under-spend against the allocation is an appropriate offset against increased COVID-19 expenditure.

Cost Reimbursement – Revenue Costs

In many instances, the operational costs of the COVID-19 response will be met from within existing funding, as resources are re-directed from planned elective activity or other planned commitments. Further, costs of significant programmes and actions co-ordinated on a Once for Wales basis will be funded centrally as part of the national co-ordinated response.

Where an organisation has a need to incur specific additional costs associated with the local response, or where an organisation has a national leadership role, then Welsh Government will consider making additional revenue funding available. This will require a submission to Welsh Government explaining the nature of the additional cost, the likely timeframe it will be incurred and why it cannot be met from within the existing allocation. This will ensure an audit trail to support business critical decisions and support enabling allocation processes.

In order to facilitate a swift response, requests for funding support should be submitted to the central mailbox at NHSFinancialManagement@gov.wales

Implementation of identified actions and appropriate procurement should not be delayed whilst waiting for funding confirmation from Welsh Government.

Financial Reporting & Monitoring

Organisations need to ensure they will be able to track their financial position on an ongoing basis, and capture the impact of the COVID-19 pandemic. Welsh Government is revising existing monitoring arrangements to ensure routine monitoring is focussed on the bare minimum requirements to sustain clear financial reporting and integrity at this time. At a high level, this monitoring will describe the following:-

- Baseline position pre COVID-19 as per previous plans;
- Year to Date & Forecast outturn position
- Risks
- Allocation & Income assumptions (recognising that this is a fast changing environment)
- Cash flow & Capital assumptions
- Additional COVID-19 expenditure incurred; and
- Planned expenditure or investments that was not incurred due to COVID-19;

Organisations should build this approach into reporting and forecasts, and establish appropriate mechanisms to facilitate tracking of any additional expenditure in relation to COVID-19.

Welsh Government acknowledges that organisations' efforts will be wholly directed towards the COVID-19 response, which will affect the pursuit of savings and efficiencies at this time. It is recognised that delivering savings will not be prioritised unless they are supportive of the current situation and challenges. Organisations should review and identify which programmes will, and will not, be maintained or ceased, and progress to date documented and closed down to allow progress when the system returns to a normalised position. Organisations are expected to provide a clear assessment of their forecast outturn position having considered non-delivery of planned savings and the other variables outlined above.

Welsh Government is re-developing monitoring guidance for 2020-21, which will be issued in due course. This is being developed in line with the principles above and in the spirit of the challenges associated with COVID-19. Monitoring will therefore adopt a 'light-touch' approach with key areas of focus around COVID-19 reporting, and with sufficient flexibility for organisations to describe the financial impact of COVID-19 clearly. This will reflect both planned impacts on expenditure, and unplanned financial impacts of COVID-19.

Capital

The principles of ensuring clarity on assumed allocations, forecast expenditure, and COVID-19 impact outlined within this guidance applies to Capital in addition to Revenue expenditure. Capital support will be provided for:

- Testing equipment and facilities
- Inpatient facilities, to include compliance issues with existing isolation rooms and conversion to negative pressure where required
- Inpatient facilities, expansion of isolation rooms numbers to meet the requirements of WHC (2018) 033
- Critical care facilities and equipment
- Diagnostics

- Works and equipment required to cohort patients not requiring critical care, including those in non NHS owned facilities where required
- Digital equipment
- Other capital requirements not covered by the above as required

As per reimbursement of revenue costs, organisations are asked to outline where additional capital funding is required above approved Capital Resource Limits (CRLs) and Capital Expenditure Limits (CELs), organisations should make submissions to Welsh Government outlining the detail of the costs, and timeframe it will be occurred. Implementation of identified actions and appropriate procurement should not be delayed whilst waiting for funding confirmation from Welsh Government

Routine capital monitoring will be reflected in the revised Monitoring Returns; however, given the challenges of COVID-19, Capital Projects progress reports are not required until at least the end of Quarter 1, when the position will be reviewed.

Given the exceptional circumstances of the current situation, for 2019/20 due to the ongoing uncertainty about year-end deliveries for both COVID and non COVID equipment and delay in construction schemes CRLs/CELs will continue to be amended for one week after 31st March, with the intention of closing them on 8 April 2020.

Depreciation funding requirements above baseline, will be obtained via the Non Cash Estimate Exercise in early August and refined in November (the June exercise will not be undertaken in 2020/21).

Purchase of enhanced discharge support services / Partnership arrangements

Timely discharge and community care wrap around packages will be essential to release bed capacity within hospitals. Discharge to Recover and Assess packages are anticipated to be enhanced and will include community response team ('CRT') support, intermediate care beds (in a community hospital or care home) and domiciliary care.

Within existing partnership arrangements Welsh Government anticipates that additional costs will be incurred by both the local authorities involved and healthcare bodies. It is also envisaged that organisations collectively will be repurposing existing funding streams such as the Integrated Care Fund as an appropriate resourcing mechanism in these circumstances. Any additional planned expenditure which requires funding support should comply with the revenue cost reimbursement model outlined above within this guidance.

Cross-Border Flows

It is essential that NHS Wales organisations collaborate effectively and minimise any disruption on the system during this period. All Welsh commissioners are expected to deploy the same approach as English commissioners and agree block contract arrangements with English providers in line with NHS England guidance. The NHSE guidance reflects that this arrangement should be in place to 31 July 2020 but we anticipate that this period will be extended and organisations should ensure that they are able to respond swiftly to any extension. It is recognised that this arrangement may have a disproportionate impact on those organisations with a high reliance on English providers and who cannot re-deploy internal resources to offset this financial pressure. This will be considered directly with specific impacted organisations.

An approach to Long Term Agreements for quarter 1 during the COVID-19 pandemic period has been developed by Deputy Directors of Finance, which is endorsed by Welsh Government as both a pragmatic and sensible approach. It is vital that organisations ensure stability, and no disruption in the system at this time.

Actions being taken and led directly by Welsh Government on a system wide basis as part of the response to COVID-19 will be resourced directly with no anticipated impact on any individual organisation.

It is anticipated that Welsh organisations will have similar pragmatic reciprocal arrangements with English commissioners as appropriate on any activity for English residents treated in Welsh providers.

Primary Care Contractors

From 1 April, it is anticipated that Primary Care contractors are enabled to prioritise their workload according to what is necessary to prepare for and manage the outbreak, and therefore as a principle organisations should ensure that income will be protected as per existing contractual arrangements if other routine contracted work has to be substituted. Health Boards should plan to continue to make payments on this basis and ensure timely cash flow to independent contractors. Welsh Government will reimburse any additional costs in relation to COVID-19 as part of the reimbursement processes outlined in this guidance. Specific developments on a national basis may result in further guidance and support in relation to actions being taken by Primary Care contractors and this will be issued by policy leads in due course.

It is also intended that, during the outbreak, payments made under the Premises Cost Directions will be maintained. This will be in the event that premises are not able to open or where the use of premises is diverted away from GMS to support other COVID activities.

Summary

This guidance is intended to provide clear minimal expectations and be a supportive framework for organisations to consider what is or is not maintained in the current situation.

Given the pace and urgency of the current situation and environment, there may be additional areas for clarification that has not been addressed by this guidance. Any queries in relation to this can be directed at NHSFinancialManagement@gov.wales or directly with either Steve Elliott, Hywel Jones, Andrea Hughes, or Val Whiting in the first instance who will support you as required.

MEETING	Velindre University NHS Trust Audit Committee for NHS Wales Shared Services Partnership
DATE	28 April 2020
AGENDA ITEM	2.2
PRESENTED BY	Andy Butler, Director of Finance and Corporate Services, NWSSP
RESPONSIBLE HEAD OF SERVICE	Andy Butler, Director of Finance and Corporate Services, NWSSP
TITLE OF REPORT	COVID-19 Expenditure and Governance Arrangements

PURPOSE

The purpose of this paper is to provide the Audit Committee with an update as to the expenditure incurred during COVID-19 and governance arrangements put in place.

This includes expenditure incurred on behalf of the Welsh Government relating to procurement purchases and separately the additional expenditure incurred by NWSSP prior to 31 March 2020.

1. INTRODUCTION

The COVID-19 pandemic represents unprecedented challenges to health and social care provision and requires significant and sometimes difficult decisions at pace. NWSSP has needed to respond at pace and put in place revised operating procedures to provide the required response on a timely basis.

NWSSP recognises the crucial role of supporting all NHS and Social Care services in Wales, bringing procurement expertise and established supply chain to support Welsh Government identified priorities. To that end, the Welsh Government has provided funding to support the response to the COVID-19 pandemic.

Our Procurement Division has in particular faced significant pressure to move quickly to source and secure sufficient supplies of Personal Protection Equipment (PPE), ventilators and other critical equipment.

We are currently operating in a global market where the competition for such critical items is intense. We have seen market prices increase day by day as governments across the world try to secure similar products.

NWSSP has needed to put in place additional arrangements to support swift decision making while maintaining good governance and control.

We have incurred unprecedented levels of expenditure in a fairly short period of time and are required to enter into new contracts with both existing and new suppliers to meet the growing levels of demand from NHS and Social Care bodies in Wales. We are also receiving requests from suppliers for significant payments in advance on an unprecedented and recurring basis.

2. GOVERNANCE AND ASSURANCE ARRANGEMENTS

Guidance

COVID-19 is an unprecedented event and it is placing exceptional demands on services and NHS finance functions. Suppliers are requesting advance payment for goods and services. There are potential risks arising if payments are made (non-delivery of goods or services or supplier insolvency and consequential financial loss) and risks if payments are not made (interruptions to critical supply chains). Staff and patient safety considerations are paramount during this period.

In recognition of the requirement to act effectively and at speed Welsh Government has issued guidance in relation to COVID_19 - Decision Making & Financial Guidance ("Guidance") attached at **Appendix A**. In addition the Welsh Government has developed draft additional guidance relating to advance payments for NHS bodies which is attached at **Appendix B**. The majority of this guidance is based on the processes and procedures that NWSSP has developed and implemented in recent weeks.

Delegated limits for COVID expenditure

The Velindre NHS Trust Board agreed on 18 March 2020 to change its own and the NWSSP Scheme of Delegation to help facilitate the increased value and volume of expenditure being incurred on behalf of the Welsh Government at this time. The revised limits delegated authority for the NWSSP Chair and either of the NWSSP Managing Director or the NWSSP Director of Finance & Corporate Services was increased from £100,000 to £2 million.

It soon became apparent that this limit was too low and it was increased to £5m on 31 March 2020, to enable timely approval of time critical orders. It was agreed that this limit would remain in place until 30 June 2020, and then be reviewed.

Welsh Government approval continues to be required for any contracts in excess of £1m and for advanced payments exceeding 25%.

Additional assurance arrangements introduced for COVID expenditure

Following the requirement to consider payment of significant advance payments it was agreed that an NWSSP Finance Governance Group should be established. The group is chaired by Simon Cookson, Director of Audit and Assurance, and its membership includes, the Director of Legal Services, Director of Finance, Head of Counter Fraud Wales and senior members of the Finance team. In recent weeks the membership has been widened to include the Velindre Director of Finance and an Independent member. The Terms of Reference for the Group are attached at **Appendix C**.

The Finance Group's primary aim is to assist the appropriate decision maker to ensure that COVID19 related expenditure is incurred and monitored appropriately given the current national emergency. In particular, it is recognised and appreciated that established governance and finance procedures may be disrupted by the need to act swiftly to secure the goods and services required to respond effectively to the national emergency and Welsh Government priorities.

An internal process has been implemented for the payment of advance payments and payment on receipt of goods which clearly outlines the responsibilities of NWSSP Finance, Accounts Payable, Procurement and the Velindre Finance team. This is a key document to support what are often very urgent and time critical payments. This is included in **Appendix D** for information.

3. COVID-19 EXPENDITURE – All Wales

To enable context to be added to the arrangements we have implemented, a summary of the COVID-19 Expenditure we are incurring on behalf of the Welsh Government as at 22 April 2020 is detailed below:

Total Expenditure	Capital Expenditure	Revenue Expenditure
£116.199m	£12.574m	£103.625m

The split of this expenditure between Equipment and PPE is:

Total Expenditure	Equipment	PPE
£116.199m	£42.565m	£73.634m

This expenditure has been committed with 79 different suppliers and 17 of these have cumulative order values exceeding £1m that have required Welsh Government approval. The specific details of the orders exceeding £100k excluding VAT are set out in **Annex 1**.

4. COVID-19 EXPENDITURE – NWSSP

The Welsh Government also requested a 'best estimate' of the additional revenue expenditure incurred by individual NHS bodies in 2019-20 due to COVID19. This information was submitted at the same time as the Month 12 (Day 5) reporting deadline of 7 April 2020.

NWSSP operations have not been impacted to the same extent as Health Boards and Trusts by the reduction in planned patient activity as part of the response to COVID-19. We have however taken steps to redeploy NWSSP staff wherever practicable and appropriate from non-essential services to support those Divisions who are providing critical support to organisations across NHS Wales.

The total expenditure incurred was estimated at £441,160 but we were able to offset some of these costs by slippage in other areas, and so the net request to Welsh Government was £300,000. A summary is attached at **Appendix E**.

5. RECOMMENDATIONS

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

Appendix A

COVID-19 - Financial Guidance to NHS Wales' organisations

Given the immediate challenges presented by the COVID-19 pandemic, it is recognised that routine financial arrangements and disciplines are disrupted and need to adapt on an interim basis.

In this environment, there is a need to ensure that:

- There are clear and pragmatic financial arrangements in place which minimise any disruption to the system
- Business continuity arrangements are effective
- Frameworks to support effective decision making are clear
- Core financial assumptions and positions are clear and monitored, but with a light touch approach whilst maintaining sufficient clarity on minimum key measures

This guidance has been developed to support organisations and provide clarity on expectations for this disrupted period and until organisations return to business as usual arrangements.

Principles

This document has been developed with the following guiding principles:-

- Finance will not be a barrier to delivering the operational needs of the service in response to the COVID-19 pandemic but needs to be managed and monitored in a structured manner;
- Funds will flow to and from NHS Wales' organisations in a timely manner;
- Organisations are expected to work together to ensure that services are not disrupted during this period as a result of cross-border flows and commissioning;
- Requests for COVID-19 funding will be facilitated through a simplified process that balances financial governance and operational need; and
- Organisations will track both the additional costs arising from COVID-19, and reductions in expenditure due to COVID-19 (i.e. reduced elective activity) in a structured and transparent manner.

Financial Governance

The maintenance of financial control and stewardship of public funds will remain critical during the NHS Wales response to COVID-19. Chief Executives, Accountable Officers and Boards must continue to comply with their legal responsibilities and have regard to their duties as set out in [Managing Welsh Public Money](#) and other related guidance. Any financial

mismanagement during this period should be managed in exactly the same way as at any other time.

NHS Wales organisations should undertake an urgent and timely review of financial governance arrangements to ensure decisions to commit resources in response to COVID-19 are robust and appropriate. Value for money is expected to remain a consideration when making decisions with a significant financial impact.

Specifically, organisations are expected to ensure that systems are in place to support decision-making at pace whilst maintaining appropriate controls and governance. This relates in particular to:

- Ensuring an appropriate scheme of delegation is in place and compliance with SFIs. This should include ensuring effective authorisation and signatory systems are in place to minimise any disruption
- Financial information should be collected in support of COVID-19 which is auditable and evidenced and supported by good documentation of key decisions
- Delegation limits and approvals should be documented and followed, having been approved by the Board. The arrangements should also be sufficiently robust and flexible to ensure that authorisation and decisions can take place in the absence of key staff.

No new revenue or capital business investments should be progressed unless related to the response to COVID-19 or otherwise expressly approved by Welsh Government.

From a governance perspective, organisations are also expected to ensure that any proposed service delivery solution in response to COVID-19 have appropriate NHS Indemnity arrangements and advice from Welsh Risk Pool as required.

Core Financial Systems & Processes

NHS Wales Shared Services Partnership has outlined the business continuity arrangements in respect of key financial processes including payroll, procurement and accounts payable. These systems are able to operate via remote working with limited disruption. The systems are, however, dependent upon the ongoing exercise of controls within NHS Wales' organisations. In particular, organisations are asked to ensure that purchase to pay arrangements are appropriately effective and timely, and any payroll adjustments are communicated at an early stage. This will ensure timely payments to suppliers and maintaining cash flow, and ensuring no impact on the pay of our staff.

Organisations should ensure that robust business continuity arrangements are in place covering core financial systems, monitoring and reporting. This should include ensuring procedures, and rules for key systems are available and accessible to all appropriate staff, in a common place (both hard copy and electronically) to support staff required to undertake roles outside of their normal duties.

Business continuity plans should be kept under constant review, tested to ensure they remain effective, shared with all staff members, and updated on a timely basis where required with clear and timely communication.

Standing Financial Instructions require clear quotations and tender processes, which in the current situation, may not be possible. In ensuring appropriate use of public money, where this is not possible any new arrangements must be clearly documented, and decision making justifiable in the context of future scrutiny and accountability.

Organisations should ensure that control is maintained over inventory and stocks which will be critical should supply chains be under pressure. Organisations should therefore consider whether more frequent stock checks are required, and have clear processes in relation to products in high demand and optimise product distribution to ensure the right items are available at the times for patient care.

If inventory is moved to other NHS organisations, then records will need to be kept of where these items are being sent to ensure that they are appropriately accounted for and are not lost or wasted.

NHS Wales' organisations are required to continue to pay suppliers and other NHS bodies (including NHS England providers) on a timely basis.

Counter Fraud

During emergencies and crises, organisations are inevitably more vulnerable to a risk of fraud. There is already emerging evidence of increased phishing e-mails and other fraudulent activity. There are particular risks around invoice and procurement fraud.

We would encourage organisations to remain vigilant to this heightened risk of fraud and to take the following actions:-

- Maintain basic and fundamental financial controls around authorisation and segregation of duties; and
- Engage with your local counter fraud service if you require any guidance or note any suspicious activity.

Revenue & Capital Allocations and Cash

NHS Wales organisations have received clear allocations for 2020/21, and all organisations should always utilise the funding available within their agreed allocation. It is anticipated that reductions in planned care activity as part of the response to COVID-19 will free up resources (finance and workforce) to be diverted to the COVID-19 response.

Welsh Government recognises the importance of liquidity and cash management at this time. The NHS Financial Management Team will prioritise the distribution of cash to support NHS Wales' organisations. Welsh Government will ensure that cash is paid to NHS Wales' organisations on a regular and timely basis to facilitate key financial activities such as payroll, procurement and accounts payable.

If additional allocations and/or requests for funding are approved through the processes outlined in this document, Welsh Government will communicate approval and issue the allocation in a timely manner, including converting into cash allocations on a timely basis.

It is acknowledged that organisations will incur additional costs in relation to COVID-19 and outline arrangements for monitoring and reimbursement below.

Ring-fenced Allocations (excluding DEL/AME Non Cash Depreciation)

During this period, it is recognised that there may be under-utilisation or re-direction of ring-fenced services for their traditional purpose with therefore a reduced expenditure level against the baseline ring-fenced allocation. During this period there will be no claw-back of ring-fenced allocations therefore any under-spend against the allocation is an appropriate offset against increased COVID-19 expenditure.

Cost Reimbursement – Revenue Costs

In many instances, the operational costs of the COVID-19 response will be met from within existing funding, as resources are re-directed from planned elective activity or other planned commitments. Further, costs of significant programmes and actions co-ordinated on a Once for Wales basis will be funded centrally as part of the national co-ordinated response.

Where an organisation has a need to incur specific additional costs associated with the local response, or where an organisation has a national leadership role, then Welsh Government will consider making

additional revenue funding available. This will require a submission to Welsh Government explaining the nature of the additional cost, the likely timeframe it will be incurred and why it cannot be met from within the existing allocation. This will ensure an audit trail to support business critical decisions and support enabling allocation processes.

In order to facilitate a swift response, requests for funding support should be submitted to the central mailbox at NHSFinancialManagement@gov.wales

Implementation of identified actions and appropriate procurement should not be delayed whilst waiting for funding confirmation from Welsh Government.

Financial Reporting & Monitoring

Organisations need to ensure they will be able to track their financial position on an ongoing basis, and capture the impact of the COVID-19 pandemic. Welsh Government is revising existing monitoring arrangements to ensure routine monitoring is focussed on the bare minimum requirements to sustain clear financial reporting and integrity at this time. At a high level, this monitoring will describe the following:-

- Baseline position pre COVID-19 as per previous plans;
- Year to Date & Forecast outturn position
- Risks
- Allocation & Income assumptions (recognising that this is a fast changing environment)
- Cash flow & Capital assumptions
- Additional COVID-19 expenditure incurred; and
- Planned expenditure or investments that was not incurred due to COVID-19;

Organisations should build this approach into reporting and forecasts, and establish appropriate mechanisms to facilitate tracking of any additional expenditure in relation to COVID-19.

Welsh Government acknowledges that organisations' efforts will be wholly directed towards the COVID-19 response, which will affect the pursuit of savings and efficiencies at this time. It is recognised that delivering savings will not be prioritised unless they are supportive of the current situation and challenges. Organisations should review and identify which programmes will, and will not, be maintained or ceased, and progress to date documented and closed down to allow progress when the system returns to a normalised position. Organisations are expected to provide a

clear assessment of their forecast outturn position having considered non-delivery of planned savings and the other variables outlined above.

Welsh Government is re-developing monitoring guidance for 2020-21, which will be issued in due course. This is being developed in line with the principles above and in the spirit of the challenges associated with COVID-19. Monitoring will therefore adopt a 'light-touch' approach with key areas of focus around COVID-19 reporting, and with sufficient flexibility for organisations to describe the financial impact of COVID-19 clearly. This will reflect both planned impacts on expenditure, and unplanned financial impacts of COVID-19.

Capital

The principles of ensuring clarity on assumed allocations, forecast expenditure, and COVID-19 impact outlined within this guidance applies to Capital in addition to Revenue expenditure. Capital support will be provided for:

- Testing equipment and facilities
- Inpatient facilities, to include compliance issues with existing isolation rooms and conversion to negative pressure where required
- Inpatient facilities, expansion of isolation rooms numbers to meet the requirements of WHC (2018) 033
- Critical care facilities and equipment
- Diagnostics
- Works and equipment required to cohort patients not requiring critical care, including those in non NHS owned facilities where required
- Digital equipment
- Other capital requirements not covered by the above as required

As per reimbursement of revenue costs, organisations are asked to outline where additional capital funding is required above approved Capital Resource Limits (CRLs) and Capital Expenditure Limits (CELs), organisations should make submissions to Welsh Government outlining the detail of the costs, and timeframe it will be occurred. Implementation of identified actions and appropriate procurement should not be delayed whilst waiting for funding confirmation from Welsh Government

Routine capital monitoring will be reflected in the revised Monitoring Returns; however, given the challenges of COVID-19, Capital Projects progress reports are not required until at least the end of Quarter 1, when the position will be reviewed.

Given the exceptional circumstances of the current situation, for 2019/20 due to the ongoing uncertainty about year-end deliveries for both COVID and non COVID equipment and delay in construction schemes CRLs/CELS will continue to be amended for one week after 31st March, with the intention of closing them on 8 April 2020.

Depreciation funding requirements above baseline, will be obtained via the Non Cash Estimate Exercise in early August and refined in November (the June exercise will not be undertaken in 2020/21).

Purchase of enhanced discharge support services / Partnership arrangements

Timely discharge and community care wrap around packages will be essential to release bed capacity within hospitals. Discharge to Recover and Assess packages are anticipated to be enhanced and will include community response team ('CRT') support, intermediate care beds (in a community hospital or care home) and domiciliary care.

Within existing partnership arrangements Welsh Government anticipates that additional costs will be incurred by both the local authorities involved and healthcare bodies. It is also envisaged that organisations collectively will be repurposing existing funding streams such as the Integrated Care Fund as an appropriate resourcing mechanism in these circumstances. Any additional planned expenditure which requires funding support should comply with the revenue cost reimbursement model outlined above within this guidance.

Cross-Border Flows

It is essential that NHS Wales organisations collaborate effectively and minimise any disruption on the system during this period. All Welsh commissioners are expected to deploy the same approach as English commissioners and agree block contract arrangements with English providers in line with NHS England guidance. The NHSE guidance reflects that this arrangement should be in place to 31 July 2020 but we anticipate that this period will be extended and organisations should ensure that they are able to respond swiftly to any extension. It is recognised that this arrangement may have a disproportionate impact on those organisations with a high reliance on English providers and who cannot re-deploy internal resources to offset this financial pressure. This will be considered directly with specific impacted organisations.

An approach to Long Term Agreements for quarter 1 during the COVID-19 pandemic period has been developed by Deputy Directors of Finance,

which is endorsed by Welsh Government as both a pragmatic and sensible approach. It is vital that organisations ensure stability, and no disruption in the system at this time.

Actions being taken and led directly by Welsh Government on a system wide basis as part of the response to COVID-19 will be resourced directly with no anticipated impact on any individual organisation.

It is anticipated that Welsh organisations will have similar pragmatic reciprocal arrangements with English commissioners as appropriate on any activity for English residents treated in Welsh providers.

Primary Care Contractors

From 1 April, it is anticipated that Primary Care contractors are enabled to prioritise their workload according to what is necessary to prepare for and manage the outbreak, and therefore as a principle organisations should ensure that income will be protected as per existing contractual arrangements if other routine contracted work has to be substituted. Health Boards should plan to continue to make payments on this basis and ensure timely cash flow to independent contractors. Welsh Government will reimburse any additional costs in relation to COVID-19 as part of the reimbursement processes outlined in this guidance. Specific developments on a national basis may result in further guidance and support in relation to actions being taken by Primary Care contractors and this will be issued by policy leads in due course.

It is also intended that, during the outbreak, payments made under the Premises Cost Directions will be maintained. This will be in the event that premises are not able to open or where the use of premises is diverted away from GMS to support other COVID activities.

Summary

This guidance is intended to provide clear minimal expectations and be a supportive framework for organisations to consider what is or is not maintained in the current situation.

Given the pace and urgency of the current situation and environment, there may be additional areas for clarification that has not been addressed by this guidance. Any queries in relation to this can be directed at NHSFinancialManagement@gov.wales or directly with either Steve Elliott, Hywel Jones, Andrea Hughes, or Val Whiting in the first instance who will support you as required.

Appendix B - Guidelines to NHS Wales in respect of requests for advance payments

Introduction

COVID-19 is an unprecedented event and it is placing exceptional demands on services and NHS finance functions. There is a growing body of evidence that suppliers are requesting advance payment for goods and services. There are potential risks arising if payments are made (non-delivery of goods or services or supplier insolvency and consequential financial loss) and risks if payments are not made (interruptions to critical supply chains). Staff and patient safety considerations are paramount during this period.

This guidance outlines expectations on how organisations should respond to such requests, balancing risk and maintaining professional responsibilities and accountability arrangements. The guidance assumes that Directors of Finance (Accounting Officers) have already negotiated with the supplier and that attempts to maintain existing payment terms have been unsuccessful.

This guidance applies exclusively to the pandemic period and is applicable to both revenue and capital payments.

Legislative and Policy Context

This guidance should be read in conjunction with the principles outlined in [Managing Welsh Public Money](#), Standing Financial Instructions and the guidance contained within the following Cabinet Office Procurement Policy Notes, which have been adopted by Welsh Government and apply equally to NHS Wales organisations:-

- [PPN01/20](#)
- [PPN02/20](#)

Roles and Responsibilities

The Director of Finance (henceforth referred to as “the Accounting Officer”) remains responsible for ensuring that spending is regular, proper and represents value for money.

The Board is responsible for the exercise of financial supervision and control by defining and approving essential features in respect of important policies and financial systems, including the need to obtain value for money and sustainability.

Considerations for Accounting Officers

Exceptional Payments

Managing Welsh Public Money outlines that payments in advance are “exceptional and should only be considered if a good value for money case can be made for them (i.e. that need can be demonstrated).”

Model standing financial instructions also permit prepayments in exceptional circumstances, notably where there is specific Welsh Ministers’ approval to do so. The prepayment requires that the appropriate Executive Director provide a written report setting out all the relevant circumstances of the purchase and the effects on the organisation if the supplier is unable to meet their commitments.

HM Treasury and Welsh Government (through PPN02/20) have confirmed that payments in advance can be made where the Accounting Officer is satisfied that a value for money case is made by virtue of securing continuity of supply of critical services. Welsh Government defines critical services as those supplies or services that would adversely affect the health and safety of staff and/or patients if they were not supplied or provided. This includes personal protective equipment, ventilators, oxygen and goods or services related to the development of additional capacity to meet predicted demand. These examples are not exhaustive and the Accounting Officer should consider the critical nature of each request.

Decision Making Process

In response to the exceptional circumstances, organisations should establish and document a robust decision making process with the following guiding principles:-

- The process should facilitate swift decision making; and
- The process should provide an effective audit trail that documents the information available at the time, consideration of risk and the decision reached or recommendation made.

Based on the experience of colleagues in NHS Wales Shared Services Partnership, a Financial Governance Group should be established. This group should be available to meet (virtually) as and when the need arises (within 24 hours). The group should be informed by an information template completed by procurement or finance officers. This template should consider the following:-

- The product under consideration;
- Procurement rules; and
- Proposed payment terms.

Brief notes of the meeting and the decision reached should also be documented.

Template terms of reference, information submissions and documented decisions are included in the appendices to this guidance. (Note – the proposed terms of reference include a remit wider than advance payments but may be helpful to NHS Wales' organisations in monitoring and reporting additional COVID-19 expenditure incurred).

Delegated Approval Limits

Following the decision or recommendation of the Financial Governance Group, the Accounting Officer should ensure that the organisation complies with governance requirements in respect of delegated approval limits.

NHS Wales' organisations should ensure that orders and payments are made in accordance with standing financial instructions and other extant guidance issued by Welsh Government. In particular, contracts >£500k should be noted and contracts >£1m should be formally approved by Welsh Government. The contract may also require Board approval and arrangements should be established to facilitate and document this quickly if required.

Managing Risk

Accounting Officers should remain alert to the potential for fraud during this period. In particular, the Accounting Officer should ensure that, where possible, any supplier negotiations take place with an appropriate individual who is known to the organisation. Any changes to supplier details such as bank details or addresses should be subject to appropriate segregation of duties and authorisation processes.

Accounting Officers should ensure that due consideration is given to the solvency of the proposed supplier given the information available at the time. This may include credit checks, management accounts or letters of support from group companies.

Accounting Officers should endeavour to procure goods / services using standard NHS Terms and Conditions, which may enable recourse to the supplier if the goods or services are defective, delayed or not delivered.

Accounting Officers should ensure that goods and services are delivered as quickly as possible and receipted on a timely basis to ensure that the risk of non-delivery of goods or services is mitigated.

Accounting Officers should also ensure that arrangements are in place to check goods delivered to ensure that they are in line with the order and meet the quality requirements.

Notification to Welsh Government

NHS Wales' organisations who are considering advance payments that require Welsh Government financing support should inform Welsh Government at the earliest opportunity in order to manage the cash flow requirements. The communication should outline the anticipated cash requirement and payment date together with a high-level summary of how the organisation has reached the decision to make the advance payment, including all relevant circumstances (as per the requirements of Standing Financial Instructions). The template documents attached at Appendices 2 and 3 would suffice to meet these requirements.

Communications should be sent to NHSFinancialManagement@gov.wales and copied to Steve.Elliot@gov.wales

Appendix C - Terms of Reference Finance Governance Group

Background

The COVID-19 pandemic represents unprecedented challenges to Health Care provision and requires significant and sometimes difficult decisions at pace. In recognition of the requirement to act effectively and at speed Welsh Government have issued guidance in relation to COVID_19 - Decision Making & Financial Guidance ("Guidance") attached at Appendix A.

NWSSP recognises the crucial role of supporting all Health Boards bringing procurement expertise and established supply chains to support Welsh Government identified priorities. To that end, Welsh Government have provided funding to support the response to the COVID-19 pandemic.

Purpose

The Finance Group's primary aim is to assist the appropriate decision maker to ensure that COVID19 related expenditure is incurred and monitored appropriately given the current national emergency. In particular, it is recognised and appreciated that established governance and finance procedures may be disrupted by the need to act swiftly to secure the goods and services required to respond effectively to the national emergency and Welsh Government priorities.

Welsh Government have identified four main priorities that need an effective supply chain:

- 1). Personal Protective Equipment
- 2). Beds
- 3). Ventilators
- 4). Oxygen.

In respect of the four main priorities above and any ancillary services the Finance Group shall seek to take all reasonable measures to secure the purchase and supply without delay in accordance with the Guidance. The Finance Group shall follow the principles set out in the Guidance, good governance and in accordance with the legal powers conferred.

The Finance Group will seek to agree appropriate variations to agreed finance and governance procedures where necessary, including those established during the national emergency. It is noted that the Cabinet Office have issued Procurement Policy Notes (PPN 1/20 and PPN 02/20)

which are attached at Appendix B in relation to procurement activity and supplier relief during the pandemic. Whilst PPN's are not applicable to Devolved Administrations, the Finance Group note PPN 02/20 advice is that no more than 25% of a contract or service value should be paid up-front. Where any payment up front is proposed above this figure HM Treasury consent is required. In absence of Welsh Government guidance, the Finance Group shall refer the proposals to Welsh Government as a Devolved Administration. The Finance Group are aware that to secure delivery and the quantity and quality required by NHS Wales, they may, at times, need to agree a higher up-front payment percentage.

To support the operation of the Finance Group, NWSSP officers will need to provide information for the proposed contracts and purchases being reviewed and any actions required to conclude matters. A checklist will be provided for completion so the Finance Group may focus resources in accordance with the Guidance. The Finance Group will aim to respond to any request for a recommendation for appropriate decisions and actions required within a 24 hour time frame.

By undertaking its remit the Finance Group will act to support NHS Wales during the national emergency while at the same time supporting NWSSP in terms of decision making and protecting both the organisation and its people.

It is not anticipated that most items of COVID-19 related expenditure will need to be considered by the Finance Group.

Membership and Recommendations to be made to the appropriate Decision Maker

Proposed membership is aimed to give appropriate governance, finance, audit and counter-fraud support. Ten members are proposed with four attendees being quorate, which shall make recommendations to the appropriate decision maker – providing one of the members is the Chair or Vice-Chair:

Simon Cookson – Chair

Alison Ramsey – Vice-Chair

Andy Butler, Mark Harris, Andy Naylor, Peter Stephenson, Graham Dainty, Mark Osland (Director of Finance Velindre) and Stephen Harris (Velindre independent member)

Representative from NWSSP Procurement Division - to be determined by the individual contracts for consideration.

Recommendations to be agreed and proposed to the appropriate decision maker in accordance with the Standing Orders must be agreed by a majority of those in attendance with the Chair or Vice Chair in absence of the Chair having the casting vote in the event of no majority.

Remit

1. To have a general oversight of all the expenditure incurred on COVID 19
2. To consider the risks of each significant contract/purchase that may cause disruption to established governance and finance procedures e.g. risk of financial loss if a percentage of the payment is up front.
3. To support procurement staff who are undertaking their role in incredibly demanding and difficult circumstances, to include providing a clear and efficient route of escalation to appropriate officers.
4. To consider single tender and direct award of contracts as anticipated by PPN 1/20, variations to contracts as anticipated in PPN 2/20 and any other consequential actions required which may include review and consideration of established procedures in the Standing Orders and Standing Financial Instructions where appropriate.
5. To provide internal approval to incur expenditure from a financial accounting perspective where this is necessary and document internal procedures to provide an audit trail which shall be open to scrutiny.
6. To be proactive as far as possible and seek to ensure that individuals are not put at risk where the Finance Group receives requests for purchase of goods which may appear to have been divided into separate contracts.
7. To consider if there are any significant governance, audit, fraud or value for money risks and what action might be necessary and when, and to consider any potential mitigation measures.
8. To ensure WG approval has been sought and obtained where appropriate
9. To provide recommendations in an appropriate form, to the Velindre Board and or Delegated Decision makers in accordance with the Standing Orders.
10. Undertake an ongoing review of overall COVID-19 expenditure/transactions to date and provide reports as requested which may highlight any potential learning/lessons going forward to assist in meeting future needs.

Frequency

As and when necessary for immediate recommendations to the appropriate decision maker for decisions in accordance with the Standing Orders, otherwise weekly for other work.

Output

A full record of major COVID 19 expenditure, the rationale for it, and an assessment to show what evidence the group used to determine its recommendations for decisions to be made, together with any comments (again the checklist will support this work).

Appendix D - COVID-19 Advanced Payments & Payment on Receipt

All requests for Advanced Payments and Payment on Receipt must be co-ordinated via Linsay Payne, NWSSP Finance. The process below should be followed:

Payments in Advance

No	Process	Responsibility
1	<u>Requesting the Approval for Payment</u> <ul style="list-style-type: none">• D&B Report obtained• Justification Paper produced• Purchase order raised• Invoice obtained• Submit to Linsay Payne / Andy Butler for approval	Procurement
2	Once approved the invoice should be emailed to AP <ul style="list-style-type: none">• Accounts.payable3@wales.nhs.uk & cc to: Alison Ruckley & Lucy John• Enter COVID-19 ADVANCE PAYMENT & Supplier Name in the Email Subject• If only a proportion of the invoice is being paid in advance this must be clearly stated in the email	Linsay Payne
3	<u>Entering the Invoice</u> <ul style="list-style-type: none">• A check should be made to ensure the bank details on the invoice match those held on Oracle. Any discrepancies should be verified with the SMT• AP will enter the invoice onto Oracle.• If only a % of the invoice is to be paid in advance the invoice will be split and entered twice onto Oracle• The Payment Terms changed to IMMEDIATE• The Payment Method changed to WIRE• The invoice and email should be attached in Oracle• If the invoice matches the Purchase Order the only hold which will be applied will be QTY REC• The QTY REC Hold should be released using the Release Reason COVID 19• If there are any additional holds (Price; Max Ship etc) the buyer should be contacted immediately to request an amendment to the Purchase Order and cc Linsay Payne	Accounts Payable
4	<u>Requesting Payment</u> <ul style="list-style-type: none">• Once the invoice is validated a request for a Faster Payment should be made to Velindre Finance Team	Accounts Payable

	<ul style="list-style-type: none"> The email should be sent to: <ul style="list-style-type: none"> Jason Davies & cc Rebecca Holliday; Angela Evans; Tracey Hughes; Lindsay Payne; Alison Ruckley & Lucy John The deadline for requesting payments is 2:00pm and for requests values over £5M the deadline is 11:00am 	
5	<u>Confirming Payment</u> <ul style="list-style-type: none"> Velindre Finance will email confirmation when the payment is made Provide confirmation of Payment to Procurement Contact the Supplier to confirm payment Update Oracle with Payment Date 	Velindre Finance Lindsay Payne Procurement Accounts Payable
6	<u>Receipt of Goods / Discrepancies</u> <ul style="list-style-type: none"> Receipt goods once delivery is made The Supplier should be contacted for Non delivery / discrepancies 	Procurement

Payment on Receipt

No	Process	Responsibility
1	<u>Receipting</u> Upon delivery the order should be receipted immediately	Procurement
2	<u>Invoice</u> The invoice should be requested from the Supplier Once the order is receipted the invoice should be emailed to AP <ul style="list-style-type: none"> Accounts.payable3@wales.nhs.uk & cc to: Alison Ruckley & Lucy John Enter COVID-19 IMMEDIATE PAYMENT & Supplier Name in the Email Subject 	Procurement / Lindsay Payne
3	<u>Entering the Invoice</u> <ul style="list-style-type: none"> AP will enter the invoice onto Oracle. The Payment Terms changed to IMMEDIATE The invoice and email should be attached in Oracle If there are any additional holds (Price; Max Ship etc) the buyer should be contacted immediately to request an amendment to the Purchase Order and cc Lindsay Payne 	Accounts Payable
4	<u>Payment</u> <ul style="list-style-type: none"> The invoice will be selected for payment on the next available payment run Details of the invoice due to be paid should be 	Accounts Payable

	<p>emailed to the Team Leader undertaking the payment run to ensure the invoice is paid</p> <ul style="list-style-type: none"> • If a Faster Payment is required then the process "Requesting the Payment" above should be adopted 	
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Requesting a Faster Payment

The following table must be included in the body of the email, populated with the relevant details and a copy of the invoice(s) attached:

Payee	Invoice No	Value to be Paid	Order No or Auth Invoice	Financial Code	Bank Account Number	Sort Code
		£		120-		

Appendix E – NWSSP COVID19 estimated expenditure 2019-20

NWSSP Division or Service Area	Description of additional services/activity	Total £
Surgical and Medical Testing Laboratory	FFP3 masks EN 149 filter efficiency testing. Testing subcontracted to a manufacturer and supplier of air filter testing instruments and testing facilities.	1,200
Surgical and Medical Testing Laboratory	FFP3 mask Fit Testing. Testing subcontracted the UK's leading Fit Testing specialists.	660
Health Courier Service	Additional direct actual costs incurred in the transportation of infectious control samples from sites across Wales (including agency and bank staff, overtime, on call, vehicle hire and fuel costs) BP is now offering to supply free fuel to the UK emergency and NHS non-emergency vehicles.	214,577
Specialist Estates Services	Legal advice commissioned to provide advice and opinion on the impact of COVID19 on extant construction contracts across the NHS Wales estate. This includes current work relating to Business Cases and NHS Building for wales Frameworks.	2,000
Corporate	Purchase of 241 soft VPN tokens to enable staff to work from to adhere to Government guidance on social distancing in the workplace. This related to many of our contact centre and office based staff, now working from home in critical areas including Procurement, Payroll and Recruitment.	20,485
Primary Care Services (*)	Direct costs incurred in the printing and postage of 57,437 letters to those living Wales who are classed as extremely vulnerable being advised by the Welsh	47,000

NWSSP Division or Service Area	Description of additional services/activity	Total £
	Government to 'shield' and stay at home.	
Procurement Services	Overtime incurred by supply chain staff in accordance with All Wales Policy arrangements.	71,140
Procurement Services	Agency costs incurred by supply chain and sourcing department to meet demand of requests from NHS Wales.	26,098
Procurement Services	Additional roll cages purchased to support the volume of extra deliveries and lag caused by decontamination downtime.	47,000
Procurement Services	Additional site security at Denbigh stores due to increased risk of break-in during the current crisis by third parties and increased value of stock held on site.	9,000
Procurement Services	Additional transportation costs incurred by third party supplier to support the increased volume of deliveries.	2,000
TOTAL OPERATIONAL NWSSP COVID-19 COSTS		441,160
Element funded internally within NWSSP		-141,160
NWSSP COVID-19 FUNDING REQUEST		300,000

* **Postage costs incurred by Primary Care Services** were £47,000 for 2019/20. 33,000 letters were posted during the first week of April costing an additional £27,000 which will require funding in 2020/21.

