Bundle Velindre NHS Trust Audit Committee for NHS Wales Shared Services Partnership 24 July 2018

0	PRESENTATIONS - 1.30PM - 2.00PM
0.1	Presentation on ESR Hire2Retire Progress - Helen Thomas
1	PART A - STANDARD BUSINESS - Commencing at 2.00pm
1.1	Welcome & Opening Remarks - Chair
1.2	Apologies - Chair *At present, apologies received from:* *-Simon Cookson, Director of Audit and Assurance for NWSSP*
1.3	Declarations of Interest - Chair
1.4	Minutes of Meeting Held on 5 June 2018 - - Chair 1.4 DRAFT Audit Cttee Minutes 05.06.18 Part A.docx
1.5	Matters Arising - Chair 1.5 Matters Arising.doc
2	EXTERNAL AUDIT
2.1	WAO Nationally Hosted NHS IT Systems 2017-18 Report - Andrew Strong 685A2018-19_VNHST_SSP_Nationally_Hosted_NHS_IT_Systems_Assurance_FINAL.pdf
2.2	WAO NWSSP Management Letter 2017-18 - Gillian Gillett 646A2018-19_NWSSP_Management_Letter_2017_18_Final.pdf
3	INTERNAL AUDIT
3.1	Internal Audit Position Statement - James Quance NWSSP Internal Audit Progress Report July 2018 160718 Final.pdf
3.2	Quality Assurance and Improvement Programme - James Quance 3.2 Quality Assurance and Improvement Programme.docx
4	COUNTER FRAUD
4.1	Counter Fraud Progress Update - Craig Greenstock 4.1 Counter Fraud Progress Update.doc 4.1 Appendix 1 Counter Fraud Progress Update.doc
4.2	Counter Fraud Self Review Tool Submission - Craig Greenstock 4.2 Counter Fraud Self Review Tool.pdf
4.3	Counter Fraud Annual Report for NWSSP - Craig Greenstock 4.3 Counter Fraud Annual Report NWSSP 2017-18.doc
5	ASSURANCE, RISK & GOVERNANCE
5.1	Governance Matters - Andy Butler 5.1 Governance Matters.doc
5.2	Tracking of Audit Recommendations - Peter Stephenson 5.2 Tracking of Audit Recommendations.doc 5.2 Appendix A - Summary of Latest Audit Reports.pdf
5.3	Audit Committee Annual Report 2017-18 - Roxann Davies 5.3 Audit Committee Annual Report 2017-18.doc 5.3 Appendix 1 Audit Committee Annual Report 2017-18.docx
5.4	Annual Review of Audit Committee Terms of Reference - Roxann Davies 5.4 Review of Terms of Reference.doc 5.4 Appendix 1 Review of Terms of Reference - Comparison.docx
5.5	Health and Care Standards Self Assessment 2017-18 - Roxann Davies 5.5 Health and Care Standards Self-Assessment 2017-18.doc
7	ITEMS FOR INFORMATION

7.1 Annual Review for NWSSP 2017-18

7.1 Annual Review 2017-18.doc

7.1 Appendix 1 NWSSP Annual Review 2017-18.pdf

7.2 Annual Governance Statement 2017-18

7.2 Annual Governance Statement 2017-18.doc

7.2 Appendix 1 Annual Governance Statement 2017-2018.pdf

7.3 Forward Plan

7.3 Audit Committee Forward Plan.docx

8 ANY OTHER BUSINESS (Prior Approval Only)

DATE OF NEXT MEETING: Tuesday, 23 October 2018 at 1.30pm; Boardroom at NWSSP HQ, Charnwood Court, Nantgarw

GIG CYMRU NHS WALES | Partneriaeth Cydwasanaethau Shared Services Partnership

GIG CYMRU NHS WALES | Ymddiriedolaeth GIG Felindre Velindre NHS Trust

VELINDRE NHS TRUST AUDIT COMMITTEE FOR NHS WALES SHARED SERVICES PARTNERSHIP

MINUTES OF MEETING HELD TUESDAY 5 JUNE 2018
13:30 – 16:00
BOARDROOM, NWSSP HQ, NANTGARW
PART A

ATTENDANCE	**DESIGNATION**	
INDEPENDENT MEMBERS:		
Martin Veale (MV)	Chair & Independent Member	
Jane Hopkinson (JH)	Independent Member	
Ray Singh (RS)	Independent Member	
ATTENDANCE	**DESIGNATION**	**ORGANISATION**
ATTENDEES:		
Margaret Foster (MF)	Chair	NWSSP
Neil Frow (NF)	Managing Director	NWSSP
Andy Butler (AB)	Director of Finance & Corporate Services	NWSSP
Peter Stephenson (PS)	Head of Finance & Business Development	NWSSP
Simon Cookson (SC)	Director of Audit & Assurance	NWSSP
Sophie Corbett (SC1)	Audit Manager	NWSSP
James Quance (JQ)	Head of Internal Audit	NWSSP
Roxann Davies (RD)	Compliance Officer	NWSSP
Maria Newbold (MN)	PA	NWSSP
Sarah Jones (SJ)	Local Counter Fraud Representative	Cardiff & Vale UHB
Gillian Gillett (GG)	Audit Representative	Wales Audit Office

Item		**Action**
PRESENTATIONS		
0.1	**Results of the Audit Committee Effectiveness Survey (Presentation)** RD delivered an informative presentation of the results of the Audit Committee Effectiveness Survey, undertaken annually to obtain feedback from Committee members on potential areas for development. The statements used in the survey were devised in accordance with the guidance outlined within the NHS Audit Committee Handbook and aligned with the statements used by Velindre NHS Trust for its Effectiveness Survey. The survey received a response rate of 80% (8 responses received) and identified the following:	

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	• 100% of respondents felt that the Committee had been provided with sufficient authority and resource to perform its role effectively; • 100% of respondents also 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 agreed that the behaviour of members and attendees was courteous and professional; and • All 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. Areas for further consideration included the use of the Welsh Language in meetings, and in promoting greater use of technology for Committee papers. RD agreed to circulate her presentation to the Committee, following the meeting.	**RD**
STANDARD BUSINESS		
1.1	**Welcome and Opening Remarks** The Chair welcomed all attendees to the June Audit Committee meeting.	
1.2	**Apologies** Apologies of absence were received from: • Steve Ham, Chief Executive - Velindre NHS Trust • Mark Osland, Executive Director of Finance & Corporate Services – Velindre NHS Trust • Craig Greenstock, Local Counter Fraud Specialist – Cardiff and Vale UHB	
1.3	**Declarations of Interest** MF advised that she was appointed as a member of the Strategy Board at ACT and the Chair advised that he was appointed to the Sports Wales Board. Both agreed to submit a revised Declaration of Interest Form to RD.	**MF/Chair**

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1.4	**Unconfirmed Minutes from meeting held on 24 April 2018** The minutes of the meeting held on 24 April 2018 were **AGREED** as a true and accurate record of the meeting, subject to a minor amendment on page 7, which RD noted and agreed to action.	**RD**
1.5	**Matters Arising from meeting held on 24 April 2018** The Chair highlighted that all matters arising had either been completed or listed as an agenda item for discussion.	
ASSURANCE, RISK & GOVERNANCE		
2.1	**Governance Matters** AB presented the report to the Committee and highlighted the following points: • 1 contract has been undertaken within NWSSP; • 19 contracts have been submitted for All Wales Procurement Activity; • 3 declarations of hospitality were received; • 11 declarations of sponsorship were received to cover event costs for the Decontamination Conference hosted by Specialist Estates Services. • NWSSP has submitted a nil return for limited assurance audit reports to Welsh Government. AB confirmed that, going forward, Appendix B relating to All Wales Procurement activity would contain a short description of each contract over £10 million.	**AB**
2.2	**Tracking of Audit Recommendations** PS introduced the report and noted that a positive development since the last Committee meeting included substantial assurance being achieved against the Internal Audit Review of the Audit Tracker, which was a separate agenda item. PS provided an update on the current position as to audit recommendations: • All Internal Audit reports to date had received reasonable or substantial assurance; • There were no overdue audit recommendations; and • Three recommendations with revised deadlines had been submitted for approval.	

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	In relation to revised deadlines proposed, the Committee resolved to approve these, on the basis that: • Procurement Services recommendation was completed, however, in order to mitigate a possible risk that was identified, the opportunity to speak with Internal Audit was been requested; and • Two Employment Services recommendations relating to ESR were dependent upon Health Boards to implement, NWSSP had implemented their actions and a meeting was scheduled to finalise outstanding issues. It was agreed that if a recommendation was dependent or partly dependent upon third parties to implement, it should be reported to the appropriate Head of Internal Audit who will then escalate to the relevant Audit Committees via their Internal Audit progress reports. JH enquired as to "not applicable assurance" status in the report. PS advised that this related to advisory reviews undertaken by Internal Audit, where no formal audit opinion was provided. The Chair confirmed that this report demonstrated that management were taking recommendations seriously.	
2.3	**Review of NWSSP Risk Management Protocol** PS introduced the report and stated that the Risk Management Protocol was a sub-set to the Velindre NHS Trust Risk Management Policy. It has been updated following the recent Internal Audit review into Risk Management and reflects developments made. There was also a change to the criteria that would be used to evaluate the likelihood of issues arising and therefore we are utilising Velindre's scoring matrix, which is more appropriate when looking at different types of risk. The Policy has been formally approved by the Senior Management Team and pending Committee approval would be published on the internet and a programme sent to all directorates, to make them aware of the changes as part of the process. The Chair endorsed the alignment with the standard of language changes and suggested an amendment to reflect the Velindre Trust Board, which PS agreed to action. NF congratulated PS on the positive work completed and the Chair agreed that the exercise was very worthwhile. JH noted	**PS**

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	that it was that it is pleasing to see that risk is everybody's responsibility throughout the organisation. The Chair highlighted that development of a Risk Appetite Statement should be considered and brought back to a future Committee meeting.	**PS**
2.4	**Annual Governance Statement** PS presented the Annual Governance Statement for approval, subject to minor amendments. The updated version presented to the Committee included: • General Data Protection Regulation readiness; • Figures for Partnership Committee attendance; • Head of Internal Audit Opinion; • Complaints; • Freedom of Information; • Data Security Breaches; PS noted that the Audit Committee Effectiveness Survey results and the carbon footprint performance figures were in the process of being finalised and would be included in the Statement. RD confirmed that performance figures would also be included in the respective Annual Reports, published on the website and communicated to staff. The Committee **APPROVED** the Statement, subject to carbon footprint and survey results being included.	**PS/RD**
INTERNAL AUDIT		
3.1	**Head of Internal Audit Annual Report and Opinion 2017-18** JQ advised that the Opinion had resulted in reasonable assurance and confirmed that no limited assurance reports had been issued. JQ noted that while there were a significant number of substantial assurance opinions given in the year, the large reviews of areas such as Payroll and Accounts Payable had resulted in reasonable ratings, hence the overall rating which was comparable to last year. JQ thanked all those who had been involved in the audit programme for their efforts. Next year, JQ noted that Internal Audit are aiming to issue their annual report earlier in the business cycle. It was noted that	

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	the co-operation and action of management to respond was essential and had implications for health bodies. The process of sharing of information to health bodies was discussed and SC advised that reports were provided to the Heads of Internal Audit, who in turn send them to the health bodies. Further, it was noted that these are also included within the respective bodies' Opinion.	
3.2	**Internal Audit Review of Audit Tracker** SC1 presented the Internal Audit Review of the Audit Tracker. The report achieved Substantial Assurance with two medium priority recommendations, both of which had been implemented immediately, following issue of the report. The scope of the audit covered the recording, monitoring and implementation of recommendations, to include the accuracy of information reported to the Committee.	
3.3	**Corporate Governance Internal Audit Report** SC1 presented the Internal Audit Report on Corporate Governance, to include a follow-up of Risk Management recommendations raised in 2016/17. The report achieved Substantial Assurance with two low priority recommendations identified, relating to housekeeping of directorate Risk Registers. The Chair enquired into consistency of approach across the organisation and PS confirmed that progress had been made at directorate level, through utilisation of the revised approach and the assurance mapping exercise. Further, AB noted that he, NF and Director of Workforce & OD undertaken quarterly reviews where any Risk Register anomalies are highlighted.	
3.4	**Payroll Services Internal Audit Report** SC1 presented the Internal Audit Report on Payroll Services. The report achieved Reasonable Assurance with six medium priority recommendations identified. SC1 highlighted that a sample of 460 records were tested and five could not be located; two out of the five were later found. The Chair enquired as to whether it was deemed that there was a poor filing system, or if the system had been circumvented. SC1 noted that it is a case of trying to locate the documentation as many health bodies still used paper records. A scanning system was in the process of being implemented and work was	

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	ongoing at present to improve electronic records filing within NWSSP. NF stated that following the Swansea office relocation from Oldway Centre to Matrix House, 48 cabinets were transported with live records, as the scanning exercise could not be concluded before the move. SC1 advised that progress had been made in this area, however, it was not completely within NWSSP's gift to implement each recommendation identified. The Chair requested that an invitation be extended to Helen Thomas, ESR Programme Manager, to update the Committee on the Hire2Retire project progress in July.	**RD**
3.5	**Surgical Materials Testing Laboratory (SMTL) Internal Audit Report** SC1 presented the Internal Audit Review of SMTL. The report achieved Reasonable Assurance with one medium and two low priority recommendations identified. The Committee noted that SMTL was a new service for NWSSP which had transferred from Abertawe Bro Morgannwg University Health Board and was situated in its own building within the grounds of the Princess of Wales Hospital. AB confirmed that NWSSP had requested this review to obtain early and independent assurance of the effectiveness of the SMTL processes and controls.	
3.6	**Performance Management Internal Audit Report** SC1 presented the Internal Audit Review of Performance Management. The report achieved Reasonable Assurance with one high and two medium priority recommendations identified. The scope of the audit considered the systems and controls currently in place. The high priority recommendation related to the need to develop and refine Key Performance Indicators in order to ensure there was a link between strategic plans, divisional performance, and the content of the service delivery plans. The Chair enquired as to whether KPIs are managed through the Partnership Committee and it was noted that the KPIs were one aspect of the report. AB confirmed that the responsibility for performance reporting was being reassigned and that NWSSP	

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	were working with CEB Gartner on performance management arrangements, with a session arranged with the SMT. The Chair highlighted that it was a helpful report as it reinforces what we were already doing and that it offers helpful guidance for KPI developments. It was noted that in terms of the quality of KPIs submitted to SMT and Partnership Committee, there was no concern with the data quality. Some areas were detailed and comprehensive; however, others were less developed and consistency was required across all of the services. The Chair stated that it was important that indicators be reasonable and properly reflect the breadth of the organisation. JH enquired as to whether there was a tension between KPIs and the Integrated Medium Term Plan (IMTP) and AB advised the IMTP offered detailed documents for each service and included a KPI section. AB noted that although these were very important to the specific service area, they do not reflect organisational KPIs, as a whole. There is also a need to ensure that KPIs present a challenging and qualitative assessment of each service.	
3.7	**Internal Audit Operational Plan 2018-19** JQ introduced the Internal Operational Plan for 2018-19 and stated that that was based on discussion with relevant staff, review of corporate documents including the risk register, the results of prior year work, and any new legislation in order to shape the draft Plan, which was to be discussed with the SMT and Committee Chair. JQ advised that the Plan would be subject to constant review and was likely to change as the organisation responded to risk. The Committee **APPROVED** the Plan.	
EXTERNAL AUDIT		
4.1	**Wales Audit Office Position Statement** GG advised that the WAO had completed their assurance work to support local audit teams and the draft report was to be issued internally to colleagues and that the outcome would be presented at the July meeting. The Chair enquired as to how the communication process worked ahead of the management letter being issued and GG confirmed	

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	that conversations would be held with colleagues ahead of the letter being issued.	
COUNTER FRAUD		
5.1	**Counter Fraud Draft Work Plan** AB advised that he had met with CG and PS to discuss the draft Plan and it was recognised that in considering our approach to the risk of fraud, we must also take into consideration the National Fraud Initiative, Internal Audit and External Audit. At present, 75 days had been allocated to NWSSP and there was a keenness for staff awareness sessions and proactive work to be undertaken. The SMT had also discussed policies and procedures that they would like to Counter Fraud to review. There is inevitably a high number of investigations relating to Student Awards Services. JH enquired as to whether many comments were left on the Counter Fraud website, given the number of hits it had received. It was advised that the website was for advice and guidance on Counter Fraud issues and that there was a telephone number used for referrals passed onto the Local Counter Fraud Department. At present, there were no statistics to show the value of the service, however, this would be included going forward.	**CG**
New Reports		
6.1	**No Purchase Order, No Pay Policy** AB advised that the All Wales Purchase to Pay (P2P) Group was set up around 2-3 years ago in order to compare services throughout NHS Wales with perceived World Class organisations. The No PO, No Pay Policy process had been implemented previously, but had not been successful. There would be an advantage in trying this again as it would help financial monitoring, budgetary control, costs were lower per invoice and if there was a PO present would stop queries. There would be savings, earlier payment discounts and if this was implemented across Wales, there would be consistency in the process. Directors of Finance and SMT had already given their agreement and it sends a good message to sign up suppliers onto the system. The Chair endorsed the Policy and AB advised that a pilot scheme was currently running, with 4000+ suppliers contacted. Until the	

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	system had been fully implemented, some invoices without a PO would be treated sympathetically, however, after the trial is finished they would be returned.	
6.2	**Transfer of Management of Redress** AB presented the report and advised that a new redress system had been introduced, where health bodies could make settlement claims up to the value of £25,000, in order to speed things up and reduce the amount of cases. It was been undertaken by Welsh Government in order to pay the health body upon receipt of the claim. AB stated that it was more appropriate that the service be provided by NWSSP, in order to learn lessons and speed up settlements to mitigate escalation of cases. The forecasted figure that had been provided was £2 million and there was currently a £750,000 gap in the agreement with Welsh Government. MF advised that should there be an overspend, Welsh Government would fund this. Due to the transfer of the service there could be a peak of costs over the first year and it was noted that this was the third time that they have tried to transfer the service across to NWSSP; running costs and an additional budget of £45-£50,000 to manage the service had been identified.	
Items for Information		
7.1	**Information Commissioner's Office Training Audit Action Plan** The report was received by the Committee for information only. The Chair noted that recommendations arising from the Action Plan should be added to the Audit Tracker and RD agreed to action this.	**RD**
7.2	**Forward Plan** The Forward Plan was received by the Committee for information only. It was agreed that the Board Assurance Framework and Assurance Mapping Review would be added to the Forward Plan.	**RD**
Any Other Business		
8.1	**Meeting Review** The Committee concluded that the meeting went well.	

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Velindre NHS Trust Audit Committee for NHS Wales Shared Services Partnership
Matters Arising

Actions arising from the meeting held on 5 June 2018			
0.1	RD	**Results of the Audit Committee Effectiveness Survey** Circulate presentation to Committee members.	Completed
1.3	Chair/MF	**Declarations of Interest** Margaret Foster and Chair to submit revised Declarations of Interest.	Completed
1.4	RD	**Minutes of Meeting Held on 5 June 2018** Action minor amendment to the minutes.	Completed
2.1	AB	**Governance Matters** All Wales Procurement Contracts over £10 million to be accompanied by a description.	Completed Agenda item
2.3	PS	**Review of NWSSP Risk Management Protocol** Action minor amendment to reflect NWSSP Partnership Committee.	Completed
2.3	PS	**Review of NWSSP Risk Management Protocol** Risk Appetite Statement to be brought to a future Committee meeting, once developed.	Ongoing
2.4	PS/RD	**Annual Governance Statement 2017-18** Update carbon footprint performance and Audit Committee Effectiveness Survey results.	Completed Agenda item
3.4	RD	**Payroll Services Internal Audit Report** Helen Thomas, ESR Programme Manager, be invited to present ESR Hire2Retire project update for Committee.	Completed Agenda item
5.1	CG	**Counter Fraud Draft Work Plan 2018-19** To consider statistics being included on the value of the service provided, where available.	Completed
7.1	RD	**Information Commissioner's Office Training Audit Action Plan** Recommendations to be added and tracked via the Audit Tracker.	Completed
7.2	RD	**Forward Plan** Assurance Mapping and Board Assurance Framework to be added to the Plan.	Completed

WALES AUDIT OFFICE
SWYDDFA ARCHWILIO CYMRU

Archwilydd Cyffredinol Cymru
Auditor General for Wales

Nationally Hosted NHS IT Systems – **Velindre NHS Trust – NHS Wales Shared Services Partnership**

Audit year: 2017-18

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The team who delivered the work comprised Andrew Strong, Paul Cunningham and Gareth Lewis.

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IT controls we examined assured us that financial values produced by the systems for 2017-18 were likely to be free from material misstatement, though some controls could be stronger including some that have been weak for a long time.

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The National Health Application and Infrastructure Service system's controls support the production of information that is free from material misstatement, system replacement plans and system availability after decommissioning are yet to be agreed 8

The Oracle FMS's IT controls support the production of information that is free from material misstatement, although IT disaster recovery plans need testing and information security controls need review 9

The ESR Payroll's Shared Services system administration controls support the production of information that is free from material misstatement, although user access rights should be reviewed every six months 10

Appendices

Appendix 1 – issues and recommendations arising from the review of National Hosted NHS IT Systems in prior audit years and in 2017-18 – NHS Wales Shared Services Partnership 15

Summary report

Summary

1 NHS bodies in Wales are responsible for preparing financial statements that give a true and fair view of the state of their financial affairs as at 31 March 2018, as well as ensuring that they are properly prepared in accordance with the National Health Service (Wales) Act 2006 and directions made thereunder by Welsh Ministers. NHS bodies are also responsible for preparing Annual Governance Statements in accordance with guidance issued by HM Treasury and the Welsh Government.

2 The Auditor General is responsible for providing an opinion on whether each NHS body's financial statements represent a true and fair view of the state of its financial affairs as at 31 March 2018.

3 NHS Wales has a variety of arrangements in place to provide and support IT systems used for financial reporting purposes. Since June 2012, Velindre NHS Trust (the Trust) has hosted the NHS Wales Shared Services Partnership (NWSSP) and is responsible for its governance and accountability.

4 This report covers the national NHS IT applications and infrastructure which NWSSP manages for use by other NHS organisations in Wales. These systems include the:

- Prescription Pricing System (formerly known as the Community Pharmacy System) which is used to process prescriptions and calculate reimbursement for pharmacy contractor payments. This system is used by the Prescription Services Team of Primary Care Services (PCS).
- National Health Application and Infrastructure Services (NHAIS) or Exeter, used for NHS demographics and calculating primary care General Medical Services (GMS) contractor payments. NHS Digital in NHS England manages and supports the NHAIS system software for use in NHS Wales.
- Oracle Financial Management System (FMS) is supplied by a third party called Version One and managed for NHS Wales by the Central Team e-Business Services (CTeS) within the NWSSP. The Oracle FMS is used by all of NHS Wales as the main accounting system for managing and producing the NHS accounts.
- Electronic Staff Record (ESR) systems administration is the responsibility of each individual Local Health Board and Trust though delegated responsibility has been passed to NWSSP through a Service Level Agreement (SLA). Payroll access by NWSSP Employment Services to process the payroll in Wales is managed in accordance with the Trust's ESR system access process. The ESR Payroll system is managed and hosted nationally by IBM on behalf of NHS England and NHS Wales under a managed service contract.

5 International Auditing Standard (ISA) 315 requires us to obtain an understanding of the general IT and application controls of the financial systems used by NHS Wales. As part of the National Hosted NHS IT Systems audit plan, the Wales Audit Office reviewed the above-mentioned systems during 2017-18 and followed up our prior audit recommendations in these areas. This work reviews the ICT environment and application controls that are applied to the National Hosted NHS IT Systems solely for the purposes of providing assurance for NHS audit opinions. We have taken the opportunity to identify actions that, in our view, would help NHS Wales improve its governance and use of these systems.

6 This work is undertaken to identify potential risks which may include:

- out-of-date and unsupported infrastructure;
- access security arrangements that leave the system vulnerable to unauthorised access and attack;
- loss or unauthorised access of data; and
- change control procedures which are inadequate meaning that the system could be compromised or unavailable following the application of a new patch, upgrade or release of the database or the application software or infrastructure change.

7 We have therefore undertaken a review that sought to answer the question:

'Are the controls in place effective to reduce significant risks within the general IT environment and application system controls which would prevent us from placing financial audit assurance on the system?'

8 We concluded that IT controls applied to the Prescription Pricing, National Health Application Infrastructure, Oracle Financials systems and ESR Payroll systems administration managed by NHS Wales Shared Services, were sufficiently effective to allow financial auditors to take assurance that financial values produced by the systems for 2017-18 were likely to be free from material misstatement. However, NWSSP could strengthen some controls and these include addressing a small number of longstanding issues.

9 In summary, the reasons for this conclusion are set out below:

- the Prescription Pricing System's controls support the production of information that is free from material misstatement, although these could be further strengthened by addressing a longstanding issue over testing IT disaster recovery and business continuity plans;
- the National Health Application and Infrastructure Service system's controls support the production of information that is free from material misstatement, although these could be further improved by deciding system replacement plans and agreeing NHS Wales system availability arrangements with NHS Digital after decommissioning;
- the Oracle FMS's IT controls support the production of information that is free from material misstatement, although, these could be further improved

with the testing of IT disaster recovery plans and review of the information security controls; and

- the ESR Payroll's Shared Services system administration controls support the production of information that is free from material misstatement, although these could be further strengthened by reviewing user access rights every six months.

10 This report summarises the more detailed matters arising from our audit, our recommendations made from this year's audit and our follow-up of last year's recommendations.

Detailed report

The Prescription Pricing System's controls support the production of information that is free from material misstatement, although, IT disaster recovery and business continuity plans are still not properly tested

11 We have identified no significant IT application or infrastructure issues likely to result in a material misstatement within the Prescription Pricing System. However, we identified some issues that should be addressed by Primary Care Services in order to minimise the potential for future application and infrastructure system risks. From our IT work in 2017-18, we have identified one new recommendation to NWSSP for improvement. This is outlined below:

- replacing and re-procuring the SQL server 2008 support and maintenance contract over the Prescription Pricing system server set up that expired in February 2018. At the time of our fieldwork in March 2018 Primary Care Services had commenced plans to approve the re-procurement for the SQL 2008 server support and maintenance.

12 In 2016-17, we identified one recommendation for improvement for the Prescription Pricing system. The NWSSP has made good progress to address this action by completing an update of the Primary Care Services IT Change Control Policy to ensure that it is fit-for-purpose. An IT Change Control Policy was updated in September 2017.

13 However, the NWSSP has not yet completed two longstanding actions from 2015-16 to:

- update and document IT Disaster Recovery and Business Continuity plans for the Prescription Pricing systems. Once NWSSP has updated its recovery and continuity plans, it should test them to ensure they work as the NWSSP intends; and
- perform internal penetration testing on the Prescription Pricing System hardware and software.

14 Further details of our findings and progress against actions for the Prescription Pricing System agreed with Primary Care Services officers can be found in Appendix 1.