COVID-19 PURCHASES OVER £100K EXCL VAT

REQ NO	SUPPLIER	ITEM	QUANTITY ORDERED	PRICE EX VAT	TOTAL EX VAT	TOTAL INCL VAT	PO TOTAL	PO	ADVANCE PAYMENT %
800124448	PHILIPS ELECTRONICS UK LTD	TRILOGY EVO	70	3,978.00	278,460.00	334,152.00	334,152.00	712114413	
800124489	BREAS MEDICAL LTD	VIVO 55 WITH DISPOSABLE CIRCUIT	200	4,000.00	800,000.00	960,000.00	1,768,816.80	712114412	
		PATIENT CIRCUIT DUAL LIMB WITH ACTIVE EXHALATION VALVE (DIS	1000	12.10	12,100.00	14,520.00			
		CO2 AIRWAY ADAPTOR VIVO 50 & 60	200	413.00	82,600.00	99,120.00			
		VIVO 55/65 CO2 SENSOR	200	1,870.00	374,000.00	448,800.00			
		NIPPY4 SpO2 MODULE CABLE	200	484.00	96,800.00	116,160.00			
		VIVO 55/65 NIPPY 4 FINGER CLIP ADULT	200	196.00	39,200.00	47,040.00			
		VIVO 55/65 MULTISITE SENSOR	200	196.00	39,200.00	47,040.00			
		OXYGEN ADAPTOR LOW PRESSURE VIVO 50 & 60	200	15.40	3,080.00	3,696.00			
		VIVO 55/65 FIO2 SENSOR	200	106.00	21,200.00	25,440.00			
		T-PIECE FOR OXYGEN SENSOR VIVO 50 & 60	200	6.00	1,200.00	1,440.00			
		DATA MONITORING SOFTWARE VIVO 50 & 60	1	469.00	469.00	562.80			
		MEMORY CARD VIVO 30, 40, 50 & 60	200	18.70	3,740.00	4,488.00			
		MEMORY CARD READER/WRITER VIVO 30,40,50 & 60	5	85.00	425.00	510.00			
800124743	BECTON DICKINSON (CME) UK LTD	CME T34 Syringe Pump Set	1000	900.00	900,000.00	1,080,000.00	1,224,252.00	712114723	
		Kit Lockbox T34 30ml c/w 2 Key	1000	79.00	79,000.00	94,800.00			
		Washable T34 Carry Pouch	1000	-	-	-			
		Syringe Set Clear length 100cm	500	26.39	13,195.00	15,834.00			
		SAFTINTIMA 24G DEHP FREE	400	70.00	28,000.00	33,600.00			
		Carriage	1	15.00	15.00	18.00			
800125084	AMBU (UK) LTD	AIRWAY SUPRAGLOTTIC PHARYNGEAL STANDARD CURVE (INFLATING C	1300	12.10	15,730.00	18,876.00	201,598.80	712115041	
		AIRWAY SUPRAGLOTTIC PHARYNGEAL STANDARD CURVE (INFLATING C	75	12.10	907.50	1,089.00			
		AIRWAY SUPRAGLOTTIC PHARYNGEAL STANDARD CURVE (INFLATING C	60	12.10	726.00	871.20			
		AIRWAY SUPRAGLOTTIC PHARYNGEAL STANDARD CURVE (INFLATING C	70	12.10	847.00	1,016.40			
		AIRWAY SUPRAGLOTTIC PHARYNGEAL REINFORCED (INFLATING CUI	70	39.50	2,765.00	3,318.00			
		AIRWAY SUPRAGLOTTIC PHARYNGEAL PREFORMED (INFLATING CUI	55	37.50	2,062.50	2,475.00			
		AIRWAY SUPRAGLOTTIC PHARYNGEAL STANDARD CURVE (INFLATING C	55	37.50	2,062.50	2,475.00			
		AIRWAY SUPRAGLOTTIC PHARYNGEAL REINFORCED (INFLATING CUI	45	39.50	1,777.50	2,133.00			
		AIRWAY SUPRAGLOTTIC PHARYNGEAL REINFORCED (INFLATING CUI	38	39.50	1,501.00	1,801.20			
		ASCOPE4 BRONCHO SLIM 3.8/1.2 (FOR USE WITH AMBU AVIEW)	66	895.00	59,070.00	70,884.00			
		ASCOPE4 BRONCHO REGULAR 5.0/2.2 (FOR USE WITH AMBU AVIEW)	60	895.00	53,700.00	64,440.00			
		ASCOPE4 BRONCHO LARGE 5.8/2.8 (FOR USE WITH AMBU AVIEW)	30	895.00	26,850.00	32,220.00			
800125101	GUARDIAN	MASK, FACE, SURGICAL, PLEATED, TIE ON, ANTI-FOG, TYPE IIR - Prod	1667	150.00	250,050.00	300,060.00	300,060.00	712115017	30%
800125178	MINDRAY UK LTD	QUOTE 221173787 - 100 MONITORS PLUS ACCESSORIES FOR ABUHB	100	5,802.00	580,200.00	696,240.00	696,240.00	712115051	
800125181	MINDRAY UK LTD	QUOTE 221173832- PURCHASE OF 60 VITAL SINGS MONITORS PLUS ACCESSORIES FOR BCUHB	60	1,160.90	69,654.00	83,584.80	83,584.80	712115052	
800125188	MINDRAY UK LTD	QUOTE 221173998--PURCHASE OF 176 OF MONITORS = ACCESSORIES FOR CVUHB	176	5,553.13	977,350.00	1,172,820.00	1,172,820.00	712115059	
800125191	MINDRAY UK LTD	QUOTE 221173876 - FOR THE PURCHASE OF 18 RECOVERY MONITORS FOR BCUHB	18	5,860.25	105,484.50	126,581.40	126,581.40	712115062	
800125195	MINDRAY UK LTD	QUOTE 221173835 - FOR THE PURCHASE OF 80 MONITORS PLUS ACCESSORIES FOR HDUHB	80	6,190.88	495,270.00	594,324.00	594,324.00	712115065	
800125198	MINDRAY UK LTD	QUOTE 221173875 FOR THE PURCHASE OF 80 MONITORS PLUS ACCESSORIES FOR BCUHB	80	6,774.25	541,940.00	650,328.00	650,328.00	712115077	
800125262	BECTON DICKINSON (UK) LTD	Q036474 - Alaris GH Plus Guardrails Syringe Pump	30	1,094.00	32,820.00	39,384.00	405,006.00	712115080	
		Q036474 - Alaris GH Plus Guardrails Syringe Pump	155	1,494.00	231,570.00	277,884.00			
		Q036474 - NEXUS ALARIS PLUS GP PUMP	20	1,494.00	29,880.00	35,856.00			
		Q036474 - OPTION CORD POWER R/A GB MOULDED	235	1.00	235.00	282.00			
		Q036474- ALARIS PK PLUS SYRINGE PUMP	20	2,150.00	43,000.00	51,600.00			

800125309	GUARDIAN	Standing order for MASK, FACE, SURGICAL, PLEATED, TIE ON, ANTI-FOG, TYPE IIR, 1667 boxes to be delivered weekly (April-May) - Product Code 3503	11669	150.00	1,750,350.00	2,100,420.00	2,100,420.00	712115166	30%
800125311	GUARDIAN	Standing order for MASK, FACE, SURGICAL, PLEATED, TIE ON, ANTI-FOG, TYPE IIR, 1667 Boxes Delivered Weekly (June) Product Code 3503	6668	120.00	800,160.00	960,192.00	960,192.00	712115167	30%
800125324	HENLEYS MEDICAL SUPPLIES LTD	Thermometer Non Contact – TriTemp	1000	175.00	175,000.00	210,000.00	210,000.00	712115169	50%
800125337	MEDSTROM LTD	500 Corus General Ward Bed with Mattress @ Â£1,100 each	500	1,100.00	550,000.00	660,000.00	660,000.00	712115255	
800125341	FRESENIUS KABI LTD	Reference: JP/DJ/AK/9650R- Agilia SP MC WIFI	361	400.00	144,400.00	173,280.00	305,280.00	712115216	
		REFJP/DJ/AK/9650R- Agilia VP MC WIFI	200	550.00	110,000.00	132,000.00			
800125361	THE ROYAL MINT	Full Face Visors - Product Code TRMVISOR01	100000	6.00	600,000.00	720,000.00	720,000.00	712115279	
800125371	B BRAUN MEDICAL LTD	URGENT COVID-19 PERFUSER SPACE	690	1,000.00	690,000.00	828,000.00	1,596,000.00	712115304	
		URGENT COVID 19 INFUSOMAT SPACE	640	1,000.00	640,000.00	768,000.00			
		URGENT COVID-19. POLE CLAMP SP	1330	-	-	-			
		URGENT COVID-19. POWER SUPPLY SP UK III	1330	-	-	-			
800125405	DRIVE DEVILBLISS HEALTHCARE LTD	Caretek G420 Hospital Ward Bed	500	2,025.00	1,012,500.00	1,215,000.00	1,215,000.00	712115261	
800125411	SIEMENS HEALTHCARE DIAGNOSTICS LTD	CPQ-145029 - Paper Printer Thermal	84	2.00	168.00	201.60	425,423.29	712115353	
		CPQ-145029 - HI FLOW AIR FILTER	49	10.00	490.00	588.00			
		CPQ-145029 - Wash/Waste Cart 4pk	637	95.00	60,515.00	72,618.00			
		CPQ-145029. - RP500e BLOOD GAS ANALYSER ROW	7	7,000.00	49,000.00	58,800.00			
		CPQ-145029. - UPS APC BACKUP CS 650VA 230V (EU)	7	200.00	1,400.00	1,680.00			
		CPQ-145029. - AQC CTL	637	95.00	60,515.00	72,618.00			
		CPQ-145029. - Luer Capillary	147	23.50	3,454.50	4,145.40			
		CPQ-145029. - MCART LAC 400 Test	637	279.43	177,996.91	213,596.29			
800125421	AGILE MEDICAL LTD	COMPACT RESUS TROLLEYS	49	20.00	980.00	1,176.00			
800125455	HAMILTON MEDICAL UK LTD	Transport ventilators, Mobile ICU ventilators Hamilton - T1, including starter kit and selected options as per quote M20103.	170	1,448.00	246,160.00	295,392.00	295,392.00	712115298	
800125457	HAMILTON MEDICAL UK LTD	Intensive care ventilator. Hamilton C1. Hamilton C1 including starter kit and selected options.	45	15,915.59	716,201.55	859,441.86	859,441.86	712115302	
800125457	HAMILTON MEDICAL UK LTD	URGENT COVID-19. Product number 15. HOIST -Sara Stedy	65	11,859.09	770,840.85	925,009.02	925,009.02	712115303	
800125525	ARJO UK LTD	URGENT COVID-19. Maxi move DPS & Scale (sling hoist)	50	665.00	33,250.00	39,900.00	133,010.04	712115436	
		URGENT COVID-19. Carriage charge for above items	21	3,537.70	74,291.70	89,150.04			
			1	3,300.00	3,300.00	3,960.00			
800125527	MEDSPACE SOLUTIONS	URGENT COVID-19 ORDER 4 Hook Stainless Steel Drip stands with weighted bases.	2000	173.32	346,640.00	415,968.00	415,968.00	712115392	
800125543	MEDSTROM LTD	URGENT COVID-19 ORDER. 200 ITU BEDS. CRITICAL CARE BED.	200	1,850.00	370,000.00	444,000.00	444,000.00	712115395	
800125549	VERATHON MEDICAL (UNITED KINGDOM) LTD	URGENT COVID-19. GS Core VB Lg Prem WS (includes 10" monitor & smart cable)	58	9,665.00	560,570.00	672,684.00	672,684.00	712115577	
800125553	CARDIAC SERVICES (UK)	LSU with Serres Canister	134	773.00	103,582.00	124,298.40	124,298.40	712115396	
800125581	ZOLL MEDICAL UK LTD	R Series * PLUS Defibrillator AS PER QUOTATION 30772 V:1	42	6,624.00	278,208.00	333,849.60	350,229.60	712115439	
		POWER CORD, 240V/50HZ, UNITED KINGDOM AS PER QUOTATION 30772 V:1	42	-	-	-			
		Surepower Lithium Re-chargeable Battery AS PER QUOTATION 30772 V:1	42	-	-	-			
		2 YEAR EXTENDED WARRANTY AS PER QUOTATION 30772 V:1	42	-	-	-			
		Cable Assembly MFC-CPRD R SERIES MULTI-LANG AS PER QUOTATION 30772 V:1	42	-	-	-			
		One Step CPR AA GC Electrodes single - 2 year shelf life AS PER QUOTATION 30772 V:1	42	-	-	-			
		R SERIES DATA COMM II CARD AS PER QUOTATION 30772 V:1	42	-	-	-			

		ZOLL DEFIBRILLATOR DASHBOARD BASE MODULE AS PER QUOTATION 30772 V:1	42	325.00	13,650.00	16,380.00			
800125641	MEDSTROM LTD	Quote Reference: 4153-649 - Apollo 8 Dynamic mattress	200	1,500.00	300,000.00	360,000.00	360,000.00	712115445	
800125647	PHILIPS ELECTRONICS UK LTD	URGENT COVID-19 - Power Cord C7 End R.A. Female End UK	130	-	-	-	948,001.08	712115466	
		URGENT COVID-19 - Circuit Support Arm	130	-					
		URGENT COVID-19 - Bracket Mounting Arm	130	-					
		URGENT COVID-19 - Assy Idle Mask Storage Bracket	130	-					
		URGENT COVID-19 - Trilogy 202 Clinical Manual EN-INTL	130	-					
		URGENT COVID-19 - Trilogy 202 Ventilator International	130	5,183.33	673,832.90	808,599.48			
		URGENT COVID-19 - OBM 02 Fitting - NIST A-8 Assembly	130	19.50	2,535.00	3,042.00			
		URGENT COVID-19 - MHA Bs probe - NIST A8 FM, Cond Wht 2.5m	130	53.00	6,890.00	8,268.00			
		URGENT COVID-19 - SPRS 2 roll stand H-111cm, w baseplate	130	508.25	66,072.50	79,287.00			
		URGENT COVID-19 - Kit Cyl mount, 108mm 4.25in (SPRS-2)	130	233.25	30,322.50	36,387.00			
		URGENT COVID-19 - Detachable Battery pack (USA / INTL)	130	79.60	10,348.00	12,417.60			
800125659	PHILIPS HEALTHCARE	Disp, 22mm, Adult, Non-Htd Passive, 10pk	70	105.54	7,387.80	8,865.36	351,200.64	712115483	
		Cable, USB to CO2 Monitor	70	97.42	6,819.40	8,183.28			
		Trilogy Evo Great Britain (As per Quotation Ref 20158518)	70	3,978.00	278,460.00	334,152.00			
800125685	ARJO UK LTD	URGENT COVID-19 - LG50/C/EU/2 - Foil Packaging (Betsi Cadwalder stock)	100	2,392.20	239,220.00	287,064.00	473,616.00	712115522	
		URGENT COVID-19 - LG50/C/EU/2 - Foil Packaging (Hywel Dda stock)	30	2,392.20	71,766.00	86,119.20			
		URGENT COVID-19 - LG50/C/EU/2 - Foil Packaging (Aneurin Bevin stock)	20	2,392.20	47,844.00	57,412.80			
		URGENT COVID-19 - Lifeguard Trm2 Mattress Assy (Betsi Cadwalder stock)	100	239.00	23,900.00	28,680.00			
		URGENT COVID-19 - Lifeguard TRM2 Mattress Assy (Hywel Dda stock)	30	239.00	7,170.00	8,604.00			
		URGENT COVID-19 - Lifeguard TRM2 Mattress Assy (Aneurin Bevan stock)	20	239.00	4,780.00	5,736.00			
800125697	GREATSTAR EUROPE LTD	FFP2 MASK WITH NO FILTER - Product Code T2006141	625	1,424.00	890,000.00	1,068,000.00	1,068,000.00	712115467	
800125708	GUARDIAN	GOWN, RENIFORCED ZONES, SMS, NON-STERILE, LARGE - Product Code D002 Delivery in April	200000	4.30	860,000.00	1,032,000.00	2,064,000.00	712115473	30%
		GOWN, RENIFORCED ZONES, SMS, NON-STERILE, LARGE - Product Code D002 Delivery in May	200000	4.30	860,000.00	1,032,000.00			
800125842	MEDSTROM LTD	Xpress - Electric	1735	1,150.00	1,995,250.00	2,394,300.00	2,394,300.00	712115624	
800125843	MEDSTROM LTD	Xpress - Electric	165	1,150.00	189,750.00	227,700.00	2,132,100.00	712115625	
		Eco Profiling Std Bed with Serene foam	1300	1,150.00	1,495,000.00	1,794,000.00			
800125844	MEDSTROM LTD	Signature 4 section bed	80	1,150.00	92,000.00	110,400.00	414,000.00	712115633	
		Proteus - 4 section electric Low bed	100	1,150.00	115,000.00	138,000.00			
		Cor1000/2000 with E4000 foam	200	1,150.00	230,000.00	276,000.00			
800125854	HILL-ROM LTD	HR Elite c2 Covid bed	1048	1,551.00	1,625,448.00	1,950,537.60	1,950,537.60	712115626	
800125901	MEDSTROM LTD	Quote 4188-649Accora Covid19 bed - manual bed, height addjustable with adjustable backrest comes complete with foam mattress	200	700.00	140,000.00	168,000.00	168,000.00	712115709	
800125914	MEDSTROM LTD	QUOTE 4190-649 - Accoura Covid19 and Renray beds - manual bed, height adjustable with adjustable backrest comes complete with foam mattress	300	700.00	210,000.00	252,000.00	252,000.00	712115740	
800125924	A MENARINI DIAGNOSTICS LTD	Description: COVID-19 IgG/IgM Rapid Test Cassette (25 tests kit) UOM: Pack/25 As per quotation reference: 03/04/4959/CB	4000	273.25	1,093,000.00	1,311,600.00	1,311,600.00	712115759	
800125926	A MENARINI DIAGNOSTICS LTD	Description: COVID-19 IgG/IgM Rapid Test Cassette (25 tests kit) UOM: Pack/25 As per quotation reference: 03/04/4959/CB	4000	273.25	1,093,000.00	1,311,600.00	1,311,600.00	712115760	

800125927	A MENARINI DIAGNOSTICS LTD	Description: COVID-19 IgG/IgM Rapid Test Cassette (25 tests kit) UOM: Pack/25 As per quotation reference: 03/04/4959/CB	4000	273.25	1,093,000.00	1,311,600.00	1,311,600.00	712115763	
800125928	A MENARINI DIAGNOSTICS LTD	Description: COVID-19 IgG/IgM Rapid Test Cassette (25 tests kit) UOM: Pack/25 As per quotation reference: 03/04/4959/CB	4000	273.25	1,093,000.00	1,311,600.00	1,311,600.00	712115764	
800125935	MEDITELLE LTD	4-panel Vinyl Medical Screens, White Frames. As per quotation: MED030420NHSW.	800	255.00	204,000.00	244,800.00	244,800.00	712115842	
800125990	BCB INTERNATIONAL LTD	Standing order of 4000 a week for IP5 - Hand Sanitiser Gel 50ml - Product Code CL901 Standing order of 4000 a week for IP5 - Hand Sanitiser Gel 500ml - Product Code CL903	48000 48000	1.40 4.70	67,200.00 225,600.00	80,640.00 270,720.00	351,360.00	712115870	
800125992	BCB INTERNATIONAL LTD	Standing order of 4000 a week for Bridgend Stores - Hand Sanitiser Gel 50ml - Product Code CL901 Standing order of 4000 a week for Bridgend Stores - Hand Sanitiser Gel 500ml - Product Code CL903	48000 48000	1.40 4.70	67,200.00 225,600.00	80,640.00 270,720.00	351,360.00	712115869	
800125993	NHS SUPPLY CHAIN	URGENT COVID-19 - Voluson S10. URN WH 1534 ULT 20	6	23,177.23	139,063.38	166,876.06	166,876.06	712115837	
800125997	MEDSTROM LTD	URGENT COVID-19 - Accoura and / or Renray beds. Manual bed, height adjustable with adjustable backrest comes complete with foam mattress	614	700.00	429,800.00	515,760.00	515,760.00	712115846	
800126054	BCB INTERNATIONAL LTD	Standing order of 4000 every two weeks for Denbigh Stores - Hand Sanitiser Gel 50ml - Product Code CL901 Delivery Charge Standing order of 4000 every two weeks for Denbigh Stores - Hand Sanitiser Gel 500ml - Product Code CL903	24000 6 24000	1.40 590.00 4.70	33,600.00 3,540.00 112,800.00	40,320.00 4,248.00 135,360.00	179,928.00	712115921	
800126133	VERATHON MEDICAL (UNITED KINGDOM) LTD	URGENT COVID-19 - GS Core SU Prem WS, includes 10" monitor & smart cable URGENT COVID-19 - Spectrum SU, DVM S3 (BOX of 10) URGENT COVID-19 - Spectrum SU, DVM S4 (BOX of 10) URGENT COVID-19 - Spectrum SU, LoPro S3 (SW) (BOX of 10) URGENT COVID-19 - Spectrum SU, LoPro S4 (SW) (BOX of 10)	100 175 175 75 75	9,395.00 190.00 190.00 270.00 270.00	939,500.00 33,250.00 33,250.00 20,250.00 20,250.00	1,127,400.00 39,900.00 39,900.00 24,300.00 24,300.00	1,255,800.00	712116002	
800126179	CONTINUUM SCOTLAND LTD	MASKS: TYPE IIR FLUIF REPELLANT MASKS	900000	23.50	21,150,000.00	21,150,000.00	21,150,000.00	712116048	100%
800126182	PHARMAPAC UK LTD	MASKS TYPR IIR FLUID REPELLANT MASKS LOGISTICS	40000000 40000000	0.32 0.08	12,800,000.00 3,200,000.00	12,800,000.00 3,200,000.00	16,000,000.00	712116047	50%
800126183	GENMED ENTERPRISES UK LTD	FLUID REPELLENT MAROON GOWNS ALL WALES PROVISION	3000000	2.50	7,500,000.00	7,500,000.00	7,500,000.00	712116045	25%
800126193	ROCHE DIAGNOSTICS LTD	URGENT COVID-19 ORDER - COAGUCHEK XS PATIENT TESTING METER	500	299.00	149,500.00	179,400.00	179,400.00	712116120	
800126195	SARSTEDT LTD	URENT COVID-19 - QUOTE 47886/D09 - Minivette POCT 10ul, Neutral	200	801.62	160,324.00	192,388.80	192,388.80	712116088	
800126211	BCB INTERNATIONAL LTD	Standing order of 6,000 units every other week (6 Weeks) - Face shield - Product Code CL223	36000	4.00	144,000.00	172,800.00	172,800.00	712116135	
800126238	ARJO UK LTD	NIMBUS 4 MATTRESS ASSY RELIANT IS2 X500 AS PER QUOTATION - Q-16269 PUMP GA NIMBUS UK X 500 AS PER QUOTATION - Q-16269	500 500	1,265.50 1,880.50	632,750.00 940,250.00	759,300.00 1,128,300.00	1,887,600.00	712116146	
800126240	ARJO UK LTD	URGENT COVID-19 - Enterprise 9000x (Critical Care Hospital beds)	100	4,157.12	415,712.00	498,854.40	498,854.40	712116151	
800126246	ARJO UK LTD	URGENT COVID-19 - N4 Mattress Assy Reliant IS2 URGENT COVID-19 - Pump GA Nimbus UK	200 200	1,265.50 1,880.50	253,100.00 376,100.00	303,720.00 451,320.00	755,040.00	712116149	
800126248	ARJO UK LTD	URGENT COVID-19 ORDER Prioma Medical Bed 600	500	1,800.00	900,000.00	1,080,000.00	1,080,000.00	712116153	
800126252	ARJO UK LTD	URGENT COVID-19 ORDER BEDS	100	1,195.04	119,504.00	143,404.80	143,404.80	712116155	
800126269	BUNZL CATERING SUPPLIES	TYPE IIR MASKS (ALL WALES PROVISION) FFP3 MASKS (ALL WALES PROVISION)	30000000 0	0.60 5.76	18,000,000.00 -	18,000,000.00 -	18,000,000.00	712116194	50%

800126312	DELOITTE LLP	Consultancy services to support procurement of PPE to NHS Wales	1	183,201.00	183,201.00	183,201.00	183,201.00		
800126327	FOREIGN PAYMENTS	URGENT COVID-19 - SleepAngel Medium/HighRisk Static Foam Pressure Relieving Mattress featuring Unique PneumaPure Filtration Technology	500	185.00	92,500.00	111,000.00	111,000.00	712116219	
800126398	BUNZL CATERING SUPPLIES	Type IIR Surgical Mask	500000	0.73	365,000.00	365,000.00	365,000.00	712116314	50%
800126401	GE MEDICAL SYSTEMS LTD	Supplier Quotation Number – NHSSC_GM_0604201114 - ULTRA SOUND MACHINES , VENUE GO PLUS ACCESSORIES. UNIQUE REFERENCE WITH NHS SUPPLY CHAIN WH 1567 ULT 20	6	21,000.00	126,000.00	151,200.00	151,200.00	712116296	
800126415	BUNZL CATERING SUPPLIES	EXAMINATION GLOVES, NITRILE POWDER FREE, SMALL	330	150.00	49,500.00	59,400.00	178,200.00	712116316	50%
		EXAMINATION GLOVES, NITRILE POWDER FREE, MEDIUM	450	150.00	67,500.00	81,000.00			
		EXAMINATION GLOVES, NITRILE POWDER FREE, LARGE	200	150.00	30,000.00	36,000.00			
		EXAMINATION GLOVES, NITRILE POWDER FREE, EXTRA LARGE	10	150.00	1,500.00	1,800.00			
800126432	BUNZL CATERING SUPPLIES	Type IIR Surgical Mask	600000	0.73	438,000.00	438,000.00	438,000.00	712116320	100%
800126435	BECTON DICKINSON (UK) LTD	URGENT COVID-19 - Med Captain Syringe Pump (to include swap to BDNexus). QUOTE Q038398	155	1,700.00	263,500.00	316,200.00	316,200.00	712116343	
800126453	CARDINAL HEALTH UK 432 LTD	URGENT COVID-19 ORDER. 250 Kangaroo Joey Enteral Feeding pumps	250	350.00	87,500.00	105,000.00	144,864.00	712116349	
		URGENT COVID-19 ORDER. 250 boxes Joey ENPLUS spike sets.	250	66.44	16,610.00	19,932.00			
		URGENT COVID-19 ORDER. 250 boxes Joey Enfit ENPLUS 3 in 1 sets	250	66.44	16,610.00	19,932.00			
800126464	MEDSTROM LTD	URGENT COVID-19 - Accoura COVID-19 manual bed with adjustable backrest, castors & comes complete with foam mattress	400	700.00	280,000.00	336,000.00	336,000.00	712116350	
800126471	ARJO UK LTD	QUOTE FOR CLAIRE EVANS Atlanta A&E Trolley with Din rail and mattress	177	2,680.00	474,360.00	569,232.00	569,232.00	712116348	
800126499	VERATHON MEDICAL (UNITED KINGDOM) LTD	URGENT COVID-19 - GS Core SU Prem WS, includes 10" monitor & smart cable	50	9,395.00	469,750.00	563,700.00	815,700.00	712116378	
		URGENT COVID-19 - Spectrum SU, DVM S3 (BOX of 10)	375	190.00	71,250.00	85,500.00			
		URGENT COVID-19 - Spectrum SU, DVM S4 (BOX of 10)	375	190.00	71,250.00	85,500.00			
		URGENT COVID-19 - Spectrum SU, LoPro S3 (SW) (BOX of 10)	125	270.00	33,750.00	40,500.00			
		URGENT COVID-19 - Spectrum SU, LoPro S4 (SW) (BOX of 10)	125	270.00	33,750.00	40,500.00			
800126516	MEDSTROM LTD	URGENT COVID-19 - Manual 2 section bed, 2 height options, adjustable angled manual backrest, with castors plus cut foam mattress	240	700.00	168,000.00	201,600.00	201,600.00	712116402	
800126522	ADDED PHARMA BV	Quotation no: Ltd/2004114/ND Smartfiller (New 3rd generation)	1	98500	98,500.00	118,200.00	124,128.00		
		Quotation no: Ltd/2004114/ND Change part	1	4,800.00	4,800.00	5,760.00			
		Quotation no: Ltd/2004119/ND- Shipping costs for your loan							
		Smartfiller - Newport	1	140.00	140.00	168.00			
800126570	BUNZL CATERING SUPPLIES	Type IIR Surgical Mask	1300000	0.60	780,000.00	936,000.00	936,000.00		

TOTAL POs > £100K EXCL VAT 113,287,964.39

Audit Position Statement - Velindre University NHS Trust – NHS Wales Shared Services Partnership

Audit year: 2019-20

Date issued: April 2020

Document reference: APS202004

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

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

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Progress update

About this document

- 1 This document provides the Velindre University NHS Trust’s Audit Committee for Shared Services with an update on current and planned Audit Wales’ work, together with information on the Auditor General’s planned programme of NHS-related studies and publications.

Assurance arrangements

- 2 Details of the finalisation of our audit assurance arrangements for 2020 are set out in **Exhibit 1**.

Exhibit 1: assurance arrangements

Area of work	Current status
Assurance arrangements 2020	Presented to Audit Committee January 2020

Audit update

- 3 The progress of the audit assurance work detailed in our 2020 assurance arrangements report is set out in **Exhibit 2**.

Exhibit 2: audit work update

Area of work	Scope	Planned timetable	Current status
Audit assurance requirements			
Internal audit	Assess compliance with Public Sector Internal Audit Standards (PSIAS). Review annual audit plan and status of audits.	February 2020	Complete

Area of work	Scope	Planned timetable	Current status
Payroll	Update or understanding of the payroll system and identify key controls. Controls testing of exception reports.	February – April 2020	Complete
General Medical Services	Update our understanding of the general medical system and identify key controls. Controls testing of global sum payments (capitation lists and patient rates).	January – March 2020	Complete
Pharmacy & Prescribed drugs	Update our understanding of the pharmacy contract and prescribed drugs systems. Controls testing of payments to pharmacists (checks undertaken by the Professional Services Team and drug tariff rates).	January – March 2020	Complete
Accounts Payable & Public Sector Payment Policy	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	January 2020	Complete
Procurement	Review of contracts awarded with a value greater than £1 million	April 2020	Complete

Area of work	Scope	Planned timetable	Current status
Welsh Health Legal & Risk	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	January – March 2020	Complete
Nationally Hosted NHS IT systems – IT audit work	Review our understanding of the general IT controls and identify key controls. Review, document and evaluate the IM&T environment and application controls. Test a sample of IT controls.	January – April 2020	Complete
Reporting to NWSSP			
Nationally Hosted NHS IT systems	Summary of work and any matters arising that need to be considered by the NWSSP management	January - April 2020	Report planned for June 2020
Management letter	Summary of work and 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.	Planned for June 2020 Revised to July 2020	Report planned for July 2020 Revised to August 2020

NHS-related national studies

- 4 The Audit Committee may also be interested in the programme of national value for money studies, some of which focus on the NHS and pan-public-sector topics. These studies are typically funded by the National Assembly and are presented to the National Assembly's Public Accounts Committee to support its scrutiny of public expenditure.
- 5 **Exhibit 3** provides information on the NHS-related or relevant national studies published in the last 12 months. It also includes all-Wales summaries of work undertaken locally in the NHS.

Exhibit 3: NHS-related national studies and all-Wales summary reports

Topic	Details
Progress in implementing the Violence Against Women, Domestic Abuse and Sexual Violence Act	Published 21 November 2019 http://www.audit.wales/publication/progress-implementing-violence-against-women-domestic-abuse-and-sexual-violence-act
Primary care services in Wales	Published 22 October 2019 http://www.audit.wales/publication/primary-care-services-wales
Review of Public Services Boards	Published 8 October 2019 www.audit.wales/publication/review-public-services-board
Public Spending Trends in Wales 1999-00 to 2017-1	Published 1 October 2019 http://www.audit.wales/publication/public-spending-trends-wales Includes Interactive data tool
The well-being of young people	Published 19 September 2019 http://www.audit.wales/publication/well-being-of-young-people
Integrated Care Fund	Published 18 July 2019 www.audit.wales/publication/integrated-care-fund
Preparations in Wales for a 'no-deal' Brexit – follow-up letter	Published 25 September 2019 www.audit.wales/publication/preparations-wales-no-deal-brexit-follow-letter
NHS Wales Finances Data Tool	Published 12 June 2019 http://www.audit.wales/publication/nhs-wales-finances-data-tool

Topic	Details
Counter-Fraud Arrangements in the Welsh Public Sector ¹	Published 11 June 2019 https://www.audit.wales/system/files/publications/Counter%20fraud%20arrangements%20-%20english.pdf

- 6 **Exhibit 4** provides information on the NHS-related or relevant national studies currently underway.

Exhibit 4: NHS-related national studies currently underway by Audit Wales

Topic	Anticipated publication dates
Well-being and Future Generations All-Wales report	Report planned to be published May-June 2020
NHS Waiting Times – follow-up	Report planned to be published 2020
Quality governance arrangements in NHS bodies	Report planned to be published 2020
Collaborative arrangements for managing local public health resources	Report planned to be published 2020

- 7 In light of the COVID-19 pandemic, we have suspended on-site fieldwork and have also suspended the publication of our planned performance audit outputs. Our [Annual Plan 2020-21](#) set out the new work that we planned to take forward in 2020-21. However, much of this work programme will now need to be re-shaped, deferred or discontinued. We are keeping all this under close review and will update you further when we have a clearer idea of the scale and duration of the impact of the outbreak.

Good practice

- 8 In addition to the audit work set out above, 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. Our Good Practice Exchange team facilitate a programme of shared learning events but in light of the COVID-19 pandemic, planned events have been deferred. We are exploring how we may continue to deliver Good Practice Events via video conferencing and will keep you informed of progress.
- 9 Resources from past events are available at [Good Practice | Audit Wales](#).



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

NHS Wales Shared Services Partnership

Audit Committee

28 April 2020

Internal Audit Progress Report

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1. INTRODUCTION

The purpose of this report is to highlight progress of the 2019/20 Internal Audit Plan at 23 April 2020 to the Audit Committee, together with an overview of other activity undertaken since the previous meeting.

2. PROGRESS AGAINST THE 2019/20 INTERNAL AUDIT PLAN

Number of audits in plan	20
Of which:	
Number of audits reported as final	18
Number of audits at draft report stage	2
Number of audits deferred	1

Progress in respect of each of the reviews in the 2019/20 Internal Audit Plan is summarised at Appendix A.

The only planned audit that has not been reported to management is Salary Sacrifice. It has been agreed with management that this audit would be replaced by a review of Declarations of Interest due to absences in the salary sacrifice team. This review will now be undertaken in 2020/21.

3. ENGAGEMENT

The following meetings have been held/attended during the reporting period:

- Information Governance Steering Group
- Finance Academy P2P Group
- Audit scoping and debrief meetings
- Liaison meetings with senior management

4. RECOMMENDATION

The Audit Committee is invited to note the above.

2019/20 Internal Audit Plan




Assignment	Draft to Mgt Response (Days)	Status	Rating	Summary of Recommendations				Notes
				High	Medium	Low	N/A	
AUDITS FOR BOTH NWSSP AND INDIVIDUAL HEALTH BOARDS / TRUSTS								
PRIMARY CARE SERVICES								
General Medical Services (GMS)	-	Final	Substantial	-	-	-	-	
General Dental Services (GDS)	-	Final	Substantial	-	-	-	-	
General Ophthalmic Services (GOS)	-	Final	Substantial	-	-	-	-	
General Pharmaceutical Services (including Prescribing)	-	Final	Substantial	-	-	-	-	
Post Payment Verification (PPV)	1	Final	Substantial	-	1	1	-	
EMPLOYMENT SERVICES								
Payroll Services		Draft	Reasonable	1	5	1	-	


Assignment	Draft to Mgt Response (Days)	Status	Rating	Summary of Recommendations				Notes
				High	Medium	Low	N/A	
PROCUREMENT SERVICES								
Accounts Payable	10	Final	Reasonable	-	5	-	-	
AUDITS FOR NWSSP								
FINANCE & CORPORATE SERVICES								
IR35	9	Final	Reasonable	-	2	2	-	
Health and Safety	2	Final	Reasonable	1	1	3	-	
Performance Reporting	7	Final	Substantial	-	2	-	-	
Budgetary Control & Financial Reporting		Draft	Reasonable	-	-	3	-	
Salary Sacrifice								Replaced with Declarations of Interest to be undertaken in 2020/21
Strategic Planning	39	Final	Reasonable	-	2	-	-	
PROCUREMENT SERVICES								
Procurement Directorate Review	2	Final	Reasonable	-	3	2	-	
Stores	-	Final	Substantial	-	-	-	-	

Assignment	Draft to Mgt Response (Days)	Status	Rating	Summary of Recommendations				Notes
				High	Medium	Low	N/A	
WORKFORCE & ORGANISATION DEVELOPMENT								
Time Recording	2	Final	Substantial	-	1	-	-	
Staff Expenses	4	Final	Reasonable	1	3	1	-	
IT								
Cyber Security	15	Final	Reasonable	1	4	-	-	
CAPITAL & ESTATES								
Business Case Scrutiny Processes	28	Final	Reasonable	-	2	2	-	
ADVISORY REVIEWS AND RISK AREAS TO BE MONITORED								
Contact Centres (advisory)	-	Final	N/a	-	-	-	-	
Primary Care Payments System								Initial work commencing which will form part of 2020/21 Plan

Assignment	Draft to Mgt Response (Days)	Status	Rating	Summary of Recommendations				Notes
				High	Medium	Low	N/A	
Fair Payment Charter								Recommendations for management
PROJECT MANAGEMENT GROUPS								
WfIS Programme Board: H2R	Ongoing		To sit on Project Board to provide advice on internal controls					
IT Steering Group	Ongoing		To sit on Project Board to provide advice on internal controls					
Information Governance Steering Group	Ongoing		To sit on Project Board to provide advice on internal controls					
Finance Academy P2P Group	Ongoing		To sit on Project Board to provide advice on internal controls					
Audit Tracker Register	Ongoing		Consider the development of audit recommendation tracker functionality within Teammate					
AUDIT MANAGEMENT & REPORTING								
Audit Management & Reporting	Ongoing							

For Reference: The assurance ratings are defined as follows:

Assurance rating	Assessment rationale	Guide to Rating
	The Board can take substantial assurance that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. Few matters require attention and are compliance or advisory in nature with low impact on residual risk exposure.	Few matters arising and are compliance or advisory in nature. No issues about design of policies or procedures or controls. Any identified compliance (O) issues are restricted to a single control objective or risk area rather than more widespread. No high priority audit findings. Few Low or Medium priority findings. Even when taken together any issues have low impact on residual risk exposure even if remaining unresolved.
	The Board can take reasonable assurance that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. Some matters require management attention in control design or compliance with low to moderate impact on residual risk exposure until resolved.	Some matters require management attention in either control design or operational compliance. Any control design (D) limitations are isolated to a single control objective or risk area rather than more widespread. However compliance issues (O) may present in more than one area. Typically High priority findings are rare; but/or some Low or Medium priority findings. Even when taken together these will have low to moderate impact on residual risk exposure until resolved.
	The Board can take limited assurance that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. More significant matters require management attention with moderate impact on residual risk exposure until resolved.	More significant audit matters require management attention either in materiality or number. Control design limitations (D) may impact more than one control objective or risk area. Compliance issues (O) may be more widespread indicating non-compliance irrespective of control design. Typically some high priority audit findings have been identified and these are not isolated; and/or several Medium or Low audit findings. Either individually or when taken together these are significant audit matters with moderate impact on residual risk exposure until resolved.

Assurance rating	Assessment rationale	Guide to Rating
	<p>The Board has no assurance that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. Action is required to address the whole control framework in this area with high impact on residual risk exposure until resolved.</p>	<p>Significant audit matters require management attention both in terms of materiality and number.</p> <p>Control design limitations (D) impact the majority of control objectives or risk areas. Alternatively compliance issues (O) are widespread indicating wholesale non-compliance irrespective of control design.</p> <p>Several high priority audit findings have been identified in a number of areas; and/or several Medium audit findings.</p> <p>Either individually or when taken together these are significant audit matters with moderate impact on residual risk exposure until resolved.</p>

For Reference: The priority of the findings and recommendations are as follows:

<p>High</p> <p>Poor key control design OR widespread non-compliance with key control</p> <p>PLUS</p> <p>Significant risk to achievement of a system objective OR evidence present of material loss, error or mis-statement</p> <p>Timescale for action- Immediate</p>	<p>Medium</p> <p>Minor weakness in control design OR limited non-compliance with control</p> <p>PLUS</p> <p>Some risk to achievement of a system objective</p> <p>Timescale for action- Within one month</p>	<p>Low</p> <p>Potential to enhance design of adequate systems further</p> <p>OR</p> <p>Isolated instances of non-compliance with control with negligible consequences</p> <p>Timescale for action- Within three months</p>
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Primary Care Services Contractor Payments (All Wales)

Final Internal Audit Report 2019/20

NHS Wales Shared Services Partnership Audit and Assurance Services

Private and Confidential

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Appendix A	Glossary of Terms
Appendix B	Audit Assurance Ratings & Recommendation Priorities
Appendix C	Responsibility Statement

Review reference:	NWSSP 19/20 - 01
Report status:	Final
Fieldwork commencement:	5 th February 2020
Draft report issued:	20 th March 2020
Final Report issued:	27 th March 2020

Auditors:	James Quance, Head of Internal Audit Stephen Chaney, Deputy Head of Internal Audit
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Executive sign off:	Laura Howells, Principal Auditor Dave Hopkins, Director of Primary Care Services
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Distribution:	Neil Frow, Managing Director Andy Butler, Director of Finance & Corporate Services Dave Hopkins, Director of Primary Care Services Nicola Phillips, Head of Engagement & Support Services Ceri Evans, Head of Transaction Services Sam Johnston, All Wales Contracts Manager Julie Turner, All Wales Payments Manager Sandrine Boucle, Professional and Processing Lead
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Committee:

Velindre 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.

ACKNOWLEDGEMENTS

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.

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.

1. EXECUTIVE SUMMARY

1.1 Introduction and Background

A review of Primary Care Contractor Payments processed by NHS Wales Shared Services Partnership (NWSSP) Primary Care Services was completed in line with the 2019/20 Internal Audit Plan.

Primary Care Services (PCS) is responsible for the reimbursement of primary care contractors in Wales for medical, dental, ophthalmic and pharmacy/ prescribing services.

The audit sought to provide assurance to the Velindre NHS Trust Audit Committee for NWSSP and Health Boards in Wales that the arrangements in place for the processing of timely and accurate payments to primary care contractors are robust.

1.2 Scope and Objectives

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

- 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.
- Payment control sheets are fully completed and appropriately authorised.

General Medical Services

- Global sum and MPIG payments are accurately calculated and processed based on patient list size and the Statement of Financial Entitlement.
- Payments in respect of QOF, 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 Health Boards prior to processing.
- Additional payments (i.e. travel & subsistence, non-domestic rates) are accurately processed and supported by claim forms.
- Timely notification to Health Boards of payments awaiting authorisation on Compass.

General Ophthalmic Services

- Ophthalmic payments are processed in accordance with the correct Welsh Government rates.
- Payments are accurately processed and supported by vouchers.
- Ophthalmic vouchers are submitted for processing in a timely manner.
- Vouchers are fully completed by both the practitioner and patient.

Pharmacy & 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.
- Stakeholders receive accurate and timely monthly reports.

1.3 Associated Risks

The risks considered in the review were 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.
- Information provided to stakeholders is inaccurate.

2 CONCLUSION

2.1 Overall Assurance Opinion

We are required to provide an opinion as to the adequacy and effectiveness of the system of internal control under review. The opinion is based on the work performed as set out in the scope and objectives within this report. An overall assurance rating is provided describing the effectiveness of the system of internal control in place to manage the identified risks associated with the objectives covered in this review.





The level of assurance given as to the effectiveness of the system of internal control in place to manage the risks associated with establishment controls within the Primary Care Services Contractor Payments is **Substantial Assurance**.





RATING	INDICATOR	DEFINITION
Substantial Assurance		The Board can take substantial assurance that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. Few matters require attention and are compliance or advisory in nature with low impact on residual risk exposure.

The overall level of assurance that can be assigned to a review is dependent on the severity of the findings as applied against the specific review objectives and should therefore be considered in that context.

2.2 Assurance Summary

The summary of assurance given against the individual review areas is described in the table below:

Assurance Summary					
1	General Medical Services				✓
2	General Dental Services				✓

Assurance Summary					
3	General Ophthalmic Services				✓
4	Pharmacy & Prescribing Services				✓

* The above ratings are not necessarily given equal weighting when generating the audit opinion.

2.3 Design of Systems/Controls

The findings from the review have not highlighted any issues that would be classified as a weakness in the system control/design for Contractor Payments.

2.4 Operation of System/Controls

The findings from the review have not highlighted any issues that would be classified as a weaknesses in the operation of the designed system/control for Contractor Payments.

FINDINGS & RECOMMENDATIONS

3.1 Summary of Audit Findings

The key conclusion by the individual objectives are reported in the section below:

General Medical Services

- Policies and procedures were available to all staff via SharePoint.
- We did not identify any issues from our sample testing of inclusions on the Medical Performers List.
- We found no issues in respect of the process for the review and investigation of patient list numbers. Good practice was noted as it was evident that patient data was adequately managed by PCS; ensuring that quarterly capitation numbers were fed accurately into the global sum.
- A sample of enhanced services payments were selected for testing. We found that all claims had been correctly recorded on the payments spreadsheet, calculated at the correct rate and accurately input onto

Open Exeter.

- We found, through a sample of seniority payments, that all applications sampled were appropriately checked, and the correct start dates had been input for those GPs.
- A walkthrough of the process for Global Sum and Minimum Practice Income Guarantee (MPIG) calculations and payments confirmed that the process was well established with no issues arising.
- A sample of payments made in respect of the Quality Outcomes Framework (QOF) aspirations and achievements were found to have been correctly calculated and applied in line with the figures received by PCS from the relevant Health Board.
- A sample of rent/ water/ rates payments were found to be supported by appropriate documentation and there was evidence of suitable checks being carried out by PCS staff prior to payment.
- We found from testing a random sample of BACS control sheets, that the sample tested had been appropriately endorsed and authorised prior to the expected processing dates.

General Dental Services

- Adequate policies and procedures were established and available to all staff via SharePoint.
- We did not identify any issues from our sample testing of inclusions in respect of the Dental Performers List.
- Testing a sample of dental contract payment schedules found that all contracts reviewed were fully complete and accurate, with information corresponding to that held on the Compass system.
- A sample of payment amendment schedules was selected at random for testing across the relevant Health Boards for the financial year. All contract changes tested had been received and authorised by the Health Board and all variations input had been checked and matched the information in Compass.
- We found that payments had been processed in a timely manner following notification of changes to a dentist's contract. Upon notification of the impending change from the Health Board, the Contracts Team signs and dates each change on the contract schedule. It was evident, from a PCS Contracts and Payments perspective, that these had been processed and passed for payment in an efficient manner.

- We did not identify any issues from our testing of a sample of travel and subsistence forms. The forms tested were appropriately reviewed and are only accepted when the necessary signatures and receipts are provided.
- Re-imbursements of non-domestic rates paid to a sample of providers were also tested and the associated information was found to be complete.
- As part of the testing of annual contracts and changes, a sample of dental contracts was examined to ensure that authorisations had been received from the Health Board for payment. The testing revealed no instances of payments being made without the appropriate Health Board authorisations being received.

General Ophthalmic Services

- All relevant policies and procedures were established and available to all staff via SharePoint.
- We did not identify any issues from our sample testing of inclusions in respect of the Ophthalmic Performers List.
- A sample of the various GOS claim forms used by practitioners to claim funding for carrying out eye tests was tested to ensure forms had been fully and accurately completed and signed off by the patient, and where applicable, the practitioner.
- A sample of GOS 1¹, 3, 4, 5 and 6 forms submitted by opticians selected at random from across all Health Boards were tested to ensure that claim forms were being completed correctly by both the patient and practitioner. Testing did not identify any issues in respect of the completion of these forms.
- From our selected sample of BACS control sheets, all had been appropriately endorsed and authorised prior to the expected processing dates.

¹ 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.

Pharmacy

- Policies and procedures were established and available to all staff via SharePoint.
- Testing a sample of pharmacies on the Pharmaceutical Performers Lists (these included changes to ownership and new contracts) did not identify any issues.
- A walkthrough of pharmacy accounts confirmed that the completion of PSU002 and PSU003 forms for all batches of prescriptions submitted were received, recorded and processed accurately.
- In respect of processing of prescriptions, we randomly selected Pharmacy accounts and tested one prescription per account. Pricing processing was found to be satisfactory, with the correct prices being applied throughout.
- It was evident that quality audits were being undertaken in accordance with procedures. Detailed reworking of a sample of audit reviews across the year noted minor discrepancies on related audit batches which had subsequently been corrected.
- All BACS control sheets tested were found to be complete; authorised in line with NWSSP and Health Board signatory lists, and reconciled with supporting documentation.
- Monthly payments (FP47A(C) forms) to pharmacists were accurate and a review of a sample of FP47A(C) payment schedules confirmed that all reconciled to the corresponding PD1 reports.

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.

Sharepoint – The Health Board's document management system.

SLA – Service Level Agreement.

SOP – Standard Operating Procedure.