The National Health Application and Infrastructure Service system's controls support the production of information that is free from material misstatement, system replacement plans and system availability after decommissioning are yet to be agreed

15 We have identified no significant issues within the NHAIS system likely to result in a material misstatement. However, we have identified some issues that should be addressed by NWSSP in order to minimise the potential for future application and infrastructure system risks. From our work in 2017-18 we have identified a number of recommendations to NWSSP for improvement. These are outlined below:

- update and test the NHAIS backup procedures and IT Disaster Recovery plans to ensure they work as intended;
- clarify and expand the Service Level Agreement (SLA) with NWIS for the support and maintenance of the NHAIS application and infrastructure, to make responsibilities and functions more detailed;
- document procedures for how the systems administrator creates, amends and removes user access accounts to the NHAIS system;
- complete a regular review, for example, annually, of the user access accounts to NHAIS to ensure these are appropriate to job function; and
- review the age of the NHAIS servers used some of which are approaching nine years old and the in-house support and maintenance cover arrangements.

16 In 2016-17, we identified a number of recommendation for improvement for the NHAIS. The NWSSP has made some progress to address these actions, and this is outlined below:

- NWSSP now undertakes a regular check on the accuracy of the GMS rate per patient. NWSSP Primary Care processing team has checked the rate, after the annual update by Welsh Government, prior to processing and after each quarterly processing run.
- discussions with NHS Digital are ongoing to arrange and agree the NHAIS replacement plans. NWSSP has planned to make a formal decision in September 2018 on the NHS Wales replacement strategy for NHAIS processing GMS payments. Work is underway with NHS England and NHS Digital on a contingency plan from April 2019 onwards. This is required to

ensure system continuity so NHS Wales will have continued use of NHAIS whilst the replacement systems are implemented.

- at the time of our fieldwork NWSSP has not clarified with NWIS who has ownership of the NHAIS servers and responsibilities for their replacement on NHAIS decommissioning although this has since been confirmed.
- work to strengthen NHAIS password reset controls by using security questions to verify and authenticate the user credentials remains ongoing.
- the implementation of personally identifiable system administrator profiles for the NWSSP Primary Care Services Service Improvement Team cannot be completed for technical reasons.

17 Further details of our findings and progress against actions for the NHAIS system agreed with Primary Care Services officers can be found in Appendix 1.

The Oracle FMS's IT controls support the production of information that is free from material misstatement, although IT disaster recovery plans need testing and information security controls need review

18 We have identified no significant IT application or infrastructure issues likely to result in a material misstatement within the Oracle FMS. However, we identified some issues that should be addressed by Shared Services in order to minimise the potential for future application and infrastructure system risks. From our work in 2017-18, we have identified a number of recommendations to NWSSP for improvement. These are outlined below:

- review the Oracle backup hardware and server racking arrangements in the Cardiff Royal Infirmary (CRI) data centre. The new Oracle servers did fit the racks but the door could not be closed and locked and the servers were not spaced out across the server racks so potentially circuit overloading may occur and overheating.
- set Oracle user access passwords to be nine characters in length.
- schedule and complete an IT Disaster Recovery test on the Oracle FMS service for June or July 2018.
- plan and schedule an internal vulnerability assessment of the new Oracle FMS infrastructure set up implemented mid March 2018 to identify any potential security threats.

- complete a gap analysis assessment to the Information Security Management Standard (ISO 27001) to identify potential improvement areas. CTES should then formally consider and decide whether the Oracle service aims for a formal ISO 27001 accreditation.
- consider whether CTES should aim to complete accreditation to the Information Technology Service Management (ISO 20000) standard for service management.

19 In 2016-17, we identified a number of recommendation for improvement for the Oracle FMS. The NWSSP has made some good progress to address these action, and this is outlined below:

- scheduling in September 2017 an IT security health-check of the Oracle FMS application and infrastructure to identify potential security vulnerabilities or threats. NWSSP has addressed the high level vulnerabilities identified.
- scheduling an IT Disaster Recovery test on the Oracle FMS service in June or June 2017. NWSSP has completed the IT Disaster Recovery test in July 2017 prior to the Oracle FMS change freeze for the hardware upgrade in March 2018.
- CTES has actions ongoing with the start of the new FMS contract in April 2018 to prepare a monitoring report summary of the key performance indicators. CTES has planned for this to include the Oracle FMS service and Central Oracle Team responsibilities. CTES intends to report these performance indicators to the Oracle Strategy Development Group on a quarterly basis for assurance and scrutiny of the FMS Service provided.
- CTES has completed a review of access to the local NHS organisation Oracle super user account for each Oracle ledger module to ensure it is appropriate to job function. Processes to check super user accounts have been considered by the Oracle governance groups.

20 Further details of our findings and progress against actions for the Oracle FMS agreed with Shared Services can be found in Appendix 1.

The ESR Payroll's Shared Services system administration controls support the production of information that is free from material misstatement, although user access rights should be reviewed every six months

21 The Electronic Staff Record (ESR) Payroll system is managed and hosted nationally by IBM on behalf of NHS England and NHS Wales under a managed

service contract. We have reviewed the ESR Payroll systems administration controls (payroll elements only) managed by NWSSP. This responsibility includes managing user access to the payroll system in Wales by the NWSSP Employment Services staff who process the Welsh NHS organisations' payrolls. In addition to seeking to place reliance on the International Standard on Assurance Engagements (ISAE) 3000 report of the IBM Service Auditor noted below, Wales Audit Office IM&T auditors have reviewed the controls in place over the ESR Payroll systems administration managed under a delegated authority by NWSSP, Employment Services.

22 We have not identified any significant IT issues likely to result in a material misstatement within these ESR Payroll systems' administration controls. From our work in 2017-18, we have identified a number of recommendations to NWSSP for improvement. These are outlined below:

- strengthen user passwords used to access the ESR payroll system by setting passwords to 9 characters in length. NWSSP has currently set these at 8 characters in length.
- complete a more frequent review of ESR payroll user access rights provided to ensure these are appropriate to job functions. NWSSP has currently set these reviews at every twelve months although during our audit fieldwork in March 2018 they indicated that six monthly reviews had commenced with the next review scheduled for July 2018.
- document and formally agree an access permissions and functionality matrix used to help establish ESR payroll access profiles to enforce segregation of duties. NWSSP can use this matrix to help structure the review of core ESR payroll user access in the scheduled user access review.

23 From our work in 2014-15, we have identified a number of recommendations for improvement. NWSSP has made progress against these actions and this is outlined below. These include:

- completing a review of the shared services payroll teams' access on a regular scheduled basis, to ensure access is appropriate to job function. This action has been addressed in 2017 moving from a 12 month review to establishing access reviews every six months commencing July 2018.
- One recommendation for Velindre NHS Trust System Administrator requires addressing: monitoring, by the systems administrator, of all the security monitoring reports available within the ESR payroll system on a regular and scheduled basis, for example, quarterly. This recommendation has not been fully actioned and currently any reviews are infrequent, mostly in response to a particular issue or query.

24 We sought to place reliance on the ISAE 3000 report of the IBM Service Auditor, PwC, on the general IT controls applied at IBM. PwC conducted the review in accordance with the ISAE 3000 'Assurance Engagements Other Than Audits or Reviews of Historical Financial Information'. For the period 1 April 2017 to 31 March 2018, PwC concluded that the ESR payroll general IT controls and environment were suitably designed and operated effectively. PwC has not identified in their 2017-18 work any improvement areas or recommendations to the IT controls used by the NHS ESR Central Team and IBM.

25 Further details of our findings and progress against actions for the ESR Payroll systems administration control agreed with Shared Services can be found in Appendix 1.

Recommendations

26 Exhibit 1 sets out the recommendations that we have identified in 2017-18. NWSSP should take action to address these recommendations. The appendix to this report set out progress made against all the previously reported recommendations that remain in progress and ones that have been completed in 2017-18.

Exhibit 1: 2017-18 recommendations

Recommendations
Prescription Pricing System IT controls
R 2018.1 Replace and re-procure the SQL server 2008 support and maintenance contract over the Prescription Pricing system server set up that expired in February 2018.
National Health Application and Infrastructure Services IT controls
R 2018.2 Update and test the NHAIS backup procedures and IT Disaster Recovery plans to ensure they work as intended. R 2018.3 Clarify and expand the Service Level Agreement with NWIS for the support and maintenance of the NHAIS application and infrastructure R2018.4 Document procedures for the process the systems administrator uses to create, amend and remove user access accounts to the NHAIS system.

Recommendations
R2018. 5 Complete a regular review, for example, annually, of the user access accounts to NHAIS to ensure these are appropriate to job function. R2018. 6 Review the age and support arrangements of the NHAIS servers used some of which are approaching nine years old. NWSSP should consider the mitigating controls in place with NWIS for in-house support and maintenance cover in place.
Oracle FMS IT controls
R2018.7 Install larger racks for the new Oracle hardware so the racks doors can be closed and the servers should be spread out across the top and bottom half of the racks to avoid potential overheating and overloading of circuits. R2018.8 Strengthen user passwords used to access the Oracle FMS system by setting passwords to 9 characters in length. R2018.9 Schedule and complete an IT Disaster Recovery test on the Oracle FMS service for June or July 2018. R2018.10 Plan and schedule an internal vulnerability assessment of the new Oracle FMS infrastructure set up implemented mid March 2018 to identify any potential security threats. R2018.11 Complete a gap analysis assessment to the Information Security Management Standard (ISO 27001) to identify potential improvement areas. CTES should then formally consider and decide whether the Oracle service aims for a formal IS0 27001 accreditation. R2018.12 CTES should consider whether it aims to complete accreditation to the Information Technology Service Management (ISO 20000) standard for service management.

Recommendations
ESR Payroll IT controls
R2018.13 Strengthen user passwords used to access the ESR payroll system by setting passwords to 9 characters in length. R2018.14 Document and formally agree an access permissions and functionality matrix used to help establish ESR payroll access profiles to enforce segregation of duties. R2018.15 Review the shared services payroll access on a regular basis, for example, every six months, to ensure access is appropriate to job function.

Appendix 1

Issues and recommendations arising from the review of National Hosted NHS IT Systems in prior audit years and in 2016-17 – NHS Wales Shared Services Partnership

Exhibit 2: issues and recommendations

Issues identified during 2012-13						
Ref	**Issue**	**Recommendation**	**Priority**	**Agreed**	**Trust responsibility and actions – NWSSP**	**Current status – June 2018**
Prescription Pricing System – IT controls work						
2013.1	IT DR plans that include the Prescribing Services Systems are out of date and should be updated.	Update the IT DR plan that covers the Prescribing Services Systems, and test the plans to ensure they work as intended.	**Medium**	**Yes**	**Dave Hopkins, PCS Director**	**Completed** A NWSSP Business Impact Assessment and Plan has been completed and was presented to the SMT in June 2018.

Issues identified during 2012-13						
Ref	**Issue**	**Recommendation**	**Priority**	**Agreed**	**Trust responsibility and actions – NWSSP**	**Current status – June 2018**
Prescription Pricing System – IT controls work						
2013.2	Business Continuity (BC) plans for the Prescribing Services Systems should be improved. Under the current plan, if the main Brunel House Prescription Services processing offices are unavailable for a prolonged period of time, they are to continue operations at the smaller Caerphilly satellite office. Although, the BC plan for this option has not been documented.	Document the BC plan for the Prescribing Services Systems and data recovery in the event of a major incident. This needs to particularly cover the scanning function which is wholly based at the Brunel House office site.	**Medium**	**Yes**	**Dave Hopkins, PCS Director**	**Completed** NWSSP no longer occupy Brunel House or Caerphilly and therefore the specific aspects of the recommendation no longer relevant. However, notwithstanding that a NWSSP Business Impact Assessment and Plan has been completed and was presented to the SMT in June 2018.

Issues identified during 2012-13						
Ref	**Issue**	**Recommendation**	**Priority**	**Agreed**	**Trust responsibility and actions – NWSSP**	**Current status – June 2018**
Prescription Pricing System – IT controls work						
2013.3	Whilst external penetration testing is performed on the NHS network infrastructure, internal penetration testing on the Community Pharmacy hardware and software used, has not been recently performed. Increased risk of vulnerabilities within the Community Pharmacy hardware and software may remain undetected, and this could increase the risk of unauthorised access to patient identifiable prescription information.	Perform internal penetration testing on the Community Pharmacy hardware and software on a regular basis, for example, at least annually.	**Medium**	**Yes**	**Dave Hopkins, PCS Director**	**Completed** The penetration testing has taken place on 12 July 2018.

Issues identified during 2016-17						
Ref	**Issue**	**Recommendation**	**Priority**	**Agreed**	**Trust responsibility and actions – NWSSP**	**Current status – June 2018**
Prescription Pricing System – IT controls work						
2017.1	An IT Change Control Policy has been documented for Primary Care Services but this has not been updated since 2008 and is out-of-date.	Update the Primary Care Services IT Change Control Policy to ensure that it is	**Medium**	**Yes**	**Dave Hopkins, PCS Director**	**Completed** NWSSP has updated the PCS IT change control Policy in August 2017.