Audit Assurance Ratings



Substantial Assurance - The Board can take **substantial assurance** that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. Few matters require attention and are compliance or advisory in nature with **low impact on residual risk** exposure.



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Prioritisation of Recommendations

In order to assist management in using our reports, we categorise our recommendations according to their level of priority as follows.

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High	Poor key control design OR widespread non-compliance with key controls. PLUS Significant risk to achievement of a system objective OR evidence present of material loss, error or misstatement.	Immediate*
Medium	Minor weakness in control design OR limited non-compliance with established controls. PLUS Some risk to achievement of a system objective.	Within One Month*
Low	Potential to enhance system design to improve efficiency or effectiveness of controls. These are generally issues of good practice for management consideration.	Within Three Months*

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

Confidentiality

This report is supplied on the understanding that it is for the sole use of the persons to whom it is addressed and for the purposes set out herein. No persons other than those to whom it is addressed may rely on it for any purposes whatsoever. Copies may be made available to the addressee's other advisers provided it is clearly understood by the recipients that we accept no responsibility to them in respect thereof. The report must not be made available or copied in whole or in part to any other person without our express written permission.

In the event that, pursuant to a request which the client has received under the Freedom of Information Act 2000, it is required to disclose any information contained in this report, it will notify the Head of Internal Audit promptly and consult with the Head of Internal Audit and Board Secretary prior to disclosing such report.

The organisation shall apply any relevant exemptions which may exist under the Act. If, following consultation with the Head of Internal Audit this report or any part thereof is disclosed, management shall ensure that any disclaimer which NHS Wales Audit & Assurance Services has included or may subsequently wish to include in the information is reproduced in full in any copies disclosed.

Audit

The audit was undertaken using a risk-based auditing methodology. An evaluation was undertaken in relation to priority areas established after discussion and agreement with the organisation. Following interviews with relevant personnel and a review of key documents, files and computer data, an evaluation was made against applicable policies procedures and regulatory requirements and guidance as appropriate.

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Responsibilities

Responsibilities of management and internal auditors:

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Stores (IP5)

Final Internal Audit Report

2019/20

NHS Wales Shared Services Partnership

Audit and Assurance Services

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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.

ACKNOWLEDGEMENTS

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.

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.

1. EXECUTIVE SUMMARY

1.1 Introduction and Background

A review of the new IP5 Stores facility within NHS Wales Shared Services Partnership (NWSSP) was completed in line with the agreed 2019/20 Internal Audit Plan.

The audit sought to provide assurance to management that stock stored at IP5, Newport will ensure a continual supply to clients for a reasonable period, if risks associated with the UK leaving the European Union materialise. The audit also included a review of the planned arrangements for current stock to be stored at IP5, Newport.

In preparation for the UK leaving the European Union, NWSSP procured surplus stock for the top 1,000 stock lines and any additional products that were determined as key items. The stock is held in a large storage facility at IP5, Newport. Whilst the site will eventually be used for storing all stock for the region, currently a significant portion of the warehouse is held over for storage of the surplus stock. This stock is held in a separate and secure area of the IP5 warehouse, with limited access.

1.2 Scope and Objectives

The overall objective of this audit was to evaluate and determine the adequacy of the systems and controls in place to ensure that customers still receive critical and key stock lines in the event of temporary stock shortages, experienced when the UK leaves the European Union.

We assessed the controls in place over the following system objectives, to ensure that:

- stock levels are recorded accurately and completely;
- stock levels are sufficient to meet customer demand on a timely basis;
- the risk of loss through theft is minimised; and
- the risk of loss through obsolescence is minimised.

At the time of the audit, the UK had not yet left the European Union and the accrued stock for this purpose was not being issued. Therefore, this audit focussed on the design of the controls in place to maintain these stock lines and the accuracy of the stock inventory held, in line with the audit objectives.

We also completed a walkthrough of the planned controls in place to utilise the warehouse for current stock (stock to be used for day-to-day issue).

1.3 Associated Risks

The risks considered in the review were as follows:


- error or misstatement in the financial accounts;
- insufficient stock levels to meet customer demand; and
- financial loss through theft or obsolescence.

2 CONCLUSION

2.1 Overall Assurance Opinion

We are required to provide an opinion as to the adequacy and effectiveness of the system of internal control under review. The opinion is based on the work performed as set out in the scope and objectives within this report. An overall assurance rating is provided describing the effectiveness of the system of internal control in place to manage the identified risks associated with the objectives covered in this review.





The level of assurance given as to the effectiveness of the system of internal control in place to manage the risks associated with the process for Stores (IP5) is **Substantial Assurance**.

RATING	INDICATOR	DEFINITION
Substantial		The Board can take substantial assurance that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. Few matters require attention and are compliance or advisory in nature with low impact on residual risk exposure.

The overall level of assurance that can be assigned to a review is dependent on the severity of the findings as applied against the specific review objectives and should therefore be considered in that context.

2.2 Assurance Summary

The summary of assurance given against the individual review areas is described in the table below:

Assurance Summary					
1	Accurate and complete stock levels				✓
2	Stock levels sufficient to meet customer demand				✓
3	Theft of stock				✓
4	Obsolete stock				✓

* The above ratings are not necessarily given equal weighting when generating the audit opinion.

2.3 Design of Systems/Controls

The findings from the review have highlighted no issues that would be classified as weaknesses in the system control/ design for Stores (IP5).

2.4 Operation of System/Controls

The findings from the review have highlighted no issues that would be classified as weaknesses in the operation of the designed system/ control for Stores (IP5).

3. FINDINGS & RECOMMENDATIONS

3.1 Summary of Audit Findings

The key findings by the individual objectives are reported in the section below:

We completed this audit in two parts, over several months, which included:

- an examination of the design of the controls in place for managing surplus stock, which is reserved for issue in the event of suppliers unable to fulfil an order. In particular, we assessed the security and management of stock at the IP5, Newport site across these stock types; and
- we reviewed the design of the planned controls in place / to be implemented at IP5, Newport to manage stock issued to clients throughout South Wales.

During the original visit we completed a walkthrough of the controls for managing surplus stock and the planned arrangements for current stock. Whilst during the second visit current stock was being held, the full transfer of stock from Cwmbran Stores had been delayed. However, we determined if any controls for current stock had been amended since our previous walkthrough.

To facilitate the storage and segregation of current from surplus stock, we reviewed the upgraded storage arrangements. In particular, the installation of storage racking and the segregation of delivered items. We walked through the approach for incorporating lessons learnt from previous storage, with goods stored in commodity order and gaps left between common items, to reduce the risk of picking errors.

We also confirmed that surplus and current stock was still appropriately segregated, with clear arrangements in place and limited access to the surplus stock storage area. To support the operation of the IP5, Newport site, documented procedures and processes were being updated / compiled. Whilst we had sight of these documents, they were not yet ready for testing.

Stock Levels are Recorded Accurately

Surplus Stock

Surplus stock items are held in a separate warehouse, adjoining onto the main warehouse. To access the warehouse where the surplus stock is held, separate access privileges are required i.e. only certain individuals can access this part of the site. During the original visit, there were only a few operational staff on site and these were working in the surplus stock area. As current stock volumes were being increased, during the follow-up visit the surplus stock was effectively sealed off until required.

To ensure stock remains fit for purpose, when an expiry date for an item is approaching it is rotated from surplus to current stock. At the time of the

audit, surplus stock had only been in-situ for several months, so the expiry dates still had many months left.

Furthermore, to ensure stock lines are accurately recorded, a process of double counting is completed, whereby a second member of staff counts the stock present in a bay (storage location for the stock) to confirm that it agrees to the Warehouse Management System (stock system). A total is recorded onto the stock to evidence this.

Deliveries to IP5, Newport (surplus and current stock) are receipted and counted in a designated area, prior to transfer to the warehouse storage area. All stock is checked to the original order / delivery note. If any discrepancies are identified, the stock is held in a designated area (marked out on the warehouse floor) until the query is resolved by a manager. We observed this in operation. All surplus stock is received via a dedicated entrance (i.e. one of the seven delivery bays), which is separate from the current stock.

During our second visit, we confirmed that the surplus stock warehouse was fully stocked and ready to be utilised if required. Therefore, we selected a sample of ten surplus stock items held to ensure that the:

- quantity in storage was consistent with that record on the Warehouse Management System;
- description was correct;
- stock was maintained and not damaged;
- stock was securely held; and
- evidence that a second count had taken place.

We found no issues with our testing.

Current Stock

In the case of stock transferred from Cwmbran Stores, this was received via a separate delivery entrance to surplus stock, direct to the current stock storage section. A similar approach is adopted for discrepancies identified for stock received, where each item is held in a designated section of the warehouse for further investigation. The only difference is that the stock is checked to reconciliation reports, as opposed to delivery notes.

We were informed that all variances are fully investigated, prior to any stock adjustments taking place and that the Stores Losses Protocol Guidelines and Procedure is adhered to (in line with existing arrangements). Stock only enters bulk storage when the quantity and other details have been confirmed as correct.

The picking of goods is completed using a handheld device, which displays all relevant information, by scanning a bar code (Licence Plate Number) when an item is selected. This sets out items to be picked automatically and updates stock balances accordingly. Items from surplus stock, however, can not be ordered until the regular stock lines are unable to be fulfilled. At this point there is an automatic transfer across to surplus stock i.e. it operates seamlessly for the client. However, at the time of the audit, no surplus stock had been issued to clients, as the need was as yet to arise.

Stock Levels are Sufficient to meet Customer Demand

Surplus Stock

Approximately eight weeks of contingency stock is held within the IP5, Newport storage facility, plus an additional 25% stock for social care. Whilst the Warehouse Management System operates seamlessly for the client when ordering goods, to enable a switch over to surplus stock (when regular orders cannot be fulfilled) senior management authorisation is required. This prevents clients from ordering / receiving directly from the surplus stock pool.

The stock is derived from the top 1,000 items ordered, which have been subsequently reviewed and added to, to include other essential (but low order volume) items. The total number of stock lines held as surplus stock is over 1,500. We viewed the spreadsheet that was used to compile this list and the approach seemed reasonable.

All surplus stock is fully counted, tracked using a barcode and separated from current stock. To fulfil stock orders as efficiently as possible, when required, full pallets will be shipped instead of individual items. Surplus stock that is approaching its expiry date is rotated out into current stock.

In addition, a number of picking machines are currently held on short term leases, to automate the process further and with dedicated drivers, if and when required. A documented procedure, 'Reserve Stock – Date Life Management for Non-Straight Swap Items' sets out a process for raising internal requisitions to re-allocate stock to other stores throughout Wales, if required.

Current Stock

We noted that further procedures were being drafted to support the operation of the IP5, Newport warehouse although these were still in progress at the time of the audit.

We confirmed during our follow-up review that the storage racking had been fully installed and current stock was being held. We were also

informed that min/max reporting would be generated to maintain stock levels (in line with existing procedures).

Overall, the approach to supplying customers for a temporary period, in the event that orders cannot be fulfilled by suppliers is reasonable and the space set aside for the storage of surplus stock is fully utilised to accommodate this.

Risk of Theft of Stock

Surplus Stock

We found that identification is required to enter the site past security personnel and whilst there are no cameras within IP5, Newport there are 12 CCTV cameras surrounding the outside of the building. The building is divided into zones, with swipe access required to enter the warehouse and additional clearance required to enter the warehouse where the surplus stock is held. As Cwmbran Stores had yet to transfer across during our original visit, staff were working within the surplus stock area of the warehouse.

However, we did identify a number of doors to the current stock area of the warehouse open, but the warehouse storing surplus stock was fully secured. The transfer of arrangements to issue current stock from IP5, Newport had yet to complete and there was no material risk identified during our original visit, as no current stock was present. When raised with management, swipe card access was still required internally to navigate through the warehouse, thus reducing the risk further.

More valuable items (e.g. batteries) of stock are stored in a separate room, where access is only granted with the accompaniment of a manager / supervisor. We confirmed that this was the case. No personal bags are allowed into the warehouse.

There is no alarm system in place, but the security entrance is manned 24 hours a day, with monitoring of the site CCTV. Walkarounds of the site are also completed throughout the day and night. There are seven loading bays in total, but during the original visit only one was designated for courier deliveries. The others remain locked, until required.

Current Stock

Current stock which is delivered to IP5, Newport is delivered to a separate delivery entrance from surplus stock. The delivery is received and does not enter the warehouse until the items are verified against the original purchase order and delivery note. Once the items are confirmed as correct they are stored in the respective bay.

Security arrangements for the current stock remain the same as for surplus stock.

During the follow-up visit we did try to obtain access to the warehouse through doors identified as being open, as with our previous visit. However, on this occasion it was not possible, as doors were appropriately secured to prevent any unauthorised access.

Overall, the security arrangements are fair and proportionate to the risk involved.

Risk of Obsolete Stock – Surplus and Current Stock

Whilst we did not observe items being rotated (due to the long expiration dates), the process was discussed and found to be suitable for ensuring that product lines approaching their expiration date are moved into current stock for issuing.

The expiration date / shelf life is noted on each individual bay of the surplus stock lines, to readily identify stock dates. The Warehouse Management System is also utilised for this process.

The approach to identifying obsolete stock is reasonable.

Overall, there are no recommendations to raise based on our walkthrough of the controls in place.

Audit Assurance Ratings



Substantial Assurance - The Board can take **substantial assurance** that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. Few matters require attention and are compliance or advisory in nature with **low impact on residual risk** exposure.



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In order to assist management in using our reports, we categorise our recommendations according to their level of priority as follows.

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Final Advisory Review

2019/20

NHS Wales Shared Services Partnership

Audit and Assurance Services

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Appendix A Analysis of Divisional Contact Centre Findings

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Committee:	Audit Committee

ACKNOWLEDGEMENTS

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1. INTRODUCTION AND BACKGROUND

A review of contact centres within NHS Wales Shared Services Partnership (NWSSP) has been completed in line with the 2019/20 Internal Audit Plan.

NWSSP is a collaboration for the provision of corporate services used across NHS Wales, within which customer service is a core component of the management and delivery of services.

1.1 Scope and Objectives

The objectives of this advisory review were to:

- establish operational best practice for a contact centre, through research of data provided by foremost benchmark organisations;
- review a sample of divisions to determine their contact centre operations and procedures; and,
- identify and report on gaps in current operational procedures with established and researched best practice.

1.2 Associated Risks

The risks considered in the review were as follows:

- increased customer dissatisfaction;
- inefficient allocation of resource to contact centres;
- poor customer service;
- increased financial cost to customers, through poor service;
- increased customer complaints; and
- reputational damage to NWSSP.

2 CONCLUSION

2.1 Advisory review

As this is an advisory review, the assignment is not allocated an assurance rating, but advice and recommendations have been provided to facilitate change and improvement.

2.2 Overall Summary

The NWSSP vision and mission states an intent 'to support NHS Wales by creating a dedicated shared services organisation with a distinct identity, which shares common operating standards in line with best practice.'

There are multiple contact centres throughout NWSSP, operating independently. Currently, best practice is not shared between each team and each work to different standards, with Procurement Services having obtained ISO 9001 (Quality Management System). We recognise that there is scope to improve this.

Each contact centre is still developing and identifying methods for improving service. However, it is important for each of them to collaborate and determine what areas are most important for achievement (e.g. value for money, service etc.). To help reach this position, we have recommended adopting a maturity matrix approach, which sets out a self-assessment of the current position versus where the service area feel they should be positioned. For example, customer service management may be assessed as a 2 out of 5, currently, but an aspiration to reach 4 out of 5.

Finally, there may be an opportunity to create an All-Wales contact centre, irrespective of location. By providing a virtual contact centre, customers can dial one number for all queries within the scope of each of the contact centres e.g. IT or payroll queries. We have raised a recommendation to consider this approach.

The three objectives of this advisory review are detailed below:

Objective 1: To establish operational best practice for a contact centre, through research of data provided by foremost benchmark organisations

A contact centre is an organisation / department that offers:

- omni-channel customer support provided by contact centre agents, interacting with customers via email, phone and / or webchat support;
- possessing expert knowledge regarding everything to do with the service; and
- ensuring the workplace is a positive and productive environment.

In concluding on the first objective, we researched documentation from the following organisations:

- Deloitte, specifically their Shared Services Handbook 'Hit the Road';
- Institute of Internal Auditors;
- The Institute of Customer Service;
- The Global Association for Contact Centre & Customer Engagement Best Practices; and
- Call Centre Helper, the leading contact centre magazine.

Our research has identified that a 'best of class' contact centre framework should consider best practice operational procedures for the following four core components:



Query Logging

Once a customer call has been routed to an agent, known as the 'first contact', details of the query are logged. Depending upon the sophistication of the query logging software in place, the system may have been configured to perform some control tasks and/or the contact centre agent adds in details manually. Whilst a query is in progress and until closed, the customer should be kept informed of progress and any issues that may prevent resolution.

Examples of best practice controls that are common to many types of query logging software include:

- system allocation of a unique query log reference number and date/time stamp, so that duplicate logging does not occur;
- mandatory field completion, such as agent name, customer name and call reason, before a query can be saved as logged;
- configuration of the categorisation of different query types with prioritisation setting and target completion times;
- syntax controls or drop down menus to reduce mistyping in certain key fields, such as employee or supplier names; and
- the customer is informed that their query has been logged by automated email, then provided with regular updates on timeframe for query completion.

Query Monitoring

The volume of queries will affect the number of agents required to answer them and the length of time an employee / customer will have to wait. Agent resources are managed according to the volume of contact within each communication channel.

Alongside this process, there should be an ongoing review of contact trends to reduce the number of repeat contacts. An example of this utilised is shown below.

Over the past two years, FatFace has been able to reduce overall contact volumes by 20%.

A key reason for this is their focus on identifying trends within call reason codes, which can be sourced from the contact centre's logging system. Each week, the team identify their top four contact reasons and discuss how they can lower contact volumes for each without harming the customer experience.

An example of this in practice is that, at one point, customers had to go through the contact centre to manually reset their passwords. This became a major contact reason. However, by introducing a self-serve option to semi-automate the process, contact volumes for this type of call dropped by almost 65%.

Performance Reporting

Performance reporting measures should reveal as much of the contact centre communications experience as possible, including positive and negative, whilst being actionable and as quickly as possible. Management should not just measure the interaction of the contact centre agents. It is vital to understand whether or not the overall customer experience with the service provided was good or bad, particularly regarding:

- customer satisfaction (how well are customers served?); and
- operational efficiency (how well is the operation performing?).

The essential performance measures used, together with the associated risks of not applying them, are described below.

i) Customer satisfaction

Percentage of Calls Abandoned, Answered and Average Speed to Answer are the basic measures underpinning customer satisfaction. Internally, they can reveal sub-optimal shift patterns or agent scheduling, but externally, long waiting times mean employees and customers can become frustrated.

First-Contact Resolution Rate (FCR) is vital for customers who rightly resent being put on hold or passed through different agents or departments. A low FCR can indicate poor internal processes or inadequate staff training.

Customer Satisfaction Survey Scores provide direct feedback from employees and customers. This should utilise a variety of data gathering mechanisms and not just email feedback.

ii) Operational efficiency

Agent Occupancy describes how long the agent spends answering or dealing directly with calls. Low occupancy can indicate overstaffing and high operational costs.

Call Transfer Rate indicates if the calls are being routed to the correct agent the first time or through multiple agents and thus wasting time.

Cost Per Call takes into account all fixed and variable costs expended in running the contact centre operation and provides an overall gauge of efficiency when compared with similar operations.

Average Handling Time measures the time agents spend handling individual calls. Long times can reveal inadequately skilled agents or broken processes and tools. However, targeting specific agents can be counterproductive, as discussed below.

Agent Motivation

The most important factor in the success of a contact centre are the staff that work there. In particular, a motivated team of agents will be more productive. After inception of a contact centre and throughout the course of its standard operations, it can be a challenge to motivate and retain staff.

In addition, the skills that contact centre agents can develop may increase their market value and the range of opportunities available to them, thus it is important to continually develop the skills of agents.

To further improve the quality of the contact centre, the Institute of Internal Auditors recommends the designation of a quality mark or the use of a model that can be applied to demonstrate commitment to continuous improvement.

Detailed below are best practice measures that can be used to improve and maintain agent motivation and to reduce the risk of talented staff leaving the organisation. These include:

- utilising internal communications to ensure everyone has the latest information on targets and deadlines; employ regular debriefs and encourage the sharing of information to ensure the whole team learns from successes as well as mistakes; encourage employees to raise their own recommendations on improvements, after all they are much closer to the operating procedures than senior management;
- using ongoing training and skills enhancement as an important part of employee motivation and development. Such training programmes typically include team working, communication, customer management, business process improvement, application skills and functional skills. For example, business process improvement training could include gaining an understanding of the background systems that the contact centre team is supporting, such as Oracle;
- taking the time to recognise and reward agents with verbal and written praise, perks and celebrations;
- involving talented career aspirers in stimulating project/secondment work such as business process re-engineering. As well as acting as a means of retaining employees, through transition from contact centre into other areas of the business, these projects are also an effective way of developing individuals and improving service levels and productivity; and
- accreditation of a service quality standard, which involves review and development of contact centre systems and procedures, such as ISO9001.

To summarise, management should not assume that a simplistic structure of contact centre on-boarding and induction programs, for example on how to answer a call, is sufficient. It is vital that regular training continues on both the application software that the contact centre is supporting and the business processes in place.

Overall Conclusion for Objective #1

Contact centres are critical parts of the service delivery chain of organisations, both internally and externally, and as such need to be seen as an integral part of overall business performance. Core principles of being “best in class” are to:

<ul style="list-style-type: none">• Encourage people to achieve their full potential and make sure their talents are fully embraced.• Employ people who are professional, accountable, collaborative, positive, and customer focused.• Share the same organisational mission, vision and values.• Provide a knowledge based service.	<ul style="list-style-type: none">• Monitor performance to challenge internally to continuously improve.• Celebrate successes openly and recognise outstanding performance.• Aspire to improve end to end process efficiency.• Seek to minimize manual intervention in operational processes.• Provide a service delivery model at optimal cost.
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A number of best practice considerations for contact centre operations and management have been identified above that we will compare against existing procedures of the NWSSP divisional contact centres sampled below.

#2: To review a sample of NWSSP divisions to determine their contact centre operations and procedures

In undertaking the second objective we reviewed the following:

- NWSSP Vision, Mission and IMTP 2019-22;
- Contact centre operations for the Accounts Payable and e-Enablement teams of the Procurement Services Division;
- Contact centre operations for the Electronic Staff Record (ESR) and Technology Enabled Learning (TEL) teams of the Workforce & Organisational Development’s Digital Workforce Solutions division; and
- Contact centre operations for the Payroll customer support team of the Employment Services division.

Vision and values of NWSSP

"To support NHS Wales by creating a dedicated shared services organisation with a distinct identity, which:

- shares common operating standards in line with best practice;
- has sufficient scale to optimise economies of scale and purchasing power and improving quality; and,
- has an excellent customer care ethos and focus on service quality.

Providing excellent customer service is at the heart of service delivery to individuals and communities. NWSSP is committed to creating and developing a positive approach to customer service in which it strives to consistently exceed the expectations of customers and create an environment within which customer service is a core component of the management and delivery of services".

The three divisional contact centres sampled are:

- NWSSP Procurement Services, which runs contact centre operations for Accounts Payable and e-Enablement functions. There are two teams for each function, one general and one specific for Welsh language customers. The contact centre was established approximately three and a half years ago, being the first divisional contact centre within NWSSP. During the year 2018/19, over 64,000 calls were received across the omni-channel environment of telephone calls, live chat and email, of which 95% were related to external suppliers to NHS Wales.
- NWSSP Workforce & Organisational Development division's Digital Workforce Solutions, which run contact centre operations for ESR and Technology Enabled Language (TEL) functions. The contact centres were established approximately one year ago. The combined teams support 80,000 customers across All Wales health boards/trusts with the exception of Aneurin Bevan University Health Board. In the year 2018/19, over 63,000 calls were received across the omni-channel environment of telephone calls, live chat and email.
- NWSSP Employment Services Division's Payroll Customer Services function, which was established almost three years ago to support the All Wales health boards/trusts. During the year 2018/19, almost 83,000 calls were received across the omni-channel environment of telephone calls and email.

Through discussion with divisional leads and contact centre managers/supervisors, and by completion of a questionnaire on their contact centre operations, we have been able to establish the maturity of the three divisions sampled against best practice areas researched for objective one of this advisory review.

Our summary findings are tabulated below:

Best Practice Area (objective 1)	Procurement Services	W&OD DWS	Employment Services
Query logging			
Query monitoring			
Performance reporting			
Agent motivation			

Maturity Assessment key:

	Meets or exceeds researched best practice
	Meets aspects of researched best practice in some, but not all areas
	Basic level of maturity and needs to implement more aspects of researched best practice

Overall Conclusion for objective #2

Good progress has been made by the NWSSP divisions sampled, based on their respective level of contact centre implementation and maturity. Whilst some of the best practice processes and controls that we have researched are in place, or recognised as the next step in the development of the respective contact centres, we have identified a few key areas to assist with continuous improvement to make NWSSP contact centres “best in class.” These are detailed below within objective 3.

#3: To identify and report on gaps in current operational procedures with established and researched best practice

Comparing researched best in class contact centre models and the current status of the NWSSP divisions sampled, together with differences between the divisional centres themselves based on individual maturity level, we have identified the following generic gaps/opportunities for improvement for the four core components:

Best Practice Area	Opportunities for NWSSP
Query logging	Query categorisation (that links to prioritisation of the query) is not always system based. Instead agents have to manually make a decision, which might increase the risk of an incorrect decision.
Query monitoring	<p>Some contact logging systems treat queries as pending up to 14 days for customer response – then automatically closed; implement more regular query monitoring reports and ensure agents' progress is reviewed.</p> <p>Limited use of call trend analysis and in particular, no specific analysis of trends to review and improve the actual contact centre operations and NWSSP business processes and procedures.</p> <p>After the initial call logging with a client and a provision of a timeframe for completion of the query, further customer updates on the resolution and any potential delays are provided only when requested by a client and not proactively (automatically).</p>
Performance reporting	<p>Call abandonment rate is a standard performance reporting measure, not currently used by NWSSP.</p> <p>Customer satisfaction surveys are requested and collected on a sample basis. However, further steps are required to incorporate and report the satisfaction rate as a performance measure, together with the trend analysis.</p>
Agent motivation	<p>A range of initiatives have been implemented by Procurement Services that can be rolled out to other divisional contact centres, including:</p> <ul style="list-style-type: none"> • gaining the quality standard ISO9001 accreditation; • implementing monitoring reports that analyse agents' performance for training and development purposes; and

	<ul style="list-style-type: none">• highlighting good news stories relating to talent management.
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Overall Conclusion for objective #3

There is a valuable sense of pride and achievement amongst the divisional leads, managers and supervisors in the NWSSP contact centre teams that we have reviewed. Employees are wanting to learn, develop and improve. Our discussions with contact centre management have indicated that continuous improvement ideas as outlined above and stated in the recommendations below are likely to be welcomed.

In order for NWSSP contact centres to continue to develop towards “best in class” operations and to reap the benefits of implementing the process opportunities identified above, we have identified three recommendations:

Establishment of a continuous improvement programme (recommendation #1)

NWSSP should consider the establishment of a continuous improvement programme and applying it consistently to help maximise NWSSP’s chance of success and minimise disruption as people leave and new people join the organisation. Whether NWSSP’s objective is to deliver higher cost savings, better decision making or increased service levels, a contact centre’s continuous improvement programme should address the following areas: strategy, service delivery, organisation and operations and technology.

The programme should be structured in the format of a contact centre optimisation maturity framework that could include detailed delivery maturity across the various divisions or provide health assessments to guide continuous improvement initiatives. Appendix A is an illustrative example of such a framework.

Learn from each other and externally (recommendation #2)

Despite the different maturity levels of the contact centres and a central NWSSP vision and mission, we understand that each division operates autonomously and independently.

There is merit in a representative from each divisional contact centre to meet on a regular (monthly) basis, as a Contact Centre Working Group, for the purposes of sharing ideas and assisting each other in growing in maturity level. Items for discussion could include:

- benchmarking performance and consideration of process re-engineering, including setting standard KPIs such as “call abandonment rate;”
- the procedure and benefit of gaining a quality standard accreditation, such as Procurement Services’ ISO9001;
- good news stories related to talent management, such as a Contact Centre Manager being seconded to the role of Accounts Payable Manager for a number of health boards; and
- consider NWSSP membership of contact centre-related associations for up-to-date improvement measures and knowledge awareness.

Centralisation of the divisional contact centres (recommendation #3)

The NWSSP organisation has grown over the years, and contact centre agents are based at offices across Wales, answering customer enquiries and resolving problems by phone, email and through social media channels. Therefore, an analysis of the potential benefits versus costs for the virtual centralisation of contact centres should be undertaken.

With approximately 50 staff working in contact centres within NWSSP throughout Wales, one virtual contact centre can benefit from economies of scale, but also provide resilience across multiple sites – e.g. to cover for high sickness absence rates at one location. Other benefits seen from this approach include:

- per-transaction (number of calls, emails, chat sessions) economies of scale;
- standardisation of policies and procedures;
- improved customer communication: a centralised location offers a single point of contact for customers, who can be transferred to the appropriate agent for service; and,
- improved analytics and error reduction: a centralised location makes it easier to gather data for analysis, and to address errors and other issues quickly.

3. Recommendations

We identified the following three recommendations as areas of opportunity:

Recommendation 1

Continuous improvement programme

Create, review and update a NWSSP contact centre optimisation maturity framework, as illustrated within Appendix A to identify the current versus anticipated position.

Whether NWSSP's objective is to deliver higher cost savings, better decision making or increased service levels, a contact centre's continuous improvement programme should address the following areas:

- strategy;
- service delivery;
- organisation; and
- operations and technology.

Recommendation 2

Learn from each other and externally

NWSSP should consider the creation of a Contact Centre Working Group, for the purposes of sharing ideas and assisting each divisional contact centre in growing in maturity level. Items for discussion should include, but not limited to:

- benchmarking performance and consideration of process re-engineering, including setting standard KPIs such as "call abandonment rate";
- the procedure and benefit of gaining a quality standard accreditation, such as Procurement Services' ISO9001;
- good news stories related to talent management, such as a Contact Centre Manager being seconded to the role of Accounts Payable Manager for a number of health boards; and
- consider NWSSP membership of contact centre-related associations for up-to-date improvement measures and knowledge awareness.

Recommendation 3

Centralisation of the divisional contact centres

Undertake a feasibility study regard the virtual centralisation of the NWSSP divisional contact centres, to provide a single point of contact for all customers.

Management Response

To co-ordinate this process, an initial planning meeting was held during January 2020, with the support of a newly appointed project manager. The recommendations will be implemented through the 2020-2021 IMTP process.

Appendix A: Example of a Contact Centre Optimisation Maturity Framework

		Maturity Stage				
		1	2	3	4	5
Strategy The extent by which NWSSP's vision and strategy are aligned to take advantage of emerging trends and add value.	Strategy Scope of services Location of services Business planning Mission/Vision		X X X	X	X X X	X
	Service delivery Structures in place focused on improving performance, customer satisfaction, service quality and cost efficiency.			X X		X X
	Organisation The effective management and organisation of people to foster a culture of customer service.	X	X X X		X X X	X
	Operations & technology Key activities and technologies associated with managing processing, customer interactions and operations management.		X X X	X	X X	X X

X To-Be

X As-Is

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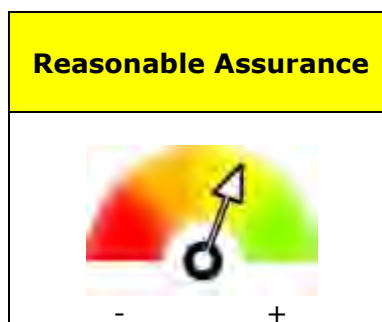
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Business Case Scrutiny Processes

FINAL INTERNAL AUDIT REPORT 2019/20

NWSSP: Specialist Estates Services

NHS Wales Shared Services Partnership Audit and Assurance Services



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Committee	Audit Committee

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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 NWSSP: Specialist Estates Services, 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.



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

1. Introduction and Background

NHS Wales Infrastructure Investment Guidance states:

- *"NHS bodies should have their own internal processes, including review by the organisation's Board and/ or relevant Sub Committee, to appraise and approve business cases prior to submission to the Welsh Government."*

Thereafter:

- *"Business cases are scrutinised by a multidisciplinary team of Welsh Government staff and external advisors, including clinical, workforce, policy, planning, finance, economists and estates professionals."*

NWSSP: Specialist Estates Services (SES) are appointed by Welsh Government to provide scrutiny and professional advice on Business Cases, including, for example, the contract strategy, procurement strategy and value for money assessment.

This is an established process, which has operated over a number of years, and is distinct from the Gateway process (which seeks to assess defined aspects of the project for readiness to proceed e.g. management arrangements).

This audit assessed SES's processes, procedures and operational management, in respect of their scrutiny of Business Cases.

2. Scope and Objectives

The review was undertaken to determine the adequacy of, and operational compliance with, the systems and procedures operated within SES, taking account of relevant NHS and other supporting regulatory and procedural requirements, as appropriate.

An objective of the audit was to deliver assurance to the Audit Committee that risks material to the objectives of the areas of coverage are appropriately managed.

Accordingly, the scope and remit of the audit included:

- **Control Framework**
 - to ensure effective policies and procedures have been developed and implemented, in accordance with the NHS Wales Infrastructure Investment Guidance and Service Level Agreement with Welsh Government.
- **Structured Consistent Approach**
 - to ensure that there is a process for SES review of the:

- **Strategic case** – the strategic context for the project (on matters related to the Estate);
 - **Economic case** – to identify that the proposal delivers best public value to society, including wider social and environmental effects;
 - **Commercial case** – to demonstrate that the preferred option will result in a viable procurement and a well-structured Deal between the public sector and its service providers;
 - **Financial case** – to demonstrate the affordability, appraise cost components and funding of the preferred option, including the support of stakeholders and customers, as required; and
 - **Management case** - to demonstrate that robust arrangements are in place for the delivery, monitoring and evaluation of the scheme, including feedback into the organisation's strategic planning cycle.
- the mechanisms applied to confirm that submitted documents accord to expectations.
 - confirmation that there is a process to ensure that prior client specific, programme and / or project scrutiny comments have been retained to inform the current review.
- **Conclusions/ Recommendations/ Communication**
 - there is a controlled procedure for managing the issue of scrutiny comments, receipt of UHB / Trust responses and closure / escalation of issues.
 - assurance that there is a standardised approach to concluding the review and that any recommendations are in accordance with defined delegated authorities. Confirmation of how caveats to the approval are pursued.
 - **Performance**
 - feedback is provided in a timely manner in accordance with established performance indicators.

3. Associated Risks

The potential risks considered at the review were as follows:

- that the approach to scrutiny was not standardised; and that
- business cases scrutiny failed to confirm whether the business case had met the minimum requirements required by Welsh Government.

OPINION AND KEY FINDINGS

4. Overall Assurance Opinion

We are required to provide an opinion as to the adequacy and effectiveness of the system of internal control under audit. The opinion is based on the work performed as set out in the scope and objectives within this report. An overall assurance rating is provided describing the effectiveness of the system of internal control in place to manage the identified risks associated with the objectives covered in this audit.

The audit found:


- that the scrutiny process met the limited requirements of the Service Level Agreement with Welsh Government;
- there was a structured and consistent approach to the scrutiny process; and
- sufficient information was retained to support the assessment undertaken.

However,

- the process would benefit from greater clarity and conciseness in the final advice to focus on key issues; and
- a formalised feedback loop should be in place to better inform and improve future scrutiny exercises.

However, excepting these two key observations, the audit was positively assessed in all of the areas examined, and the audit found that professional advice was delivered in accordance with the stipulated time frames (as per the Service Level Agreement).





The level of assurance given as to the effectiveness of the system of internal control in place to manage the risks associated with the scrutiny of business cases is therefore assessed as **Reasonable Assurance**.

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

The overall level of assurance that can be assigned to an audit is dependent on the severity of the findings as applied against the specific audit objectives and should therefore be considered in that context.

5. Assurance Summary

The summary of assurance given against the individual objectives is described in the table below:

Assurance Summary					
1	Control Framework				✓
2	Structured Consistent Approach				✓
3	Communication/ Conclusions / Recommendations			✓	
4	Performance			✓	

** The above ratings are not necessarily given equal weighting when generating the audit opinion.*

Design of Systems/Controls

The findings from the audit have highlighted **2** issues that are classified as weakness in the system control/design at the Programme.

Operation of System/Controls

The findings from the audit have highlighted **No** issues that are classified as weakness in the operation of the designed system/control at the Programme.

6. Summary of Audit Findings

The key findings are reported within the Management Action Plan at **Appendix A.**

Background

Approval of business cases forms a part of the Welsh Government Integrated Assurance and Approval Plan. SES provide specialist advice to Welsh Government (WG) as part of this process, utilising a schedule of feedback comments (scrutiny grids).

- Round 1: The first grid narrates the key aspects of the business case, raising issues and requesting clarifications for response by the respective Health Boards / Trusts. The grid is coordinated and managed by the WG Capital Estates & Facilities team, drawing on contributions from its own specialisms and those of NWSSP (including SES). This is sent to health organisations for insertion of responses.
- Round 2: On receipt of responses, a second grid is then circulated for WG and NWSSP specialisms to review responses and either close them (where responses are accepted) or pursue better or further information.
- Subsequent Rounds: WG will initiate further rounds for closure of items it considers to be key. This means that a scrutiny process may not necessarily lead to closure of all items raised prior to the scheme being progressed beyond scrutiny to the next stage of appraisal.

Welsh Government utilises this consolidated grid circulation process to inform a decision on approval of business cases. SES contributions are a material part, but are not conclusive.

Control Framework



To ensure effective policies and procedures have been developed and implemented in accordance with the NHS Wales Infrastructure Investment Guidance/ Service Level Agreement with Welsh Government.

The scope of the Service Level Agreement (SLA) between Welsh Government and SES is limited to:

"Approximately 40 (business cases) per annum" with requirement to "respond within the timescale dictated by Welsh Government".

Whilst no other requirements are detailed, SES advised that the "scope" of review agreed with Welsh Government was to assess the general robustness of estates related aspects of the business case, and that the Economic, Commercial, Financial and Management cases were assessed only in so far as they may relate to Estates aspects.

While formalised local procedures were not in place for the review of business cases, external guidance was utilised e.g. Welsh Government's Better Business Cases, Infrastructure Investment Guidance, HM Treasury "Green Book" and Estate Code etc.

These were supplemented locally by a process flow chart, and internal checklists to facilitate consistency of coverage. A standardised approach to the review and assessment of business case submissions was deemed by SES not to be appropriate – acknowledging that business case submissions

will differ recognising the specific requirements and complexities of each investment proposal.

Noting that the control framework is well defined, a **substantial assurance** is currently determined.



Structured consistent approach

To ensure that there is a structured consistent approach to SES review of business cases. To affirm the mechanisms applied to confirm that submitted documents accord to expectations. Confirmation that there is a process to ensure that prior client specific, programme and/ or project scrutiny comments have been retained to inform the current review.

Evidence was sought of a transparent trail of information to support the derived conclusions.

The approach to business case development is something normally agreed between Welsh Government and the Health Board prior to involvement of SES Scrutiny. Health Boards develop a Scoping Document to describe a proposed investment and this is tabled at a Scoping Meeting with Welsh Government to inform discussion and agreement on what form the business case is to take and what content expectations are. Accordingly, SES does not necessarily comment on whether the selected business case route is appropriate, but will assess whether supporting documentation accords with general guidance / requirements for the case adopted in their capacity as Estates specialists.

SES procedures are required to be compliant with ISO 9001:2015 (quality management systems), which require explicit and consistent systems to ensure customer satisfaction. As noted above, an internal checklist was utilised to direct different types of case, and ensure consistency of key coverage.

The scrutiny grids, relevant emails, and supporting information were all found to be centrally filed. While supplementary scrutiny grids relating to Fire, BREEAM, and Mechanical and Electrical work (M&E) were not immediately available, these were subsequently provided by respective officers. While supporting documents were not cross-referenced to the business cases, they were found to be stored in dedicated files for each business case.

Commentary on the adequacy of supporting documents was evident at the reviews and scrutiny comments / queries were based on assessed Estates related risks.

Excepting observations raised at other sections of this report, a **substantial assurance** has been determined.

Communication/ Conclusions / Recommendations



Assurance that there is a controlled procedure for managing the issue of scrutiny comments, receipt of UHB/ Trust responses and closure/ escalation of issues. Assurance there is a standardised approach to concluding the review, and that any recommendations are in accordance with defined delegated authorities.

All communication with Health Boards/ Trusts was co-ordinated via Welsh Government with defined channels of interaction.

Observations raised in the Round 1 scrutiny grids were found to follow through to Welsh Government consolidated grids. SES clearly indicated whether they accepted UHB / Trust responses in Grid Round 2. It was observed that Welsh Government required no further action on any of the four business cases tested.

It was evident that the scrutiny grids had several purposes i.e. to:

- i. request additional information and further clarifications;
- ii. enhance business cases through the provision / creation of additional information;
- iii. provide a basis for detailed discussions with Welsh Government; and
- iv. inform Welsh Government approval.

The scrutiny grids also included commentary on each cost element, regardless of whether or not issues were identified.

While the grid for Round 1 appeared to serve its purposes (*i – iii above*), the grid used for Round 2 did not clearly assist in understanding an overall conclusion.

Recognising the same, we have recommended that feedback from NWSSP: SES to WG should highlight key issues, risks and limitations to deriving conclusions. (**Recommendation 1**).

A **reasonable assurance** has been determined given that the overall objective requirements have been achieved.

Performance



Assurance that feedback is provided in a timely manner in accordance with established performance indicators.

The Service Level Agreement with Welsh Government requires SES to "respond within the timescale dictated by Welsh Government". No further performance criteria were specified or recorded.

Requesting emails from Welsh Government specified the timescales for initial comments and for secondary comments in two of the four business cases inspected.

In all cases, SES responses were provided within the stipulated time-frames, and in the cases where no deadline was specified the responses were variously provided on the same day and within the month respectively. Whilst management advised that lessons are learnt, we have recommended that these reviews should be formally documented to inform process improvement (**Recommendation 2**).

Accordingly, a **reasonable assurance** has been determined in respect of performance.

7. Summary of Recommendations

The audit findings, recommendations are detailed in **Appendix A** together with the management action plan and implementation timetable. A summary of these recommendations by priority is outlined below:

Priority	H	M	L	Total
Number of recommendations	0	2	0	2


Note – Management agreement has been provided to all of the recommendations arising at this report. The target implementation dates will be reviewed on an ongoing basis recognising current operational pressures.


Finding 1: Clarity	Risk
<p>Conclusions and recommendations are communicated via (tabular) scrutiny grids to Welsh Government.</p> <p>Welsh Government collates the scrutiny comments/grids from various parties (including this Estates related advice), to derive a conclusion on approval of the business case. The SES scrutiny grids therefore provide advice relating to individual estates related issues, but not an overall conclusion.</p> <p>It is recognised that feedback was constrained by the grid format prescribed by Welsh Government i.e.:</p> <ul style="list-style-type: none"> • a narrative column; and • a second column containing queries and observations, variously directed to Welsh Government or the UHB / Trust. <p>The first column of the scrutiny grid variously contained:</p> <ul style="list-style-type: none"> • narration of issues (not for feedback or Welsh Government); • affirmations; and • objective commentary. <p>Whilst the grid used for Round 1 appeared to serve its prime purpose of query to the Health Boards / Trusts, the use of the grid for Round 2 did not facilitate clarity as to overall conclusions and/ or key issues to note at that stage.</p> <p>Of the four scrutiny grids tested, they contained an average of 27 observations with an average of 13 of these raised as particular issues. Both grids contained commentary on each aspect of costs, irrespective of whether there were issues.</p>	<p>Feedback lacks sufficient clarity to effectively inform decisions.</p>


<p>Within the agreed format (currently the grid utilised for Round 2 onwards), it is recommended that the following should be highlighted:</p> <ul style="list-style-type: none"> • issues key to the conclusion(s), • any fundamental risks (e.g. cost escalation), • key missing information; and/ or • any caveats to the opinion. <p><i>Note: We understand that Welsh Government have expressed a desire for more concise presentation.</i></p>	
Recommendation 1	Priority level
<p>Feedback grids subsequent to Round 1 will highlight key issues, risks, missing information and / or caveats to the conclusions (citing any best practice as appropriate). (D)</p>	Medium
Management Response 1	Responsible Officer/ Deadline
<p>Agreed. Grids at Round 2 and beyond which are returned to Welsh Government will highlight key issues, risks, missing information and / or caveats to any conclusions (citing any best practice as appropriate). This will be provided in the email issuing the grid and will be implemented from 1st May 2020.</p>	<p>Head of Estates Development</p> <p>Implementation Date: 1st May 2020</p>


Finding 2: Lessons learnt - Feedback loop	Risk
<p>Assurance was sought to ensure that there is an appropriate feedback-loop and demonstration of learning from process / business case issues</p> <p>There may be merit in review of the scrutiny process in light of project issues e.g. following any post project review by SES / other party.</p>	Any deficiencies of process and coverage persist.
Recommendation 2	
<p>Lessons learnt reviews should be undertaken to inform process improvement. (D)</p>	Medium
Management Response 2	
<p>Agreed</p> <p>The Scrutiny Section will hold 6 monthly Process Improvement / Lessons Learned reviews. Welsh Government and the SES Deputy Director will be invited to attend, and will be copied in on notes / findings taken from each review.</p> <p>Note: The timing of this review coincides with the national Covid-19 Emergency Lock-down, and currently it is not possible to determine when normal working practices can resume. The intention is to convene the first meeting within a short period of normalisation of working practices (hopefully June 2020). Ideally, the meeting will be face to face, but if necessary, the exercise will be completed by Conference Call.</p>	<p>Head of Estates Development</p> <p>Target: Meeting 1 to have been held and notes distributed by 31 July 2020</p>

2019/20 Audit Assurance Ratings

 **Substantial assurance** - The Board can take **substantial assurance** that arrangements to secure governance, risk management and internal control, within those areas under audit, are suitably designed and applied effectively. Few matters require attention and are compliance or advisory in nature with **low impact on residual risk** exposure.