New issues identified during 2017-18						
Ref	**Issue**	**Recommendation**	**Priority**	**Agreed**	**Trust responsibility and actions – NWSSP**	**Current status – June 2018**
Prescription Pricing System – IT controls work						
2018.1	At the time of our fieldwork in March 2018 Primary Care Services has commenced plans to approve the re-procurement for the SQL 2008 server support and maintenance. The SQL server 2008 support and maintenance contract over the Prescription Pricing system server set up expired at the end of February 2018.	Replace and re-procure the SQL server 2008 support and maintenance contract over the Prescription Pricing system server set up that expired in February 2018.	**Medium**	**Yes**	**Dave Hopkins, PCS Director**	**On-going** Awaiting approval of 2018-19 capital allocation. Extended support for existing servers has been procured. Target to complete by end of extended contract in February 2019.
National Health Application and Infrastructure Services – IT controls work						
2017.2	NWIS NHAIS database administrators have access to change the GMS rates per patient. The NWSSP Primary Care processing team do not perform a regular monitoring checks prior to each processing run to ensure the	The NWSSP Primary Care processing team should carry out regular checks on the accuracy of the GMS rate per patient, for	**Medium**	**Yes**	**Dave Hopkins, PCS Director**	**Completed** The GMS Global Sum (GSUM) rate per weighted patient is now checked once an amendment has been made to ensure that it complies with the current

New issues identified during 2017-18						
Ref	**Issue**	**Recommendation**	**Priority**	**Agreed**	**Trust responsibility and actions – NWSSP**	**Current status – June 2018**
	GMS rate per patient has not been amended.	example, prior to each processing run.				Statement of Financial Entitlements (SFE). This is also confirmed after each payment run by checking the GSUM processing prints against the GMS rate.
National Health Application and Infrastructure Services – IT controls work						
2017.3	NHS England are planning to decommission NHAIS from April 2018. NWSSP should arrange and agree with NHS England and NHS Digital a contingency plan from April 2018 onwards to ensure, for an agreed period of time, NHS Wales access to the NHAIS system to ensure system availability. This is required so NHS Wales can carry on using NHAIS whilst replacement systems are implemented or developed in NHS Wales.	Arrange and agree with NHS England and NHS Digital a contingency plan from April 2018 onwards to ensure for an agreed period of time continued access to the NHAIS system to ensure system availability. This is required so Wales can carry on using NHAIS whilst replacement systems are implemented and	**Medium**	**Yes**	**Dave Hopkins, PCS Director**	**Completed** Timescales for the decommissioning of NHAIS in England & Wales have been extended to June 2019 and for decommissioning of Open Exeter to March 2019 at the earliest. Support agreements are in place with NHS Digital for 2018-19. It should also be noted that discussions are on-going with regard to further extensions of these agreements in line with the revised decommissioning plan for Wales.

New issues identified during 2017-18						
Ref	**Issue**	**Recommendation**	**Priority**	**Agreed**	**Trust responsibility and actions – NWSSP**	**Current status – June 2018**
		developed in NHS Wales.				
2017.4	During our audit review it was identified that it is unclear over who owns the NHAIS servers and who is responsible for replacing the hardware when the current system is decommissioned. This will be an important factor when decommissioning the current NHAIS system in 2017-18.	Establish who has ownership of the NHAIS servers and responsibilities for their replacement.	**Medium**	**Yes**	**Dave Hopkins, PCS Director**	**Completed** As part of the NHAIS replacement options appraisal for NHS Wales, NWSSP will include a capital allocation in the Business Case for hosting the replacement for NHAIS payments solutions. The replacement for NHAIS patient registration solutions will be hosted by NHS Digital and provided to NWSSP under a new SLA arrangement.
National Health Application and Infrastructure Services – IT controls work						
2017.5	When a user is locked out of the NHAIS system the request process to reset their network password is informal. This is most often completed over the phone or email, with the security questions being	Strengthen NHAIS password reset controls by using security questions to verify and authenticate user credentials.	**Medium**	**Yes**	**Dave Hopkins, PCS Director**	**Completed** Process for resetting user passwords has been developed and implemented

New issues identified during 2017-18						
Ref	**Issue**	**Recommendation**	**Priority**	**Agreed**	**Trust responsibility and actions – NWSSP**	**Current status – June 2018**
	used to authenticate the user's identity being the user ID. PCS should consider strengthening their NHAIS password reset controls by using security questions to verify and authenticate the user's credentials. There is an increased risk of unauthorised access to the NHAIS IT systems.					in line with the audit recommendation.
2017.6	Separation of duties exists within the NHAIS system for processing functions, however, Primary Care Services NHAIS system administrators share a user profile. This does not provide an adequate audit trail on systems administration functions.	Implement personally identifiable NHAIS system administrator profiles for the NWSSP Primary Care Services Service Improvement Team.	**Medium**	**No**	**Dave Hopkins, PCS Director**	**Not implemented** This cannot be implemented due to technical limitations of the NHAIS system. Only one administrator account is possible and available.

New issues identified during 2017-18						
Ref	**Issue**	**Recommendation**	**Priority**	**Agreed**	**Trust responsibility and actions – NWSSP**	**Current status – June 2018**
National Health Application and Infrastructure Services – IT controls work						
2018.2	The NHAIS backup procedures and IT Disaster Recovery (DR) plans would benefit from being updated for changes to the IT infrastructure set up and support arrangements. Once updated these plans should be tested to ensure they work as intended.	Update and test the NHAIS backup procedures and IT Disaster Recovery plans to ensure they work as intended.	**Medium**	**Yes**	**Dave Hopkins, PCS Director**	**Completed** DR plan update is complete. Restores to the Test environment have been performed.
2018.3	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.	Clarify and expand the Service Level Agreement with NWIS for the support and maintenance of the NHAIS application and infrastructure.	**Medium**	**Yes**	**Dave Hopkins, PCS Director**	**On-going** This will be reviewed when options for NHAIS replacement have been confirmed. To be delivered in 2019-20.

New issues identified during 2017-18						
Ref	**Issue**	**Recommendation**	**Priority**	**Agreed**	**Trust responsibility and actions – NWSSP**	**Current status – June 2018**
National Health Application and Infrastructure Services – IT controls work						
2018.4	The NHAIS system administrators uses this system manager access privilege to create, amend and remove user access accounts on the NHAIS system. However, the process the systems administrator uses to create, amend and remove user access accounts to the NHAIS system is not documented.	Document procedures for the process the systems administrator uses to create, amend and remove user access accounts to the NHAIS system.	**Medium**	**Yes**	**Dave Hopkins, PCS Director**	**On-going** To be completed by October 2018.

New issues identified during 2017-18						
Ref	**Issue**	**Recommendation**	**Priority**	**Agreed**	**Trust responsibility and actions – NWSSP**	**Current status – June 2018**
National Health Application and Infrastructure Services – IT controls work						
2018.5	There is no regular review, for example, annually, of the user access accounts to NHAIS to ensure these are appropriate to job function. Any review performed is infrequently or 'ad hoc'.	Complete a regular review, for example, annually, of the user access accounts to NHAIS to ensure these are appropriate to job function.	**Medium**	**Yes**	**Dave Hopkins, PCS Director**	**On-going** To be completed by October 2018.

New issues identified during 2017-18						
Ref	**Issue**	**Recommendation**	**Priority**	**Agreed**	**Trust responsibility and actions – NWSSP**	**Current status – June 2018**
National Health Application and Infrastructure Services – IT controls work						
2018.6	The majority of the NHAIS servers used are either at or approaching 'end of life'. These are approximately nine years old and NWSSP should liaise with NWIS on the support arrangements for the NHAIS servers. NWSSP should consider the mitigating controls in place with NWIS for in-house support and maintenance cover in place.	Review the age and support arrangements of the NHAIS servers used some of which are approaching nine years old. NWSSP should consider the mitigating controls in place with NWIS for in-house support and maintenance cover in place.	**Medium**	**Yes**	**Dave Hopkins, PCS Director**	**Completed** As part of the NHAIS replacement options appraisal for NHS Wales, NWSSP will include a capital allocation in the Business Case for hosting the replacement for NHAIS payments solutions. The replacement for NHAIS patient registration solutions will be hosted by NHS Digital and provided to NWSSP under a new SLA arrangement.

Issues identified during 2016-17						
Ref	**Issue**	**Recommendation**	**Priority**	**Agreed**	**Trust responsibility and actions – NWSSP**	**Current status – June 2018**
Oracle Financial Management System – IT controls work						
2017.7	The annual Oracle FMS service IT Disaster Recovery test has been delayed from November 2016 due to issues with the October 2016 Oracle patch update release. The last Oracle FMS IT Disaster Recovery test was completed in November 2015.	Schedule and complete an IT Disaster Recovery test on the Oracle FMS service for June or July 2017.	**Medium**	**Yes**	**Said Shadi, Associate Programme Director**	**Completed** The IT DR tests were satisfactory concluded in June 2017. The findings and recommendations have been shared with the Oracle Strategy Board.

Issues identified during 2016-17						
Ref	**Issue**	**Recommendation**	**Priority**	**Agreed**	**Trust responsibility and actions – NWSSP**	**Current status – June 2018**
Oracle Financial Management System – IT controls work						
2017.8	An IT security health-check test (also known as a penetration test or vulnerability assessment) has been completed in September 2016 on the Oracle FMS service. Due to the ongoing Oracle FMS retender project and the hardware upgrade planned for April 2018 the next test will not be until after April 2018 to coincide with the next Oracle patch update release.	Plan and schedule an IT security health-check of the Oracle FMS application and infrastructure set-up after April 2018 (when the hardware is upgraded) to identify potential security vulnerabilities or threats.	**Medium**	**Yes**	**Said Shadi, Associate Programme Director**	**Completed** An IT penetration test for the new IT infrastructure was successfully completed in March 2018. A further penetration test was undertaken in June 2018 as part of the first change release cycle post go-live onto the new infrastructure. All critical recommendations from this testing has been completed.

Issues identified during 2016-17						
Ref	**Issue**	**Recommendation**	**Priority**	**Agreed**	**Trust responsibility and actions – NWSSP**	**Current status – June 2018**
Oracle Financial Management System – IT controls work						
2017.9	Indicators are collected and measured on the delivery and performance of the Oracle FMS service. However, these are not routinely reported to the Oracle Strategy Development Group (STRAD) on a quarterly basis to allow performance against service level targets to be monitored and challenged.	Prepare a summary dashboard of the key performance indicators of the Oracle FMS service and Central Oracle Team responsibilities, for example, the set up of new suppliers, Oracle transaction times and IT service issue calls raised and closed. Report these performance indicators to the Oracle Strategy Development Group on a quarterly basis for assurance and scrutiny of the FMS Service provided.	**Medium**	**Yes**	**Said Shadi, Associate Programme Director**	**Ongoing** The indicators regarding service availability, performance and response times are stated in the managed services contract. The information is shared with the Contract Retender group that reviews the performance of the contract. Only exceptions in terms of service failures are reported to STRAD. Separately, the CTeS responsibilities are set out in the department business case and reported back to organisations during the local organisations visits than necessarily through STRAD, The present arrangement have been reviewed. Target completion date for preparing the dashboard is October 2018.

Issues identified during 2016-17						
Ref	**Issue**	**Recommendation**	**Priority**	**Agreed**	**Trust responsibility and actions – NWSSP**	**Current status – June 2018**
Oracle Financial Management System – IT controls work						
2017.10	CTES allocate and manage access to the local Trusts systems administrator accounts at all local health boards and trusts. The local Trust systems administrator manages and allocates access to the local super user access for each Oracle ledger module at the local health boards and trusts, for example, accounts receivable, accounts payable modules. CTES only monitor and review access to the local Trust systems administrator account.	Review access to the local NHS organisation Oracle super user account for each Oracle ledger module to ensure it is appropriate to job function.	**Medium**	**Yes**	**Said Shadi, Associate Programme Director**	**Completed** Since October 2017, there is a monthly review of the system admin accounts. Where any breaches arise then these are reported to the relevant stakeholder groups to address immediately.

New issues identified during 2017-18						
Ref	**Issue**	**Recommendation**	**Priority**	**Agreed**	**Trust responsibility and actions – NWSSP**	**Current status – June 2018**
Oracle Financial Management System – IT controls work						
2018.7	The Cardiff Royal Infirmary (CRI) data centre hosts the Oracle backup servers. CTES was managing the upgrade of this Oracle hardware in early 2018. However, we identified during our fieldwork that the new Oracle servers installed for the March 2018 implementation did fit the racks but the door could not be closed and locked. Furthermore, the servers were not spaced out across the whole server racks so potentially circuit overloading may occur and potential overheating. This issue was raised on the day of the audit fieldwork in February 2018 and it was a known issue.	Install larger racks for the new Oracle hardware so the racks doors can be closed and the servers should be spread out across the top and bottom half of the racks to avoid potential overheating and overloading of circuits.	**Medium**	**Yes**	**Said Shadi**, Associate Programme Director	**Complete** The new rack was successfully installed in April 2018 and all the new infrastructure re-installed. No heating issues have been reported since fine tuning of fan speeds on relevant servers.

New issues identified during 2017-18						
Ref	**Issue**	**Recommendation**	**Priority**	**Agreed**	**Trust responsibility and actions – NWSSP**	**Current status – June 2018**
Oracle Financial Management System – IT controls work						
2018.8	User passwords used to access the Oracle FMS system are currently set at 8 characters in length. These could be strengthened by setting passwords to 9 characters in length. Nine characters passwords are proven to be harder to crack and guess than even number passwords.	Strengthen user passwords used to access the Oracle FMS system by setting passwords to 9 characters in length.	**Medium**	**No**	**Said Shadi**, Associate Programme Director	**Not implemented** This is a nationally hosted system and we consider passwords of 8 characters to be sufficient**.**

New issues identified during 2017-18						
Ref	**Issue**	**Recommendation**	**Priority**	**Agreed**	**Trust responsibility and actions – NWSSP**	**Current status – June 2018**
Oracle Financial Management System – IT controls work						
2018.9	The last IT Disaster Recovery (DR) test on the Oracle FMS service was in July 2017. NWSSP plan the annual scheduled IT DR test for every November. However, due to the Oracle FMS hardware upgrade completed in March 2018 this was put on hold until the new IT infrastructure was deployed.	Schedule and complete an IT Disaster Recovery test on the Oracle FMS service for June or July 2018.	**Medium**	**Yes**	**Said Shadi**, Associate Programme Director	**On-going** The next annual IT DR test following the migration onto the IT infrastructure is scheduled to take place on 20 and 21 October 2018.