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

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

 **No Assurance** - The Board has **no assurance** that arrangements to secure governance, risk management and internal control, within those areas under audit, are suitably designed and applied effectively. Action is required to address the whole control framework in this area with **high impact on residual risk** exposure until resolved.

Prioritisation of Recommendations

In order to assist management in using our reports, we categorise our recommendations according to their level of priority as follows.

Priority Level	Explanation	Management action
High	Poor key control design OR widespread non-compliance with key controls. PLUS Significant risk to achievement of a system objective OR evidence present of material loss, error or misstatement.	Immediate*
Medium	Minor weakness in control design OR limited non-compliance with established controls. PLUS Some risk to achievement of a system objective.	Within One Month*
Low	Potential to enhance system design to improve efficiency or effectiveness of controls. These are generally issues of good practice for management consideration.	Within Three Months*

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

Cyber Security

Final Internal Audit Report

2019 / 20

NHS Wales Shared Services Partnership

Audit and Assurance Services

Private and Confidential

Reasonable Assurance



Previous Rating: N/a



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Appendix A
Appendix B

Management Action Plan
Assurance opinion and action plan risk rating

Review reference:	NWSSP-1920-15
Report status:	Final Internal Audit Report
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Auditor/s:	James Quance, Head of Internal Audit Martyn Lewis, IT Audit Manager
Executive sign off:	Andrew Butler, Director of Finance and Corporate Services
Distribution:	Peter Stephenson, Head of Finance & Business Development Nick Lewis, Information Security Manager
Committee:	Audit Committee



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

ACKNOWLEDGEMENT

NHS Wales Audit & 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 NWS Wales Shared Services Partnership and no responsibility is taken by the Audit and Assurance Services Internal Auditors to any director or officer in their individual capacity, or to any third party.

1. Introduction and Background

A review of Cyber Security within NHS Wales Shared Services Partnership (NWSSP) was completed in line with the 2019/20 Internal Audit Plan.

The audit sought to provide assurance that appropriate cyber security measures are in place within NWSSP in order to protect organisational systems and data.

Cyber-security is the protection of information assets by addressing threats to information processed, stored, and transported by internetworked information systems. It is the protection of computer systems from the theft or damage to their hardware, software or information, as well as from disruption or misdirection of the services they provide.

Cyber security includes controlling physical access to the hardware, as well as protecting against harm that may come from malware, viruses and unauthorised or inappropriate software.

Scope and Objectives

The internal audit sought to assess the adequacy and effectiveness of internal controls in operation. Any weaknesses will then be brought to the attention of management and advice issued on how particular problems may be resolved and control improved to minimise future occurrence.

The objectives reviewed were:

- to ensure that an appropriate governance and management structure is in place to ensure cyber-security;
- to ensure that appropriate measures are in place to protect NWSSP and to detect and react to any cyber security event; and
- to ensure that any actions contained within the Cyber-Security Action Plan are being implemented appropriately.

2. Associated Risks

The risks considered in the review were as follows:


- failure to comply with regulations such as the General Data Protection Regulation (GDPR) and Network and Infrastructure Directive (NISD);
- loss of data and inappropriate access to information from entities internal to the organisation; and
- risk of loss of IT services as a result of attack from entities external to the organisation, exploiting common vulnerabilities.
-

OPINION AND KEY FINDINGS

4. Overall Assurance Opinion

We are required to provide an opinion as to the adequacy and effectiveness of the system of internal control under review. The opinion is based on the work performed as set out in the scope and objectives within this report. An overall assurance rating is provided describing the effectiveness of the system of internal control in place to manage the identified risks associated with the objectives covered in this review.

The level of assurance given as to the effectiveness of the system of internal control in place to manage the risks associated with Cyber Security is **Reasonable** Assurance.

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

The overall level of assurance that can be assigned to a review is dependent on the severity of the findings as applied against the specific review objectives and should therefore be considered in that context.

Overall there is a good framework for cyber security within NWSSP, with a lead in place who has produced a Cyber Security Action Plan which is being progressed. Monitoring against this is direct to the lead Director however with only general updates being given to the Information Governance (IG) Steering Group. The level of resource available for cyber security has been identified as low, and although funding is available for an additional post, this has not been recruited to as yet. The low resource is affecting delivery of the Cyber Security Action Plan, with key items not yet implemented.

There is a nationally agreed training module for staff on cyber security, however within NWSSP there is limited additional work on raising staff awareness as there is no webpage and no regular communication on issues.





There are a range of appropriate protections in place for NWSSP, including firewalls, web and email filtering and anti-virus software. Access to the network and systems is controlled by secure passwords. We note that the network architecture is flat, with limited segregation however.

Physical security is generally good, however we do note that one of the cabinets has broken and is left open in the Specialty Estates Service (SES). NWSSP has implemented the Security Information and Event Management System (SIEM)

in order to identify potential breaches, and the Nessus security tool is used to identify vulnerabilities.

5. Assurance Summary

The summary of assurance given against the individual objectives is described in the table below:

Assurance Summary					
1	An appropriate governance and management structure is in place to ensure cyber-security		✓		
2	Appropriate measures are in place to protect NWSSP and to detect and react to any cyber security event			✓	
3	Actions contained within the Cyber-Security Action Plan are being implemented appropriately	Due to the limitation in scope we are unable to provide an assurance rating for this objective			

** The above ratings are not necessarily given equal weighting when generating the audit opinion.*

Limitation of Scope

Due to the Covid-19 outbreak our audit work was limited to the overall governance processes and an overview of the detailed cyber security requirements without any testing of these.

Design of Systems/Controls

The findings from the review have highlighted no issues that are classified as weakness in the system control/design for cyber security.

Operation of System/Controls

The findings from the review have highlighted five issues that are classified as weaknesses in the operation of the designed system/control for cyber security.

6. Summary of Audit Findings

The key findings are reported in the Management Action Plan.

One High priority issue was identified which requires management's attention and provide scope for improvements to be made. This concerned:

1) Staff Awareness

There is no active work on raising staff awareness of cyber security, other than emails being sent in response to specific issues. We noted that the following items are not in place:

- there is no page on the NWSSP website with cyber security information for staff to refer to;
- there is no regular cyber security newsletter or bulletin; and
- there is no process for evaluating staff knowledge and response to phishing attacks.

As it is generally accepted that users account for up to 90% of breaches, without ensuring user awareness and compliance with good practice there is an increased risk of a breach.

Four **Medium priority** issues were identified which require management's attention and provide scope for improvements to be made. These concerned:

2) Staff Resource

There is currently only one person available for cyber security. The role is not a purely cyber security role and the individual has to undertake some general IT tasks along with project work.

The cyber action plan identifies the gaps where the lack of resource will have an impact and where additional support is needed, these include:

- SIEM roll out;
- network monitoring;
- Nessus rollout;
- 3rd party assurance review;
- Mail marshal management;
- secure file sharing portal; and
- web proxy.

Given the level of hosting / delivery of national systems the resource in place for ensuring cyber security is low and leads to an increased risk to NWSSP. There is also a single point of failure as most of the organisational knowledge is vested in a single individual.

3) Cyber Security Action Plan

The process for monitoring delivery against the Cyber Security Action Plan is not formalised, with updates provided directly to the Director of Finance and Corporate Services.

We note that cyber security is a standing item on the agenda for the IG Steering Group. However, these updates are on general issues and there is no monitoring of delivery against the cyber security action plan. As progress against the plan is not routinely monitored by Audit Committee or the SSP committee there is no formal group monitoring this.

4) Network

Currently the NWSSP network is not separated from the NWIS network. The network has a flat architecture with limited segregation. This means that the NWSSP is accessible by more staff than necessary and there are limited barriers within the network to prevent an intruder moving around / seeing the whole network and increases the risk of a cyber attack.

5) Open Cabinet

The switch cabinet in SES (Companies House) has fallen from the wall and is left open. This leads to a risk of unauthorised access.

Good Practice

We identified the following areas of good practice:

- there is a named lead for cyber security;
- there is a formal reporting structure for cyber security, with updates provided to the IG Steering group;
- quarterly update reports are provided to the Director of Finance and Corporate Services;
- funding has been provided for an additional cyber security post;
- there is a cyber action plan that outlines the work needed to ensure an appropriately secure position, and this is aligned to the NIST framework;
- in advance of the Welsh Government definition of how NISD applies, the cyber security manager has considered this and mapped the requirements against NWSSP systems to identify those which would be defined critical and therefore subject to NISD. There is a targeted timeframe for getting these systems compliant with requirements;
- the NWSSP corporate risk register includes a risk relating to cyber attack due to old software in use;
- cyber risks are discussed at Operational Security Services Management Board (OSSMB), which allow for national coordination;
- cyber security related policies and procedures are in place within NWSSP;

- there is a nationally agreed training module for cyber security;
- warning emails are sent out to staff if a particular issue has been identified;
- there are firewalls in place for NWSSP;
- network equipment (switches / Servers) are kept in locked cabinets / rooms;
- password policies are in place and enforce changes / complexity etc.;
- a project is being set up to link ESR to Active Directory in order to reduce the risk associated with leavers not being removed from system access;
- anti-virus software is in place for all computers, and is updated on a regular basis;
- all laptops are encrypted;
- NWSSP has implemented the SIEM;
- the SIEM has alerts / alarms set up as triggers. If these are triggered then there is a response plan in place;
- Mail Marshal is in place so that email traffic is scanned and blocked, with web traffic is also being filtered;
- NWSSP has Nessus and this has been used for vulnerability assessments;
- The cyber security manager takes part in projects and reviews the security of systems prior to go live.

7. Summary of Recommendations

The audit findings and recommendations are detailed in Appendix A together with the management action plan and implementation timetable.

A summary of these recommendations by priority is outlined below.

Priority	H	M	L	Total
Number of recommendations	1	4	-	5

Finding 1 – Staff Awareness (Operation)	Risk
<p>There is no active work on raising staff awareness of cyber security, other than emails being sent in response to specific issues. We noted that the following items are not in place:</p> <ul style="list-style-type: none">• there is no page on the NWSSP website with cyber security information for staff to refer to;• there is no regular cyber security newsletter or bulletin; and• there is no process for evaluating staff knowledge and response to phishing attacks. <p>As it is generally accepted that users account for up to 90% of breaches, without ensuring user awareness and compliance with good practice there is an increased risk of a breach.</p>	<p>Loss of data and inappropriate access to information from entities internal to the organisation.</p>
Recommendation 1	Priority level
<p>A cyber security page should be created on the NWSSP website and regular bulletins should be provided.</p> <p>Consideration should be given to running a phishing test to establish staff level of compliance and awareness.</p>	<p>High</p>

Management Response 1	Responsible Officer/ Deadline
<p>There are a number of ways in which cyber security issues and concerns are communicated to staff as follows:</p> <ul style="list-style-type: none">• the launch of a mandatory cyber awareness training package for all staff on 31 December 2019;• briefings on cyber security to Audit Committee and the SMT, which are then cascaded to directorates;• regular reminders to staff through Information Governance training and e-mail updates. <p>1. However, we do acknowledge that there is more that can be done. In particular, following the recent roll-out of Office365, an NWSSP Teams site and accompanying SharePoint web site has been requested from the NWSSP 0365 team and will be created as part of the first tranche of Teams sites for NWSSP. The site will provide a platform for communication for members of staff within NWSSP as well as the sharing of security information from NWSSP, NWIS and Cymru Warp. The Teams platform will allow notification of all new documents and pages to members of the team.</p> <p>2. NWIS are currently investigating the capability of providing a national phishing solution, however if this is not forthcoming the sourcing of a local solution will be undertaken in line with the guidance provided by NWIS.</p>	<p>Head of Finance and Business Development</p> <p>1. 31 May 2020 2. 30 September 2020</p>

Finding 2 – Staff Resource (Operation)	Risk
<p>There is currently only one person available for cyber security. The role is not a purely cyber security role and the individual has to undertake some general IT tasks along with project work.</p> <p>The cyber action plan identifies the gaps where the lack of resource will have an impact and where additional support is needed, these include:</p> <ul style="list-style-type: none">• SIEM roll out;• network monitoring;• Nessus rollout;• 3rd party assurance review;• Mail marshal management;• secure file sharing portal; and• web proxy. <p>Given the level of hosting / delivery of national systems the resource in place for ensuring cyber security is low and leads to an increased risk to NWSSP. There is also a single point of failure as most of the organisational knowledge is vested in a single individual.</p> <p>We do note that the resource requirements have been noted by management and funding has been provided, however recruitment is dependent upon the completion of the review of IT.</p>	<p>Failure to comply with regulations such as the GDPR and NISD.</p>

Recommendation 2	Priority level
The requirement for cyber security staffing resource should be fully evaluated and additional posts provided accordingly.	Medium
Management Response 2	Responsible Officer/ Deadline
Funding is in place for a Band 6 IT Security staff member. However the job description is awaiting a review by the evaluation panel that has currently been put on hold, pending the outcome of the over-arching IT review, which has also been delayed due to the impact of COVID-19. We will therefore review this issue again once the IT review is completed.	Director of Finance & Corporate Services. 30 September 2020

Finding 3 – Cyber Security Action Plan (Operation)	Risk
<p>The process for monitoring delivery against the cyber security action plan is not formalised, with updates provided directly to the Director of Finance & Corporate Services.</p> <p>We note that cyber security is a standing item on the agenda for the IG Steering Group. However these updates are on general issues and there is no monitoring of delivery against the cyber security action plan. As progress against the plan is not routinely monitored by Audit Committee or the SSP committee there is no formal group monitoring this.</p>	<p>Failure to comply with regulations such as the GDPR and NISD.</p>
Recommendation 3	Priority level
<p>Progress against the action plan should be tracked by the IG steering group</p>	<p>Medium</p>
Management Response 3	Responsible Officer/ Deadline
<p>Agreed. Progress against the Cyber Security Action Plan will be a standing agenda item for the Information Governance Steering Group.</p>	<p>Head of Finance and Business Development 30 September 2020.</p>

Finding 4 – Network (Operation)	Risk
<p>Currently the NWSSP network is not separated from the NWIS network. The network has a flat architecture with limited segregation. This means that the NWSSP is accessible by more staff than necessary and there are limited barriers within the network to prevent an intruder moving around / seeing the whole network and increases the risk of a cyber attack.</p>	<p>Risk of loss of IT services as a result of attack from entities external to the organisation, exploiting common vulnerabilities.</p>
Recommendation 4	Priority level
<p>The NWSSP network should be separated from the NWIS network and improved network segmentation with the NWSSP network should be employed.</p>	<p>Medium</p>
Management Response 4	Responsible Officer/ Deadline
<p>The NWSSP network is maintained by NWIS client services and so cannot be completely separated from the NWIS network without a negative impact on security. The following actions have been discussed with Matthew Walters (NWIS Client Services) and Mike Bryan (NWSSP IT) in order to improve the network segregation and improve the security of the NWSSP network. A project to implement these changes will have to be raised with NWSSP PMO</p> <ul style="list-style-type: none"> • Installation and configuration of firewalls in Companies House, Alder 	<p>Head of Finance & Business Development 31 December 2020</p>

House and Matrix House

- Departmental VLANS to be implemented during new switch installation.
- Review of stores wired and wireless networks
- Review of redundancy of PSBA connections
- Installation and configuration of internal network monitoring and intrusion detection
- Review of current remote connection methodologies for both security and business continuity
- Implementation of national Nessus vulnerability management system.
- Procurement, installation and configuration of Paws and Nipper for network device and asset monitoring
- Testing of failover in virtual hyperV environment

Finding 5 – Cabinet (Operation)**Risk**

The switch cabinet in SES (Companies House) has fallen from the wall and is left open. This leads to a risk of unauthorised access.	Risk of loss of IT services as a result of attack from entities external to the organisation, exploiting common vulnerabilities.
Recommendation 5	Priority level
The cabinet should be locked to prevent individuals from accessing the switches.	Medium
Management Response 5	Responsible Officer/ Deadline
The cabinet will be repaired and re-located.	Head of Finance & Business Development 30 September 2020

Appendix B - Assurance opinion and action plan risk rating

Audit Assurance Ratings



Substantial assurance - The Board can take **substantial assurance** that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. Few matters require attention and are compliance or advisory in nature with **low impact on residual risk** exposure.



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



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



No assurance - The Board has **no assurance** that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. Action is required to address the whole control framework in this area with **high impact on residual risk** exposure until resolved.

Prioritisation of Recommendations

In order to assist management in using our reports, we categorise our recommendations according to their level of priority as follows.

Priority Level	Explanation	Management action
High	Poor key control design OR widespread non-compliance with key controls. PLUS Significant risk to achievement of a system objective OR evidence present of material loss, error or misstatement.	Immediate*
Medium	Minor weakness in control design OR limited non-compliance with established controls. PLUS Some risk to achievement of a system objective.	Within One Month*
Low	Potential to enhance system design to improve efficiency or effectiveness of controls. These are generally issues of good practice for management consideration.	Within Three Months*

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

Confidentiality

This report is supplied on the understanding that it is for the sole use of the persons to whom it is addressed and for the purposes set out herein. No persons other than those to whom it is addressed may rely on it for any purposes whatsoever. Copies may be made available to the addressee's other advisers provided it is clearly understood by the recipients that we accept no responsibility to them in respect thereof. The report must not be made available or copied in whole or in part to any other person without our express written permission.

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Audit

The audit was undertaken using a risk-based auditing methodology. An evaluation was undertaken in relation to priority areas established after discussion and agreement with the Health Board. Following interviews with relevant personnel and a review of key documents, files and computer data, an evaluation was made against applicable policies procedures and regulatory requirements and guidance as appropriate.

Internal control, no matter how well designed and operated, can provide only reasonable and not absolute assurance regarding the achievement of an organisation's objectives. The likelihood of achievement is affected by limitations inherent in all internal control systems. These include the possibility of poor judgement in decision-making, human error, control processes being deliberately circumvented by employees and others, management overriding controls and the occurrence of unforeseeable circumstances.

Where a control objective has not been achieved, or where it is viewed that improvements to the current internal control systems can be attained, recommendations have been made that if implemented, should ensure that the control objectives are realised/ strengthened in future.

A basic aim is to provide proactive advice, identifying good practice and any systems weaknesses for management consideration.

Responsibilities

Responsibilities of management and internal auditors:

It is management's responsibility to develop and maintain sound systems of risk management, internal control and governance and for the prevention and detection of irregularities and fraud. Internal audit work should not be seen as a substitute for management's responsibilities for the design and operation of these systems.

We plan our work so that we have a reasonable expectation of detecting significant control weaknesses and, if detected, we may carry out additional work directed towards identification of fraud or other irregularities. However, internal audit procedures alone, even when carried out with due professional care, cannot ensure fraud will be detected. The organisation's Local Counter Fraud Officer should provide support for these processes.



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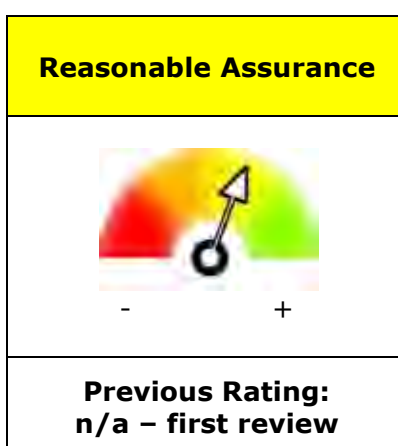
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Staff Expenses

Internal Audit Report 2019/20

NHS Wales Shared Services Partnership Audit and Assurance Services



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Velindre NHS Trust Audit Committee for
NWSSP

ACKNOWLEDGEMENTS

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.



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

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1. EXECUTIVE SUMMARY

1.1 Introduction and Background

A review of Staff Expenses has been completed in line with the approved 2019/20 Internal Audit Plan. The aim of the audit was to review the effectiveness of arrangements NHS Wales Shared Services Partnership ('NWSSP') has in place in respect of staff expenses and to provide assurance that staff expense claims are compliant with the staff expenses policy.

NHS staff submit claims in respect of valid expenditure incurred, for example, mileage claims, travel costs, subsistence allowance, study costs etc. Some forms of expenditure are required to be supported by a valid receipt. Many of the expenses incurred by staff can be claimed electronically via the E-Expenses online system. For NWSSP directorates that operate fleet vehicles (for example, Health Courier Services), fuel cards are used by employees.

Management of the staff expenses budgets is delegated to directorate / departmental budget holders in line with the Scheme of Delegation, including review and approval of individual staff expense claims and ongoing budget monitoring.

1.2 Scope and Objectives

The internal audit assessed the adequacy and effectiveness of internal controls in operation. Any weaknesses have been brought to the attention of management and advice issued on how particular problems may be resolved and control improved to minimise future occurrence.

The audit sought to provide assurance over the framework of internal controls in place to manage staff expenses.

This audit considered the following control objectives:

- policies and procedures have been developed and were readily available to all staff;
- staff expense claims are monitored and reviewed to ensure compliance with the Terms & Conditions and NWSSP Guidance;
- the e-expenses authorisation process is aligned with the Scheme of Delegation;
- payment of staff expense claims is accurate and on a timely basis;
- staff expenses remain within budget; and
- robust processes exist for the issue of fuel cards and over fuel card use.

Limitations of Scope

We audited the processes for NWSSP staff only. We did not consider the processes undertaken by NWSSP on behalf of the rest of NHS Wales.

We did not consider how expenses are monitored under the monthly budgetary control processes because we are undertaking a separate budgetary control audit during 2019/20.

For fuel cards, we considered only the processes used by Health Courier Services ('HCS'), although any findings for HCS may be relevant to other NWSSP directorates that use fuel cards.

1.3 Associated Risks

The key risks considered in the review were as follows:


- staff received expenses payments that are incorrect and / or untimely;
- fraudulent expense claims are made by staff;
- fraudulent use of fuel cards; and
- overspending on staff expenses.

2 CONCLUSION

2.1 Overall Assurance Opinion

We are required to provide an opinion as to the adequacy and effectiveness of the system of internal control under review. The opinion is based on the work performed as set out in the scope and objectives within this report. An overall assurance rating is provided describing the effectiveness of the system of internal control in place to manage the identified risks associated with the objectives covered in this review.





The level of assurance given as to the effectiveness of the system of internal control in place to manage the risks associated with the process for Staff Expenses is **Reasonable Assurance**.

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

The overall level of assurance that can be assigned to a review is dependent on the severity of the findings as applied against the specific review objectives and should therefore be considered in that context.

2.2 Assurance Summary

The summary of assurance given against the individual review areas is described in the table below:

					
1	Policies and Procedures			✓	
2	Monitoring and Review of Expenses			✓	
3	Authorisation Process & Scheme of Delegation		✓		
4	Accurate and Timely Payment of Expenses				✓
5	Expenses Budgetary Control			✓	
6	Issue and Use of Fuel Cards			✓	

The above ratings are not necessarily given equal weighting when generating the audit opinion.

2.3 Design of Systems/Controls

The findings from the review have highlighted two issues that are classified as weaknesses in the system control / design for staff expenses.

2.4 Operation of System/Controls

The findings from the review have highlighted two issues that are classified as weaknesses in the operation of the designed system / control for staff expenses.

3. FINDINGS & RECOMMENDATIONS

3.1 Summary of Audit Findings

Sections 17 and 18 of the NHS Terms & Conditions of Service Handbook set out allowable costs that employees may be reimbursed for, with annexes 12-14 providing further information (for example, Annex 14 details the schedule of recommended allowances). NWSSP has developed a Travel

& Subsistence Guidance document ('the NWSSP guidance') to support local implementation of the NHS Terms & Conditions (these documents are considered further in the 'Policies and Procedures' section below). For the purpose of this report, we refer to the NHS Terms & Conditions of Service Handbook and the NWSSP Travel & Subsistence Guidance together as 'the expenses policy'. An All Wales Travel & Subsistence Policy ('the All Wales Policy') has been developed and is awaiting approval by the All Wales Directors of Workforce & Organisational Development.

We identified four findings, one of which are **high** priority, two are **medium** priority and one is **low** priority.

The high priority finding relates to access to the e-expenses system, Selenity. The claim approval hierarchy within Selenity is not linked to the Scheme of Delegation. All leavers retain access to the e-expenses system for three months after they have left ('the grace period'). During this time, managers who have left still have the ability to approve expense claims. Furthermore, we identified that 68 out of 365 leavers prior to September 2019 (i.e., now past their grace period) still had access to the system at the time of our audit (February 2020). Five of these leavers still had manager access to sign off claims and one had senior expense officer access that allowed limited administration functions to be performed. See finding 1 in Appendix A.

The key findings by the individual objectives are reported below with full details in Appendix A.

Policies and Procedures

E-Expenses

We were unable to locate the NHS Terms & Conditions or the most recent Section 17/18 update via the NWSSP intranet site.

The NWSSP guidance document is overdue for review (2016 review date), although we note that there have been no substantial changes to the NHS Terms & Conditions with regard to expenses during this time and that an All Wales Travel & Subsistence Policy is currently awaiting approval from the All Wales Directors of Workforce & Organisational Development. The All Wales Policy has been developed in conjunction with representatives from each Health Board/Trust.

Whilst the NWSSP guidance document is available on the intranet, it is difficult to locate and not all expenses information is held in one location.

The Selenity e-expenses system utilised by staff to submit expense claims contains an icon on the home page titled 'View my Company Policy'. However, this policy link does not work.

See finding 2 in Appendix A.

Travel Bureau Expenditure

Throughout NWSSP, purchasing card (i.e., corporate credit card) holders operate as local travel bureaus within the directorates. Various travel and subsistence expenses within NWSSP are paid for using the purchasing cards, for example, hotel bookings, train tickets and air flights. All such expenditure is governed by the Velindre University NHS Trust ('Velindre') Purchasing Card Procedures and should be supported by a purchase card request form approved by a budget holder and receipts. However, the Velindre Purchasing Card Procedures could not be located on the NWSSP intranet. We understand that all NWSSP cardholders have signed to confirm they have read the Purchasing Card Procedures (we were unable to formally test this due to the situation with COVID-19). However, discussions with the cardholders identified that not all were aware of the existence of these procedures.

See finding 3 in Appendix A.

Monitoring and Review of Expenses

E-expenses

The e-expenses system (Selenity) will not allow payment of expense claims without line manager approval – only expenses approved by managers are automatically transferred from Selenity to the Electronic Staff Record ('ESR') for payment. If an individual submits an expense that breaches the expenses policy or looks like a potential duplicate claim, the e-expenses system 'flags' the expense and requires that the breach be justified by the individual and their line manager. The NWSSP guidance further requires that any claims submitted without a receipt be approved by an NWSSP director, although we understand that, in practice, this only applies to overnight accommodation claims.

The expenses team are responsible for undertaking a series of checks on submitted, approved expense claims on a monthly basis, including sample checking claims that are 'flagged' by the e-expenses system. Whilst there is no procedure document that covers these checks, there is a checklist in place that is used by the expenses team that covers NWSSP staff. These checklists are signed off by the individual who undertook the checks.

We understand that the expenses team feels that the current level of checks undertaken on a monthly basis is unsustainable. The situation is exacerbated by the number of flagged claims that require review each month, although we question the effectiveness of these checks given these flagged claims have already been checked and approved by line managers.

A breakdown of expenses and the level of flagged claims during quarter 3 of 2019/20 can be seen in figure 1 below. Over this period, 15% of claim lines (2,360 claim lines) were flagged, totalling £39,600 (17% of net value of claims for the period). We understand that, once the All Wales Policy has been approved, further restrictions can be placed on the system to prevent certain non-compliant claims being submitted, thus reducing the level of flagged claims.

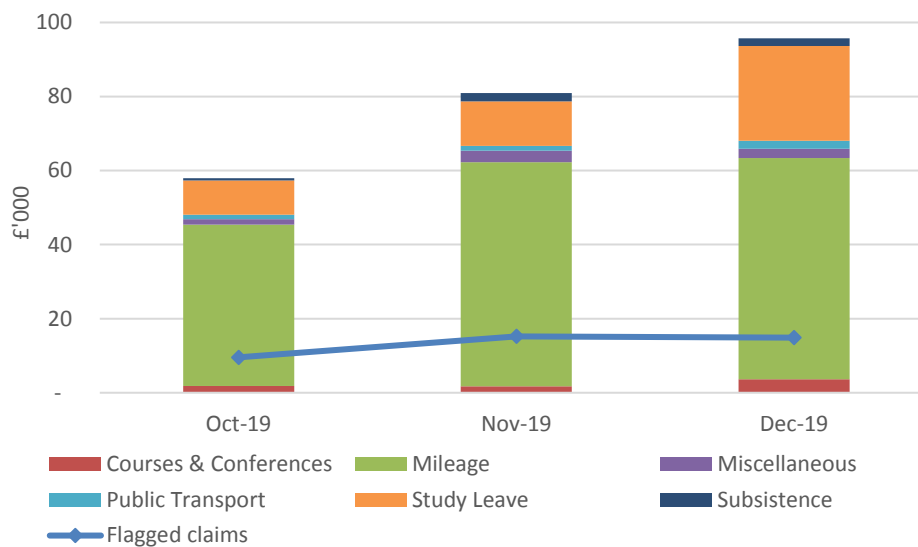


Figure 1: Total Claims by Expense Category (with level of flagged claims)

Flagged claims for quarter 3 of 2019/20 are split as follows (by net value) can be seen in figure 2. In particular:

- 6% (£2,200) of flagged claims for this quarter represent breaches of the expenses policy where staff have claimed in excess of allowance limits; and
- 4% (£1,600) of flagged claims are where receipts have not been attached. Receipts are required by the NWSSP guidance, although the guidance does allow for exceptional circumstances. However, we did identify a number of instances where individuals had justified their claim stating that the amount claimed was an "allowance" per Agenda for Change.

Mileage related flags represent 58% (£22,900) of all flagged claims for this quarter. These claims are not necessarily breaches of policy, but do require additional justification by the claimant and approver. Similarly, potential duplicate expenses (8%, £3,100) and invalid date (28%, £11,000) are not necessarily breaches, but are flagged to be checked by the expenses team.

See finding 2 in Appendix A.

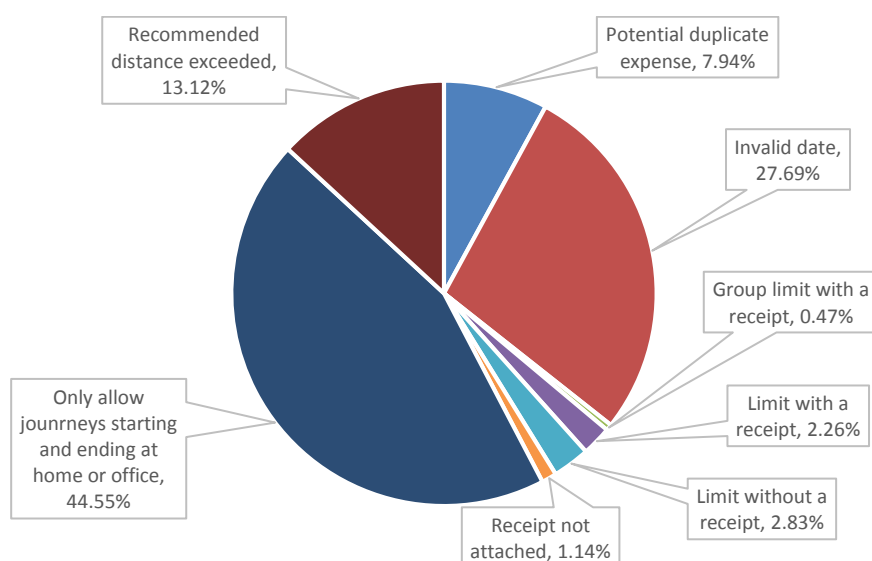


Figure 2: Flagged Claims October-December 2019 (by net value)

Travel Bureau Expenditure

The names of the individuals who hold purchasing cards and the directorates for which they are responsible is available on the NWSSP intranet. However, these details had not been updated since 2017 and were out of date.

We tested a sample of 25 purchasing card travel and subsistence expenditure items, identifying the following issues:

- one instance where the authorisation signature was provided by an individual that was not a budget holder;
- one instance where the approver had approved an overnight stay for themselves (this is not in line with policy);
- six instances where 'electronic' signatures (in the form of a copy and paste scanned pdf image) were used on the purchase card request form; and
- one instance where there was no budget holder approval of the expenditure.

See finding 3 in Appendix A.

Authorisation Process and Scheme of Delegation

Expense claim approvers are added to the e-expenses system based upon requests received by the expenses team from the divisions. However, there is no control in place to ensure the approvers are in line with the Scheme of Delegation. Therefore, there is a risk that e-expenses may not be signed off in line with appropriate budgetary limits. We understand the Head of

Expenses Services is aware of this issue and wishes to improve control in this area.

We were informed that all staff / managers who leave the NHS will still have access to the e-expenses system for approximately three months after they have left ('the grace period'), as this is the timeframe allowed to reclaim final expenses. However, this poses a risk because managers retain the ability to authorise expense claims after they are no longer employed by the organisation. This may be further compounded by the late submission of employee termination forms by line managers, as identified through our previous payroll audits.

We were provided with a report by the e-expenses team that documented all NWSSP employees / managers that had left the organisation between April and September 2019 (inclusive), all of whom had passed the end of their grace period. However, of the 365 leavers in the report, there were 68 individuals that still had access to the e-expenses system at the time of our audit. Four of these had duplicate accounts. The level of active access across these 72 accounts was 66 with claimant access, five with manager (i.e., approval) access and one had senior expense officer (limited administration functions) account access. We understand that the Head of Expenses has implemented a new process from April 2020 to address this issue.

See finding 1 in Appendix A.

Accurate and Timely Payment of Expenses

Staff are made aware of the deadlines for submission and approval of expenses claims made via a pop-up message on the online e-expenses software. There is an expenses / payroll timetable detailing deadlines for the various stages of the month-end process, including the monthly checks by the expenses team (detailed above) and uploading the expenses file into ESR.

Expense payments to staff are made via ESR in the monthly payroll payments. Each month all expenses that have been submitted and approved by line managers are automatically transferred from e-expenses (Selenity) directly into ESR. We understand this follows the same process as the upload of e-Rostering files for the payment of enhancements and overtime. The file remains in ESR until all checks (detailed under 'Monitoring & Review of Expenses' above) are completed by the expenses team. The checks undertaken by the expenses team include a sample check to ensure claims have been transferred completely and accurately between Selenity and ESR.

We did not identify any matters for reporting regarding the accurate and timely payment of expenses.

Expenses Budgetary Control

E-expenses

The cost centre structure in the e-expenses system is based upon the information held in ESR (we did not undertake any testing on ESR).

Ad hoc, detailed reports on expenses are produced as and when necessary to support the monitoring of staff expenses via the monthly budgetary control cycle (note: as per the limitations of scope in section 1.2 we have not tested the monthly budgetary control cycle). Recent examples include reports to support a deep dive on travel expenditure by the Director of Finance & Corporate Services and a report to support a Specialist Estates Services Quarterly Performance Review.

Travel Bureau Expenditure

The Purchase Card Request forms include cost centre details to ensure accurate recording of travel bureau expenditure.

Monitoring of travel bureau expenditure is undertaken through the monthly budgetary control cycle, therefore has not been considered in this audit.

Fuel Card Expenditure

All fuel card invoices are coded to a single expenditure code.

Monitoring of fuel card expenditure is undertaken through the monthly budgetary control cycle, which has not been considered in this audit, although detailed scrutiny of the fuel card invoices is considered further under the fuel cards section below.

We did not identify any matters for reporting regarding the approach to expenses budgetary control.

Issue and Use of Fuel Cards

'Flash cards' are used to provide Health Courier Services' ('HCS') drivers with the necessary information on the process to be followed, including with regard to fuel cards.

Fuel cards are registered to vehicles, with one card per vehicle that is embossed with the vehicle registration number. Drivers must check the fuel card in/out at the beginning/end of each shift via an electronic system. The cards are set up such that only diesel, oil and AdBlue can be purchased.

Any petrol station can be used, although the NWSSP preferred supplier is Tesco, where a discount is received for bulk usage.

NWSSP receives fuel card invoices twice each month. These invoices are scrutinised by HCS managers prior to payment. Particular consideration is given to unusual purchases (for example, premium rather than regular diesel), higher than expected purchases (the petrol costs are compared to the electronic system that registers the mileage undertaken by each vehicle) and usage of non-preferred suppliers.

New / replacement fuel cards are currently requested through the NWSSP Business Support Unit by HCS team leaders / managers via email. The system could be strengthened and formalised through the introduction of a standard form that requires both a HCS team leader and manager signature in order to be processed.

When vehicles are disposed of, the fuel card should be cancelled. An independent company decommissions the vehicles and signs to evidence the fuel card has been removed from the vehicle.

See finding 4 in Appendix A.

3.2 Summary of Recommendations

The audit findings and recommendations are detailed in **Appendix A** together with the management action plan and implementation timetable.

A summary of these recommendations by priority is outlined below.

Priority	H	M	L	Total
Number of recommendations	1	2	1	4

Finding 1 – Approver access to the e-expenses system (Design)	Risk
<p>Expense claim approvers are added to the e-expenses system based upon requests received by the expenses team from the divisions. We understand this is usually done via signed change forms, although email approval is also accepted in certain circumstances (for example, where an approver is being added for a large volume of staff). However, there is no control in place to ensure the approvers are in line with the Scheme of Delegation within the NWSSP Standing Orders and the divisional Schemes of Delegation. Therefore, there is a risk that e-expenses may not be signed off in line with appropriate budgetary limits. Due to this lack of control, we did not undertake any detailed testing on the approvers within the e-expenses system. We understand the Head of Expenses Services wishes to improve control to: link approvers to the Scheme of Delegation; undertake a review of the eligibility of all existing approvers within the e-expenses system; and to implement a process where new approvers receive an email advising them of their responsibilities.</p> <p>We were informed that all staff who leave the NHS will still have access to the e-expenses system for approximately three months after they leave ('the grace period'), as this is the timeframe allowed to reclaim final expenses. However, this poses a risk because managers retain the ability to authorise expense claims after they are no longer employed by the organisation. This may be further compounded by the late submission of employee termination forms by line managers (as identified through our previous payroll audits), leading to a risk that the expenses team cannot identify leavers on a timely basis.</p> <p>A report was provided by the e-expenses team that documented all NWSSP employees / managers that had left the organisation between April and September 2019 (inclusive), all of whom had passed the end of their grace period. However, of the 365 leavers in the report, there were 68 individuals that still had access to the e-expenses system at the time of our audit (January 2020), four of whom had duplicate accounts. The level of access held by these individuals across the 72 active accounts is:</p> <ul style="list-style-type: none"> • claimant access – 66 individuals; • manager access (therefore the ability to approve claims) – five individuals; and • senior expense officer access– one individual. <p>Whilst the senior expense officer access allowed limited administration functions to be performed, this level of access did not include the ability to approve expense claims, add expense accounts, view,</p>	<p>E-expenses may not be signed off in line with appropriate budgetary limits.</p> <p>Fraudulent expenses payments may be made to staff.</p>

<p>add/edit expense claims or add/edit any ESR elements. Additionally, the senior expense officer had not accessed the e-expense system since leaving the organisation.</p> <p>We understand that the expenses team will further investigate the reasons why these accounts are still active because the system should have automatically deactivated them based on the employee's leaving date. We further understand that the Head of Expenses has implemented a new process from April 2020 to address this issue on an ongoing basis.</p>	
<p>Recommendation 1</p>	<p>Priority level</p>
<p>Management should ensure that the approval hierarchy within the e-expenses system accurately reflects budgetary authority limits, as set out in the Scheme of Delegation within the NWSSP Standing Orders and the divisional Schemes of Delegation. We concur with the intention to review the eligibility of the existing approvers and to email new approvers advising them of their responsibilities.</p> <p>For managers leaving NWSSP, access to the e-expenses system should be restricted to being a claimant only during the three month grace period. Their ability to approve claims should be removed.</p> <p>The expenses team should cleanse the existing data to identify leavers past the grace period and / or duplicate accounts. Thereafter, a regular leavers report should be run to identify and archive accounts past the three month grace period. This should be frequent at first (for example, monthly), reducing to quarterly or even six monthly once the number of issues identified starts to reduce.</p>	<p>High</p>
<p>Management Response 1</p>	<p>Responsible Officer/ Deadline</p>
<p>1. Responsibility is currently upon the approver to ensure they are on the relevant scheme of delegation. A review of existing approvers will be undertaken against the scheme of delegation and a new process and controls will be put in place to ensure that approver access is only granted where the individuals is on the scheme of delegation. This process will be undertaken jointly between the expenses and finance departments.</p>	<p>Head of Expense Services / Head of Financial Management 30/09/2020</p>

2. A new process has been implemented from April 2020 – a report will be run each month to identify leavers, access reduced to 'Claimant' only for all leavers and all accounts past the final process date will be archived.

Head of Expense Services
Completed

Finding 2 – Policies, Procedures and Compliance (Operation)	Risk
<p>Policies and Procedures</p> <p>We were unable to locate either the NHS Terms & Conditions of Service Handbook or the Section 17 update on the NWSSP intranet site.</p> <p>The NWSSP Travel & Subsistence Guidance document is located on the NWSSP intranet. However, we encountered difficulty in locating the expenses guidance / information and not all expenses information was included within one section.</p> <p>Additionally, the NWSSP guidance was due for review in 2016 and is currently out-of-date, although we note there have been no substantial changes to the NHS Terms & Conditions with regard to expenses during this period. An All NHS Wales Travel & Subsistence Policy has been developed in conjunction with representatives from each Health Board/Trust and submitted to the All Wales Workforce and Organisational Development Group for review/validation. We understand that it is now awaiting approval from the All Wales Directors of Workforce & Organisational Development ('AWODs').</p> <p>The e-expenses system utilised by staff to input expense claims and upload receipts etc. contains an icon on the home page titled 'View my Company Policy'. However, this link does not work.</p> <p>Compliance</p> <p>The sustainability of the level of checks undertaken by the expenses team on a monthly basis is at risk due to the number of flagged claims that require review each month, although we question the effectiveness of these checks given that these claims have already been checked and approved by managers. We understand that, once the All Wales Policy has been approved, further restrictions can be placed on the system to prevent certain non-compliant claims being submitted, thus reducing the level of flagged claims.</p> <p>Over quarter 3 of 2019/20, 15% of NWSSP claim lines (2,360 lines, net value £39,600) were flagged. Whilst the majority of these were claims that simply required additional justification/checking (for example, recommended distance exceeded on a mileage claim or potential duplicate expenses), we did identify some that represented breaches of the expenses policy:</p> <ul style="list-style-type: none"> • 6% (£2,200) of the flagged claims were for staff who claimed in excess of the allowance limits; and 	<p>Staff may receive payments that are incorrect and / or untimely.</p> <p>Fraudulent expenses payments may be made to staff.</p>

<ul style="list-style-type: none"> 4% (£1,600) were for claims where receipts had not been attached. Whilst the NWSSP guidance does allow for this in exceptional circumstances, we identified a number of instances where individuals justified their claim stating that the amount claimed was an "allowance" per Agenda for Change. 	
Recommendation 2	Priority level
<p>Policies and Procedures</p> <p>Management should ensure that:</p> <ul style="list-style-type: none"> the NHS Terms & Conditions of Service Handbook and Section 17/18 updates are made available on the NWSSP intranet; expenses guidance / information on the NWSSP intranet site should to be appropriately signposted with information included within one section or links provided; and the link on the home page of the e-expenses online system titled 'View my Company Policy' is repaired so that the guidance can be easily accessed. <p>Upon publication of the All Wales Travel & Subsistence Policy, management should ensure this is clearly communicated to all staff and made available on the NWSSP intranet expenses page.</p> <p>Compliance</p> <p>Management should:</p> <ul style="list-style-type: none"> remind staff and line managers of the need to comply the expenses policy (i.e., NHS Terms & Conditions of Service Handbook, NWSSP Travel & Subsistence guidance and, when published, the All Wales Travel & Subsistence Policy), in particular with regard to providing receipts and staying within the defined financial limits; non-compliant expenses should not be approved or paid: we understand that a 'No Receipt No Pay' element has been incorporated into the All Wales Policy – we concur with this approach and recommend this level of zero-tolerance be extended to all non-compliances; review the level of checks to be undertaken by the expenses team to ensure the most efficient and effective use of their time; and develop standard operating procedures to cover the work of the expenses team. 	<p>Medium</p>

Management Response 2	Responsible Officer/ Deadline
1. Links to all policies and guidance will be added to the NWSSP/Employment Services/Expenses Intranet page	Head of Expense Services 30/04/2020
2. The company policy link has been updated	Head of Expense Services Complete
3. In conjunction with recommendation 1, an approver's guidance pack will be put together and distributed to all approvers in line with the implemented process. Additional controls can be built into the system to further restrict claims in accordance with policy. However this cannot be implemented until the All Wales Travel & Subsistence Policy is approved by AWODs.	Head of Expense Services / Head of Financial Management 30/09/2020
4. Additional controls can be built into the system to further restrict claims in accordance with policy. However this cannot be implemented until the All Wales Travel & Subsistence Policy is approved by AWODs. This will further reduce the number of checks undertaken by the expense team.	Head of Expense Services (in liaison with AWODs) 30/09/2020
5. Standard procedures are in place for the expense team and are monitored and managed in accordance with PADRs. The checking documents will be further enhanced, to show a statement of what is being checked.	Head of Expense Services 31/05/2020

Finding 3 – Travel Bureau Expenditure (Operation)	Risk
<p>Throughout NWSSP, holders of purchasing cards (i.e., corporate credit cards) operate as local travel bureaus within the directorates. Various travel and subsistence expenses within NWSSP are paid for using the purchasing cards, for example, hotel bookings, train tickets and air flights. All such expenditure is governed by the Velindre University NHS Trust ('Velindre') Purchasing Card Procedures and should be supported by a purchase card request form approved by a budget holder and receipts. However, the Velindre Purchasing Card Procedures could not be located on the NWSSP intranet. We understand that all NWSSP cardholders have signed to confirm they have read the Purchasing Card Procedures (we were unable to formally test this due to the situation with COVID-19). However, discussions with the cardholders identified that not all were aware of the existence of these procedures.</p> <p>The names of the purchasing card holders and the individual directorates they cover are available on the NWSSP intranet page. However, the intranet page had not been updated since 2017 and did not hold the correct details. The intranet page provided the details of seven card holders, but during testing we identified at least 16 card holders between October and December 2019.</p> <p>In our sample of 25 purchasing card travel and subsistence expenditure items, we identified the following issues:</p> <ul style="list-style-type: none"> • one instance where the authorisation signature was provided by an individual who is not on the Oracle hierarchy of financial limits (i.e., is not a budget holder); • one instance where the approver had approved an overnight stay for themselves (this is not in line with policy) – this form was completed in April 2019. We understand cardholder training addressing such issues has since been provided (November 2019) and that the central finance team now review all purchase card request forms; • six instances where 'electronic' signatures (in the form of a copy and paste scanned pdf image) were used on the purchase card request form – such electronic signatures are considered unsecure; and • one instance where there was no budget holder approval of the purchase card request form (either via signature or supporting authorising email). We understand that it is likely an email would have been sent to the cardholder to support this authorisation. However, the cardholder does not currently work for NWSSP and, therefore, is unable to provide this evidence. 	<p>Fraudulent travel and subsistence expenditure may be incurred.</p>


Recommendation 3	Priority level
<p>The purchasing card holder details on the NWSSP intranet site should be kept up-to-date.</p> <p>Management should ensure that:</p> <ul style="list-style-type: none"> the Velindre Purchasing Card Procedures are made available via the NWSSP intranet and that card holders are aware of them; the purchase card request forms from the Velindre Purchasing Card Procedures (which includes space to clearly identify the budget holder's name) are used; appropriate controls are put in place over the use of electronic signatures (for example, a supporting approval email from the budget holder); all email authorisations supporting purchase card transactions are stored in an accessible location; and purchasing card expenditure is not incurred until budget holder approval has been evidenced. 	<p>Medium</p>
Management Response 3	Responsible Officer/ Deadline
<p>The Purchase Card holders are already required to sign that they have read and understood the Purchasing Card procedures before the card is released to them. A copy will be emailed to them once they have completed the initial training and any follow up training.</p> <p>Finance Directorate now supplements this control by providing additional training to Purchase Card holders, and a number of sessions were run in November 2019 (after the form in the exceptions was signed).</p> <p>The details on the intranet will be updated.</p> <p>The use of electronic signatures is now widely acceptable practice. However, as an additional control where an electronic signature is used, the document must be submitted from the signatory's NWSSP email account. The procedure will be update to reflect this change.</p>	<p>Head of Financial Management 30/06/2020</p>


Finding 4 – Issue and Use of Fuel Cards (Design)	Risk
Fuel cards cannot be issued unless requested by a team leader / manager and all fuel cards are registered to a vehicle (not an individual) until that vehicle is disposed of. New / replacement fuel cards are currently requested through the NWSSP Business Support Unit by HCS team leaders / managers via email.	Unauthorised fuel cards could be issued.
Recommendation 4	Priority level
Management should consider strengthening and formalising the system for requesting new / replacement fuel cards through the introduction of a standard pro-forma requiring both HCS team leader and manager sign off.	Low
Management Response 4	Responsible Officer/ Deadline
Deputy Director of Finance and Corporate Services to discuss potential benefits with Head of Operations Health Courier Services.	Deputy Director of Finance 30/06/2020

Audit Assurance Ratings

 **Substantial Assurance** - The Board can take **substantial assurance** that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. Few matters require attention and are compliance or advisory in nature with **low impact on residual risk** exposure.