New issues identified during 2017-18						
Ref	**Issue**	**Recommendation**	**Priority**	**Agreed**	**Trust responsibility and actions – NWSSP**	**Current status – June 2018**
Oracle Financial Management System – IT controls work						
2018.10	NWSSP last completed an internal vulnerability assessment of the Oracle FMS and infrastructure set up in September 2017. The Oracle hardware was upgraded in March 2018. NWSSP should plan and schedule an internal vulnerability assessment of the new Oracle FMS infrastructure set up implemented mid March 2018 to identify any potential security threats.	Plan and schedule an internal vulnerability assessment of the new Oracle FMS infrastructure set up implemented mid March 2018 to identify any potential security threats.	**Medium**	**Yes**	**Said Shadi**, Associate Programme Director	**Completed** An IT penetration test for the new IT infrastructure was successfully completed in March 2018. A further penetration test was undertaken in June 2018 as part of the first change release cycle post go-live onto the new infrastructure. All critical recommendations from this testing has been completed.

New issues identified during 2017-18						
Ref	**Issue**	**Recommendation**	**Priority**	**Agreed**	**Trust responsibility and actions – NWSSP**	**Current status – June 2018**
Oracle Financial Management System – IT controls work						
2018.11	CTES has not completed and documented a gap analysis assessment of the Oracle FMS to the Information Security Management Standard (ISO 27001) to identify potential improvement areas. It is good security management practice to assess and baseline a comparison to the ISO 27001 standard. CTES should then formally consider and whether the Oracle service aims for a formal IS027001 accreditation.	Complete a gap analysis assessment to the Information Security Management Standard (ISO 27001) to identify potential improvement areas. CTES should then formally consider and decide whether the Oracle service aims for a formal IS027001 accreditation.	**Medium**	**Yes**	**Said Shadi**, Associate Programme Director	**Ongoing** The Oracle FMS services are managed and supported by our partners Version 1 Solutions Ltd who are ISO 27001 accredited. This work will be scheduled with Version 1 to progress during 2018-19.

New issues identified during 2017-18						
Ref	**Issue**	**Recommendation**	**Priority**	**Agreed**	**Trust responsibility and actions – NWSSP**	**Current status – June 2018**
Oracle Financial Management System – IT controls work						
2018.12	CTES provides FMS services to the consortium of Welsh NHS organisations. It is good practice IT service management to conform or be accredited to the Information Technology Service Management (ISO 2000) standard. CTES should consider the benefits to complete accreditation to the Information Technology Service Management (ISO 2000) standard for service management.	CTES should consider whether it aims to complete accreditation to the Information Technology Service Management (ISO 2000) standard for service management.	**Medium**	**Yes**	**Said Shadi**, Associate Programme Director	**Ongoing** Work to obtain ISO 20000 remains on the department's work plan. Work continues to be progressed albeit slowly due to high priority business deliverables. The aim is to achieve accreditation by April 2020.

Issues identified during 2014-15						
Ref	**Issue**	**Recommendation**	**Priority**	**Agreed**	**Trust responsibility and actions – NWSSP**	**Current status – June 2018**
ESR Payroll systems administration – IT controls work						
2015.9	Shared services payroll management review on an ad hoc basis, payroll access granted, to ensure access is appropriate to job function. Currently this is performed infrequently on some NHS organisations shared services payroll environments. It is good practice to review access, for example, every six months, to ensure access is appropriate to job function.	Review the shared services payroll access on a regular basis, for example, every six months, to ensure access is appropriate to job function.	**Medium**	**Yes**	**Paul Thomas, Payroll Director**	**Completed** Payroll Services has reviewed payroll User Responsibility Profile (URP) access against job roles on appointment of new and promoted staff within NWSSP's Payroll Team. A Payroll Access URP Matrix has been developed and implemented in March 2018 to ensure correct user access is granted by NWSSP ESR System Administrator. A review of user access against this matrix is now undertaken every six months with the next review scheduled July 2018.

Issues identified during 2014-15						
Ref	**Issue**	**Recommendation**	**Priority**	**Agreed**	**Trust responsibility and actions – NWSSP**	**Current status – June 2018**
ESR Payroll systems administration – IT controls work						
2015.10	Review of the security monitoring reports within ESR by the System Administration, is infrequent or ad hoc due to the resources currently allocated to the systems administration function in ESR. Review of these is mainly in response to queries or issues, and not part of a regular system review. ESR security monitoring reports are available within the system, for example, unsuccessful logins, active users, and users with a responsibility.	Review the security monitoring reports available within ESR and recommend the most beneficial report(s) to provide assurance for security monitoring the ESR system.	**Medium**	**Yes**	**ESR System Administrator**	**Completed** System Administrators continue to make use of current system security reports appropriate to the type of enquiry being made. The key report used to review system access is User Responsibility Profile (URP) reporting, this determines whether access is appropriate to role. NWSSP Employment Services undertakes a review of its Payroll URP allocation.

New issues identified during 2017-18						
Ref	**Issue**	**Recommendation**	**Priority**	**Agreed**	**Trust responsibility and actions – NWSSP**	**Current status – June 2018**
ESR Payroll systems administration – IT controls work						
2018.13	User passwords used to access the ESR payroll system are currently set at 8 characters in length. These could be strengthened by setting passwords to 9 characters in length. Nine characters passwords are proven to be harder to crack and guess than even number passwords.	Strengthen user passwords used to access the ESR payroll system by setting passwords to 9 characters in length.	**Medium**	**No**	**ESR System Administrator**	**Not implemented** This is a nationally hosted system and we consider passwords of 8 characters to be sufficient**.** In addition the following further security measures already are in place: • previous 10 passwords cannot be used; • passwords changed every 90 days; and • password must contain three different characters from numbers, upper case, lower case and special characters.

New issues identified during 2017-18						
Ref	**Issue**	**Recommendation**	**Priority**	**Agreed**	**Trust responsibility and actions – NWSSP**	**Current status – June 2018**
ESR Payroll systems administration – IT controls work						
2018.14	Complete a review of ESR payroll user access rights provided to ensure these are appropriate to job functions complete should place more frequently, for example, every 6 months. During our audit fieldwork in March 2018 NWSSP indicated that these reviews had moved during 2017 from 12 month to every 6 months with the next 6 month review planned for July 2018.	Review the shared services payroll access on a regular basis, for example, every six months, to ensure access is appropriate to job function.	**Medium**	**Yes**	**ESR System Administrator**	**Completed** Payroll user access was reviewed at the end of 2017 resulted in adjustments in line with the Payroll URP User Access Matrix. The next review is planned for July 2018.

New issues identified during 2017-18						
Ref	**Issue**	**Recommendation**	**Priority**	**Agreed**	**Trust responsibility and actions – NWSSP**	**Current status – June 2018**
ESR Payroll systems administration – IT controls work						
2018.15	NWSSP currently reviews the ESR payroll access permissions every twelve months. In this review it will assess the ESR payroll access profiles to enforce segregation of duties. NWSSP has currently identified these combinations of access permissions that are allowed and ones to not allow but the documentation is informal. NWSSP can use this matrix to help formally structure the review of core ESR payroll user access in the scheduled user access review.	Document and formally agree an access permissions and functionality matrix used to help establish ESR payroll access profiles to enforce segregation of duties.	**Medium**	**Yes**	**ESR System Administrator**	**Completed** As a result of the review undertaken December 2017 a standard payroll URP user matrix was developed. This formal matrix implemented with NWSSP ESR System Administrator in March 2018 provides the System Administrator with clear guidance on the access levels aligned to job roles across the payroll service. This matrix will also be reviewed during the 6 month user access review.

Wales Audit Office
24 Cathedral Road
Cardiff CF11 9LJ

Tel: 029 2032 0500
Fax: 029 2032 0600
Textphone.: 029 2032 0660

E-mail: info@audit.wales
Website: www.audit.wales

Swyddfa Archwilio Cymru
24 Heol y Gadeirlan
Caerdydd CF11 9LJ

Ffôn: 029 2032 0500
Ffacs: 029 2032 0600
Ffôn testun: 029 2032 0660

E-bost: post@archwilio.cymru
Gwefan: www.archwilio.cymru

WALES AUDIT OFFICE
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Auditor General for Wales

Management Letter – **NHS Wales Shared Services Partnership**

Audit year: 2017-18

Date issued: July 2018

Document reference: 646A2018-19

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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.

Contents

Our work did not identify any significant issues that would prevent us relying on services provided by NHS Wales Shared Services Partnership (NWSSP) although improvements could be made in some areas.

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Summary report

Introduction

1 In February 2018, we presented a paper to the Velindre NHS Trust's (the Trust) Audit Committee for Shared Services – **2018 Audit Assurance Arrangements – NHS Wales Shared Services Partnership**. The paper set out the external audit assurance arrangements, in line with the requirements of International Standards on Auditing (UK and Ireland) (ISAs) relevant to those services provided by the NHS Wales Shared Services Partnership (NWSSP).

2 Local audit teams of individual health bodies decide the work required on the services provided by NWSSP relevant to their responsibilities for providing an opinion on health body financial statements. They consider whether testing of the key controls within the system, or substantive testing of the figures produced by the system, provides the required assurance in the most efficient way.

3 We agreed to ensure that all matters identified by ourselves and the local audit teams of individual health bodies, which are relevant to those services provided by NWSSP, were captured and reported to NWSSP. This report summarises the work undertaken by ourselves and issues identified by the local audit teams of individual health bodies that relate to NWSSP and its functions. It sets out the findings and recommendations relevant to NWSSP management in respect of:

- Audit and Assurance Services (NWSSP – AAS);
- Primary Care Services (NWSSP – PCS);
- Employment Services (NWSSP – ES);
- Procurement Services (NWSSP – PS); and
- Legal and Risk Services (NWSSP – LARS) which includes Welsh Risk Pool Services (WRPS).

4 The detailed findings from our review of the nationally hosted NHS IT Systems will be separately reported to you.

Issues arising from the audit

Audit and Assurance Services

5 External auditors of each NHS body need to consider ISA 610 – Using the work of internal auditors – to assess the adequacy of Internal Audit work for the purposes of the audit. To aid this evaluation, we considered the arrangements in place against the requirements of the Public Sector Internal Audit Standards (PSIAS).

6 We did not identify any issues regarding NWSSP – AAS's compliance with the PSIAS standards that would prevent us taking assurance from their work.

Primary Care Services

7 Local health board audit teams planned to place reliance on specific key controls within the general medical services (GMS), general pharmaceutical services (GPS) and community pharmacy prescription services (CPPS) systems. We therefore documented, evaluated and tested controls in respect of:

- global sum payments to general medical practitioners (capitation lists and patient rates); and
- payments to pharmacists (checks undertaken by the Professional Services Team and drug tariff rates).

8 Our testing covered the primary care teams in Swansea and Mamhilad and the CPPS team in Companies House and found that controls tested were operating effectively and could therefore be relied upon.

Employment Services

9 Local health body audit teams planned to place reliance on the key controls in respect of exception reporting within the payroll system. We therefore documented, evaluated, and tested these controls within the payroll systems operating at Companies House covering both payroll teams.

10 Our testing found that the key controls identified and tested in respect of exception reports were operating. Exception reports were produced and there was evidence of investigation of the variances and action taken to amend where necessary. However, we found that internal control procedures were not being followed in all cases:

- testing of 12 monthly and 40 weekly exception reports for the Cardiff and Vale payroll team found that none had evidence of senior officer review.
- testing of weekly exception reports for the Cardiff and Vale payroll team found that three of the 40 exception reports tested (one Cardiff and Vale payroll and two Cwm Taf payroll) did not have evidence of review for all variances exceeding the tolerance limits of greater than £75 and greater than minus £300. In addition, one of the exception reports selected for testing could not be located (Cwm Taf payroll week 32).
- testing of exception reports for the Aneurin Bevan payroll team found that two of the six monthly exception reports tested did not have evidence of senior officer review (one was due to the timing of our testing and for the other, the payroll supervisor had carried out some of the initial checks).

11 We also identified that although tolerable differences for investigating variances on exception reports have been set, they are not standardised and vary between payrolls and between health bodies.

12 Two recommendations for improvement have been made which are documented in Appendix 1 (Recommendations 1 and 2).

Procurement Services

13 Local health body audit teams did not plan to place reliance on the key controls within the accounts payable system, instead undertaking substantive testing of the figures produced by the system. Our work was therefore limited to documenting the information flows within the accounts payable system operated within NWSSP – Procurement Services (PS) located within Companies House, Cardiff.

14 The Cardiff and Vale audit team identified an issue in relation to one of the electronic accounts payable invoicing systems used for NHS Wales bodies. The system shares purchase orders and invoices through an online portal provided by a third party contractor but testing of four transactions paid through the portal found that invoices were not available as invoices older than six months are routinely deleted.

15 In order to complete the audit, Cardiff and Vale University Health Board therefore had to instruct the contractor to retrieve its copies of the invoices. NWSSP officers informed the Cardiff and Vale audit team that if invoices older than six months are retained, their retention causes a reduction in performance on the portal. To gain a better understanding of how the portal works, the audit team requested a copy of the contract/agreement in place with the contractor which NWSSP officers were unable to provide.

16 The Cardiff and Vale audit team have raised concerns about these arrangements in their Management Letter report. The lack of document retention by NWSSP itself and the apparent lack of robust control, oversight, and a contract, raise a number of risks in areas such as:

- confidentiality, ensuring the Health Board's data is safe from unauthorised access;
- integrity, the completeness and accuracy of the Health Board's data;
- availability, the lack of robust arrangements for backup, access, audit trail and retention; and
- control, which is undermined by the lack of a contract and agreed procedures for handling unexpected changes such as the contractor becoming insolvent.

17 The Cardiff and Vale audit team recommended that the Health Board identify the key risks to which it is exposed and then obtain formal assurances from NWSSP as to how the risks are mitigated. The audit team made one recommendation for improvement relating to NWSSP – PS which is documented in Appendix 1 (Recommendation 3).