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

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

 **No Assurance** - The Board has **no assurance** that arrangements to secure governance, risk management and internal control, within those areas under review, which are suitably designed and applied effectively. Action is required to address the whole control framework in this area with **high impact on residual risk** exposure until resolved.

Prioritisation of Recommendations

In order to assist management in using our reports, we categorise our recommendations according to their level of priority as follows.

Priority Level	Explanation	Management action
High	Poor key control design OR widespread non-compliance with key controls. PLUS Significant risk to achievement of a system objective OR evidence present of material loss, error or misstatement.	Immediate*
Medium	Minor weakness in control design OR limited non-compliance with established controls. PLUS Some risk to achievement of a system objective.	Within One Month*
Low	Potential to enhance system design to improve efficiency or effectiveness of controls. These are generally issues of good practice for management consideration.	Within Three Months*

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

Confidentiality

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Audit

The audit was undertaken using a risk-based auditing methodology. An evaluation was undertaken in relation to priority areas established after discussion and agreement with the Health Board. Following interviews with relevant personnel and a review of key documents, files and computer data, an evaluation was made against applicable policies procedures and regulatory requirements and guidance as appropriate.

Internal control, no matter how well designed and operated, can provide only reasonable and not absolute assurance regarding the achievement of an organisation's objectives. The likelihood of achievement is affected by limitations inherent in all internal control systems. These include the possibility of poor judgement in decision-making, human error, control processes being deliberately circumvented by employees and others, management overriding controls and the occurrence of unforeseeable circumstances.

Where a control objective has not been achieved, or where it is viewed that improvements to the current internal control systems can be attained, recommendations have been made that if implemented, should ensure that the control objectives are realised/ strengthened in future.

A basic aim is to provide proactive advice, identifying good practice and any systems weaknesses for management consideration.

Responsibilities

Responsibilities of management and internal auditors:

It is management's responsibility to develop and maintain sound systems of risk management, internal control and governance and for the prevention and detection of irregularities and fraud. Internal audit work should not be seen as a substitute for management's responsibilities for the design and operation of these systems.

We plan our work so that we have a reasonable expectation of detecting significant control weaknesses and, if detected, we may carry out additional work directed towards identification of fraud or other irregularities. However, internal audit procedures alone, even when carried out with due professional care, cannot ensure fraud will be detected. The organisation's Local Counter Fraud Officer should provide support for these processes.



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Accounts Payable

Internal Audit Report 2019/20

NHS Wales Shared Services Partnership Audit and Assurance Services

Reasonable Assurance



- +

Previous review rating:
Reasonable Assurance

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Appendix A	Management Action Plan
Appendix B	Audit Assurance Ratings & Recommendation Priorities
Appendix C	Responsibility Statement

Review Reference: NWSSP-1920-03
Report Status: Final

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Final report issued: 23 April 2020

Executive sign off: Andrew Butler, Director of Finance & Corporate Services

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Committee: Velindre NHS Trust Audit Committee for NWSSP

ACKNOWLEDGEMENTS

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.

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.

1. EXECUTIVE SUMMARY

1.1 Introduction and Background

A review of the Accounts Payable process operated by the NHS Wales Shared Services Partnership (NWSSP) has been completed in line with the 2019/20 Internal Audit Plan.

The relevant lead for the assignment was Andrew Butler, Director of Finance & Corporate Services.

NWSSP provides a complete Procure to Pay (P2P) service to NHS Wales through category sourcing, frontline local procurement, supply chain, accounts payable and e-Enablement functions. This audit has focussed on the Accounts payments function.

The audit sought to provide assurance to the NWSSP and the NHS Wales organisations it serves that risks material to the achievement of system objectives are managed appropriately.

1.2 Scope and Objectives

The overall objective of this audit was to evaluate and determine the adequacy of the systems and controls in place for the management of the purchase to pay process.

The objectives reviewed were to ensure that:

- procedural guidance is available to support staff through the P2P process;
- there is adequate control over the creation and amendment of supplier master-file data;
- invoices are supported by a purchase order (PO) in line with the No PO No Pay Policy;
- non-PO invoices are authorised for payment prior to processing;
- systems ensure that invoice values paid are in accordance with agreed prices;
- invoices on hold are monitored and cleared on a regular basis to ensure compliance with Public Sector Payment Policy (PSPP);
- duplicate payments are avoided or detected;

- the month end process is fully completed in accordance with agreed timescales;
- there are effective continuous improvement processes in place; and
- recommendations arising from the previous internal audit (report NWSSP-1819-13) have been implemented.

The audit has focused on the controls in place within the Accounts Payable function. Procurement (i.e. tenders and quotations) and contract management were excluded from the scope of this review.

1.3 Associated Risks

The potential risks considered at the outset of the review were as follows:


- payments are made to the wrong supplier or for the wrong amount;
- payments are made without due authority;
- duplicate payments are not prevented or detected;
- late payments resulting in breach of Public Sector Payment Policy;
- delay or errors in the month end close down process;
- fraud; and
- previous internal audit recommendations have not been implemented.

2 CONCLUSION

2.1 Overall Assurance Opinion





We are required to provide an opinion as to the adequacy and effectiveness of the system of internal control under review. The opinion is based on the work performed as set out in the scope and objectives within this report. An overall assurance rating is provided describing the effectiveness of the system of internal control in place to manage the identified risks associated with the objectives covered in this review.





The level of assurance given as to the effectiveness of the system of internal control in place to manage the risks associated with Accounts Payable is **Reasonable** Assurance.

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

The overall level of assurance that can be assigned to a review is dependent on the severity of the findings as applied against the specific review objectives and should therefore be considered in that context.

2.2 Assurance Summary Table

Assurance Summary					
1	Procedural Guidance			✓	
2	Creation & Amendment of Supplier Masterfile Data			✓	
3	Invoices are Supported by Purchase Orders			✓	
4	Authorisation of Non-purchase Order Invoices			✓	
5	Payments in Accordance with Agreed Prices				✓
6	Invoices on Hold			✓	
7	Duplicate Payments				✓
8	Month End Processes			✓	
9	Effective Continuous Improvement Processes			✓	

Assurance Summary					
10	Previous Recommendations			✓	

** The above ratings are not necessarily given equal weighting when generating the audit opinion.*

2.3 Design of System / Controls

The findings from the review have highlighted three issues that are classified as weaknesses in the system/control design for Purchase to Pay. These are identified in Appendix A as (D).

2.4 Operation of System / Controls

The findings from the review have highlighted two issues that are classified as weaknesses in the operation of the designed system/control for Purchase to Pay. These are identified in Appendix A as (O).

2.5 Summary of Recommendations

The audit findings and recommendations are detailed in Appendix A together with the management action plan and implementation timetable.

A summary of these recommendations by priority is outlined below.

Priority	H	M	L	Total
Number of recommendations	0	5	0	5

3. SUMMARY OF AUDIT FINDINGS

Good Practice

The following examples of good practice were identified:

- Requests for additions/amendments to the supplier masterfile are promptly processed.
- FiscalTec forensic software is used to identify potential duplicate payments on a daily basis prior to the processing of payment runs.
- Monthly KPI reports are produced for customer organisations identifying performance data in respect of invoice turnaround, prevention and identification of duplicate invoices, call handling, invoices on hold and Oxygen Finance priority payment programme.

The key findings are reported by objective in the section below, with full details of findings in Appendix A:

Procedural guidance to support staff through the P2P process

A suite of working instructions and process maps for data entry and payment processes have been developed to support ISO 9001 accreditation (Quality Management System).

There is an annual ISO compliance audit programme in place led by the Business Quality Manager within Procurement Services. We were advised that two audits (Strategic Planning & Change Management and Contract Management) have been completed within Accounts Payable during 2019/20. A further five audits were scheduled but were not completed.

See Finding 1 in Appendix A

Creation and amendment of supplier master-file data

Previous internal audits (2017/18 and 2018/19) highlighted that the User Guide for New Supplier Set Up & Supplier Amendments (the 'User Guide') does not clearly set out the step-by-step process for requesting, processing and checking additions / amendments to the supplier masterfile.

The User Guide was reviewed and updated in June 2019. However, the issues identified have not all yet been addressed. Furthermore, reference to the Bank Account Amendment Form and the requirement for suppliers to confirm their existing bank details when requesting a change has been removed, despite there being no change to this process.

In line with the current procedure, all 21 additions/amendments to bank details reviewed were supported by a supplier invoice or payment request form. In 2018/19 we recommended that in order to enhance the existing controls and reduce the risk of fraud/error, further evidence of bank details such as a redacted bank statement should be required for any additions/amendments to bank details. This recommendation was accepted by management but has not yet been fully implemented.

Consequently, the previous recommendations are reiterated – *see Finding 2 in Appendix A*.

Additions and amendments to the supplier masterfile are independently checked within the Supplier Maintenance Team to ensure accuracy of processing. This involves verifying the information on the Oracle supplier record, to the supporting evidence submitted by Accounts Payable. We reviewed a sample of 21 additions / amendments and confirmed that all had been independently reviewed.

Invoices are supported by a purchase order in line with the No PO No Pay Policy

In line with the all-Wales No PO No Pay Policy (the 'Policy') implemented in 2018, invoices without a purchase order that are not on the agreed all-Wales exceptions list should be placed on a 'No PO No Pay' hold in Oracle and payment withheld until the supplier provides a valid purchase order number.

The previous audit highlighted that the Policy did not reflect the operational process in place for dealing with non-compliance. The Policy was reviewed and updated in September 2019 to address this, and now clearly identifies the responsibilities of Accounts Payable, Procurement Services and customer organisations in dealing with supplier and requisitioner non-compliance.

An all-Wales exceptions list has been agreed by customer organisations via the Finance Academy P2P Group, for instances where a purchase order is not necessary or appropriate. The previous audit highlighted that responsibility for deciding whether or not an invoice requires a purchase order seems to rest with Accounts Payable. At the time, the list was too ambiguous so there was scope of misuse or error. Significant work has been undertaken by the Finance Academy P2P Group to identify specific suppliers and subjective codes which are exempt from the Policy.

Accounts Payable has processed over 1.5m invoices during the period April 2019 – January 2020 and we found that:

- 49% had a PO in place;

- 8% had a retrospective PO raised after receipt of the invoice; and
- 43% did not have a PO in place¹.

As exceptions are not categorised as such in Oracle, it is not possible to estimate the expected ratio of purchase order and non-purchase order invoices to assess compliance with the Policy.

Sample testing of 60 non-purchase order invoices was undertaken to establish whether any not falling under the categories on the exceptions list had been placed on a 'No PO No Pay' hold and dealt with in line with the Policy. Three invoices/payments were considered to require a purchase order, but had not been placed on hold. Therefore, they had been paid on the basis of manual authorisation and the supplier and requisitioner not dealt with in accordance with the Policy. Two of these related to the Welsh Health Specialist Services Committee (WHSSC). We were advised that all WHSSC invoices are non-PO and processed manually via dataload. This arrangement is not reflected in the No PO No Pay Policy, which applies to the whole of NHS Wales.

See Finding 3 in Appendix A

Non-purchase order invoices are authorised for payment

Sample testing of 60 non-purchase order invoices was undertaken to confirm that:

- there is an official invoice or request for payment in support of each transaction;
- the invoice/payment has been recorded against the correct supplier and for the correct amount; and
- the invoice has been authorised for payment by the customer organisation, in line with the organisations authorised signatory list (where available).

Authorised signatory lists were provided for eight of the 12 organisations, relating to 38 of the 60 invoices sampled. In seven cases the authorising individual was not located on the organisations authorised signatory list. One invoice had been approved for payment by an authorised signatory but the value of the invoice exceeded the signatory's approved limit.

See Finding 4 in Appendix A

¹ This figure includes invoices/payments that do not require a PO in line with the all-Wales exceptions list

Invoice values paid are in accordance with agreed prices

Invoice Matching Arrangements

Matching arrangements are set in Oracle at the time the supplier is added to the masterfile. The default setting is 3-way match which means that a purchase order invoice will only be released for payment by Oracle if the invoice matches the purchase order and has been receipted on the system.

Invoices that require a purchase order that do not match the number entered onto Oracle and / or have not been receipted are automatically placed on hold. We were advised that a small number of suppliers are set up as 2-way match at the request of the customer organisation. This means that receipting on Oracle is not necessary so the invoice will be paid as long as it matches the PO.

Invoice Matching Tolerances

Tolerances are set within Oracle for the following system holds and are standardised for all NHS Wales organisations:

- Quantity Ordered 0%
- Quantity Received 0%
- Price 10%
- Max Ship £5

The only exception to this is Public Health Wales for which the *Quantity Ordered* tolerance for services is set at 5% - as requested by the customer organisation.

If the value entered is outside of the tolerance the system automatically places the invoice on hold to prevent payment until the discrepancy is resolved.

Invoices on hold are monitored and cleared to ensure compliance with PSPP

As at 31 January 2020 there were 27,487 invoices on hold for more than 30 days, with 64% on hold for more than 90 days. The volume of invoices on hold has remained steady during the period April 2019 – January 2020 with only a 2% increase, compared with a 13% increase over the period April 2018 – February 2019).

The previous audit reported the following observations in respect of the process for managing invoices on hold:

- The investigation of invoice holds is complex as it requires the involvement of NWSSP Central Sourcing, NWSSP Local Procurement Teams, NWSSP Accounts Payable and the purchasing organisation.
- Central Sourcing operate by category (e.g. medical & clinical, non-medical), Local Procurement Teams operate by organisation and Accounts Payable operate by organisation and supplier. This means that the invoice on hold reports have to be split on a different basis for Central Sourcing, Local Procurement and Accounts Payable.
- It is likely that several different people will be liaising with the same supplier to resolve invoice holds.
- Responsibilities for investigating invoice holds are not formally defined, which could signify a lack of ownership and accountability for ensuring that holds are pursued until cleared.
- The root cause of invoice holds is not identified or recorded so it is not possible to ascertain whether there are any systemic issues that require further investigation and correction.
- Positive PSPP performance suggests that new invoices on hold are being prioritised for investigation so that they can be cleared and paid within 30 days to achieve PSPP compliance, over invoices on hold for more than 30 days as they have already failed PSPP.

In April 2019 a Task & Finish Group was established to review various aspects of the P2P process including invoices on hold. A centralised team of link officers was created to address invoices on hold dated up to 31 May 2019. The team is supplier focused (rather than category or organisation, as with the current invoice on hold process which we highlighted as an issue in the 2018/19 audit) so suppliers are contacted once for all NHS organisations.

The team is funded until March 2020 following which the effectiveness of this approach will be appraised. However, KPIs produced by the Head of Accounts Payable report a 41% reduction in invoices on hold pre-dating 31 March 2018.

See Finding 5 in Appendix A

PSPP – NHS Invoices

Management requested we review PSPP performance in respect of NHS invoices to identify potential failure points and establish the primary cause of PSPP failure for these invoices.

Analysis of the invoice on hold report dated 2 March 2020 identified the following:

- As at 2 March there were 6,266 NHS invoices on hold with a value of £31.8m.
- 34% have been on hold for 30-90 days and 61% have been on hold for more than 90 days.
- Only 11% of the NHS invoices on hold have a corresponding purchase order, the remaining 89% are non-purchase order.
- The primary cause of NHS invoices on hold was “awaiting authorisation” hold (64%), which is applied to non-purchase order invoices where authorisation to pay has not been received from the customer organisation.
- Cardiff & Vale University Health Board (C&VUHB) had the highest proportion of total NHS invoices on hold (49%), with 42% on an “awaiting authorisation” hold. We were advised that this is due to C&VUHB’s policy of recording invoices relating to non-contracted activity on Oracle at the point of receipt whereas many other organisations record them outside of Oracle until they are authorised and ready for payment. C&VUHB’s PSPP figure is not adjusted to reflect NCA invoices on hold unless they are in dispute (as with any invoice, NHS or non-NHS).

As noted above, C&VUHB are trialling the use of purchase orders for NHS invoices. Consequently, no further findings are raised.

Duplicate payments are avoided or detected

The Oracle system will not allow an invoice to be entered twice against the same supplier site for the same organisation.

FiscalTec forensic software is used to identify duplicate invoices prior to payment. Potential duplicates are placed on hold in Oracle to prevent payment until investigation is complete, and those confirmed to be a duplicate are cancelled.

We were provided with evidence of duplicate payment registers maintained for nine customer organisations. As at 28 February 2020, 742 duplicate payments with a value of £1.5m had been prevented via the FiscalTec software. A total of 21 duplicates had been processed with a value of £90k.

Duplicate payments (prevented and paid) are reported to customer organisations by the Head of Accounts Payable via the monthly KPI reports.

The month end process is fully completed in accordance with agreed timescales

A working instruction has been developed for the month end process and is available on the Accounts Payable intranet. Walkthrough of the month end process for one NHS organisation confirmed that the process is in line with the working instruction.

We are aware of an issue in early 2019 where AP failed to run the create accounting report in Oracle during the month end process for Aneurin Bevan University Health Board, resulting in unpaid invoices in Oracle not transferring to the following month. We were advised that this was due to human error. However, all reports produced as part of the month end process are now saved to the shared drive (which ABUHB has access to) as evidence of completion and to serve as a reminder.

Effective continuous improvement processes

In 2018/19 and 2019/20 Accounts Payable has achieved ISO 9001 accreditation, which involved the development of a suite of working instructions and process maps.

The Director of Finance & Corporate Services, Director of Procurement and the Head of Accounts Payable are members of the Finance Academy P2P Group (the 'Group') responsible for facilitating the implementation of improvement measures through existing local and national P2P structures, to ultimately achieve a process that is 'world class'. The Group reports to the Finance Academy Board and includes representation from NWSSP Accounts Payable, NWSSP Procurement Services and finance representatives from NHS Wales organisations.

A number of work streams have been identified and are either complete or ongoing, including:

- implementation of an all-Wales No PO No Pay policy to reduce the volume of manual/no-purchase order invoices;

- development and ongoing rationalisation of an all-Wales purchase order exception list linked to all-Wales subjective codes;
- standardisation of invoice tolerances and matching arrangements within Oracle (which impact on invoices on hold);
- process automation and robotics, for example for supplier statement reconciliations; and
- Oxygen Finance early payment discount scheme.

Previous recommendations have been implemented

Progress in implementing recommendations arising from the previous internal audit (report NWSSP-1819-13) has been assessed under the objectives above and recommendations raised where appropriate.

The four recommendations raised previously have been reported as implemented on the recommendations tracker maintained by Corporate Services. Whilst we acknowledge that some action has been taken in respect of these recommendations, in many cases the underlying issues still remain.

Finding 1: ISO Compliance Audits (D)	Risk
<p>A suite of working instructions and process maps for data entry and payment processes have been developed to support ISO 9001 accreditation.</p> <p>There is an annual ISO compliance audit programme in place led by the Business Quality Manager within Procurement Services. We were advised that two audits (Strategic Planning & Change Management and Contract Management) have been completed within Accounts Payable during 2019/20. A further five audits were scheduled but were not completed.</p>	<p>Agreed working practices are not consistently applied, increasing the risk of error or omission.</p> <p>Risk of losing the ISO 9001 accreditation.</p>
Recommendation 1	Priority level
<p>Resource should be identified for the annual ISO compliance audits, to ensure ongoing attainment of the accreditation.</p>	<p>Medium</p>
Management Response 1	Responsible Officer/ Deadline
<p>Agreed.</p> <p>The Director of Finance & Corporate Services will discuss the non-completion of the audits with the Director of Procurement Services.</p> <p>Staff who wish to become trained up as an ISO Auditor undertake ISO Internal Audits are expected to undertake audits across Procurement Services and AP, in accordance with a work programme produced by the Procurement Services Business Quality Manager.</p>	<p>Director of Finance & Corporate Services</p> <p>Head of Accounts Payable</p>

As at the 1 April 2020, there are 5 staff trained up in AP South, of which 1 is on secondment, 1 is on long term sick and 1 is leaving AP in May, there are no staff interested in being trained in AP North. ISO Auditor training that is scheduled for June includes two staff from Companies House. In terms of audits for 2019/20, two AP audits were completed for AP South prior to AP's move into Corporate and Finance in September 2019. Since September 2019, no further audits have been completed, leaving 5 audits as being outstanding, 2 for AP North and 3 for AP South. Due to resource availability coupled with the COVID pandemic, it has not been possible to complete the 3 audits for AP South and these will be completed when staff are back in the office.

The options being considered for AP North are to:

- Identify at least 2 staff from AP North to be trained up as ISO Auditors
- Identify resource from Procurement Services based in Alder House to complete the audits. Since AP has moved out of Procurement Services, this option hasn't been considered
- Ask resource from AP staff to spend a couple of days in AP North to complete the audits

Actions:

1. Complete the three ISO audits outstanding from 19/20 for AP South
2. Identify audit resource and complete the two ISO audits outstanding from 19/20 for AP North

Action 1 - Within one month of returning to Companies House.

Action 2 - Within three months of returning to Alder House.

Finding 2: Supplier Masterfile – Implementation of Previous Recommendations (D)	Risk
<p>Previous internal audits (2017/18 and 2018/19) highlighted that the User Guide for New Supplier Set Up & Supplier Amendments (the 'User Guide') does not clearly set out the step-by-step process for requesting, processing and checking additions/amendments to the supplier masterfile.</p> <p>The User Guide was reviewed and updated in June 2019. However, the issues identified have not been addressed.</p> <p>In line with the current procedure, all 21 additions/amendments to bank details reviewed were supported by a supplier invoice or payment request form. In 2018/19 we recommended that in order to enhance existing controls and reduce the risk of fraud/error, further evidence of bank details such as a redacted bank statement should be required for any additions/amendments to bank details. This recommendation was accepted by management but has not been implemented.</p> <p>Previous recommendations are therefore reiterated.</p>	<p>Poor quality requests for additions/amendments to the supplier masterfile increasing the risk of incorrect payments.</p>
Recommendation 2	Priority level
<p>The User Guide for New Supplier Set Up & Supplier Amendments should be revised to clearly set out the step-by-step process from the point of request by Accounts Payable/Procurement to the processing and checking of additions/amendments by the Supplier Maintenance Team. The document should clearly identify the circumstances in which each type of form should be used, and identify any exceptions to the rules.</p> <p>In order to reduce the risk of fraud/error, evidence of bank details (e.g. redacted bank statement) should be required for any additions/amendments to bank details. Potential data protection implications should be discussed with the Information Governance Manager.</p>	<p>Medium</p>

Management Response 2	Responsible Officer/ Deadline
<p>Agreed.</p> <p>Actions:</p> <ol style="list-style-type: none"> 1. The procedural and user guides that relate to the Supplier Maintenance and Bank management processes, will be reviewed, updated and re-issued, to ensure that Accounts Payable and Procurement Services staff who request changes and new additions, fully understand the steps involved 2. If any form submitted by Accounts Payable and Procurement Services is missing data, the form will be returned for it to be completed 3. The Supplier Maintenance Team will, in collaboration with the Deputy Director of Finance and Counter Fraud Service Wales, investigate to see what additional measures can be introduced to reduce the risk of fraud or error e.g. redacted bank statements. If any data protection issues are identified from these investigations, these will be discussed with the Information Governance Manager 	<p>Head of Accounts Payable</p> <p>Action 1 30 June 2020</p> <p>Action 2 Immediate</p> <p>Action 3 30 May 2020</p>

Finding 3: No PO No Pay Policy (O)	Risk
<p>Sample testing of 60 non-purchase order invoices was undertaken to establish whether any not falling under the categories detailed on the exceptions list had been placed on hold and processed with in line with the No PO No Pay Policy (the 'Policy'). Three invoices / payments were considered to require a purchase order, but had not been placed on hold. Therefore, they had been paid on the basis of manual authorisation and the supplier and requisitioner not dealt with in accordance with the Policy. Two of these related to the Welsh Health Specialist Services Committee (WHSSC). We were advised that all WHSSC invoices are non-PO and processed manually via dataload. This arrangement is not reflected in the No PO No Pay Policy, which applies to the whole of NHS Wales.</p>	<p>Non-compliance with the No PO No Pay Policy.</p>
Recommendation 3	Priority level
<p>Management should ensure that non-purchase order invoices that are not covered by the agreed exceptions list are placed on a hold to ensure that the supplier is contacted to provide a purchase order number.</p> <p>The existing arrangement for all WHSSC invoices to be processed as non-PO invoices should be reviewed and if deemed appropriate should be reflected in the all-Wales No PO No Pay Policy.</p>	<p>Medium</p>
Management Response 3	Responsible Officer/ Deadline
<p>Agreed.</p> <p>Actions:</p> <ol style="list-style-type: none"> 1. Re-circulate the exempt list to all AP staff and remind them that any invoice received not quoting a PO and not appearing on the exempt list, is to be placed on a No PO No Pay Hold and placed in dispute. 	<p>Head of Accounts Payable</p> <p>Action 1 30 April 2020</p> <p>Action 2 Immediate</p>

<ul style="list-style-type: none">2. Where a health organisation instructs AP to make a manual payment of an invoice where a PO is required, the email instructing AP will be retained with the invoice3. Contact the WHSSC Finance Manager with regards the No PO No Pay Policy in order that a decision can be made as to whether PO's should be raised or if all WHSSC transaction are deemed exempt, in which case the No PO No Pay will be updated to reflect their exemption	Action 3 30 April 2020
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Finding 4: Authorisation of Non-PO Invoices (O)	Risk
<p>Sample testing of 60 non-purchase order invoices was undertaken to confirm that:</p> <ul style="list-style-type: none"> • there is an official invoice or request for payment in support of each transaction; • the invoice/payment has been recorded against the correct supplier and for the correct amount; and • the invoice has been authorised for payment by the customer organisation, in line with the organisations authorised signatory list (where available). <p>Authorised signatory lists were provided for eight of the 12 organisations, relating to 38 of the 60 invoices sampled. In seven cases, the authorising individual was not located on the organisations authorised signatory list. In one case the invoice had been approved for payment by an authorised signatory, but the value of the invoice exceeded the signatory's approved limit.</p>	<p>Payments are made without due authority</p> <p>There is an increased risk of fraudulent activities</p>
Recommendation 4	Priority level
<p>Invoices or requests for payment that have not been approved in accordance with the organisations authorised signatory list must be placed on hold and returned to the organisation for appropriate authorisation.</p>	<p>Medium</p>
Management Response 4	Responsible Officer/ Deadline
<p>Agreed. Any invoices received in AP that has not been approved in accordance with the organisations authorised signatory list will be returned to the organisation for appropriate authorisation. The invoice will be placed on an Awaiting Authorisation hold.</p>	<p>Head of Accounts Payable 30 April 2020</p>

This recommendation also touches on recommendation 3 above in that there should be a review of the exempt areas and to ensure that PO's are raised in the future. This is a responsibility that resides with the Finance Academy All Wales P2P Forum.

Action:

1. AP staff will be reminded to ensure that no PO invoices are approved in accordance with the customer organisations authorised signatory list.

Finding 5: Invoices on Hold (D)	Risk
<p>The previous audit from 2018/2019 identified a number of weaknesses with the current process for managing invoices on hold.</p> <p>In April 2019 a Task & Finish Group was established to review various aspects of the P2P process including invoices on hold. A centralised team of link officers was created to address invoices on hold dated up to 31 May 2019. The team is supplier focused (rather than category or organisation, as with the current invoice on hold process which we highlighted as an issue in the 2018/19 audit) so suppliers are contacted once for all NHS organisations.</p> <p>The team is funded until March 2020 following which the effectiveness of this approach will be appraised. However, KPIs produced by the Head of Accounts Payable report a 41% reduction in invoices on hold pre-dating 31 March 2018.</p> <p>Whilst we recognise that action has been taken to try and reduce the volume of invoices on hold, this is a temporary measure and the issues identified previously with the extant process still remain. Consequently, recommendations raised previously are reiterate where appropriate.</p>	<p>Non-payment of invoices resulting in suppliers placing NHS organisations on stop, consequently impacting on service continuity.</p> <p>Non-compliance with PSPP.</p>
Recommendation 5	Priority level
<p>The effectiveness of the centralised team for managing invoices on hold should be assessed and the outcome of this used to inform strategic review of the extant arrangements for managing invoices on hold.</p>	<p>Medium</p>


<p><i>Reiterated from 2018/19 audit:</i></p> <p>Invoice holds are currently analysed by customer and hold type for the purpose of the KPIs. This analysis should be extended to include suppliers to enable the identification of themes and trends.</p> <p>Key problem areas should then be investigated to establish the root cause of the invoice holds, and corrective action taken where necessary to prevent recurrence. This will require a collaborative approach between Central Sourcing, Local Procurement Teams, Accounts Payable and customer organisations, as well as involvement of the supplier where appropriate, depending on the hold type.</p>	
Management Response 5	Responsible Officer/ Deadline
<p>Agreed.</p> <p>The volume of Invoices on Hold (IOH) has been a problem ever since Oracle was introduced. The holds with the highest volumes are:</p> <p>Awaiting Authorisation hold – these are invoices where a PO has not been raised and AP have to contact the organisation to obtain authorisation in accordance with the organisations approved signatory list – recommendation 4 above relates</p> <p>Price and Max Ship holds – this is where the price on the invoice is greater than the agreed tolerances on the PO – responsibility for resolving these resides with Procurement Services</p> <p>Quantity received hold – this is where the organisation has not confirmed receipt on Oracle. The majority of the Front Line Procurement teams have dedicated resource (AP Link Officer) who chase individuals in organisations to confirm receipt and update Oracle accordingly</p>	<p>As noted in the narrative, in order to reduce the volume of IOH, will require a collaborative approach between Central Sourcing, Front Line Procurement Teams, Accounts Payable and customer organisations.</p> <p>Head of Accounts Payable</p> <p>Director of Procurement Services</p>


<p>Customer organisations are only interested in resolving invoices on hold if they start to impact on PSPP or where the supplier is threatening to apply late payment charges and/or Court action.</p> <p>As mentioned above, IOH are typically analysed by hold type and organisation but Sourcing tend to analyse by the supplier. All of the information is contained within the weekly IOH that is sent out by AP.</p> <p>The centralised AP Link Officer trial was successful in reducing the number of invoices on hold but this was predominately down to the fact that they were 100% focussed on resolving the invoices on hold. Unfortunately within the Front Line Procurement teams, the AP Link Officer role is not 100% focussed resulting in delays to resolve the holds.</p> <p>A paper has been submitted to the Director of Procurement Services in relation to the Procure to Pay process and in particular IOH and Link Officers. Unfortunately, due the COVOID pandemic this paper has yet to be considered. The paper has been written from a Procurement Services perspective with input from AP.</p> <p>Action:</p> <ol style="list-style-type: none"> 1. The paper submitted to the Director of Procurement Services will be considered jointly with the Finance and Corporate Services Director and then presented to the Finance Academy All Wales P2P Forum and an Action Plan put in place to reduce the volume of IOH 	<p>Director of Finance and Corporate Services</p> <p>Within 3 months of a return to work.</p>
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Audit Assurance Ratings

 **Substantial Assurance** - The Board can take **substantial assurance** that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. Few matters require attention and are compliance or advisory in nature with **low impact on residual risk** exposure.

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

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

 **No Assurance** - The Board has **no assurance** that arrangements to secure governance, risk management and internal control, within those areas under review, which are suitably designed and applied effectively. Action is required to address the whole control framework in this area with **high impact on residual risk** exposure until resolved.

Prioritisation of Recommendations

In order to assist management in using our reports, we categorise our recommendations according to their level of priority as follows.

Priority Level	Explanation	Management action
High	Poor key control design OR widespread non-compliance with key controls. PLUS Significant risk to achievement of a system objective OR evidence present of material loss, error or misstatement.	Immediate*
Medium	Minor weakness in control design OR limited non-compliance with established controls. PLUS Some risk to achievement of a system objective.	Within One Month*
Low	Potential to enhance system design to improve efficiency or effectiveness of controls. These are generally issues of good practice for management consideration.	Within Three Months*

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

Confidentiality

This report is supplied on the understanding that it is for the sole use of the persons to whom it is addressed and for the purposes set out herein. No persons other than those to whom it is addressed may rely on it for any purposes whatsoever. Copies may be made available to the addressee's other advisers provided it is clearly understood by the recipients that we accept no responsibility to them in respect thereof. The report must not be made available or copied in whole or in part to any other person without our express written permission.

In the event that, pursuant to a request which the client has received under the Freedom of Information Act 2000, it is required to disclose any information contained in this report, it will notify the Head of Internal Audit promptly and consult with the Head of Internal Audit and Board Secretary prior to disclosing such report.

The Health Board shall apply any relevant exemptions which may exist under the Act. If, following consultation with the Head of Internal Audit this report or any part thereof is disclosed, management shall ensure that any disclaimer which NHS Wales Audit & Assurance Services has included or may subsequently wish to include in the information is reproduced in full in any copies disclosed.

Audit

The audit was undertaken using a risk-based auditing methodology. An evaluation was undertaken in relation to priority areas established after discussion and agreement with the Health Board. Following interviews with relevant personnel and a review of key documents, files and computer data, an evaluation was made against applicable policies procedures and regulatory requirements and guidance as appropriate.

Internal control, no matter how well designed and operated, can provide only reasonable and not absolute assurance regarding the achievement of an organisation's objectives. The likelihood of achievement is affected by limitations inherent in all internal control systems. These include the possibility of poor judgement in decision-making, human error, control processes being deliberately circumvented by employees and others, management overriding controls and the occurrence of unforeseeable circumstances.

Where a control objective has not been achieved, or where it is viewed that improvements to the current internal control systems can be attained, recommendations have been made that if implemented, should ensure that the control objectives are realised/ strengthened in future.

A basic aim is to provide proactive advice, identifying good practice and any systems weaknesses for management consideration.

Responsibilities

Responsibilities of management and internal auditors:

It is management's responsibility to develop and maintain sound systems of risk management, internal control and governance and for the prevention and detection of irregularities and fraud. Internal audit work should not be seen as a substitute for management's responsibilities for the design and operation of these systems.

We plan our work so that we have a reasonable expectation of detecting significant control weaknesses and, if detected, we may carry out additional work directed towards identification of fraud or other irregularities. However, internal audit procedures alone, even when carried out with due professional care, cannot ensure fraud will be detected. The organisation's Local Counter Fraud Officer should provide support for these processes.

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Shared Services
Partnership
Audit and Assurance Services

NHS Wales Shared Services Partnership

HEAD OF INTERNAL AUDIT OPINION & ANNUAL REPORT 2019/20

April 2020

NHS Wales Shared Services Partnership

Audit and Assurance Services

Assurance Rating



Reasonable Assurance

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Report status:	FINAL
Final report issued:	23 April 2020
Author:	Head of Internal Audit
Executive Clearance:	Neil Frow, Managing Director
Audit Committee:	28 April 2020

1. EXECUTIVE SUMMARY

1.1 Purpose of this Report

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

This report sets out the Head of Internal Audit opinion together with the summarised results of the internal audit work performed during the year. The report also includes a summary of audit performance in comparison to the plan and an assessment of conformance with the Public Sector Internal Audit Standards (these are the requirements of Standard 2450).

1.2 Head of Internal Audit Opinion

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

In my opinion, NWSSP can take **Reasonable assurance** that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. Several significant matters require management attention with **low to moderate impact on residual risk exposure** until resolved.

1.3 Delivery of the Audit Plan

The internal audit plan has been delivered substantially in accordance with the agreed schedule and changes required during the year, as approved by the Audit Committee. Regular audit progress reports have been submitted to the Audit Committee during the year.

The COVID-19 outbreak at the end of the year impacted upon certain reviews as the decision was made with management to either curtail, postpone or cancel reviews in areas which were critical to the organisation's response. The Head of Internal Audit has taken this into account and is satisfied that sufficient internal audit work has been undertaken throughout the year in order to provide the Annual Opinion.

Our External Quality Assessment (EQA), conducted by the Chartered Institute of Internal Auditors, and our Quality Assurance and Improvement Programme have both confirmed that our internal audit work 'generally conforms' to the requirements of the Public Sector Internal Audit Standards for 2019/20.

We are now able to state that our service 'conforms to the IIA's professional standards and to PSIAS.'

1.4 Summary of Audit Assignments

This report summarises the outcomes from the internal audit plan undertaken in the year and recognising audit provides a continuous flow of assurance includes the results of legacy audit work reported subsequent to the prior year opinion, if applicable.

The audit coverage in the plan agreed with management has been targeted towards providing assurance to NHS Wales on the adequacy and effectiveness of internal controls operated by Shared Services in processing transactions on behalf of partner organisations. In addition to this external assurance flow the audit plan has also examined aspects of corporate governance, risk management and control within NWSSP as an entity hosted by Velindre NHS Trust.

More specifically we give reasonable assurance or greater to the majority of the internal financial controls operating within NWSSP and these findings have been taken into account by partner organisations and Wales Audit Office (WAO) in the external audit of the financial statements.

Management are aware of the specific issues identified and have agreed action plans to improve control in these areas. These planned control improvements should be referenced in the Annual Governance Statement where appropriate.

Please note that our assessment across each of the domains takes into account, where appropriate, the number and significance of any audits that have been deferred, cancelled or curtailed during the course of the year. For example, certain audits, following consideration of risk and in agreement with management, did not proceed to completion of the full planned scope as a result of the COVID-19 outbreak. Where this was the case the annual opinion has not been adversely impacted.

2. HEAD OF INTERNAL AUDIT OPINION

2.1 Roles and Responsibilities

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

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

- how the individual responsibilities of the Accountable Officer are discharged with regard to maintaining a sound system of internal control that supports the achievement of policies, aims and objectives;

- the purpose of the system of internal control, as evidenced by a description of the risk management and review processes, including compliance with the Health & Care Standards; and
- the conduct and results of the review of the effectiveness of the system of internal control including any disclosures of significant control failures, together with assurances that actions are or will be taken where appropriate to address issues arising.

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

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

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

The Managing Director will need to consider the Internal Audit opinion together with assurances from other sources including reports issued by other review bodies, assurances given by management and other relevant information when forming a rounded picture on governance, risk management and control for completing his Annual Governance Statement.

2.2 Purpose of the Head of Internal Audit Opinion

The purpose of my annual Head of Internal Audit opinion is to contribute to the assurances available to the Accountable Officer which underpin his own assessment of the effectiveness of the organisation's system of internal control.

This opinion will in turn assist the completion of the Annual Governance Statement, and may also be taken into account by partner organisations, by Velindre NHS Trust as host, and by WAO in the context of their external audit.

The overall opinion by 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 Managing Director in reviewing effectiveness and supporting the drive for continuous improvement.

2.3 Assurance Rating System for the Head of Internal Audit Opinion

The established assurance rating framework for expressing the overall audit opinion continues to be based upon equal rating of eight domains when judging the overall opinion. Given the specialist nature of NHS Trusts and their associated audit plans the overall opinion is expressed in overall terms rather than at individual domain level.

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

This same assurance rating system is applied to the overall Head of Internal Audit opinion on governance, risk management and control as to individual assignment audit reviews. The assurance rating system together with definitions is included at **Appendix C**.


The individual conclusions arising from detailed audits undertaken during the year have been summarised by the assurance ratings received. The aggregation of audit results gives a better picture of assurance to the SSPC and also provides a rational basis for drawing an overall audit opinion.

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

2.4 Head of Internal Audit Opinion

2.4.1 Scope of opinion

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

	The Shared Services Partnership Committee can take reasonable assurance that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. Some matters require management attention in control design or compliance with low to moderate impact on residual risk exposure until resolved.
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This opinion will need to be reflected within the Annual Governance Statement along with confirmation of action planned to address the issues raised. Particular focus should be placed on the agreed response to any *limited* or *no-assurance* reports issued during the year and the significance of the recommendations made.

2.4.2 Basis for Forming the Opinion

In reaching the overall opinion, the Head of Internal Audit has applied professional judgement.

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

- An assessment of the range of individual opinions arising from risk-based audit assignments contained within the Internal Audit plan that have been reported to the Audit Committee throughout the year. This assessment has taken account of the relative materiality of these areas and the results of any follow-up audits in progressing control improvements.
- The results of any audit work related to the Health & Care Standards.
- Other assurance reviews which impact on the Head of Internal Audit opinion including the Board's self-assessment of governance, leadership and accountability arrangements and audit work performed at other organisations.

As stated above, these detailed results have been aggregated to build a picture of assurance across the NWSSP. These include the following:

NATIONAL AUDITS:

The results of national audits receive greater weighting when considering the overall annual opinion due to the extent of the audit work undertaken, the scope of the reviews and their significance with regard to the control environment operated by NWSSP.

- All four Primary Care Services all Wales audits – General Medical Services, General Pharmaceutical Services (including Prescribing), General Dental Services and General Ophthalmic Services were given substantial audit assurance ratings.
- The all Wales audit of the Accounts Payable function was given a reasonable audit assurance rating.
- The all Wales audit of Payroll Services was also given a reasonable assurance rating.
- The review of Post Payment Verification (PPV) in Primary Care Services received a substantial assurance rating.

NWSSP SPECIFIC AUDITS

- Audits of corporate governance areas, Health & Safety and Strategic Planning received a reasonable assurance rating. The audit of Performance Reporting received a substantial assurance rating.
- Two reviews of financial governance were undertaken. Budgetary Control and IR35 both received a reasonable assurance rating.

- Two reviews of specific services were undertaken. The Procurement Directorate Review received a reasonable assurance rating. IP5 Stores received a substantial assurance rating.
- The audit of Cyber Security received a reasonable assurance rating.
- Two reviews of workforce themes were undertaken. Time Recording and Staff Expenses both received a reasonable assurance rating. In addition, an advisory review of Call Centres was undertaken to inform service development.
- Within Capital & Estates, the review of Business Case Scrutiny Processes received reasonable assurance. A review was also undertaken of the Supply Chain Partners (SCPs) at the Building for Wales Framework to ensure that they were abiding by the contractual 'Fair Payment' charter by ensuring timely payments through the supply chain. The review did not include an assurance rating, but concluded with a series of recommendations for consideration by management and the Strategic Framework Board.
- Service Change and the Primary Care Payments System were kept under review but did not proceed to full audits during the year. These areas will continue to be monitored by the Head of Internal Audit in order to ensure that risk based assurance may be provided as developments require.

2.4.3 Limitations to the Audit Opinion

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

As mentioned above the scope of the audit opinion is restricted to those areas which were the subject of audit review through the performance of the risk-based internal audit plan. In accordance with auditing standards and with the agreement of senior management and the Audit Committee, internal audit work is deliberately prioritised according to risk and materiality and therefore the major transaction processing systems operated by NWSSP as a service organisation. This context is important in understanding the overall opinion and balancing that across the various assurances which feature in the Annual Governance Statement.

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

2.4.4 Period covered by the Opinion

Internal Audit provides a continuous flow of assurance to the Audit Committee and subject to mandated items being completed in-year, the cut-off point for annual reporting purposes can be set by agreement with management. To enable the Head of Internal Audit opinion to be better aligned with the production of the

Annual Governance Statement a pragmatic cut-off point has been applied to internal audit work in progress.