Legal and Risk Services

18 External auditors of each NHS body need to consider ISA 500 – Audit evidence – to assess the adequacy of Legal and Risk Services as a management expert for the purposes of the audit. To aid this evaluation, we considered the arrangements

in place against the requirements of ISA 500. Based on the work we undertook, we did not identify any issues that would prevent us relying on NWSSP – LARS's work as a management expert.

19 The Betsi Cadwaladr audit team identified one instance (case 00T7MN002) where the payment of a clinical negligence claim for more than £1 million could not be supported by the original approval. This payment was a follow-up payment made as the original settlement contract allowed for recompense where changes affected the original pay-out, in this instance the change in the discount rate, for which a specific clause had been put into the settlement order. As there was no specific approval for this additional payment, the Betsi Cadwaladr audit team requested a copy of the original approval which could not be provided by either the Health Board or NWSSP – LARS at the time of the audit. NWSSP management have stated that the LARS file in respect of this case was archived off site in March 2012 and that since April 2016, all correspondence is file electronically. The original approval letter from Welsh Government has now been recovered from the archives.

Recommendations arising from our 2017-18 financial audit work

20 The recommendations arising from our work are set out in Appendix 1. Management has responded to them and we will follow up progress on them during next year's audit.

Appendix 1

Recommendations arising from our 2017-18 audit work

We set out all the recommendations arising from our audit with management's response to them.

Exhibit 1: Recommendations

Para	Issue	Recommendation	Priority	NWSSP responsibility and actions	Completion date
NWSSP – Employment Services					
10	Internal control procedures of senior officer review of exception reports were not being complied with.	R1 NWSSP – ES should standardise controls so that exception reports are independently checked in a consistent way for all health bodies.	Medium	A review of payroll exception reporting and best practice is taking place. This review is aligned to the implementation of a single tolerance level across all payroll teams (Para11). In the interim all payroll teams will review current process against standardised best practice in respect of exception reporting capture and segregation of checking.	31 October 2018

<table>
<tr><th>Para</th><th>Issue</th><th>Recommendation</th><th>Priority</th><th>NWSSP responsibility and actions</th><th>Completion date</th></tr>
<tr><td>11</td><td>Tolerance levels for investigation variances have been set at inconsistent levels.</td><td>R2 NWSSP – ES should standardise the tolerable amounts to the same variance level for all monthly payrolls and all weekly payrolls</td><td>Medium</td><td>The varying tolerance levels are historic and have been reviewed at the Deputy Payroll Managers meeting in May 2018. An assessment has been completed to remove variation and implement a planned process change across all payroll teams by the end of quarter 2 2018. To date, the review has considered local team processes, pay run reports and parameters. A single variation level has been agreed in readiness for implementation on 1 July and monitored August-September:
<table>
<tr><th>Payroll Frequency</th><th>Parameters</th></tr>
<tr><td>Monthly</td><td>35% Variance of Total Pay +£500 Variance (Including Bank)</td></tr>
<tr><td>Weekly</td><td>35% Variance of Total Pay +£125 (Including Bank)</td></tr>
</table></td><td>31 October 2018</td></tr>
</table>

Para	Issue	Recommendation	Priority	NWSSP responsibility and actions	Completion date
NWSSP – Procurement Services					
14	Invoices paid through an online portal provided by a third party contractor are routinely deleted when more than six months old.	R3 NWSSP – PS should liaise with Cardiff and Vale University Health Board where the Health Board identifies that use of the online portal exposes it to risks, to ensure that these risks are minimised.	High	Agreed. If the Health Board identifies specific risks, these will be reviewed and assessed.	N/A

Wales Audit Office
24 Cathedral Road
Cardiff CF11 9LJ

Tel: 029 2032 0500
Fax: 029 2032 0600
Textphone.: 029 2032 0660

E-mail: info@audit.wales
Website: www.audit.wales

Swyddfa Archwilio Cymru
24 Heol y Gadeirlan
Caerdydd CF11 9LJ

Ffôn: 029 2032 0500
Ffacs: 029 2032 0600
Ffôn testun: 029 2032 0660

E-bost: post@archwilio.cymru
Gwefan: www.archwilio.cymru

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Audit Committee

24 July 2018

Internal Audit Progress Report

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2. PROGRESS AGAINST THE 2018/19 INTERNAL AUDIT PLAN 2

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4. RECOMMENDATION 2

1. INTRODUCTION

The purpose of this report is to highlight progress of the 2018/19 Internal Audit Plan at 16 July 2018 to the Audit Committee, together with an overview of other activity undertaken since the previous meeting.

2. PROGRESS AGAINST THE 2018/19 INTERNAL AUDIT PLAN

Number of audits in plan	21
Of which:	
Number of audits in progress	7
Number of audits at planning stage	2

Progress in respect of each of the reviews in the 2018/19 Internal Audit Plan is summarised at Appendix A.

The outcomes of the 2017/18 Internal Audit Programme were reported in the 2017/18 Head of Internal Audit Annual Report and Opinion, which was received by the Audit Committee, along with the 2018/19 Internal Audit Plan, at its previous meeting in June. All 2017/18 audits were completed with the exception of the review of GP Trainees which is nearing the reporting stage at the time of this report.

3. ENGAGEMENT

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

- Information Governance Steering Group
- All Wales P2P Group
- Audit scoping and debrief meetings
- Liaison meetings with senior management

4. RECOMMENDATION

The Audit Committee is invited to note the above.

2018/19 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)								Scheduled for Q3
General Dental Services (GDS)								Scheduled for Q3
General Ophthalmic Services (GOS)								Scheduled for Q3
General Pharmaceutical Services (including Prescribing)								Scheduled for Q3
EMPLOYMENT SERVICES								
Payroll Services		Work in progress						Process mapping currently being undertaken
PROCUREMENT SERVICES								
Purchase to Pay (P2P)		Work in progress						Process mapping currently being undertaken

Assignment	Draft to Mgt Response (Days)	Status	Rating	Summary of Recommendations				Notes
				High	Medium	Low	N/A	
AUDITS FOR NWSSP								
FINANCE & CORPORATE SERVICES								
Business Continuity Plans								Deferred from 2017/18 to Q3 2018/19
Risk Management and Assurance								Scheduled for Q4
BACS Bureau		Work in progress						
Welsh Language Standards								Scheduled for Q3
Information Governance & GDPR								Scheduled for Q3
Welsh Infected Blood Support Scheme		Work in progress						
PROCUREMENT SERVICES								
Cwmbran Stores								Scheduled for Q3
Health Courier Services		Work in progress						

Assignment	Draft to Mgt Response (Days)	Status	Rating	Summary of Recommendations				Notes
				High	Medium	Low	N/A	
PRIMARY CARE SERVICES								
General Ophthalmic Services (GOS)								Scheduled for Q3
Patient Medical Records								Scheduled for Q4
Primary Care Payments System		Planning						Initial discussions taking place regarding timing and scope
WORKFORCE & ORGANISATION DEVELOPMENT								
Annual Leave Management		Work in progress						
Recruitment and Retention (Advisory)		Work in progress						
IT								
IT Systems – virtualised environment								Scheduled for Q4
CAPITAL & ESTATES								
Property Management		Planning						Initial discussions taking place regarding timing and scope

Assignment	Draft to Mgt Response (Days)	Status	Rating	Summary of Recommendations				Notes
				High	Medium	Low	N/A	
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
	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.	Significant audit matters require management attention both in terms of materiality and number. 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. Several high priority audit findings have been identified in a number of areas; and/or several Medium audit findings. Either individually or when taken together these are significant audit matters with moderate impact on residual risk exposure until resolved.

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

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

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Review reference:	NWSSP-1718-QAIP
Report status:	Final
Final report Issued:	26 June 2018
Executive sign off:	Simon Cookson, Director of Audit & Assurance
Distribution:	Neil Frow, Managing Director Andrew Butler, Director of Finance & Corporate Services Velindre Audit Committee for Shared Services (25 July 2018) Board Secretaries

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 report has been prepared for internal use only. Audit & Assurance Services reports are prepared, in accordance with the Audit Charter 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. Introduction

This paper sets out the Quality Assurance and Improvement Programme (QAIP) for 2017/18 and the approach and work for 2018/19.

The QAIP is a requirement of the Public Sector Internal Audit Standards (PSIAS).

2. Approach

Audit & Assurance's Quality Manual states:

"The Director of Audit & Assurance must develop and maintain a quality assurance and improvement programme that covers all aspects of the internal audit activity (Standard 1300). This should include internal and external assessments (standards 1311 and 1312)."

This year we have had the mandatory External Quality Assessment (EQA) which was undertaken by The Chartered Institute of Internal Auditors (the organisation that sets the International Standards for Internal Audit) – Section 2.1.

The internal assessments will cover:

1. Quality Reviews - organisation focussed reviews to ensure each NHS organisation and Head of Internal Audit and SSu are covered (2.2)
2. Thematic reviews, where appropriate, of Accounts Payable, Procurement, Payroll and Primary Care (2.3)

In addition, there will be other information that supports the QAIP:

3. Results of Audit Satisfaction Surveys (a survey is sent after each audit) (2.4)
4. Key performance Indicator Outcomes (2.5)
5. Audit Committee assessments of their own effectiveness that include Internal Audit (2.6)
6. Wales Audit Office review (WAO) with recommendations for improvement (2.7)
7. Head of Internal Audit/Head of SSu 'Conformance Statements' (2.8)
8. Formal meetings with Chairs of Audit Committees and Board Secretaries (2.9)
9. Other relevant Information (2.10 & Sections 3.1 to 3.2).

2.1 External Quality Assessment

In February and March 2018 Audit & Assurance Services were subject to a formal External Quality Assessment. This assessment is required by the PSIAS and was undertaken by The Chartered Institute of Internal Auditors (IIA). Their report was presented to the Velindre Audit Committee for Shared Services on 24 April 2018 and will subsequently be presented to all the Audit Committees of all NHS Wales organisations. Copies have also been sent to all Audit Committee Chairs and Board secretaries.

The IIA noted that:

"This external quality assessment was conducted as a validation of the self-assessment carried out by NWSSP Audit and Assurance Services using the methods prescribed by Chartered Institute of Internal Auditors. We reviewed a wide range of documentary evidence, surveyed representative stakeholders and interviewed members of the Internal Audit teams and stakeholders. We have provided the Director of Audit and Assurance with our comments in a detailed standard-by-standard checklist as a separate document."

The checklist is available on request but is not included here as it comprises 80 pages.

The assessment concluded that:

"It is our view that NWSSP Audit and Assurance Services conforms to all … 64 fundamental 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**.'

The report notes a number of Key Achievements:

"NWSSP Audit and Assurance Services has firm foundations based on an Internal Audit Charter, an Audit Manual and meticulous quality assurance processes. The International Standards (PSIAS) are embedded into the TeamMate audit software and auditors are reminded of the Standards and their ethical responsibilities at every stage of their audit work. The TeamMate software has also enabled a consistent and disciplined approach to audit work across different sites and audit clients. In one client organisation it has been shared with management to assist in the follow through of agreed actions.

NWSSP Audit and Assurance Services is well respected by management and the Audit Committees for its professionalism and is seen as a source of risk, control and governance advice. With a resource base of 57 including the Director of Audit and Assurance the team has a good spread of skills and can offer career development and specialist audits in Capital, Estates and Information Management and Technology. Specialist guest auditors including clinicians enable them to cover a wide range of operational risks. A scheme in conjunction with Swansea University has sourced new talent at the undergraduate level. There is a budget allocation to supplement in-house expertise through co-sourcing as appropriate.

There is an effective and consultative planning process including recognition of the current business strategy and good alignment to strategic risks. Audit Committee chairs have commented favourably on the flexibility of planning to accommodate changing needs for assurance.

The recipients confirm that NWSSP Audit and Assurance Services is delivering the required assurance (audit report ratings encompass all four grades of opinion) and a degree of advice and insight particularly in drawing together lessons learned and examples of good practice from all parts of NHS Wales and beyond."

The report also includes:

- A SWOT analysis
- a matrix measuring Audit & Assurance's position against the IIA's criteria of effective internal audit
- 2 recommendations for further improvement
- a list of interviewees and comments
- an analysis of the IIA's survey of Audit Committee Chairs and Board Secretaries.

The two recommended areas for improvement cover (together with our response):

- As NHS organisations develop further their approach to Board Assurance, Internal Audit will have the opportunity to focus their work even more closely to key risks, taking into account the work of other assurance providers and the strength of the first and second lines of defence within individual organisations.

- There are potential opportunities to make the TeamMate software more efficient and we will review the steps we undertake on our audits to identify where any efficiencies may exist.

NWSSP Audit & Assurance is rightly pleased with the results of the EQA and will seek to build on this performance to improve further the effectiveness of Internal Audit as part of a longer term Internal Audit and Assurance strategy for the NHS in Wales.

2.2 Quality Reviews

A total of 22 file reviews were undertaken on 2017/18 audits. All were undertaken by the Director of Audit & Assurance (DAA). The audits reviewed were:

AB - Business Continuity Planning / Major Incidents
AB - Public Health
Powys - Budgetary Control & Financial Savings
Powys - Workforce Planning
WAST - Performance Management of the IMTP
WAST - Fleet Maintenance Costs – Advisory Review
CT - Directorate Review – Medicines Management
CT - WHSCC Core Financial Systems
PHW - Procurement
C&V - Quality & Safety Governance Follow-Up
C&V - Children & Women Clinical Board Medical Staff Rotas and Study
Velindre - Management of Sickness and Absence
ABM - Risk Management & Assurance
ABM - Executive Medical Directorate Governance Review
HD - Accounts Receivable
HD - Freedom of Information
BC – Safehaven
BC - Occupational Health
NWSSP - WAO PIR – RKC Associates: Lessons Learned by NWSSP
SSU - ABM - Renal Ward Refurbishment
SSU - HD - Carbon Reduction Commitment
IM&T - AB - Welsh Community Care Information System (WCCIS)

Files were chosen at random from a list of completed audits for each HB/Trust as at the end of December 2017. The files were reviewed during January 2018 by the DAA using the 17/18 QR checklist which links to the Public Sector Internal Audit Standards.