Any audit work reported to draft stage has been included in the overall assessment, all other work in progress will be rolled-forward and reported within the overall opinion for next year.

The majority of audit reviews relate to the systems and processes in operation during 2019/20 unless otherwise stated and reflect the condition of internal controls pertaining at the point of audit assessment. Follow-up work provides an assessment of action taken by management on recommendations made in prior periods and will therefore provide limited scope updates on the current condition of control and a measure of direction of travel.

2.5 Statement of Conformance

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

The provision of professional quality Internal Audit is a fundamental aim of our service delivery methodology and compliance with PSIAS is central to our audit approach. Quality is controlled by the Head of Internal Audit on an ongoing basis and monitored by the Director of Audit & Assurance. The work of internal audit is also subject to an annual assessment by the Wales Audit Office.

In addition, at least once every five years, we are required to have an External Quality Assessment. This was undertaken by the Chartered Institute of Internal Auditors (IIA) in February and March 2018. The IIA concluded that NWSSP's Audit & Assurance Services conforms with all 64 fundamental principles and 'it is therefore appropriate for NWSSP Audit & Assurance Services to say in reports and other literature that it conforms to the IIA's professional standards and to PSIAS.'

NWSSP Audit and Assurance Services can assure the Audit Committee that it has conducted its audit at NWSSP in conformance with the Public Sector Internal Audit Standards for 2019/20.

Our conformance statement for 2019/20 is based upon:

- the results of our internal Quality Assurance and Improvement Programme (QAIP) for 2019/20 which will be reported formally in the Summer of 2020;
- the results of the work completed by Wales Audit Office; and
- the results of the External Quality Assessment undertaken by the IIA.

We have set out, in **Appendix A**, the key requirements of the PSIAS and our assessment of conformance against these requirements. The full results and actions from our QAIP will be included in the 2019/20 QAIP report. There are no significant matters arising that need to be reported in this document.

2.6 Completion of the Annual Governance Statement

The Head of Internal Audit opinion will inform the review of effectiveness for the Annual Governance Statement. The Accountable Officer and the Audit Committee need to take into account other assurances and risks when preparing it. These

sources of assurances should be identified within the NWSSP's own performance management and assurance framework and will include, but are not limited to:

- direct assurances from management on the operation of internal controls through the upward chain of accountability;
- internally assessed performance against the Health & Care Standards;
- results of internal compliance functions including Local Counter-Fraud and risk management; and
- reviews completed by external regulation and inspection bodies including the Wales Audit Office.

3. DELIVERY OF THE INTERNAL AUDIT PLAN

3.1 Performance against the Internal Audit Plan

The Internal Audit Plan has been delivered substantially in accordance with the schedule agreed with the Audit Committee, subject to changes agreed as the year progressed. Regular audit progress reports have been submitted to the Audit Committee during the year. Where relevant, audits which remain to be reported and reflected within this Annual Report will be reported alongside audits from the 2020/21 operational audit plan.

In addition, throughout the year we have responded to requests for advice and/or assistance across a variety of business areas. This advisory work undertaken in addition to the Internal Audit Plan is permitted under the standards to assist management in improving governance, risk management and control. This activity has been reported during the year within our progress reports to the Audit Committee.

3.2 Service Performance Indicators

In order to be able to demonstrate the quality of the service delivered by Internal Audit, a range of service performance indicators supported by monitoring systems have been developed. These have become part of the routine reporting to the Audit Committee during 2019/20. The key performance indicators are summarised in **Appendix B**.

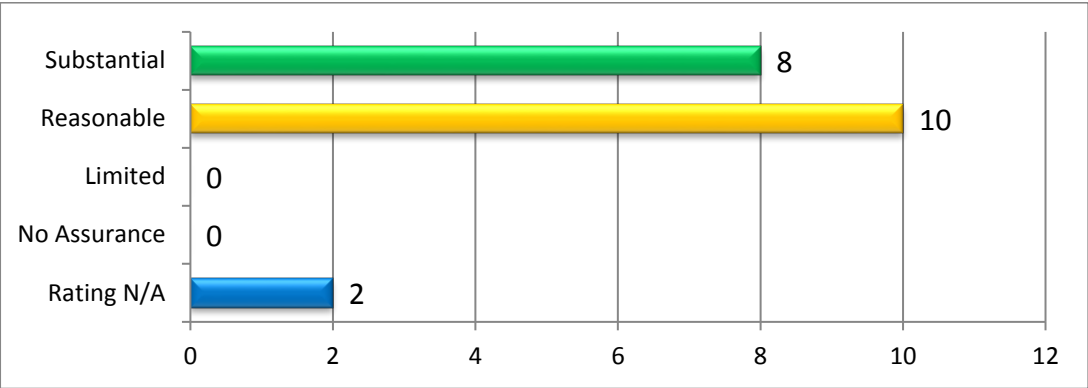
4. RISK BASED AUDIT ASSIGNMENTS

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

4.1 Overall summary of results

In total **20** audit reviews were reported during the year, of which two were at draft report stage at the time of this Annual Report. Figure 1 below presents the assurance ratings and the number of audits derived for each.

Figure 1 Summary of audit ratings



The assurance ratings and definitions used for reporting audit assignments are included in **Appendix C**.

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

4.2 Substantial Assurance



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

Review Title	Objective
General Pharmaceutical Services (including Prescribing) FINAL	The overall objective of this audit was to evaluate and determine the adequacy of the systems and controls in place for the management of payments made to Pharmacists.
General Medical Services FINAL	The overall objective of this audit was to evaluate and determine the adequacy of the systems and controls in place for the management of GMS payments.
General Ophthalmic Services FINAL	The overall objective of this audit was to evaluate and determine the adequacy of the systems and controls in place for the management of GOS payments.

Review Title	Objective
General Dental Services FINAL	The overall objective of this audit was to evaluate and determine the adequacy of the systems and controls in place for the management of GDS payments.
Post Payment Verification (PPV) FINAL	The overall objective of this audit was to review the effectiveness of PPV arrangements in respect of primary care contractors.
IP5 Stores FINAL	The overall objective of this audit was to evaluate and determine the adequacy of the systems and controls in place over the management of inventory at IP5 Stores.
Performance Reporting FINAL	This audit sought to provide assurance that performance reporting to the statutory bodies of NHS Wales is complete and accurate, for the sample tested.
Time Recording FINAL	This audit sought to provide assurance that time recording processes within NWSSP are adequate and effectively managed, and ensure compliance with key workforce policies.

4.3 Reasonable Assurance



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

Review Title	Objective
Employment Services – Payroll (all Wales report) DRAFT	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.

Review Title	Objective
Accounts Payable (all Wales report) FINAL	The overall objective of this audit was to evaluate and determine the adequacy of the systems and controls in place for the management of the Accounts Payable function.
Budgetary Control DRAFT	The review sought to provide assurance that budgetary control and financial reporting processes are operating effectively.
IR35 FINAL	The overall objective of this audit was to evaluate and determine the adequacy of the systems and controls in place for the management of off-payroll workers in line with IR35 legislation.
Health & Safety FINAL	This audit sought to provide assurance over the framework of internal controls in place to manage key health and safety risks.
Strategic Planning FINAL	The overall objective of this audit was to review the strategic planning arrangements in place for the production of the IMTP, including engagement with stakeholders.
Procurement Directorate Review FINAL	The overall objective of this audit was to test compliance with corporate policies and procedures within the Procurement Directorate and to provide assurance of the reporting of procurement savings.
Staff Expenses FINAL	The aim of this audit was to review the effectiveness of arrangements in place in respect of staff expenses and to provide assurance that staff expense claims are compliant with the staff expenses policy.
Cyber Security FINAL	This audit sought to provide assurance that appropriate cyber security measures are in place within NWSSP in order to protect organisational systems and data.

Review Title	Objective
Business Case Scrutiny Processes FINAL	This audit assessed Specialist Estates Service’s processes, procedures and operational management, in respect of their scrutiny of business cases.

4.4 Limited Assurance



There are no audited areas in which SSPC can take only **limited assurance** that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. More significant matters require management attention with moderate impact on residual risk exposure until resolved.

4.5 No Assurance



There are no audited areas in which the SSPC has **no assurance** that arrangements to secure governance, risk management and internal control are suitably designed and applied effectively, or where action remains to be taken to address the whole control framework with high impact on residual risk exposure until resolved.

4.6 Assurance Not Applicable

The following reviews were undertaken as part of the audit plan and reported or closed by correspondence without the standard assurance rating indicator, owing to the nature of the audit approach or the advisory nature of the review.

Review Title	Objective
Contact Centres FINAL	The objective of this advisory review was to assess contact centres in place within NWSSP against best practice.

Review Title	Objective
Fair Payment Charter FINAL	A review was undertaken of the Supply Chain Partners (SCPs) at the Building for Wales Framework to ensure that they were abiding by the contractual 'Fair Payment' charter by ensuring timely payments through the supply chain.

Additionally, the audit of Salary Sacrifice was deferred at the request of management due to limited operational capacity. It was agreed that this would be replaced by an advisory review of declarations of interest. However, this is to be deferred also due to the COVID-19 outbreak and will be undertaken in 2020/21. This does not impact upon the Head of Internal Audit Opinion.

5. ACKNOWLEDGEMENT

In closing, I would like to acknowledge the time and co-operation given by directors and staff of NWSSP to support delivery of the Internal Audit assignments undertaken within the 2019/20 plan.

James Quance

Head of Internal Audit

Audit and Assurance Services

NHS Wales Shared Services Partnership

April 2020

ATTRIBUTE STANDARDS	
1000 Purpose, authority and responsibility	Internal Audit arrangements are derived ultimately from the NHS organisation's Standing orders and Financial Instructions. These arrangements are embodied in the Internal Audit Charter adopted by the Audit Committee on an annual basis.
1100 Independence and objectivity	Appropriate structures and reporting arrangements are in place. Internal Audit does not have any management responsibilities. Internal audit staff are required to declare any conflicts of interests. The Head of Internal Audit has direct access to the Managing Director and Audit Committee Chair.
1200 Proficiency and due professional care	Staff are aware of the Public Sector Internal Audit Standards and code of ethics. Appropriate staff are allocated to assignments based on knowledge and experience. Training and Development exist for all staff. The Head of Internal Audit is professionally qualified.
1300 Quality assurance and improvement programme	The Head of Internal Audit undertakes quality reviews of assignments and reports as set out in internal procedures. Internal quality monitoring against standards is performed by the Head of Internal Audit and Director of Audit & Assurance. WAO complete an annual assessment. An EQA was undertaken in 2018.
PERFORMANCE STANDARDS	
2000 Managing the internal audit activity	The Internal Audit activity is managed through the NHS Wales Shared Services Partnership. The audit service delivery plan forms part of the NWSSP Integrated Medium Term Plan. A risk based strategic and annual operational plan is developed for the organisation. The operational plan gives detail of specific assignments and sets out overall resource requirement. The annual plan is approved by Audit Committee.

	Policies and procedures which guide the Internal Audit activity are set out in an Audit Quality Manual. There is structured liaison with WAO, HIW and LCFS.
2100 Nature of work	The risk based plan is developed and assignments performed in a way that allows for evaluation and improvement of governance, risk management and control processes, using a systematic and disciplined approach.
2200 Engagement planning	The Audit Quality Manual guides the planning of audit assignments which include the agreement of an audit brief with management covering scope, objectives, timing and resource allocation.
23000 Performing the engagement	The Audit Quality Manual guides the performance of each audit assignment and report is quality reviewed before issue.
2400 Communicating results	<p>Assignment reports are issued at draft and final stages. The report includes the assignment scope, objectives, conclusions and improvement actions agreed with management. An audit progress report is presented at each meeting of the Audit Committee.</p> <p>An annual report and opinion is reported to the Accountable Officer and Audit Committee giving assurance on the adequacy and effectiveness of the organisation's framework of governance, risk management and control.</p>
2500 Monitoring progress	An internal follow-up process is maintained by management to monitor progress with implementation of agreed management actions. This is reported to the Audit Committee. In addition audit reports are followed-up by Internal Audit on a selective basis as part of the operational plan.
2600 Communicating the acceptance of risks	If Internal Audit considers that a level of inappropriate risk is being accepted by management it would be discussed and will be escalated to SSPC level for resolution.





PERFORMANCE INDICATORS

Indicator Reported to NWSSP Audit Committee	Status	Actual	Target	Red	Amber	Green
Operational Audit Plan agreed for 2019/20	G	June 2019	By 30 June	Not agreed	Draft plan	Final plan
Total assignments reported against adjusted plan for 2019/20*	G	100%	100%	v > 20 %	10% < v < 20%	v < 10%
Report turnaround: time from fieldwork completion to draft reporting [10 working days]	G	100%	80%	v > 20 %	10% < v < 20%	v < 10%
Report turnaround: time taken for management response to draft report [15 working days]	G	80%	80%	v > 20 %	10% < v < 20%	v < 10%
Report turnaround: time from management response to issue of final report [10 working days]	G	100%	80%	v > 20 %	10% < v < 20%	v < 10%

Key: v = percentage variance from target performance

*Performance indicators are at 29 February 2020. They reflect the latest available performance information under normal operating conditions prior to the impact of COVID-19.

Audit Assurance Ratings

RATING	INDICATOR	DEFINITION
Substantial assurance		The Board can take substantial assurance that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. Few matters require attention and are compliance or advisory in nature with low impact on residual risk exposure.
Reasonable assurance		The Board can take reasonable assurance that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. Some matters require management attention in control design or compliance with low to moderate impact on residual risk exposure until resolved.
Limited assurance		The Board can take limited assurance that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. More significant matters require management attention with moderate impact on residual risk exposure until resolved.
No assurance		The Board has no assurance that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. Action is required to address the whole control framework in this area with high impact on residual risk exposure until resolved.

Confidentiality

This report is supplied on the understanding that it is for the sole use of the persons to whom it is addressed and for the purposes set out herein. No persons other than those to whom it is addressed may rely on it for any purposes whatsoever. Copies may be made available to the addressee's other advisers provided it is clearly understood by the recipients that we accept no responsibility to them in respect thereof. The report must not be made available or copied in whole or in part to any other person without our express written permission.

In the event that, pursuant to a request which the client has received under the Freedom of Information Act 2000, it is required to disclose any information contained in this report, it will notify the Head of Internal Audit promptly and consult with the Head of Internal Audit and Board Secretary prior to disclosing such report.

The Health Board shall apply any relevant exemptions which may exist under the Act. If, following consultation with the Head of Internal Audit this report or any part thereof is disclosed, management shall ensure that any disclaimer which NHS Wales Audit & Assurance Services has included or may subsequently wish to include in the information is reproduced in full in any copies disclosed.

Audit

The audit was undertaken using a risk-based auditing methodology. An evaluation was undertaken in relation to priority areas established after discussion and agreement with the Health Board. Following interviews with relevant personnel and a review of key documents, files and computer data, an evaluation was made against applicable policies procedures and regulatory requirements and guidance as appropriate.

Internal control, no matter how well designed and operated, can provide only reasonable and not absolute assurance regarding the achievement of an organisation's objectives. The likelihood of achievement is affected by limitations inherent in all internal control systems. These include the possibility of poor judgement in decision-making, human error, control processes being deliberately circumvented by employees and others, management overriding controls and the occurrence of unforeseeable circumstances.

Where a control objective has not been achieved, or where it is viewed that improvements to the current internal control systems can be attained, recommendations have been made that if implemented, should ensure that the control objectives are realised/ strengthened in future.

A basic aim is to provide proactive advice, identifying good practice and any systems weaknesses for management consideration.

Responsibilities

Responsibilities of management and Internal Auditors:

It is management's responsibility to develop and maintain sound systems of risk management, internal control and governance and for the prevention and detection of irregularities and fraud. Internal audit work should not be seen as a

substitute for management's responsibilities for the design and operation of these systems.

We plan our work so that we have a reasonable expectation of detecting significant control weaknesses and, if detected, we may carry out additional work directed towards identification of fraud or other irregularities. However, Internal Audit procedures alone, even when carried out with due professional care, cannot ensure fraud will be detected. The organisation's Local Counter Fraud Officer should provide support for these processes.



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MEETING	Velindre University NHS Trust Audit Committee for NHS Wales Shared Services Partnership
DATE	28 April 2020
PREPARED BY	James Quance, Head of Internal Audit, NWSSP
PRESENTED BY	James Quance, Head of Internal Audit, NWSSP
RESPONSIBLE HEAD OF SERVICE	Simon Cookson, Director of Audit and Assurance Services, NWSSP
TITLE OF REPORT	Internal Audit Planning 2020-21

1. INTRODUCTION

The focus of Audit & Assurance at the present time is to support the NHS in Wales as it deals with Covid-19. This support is taking a number of forms:

1. We are ensuring that we are in a position to provide Head of Internal Audit annual opinions for 2019/20, taking into account the significant operational pressures that organisations are under and progressing where possible whilst working remotely.
2. A number of internal audit staff have been redeployed to assist NWSSP and health boards to meet operational pressures and it is expected that we will continue to provide this support wherever possible.
3. We continue to provide advice to organisations on maintaining appropriate governance and financial controls, whilst ensuring that front line services receive the staff and equipment they need.

Limited internal audit work will be undertaken as the NHS in Wales deals with Covid-19 over coming months. It is not anticipated that we will be providing a full programme of assurance until the second quarter of 2020/21 at the earliest.

2. SETTING THE PLAN FOR 2020-21

In addition to the uncertainty as to when we will be in a position to resume a programme of audits, the scope of work after Covid-19 will need careful consideration. Setting the plan at this stage is not practical because of this level of uncertainty.

The Head of Internal Audit continues to maintain a strategic plan in accordance with Public Sector Internal Audit Standards and a draft operational plan for 2020/21 was in development prior to the covid-19 outbreak which will be returned to. The Audit

Committee should be assured that planning and consideration of risk continues on an ongoing basis and we are in a position to respond to risks as they arise.

The coverage over recent years has meant that the risks in the corporate risk register have been well covered and the rotational plan is maintained and up to date.

3. KEY PLANNING CONSIDERATIONS

Our preliminary thinking based upon our knowledge at the current time is that the programme of work post Covid-19 is likely to be limited to the following:

National Systems

- A greater amount of coverage is likely to be needed over accounts payable and procurement due to the pressure on maintaining controls due to the volume and urgency of processing caused by the urgent need for supply of key equipment.
- A greater amount of coverage is likely to be needed over payroll due to large increases in medical and nursing staff re-joining the NHS, greater bank and agency staffing payments, incentive payments, changing shift patterns and pension implications.
- Primary care contractor payments are also likely to be impacted through additional payments for increased hours, alternative work and also less activity in some areas. In addition, new payment systems are being implemented in 2020/21 and we are currently engaged in establishing a programme of advice and assurance over their implementation.

It is likely to be beneficial that the audits above are 'end to end' in order to establish whether controls operated effectively throughout the processes both within NWSSP and in health boards and trusts in order to provide more direct assurance to all organisations. They may also require a more substantive testing approach in order to provide the required level of assurance. Computer Assisted Audit Techniques and data analytics are likely to be used in order to identify potential areas for focussed, risk-based review.

NWSSP Specific Audits

It is likely that there will be a reduced number of NWSSP specific audits because the audits above are likely to be resource intensive and there will be a reduced window within which to undertake them.

The strategic plan and draft operational plan will be revisited in order to ensure that the limited number of NWSSP specific audits are focussed on the areas of greatest risk.

A review looking at how well prepared NWSSP was for the pandemic and how it dealt with the emergency is also likely to be beneficial, with a focus both on lessons learnt and also how NWSSP manages the return to business as usual.

MEETING	Velindre University NHS Trust Audit Committee for NHS Wales Shared Services Partnership
DATE	28 April 2020
AGENDA ITEM	5.1
PREPARED BY	Peter Stephenson, Head of Finance and Business Development
PRESENTED BY	Andy Butler, Director of Finance and Corporate Services
RESPONSIBLE HEAD OF SERVICE	Andy Butler, Director of Finance and Corporate Services
TITLE OF REPORT	Draft Annual Governance Statement 2019-20
PURPOSE To present the Draft Annual Governance Statement (AGS) to the Committee, for assurance purposes.	

1. BACKGROUND

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

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

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

The Annual Governance Statement for 2019-20 is presented at **Appendix 1**.

2. TIMELINE FOR APPROVAL

The timeline for approving the statement is as follows:

Date	Action
27 February 2020	<u>Senior Management Team (SMT)</u> Review the draft AGS
28 April 2020	<u>NWSSP Audit Committee</u> Consider and agree if it is consistent with the Committee's view of NWSSP's Assurance Framework
30 April 2020	<u>Senior Management Team (SMT)</u> To formally adopt the final AGS
21 May 2020	<u>SSPC</u> To note the AGS prior to submission to Audit Committee
30 June 2020	<u>Audit Committee</u> To approve the final AGS
31 July 2020	Arrange Welsh language translation
31 July 2020	Publicise on NWSSP website

The timeline has been impacted by the COVID-19 outbreak which resulted in cancellation of the scheduled SMT meetings and also the March SSPC.

3. GOVERNANCE & RISK

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

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

Section 4 of the SSPC Standing Orders states that:

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

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

4. RECOMMENDATIONS

The Audit Committee are asked to:

- **REVIEW** the Draft Annual Governance Statement;
- **DISCUSS** if the Draft Annual Governance Statement accurately reflects the Committee's view of NWSSP's Assurance Framework; and
- **FEEDBACK** any comments to Peter.Stephenson2@wales.nhs.uk.



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Annual Governance Statement 2019/2020

DRAFT

Version	Approved
1	SMT 27 February 2020 draft for information
2	<i>SSPC 24 March 2020 draft for endorsement</i>
3	<i>SMT 26 March 2020 draft for endorsement</i>
4	<i>Velindre Integrated Governance Group 6 April 2020</i>
5	Audit Committee 28 April 2020 for review
6	SMT 30 April 2020 final for formal adoption
7	SSPC 21 May final for noting
8	Audit Committee 30 June for final approval

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

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1. SCOPE OF RESPONSIBILITY

COVID-19

The impact of COVID-19 in the final weeks of the 2019-20 has been substantial, and led to huge changes in the way that NWSSP works, which, at the time of writing, are forecast to continue well in to the 2020-21 financial year. Some of the routine governance arrangements, such as the March Shared Services Partnership Committee, and the April meeting of the Velindre University NHS Trust Integrated Governance Committee, were cancelled. To respond to COVID-19, an enlarged SMT has been established that meets at least weekly and which is supported by a number of specific work streams. In addition a Finance Governance Committee, including representation from the Velindre Trust Board, has recently been established to provide instant review of urgent procurement requisitions. One of the impacts of these changes has been in the governance arrangements for this document, particularly in the timing of review by specific committees.

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).

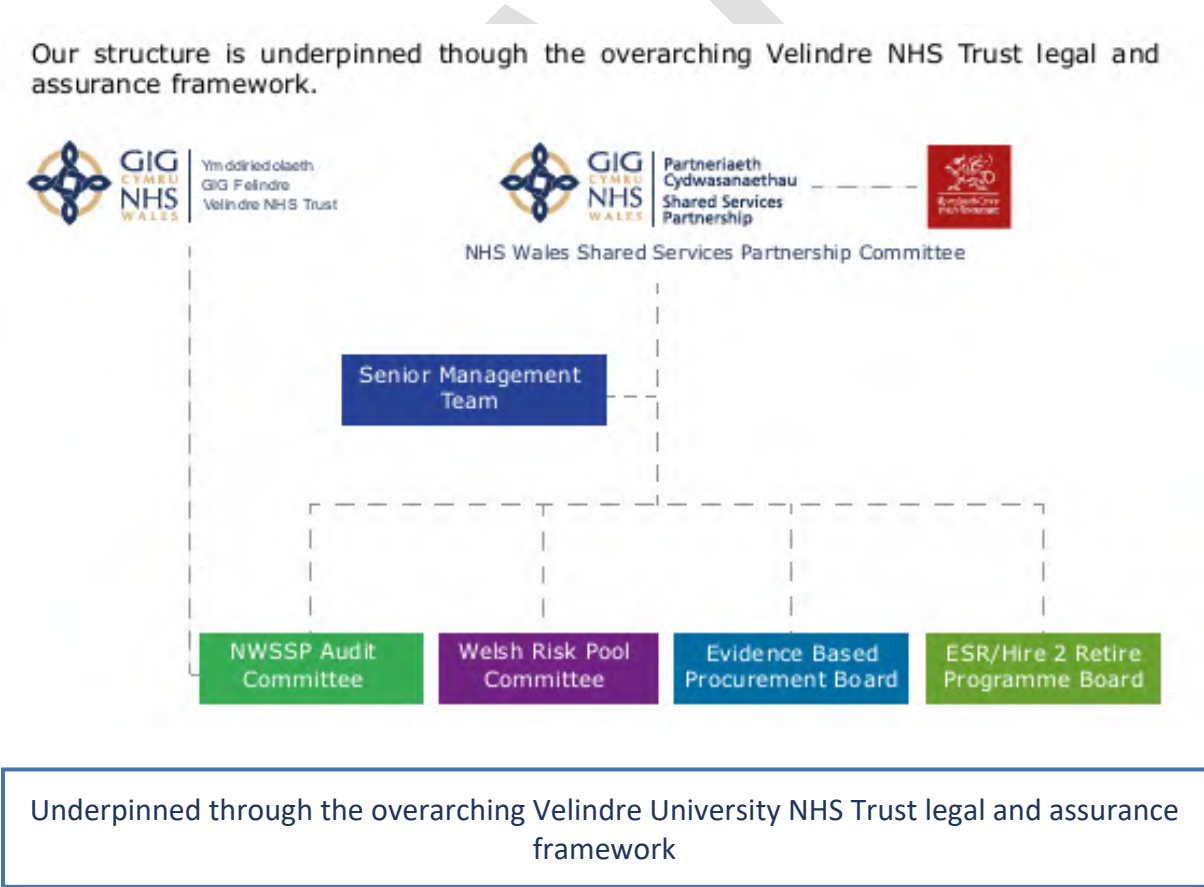
The Managing Director of Shared Services is accountable to the Shared Services Partnership Committee (Partnership Committee) in relation to those functions delegated to it. The Managing Director is also accountable to the Chief Executive of Velindre University NHS Trust (the Trust) in respect of the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



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

Name	Position	Organisation	From – To
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 & 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 & 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 Hopgood	<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: 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

Organisation	23/05/2019	18/07/2019	18/09/2019	02/12/2019	16/01/2020
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
Committee Members					
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
Wales Audit Office					
Audit Team Representative	✓	✓	X	✓	3/4
NWSSP Audit Service					
Director of Audit & Assurance	✓	✓	✓	✓	4/4
Head of Internal Audit	✓	✓	✓	✓	4/4
Audit Manager	✓	✓	X	x	2/4
Counter Fraud Services					
Local Counter Fraud Specialist	✓	✓	✓	x	3/4
NWSSP					
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
Velindre University NHS Trust					

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

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

Name	Designation
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.*

3. 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.

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 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

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 is also being 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. As at 31 March 2020, there are two corporate risks categorised as having a red risk rating, relating to:

- 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 should be fully addressed in the first quarter of 2020/21.

The impact of COVID-19 is an on-going issue involving many different risks. These were not included on the Corporate Risk Register as at 31 March 2020, as they were and are being dealt with as on-going issues through a number of different work streams, including through an expanded SMT which meets at least weekly in the guise of the COVID-19 Planning and Response Group. Once the crisis has passed, the Corporate Risk Register will be reviewed to reflect any outstanding risks that may remain.

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 workstreams 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 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.

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

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

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

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

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

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.

FOI Breakdown
49 answered within the 20 day target
14 transferred out to another NHS body
3 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 4.39% reduction overall in CO2 emissions and where we did not meet our gas consumption targets, this was due to baseline reporting for additional sites, which is detailed in the narrative in our Sustainable Development Statement and Annual Review, which explore performance, achievements and highlights in further detail.

Area	2016/17	2017/18	2018/19	2019/20	Target	Target Achieved
Electricity CO2e	11% reduction	18% reduction	11.5% reduction	6% reduction	3% reduction	✓
Gas CO2e	13% increase	7% reduction	38% reduction	31.% increase	3% reduction	X
Water M3	51% increase	9% reduction	6% increase	50% reduction	3% reduction	✓
Waste CO2e	62% recycled/recovered	95% recycled/recovered	89% recycled/recovered	94.68% recycled/recovered	70% recycled/recovered	✓
Business Mileage Expenditure	6% reduction	15% reduction	11% increase	14% reduction	15% reduction by 2021	✓
Business Mileage	7% reduction	11% reduction	10% increase	19% reduction	15% reduction by 2021	✓
Overall Carbon Footprint	5.37% Increase	3.78% Reduction	11.32% Reduction	4.39% Reduction		

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 initially implemented towards the end of the 2019-20 financial year and are likely to be in place for a significant proportion of 2020-21. For the purpose of this statement, the measures are not described in detail as it is envisaged that this will be more valuable to assess when the crisis is hopefully passed.

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 draft 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.

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

In reaching this overarching opinion the Head of Internal Audit has identified that the assurance domains relevant to NWSSP have all been assessed as providing reasonable assurance.

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.

Substantial assurance	 - + Green	The Committee can take substantial assurance that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. Few matters require attention and are compliance or advisory in nature with low impact on residual risk exposure.
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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.
- **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.

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: May 2020

DRAFT

MEETING	Velindre University NHS Trust Audit Committee for NHS Wales Shared Services Partnership
DATE	28 April 2020
AGENDA ITEM	5.2
PREPARED BY	Peter Stephenson, Head of Finance and Business Development
PRESENTED BY	Peter Stephenson, Head of Finance and Business Development
RESPONSIBLE HEAD OF SERVICE	Andy Butler, Director of Finance and Corporate Services
TITLE OF REPORT	NWSSP Corporate Risk Register – April 2020

PURPOSE

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

1. INTRODUCTION

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

2. RISKS FOR ACTION

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

Current Risk Rating	April 2020
Red Risk	4
Amber Risk	6
Yellow Risk	3
Green Risk	1
Total	14

2.1 Red-rated Risks

Risk A1 – The costs of responding to COVID-19 cannot be contained within available funding.

This is a new risk which all organisations across NHS Wales have been instructed by Welsh Government to document within their risk registers. The costs of responding to COVID-19 are substantial and there is a

concern whether all of the expenditure will be refunded by Welsh Government. For now, NWSSP are maintaining very detailed records of all COVID-19 expenditure and are keeping Welsh Government regularly apprised of this.

Risk A2 – Threat to the supplies of medical consumable and equipment.

This is an existing risk that was originally related to the threat from a no-deal Brexit, but which has been updated to reflect the impact of COVID-19, and particularly on items of Personal Protective Equipment (PPE), which presents huge financial, reputational and operational challenges to NWSSP. Procurement staff are working on a 24/7 basis, and are proactively seeking fresh supplies in a very competitive market. Prices are increasing daily, and a Finance Governance Committee has been established to review orders requiring approval on a daily basis. This committee includes the Velindre Director of Finance and an independent member of the Board. In addition, authorisation limits for NWSSP senior management have been substantially increased, and a streamlined process agreed with Velindre for those order still requiring Trust Board approval.

Risk A3 – The Northern Ireland model procured to replace the NHAIS system fails to deliver the anticipated benefits within required timescales impacting the ability to pay GPs.

A Project Board has been established to oversee this risk, and this reports to a Programme Board covering the three main developments connected to NHAIS, namely GMS, GOS and PCRM. Work is on-going with the planned go-live date of 1 July 2020 still the target.

Risk A4 - NHS Digital are withdrawing the Ophthalmics Payment service from the end of March 2020.

The in-house development of a replacement product, supported by an external consultant, has been adversely impacted by COVID-19. However, NHS Digital have extended their support until the end of September 2020, and the project is due to recommence at pace from the week beginning April 27.

2.2 Changes to Risk Profile

Risk A1 above, stemming from COVID-19, is a new risk that has been added to the Register. Since the date of the last Audit Committee, the following risk has also been added:

Risk A13 - 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.

NWSSP-SES Fire Safety Advisors undertook fire risk assessments for these buildings, which identified potential issues with the integrity of fire compartment walls. Consequently, NWSSP's local site managers commissioned an external contractor to undertake a Fire Stopping Survey Report for each site. The resultant survey reports produced by AEON (GB) Ltd identified a number of issues affecting the integrity of the fire compartment walls. In separate correspondence quotations have been provided by AEON to address the issues identified. Inclusive of VAT, the cost of addressing the issue at all three buildings would be approximately £100k.

All three buildings have:

- Automatic alarm and detection systems;
- Evacuation strategies based on simultaneous evacuation; and
- Multiple fire exit routes.

As a result of these attributes the threat to life risk due to the integrity of fire wall compartmentation is considered by the Fire Safety Officer to be very low as any fire will be quickly detected by the automatic alarm and detection system and staff will be able to promptly evacuate the building via one of the multiple fire exit routes.

Consequently, on the basis of the very low risk to life, NWSSP-SES Fire Safety Advisors consider it reasonable for NWSSP not to undertake these works. Nevertheless, addressing the compartmentation issues would help to protect the building and its contents in the event of a fire which might have significant operational benefits.

None of these buildings are directly owned by NWSSP and we have therefore written to the respective landlords with copies of the Fire Stopping Survey Report. Currently not all responses have been received, but those that have indicate that landlords are unwilling to undertake this work. Outstanding responses are being chased and the issue will be reviewed again by the SMT when these are received.

3. RISKS FOR MONITORING

There is one risk that has reached its target score and which is rated as follows:

Current Risk Rating	April 2020
Red Risk	0
Amber Risk	0
Yellow Risk	1
Green Risk	0
Total	1

4. 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	The total quantum for funding for addressing Covid-19 across Wales remains fluid and uncertain. There is a risk that the organisation's operational cost of addressing the pandemic cannot be contained within available funding resulting in a potential breach of the planned outturn for 2020-21. (added April 2020)	5	5	25	Financial modelling and forecasting is co-ordinated on a regular basis; Financial reporting to Welsh Government on local costs incurred as a result of Covid-19 to inform central and local scrutiny, feedback and decision-making; Oversight arrangements in place at SMT level, and through the command structure.	4	5	20	Maintain accurate records of all COVID-19 related expenditure across all Directorates.		↔	30-Jun-20
	All Strategic Objectives									Risk Lead: Director of Finance & Corporate Services		
A2	Threats to the supply of medical equipment and consumables, and potential employment issues, in the event of a no-deal Brexit. (Added Sept 2018) NOW SUPERSEDED BY COVID-19 and particular threat with obtaining PPE Equipment, Ventilators, Oxygen etc	5	5	25	Regular discussions with UK and Welsh Governments Finance Governance Committee authorising expenditure on daily basis Streamlined arrangements for Trust Board approvals Increased limits approved for Scheme of Delegation	4	5	20	Huge work undertaken across UK and in particular in co-ordinating with Celtic nations to obtain supplies	Procurement staff working 24/7 to identify needs and obtain supplies in a highly challenging and competitive environment.	↗	30-Jun-20
	Strategic Objective - Customers									Risk Lead: Director of Procurement Services		
A3	The Northern Ireland model procured to replace the NHAIS system fails to deliver the anticipated benefits within required timescales impacting the ability to pay GPs (Original risk added April 2017)	4	5	20	Legal Counsel advice received. PMO Support Project and Programme Boards in place Heads of Agreement signed	4	4	16	Programme and Project Boards to review progress in lead-up to 1 July go-live date for GP payments.	The final business case has been approved by both the SSPC and the Velindre Trust Board at their most recent meetings and funding received from Welsh Government for Northern Ireland model. Go-live is scheduled for 1 July.	↔	30-Jun-20
	Escalated Directorate Risk									Risk Lead: Director of Primary Care Services		
A4	Failure to obtain clinical engagement in assessing non-stock requirements stemming from a no-deal Brexit (added Apr 2019)	5	5	25	Storage facility in place (IP5) that has been adequately stocked to cope with a no-deal Brexit. Regular system testing being undertaken to test resilience. This risk aligns only to the replacement of the GMS payments element of NHAIS.	2	4	8	Taken decision to procure all critical non-stock items as a contingency.	Risk downgraded following election and subsequent withdrawal from EC. However, political situation needs to be monitored to ensure that risk does not re-occur if 31 December 2020 deadline for agreement not achieved.	↔	31-Dec-20
	Strategic Objective - Customers									Risk Lead: Director of Procurement Services		
A5	NHS Digital are withdrawing the Ophthalmics Payment service from the end of March 2020. (Added June 2019)	5	5	25	Contingency arrangements in place in the event of NHS Digital switching off services before new solution in place. Programme Board established.	3	5	15	Developing in-house solution making use of K2 software. This was used to develop the Student Awards Service. The decision to move to a bespoke development and not to engage with CAPITA relates mainly to the fact that WG sources suggest a move away from the traditional approach in delivering eye services into the community and the delivery of an updated contract in Wales.	Support from NHS Digital has been extended until end September 2020. COVID-19 has caused some delays with development, but project recommencing on 27/4.	↔	30-Sep-20
	Escalated Directorate Risk									Risk Lead: Director of Primary Care Services		
A6	NWSSP are unable to recruit and retain sufficient numbers and quality of staff for certain professional services (Procurement Services) resulting in a potential failure to meet desired performance targets and/or deliver service improvements. (Added April 2017)	5	4	20	Staff Surveys & Exit Interviews Monitoring of turnover and sickness absence Workforce & OD Framework Work with Great With Talent to develop On-Boarder, Absence & Exit questionnaires (3, 6 and 12 months) Development of Clerical Bank Strengthened relationship with local universities Work-based degree opportunities in some professional services Use of Social Media Use of Recruitment Consultants Targeted Advertising - Trade Journals	4	3	12	Exit interviews to assess rationale for staff leaving employment - 31 Mar 2018 (HR) - on hold due to procurement tender exercise	Recruitment and retention remains a concern, particularly within professional posts primarily with the procurement services function. Recruitment has improved in other professional functions. Work is taking place with all services to have in pace agile recruitment and retention strategies to attempt to address these concerns, utilising available data and information.	↗	30-Sep-20
	Strategic Objective - Staff									Risk Lead: Director of Workforce and OD		

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				
A7	NWSSP's lack of capacity to develop our services to deliver further efficiency savings and introduce innovative solutions for NHS Wales and the broader public sector. (Added April 2017)	4	4	16	IMTP Horizon scanning days with SMT and SSPC to develop services Established new Programme Management Office (PMO) IT Strategy Regular reporting to SMT and SSPC	2	3	6	1. Implementation of project management software (AB) 2. Invest in Robotic Process Automation (AB)	1. Procurement pilot project completed - currently being rolled out in NWSSP 2. RPA pilot in progress - update to July SMT and further update to Dec 2019 SMT	â	30-Sep-20
	Strategic Objective - Service Development									Risk Lead: Director of Finance & Corporate Services		
A8	Lack of effective succession planning at a senior level will adversely impact the future and strategic direction of NWSSP due to the age profile of the SMT. (added April 2017)	4	3	12	Workforce & OD Framework On-going development of existing staff to ensure a ready supply of staff to meet the maturing organisation's needs. Leadership Development Programmes	3	3	9	1. Develop a plan which includes likely key dates for each of the affected services and which prioritises succession planning based on proximity of risk (HR) 31 Dec 18 2. NHS Wales Leadership Programme - identify key staff with potential for future development and encourage them to undertake the leadership programme - (HR) 31 Dec 18 3. National Succession Strategy for NHS Wales - participate in the work of the national group and identify high performing staff who may be eligible for consideration to support succession planning requirements - (HR) 31 Dec 18	Recent appointments of senior staff have helped to address this risk. New Director of Legal & Risk Services appointed and Director of PCS to be appointed once COVID-19 crisis is past.	â	30-Sep-20
	Strategic Objective - Staff									Risk Lead: Director of Workforce and OD		
A9	Operational performance is adversely affected through the use of some out-of-date software systems, lack of consistent IT support across NHS Wales resulting in interoperability issues and the limited capacity of NWIS to meet the demand for IT development to develop our services. (added April 2017)	4	5	20	Created a Business Systems and Informatics Department Service Level Agreement (SLA) in place with NWIS Significant additional capital funding obtained from Welsh Government in prior year for IT investment Development of draft IT strategy Quarterly Reporting of Performance to SMT Internal Audit review of BCP - Reasonable Assurance (May 19)	1	3	3	1. Finalise IT Strategy for NWSSP, to include an IT replacement strategy - complete 2. Consolidate Desktop support from one strategic partner - currently a mix of arrangements (NWIS & BCU) - 31 Mar 2019 (AB) 3. Finalise Cyber Security Action plan - complete 4. Develop an overarching Business Continuity plan for NWSSP incorporating operational, IT and building requirements and test the plan annually - complete 5. Undertake review of IT Service provision	Huge amount of work undertaken in recent weeks to provide staff with new laptops, VPN tokens and transition to Office 365.	ä	30-Jun-20
	Strategic Objective - Excellence									Risk Lead: Director of Finance & Corporate Services		
A10	Suppliers, Staff or the general public committing fraud against NWSSP. (added April 2019)	5	3	15	Counter Fraud Service Internal Audit WAO PPV National Fraud Initiative Counter Fraud Steering Group Policies & Procedures Fraud Awareness Training Fighting Fraud Strategy & Action Plan	4	3	12	1. Increase level of counter fraud resource (AB 30/6/19) 2. Implement actions from Fighting Fraud Strategy (PS 30/9/19) 3. Formally present Counter Fraud Work Plan to SMT (AB 31/05/19)	Risk increased due to COVID-19 and significant increase in expenditure.K23	ä	30-Sep-20
	Strategic Objective - Value For Money									Risk Lead: Director of Finance & Corporate Services		
A11	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 Stratia Consulting Review IGSG Information Governance training Mandatory cyber security e-learn introduced Dec 19 Internal Audit review - Reasonable Assurance (April 2020)	2	5	10	Consider introduction of mandatory cyber security e-learn (AB 30/06/19) Follow up progress with Cyber Security Plan (AB 30/09/19) Complete actions from internal audit review of BCP (PS 30/09/19) Promote use of Self-Serve ESR (GH 30/09/19) Move all desktop devices to Windows 10 by the Windows 7 end of support (PS 30/06/20) Undertake further IA review of Cyber Security (PS 31/03/20)	Nick Lewis presented update to October 2019 Audit Committee and due to present to SMT. E-learn to be introduced December 2019 Windows 10 migration to be completed by June 20	â	30-Sep-20
	Strategic Objective - Service Development									Risk Lead: Director of Finance & Corporate Services		
A12	Risk to services provided at Mamhilad following notice that Landlord may look to sell site for housing from 2023. (added Nov 2019)	5	4	20	Additional space available in IP5.	3	3	9	Meeting scheduled for 18 November to discuss risk.	Meeting held as planned on 18 Nov. As not likely to happen until 2023, agreed to revisit at end of 2020 and consider space options in IP5.	â	31-Dec-20
	Strategic Objective - Staff									Risk Lead: Director of Finance & Corporate Services		

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				
A13	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. (added Feb 2020)	2	5	10	Fire Safety Officer Risk Assessment - assessed risk to life as low - Update Paper to Feb SMT.	2	5	10	Written to Landlords to remind them of their responsibilities to address this issue - thus far not wanting to take any further action.	Risk discussed at January SMT. Although risk to life has been assessed as low, NWSSP has a duty of care to its staff. Brecon House also stores patient records and any loss or damage caused by a fire would be difficult to manage.	↔	30-Jun-20
	Strategic Objective - Staff									Risk Lead: Director of Workforce and OD		
A14	Failure to comply with Welsh Language requirements and capacity to meet the increased demand for Welsh translation services resulting from the implementation of the Welsh Language Standards leading to reputational damage for NWSSP. (added April 2017)	3	4	12	Welsh Language Officer appointed Staff required to populate Welsh language skillset in ESR Welsh Language Translator appointed WL awareness is included within the face to face corporate induction training day Accredited WL training in place at several NWSSP sites WL monitoring report submitted to SMT External comms - WIAP project ensuring all web information is bilingual, graphic design, public events, etc	2	3	6	1. Undertake a Cost/benefits analysis to justify further investment in Welsh Language capacity - complete 2.Bilingual interface of TRAC recruitment software to be fully bilingual - complete 3. Investigate the potential for introducing a WL hub to provide support with translation for NHS Wales - complete 4. Undertake Internal Audit review of progress against Welsh Language Standards - complete. Reasonable Assurance.	Regular updates to SMT and additional resource recruited Jan 2019. Further recruitment exercise in May 2019 Reasonable Assurance from Internal Audit review. Undertaken joint recruitment with PHW and NWIS - 3 new translators appointed in June 2019 COVID-19 has resulted in many notices not being translated - allowed for under Welsh Language Standards Appealed a number of standards with Welsh Language Commissioner (Nov 19)	↗	31-Mar-20
	Strategic Objective - Staff									Risk Lead: Director of Finance and Corporate Services		
Risks for Monitoring												
M1	Disruption to services and threats to staff due to unauthorised access to NWSSP sites. (Added May 2018)	5	4	20	Manned Security at Matrix CCTV Locked Gates installed at Matrix. Security Review Undertaken (reported Dec 18) Increased Security Patrols at Matrix.	1	4	4	Continue to monitor.	Security Review undertaken and reported to SMT in Dec 2018. No major findings and all agreed actions implemented or superceded.	↗	
	Strategic Objective - Staff									Risk Lead; Director Specialist Estates Services/Director of Finance and Corporate Services		

Key to Impact and Likelihood Scores						
		Impact				
		Insignificant	Minor	Moderate	Major	Catastrophic
		1	2	3	4	5
Likelihood						
5	Almost Certain	5	10	15	20	25
4	Likely	4	8	12	16	20
3	Possible	3	6	9	12	15
2	Unlikely	2	4	6	8	10
1	Rare	1	2	3	4	5
	Critical	Urgent action by senior management to reduce risk				
	Significant	Management action within 6 months				
	Moderate	Monitoring of risks with reduction within 12 months				
	Low	No action required.				