Overall, the results were positive and demonstrated an improvement on the previous three years' results. However, in a small number of instances, discussions were needed with the Head of Internal Audit to confirm findings and a number of exceptions were noted. The exceptions will continue to be built into the TeamMate approach going forward and we intend to rerun training on the use of TeamMate in 2018/19 for all staff.

The exceptions, communicated to the Heads of Internal Audit/Head of SSu in February 2018, are covered at Appendix B.

On the basis of the reviews undertaken there were no specific matters that needed to be reported in the Annual Head of Internal Audit opinion in terms of compliance with the PSIAS.

2.3 Thematic Reviews

Each year, reviews around Accounts Payable, Employment Services (Payroll), and Primary Care Services – PCS (covering General Medical Services, General Dental Services, Ophthalmology, and Prescribing and Pharmacy) are undertaken as part of the NWSSP audit programme with the results included in the NWSSP annual report. The results are then communicated to each Health Board and Trust as appropriate and are included in all Annual Reports.

In previous years the component parts of these audits were undertaken and reported by Internal Audit teams across Wales to reflect where the work was undertaken. We had a process of moderation and review to ensure consistency. However, with increased centralisation and the creation of a dedicated NWSSP Internal Audit team the work on Accounts Payable, Payroll and PCS no longer needs a separate quality assurance process and therefore will not be commented on in this report in future years.

Key messages from these audits – for both NWSSP and the Health Boards and Trusts – will continue to be reported and monitored through the relevant Audit Committees and national working groups.

2.4 Audit Satisfaction Surveys

Audit satisfaction surveys are submitted to HBs/Trusts at the conclusion of each audit. Response rates are relatively low although this does differ by organisation. Copies of the survey are retained on the individual audit files. A summary of the response rates and findings are included in each Head of Internal Audit Opinion.

In addition, we receive feedback through regular meetings with both HB/Trust Executives and Audit Committees.

We continue to work with HBs/Trusts to improve the response rates to the surveys as this can be a key driver in helping to improve the focus and outcomes of audits.

2.5 Key Performance Indicators

At the end of May 2018 (when Final opinions are issued), KPIs for 2017/18 showed:

KPI	SLA	Target	Overall
Audit plans agreed [2018/19]	√	100%	100%
Audit opinions/annual reports compiled [2017/18]	√	100%	100%
Audits reported over total planned audits	√	Target	100%
		Actual	99%
Work in progress	No	N/A	1%
Report turnaround fieldwork to draft reporting [10 days]	√	80%	90%
Report turnaround management response to draft report [15 days]	√	80%	60%
Report turnaround draft response to final reporting [10 days]	√	80%	98%

In 2017/18 we have delivered 360 outputs to support the Head of Internal Audit Opinions for the 10 NHS Bodies and NWSSP.

In terms of the delivery of the audit programme we are often asked to delay reviews until late in the financial year. We are happy to accommodate this but it does mean that we sometimes need to use contractor staff to ensure delivery which does increase costs. The KPIs for each HB/Trust are reported in their individual Head of Internal Audit Opinion.

2.6 Audit Committee self-assessments

Each year, Audit Committees will produce an annual report of their own activities and undertake a self-assessment against key criteria set out in the HFMA Audit Committee Handbook. Results of this work, which includes an assessment of Internal Audit, are used to help inform Audit & Assurance's forward strategy at both a Directorate and individual HB/Trust level.

2.7 Wales Audit Office (WAO) review

Each year, Wales Audit Office (WAO) undertakes an overview of Internal Audit as part of their work programme. The relevant extracts from this year's Management Letter, presented to the Velindre Audit Committee for Shared Services (July 2018) are included below.

"*External auditors of each NHS body need to consider ISA 610 – Using the work of internal auditors – to assess the adequacy of Internal Audit work for the purposes of the audit. To aid this evaluation, we considered the arrangements in place against the requirements of the Public Sector Internal Audit Standards (PSIAS).*

We did not identify any issues regarding NWSSP – AAS's compliance with the PSIAS standards that would prevent us taking assurance from their work."

Although no new recommendations were made by WAO as a result of their work in 2017/18, we have continued to make progress against recommendations raised in previous years.

In addition, the Director of Audit & Assurance meets regularly with both WAO NHS leads and the Velindre audit team to ensure that internal audit's work is co-ordinated, where appropriate, with the work of WAO. Heads of Internal Audit also meet regularly with the relevant WAO leads for each health Board and Trust to ensure work if co-ordinated effectively.

2.8 Conformance self-assessments

Each year, all Heads of Internal Audit/SSu complete a self-assessment against the PSIAS which is submitted to the Director of Audit & Assurance for review. After review, the self-assessments are discussed with the relevant Head of Internal Audit/SSu if there are any matters requiring attention. During 2017/18, three matters were identified as part of this process:

1. Some HIAs noted that they report to formally the AC rather than the Board (this will be reflected in the Internal Audit Charter);
2. We still have more to do to fully utilise technology based audit techniques although the work of the IM&T team is helping address this – link to Training & Development (T&D) Strategy below; and
3. CPD, training and development – formal T&D Strategy is being developed and is currently in draft.

2.9 Formal meetings with Chairs of Audit Committees and Board Secretaries

During 2017/18 the Director of Audit & Assurance met with the Board Secretaries and Chairs of Audit Committee groups on the following occasions:

- Board Secretaries: 28 July 2017, 24 January 2018, 23 March 2018 and 22 June 2018
- Chairs of Audit Committee: 20 September 2017 and 12 April 2018
- Joint meeting: 12 January 2018

Areas discussed included:

- Changes to the Service Level Agreement
- Themes emerging from audit work across NHS Wales
- External Quality Assessment
- Internal Audit Strategy.

Further meetings are planned in 2018/19. In addition, the Director of Audit & Assurance has also met with a number of Chairs, Finance Directors, Executive Directors and full Boards during the course of the year.

2.10 Audit Approach

During 2017/18 we updated our Audit Approach (Quality manual) to reflect previous QAIP findings and changes to the Public Sector Internal Audit Standards from 1 April 2017.

3. Other Quality Assurance and Improvement Areas

3.1 Wider role of Director of Audit & Assurance/Heads of Internal Audit

The Director of Audit & Assurance is an observer on the Public Sector Internal Audit Standards Advisory Board, a member of the Wales Public Sector Heads of Internal Audit Forum, and a co-opted member of the CIPFA Wales Council. He is also an Independent Member of the Audit Committee of Bristol City Council. One Head of Internal Audit is the Independent Chair of the Audit Committee at Swansea City Council.

3.2 QAIP Approach for 2018/19

The QAIP approach for 2018/19 will include (in addition to the standard areas):

1. A revisit of the IAQAF approach to see if it remains fit for purpose

2. Follow up of the EQA and previous QAIPs.

APPENDIX A

Quality Reviews 2017/18 – Exceptions and differences noted:

Independence, objectivity and competency (Q1 – 3)

No specific comments other than to note that external support was used to undertake 5 of the audits. Since those audits, one of the contractors has joined us permanently (undertook 2 of the 5 audits noted), one was on the Bank and has since joined Corporate Services, and the other 2 audits were undertaken by experienced contractors who have worked for us for a number of years.

Engagement Planning (Q4 – 9)

Q5 – in a couple of instances, the scope had been changed either between draft and final or between final and the conclusion of the audit. In most cases the explanation was clear on the file and reasonable, however, in a couple of cases I needed to speak to the relevant HIA to understand the rationale. Also, in a small number of instances the brief on file was the 'draft' rather than the 'final' but there was evidence that the HB had agreed the scope.

Performing the engagement (Q10 – 11)

Q10 – it was clear generally how the findings recorded on the file linked to the findings in the report, for example where the number of issues recorded did not match the number of recommendations made in the report it was clear how they had been merged or where additional information had cleared the original finding. Evidence recorded on files was generally to a high standard.

Supervision and review (Q12 – 13)

Q13 – Head of Internal Audit review could be clearer in a few instances.
Q13 – there was one instance where a few 'steps' remained to be reviewed.
Q13 – there are small differences in the way each team uses the structure and steps to record evidence of work done and the findings e.g. the use of 'Current Issues' and 'Formulate Findings'. In addition, Teams have added additional schedules and matrixes where appropriate.

Reporting (Q14)

No specific comments other than to say I thought the quality of the reports was good and a number contained examples of good practice.

Completion (Q15 – 16)

Q15 – All teams now use the checklist to demonstrate that process and quality checks have been performed before the issue of the draft/final reports.

Q16 – we have sought feedback for most reviews but only a couple had any evidence on file of the feedback. However, all reports do go through to Audit Committee which acts as a measure of the quality and relevance of our work.

Other Comments (Q17)

The one consulting review had completed the Consulting Checklist and the file was clear on what work we could and could not do.

Specific comments on files are included on each individual checklist which has been sent to each HIA.

Overall Summary

Overall, the quality of audit files is improved again on the previous year. There are fewer findings than last year. The key lesson going forward is to consistently demonstrate/evidence any changes to our scopes and the input from HIAs.

There are small differences between the ways teams use TM steps and some have introduced their own schedules and matrixes. Going forward, we will set aside time to compare and contrast these documents to see if we adopt nationally or retain local discretion.

MEETING	Velindre NHS Trust Audit Committee for NHS Wales Shared Services Partnership
DATE	24th July 2018
AGENDA ITEM	4.1
REPORT PREPARED BY	Craig Greenstock, Counter Fraud Manager
PRESENTED BY	Craig Greenstock, Counter Fraud Manager
TITLE OF REPORT	Counter Fraud Progress Report 30th June 2018

PURPOSE

The purpose of the Counter Fraud Progress Report is to provide the Audit Committee with and update report of all NHS Counter Fraud work undertaken, for the period ended 30th June 2018, within the Health Body. The report's style has been adopted, in consultation with the Finance Director, with the prime objective of informing, and updating, the Audit Committee members of the outline detail of significant changes in cases that have been worked on during the period, in addition to any current operational issues.

1. INTRODUCTION

In compliance with the Secretary of State for Health Directions on Countering Fraud in the NHS, regular progress update reports are required to be presented to the Health Bodies' Audit Committee, which should outline the current standing of any Counter Fraud and Corruption work carried out within the Health Body as at the date of the Audit Committee meeting.

The Local Counter Fraud Specialist (LCFS) to plan and agree, with the Finance Director, an Annual Work-Plan containing a suggested number of days that is a framework on which to build and develop robust Counter Fraud arrangements and which recommends, to the Health Bodies' Audit

Committee, the resources necessary to undertake work effectively across the areas of action outlined in NHS Counter Fraud Policy and Procedures.

Fraud committed against the NHS has a financial impact, since the Health Body would have suffered an initial financial loss as a result of the subject's actions.

2. CURRENT POSITION

The work of the Health Body's Counter Fraud staff is undertaken in order to attempt reduce the level of fraud and/or corruption within NWSSP to a minimum and keep it at that level in order to free up resources for patient care.

Any negative publicity received as a result of media reports may have an effect on the reputation of the Health Body. However, by publicising any action taken against the individual(s) would also show that fraud committed against the NHS will not be tolerated and this may also serve as a deterrent to others.

3. ACTIONS/RECOMMENDATION TO THE AUDIT COMMITTEE

The Audit Committee is asked to:

- **RECEIVE** and **DISCUSS** the Counter Fraud Progress Report

NHS WALES
SHARED SERVICES PARTNERSHIP

Audit Committee - 24th July 2018

Counter Fraud Progress Report
as at 30th June 2018

CRAIG GREENSTOCK
COUNTER FRAUD MANAGER
CARDIFF & VALE UNIVERSITY HEALTH BOARD

NHS WALES SHARED SERVICES PARTNERSHIP

AUDIT COMMITTEE 24th JULY 2018

COUNTER FRAUD PROGRESS REPORT

1. Introduction

2. Current Case Update

3. Progress and General Issues

Appendix 1 Summary Plan Analysis
Appendix 2 Assignment Schedule

Mission Statement

To provide the NWSSP with a high quality NHS Counter Fraud Service, which ensures that any report of fraud is investigated in accordance with the Directions for Countering Fraud in the NHS and all such investigations are carried out in a professional, transparent and cost effective manner.

1. INTRODUCTION

1.1 In compliance with the Directions on Countering Fraud in the NHS, I detail below the standing of the current Counter Fraud and Corruption work carried out, by the nominated Local Counter Fraud Specialists, during the period ended 30th June 2018.

The Progress Report's style has been adopted, in consultation with the Velindre NHS Trust and NWSSP's Finance Directors, with the prime objective of informing, and updating, the Audit Committee members of the outline detail of significant changes in cases worked on during the period and any current operational issues.

Progress against the NWSSP Annual CF Work-Plan of **75days,** has been reported in **Appendix 1** and as at 30th June 2018, **15days of** Counter Fraud work has been undertaken and this has also been reported in **Appendix 1**.

Any significant changes in the progress/work undertaken are outlined in point 2 below**.**

2. CURRENT CASE UPDATE

There are currently four (4) cases currently under investigation which are at varying stages. Verbal updates on the progress made, to date, will be given to the Audit Committee.

3. PROGRESS AND GENERAL ISSUES

3.1 Fraud Awareness Presentations

During the period a total of three (3) separate fraud awareness sessions have been held in conjunction with staff based within the various Divisions.

Of the sessions held to date, these include one session was given to Procurement staff based in Nantgarw in addition to two (2) NWSSP Corporate Induction sessions carried out at Companies House in Cardiff and Matrix House in Swansea.