□	New Risk
□	Escalated Risk
□	Downgraded Risk
□	No Trend Change

MEETING	Velindre University NHS Trust Audit Committee for NHS Wales Shared Services Partnership
DATE	28 April 2020
AGENDA ITEM	5.3
PREPARED BY	Peter Stephenson, Head of Finance and Business Development
PRESENTED BY	Peter Stephenson, Head of Finance and Business Development
RESPONSIBLE HEAD OF SERVICE	Andy Butler, Director of Finance and Corporate Services
TITLE OF REPORT	NWSSP Risk Management Protocol

PURPOSE

To request the Audit Committee to re-approve the Risk Management Protocol.

1. INTRODUCTION

The Risk Management Protocol is presented at **Appendix 1** for information. This requires bi-annual approval by the Committee and was last approved at the June 2018 meeting. There are no significant changes to the document since that time. This document was also re-approved by the NWSSP SMT at its January 2020 meeting.

2. RECOMMENDATION

The Audit Committee is asked to:

- **APPROVE** the Risk Appetite Statement.



RISK MANAGEMENT PROTOCOL

RISK MANAGEMENT PROTOCOL

January 2020

STATEMENT OF INTENT

NWSSP is committed to ensuring that the management of risk throughout the organisation is consistent and effective.

NWSSP Statement

NWSSP is committed to achieving and maintaining the highest standards of managerial practices that maximise and progress service benefits.

NWSSP recognises that effective risk management is a key component of corporate governance and is critical to achieving the strategic objectives of the organisation.

NWSSP continues to embed the risk management process by ensuring staff recognise the principles that "risk management is everyone's business," and encourage them to report any hazards, risks, incidents and near misses within their working activities or environment.

NWSSP recognises the importance of continuing to promote a culture of honesty and openness when dealing with a breakdown/failure in a system or individual error/mistake. NWSSP is committed to investigating system failures and or individual errors to establish the underlying causes.

NWSSP will seek to ensure that risks and incidents are identified and managed in a positive and constructive manner, so that lessons learned are shared across the organisation.

NWSSP acknowledge that effective risk management allows managers and staff to respond to opportunities and to take appropriate risks on behalf of the organisation with greater confidence of a successful outcome.

Introduction

NWSSP seeks to integrate the risk management process by having a single clear systematic approach. Therefore risk management is not seen as a separate function but is an integral part of the day to day management activities of the organisation including financial, health and safety and environmental functions.

It is the aim of NWSSP to assess and control the risks which threaten or compromise its ability to fulfil its aims and objectives. Risk Management

should be able to provide a suitable framework from within which staff can manage risks potentially facing the organisation in a consistent and meaningful way. This protocol sets out a framework, which identifies the risk management arrangements for the organisation including the need to address the Healthcare Standards identified by NHS Wales Shared Services Partnership Committee (SSPC) for Shared Services.

Background

NWSSP Divisions through their staff are integral parts of Health Boards (HBs) and NHS Trusts and as such must abide by the Policies and Standards established by those as well as those of the NWSSPC. This protocol is intended to complement the HB's and NHS Trust's strategies by establishing a comparable framework around which NWSSP will manage risks potentially facing the organisation. This protocol should therefore not be looked at in isolation but should be looked at as a part of the overall protocols in place, and particularly the Velindre University NHS Trust Risk Policy. It is the intention that this will provide a framework which enables NWSSP to define its risk management arrangements, taking into account the process of adherence to the standards set down by the Health Inspectorate Wales.

The overall objective of the Healthcare Standards is to support NHS bodies in Wales in developing an effective system of risk management and control. The standards will serve to support the process of continuous self-assessment introduced with controls assurance.

Purpose

The purpose of this protocol is to provide a clear systematic approach to the management of risk within NWSSP. The protocol will define the way in which NWSSP will continue to embed the risk management process across the whole organisation whilst taking note of the various requirements of external agencies and statutory bodies.

Aims

NWSSP has a clear commitment to operate high standards of governance and internal control and will aim to minimise and contain any costs or consequences that may arise in the event of an incident occurring. NWSSP is committed to the following Policy aims and objectives:

- A clear commitment to operate to the highest standards of governance and internal control through the adoption of Risk Management Policy and regular reporting of risk management issues to the SSPC;

- Provide evidence that NWSSP is making every effort to meet the objectives set within the protocol and will, in doing so, protect staff, the public and other stakeholders against risks of all kinds;
- To inform the SSPC about significant risks within the organisation for which they are responsible;
- Assist staff and the SSPC to identify risks, determine unacceptable levels of risk, and decide on where best to direct limited resources to eliminate or reduce those risks;
- Promote risk management awareness at all levels of the organisation;
- Develop, establish and implement an infrastructure and arrangements to ensure that managing risk becomes an integral part of the planning and management processes and general culture of the organisation;
- Ensure that NWSSP adopts best practice and achieves the highest standards of risk management;
- Manage risk in a positive but not punitive way as an opportunity to learn and improve systems in practice;
- Increase public confidence in the quality of service provided with the NHS; and
- Enable NWSSP to effectively meet its key objectives.

Objectives

NWSSP will:

- Ensure a safe environment for the delivery of health care and for staff to work in;
- Improve business performance by informing and improving decision making and planning;
- Continue to promote a single consistent approach to risk management across NWSSP;
- Ensure clear lines of accountability and responsibility for risk management exist;
- Ensure adequate risk reporting structures are in place across the whole organisation that provide assurance to the board;

- Develop and promote the risk management escalation process;
- Ensure effective processes are in place to achieve staff compliance with statutory, mandatory and professional standards;
- Encourage open and honest reporting of hazards, risks and incidents and near misses;
- Ensure that risks and incidents identified are managed in a positive and constructive manner, so lessons learned are shared;
- Promote a culture where innovations are encouraged; and
- Provide a sound basis for integrated risk management and internal control as components of good corporate governance.

Organisational Arrangements and Responsibilities

NWSSP is a large and complex organisation with some 2150 employees. The Managing Director, NWSSP is ultimately accountable for ensuring that risk is managed adequately, although there are levels of responsibility throughout the structure to ensure effective risk management. However, day-to-day implementation thereof is delegated to the Director of Finance and Corporate Services of NWSSP, who is assisted in this role by the Head of Finance and Business Development.

It is the responsibility of each of the Directors, Assistant Directors, and Heads of Service to ensure that risk is addressed at each of the locations relevant to their Directorates and that an effective feedback mechanism operates through NWSSP such that corporate and significant/critical risks are reported and discussed at NWSSP SMT meetings.

All employees individually and collectively have a responsibility for risk management with the identification of risks and the reporting of incidents and near misses being encouraged.

Staff should:

- Report risks, incidents and hazards using the appropriate reporting procedure;
- Be aware of their legal duty to take care of their own health and safety and the safety of others affected by their work activities;

- Attend statutory and mandatory training in line with NWSSP requirements;
- Act in accordance with the training and instruction provided by NWSSP; and
- Comply with the Velindre University NHS Trust Risk Management Strategy and NWSSP Protocol supporting health and safety policies and procedures.

Head of Finance and Business Development

The NWSSP Head of Finance and Business Development will provide advice and guidance on risk management related functions across NWSSP. The post holder will also support the development and implementation of a standard overarching risk management framework. This includes the coordination of risk assessments, risk registers, assurance maps and development and maintenance of the risk management system and its modules.

Host Bodies

Hazards and risks may be identified which are not within the ability of NWSSP to control or manage, such as building or facilities management issues which are instead the responsibility of a host organisation. The arrangements of NWSSP will be such that it is a requirement on its officers to bring such matters to the attention of the host body concerned at the earliest possible opportunity. Such action should always be the subject of a written report to the Director of Finance and Corporate Services of NWSSP.

Risk Management Framework

The organisational framework for Risk Management is controlled through the establishment of various Committees. The Committees are responsible for ensuring that risks that fall under their remit are reviewed and where significant risks are identified, these are appropriately escalated. See Annex 1 for the structure.

Risk Identification, Assessment & Management

NWSSP will embed processes to ensure that risk is identified, assessed and managed.

Identification of Risks

NWSSP will identify risks both by proactive and reactive methods. These will be managed proactively on an NWSSP Corporate Risk

Register, supported by risk registers in each directorate which will be maintained by all nominated individuals assessing the risks which exist in their service area.

Corporately, all papers presented to the SSPC, Audit Committee and Senior Management Team meetings must contain a section on identified risks contained in the paper presented and how they will be managed. The Director of Finance and Corporate services will be responsible for reviewing the risks raised in papers and ensuring they are added where appropriate to the Corporate Risk Register.

Reactively, risks will become apparent from a number of sources including complaints, claims, losses, and clinical, internal and external audit. Adverse incidents are also an important information source. It is crucial that all incidents are reported and investigated through the Incident Reporting Procedure (Datix). Any trends identified will be recorded as risks along with the corresponding actions to mitigate them.

Risk Assessment Process

A formal risk assessment is required for all risk assessments that are held on the Datix system. See Annex 2.

The basic steps within the risk assessment process are:

- Identify the hazards;
- Assess who and what might be affected, and how;
- Evaluate the risks and decide whether existing precautions are adequate or should more be done;
- Record the findings;
- Monitor and review the risks and any resulting further actions; and
- Communicate and consult.

Risk Register

The Risk Register contains an overview of the identified risks, the controls already in place to manage the risks, and any actions that have been identified to further mitigate the risks. The format for the Risk Register has been agreed by the NWSSP SMT and the Audit Committee. All risk registers presented to any committee or sub group will follow this agreed format. It is important that this format is implemented at all levels to ensure consistency is achieved across NWSSP.

Risks are scored within the Register as follows:

- **Inherent Risk Score** – evaluation of the risk without consideration of any current or future controls or actions to mitigate it;
- **Residual (or Current) Risk Score** – evaluation of the risk as at today (i.e. taking into account current controls and mitigations, but **not** any further actions that are yet to be undertaken); and
- **Target Risk Score** – where the risk score should be once planned actions have been completed. (This should be a realistic rather than an aspirational assessment).

Within the Corporate Risk Register, risks are further separated into two categories:

- **Risks for Action** – where the current risk score is still above the target risk score and further action is therefore needed to achieve the target risk score; and
- **Risks for Monitoring** – where the current and target risk scores are the same and therefore no further action is needed. However, the risk is considered important enough to continue to be monitored at a senior level and there is a focus on the assurances in place to ensure that the risk profile is not increasing.

All risks identified will be assessed using the following matrices (in accordance with the Velindre University NHS Trust Risk Policy) which take into account the likelihood of the risk occurring and the resulting severity.

Risk Quantification – MATRIX

Simple risk quantification is identified by multiplying the Impact X Likelihood = Risk Rating. This impact matrix below has been developed by the NPSA (National Patient Safety Agency) and is adopted by Velindre NHS Trust.

	LIKELIHOOD DESCRIPTION
5 Almost Certain	Likely to occur, on many occasions
4 Likely	Will probably occur, but is not a persistent issue
3 Possible	May occur occasionally
2 Unlikely	Not expected it to happen, but may do
1 Rare	Can't believe that this will ever happen

	Impact, Consequence score (severity levels) and examples				
	1	2	3	4	5
Domains	Negligible	Minor	Moderate	Major	Catastrophic

Impact on the safety of patients, staff or public (physical/psychological harm)	Minimal injury requiring no/minimal intervention or treatment. No time off work	Minor injury or illness, requiring minor intervention Requiring time off work for >3 days	Moderate injury requiring professional intervention Requiring time off work for 4-14 days RIDDOR/agency reportable incident An event which impacts on a small number of patients	Major injury leading to long-term incapacity/disability Requiring time off work for >14 days Mismanagement of patient care with long-term effects	Incident leading to death Multiple permanent injuries or irreversible health effects An event which impacts on a large number of patients
Quality/complaints/audit	Peripheral element of treatment or service suboptimal Informal complaint/inquiry	Overall treatment or service suboptimal Formal complaint (stage 1) Local resolution Single failure to meet internal standards Minor implications for patient safety if unresolved	Treatment or service has significantly reduced effectiveness Formal complaint (stage 2) complaint Local resolution (with potential to go to independent review) Repeated failure to meet internal standards Major patient safety implications if findings are not acted on	Non-compliance with national standards with significant risk to patients if unresolved Multiple complaints/independent review Critical report	Totally unacceptable level or quality of treatment/service Gross failure of patient safety if findings not acted on Inquest/ombudsman inquiry Gross failure to meet national standards
Human resources/organisational development/staffing/competence	Short-term low staffing level that temporarily reduces service quality (< 1 day)	Low staffing level that reduces the service quality	Late delivery of key objective/ service due to lack of staff Unsafe staffing level or competence (>1 day) Low staff morale Poor staff attendance for mandatory/key training	Uncertain delivery of key objective/service due to lack of staff Unsafe staffing level or competence (>5 days) Loss of key staff Very low staff morale No staff attending mandatory/ key training	Non-delivery of key objective/service due to lack of staff Ongoing unsafe staffing levels or competence Loss of several key staff No staff attending mandatory training /key training on an ongoing basis
Statutory duty/ inspections	No or minimal impact or breach of guidance/ statutory duty	Breach of statutory legislation Reduced performance rating if unresolved	Single breach in statutory duty Challenging external recommendations/ improvement notice	Enforcement action Multiple breaches in statutory duty Improvement notices Critical report	Multiple breaches in statutory duty Prosecution Complete systems change required Severely critical report
Adverse publicity/ reputation	Rumours Potential for public concern	Local media coverage – short-term reduction in public confidence Elements of public expectation not being met	Local media coverage – long-term reduction in public confidence	National media coverage with <3 days service well below reasonable public expectation	National media coverage with >3 days service well below reasonable public expectation. MP concerned (questions in the House) Total loss of public confidence
Business objectives/projects	Insignificant cost increase/ schedule slippage	<5 per cent over project budget Schedule slippage	5–10 per cent over project budget Schedule slippage	Non-compliance with national 10–25 per cent over project budget Schedule slippage Key objectives not met	Incident leading >25 per cent over project budget Schedule slippage Key objectives not met
Finance including claims	Small loss Risk of claim remote	Loss of 0.1–0.25 per cent of budget Claim less than £10,000	Loss of 0.25–0.5 per cent of budget Claim(s) between £10,000 and £100,000	Uncertain delivery of key objective/Loss of 0.5–1.0 per cent of budget Claim(s) between £100,000 and £1 million	Non-delivery of key objective/ Loss of >1 per cent of budget Failure to meet specification/ slippage Loss of contract / payment by results Claim(s) >£1 million

Service/business interruption Environmental impact	Loss/interruption of >1 hour Minimal or no impact on the environment	Loss/interruption of >8 hours Minor impact on environment	Loss/interruption of >1 day Moderate impact on environment	Loss/interruption of >1 week Major impact on environment	Permanent loss of service or facility Catastrophic impact on environment
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Risk Rating Matrix = Impact x likelihood

	LIKELIHOOD				
IMPACT	Certain 5	Likely 4	Possible 3	Unlikely 2	Rare 1
5 Catastrophic	25	20	15	10	5
4 Major	20	16	12	8	4
3 Moderate	15	12	9	6	3
2 Minor	10	8	6	4	2
1 Insignificant	5	4	3	2	1

Actions and Treatment Timetable

Risk Score	Risk Level	Action and Timescale
1-3	LOW	No action required providing adequate controls in place.
4-6	MODERATE	Action required to reduce/control risk within 12 month period
8-12	SIGNIFICANT	Action required to reduce/control risk within 6 month period
15-25	CRITICAL	Immediate action required by Senior Management

Management of Risk

Roles and Responsibilities

- **Senior Management Team (SMT)** - The SMT is accountable for the systems of internal control, based on an ongoing process designed to identify and prioritise the risks of the organisation, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. SMT review and update the NWSSP Corporate Risk Register at their monthly meetings which contains the corporate, significant and critical risks from across NWSSP including any escalated departmental risks. A SMT lead is assigned to each risk on the register.
- **The Audit Committee** - The Audit Committee provides the SSPC with a means of independent assurance that the systems in place for the management of risk are operating efficiently and effectively. The Committee will also provide an objective review of the corporate governance responsibilities, financial systems, financial information and compliance with law, guidance and

codes of conduct. The Audit Committee reviews the Corporate Risk Register at each of its meetings.

- **Shared Services Partnership Committee** - The Shared Services Partnership Committee ensures that risk management arrangements are in place and both receives and provides assurance that appropriate and effective control systems are in place to identify and manage risks. The Shared Services Partnership Committee reviews the Corporate Risk Register at its bi-monthly meetings.
- **Sub/Working Groups** - A wide range of sub/working groups are in place across NWSSP to discuss their departmental/site risks and to ensure that any critical and significant risks are escalated to SMT along with risks which may become corporate. The aim of the working groups is to gather information and where appropriate share the lessons learned across the department.
- **NWSSP All Wales Health and Safety Meeting** - NWSSP All Wales Health and Safety meeting is chaired by the Director of Workforce & Organisational Development. Each Service Division will ensure an appropriate representative attends this committee to ensure that their risks and incidents are monitored and discussed and that the lessons learned can be shared across NWSSP. All significant risks regarding Health and Safety are reported to the Velindre University NHS Trust Health and Safety Management Group.

Directorate Risks

Directors, Assistant Directors and Managers should ensure that all risks associated with their directorate are input into the Datix risk management system. Any red-rated risks should be referred to the NWSSP SMT for possible inclusion on the Corporate Risk Register. Directorate Management Teams monitor and review their Departmental risk register on a regular basis. Review of Directorate key risks is also a standing agenda item for the Quarterly Reviews undertaken by the Managing Director and senior colleagues.

Risk Escalation

The NWSSP Senior Management Team, assisted by key senior officers, are responsible for ensuring that risk management policies are implemented within NWSSP and that both risk assessment and incident reporting operates appropriately within the various areas of responsibility and in a climate where staff are encouraged to report incidents without fear of blame.

The process of escalation is used where a risk is unmanageable or uncontrolled or where the risk is significant or critical (12 and above). The purpose of the escalation process is to ensure that all managers at all levels across NWSSP have the option to escalate a risk where they are not able to manage or control it within their area. These risks are discussed at SMT.

Training and Awareness

All NWSSP staff receive basic risk management awareness as part of their statutory training. This training can be facilitated at induction or via ELearning and includes:

- principles of risk management;
- roles and responsibilities for management of risk within NWSSP;
- techniques for identification and evaluation of risk;
- how to report hazards, incidents and near misses;
- awareness that risk is everyone's business; and
- policies that cover risk management and assessment.

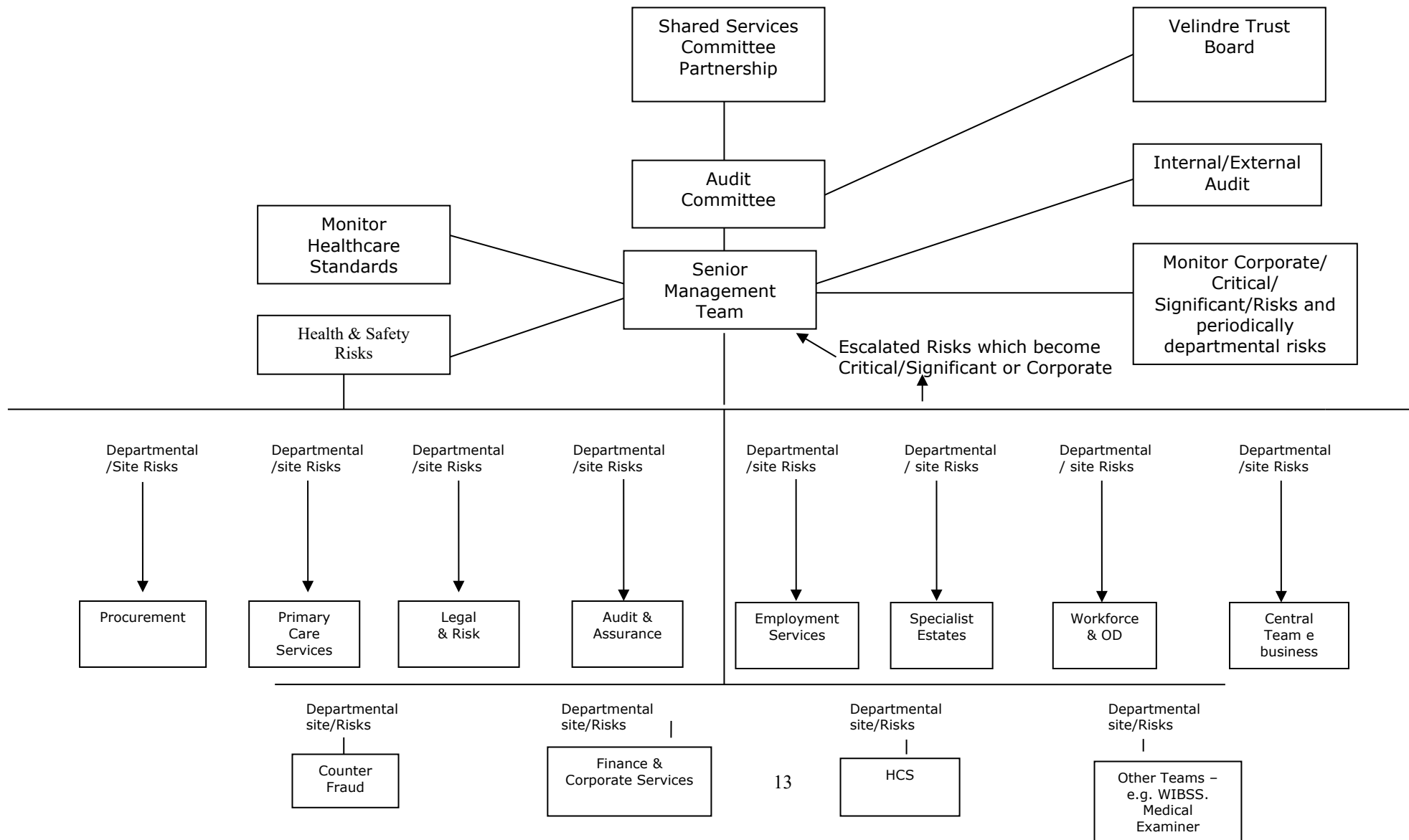
Directors and Managers ensure that all staff involved in the risk assessment process have sufficient knowledge, experience and understanding of risk and are provided with sufficient training to ensure competence is demonstrated.

Managers ensure that risk assessment training is included in local training programs.


Review Mechanism

The risk management process is continually evolving and it is therefore intended to review this Protocol on an annual basis in light of changes in guidance, best practice and legislation.

ASSURANCE FRAMEWORK



Annex 2

VELINDRE NHS TRUST 	Service Area:	DATIX - REF NO:
	RISK ASSESSMENT	Department: Location/Site:
Title of Assessment:		Date of Assessment:

Tick the Type of Risk Assessment:

Business & Org	Operational	Clinical	Quality	Health & Safety
Strategic	Financial	Legal	Project.	Environmental

Describe the situation or the work activity or process being assessed.
Summarise the specific risks to NWSSP

Please give a full range of Hazards:
Include any Materials, Biological, Chemical, Environment, Ergonomic and Psychological etc.

Hazards identified:	Impact Severity	Likelihood	Risk Rating

Who is affected by the hazards and how many: Whole organisation, division, department, ward etc.
All, Many or One - staff, visitors, contractors or service users etc. may be harmed.

Evaluate Overall Initial – Risk : I x L= Risk Rating	Impact	Likelihood	Rating

List control measures in place: Are they acceptable Y/N

Evaluate Current – Risk with controls: I x L= Risk Rating	Impact	Likelihood	Rating

Further action required - additional control measures - to reduce risk

Actions Agreed by Manager:
Managers Name & Signature :

Evaluate **Target** – Risk with actions completed: I x L= Risk Rating **Impact** **Likelihood** **Rating**

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Risk Assessment performed by:

Print Name/s	Signature/s	Date

Progress Report on further Actions: include review dates:

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Appetite Level.	Described as:
None	Avoid. The avoidance of risk and uncertainty is a key organisational objective.
Low	Minimal. Preference for ultra-safe delivery options that have a low degree of inherent risk and may only have limited potential for reward.
Moderate	Cautious. Preference for safe delivery options that have a low degree of inherent risk and may only have limited potential for reward.
High	Open. Willing to consider all potential delivery options and choose while also providing an acceptable level of reward (and VfM).
Significant	Seek. Eager to be innovative and to choose options offering potentially higher business rewards despite greater inherent risk. Mature. Confident in setting high levels of risk appetite because controls, forward scanning and responsiveness systems are robust.

Definitions

Annex 4

Risk Management	The co-ordinated activities to direct and control the organisation with regard to risk.
Risk Management Process	A systematic application of risk management policies to the task of identifying, analysing, evaluating, controlling and the monitoring and review of risk across the Trust.
Risk Assessment (Pro-active)	A careful examination of the hazards in the workplace that may cause harm, to people the environment or the business and these include processes and tasks. The formal recording on a documented form.
Risk Assessment (Re-active)	A risk assessment that has been completed following an incident occurring, this may form part of the investigation process or may be a review of the original risk assessment in light of the incident and its severity.
Risk Appetite	The level of risk NWSSP is prepared to accept before action is deemed necessary to reduce it.
Risk Acceptance	The risk is managed to a level defined as reasonably practicable and where to implementation of any further controls will outweigh any benefit.
Residual Risk	The risk remaining following treatment or control.
Risk Register	The risk register is a term for a detailed list of risk assessments, the format for the register itself has been agreed at the SMT.
Risk Inventory	A risk inventory or profile, has no agreed format it may be a shortened version of the risk register or a more detailed profile. A risk inventory is normally less formal than a register and is managed at department level.
Risk Structure	A formal management structure that outlines the basic reporting and communication links and committees and groups that provides assurance to NWSSP SMT that risk is being effectively managed across all Service Divisions.
Risk Matrix	This is a tool developed to quantify risk, by scoring the impact x the likelihood that the risk will probably be realised to establish a Risk Rating. This tool can be used by Managers to prioritise significant risks.
Risk Impact	Potential harm scored via a impact matrix rising from 1-5
Risk Likelihood	Potential for occurrence scored via a likelihood matrix from 1-5
Significant Risk	Risk that are scored 12 and above that require treatment and control within 6 month period.
Critical risk	Risk scored 15 and above requiring immediate Senior management control.

MEETING	Velindre University NHS Trust Audit Committee for NHS Wales Shared Services Partnership
DATE	28 April 2020
AGENDA ITEM	5.4
PREPARED BY	Peter Stephenson, Head of Finance and Business Development
PRESENTED BY	Peter Stephenson, Head of Finance and Business Development
RESPONSIBLE HEAD OF SERVICE	Andy Butler, Director of Finance and Corporate Services
TITLE OF REPORT	NWSSP Risk Appetite Statement

PURPOSE

To request the Audit Committee to re-approve the Risk Appetite Statement.

1. INTRODUCTION

The Risk Appetite Statement is presented at **Appendix 1** for information. This requires annual approval by the Committee and was last approved at the October 2018 meeting. There are no changes to the document since that time. This document was also re-approved by the NWSSP SMT at its January 2020 meeting.

2. RECOMMENDATION

The Audit Committee is asked to:

- **APPROVE** the Risk Appetite Statement.

NHS Wales Shared Service Partnership

Risk Appetite Statement.

Introduction.

NWSSP is committed to achieving and maintaining the highest standards of managerial practices that maximise and progress service benefits. NWSSP recognises that effective risk management is a key component of corporate governance and is critical to achieving the strategic objectives of the organisation.

NWSSP's Risk Management Protocol seeks to ensure that there is an effective process in place to manage risk across the organisation. Risk management is part of management decision-making and is the responsibility of all staff. Risks are identified, assessed and managed at a corporate level ('top-down') and operational level ('bottom-up'). Managers have a responsibility to evaluate their risk environment, to put in place appropriate controls and monitor the effectiveness of these controls.

An organisation's risk appetite is defined as the amount and type of risk that the organisation is willing to take in the pursuit of its strategic objectives. The risk appetite can help NWSSP by enabling the organisation to take decisions based on an understanding of the risks involved and communicating expectations for risk-taking to managers.

NWSSP has undertaken a review to identify the most commonly used framework for NHS organisations and confirmed that this is one developed by the Good Governance Institute (Table 1).

Following Shared Service Partnership Committee (SSPC) approval of the Risk Appetite Statement, work will take place to communicate the risk appetite levels to staff and embed it throughout the organisation. It will also be a key reference document in discussions regarding the risks on the Board Assurance Framework and NWSSP risk register, ensuring these are in line with NWSSP's risk appetite.

The Risk Appetite Statement will be presented to the SSPC for approval on an annual basis, or sooner if circumstances require.

Table 1. Good Governance Institute Framework.

Appetite Level.	Described as:
None	Avoid. The avoidance of risk and uncertainty is a key organisational objective.
Low	Minimal. Preference for ultra-safe delivery options that have a low degree of inherent risk and may only have limited potential for reward.
Moderate	Cautious. Preference for safe delivery options that have a low degree of inherent risk and may only have limited potential for reward.
High	Open. Willing to consider all potential delivery options and choose while also providing an acceptable level of reward (and VfM).
Significant	<p>Seek. Eager to be innovative and to choose options offering potentially higher business rewards despite greater inherent risk.</p> <p>Mature. Confident in setting high levels of risk appetite because controls, forward scanning and responsiveness systems are robust.</p>

General Statement of Appetite.

NWSSP faces a broad range of risks reflecting its responsibilities. The risks arising from our responsibilities can be significant. These risks are managed through detailed processes that emphasise the importance of integrity, intelligent inquiry, maintaining high quality staff and public accountability.

NWSSP make resources available to control operational risks at acceptable levels and we recognise that it is not possible or indeed necessarily desirable to eliminate some of the risks inherent in our activities. Acceptance of some risk is often necessary to foster innovation within the services for which we are responsible.

This statement considers the most significant risks to which NWSSP is exposed and provides an outline of the approach to managing these risks. All strategic and business plans for operational areas must be consistent with this Statement. Given the range of our activities and responsibilities, it is not appropriate to make a single overarching statement of our attitude to risk. Instead, a range of risk appetite statements arising from the different areas of our work are set out below.

1. Quality.

The provision of high quality services is of the utmost importance for NWSSP. This means that NWSSP has **no appetite** for risks that could result in poor quality of service provision.

2. Compliance.

NWSSP has a **low appetite** to any risk that prevents the SSPC demonstrating the highest standards of accountability and transparency.

Non-compliance with legal and statutory requirements undermines public and stakeholder confidence in NWSSP, has the potential for harm and legal consequences and therefore NWSSP has **no appetite** in relation to these risks.

NWSSP has a preference for safe delivery options rather than risk breaching statutory or compliance obligations.

We have **no appetite** for risks that could result in NWSSP being non-compliant with UK law or healthcare legislation, or any of the applicable regulatory frameworks in which we operate.

3. Research & Development.

NWSSP has a **moderate appetite** for risks associated with innovation, research and development in order to take forward our vision to become a world-class organisation.

NWSSP will only take risks when it has the capacity to manage them and is confident that there will be no adverse impact on the safety and quality of the services provided.

4. Innovation.

NWSSP has a **high appetite** for risks associated with innovation and partnership with industry and academia in order to realise the provision of new service delivery options, new technologies, efficiency gains and improvements in practice. However, NWSSP will balance the opportunities with the capacity and capability to deliver such opportunities and is confident that there will be no adverse impact on the safety and quality of the services provided.

5. Reputation & Public Confidence.

NWSSP will maintain high standards of conduct, ethics and professionalism at all times and has **no appetite** for risks or circumstances that could cause reputational damage to NWSSP or a loss in public confidence.

6. Performance & Service Sustainability.

NWSSP has a **moderate appetite** to accept risks to our portfolio of services if they are consistent with the achievement of safety, efficiency and quality improvements as long as safety, quality, financial and effective outcomes are maintained.

7. Financial Sustainability

NWSSP is entrusted with public funds and must remain financially viable while safeguarding the public purse. NWSSP has **no appetite** for accepting or pursuing risks that would leave the organisation open to fraud or breaches of Standing Financial Instruction.

8. Workforce & OD

NWSSP is committed to recruit and retain staff that meet the high quality standards of the organisation and will provide on-going development to ensure all staff reach their full potential. This key driver supports our values and objectives to maximise the potential of our staff to implement initiatives and procedures that seek to inspire staff and support transformational change whilst ensuring it remains a safe place to work.

NWSSP has **no appetite** for risks associated with unprofessional conduct, underperformance, bullying or an individual's competence to perform roles or tasks safely nor any incident or circumstances which may compromise the safety of any staff members or group.

9. Partnerships

NWSSP works in partnership arrangements with other Health Boards, Trusts, Local Authorities, academia, independent organisations and the voluntary sector and therefore has a **moderate appetite** to seek out opportunities and take greater inherent risks for higher rewards in pursuit of partnership development and collaborative working where this is considered advantageous to achieving its aims.

Working collaboratively with national and local partners requires some moderate risk to be accepted as we develop longer-term strategic plans to deliver stronger and more resilient services.

The above can be summarised as follows:

1	Quality	No appetite
2	Compliance	Low appetite (no appetite for legislative or statutory non-compliance)
3	Research & Development	Moderate
4	Innovation	High
5	Reputation & Public Confidence	No
6	Performance & Service Sustainability	Moderate
7	Financial Sustainability	No
8	Workforce & OD	No
9	Partnerships	Moderate

Conclusion

This statement has acknowledged that NWSSP faces a broad range of risks reflecting its responsibilities and that some of these can be significant.

It has also asserted that risk management is part of management decision-making and is the responsibility of all staff. It has reaffirmed that Managers have a responsibility to evaluate their risk environment, to put in place appropriate controls and monitor the effectiveness of these controls.

NWSSP's risk appetite levels are communicated to staff through the practical adoption of these risk appetite levels in the way that the Directorate and Corporate Risk Registers function. Directorate Senior Management meetings and the NWSSP Senior Management Team are the conduit through which this process is led.

This statement will be reviewed annually, unless circumstances dictate that an earlier review is necessary.



MEETING	Velindre University NHS Trust Audit Committee for NHS Wales Shared Services Partnership
DATE	28 April 2020
AGENDA ITEM	5.5
PREPARED BY	Roxann Davies, Corporate Services
PRESENTED BY	Roxann Davies, Corporate Services
RESPONSIBLE HEAD OF SERVICE	Andy Butler, Director of Finance and Corporate Services
TITLE OF REPORT	Update on the Implementation of Audit Recommendations
PURPOSE This report provides an update to the Audit Committee on the progress of tracking audit recommendations within NWSSP. In this report, the base position has been taken from the previous report presented to the Audit Committee. Therefore, please note that this report does not include figures and assurance ratings for the audit reports listed on the present Audit Committee agenda.	

1. INTRODUCTION

NWSSP records audit recommendations raised by Internal Audit, Wales Audit Office 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.

It is important to note that during 2018, the Audit Tracker achieved **Substantial Assurance**, following an Internal Audit. At the October 2019 meeting, the annual review of active recommendations recorded on the master tracker was presented for the Committee's assurance and information.

2. CURRENT POSITION

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

There are **44** reports covered in this review; **10** reports have achieved **Substantial** assurance; **23** reports have achieved **Reasonable** assurance, **0** reports have been

awarded **Limited** assurance or **No Assurance**; and **11** reports were generated with **Assurance Not Applicable**. The reports include **196** recommendations for action.

The following reports were categorised as **Assurance Not Applicable**:

- **4** Internal Audit Advisory Reports
- **2** Wales Audit Office Reports
- **1** SGS UK Ltd ISO14001:2015 Audit Report
- **1** Information Commissioner's Office Training Audit Report
- **1** Physical Security Review Report
- **1** WAO Management Letter for Cardiff and Vale University Health Board (1 X finding added for monitoring progress, as applicable to NWSSP)
- **1** Audit of Financial Statements Report and Management Letter for Velindre University NHS Trust (1 X finding added for monitoring progress, as applicable to NWSSP)

Table 1 - Summary of Audit Recommendations

As at 22/04/2020						
Recommendations		Implemented	Not Yet Due	Revised Deadline	Overdue	Not NWSSP Action
Internal Audit	140	140	0	0	0	0
High	11	11	0	0	0	0
Medium	69	69	0	0	0	0
Low	60	60	0	0	0	0
Not Applicable	0	0	0	0	0	0
External Audit	25	23	1	1	0	0
High	0	0	0	0	0	0
Medium	23	21	1	1	0	0
Low	2	2	0	0	0	0
Not Applicable	0	0	0	0	0	0
Other Audit	31	31	0	0	0	0
High	4	4	0	0	0	0
Medium	7	7	0	0	0	0
Low	20	20	0	0	0	0
Not Applicable	0	0	0	0	0	0
TOTALS:	196	194	1	1	0	0

3. REVISED DEADLINES FOR APPROVAL

There is currently **one recommendation** categorised as **Revised Deadline** (not been implemented within their target completion date) to bring to the Committee's attention, which is detailed at **Appendix B**.

4. RECOMMENDATIONS

The Audit Committee are asked to:

- **APPROVE** the **Revised Deadline** proposed at **Appendix B**; and
- **NOTE** the report findings and progress made to date regarding implementation of audit recommendations.

SUMMARY OF LATEST AUDIT REVIEWS BY SERVICE AREA												
Internal Audit Reference	Reference	Directorate	Health Board/Trust	Report Title	Year	Assurance Rating	Recommendations	Implemented	Not Yet Due	Revised Deadline	Overdue	Not NWSSP Action
INTERNAL AUDIT REPORTS												
NWSSP-1718-03	CORP/17-18/2	Corporate Services	NWSSP	Non-Medical Education Training Budget	2017-18	Substantial	3	3	0	0	0	0
NWSSP-1718-12	CORP/17-18/3	Corporate Services	NWSSP	Audit Tracker Review	2017-18	Substantial	2	2	0	0	0	0
NWSSP-1718-16	CORP/17-18/4	Corporate Services	NWSSP	Corporate Governance	2017-18	Substantial	2	2	0	0	0	0
NWSSP-1718-06	CORP/17-18/5	Corporate Services	NWSSP	Surgical Materials Testing Laboratory (SMTL)	2017-18	Reasonable	3	3	0	0	0	0
NWSSP-1718-09	CORP/17-18/6	Corporate Services	NWSSP	Performance Management	2017-18	Reasonable	3	3	0	0	0	0
NWSSP-1819-02	CORP/17-18/6	Corporate Services	NWSSP	BACS Bureau Review	2018-19	Advisory Report	4	4	0	0	0	0
NWSSP-1819-04	CORP/18-19/1	Corporate Services	NWSSP	Wales Infected Blood Support Scheme	2018-19	Reasonable	10	10	0	0	0	0
NWSSP-1819-10	CORP/18-19/2	Corporate Services	NWSSP	Welsh Language Standards	2018-19	Reasonable	3	3	0	0	0	0
NWSSP-1819-14	CORP/18-19/3	Corporate Services	NWSSP	Risk Management and Assurance	2018-19	Substantial	2	2	0	0	0	0
NWSSP-1819-07	CORP/18-19/4	Corporate Services	NWSSP	Business Continuity Planning	2018-19	Reasonable	3	3	0	0	0	0
NWSSP-1819-11	CORP/18-19/5	Corporate Services	NWSSP	General Data Protection Regulation (GDPR)	2018-19	Substantial	3	3	0	0	0	0
NWSSP-1920-08	CORP/19-20/1	Corporate Services	NWSSP	Performance Reporting	2019-20	Substantial	1	1	0	0	0	0
NWSSP-1920-04	CORP/19-20/2	Corporate Services	NWSSP	IR35	2019-20	Reasonable	4	4	0	0	0	0
NWSSP-1920-13	CORP/19-20/3	Corporate Services	NWSSP	Strategic Planning	2019-20	Reasonable	2	2	0	0	0	0
TOTAL							45	45	0	0	0	0
	EMP/16-17/2	Employment Services	All Wales	TRAC System	2016-17	Reasonable	3	3	0	0	0	0
NWSSP-1718-10	EMP/17-18/1	Employment Services	All Wales	Payroll Services	2017-18	Reasonable	6	6	0	0	0	0
TOTAL							9	9	0	0	0	0
NWSSP-1819-15	PCS/18-19/1	Primary Care Services	All Wales	Patient Medical Records Store and Scan on Demand Service	2018-19	Reasonable	6	6	0	0	0	0
NWSSP-1819-06	PCS/18-19/2	Primary Care Services	All Wales	Contractor Payments	2018-19	Substantial	3	3	0	0	0	0
NWSSP-1920-14	PCS/19-20/1	Primary Care Services	All Wales	Post Payment Verification (PPV)	2019-20	Substantial	2	2	0	0	0	0
TOTAL							11	11	0	0	0	0
	PROC/16-17/3	Procurement Services	All Wales	Supplier Master File Follow Up	2016-17	Reasonable	2	2	0	0	0	0
	PROC/16-17/4	Procurement Services	Velindre/PHW	Local Procurement Team	2016-17	Reasonable	5	5	0	0	0	0
	PROC/16-17/5	Procurement Services	All Wales	Denbigh Stores	2016-17	Reasonable	7	7	0	0	0	0
NWSSP-1718-19	PROC/17-18/1	Procurement Services	ABMU	Carbon Reduction Commitment (CRC) Payment Review	2017-18	Advisory Report	5	5	0	0	0	0
NWSSP-1718-01	PROC/17-18/2	Procurement Services	All Wales	WAO Audit RKC Associates Lessons Learned by NWSSP	2017-18	Advisory Report	2	2	0	0	0	0
NWSSP-1718-11	PROC/17-18/3	Procurement Services	All Wales	Accounts Payable	2017-18	Reasonable	6	6	0	0	0	0
NWSSP-1819-01	PROC/18-19/1	Procurement Services	All Wales	Health Courier Services	2018-19	Reasonable	7	7	0	0	0	0
NWSSP-1819-08	PROC/18-19/2	Procurement Services	All Wales	Cwmbran Stores	2018-19	Reasonable	2	2	0	0	0	0
NWSSP-1819-13	PROC/18-19/3	Procurement Services	All Wales	Purchase To Pay	2018-19	Reasonable	4	4	0	0	0	0
NWSSP-1920-06	PROC/19-20/1	Procurement Services	All Wales	Procurement Services Directorate Review	2019-20	Reasonable	5	5	0	0	0	0
TOTAL							45	45	0	0	0	0
SSU SES 1819 01	SES/18-19/1	Specialist Estates Services	All Wales	Primary Care Rental Reimbursement Reviews	2018-19	Reasonable	7	7	0	0	0	0
TOTAL							7	7	0	0	0	0
	WORK/16-17/1	Workforce	All Wales	WfIS ESR OH Bi-Directional Interface	2016-17	Reasonable	4	4	0	0	0	0
NWSSP-1718-17	WORK/17-18/1	Workforce	All Wales	WfIS ESR / Occupational Health Bi-Directional Interface (Immunisations)	2017-18	Substantial	1	1	0	0	0	0
NWSSP-1718-04	WORK/18-19/1	Workforce	All Wales	GP Specialty Training Registrars	2018-19	Reasonable	4	4	0	0	0	0
NWSSP-1819-09	WORK/18-19/2	Workforce	NWSSP	Annual Leave Management	2018-19	Reasonable	5	5	0	0	0	0
NWSSP-1819-05	WORK/18-19/3	Workforce	NWSSP	Recruitment and Retention	2018-19	Advisory Report	3	3	0	0	0	0
NWSSP-1920-07	WORK/19-20/1	Workforce	NWSSP	Time Recording	2019-20	Substantial	1	1	0	0	0	0
NWSSP-1920-05	WORK/19-20/2	Workforce	NWSSP	Health and Safety	2019-20	Reasonable	5	5	0	0	0	0
TOTAL							23	23	0	0	0	0
WALES AUDIT OFFICE EXTERNAL AUDIT REPORTS												
	WAO/18-19/1	All Services	All Wales	WAO Management Letter	2018-19	Not Applicable	3	3	0	0	0	0
	WAO/18-19/2	All Services	All Wales	WAO Nationally Hosted NHS IT Systems Assurance Report	2018-19	Not Applicable	22	20	2	0	0	0
TOTAL							25	23	2	0	0	0
OTHER AUDIT REPORTS												
	ICO/17-18	Corporate Services	NWSSP	Information Commissioner's Office (ICO) Training Audit	2017-18	Not Applicable	10	10	0	0	0	0
	ISO14001/18-19	Corporate Services	NWSSP	SGS UK Ltd Audit of ISO14001 Environmental Management System	2018-19	Not Applicable	1	1	0	0	0	0
	SECURITY/18-19	Corporate Services	NWSSP	Physical Security Review of NWSSP	2018-19	Not Applicable	18	18	0	0	0	0
	Cardiff/WAO/F7	Corporate Services	NWSSP	WAO Management Letter for Cardiff and Vale University Health Board	2018-19	Not Applicable	1	1	0	0	0	0
	Velindre/WAO/F3	Corporate Services	NWSSP	Audit of Financial Statements Report and Management Letter for Velindre University NHS Trust	2018-19	Not Applicable	1	1	0	0	0	0
TOTAL							31	31	0	0	0	0
TOTAL RECS							196	194	2	0	0	0

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
RECOMMENDATIONS WITH REVISED DEADLINES FOR APPROVAL										
FINANCE AND CORPORATE SERVICES										
1.	2018-19.3 9 WAO/18-19/2 Primary Care Services All Wales WAO Nationally Hosted NHS IT Systems Assurance Report 2018-19	REVISED DEADLINE	A Service Level Agreement (SLA) is in place between NWSSP and NWIS for the support and maintenance of the applications and infrastructure, for example, NHAIS. These responsibilities and functions to be completed and delivered for NHAIS service support and service delivery can be made more detailed and documented.	Medium	Clarify and expand the Service Level Agreement with NWIS for the support and maintenance of the NHAIS application and infrastructure.	Peter Stephenson, Head of Finance and Business Improvement	Yes	31/03/2020	31/03/2021 – Suggested revised deadline for Audit Cttee	Re-categorised as Finance and Corporate Services action - The SLA will need to be re-negotiated to reflect the upgrade of the NHAIS system and the change in status of NWIS. Both these initiatives are on hold until after the Covid-19 crisis passes.
NOT YET DUE RECOMMENDATIONS										
FINANCE AND CORPORATE SERVICES										
2.	2019-19.3 6 WAO/18-19/2 Primary Care Services All Wales WAO Nationally Hosted NHS IT Systems Assurance Report 2018-19	NOT YET DUE	A Service Level Arrangement (SLA) with NWIS is in place which covers responsibilities and accountabilities over the Prescription Pricing system. Documentation can be strengthened of the details over the responsibilities for NWIS to take daily backups of the Prescription Pricing systems data and confirm that daily checks are undertaken to confirm and monitor the backup has successfully been completed.	Medium	Strengthen the Service Level Arrangement (SLA) with NWIS to include details of the responsibilities for NWIS to take daily backups of the Prescription Pricing systems data and confirm that daily	Peter Stephenson, Head of Finance and Business Improvement	Yes	31/03/2021		Re-categorised as Finance and Corporate Services action - PCS are already on the distribution list for the daily notification of backup status delivered automatically by the backup software and check the notifications as part of the daily task schedule. Formal inclusion of this arrangement in the NWSSP-NWIS SLA will require a change notice to be raised by NWSSP Business Systems and Informatics.



MEETING	Velindre University NHS Trust Audit Committee for NHS Wales Shared Services Partnership
DATE	28 April 2020
AGENDA ITEM	6.1
PREPARED BY	Roxann Davies, Corporate Services
PRESENTED BY	Roxann Davies, Corporate Services
RESPONSIBLE HEAD OF SERVICE	Andy Butler, Director of Finance and Corporate Services
TITLE OF REPORT	Audit Committee Forward Plan 2020-21

PURPOSE

To provide a summary of items expected to be presented at forthcoming Audit Committee meetings, scheduled for 2020-21.

Month	Standing Items	Audit Reports	Governance	Annual Items
Q2 2020/21 30 June 2020 <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	External Audit Wales Audit Office Nationally Hosted IT Systems Report Wales Audit Office Management Letter Internal Audit As outlined in the Internal Audit Operational Plan Review of Internal Audit Operational Plan Quality Assurance & Improvement Programme	Governance Matters Tracking of Audit Recommendations Corporate Risk Register Assurance Mapping Review	Audit Committee Effectiveness Survey Review of Audit Committee Terms of Reference Audit Committee Annual Report Health and Care Standards Self-Assessment and Action Plan Caldicott Principles Into Practice Annual Report Counter Fraud Self-Review Submission Tool Counter Fraud Work Plan Counter Fraud Annual Report Counter Fraud Policy Review
Q3 2020/21 20 October 2020 <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	Internal Audit As outlined in the Internal Audit Operational Plan	Governance Matters to include Annual Review of Stores Write-Off Figures Tracking of Audit Recommendations to include Annual Review of Audit Recommendations Not Yet Implemented Corporate Risk Register	Results of Audit Committee Effectiveness Survey Minutes & Matters Arising Annual Review Review of Raising Concerns (Whistleblowing) Policy Review of Standing Orders for the Shared Services Partnership Committee

<p>Q4 2020/21 26 January 2021</p> <p><i>Boardroom NWSSP HQ, Unit 4/5 Charnwood Court, Heol Billingsley, Parc Nantgarw, Cardiff, CF15 7QZ</i></p>	<p>Minutes & Matters Arising</p> <p>External Audit Position Statement</p> <p>Internal Audit Progress Report</p> <p>Counter Fraud Position Statement</p>	<p>External Audit Wales Audit Office Proposed Audit Work</p> <p>Internal Audit As outlined in the Internal Audit Operational Plan</p>	<p>Governance Matters</p> <p>Tracking of Audit Recommendations</p> <p>Corporate Risk Register</p>	<p>Pre-meet between Audit Committee Chair, Independent Members, Internal and External Auditors and Local Counter Fraud</p> <p>Review of Risk Management Protocol, Assurance Mapping, Appetite Statement and Board Assurance Framework</p> <p>Integrated Medium Term Plan</p>
<p>Q1 2021/22 20 April 2021</p> <p><i>Boardroom NWSSP HQ, Unit 4/5 Charnwood Court, Heol Billingsley, Parc Nantgarw, Cardiff, CF15 7QZ</i></p>	<p>Minutes & Matters Arising</p> <p>External Audit Position Statement</p> <p>Internal Audit Progress Report</p> <p>Counter Fraud Position Statement</p>	<p>Internal Audit As outlined in the Internal Audit Operational Plan</p> <p>Head of Internal Audit Opinion and Annual Report</p> <p>Review of Internal Audit Operational Plan</p>	<p>Governance Matters</p> <p>Tracking of Audit Recommendations</p> <p>Corporate Risk Register</p>	<p>Audit Committee Effectiveness Survey</p> <p>Annual Governance Statement</p> <p>Review of Standing Orders for the Shared Services Partnership Committee</p>
<p>Future Committee Dates 2021-22 TBC</p>				

MEETING	Velindre University NHS Trust Audit Committee for NHS Wales Shared Services Partnership
DATE	28 April 2020
AGENDA ITEM	6.2
PREPARED BY	Roxann Davies, Corporate Services
PRESENTED BY	Roxann Davies, Corporate Services
RESPONSIBLE HEAD OF SERVICE	Andy Butler, Director of Finance and Corporate Services
TITLE OF REPORT	NWSSP Audit Committee Effectiveness Review and Action Plan

PURPOSE

The role of the Audit Committee is to advise and assure the SSPC of effective arrangements in place regarding the design and operation of NWSSP's system of governance and assurance, to support them in their decision taking and in discharging their accountabilities for securing the achievement of the organisation's objectives, in accordance with the standards of good governance determined for the NHS in Wales.

Section 8.2.1 of the [SSPC Standing Orders](#) states:

"The SSPC shall introduce a process of regular and rigorous self-assessment and evaluation of its own operations and performance and that of its Sub-Committees, Expert Panel and any other Advisory Groups. Where appropriate, the SSPC may determine that such evaluation may be independently facilitated."

Additionally, the Financial Reporting Council published a revised UK Code of Corporate Governance in July 2018, which made a number of recommendations to support best practice in governance. In light of this, it was considered timely to review NWSSP Audit Committee's effectiveness and robustness of assurances given. Effectiveness was reviewed through the following methods:

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 aim was to identify areas for improvement, development and recommendations, where governance practices could be strengthened and the scope of the review extended to cover NWSSP's Audit Committee in its entirety, inclusive of the Independent Members and the role they play, insofar as is within our gift to implement.

The scope of this review excludes reporting any opportunities for improvement that are relevant to Velindre Committee, following my observations; these will be escalated outside of this report to the Director of Corporate Governance and the Audit Committee Chair within Velindre, for consideration and implementation. Therefore, for clarity, this report and supporting action plan only extends to cover NWSSP Audit Committee.

The outcomes were set out in the Audit Committee Effectiveness Review and Action Plan, which were presented at a previous Committee meeting. However, it was agreed that a standard agenda item, going forward, would include the updated Action Plan Tracker, as attached for the Committee's consideration, at **Appendix 1**.

As at 31/03/2020, there were 9 considerations that have not yet been implemented and due to the current circumstances, these actions will be integrated into the Effectiveness Survey Results during June 2020, to inform the Audit Committee Effectiveness Action Plan for 2020-21.

Summary Tracker - NWSSP Audit Committee Effectiveness Action Plan			
Key Theme	Recommendations	Complete	Ongoing
Compliance with Law and Regulations Governing NHS Wales	4	3	1
Composition, Establishment & Duties	12	12	0
Counter Fraud	2	2	0
External Audit	2	1	1
Internal Audit	1	1	0
Internal Control and Risk Management	4	4	0
Leadership	11	4	7
Total Recommendations	36	27	9

NWSSP Audit Committee Effectiveness Action Plan							
Action Number	Theme of Assurance	Aim	Action to be Taken	Responsibility	Target Date	Status Priority <i>a) must do b) should do c) could do</i>	Progress
1	Compliance with Law and Regulations Governing NHS Wales	To aid in decision making, to provide robust assurances around impacting aspects of governance	Consider template revision/alignment to include impact assessment of areas such as health and safety, health and care standards, welsh language, equality	Committee Secretariat	Integrate with Audit Committee Effectiveness Action Plan 2020-21	b	Not Yet Due
19	External Audit	To review the quality and effectiveness of the work undertaken by External Audit	Chair to raise with colleagues at the All Wales Chairs of Audit Group	Chair and Director of Internal Audit	Integrate with Audit Committee Effectiveness Action Plan 2020-21	b	Not Yet Due
27	Leadership	To improve visibility and engagement	Consider hosting Meet Our IMs/Chair sessions	Committee Secretariat	Integrate with Audit Committee Effectiveness Action Plan 2020-21	b	Not Yet Due
28	Leadership	To improve visibility and engagement; strengthen the areas which are being championed	Assign and promote Champions roles of Independent Members	Committee Secretariat Independent Members	Integrate with Audit Committee Effectiveness Action Plan 2020-21	b	Not Yet Due
30	Leadership	To improve visibility and engagement; puts a face to the name for staff to raise concerns	Introduction of website profiles for Committee and Independent Members	Committee Secretariat	Integrate with Audit Committee Effectiveness Action Plan 2020-21	a	Not Yet Due
33	Leadership	To improve visibility and engagement; puts a face to the name for staff to raise concerns; understanding of geographical spread of services	Hosting of Committee meetings at different NWSSP venues	Committee Secretariat	Integrate with Audit Committee Effectiveness Action Plan 2020-21	b	Not Yet Due
34	Leadership	To address visibility, engagement, training and development	Develop a programme of events, awards ceremonies, staff engagement sessions, workshops and training available at NWSSP and extend invitation to Independent Members	Committee Secretariat	Integrate with Audit Committee Effectiveness Action Plan 2020-	c	Not Yet Due
35	Leadership	To address visibility, engagement, training and development	Develop Committee lunch and learn to brief staff and raise awareness of purpose, role and importance of the Committee	Committee Secretariat	Integrate with Audit Committee Effectiveness Action Plan 2020-21	c	Not Yet Due
36	Leadership	Reminder of functionalities available through application to support the Committee	Hosting of a joint NWSSP and Velindre Committee development session on e-Board Software refresher training	Committee Secretariat	Integrate with Audit Committee Effectiveness Action Plan 2020-21	c	Not Yet Due

NHS WALES SHARED SERVICES PARTNERSHIP

SUMMARY INTEGRATED MEDIUM TERM PLAN 2020-2023



GIG
CYMRU
NHS
WALES

Partneriaeth
Cydwasaethau
Shared Services
Partnership

NHS Wales Shared Services Partnership Integrated Medium Term Plan 2020-23

*Adding Value Through Partnership,
Innovation and Excellence*



If you require additional copies of this document, it can be downloaded in English from our website. If you require the document in an alternative format, we can provide a summary of this document in different languages, larger print or Braille.

A full version of our IMTP 2020-23 can be found on our [website](#).

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MESSAGE FROM THE CHAIR AND THE MANAGING DIRECTOR

We are pleased to introduce the NHS Wales Shared Services Partnership (NWSSP) Integrated Medium Term Plan for 2020 to 2023. We continue to provide a balanced financial plan whilst striving to build on our strong organisational performance to date.

NWSSP delivers a wide range of high quality professional, technical and administrative services to our customers and partners across NHS Wales. This plan sets out how we will continue to improve the quality of our existing services as we also develop the range of services we provide to NHS Wales.

Our IMTP has been developed in collaboration with our customers and partners and describes, who we are, what we do and how we are going to help shape the future of our services over the next three years and beyond.

2019-20 was a positive year for NWSSP. We continued to distribute cash savings back to our partners, and our dedicated staff and services have been recognised for service excellence through accreditation and by being nominated for, and winning, several prestigious awards.

NWSSP was the driving force behind a number of 'Once for Wales' solutions in 2019/20 to help respond to the challenges faced by NHS Wales. A few examples include:

- ▶ The acquisition and set-up of the warehouse facility at Imperial Park to meet the risks arising from a no-deal Brexit.
- ▶ The successful transfer of staff, and other direct support to ensure the establishment of Health Education and Improvement Wales.
- ▶ The continued growth of the Patient Medical Record System which facilitates storage of records freeing up space in GP surgeries for delivery of a wider range of services and treatments.

- ▶ The preparations for the introduction of the Medical Examiner Service and General Medical Practice Indemnity scheme.

Looking forward to 2020 and beyond, we will continue to evolve as an organisation and invest our resources where they will have the greatest longer-term benefit to our partners. It feels timely therefore to have refreshed our existing Mission and Vision statements to capture more succinctly what difference we feel NWSSP makes to the NHS in Wales now, and will make for the future: **'Adding Value through Partnership, Innovation and Excellence'**.

During 2020-21, we will:

- ▶ Deliver excellence through continuous improvement of our existing services.
- ▶ Implement innovative new service developments.
- ▶ Embed the Wellbeing of Future Generations Act objectives into divisional level plans.
- ▶ Strengthen our internal 'Plan, Measure, Report, Review' arrangements to improve our performance monitoring and measurement of outcomes.

We know that in leading the development of key new service areas such as Laundry services, NHS Collaborative Bank arrangements and, Lead Employer for trainee health professional staff, we cannot take our eye off those core services which our customers, staff, and suppliers are dependent on such as payroll, recruitment, accounts payable and legal services. We recognise the need, supported by our Committee to challenge ourselves to be great on the basics, continuing to enhance our already efficient and effective services.



MESSAGE FROM THE CHAIR AND THE MANAGING DIRECTOR

We are confident that we have struck the right balance, and that this plan will deliver innovation and excellence through the provision of high-quality services, whilst continuing to evolve as an organisation and take the lead on Once for Wales service developments, where it makes good business sense to do so; demonstrating value for money.

This 2020-2023 plan builds on what we set out in our IMTP for 2019-2020; embedding our longer-term goals into the core of our divisional plans whilst also playing our part in contributing to the priorities for the NHS in Wales, as set out in A Healthier Wales.

Whilst 2020-2023 will continue to provide challenges to NWSSP and our customers in the NHS in Wales, we are confident that our plan reflects the response and leadership needed to meet such challenges. We continue to learn from our past experiences and successes and to apply our unique insight of services across Wales to help implement change through adoption of good practice. We will play our part in improving the quality of care to patients across the NHS in Wales.



Margaret Foster,
Chair of the Shared Services
Partnership Committee



Neil Frow,
Managing Director
NHS Wales Shared Services Partnership

What is an IMTP?

Each year we identify the priorities and the actions we will be taking to improve and develop our services, and think about how we will continue to support NHS Wales. We describe these actions and priorities in a planning document, called the Integrated Medium Term Plan (IMTP).

We don't write our plan from scratch each year, but build on the previous year, updating it to reflect new priorities and responses to feedback from our customers, partners and staff.

Each year our IMTP is agreed and approved by our Senior Management Team and the Shared Services Partnership Committee which has representatives from each health board and trust. The IMTP is submitted to the Welsh Government at the end of January to be reviewed as part of the Minister for Health and Social Services' approval of plans for the whole of NHS Wales.



Executive Summary

NWSSP is an integral part of the NHS Wales family. As a hosted organisation it operates under the legal framework of Velindre NHS Trust. The Managing Director is accountable to health boards and trusts through the Shared Services Partnership Committee (SSPC), which is comprised of representatives from each of the NHS organisations that use our services and from Welsh Government.

The Shared Services Partnership Committee is a decision-making committee setting the Shared Services policy for NHS Wales. It performs a critical role in monitoring the performance and supporting the strategic development of NWSSP and its services.

We also have several sub-committees and advisory groups, which include members drawn from our partners, stakeholders and service users.

Partnership working and collaboration is essential to our journey in ensuring sustainable, successful delivery and development of services for the future of the NHS in Wales.

We interact and engage with our partners in a variety of ways, we develop trusted partnerships across NHS Wales so that we can support efficiency changes ensuring we champion a sustainable, data driven system.

We are committed to creating and developing a positive approach to customer service in which we strive to consistently exceed the expectations of our customers and to create an environment in which customer service is a core component of the management and delivery of services.

We value our staff and work closely with our trade union colleagues. Through our Local Partnership Forum, we jointly address the management of change to safeguard the quality of service and employment opportunities.

Overview Information



2,148
members of staff.



Professional influence
benefits of over
£100m



Operating from
24 buildings



Budget of over
£400m



95%
of all NHS Wales
expenditure is processed
through NWSSP systems
and processes.



We reinvest **savings**
for the benefit of NHS
Wales.

Our Services



Audit and Assurance Services



Accounts Payable Services



Counter Fraud Wales



Central E Business Team (Oracle)



Digital Workforce Solutions



Employment Services



Finance Academy (hosted)



Health Courier Service



Lead Employer for GP Specialist Registrar Trainees



Legal and Risk Services



Medical Examiner



Primary Care Services



Procurement Services



Specialist Estates Services



Surgical Materials Testing Laboratory



Salary Sacrifice



Welsh Risk Pool



Wales Infected Blood Support Scheme

Internal support services:



Finance and Corporate Services teams



Workforce and Organisational Development



Our 2020-23 IMTP continues to focus on how NWSSP can help innovate and deliver excellence through support to our customers and partners. It captures the key policies that apply to NHS Wales and aims to embed them throughout, including the principles of A Healthier Wales, the Wellbeing of Future Generations Act, Value-based Healthcare, the move towards cluster-led planning in primary care and the implementation of the Welsh language (Wales) Measure 2011.



Key priorities for the next three years

We have reviewed our strategic priorities and overarching goals and updated our key priorities for action over the next three years. Embedded within our divisional plans we have robust and realistic deliverables aligned to national priorities and the local IMTP priorities of our customers and partners.

The following five strategic priorities are our route map for 2020-23 and demonstrate how we are shaping our services for the future whilst building on the work undertaken in previous IMTPs:

1. Customers & Partners



Case Study:

Welsh Language Hub
(Progress the welsh language hub has made throughout 2019)



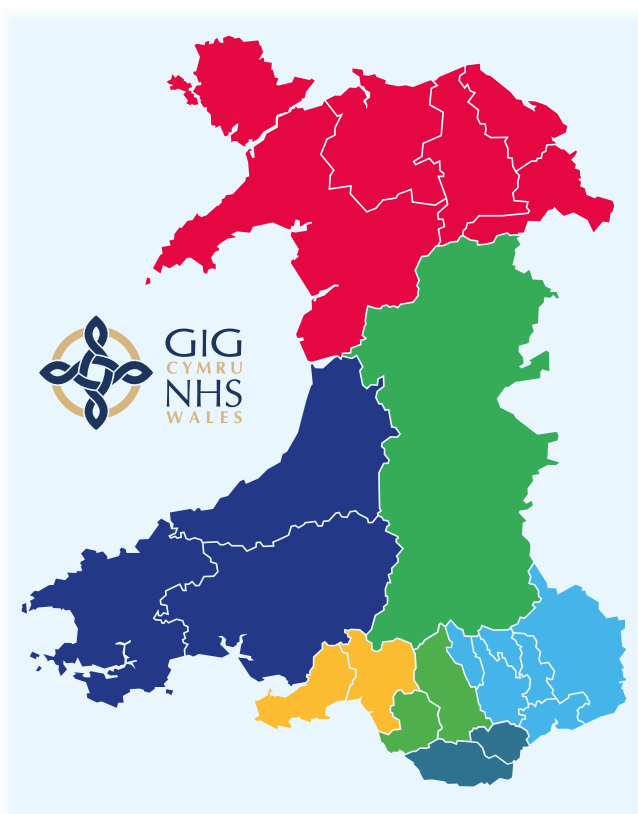
To enhance an open and transparent customer focused culture that supports the delivery of *high-quality* services.

Help to shape the future by supporting our customers and partners' significant service change whilst leading and facilitating NHS Wales's priorities including:

- ✓ Supporting sustainable delivery of primary care.
- ✓ Implementing 'Once for Wales' opportunities in Service Delivery.
- ✓ Enhancing system support and customer support.
- ✓ Sharing best practice – scaling up.
- ✓ NWSSP going from strength to strength.
- ✓ Supporting major capital and transformation programmes.

Further investment into the use of robotics and data analytics to turn our data into intelligence to support decision making for NHS Wales.

Further develop QlikView capability across all our divisions and develop KPI dashboard tools in our procurement services.



2. Excellence



Case Study: Legal and Risk Services Excellence



To develop an organisation that delivers excellence through a focus on continuous service improvement, automation and the use of technology.



Embed a service wide approach to our Continuous Improvement activities to coordinate the standardisation, modernisation and automation through the 'Once for Wales' principles and to use our All Wales performance data to identify opportunities for further improvement.

Work in partnership with Executive Director peer groups and national groups to drive excellence by supporting national organisations and projects including:

- ✓ Purchase to Pay
- ✓ All Wales Collaborative Nurse Bank
- ✓ Student Streamlining
- ✓ Reducing Nursing Agency spend
- ✓ Financial and Procurement systems
- ✓ Implementation of the 'Charter for International Health Partnership' in Wales programme/recognition.

Continue our investment in technology driving efficiency and quality improvements including:

- ✓ Embracing sustainability – reducing our carbon footprint and putting the environment at the forefront of decision making
- ✓ Digital Workforce solutions
- ✓ Intelligent document scanning
- ✓ Patient Medical Records (PMR)
- ✓ Robotic Process Automation

Awards and recognition are an important part of our excellence, as they help to encourage and motivate staff, as well as aid reputation and assurance, whilst reiterating our commitment to be a world-class centre of excellence. They also formally demonstrate the value of the services we provide and drive the quality of our services, encouraging a culture of continuous improvement and quality assurance.





3. Our Staff

Case Study:
Accounts Payable agile working



To have an appropriately skilled, productive, engaged and healthy workforce resourced to meet service needs.



Our staff need an agile working environment which allows freedom and flexibility and removes constraints and increases quality and performance. We will continue to align our estate, ICT provision and HR policies to enable agile working across the organisation, to support our divisions in delivering to our customers and partners.

We will make certain that we have the right people with the right skills in place at the right time, then invest in our staff to ensure they have the right skills and knowledge in our changing environment. This will help us expand on retention and succession planning and will ensure that we meet our customers' needs.

We will help our staff to adapt to the increasing use of new digital technologies as part of our transformational journey. This includes the rollout and implementation of Microsoft Office 365 in 2020.

We will be an employer of choice, ensuring our staff are happy in the workplace by

- ✓ Developing leadership, innovation and people skills; harnessing creativity and ideas.
- ✓ Continuing to develop and enhance the emotional well-being support programme.
- ✓ Continuing to implement corporate and divisional action plans based on the latest national staff survey outcomes.
- ✓ Continuing to implement corporate and divisional action plans based on the latest national staff survey outcomes.
- ✓ Ensuring staff are supported through engagement working with our Local Partnership Forum.
- ✓ Investing in staff development and training, promoting talent management and identification of succession planning pathways.

Further support NWSSP staff as a whole, enhancing the quality of their employment experience.





4. Service Development

Case Study:

Development and implementation of Welsh Language TRAC (Recruitment facing application form)



To develop and extend the range of high-quality services provided to NHS Wales and the wider public sector.



Identify opportunities for further collaboration across the wider public sector in Wales and engage with present customers to identify new service areas.

Share best practice and innovation through our structures such as the All Wales Risk Pool and Counter Fraud Services enhancing resilience across health boards and trusts in Wales

Develop our services under six themes:

1. Supporting the delivery of sustainable Primary Care,
2. Enhancing service support and customer support,
3. Once for Wales opportunities for service delivery,
4. Sharing best practice and informing decisions,
5. NWSSP going from strength to strength, and
6. Supporting major capital and transformation projects.

Act as an enabler for NHS Wales and support the implementation of A Healthier Wales and the Well-being of Future Generations Act.





5. Value for Money

Case Study:

Scheme for General Medical Practice Indemnity (GMPI)



To develop a highly efficient and effective shared services organisation, which delivers real term savings and service quality benefits to its customers.



We deliver annual professional influence benefits to Health Boards and Trusts and distribute direct savings to NHS Wales's bodies.

Generation of £2 million in savings during 2019-20, which were invested back into health boards and trusts.

Further secure sustainable capital funding for technology, systems and infrastructure.

Through a greater focus on working with partners and on a 'Once for Wales' basis, identify further synergies in our transactional services to achieve economies of scale, remove duplication and thereby reduce operating costs.

Improve the quality and efficiency of our services to stakeholders through focused investment in:

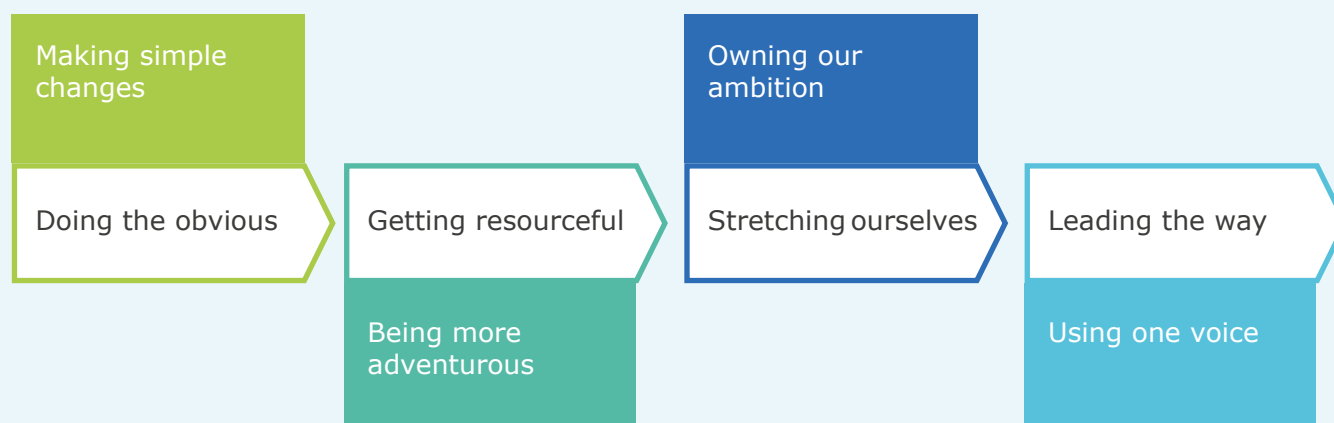
- ✓ Our corporate approach to continuous improvement.
- ✓ IT technologies e.g. robotic process automation.
- ✓ IT infrastructure e.g. cyber security.
- ✓ Reviewing our customer support systems i.e. helpdesks.
- ✓ Implementation of Microsoft 365.
- ✓ Our Value Based Procurement capacity.
- ✓ ESR solution to support NHS Wales succession planning and talent management strategy.
- ✓ Continued leadership through digital workforce solutions delivering efficiency on a 'Once for Wales' basis.



Key cross cutting themes

We have begun to adapt and incorporate the Future Generations Commissioner's 'Journey checker' approach into our planning arrangements. To capture the simple changes we want to improve existing services as well as create new service developments where we will lead the way.

Journey checker – 'where are we now?'



Our approach will incorporate:

- **Making simple changes** – this year's plan is not a rewrite; we are building on solid foundations.
- **Leading the way** – we will bring the achievement of our goals to life using case studies.
- **Being more adventurous** – we have reviewed and refreshed our Key Performance Indicators (KPIs) and our divisional objectives to ensure they are SMART.
- **Owning our ambition** – we will drive forward and lead a number of critical 'Once for Wales' initiatives and schemes.
- **Using One Voice** – we will make every contact count through customer feedback and consistent performance reporting across NWSSP to our staff, customers and partners.

By focussing on the policy landscape and what our customers and partners need, we established six key themes in 2019-20 that we will deliver over the lifecycle of our plan:

1. Supporting the delivery of sustainable Primary Care
2. Enhancing service support and customer support
3. Once for Wales opportunities for service delivery
4. Sharing best practice and informing decisions
5. NWSSP going from strength to strength
6. Supporting major capital and transformation projects

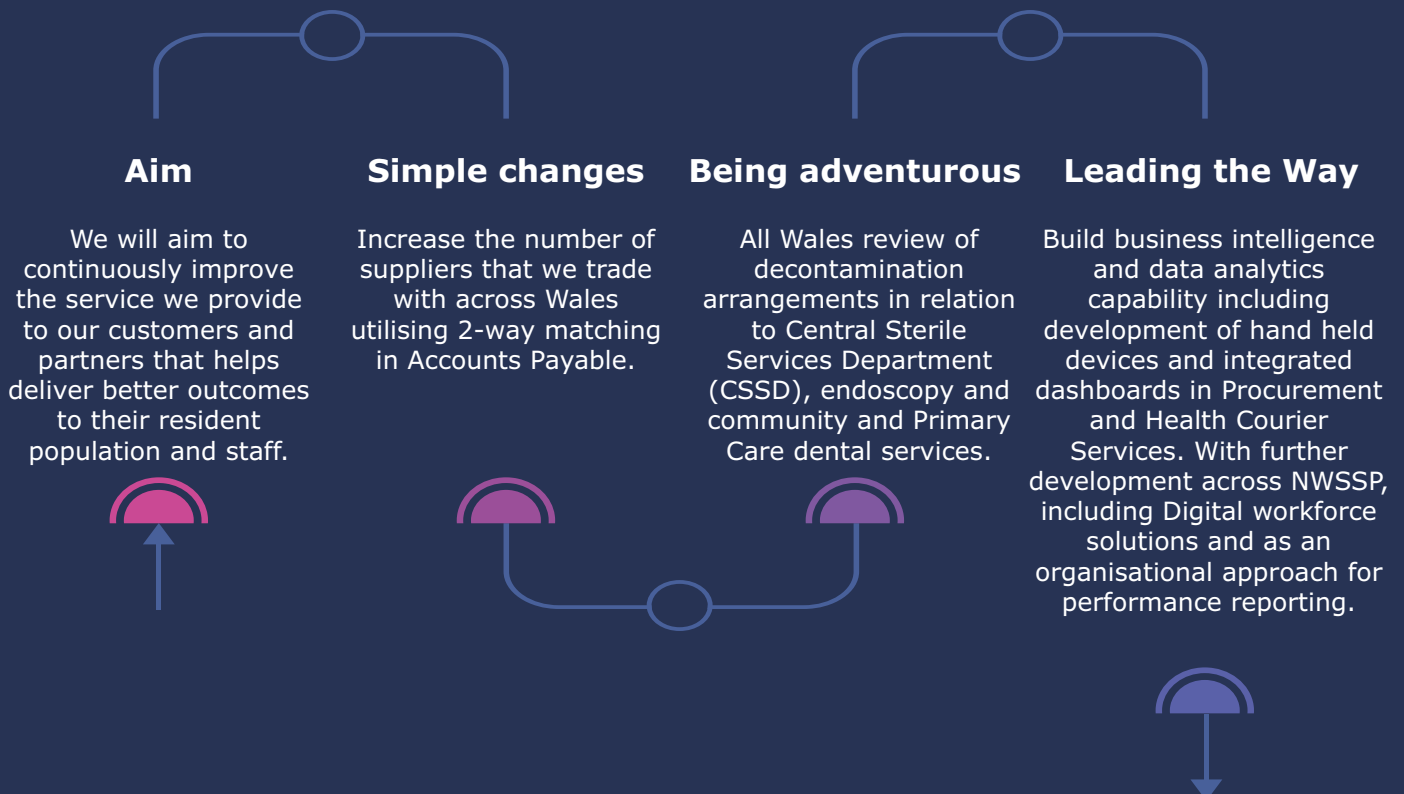
Key Theme

1. Supporting the delivery of sustainable Primary Care



Key Theme

2. Enhancing service and customer support



Key Theme

3. Once for Wales opportunities for service delivery

Aim

We will continue to explore opportunities for NHS Wales to achieve economies of scale, standardisation where appropriate and provide more cost-effective processes and high-quality services.

Simple changes

Study clinical waste capacity in the current market in order to establish options for satisfying the demands of NHS Wales in this regard including possible investment in an in-house incinerator facility.

Being adventurous

Create a new Medical Examiner Service for Wales for improved patient safety and death certification accuracy.

Leading the Way

We are supporting an All Wales project to scope possible reconfiguration of Pharmacy Technical Services (Transforming Access to Medicines - TRAMS).

Key Theme

4. Sharing best practice and informing decisions

Aim

We will continue to understand our customer's and partner's needs and to share best practice and opportunities for improvement with them.

Simple changes

Deliver All Wales Collaborative Bank pilot with view to wider adoption across Wales to allow cross-boundary working of Bank workers with the aim of delivering weekly pay and obtaining greater clarity on working time directives and contracted hours to improve patient care and safety.

Being adventurous

Improved use of All Wales ESR Self Service functionality which meet the evolving needs of NHS Wales in line with changes to legislation. This includes: use of e-forms to support hire, termination and exit questionnaires, appraisal & pay progression and talent management, empowerment of service users and managers; better reporting; efficient and standardised processes.

Leading the Way

Improve Counter Fraud Services Wales financial investigation resource. Share good practice with All Wales Local Counter Fraud Services to raise standards of investigation and increase sanctions across NHS Wales.



Key Theme

5. NWSSP going from strength to strength

Aim

We will continue to ensure that we are supporting our own staff, customers, and partners in the most effective and efficient way.

Simple changes

Achieve ISO27000 Information Security Accreditation.

Being adventurous

Counter Fraud service
Introduce the new CMS system (Clue 3) across NHS Wales, for improved case reporting and recording of sanctions.

Leading the Way

Explore the use of robotics and informatics to develop an NWSSP data warehouse and subsequent Qlikview Reporting dashboard.



Key Theme

6. Support major capital and transformation projects

Aim

We will continue to support major capital projects by providing professional and technical advice to support NHS Wales.

Simple changes

Health Courier Services will develop an agreed national and local, financial and non-financial savings & reporting strategy Enabling further savings and improvement opportunities.

Being adventurous

Develop national warehousing & distribution model for NHS Wales (IP5) to maximise cost and process efficiencies to NWSSP and NHS Wales.

Leading the Way

Implement an All Wales Laundry Service to provide an efficient, compliant and equitable Service for NHS Wales.



Sustainability

We are highly committed to developing and implementing a 'Once for Wales' approach, where appropriate. It is vital that we embed the Well-being of Future Generations Act 2015 sustainable development Principle and in highlighting best practice of the integrated reporting requirement of the Act, we have mapped our highlights and key environmental achievements under the five Ways of Working.

These require us to think about the long term, integrate with the wider public sector, involve our partners and work in collaboration, in order to prevent problems and take a more joined up approach to service delivery.

Integrate

- Develop a wider public sector engagement model within Digital Workforce Solutions.
- Support the training to practice managers within GP practices.
- Develop a collaborative procurement strategy in partnership.
- Support procurement effectiveness and robustness through the selection of safe, efficient and effective medical devices for NHS Wales staff.

Longterm

- Focus on sharing best practice and common risks/challenges.
- Add value through safe, quick and efficient recruitment services within primary care sector.
- Take holistic approach to development of succession planning across NWSSP, continuing the use of apprenticeship schemes.
- Develop an engineering graduate scheme in order to support Network 75 students through master's degree, increasing qualified engineering skill set in NHS Wales.
- Review and simplify footprint of Financial Management Systems ensuring easier transition and being 'cloud ready' for the future.



Collaborate



- Work in collaboration to increase the number of GP trainees through lead employer model and GP returners.
- Recruit and employ pre-registration pharmacists, dental foundation trainees and core & specialist medical trainees for all Health board and trusts in NHS Wales.
- Roll out audit recommendation tracking system to facilitate standardised methodology.

Involvement



- Engage frequently with our partners to ensure 'Once for Wales' approach intended for future projects.
- Provide workforce and finance support to establish the new NHS Executive and the reform of NWIS to become a Special Health Authority.
- Build opportunities for expansion of audit services with NHS Executive and NWIS.

Prevention



- Our Surgical Medical Testing Laboratory Provide testing to Hosiery CEN/TR 15831M.
- Achieve ISO27000 Information security accreditation within CTeS Services.
- Ensure robust succession planning across the organisation.
- Develop a national procurement warehouse and distribution model.
- Utilise Qlik reporting dashboard to ensure accuracy and timely access for reporting through development of NWSSP data warehouse within digital workforce solutions.



Financial performance

Since NWSSP was established, we have achieved all our financial targets and operated within our allocated budget. We have made direct savings of more than £22M. These savings have been used to reinvest in our Once for Wales services, which has allowed us to absorb cost pressures for delivering more services and distribute £18M to health organisations and Welsh Government (£2M in 2019-20).

The financial benefits to be gained by health organisations from professional influence measures are significantly greater than those outlined above. Working with organisations, the professional influence and advice from our services has helped generate significant savings and cost avoidance for NHS Wales. Indicative financial benefits within health bodies over the first eight years is approaching in excess of £900m. For the first 9 months of 2019/20 benefits are estimated at £110m, as summarised below:

- Specialist Estate Services – Lease management £1.4m
- Legal and Risk Services - £68m
- Procurement - £30m (£19m attributed to the Pharmacy Appliances & Dressings Sourcing Team)
- Building for Wales £11m

Organisational performance

In June 2019 we implemented a corporate performance management strategy. We have worked with the divisions to review and update our Key Performance Indicators (KPIs) and have restructured our internal quarterly review process to more closely align with IMTP objectives. It is acknowledged that divisional performance is critical but we have worked to align divisional KPI into Key Focus Areas to enable a balanced and integrated view across the organisation. Our Key Focus Areas (KFAs) are aligned to our five Strategic Objectives: Value for money, Customers, Excellence, Staff Wellbeing and Service Improvement.

Individual performance reports are shared with health bodies on a quarterly basis, detailing performance data in respect of a number of services we provide. A standard set of reports has been developed for each organisation, providing data on all our services following feedback from customers and partners on the initial reports.

These performance reports are a key part of our performance discussions with the SSPC, and a crucial part of our internal operational review of each service. These reviews are being strengthened by building in a systematic review of the key priorities in each Service Delivery Plan. Our KPIs can be found in the full version of the IMTP 2020-23.



NWSSP Strategy Map

Adding Value Through Partnership, Innovation & Excellence

Our Values

Listening & Learning

To constantly improve the quality, effectiveness and efficiency of all we do

Innovating

To encourage continuous improvement

Taking Responsibility

For decisions and making things happen

Working Together

With colleagues customers and supplier

Our Strategic Objectives

Value for money



- ✓ Highly efficient and effective organisation.
- ✓ Deliver real term savings and service quality benefits to its customers.

Customers and Partners



- ✓ Open and transparent customer-focused culture.
- ✓ That supports the delivery of high quality services.

Staff



- ✓ Appropriately skilled, productive, engaged and healthy workforce.

Excellence



- ✓ An organisation that delivers process excellence.
- ✓ Focus on continuous service improvement, automation and the use of technology.

Service development



- ✓ Extend the range of high quality services provided to NHS Wales and Welsh public sector.

Our Overarching Goals



We will promote a **consistency of service** across Wales by engagement with our partners whilst respecting local needs and requirements.



We will **extend the scope of our services, embracing sustainability**, within NHS Wales and into the wider public sector to drive value for money, consistency of approach and innovation that will benefit the people of Wales.



We will continue to add value by **standardising, innovating and modernising** our service delivery models to achieve the well-being goals and the benefits of prudent healthcare.



We will be an **employer of choice** for today and future generations by attracting, training and retaining a highly skilled and resilient workforce who are developed to meet their maximum potential.



We will maintain a **balanced financial plan** whilst we deliver continued efficiencies, direct and indirect savings and reinvestment of the Welsh pound back into the economy.



We will provide **excellent customer service** ensuring that our services maximise efficiency, effectiveness and value for money, through system leadership and a 'Once for Wales' approach.



We will **work in partnership** to deliver world-class service that will help NHS Wales tackle key issues, lead to a healthier Wales and supports sustainable Primary Care.

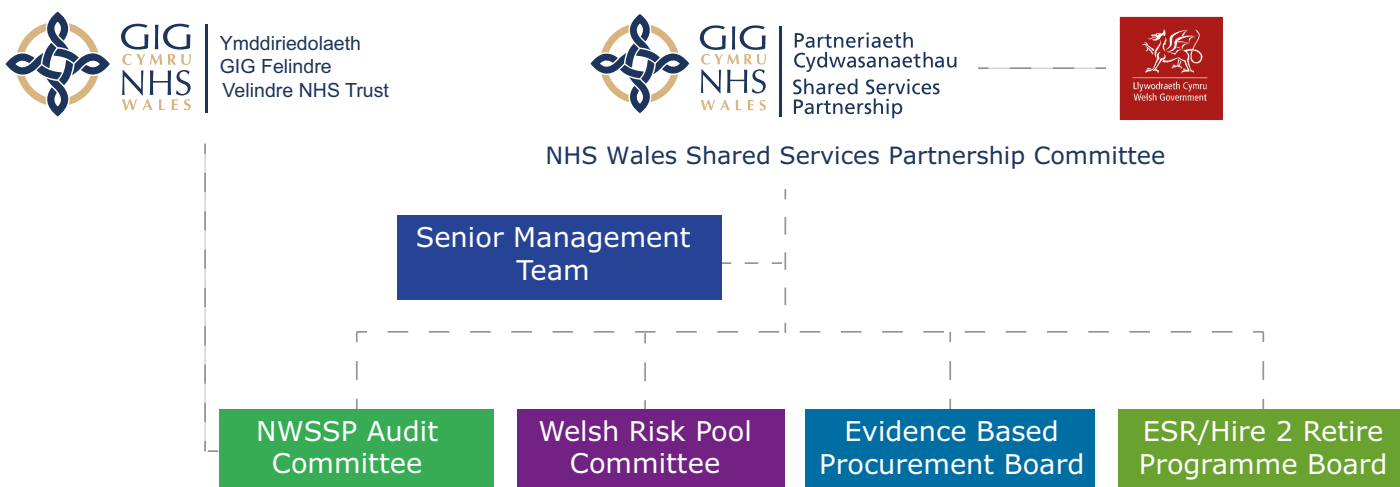


We will support NHS Wales **meet their challenges** by being a catalyst for learning lessons and sharing good practice. Identifying further opportunities to deliver high quality services.



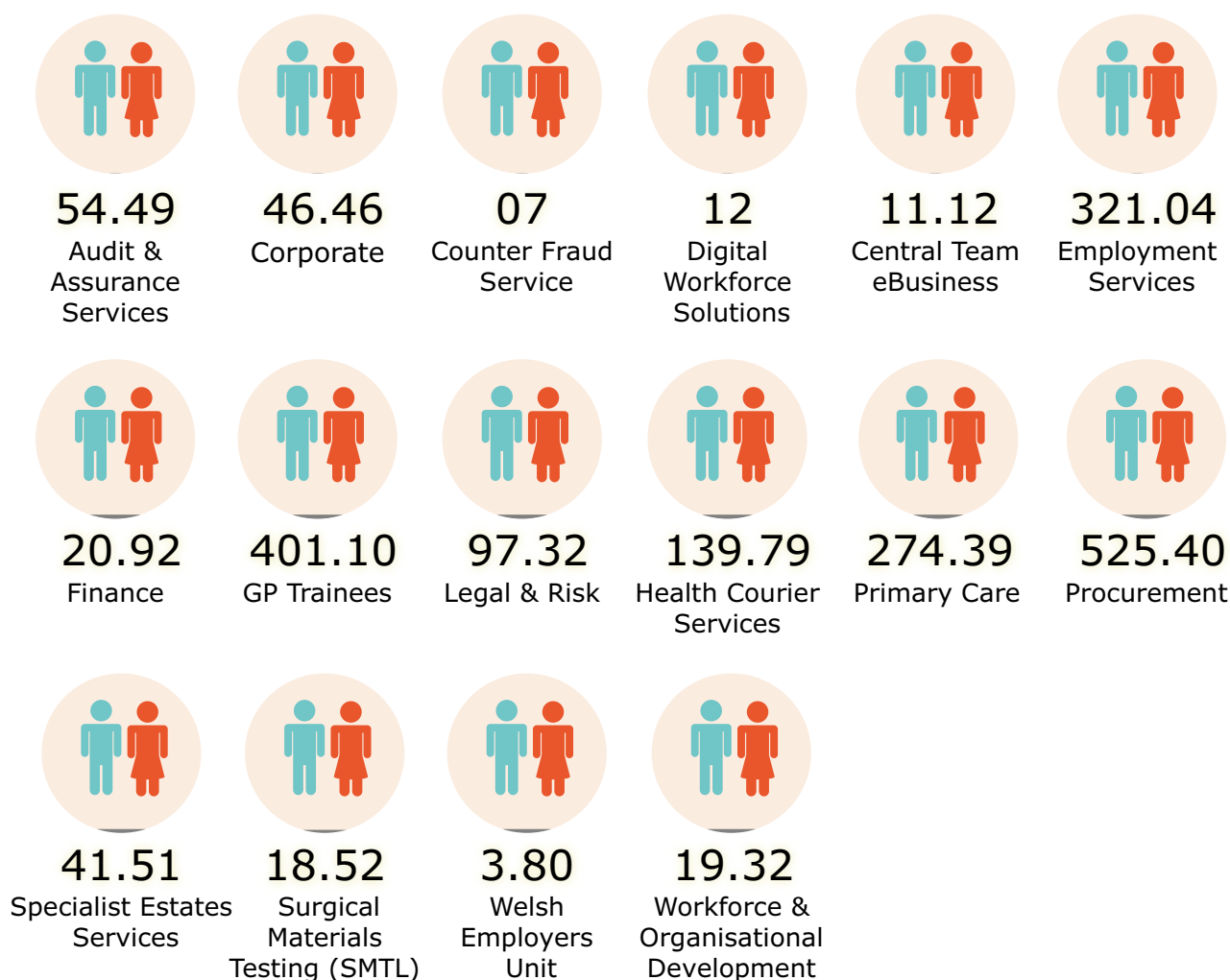
Our structure

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

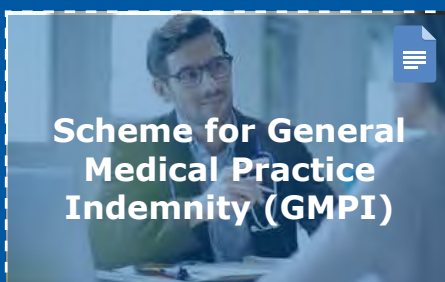


Our workforce and budgets – an overview

NWSSP Staff in Post at 31st March 2019



Our Achievements in 2019/20 – Case Studies





GIG
CYMRU
NHS
WALES

Partneriaeth
Cydwasaethau
Shared Services
Partnership



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