APPENDIX 1

COUNTER FRAUD SUMMARY PLAN ANALYSIS 2018/19

AREA OF WORK	NWSSP	Days to Date
General Requirements		
Production of Reports to Audit Committee	3	1
Attendance at Audit Committees	3	0
Planning/Preparation of Annual Report and Work Programme	5	4
Annual Activity		
Creating an Anti Fraud Culture	4	1
Presentations, Briefings, Newsletters etc.	14	3
Other work to ensure that opportunities to deter fraud are utilised	2	0
Prevention		
The reduction of opportunities for Fraud and Corruption to occur	3	0
Detection		
Pro-Active Exercises (e.g. Payroll etc)	3	0
National Fraud Initiative 2016/17	2	0
Investigation, Sanctions and Redress		
The investigation of any alleged instances of fraud	30	6
Ensure that Sanctions are applied to cases as appropriate	4	0
Seek redress, where fraud has been proven to have taken place	2	0
TOTAL NWSSP	**75**	**15**

APPENDIX 2

COUNTER FRAUD ASSIGNMENT SCHEDULE 2018/19

Case Ref	Subject	Status	Open/Closed
SSP14.05	Unauthorised Sale of NHS Property	Crown Court Hearing (Suspended Sentence) Civil Recovery (5k) still being made at £50 per month	Open
SSP15/04	False Claim for Costs	Crown Court Hearing 18.10.17. Female defendant was sentenced to 2yrs in prison and male defendant sentenced to 6mths in prison. POCA Hearing in April 2018 where defendant was ordered to repay £9,545 in compensation to the NHS within three (3) months and a further £13,713 to be paid to the Dept of Works and Pensions (DWP). The remaining sum of £68,165, owed to the DWP, is to remain on file for further consideration.	Open
SSP16/04	False Claim for Costs	Magistrates Court Hearing - March 2017. Subject was fined £200 and ordered to pay compensation of £120 and £400 Costs - Awaiting outcome of internal University Fitness to Practice.	Case to be closed in Qtr 2
SSP18.03	False Claim for Costs	No evidence to support allegation. No further action to be taken on advice from CPS.	Closed in Qtr 1
SSP18.04	False Claim for Costs	No evidence to support allegation. Unable to trace named individual.	Closed in Qtr 1
SSP18.05	False Claim for Costs	Interview under caution on 13/4/18 - Prosecution case file now to be submitted to CPS	Open

SRT Process Summary

Overall Score : **GREEN**

Submitted By : Mr Craig Greenstock

Submitted Date : 27/03/2018 10:55:31

1. Sections

1.1. **General**

1.2. **Strategic Governance**

1.3. **Inform and Involve**

1.4. **Prevent and Deter**

1.5. **Hold to Account**

General

Standard	Comments
Name of the organisation	VELINDRE NHS TRUST
Annual budget of the organisation *	£ 260 million to £ 420 million
Staff headcount at the organisation including contracted employees *	3,000 to 6,000
Organisation code	RQF
Organisation/provider type *	Care Trust
Name of the member of the executive board or equivalent body responsible for overseeing and providing strategic management *	Mark Osland
Region *	WALES
Date of completion of this review	22/03/2018
Name and email of the Local Counter Fraud Specialist*	Craig.Greenstock@wales.nhs.uk
Name of the anti-fraud provider organisation (including in-house) *	Cardiff and Vale University Health Board
Name and email of the Chair of the Audit Committee	martin.veale@gmail.com
Strategic Governance, Inform and Involve and Prevent and Deter days used (Maximum 3 digits)*	70
Hold to Account days used (Maximum 3 digits)*	135
Total days used for anti-fraud work	205
Cost of anti-fraud staffing per financial year - Strategic Governance, Inform and Involve and Prevent and Deter*	£19,600.00
Cost of anti-fraud staffing per financial year - Hold to Account	£37,800.00
Total costs for anti-fraud work	£57,400.00

Strategic Governance

No	Standard	Rating	Comments
1.1	A member of the executive board or equivalent body is responsible for overseeing and providing strategic management and support for all counter fraud, bribery and corruption work within the organisation.	GREEN	The Trust's Finance Director has delegated responsibility for overseeing and providing all aspects of such work within the organisation. Evidence to support this is contained in various documentation such as the Trust's Annual Counter Fraud Report, regular Counter Fraud Progress Reports which are tabled at Audit Committee and Board meetings in conjunction with the Trust's Policies and Procedures which relate to and support the Counter Fraud work being undertaken.

1.2	The organisation's non-executive directors and board level senior management provide clear and demonstrable support and strategic direction for counter fraud, bribery and corruption work. Evidence of proactive management, control and evaluation of counter fraud, bribery and corruption work is present. If the NHSCFA has carried out a qualitative assessment, the non-executive directors and board level senior management ensure recommendations made are fully actioned.	GREEN	There is clear evidence to support this in the form of regular Counter Fraud Progress Reports tabled at Audit Committee meetings. In addition, there have been system and policy changes implemented as a result of recommendations which have been made following reports that were to be issued to Management in relation to system weakness that have also been identified during the course of the individual Counter Fraud investigations.
1.3	The organisation employs or contracts in one or more accredited, nominated LCFSs to undertake the full range of counter fraud, bribery and corruption work, including proactive work to prevent and deter fraud, bribery and corruption and reactive work to hold those who commit fraud, bribery and corruption to account.	GREEN	The Trust currently employs an Accredited Counter Fraud Specialist as part of an agreed Service Level Agreement to carry out the full range of Counter Fraud work on behalf of the Trust. This individual has, throughout the year, undertaken all relevant training including any required attendance at any Regional Forums held by NHS Counter Fraud Authority and/or NHS CFS (Wales).
1.4	The organisation has carried out risk assessments to identify fraud, bribery and corruption risks, and has counter fraud, bribery and corruption provision that is proportionate to the level of risk identified. Measures to mitigate identified risks are included in an organisational work plan, progress is monitored at a senior level within the organisation and results are fed back to the audit committee.	GREEN	There is clear evidence to support this in the form of regular Counter Fraud Progress Reports tabled at Audit Committee meetings. In addition, there have been system and policy changes implemented as a result of recommendations made following reports that were issued to Management in relation to system weakness that have been identified during the individual Counter Fraud investigations.

1.5	The organisation reports annually on how it has met the standards set by the NHSCFA and NHS CFS Wales in relation to counter fraud, bribery and corruption work, and details corrective action where standards have not been met.	GREEN	The Trust produces an Annual Counter Fraud Report which is then tabled at the relevant Audit Committee meeting. In addition and as part of the NHS Counter Fraud Authority's required process, the Trust also completes a Self Review Tool (SRT) detailing the level achieved when compared to the individual Standards on Fraud, Bribery and Corruption.
1.6	The organisation ensures that those carrying out counter fraud, bribery and corruption work have all the necessary tools and resources to enable them to carry out their role efficiently, effectively and promptly. This includes (but is not limited to) access to IT systems and access to secure storage.	GREEN	The LCFS has a dedicated office together with separate room to undertake interviews under caution together with additional secure storage facilities which enables all records including confidential material to be securely stored in a lockable location. In addition, the LCFS has access to all staff groups within the Trust including but not limited to Trust Board Members, Audit Committee Chair, Independent Members, Clinicians and Senior Executives which also includes the full support of the Finance Director.
1.7	The organisation ensures that there are effective lines of communication between those responsible for counter fraud, bribery and corruption work and other key staff groups and managers within the organisation, including (but not limited to) audit, risk, finance, communications and human resources. There is evidence of positive outcomes as a result of this liaison.	GREEN	Evidence in this area includes joint working arrangements that have been established together with UK Borders, Central Criminal Investigation Unit (Fraud and Error Service) in addition to signed working protocols between the LCFS and NWSSP Recruitment together with the Trust's Workforce Department plus agreed liaison and working practices established with NWSSP Internal Audit.

Inform and Involve

No	Standard	Rating	Comments

2.1	The organisation has an ongoing programme of work to raise awareness of fraud, bribery and corruption. This should cover the NHSCFA's Fraud and Corruption Reporting Line and online fraud reporting tool, and the role of the accredited counter fraud specialist. Content may be delivered through presentations, newsletters, leaflets, posters, intranet pages, induction materials for new staff, emails and other media, making use of the NHSCFA's fraud awareness toolkit as appropriate. The effectiveness of the awareness programme is measured.	GREEN	Evidence supports the LCFS in that a range of Fraud Awareness Sessions have taken place during the financial year across the various staff groups . These sessions are tailored to meet the needs of the specific staff groups across the Trust. Individual exit questionnaires are also completed as feedback on the session. In addition, a quarterly newsletter is produced to include details of work undertaken and successful case outcomes. As part of measuring the effectiveness of fraud awareness, an online e-learning package has been developed, the results of which are then used to determine any NHS bodies where fraud awareness may be lacking and/or is required.
2.2	The organisation has a counter fraud, bribery and corruption policy that follows the NHSCFA's strategic guidance, publicises the NHSCFA's Fraud and Corruption Reporting Line and online reporting tool, and has been approved by the executive body or senior management team. The policy is reviewed, evaluated and updated as required, and levels of staff awareness are measured.	GREEN	The Trust has recently reviewed t's Policy and has been issued as part of the Trust's consultation process. The Policy has then been approved by the Trust Board, placed on the Trust's website and disseminated to staff via the Trust's intranet.
2.3	The organisation liaises proactively with other organisations and agencies (including local police, local authorities, regulatory and professional bodies) to assist in countering fraud, bribery and corruption. All liaison complies with relevant legislation, such as the Data Protection Act 1998 - General Data Protection Regulation (GDPR), and with relevant organisational policies. The organisation can demonstrate improved investigative and operational effectiveness as a result of the liaison.	GREEN	Evidence includes e-mails, meeting notes, case files and progress sheets with the LCFS having liaised with key stakeholders both internally and externally. These links include, but are not limited to the Police, CFS Wales, NWSSP Payroll Services, Local Authorities, Wales Audit Office and NWSSP Internal Audit.

2.4	The organisation has a fully implemented code of conduct that includes reference to fraud, bribery and corruption and the requirements of the Bribery Act 2010. The effectiveness of the implementation of the process and staff awareness of the requirements of the code of conduct are regularly tested.	GREEN	The Trust has a Standards of Behaviour Policy which incorporates Declarations of Interest, Gifts, Hospitality and Sponsorship. This Policy outlines the roles and responsibilities for staff and monitoring of actions. A report is then produced to the Audit Committee, who also receive regular reports on Declarations of Interest, Gifts and Hospitality to ensure compliance.

Prevent and Deter

No	Standard	Rating	Comments
3.1	The organisation reviews new and existing relevant policies and procedures, using audit reports, investigation closure reports and guidance from the NHSCFA and NHS CFS Wales, to ensure that appropriate counter fraud, bribery and corruption measures are included. This includes (but is not limited to) policies and procedures in human resources, standing orders, standing financial instructions and other finance and operational policies. The organisation evaluates the success of the measures in reducing fraud, bribery and corruption, where risks have been identified.	GREEN	All Trust Policies and /or Procedures which are to be reviewed and that have any reference to Fraud, Bribery and/or Corruption require "sign off" by the LCFS as part of the review process. Once approved such documents are then disseminated across the Trust and also placed on the Intranet and Internet websites.
3.2	The organisation uses relevant information and intelligence to identify anomalies that may be indicative of fraud, bribery and corruption and takes the appropriate action, including proactive exercises, to address them. Relevant information and intelligence may include (but is not limited to) internal and external audit reports, evidence of primary care work, information on outliers, recommendations in investigation reports and information from payroll. The findings are acted upon promptly.	GREEN	As part of the joint working arrangement with NWSSP Internal Audit, an agreed reporting format of any suspicion of fraud has been agreed and documented. In addition, any system weaknesses are included within the individual Internal Audit reports that are tabled at Audit Committee meetings.
3.3	The organisation issues, implements and complies with all appropriate fraud, bribery and corruption intelligence bulletins, prevention guidance and alerts issued by the NHSCFA or NHS CFS Wales. In addition, the organisation issues local counter fraud, bribery and corruption warnings and alerts to all relevant staff following guidance in the NHSCFA Intelligence Alerts, Bulletins and Local Warnings Guidance. The organisation has an established system of follow up reviews to ensure that it remains vigilant and that all appropriate action has been taken.	GREEN	The Trust is pro-active in it's approach to identifying and addressing any system weaknesses. These are then reported on and any recommendations made are implemented to ensure mitigation of any weaknesses that have been identified. The LCFS would also use FIRST to record any fraud related system weaknesses on behalf of the Trust.

3.4	The organisation ensures that all new staff are subject to the appropriate level of pre-employment checks, as recommended by NHS Employers, before commencing employment within the organisation. Assurance is sought from any employment agencies used that the staff they provide have been subject to adequate vetting checks, in line with guidance from NHS CFS Wales, NHS Employers and the Home Office.	GREEN	In conjunction with NWSSP Recruitment Department, evidence will show that anomalies with the pre-employment checks (e.g. adverse DBS, false qualification certificates etc) are then referred to the LCFS for further investigation.
3.5	The organisation has proportionate processes in place for preventing, deterring and detecting fraud, bribery and corruption in procurement.	GREEN	The LCFS has a targeted approach to this work when delivering fraud awareness sessions. The Audit Committee has a standing agenda item in relation to Declarations of Interest to ensure that all Standing Financial Instructions are adhered to and the process is subject to regular review. The Trust also uses the NHS Shared Services Partnership (NWSSP) to undertake any procurement and/or tendering process which contains an automated checking service to ensure that appropriate checks and systems are in place that fully meet the requirement of this standard at each stage of the process.
3.6	The organisation has proportionate processes in place for preventing, deterring and detecting invoice fraud, bribery and corruption, including reconciliation, segregation of duties, processes for changing supplier bank details and checking of deliveries.	GREEN	The NWSSP are responsible for ensuring that appropriate procedures are in place throughout the NHS in Wales. Any potential alerts are then issued to the Accounts Payable Manager and that an effective segregation of duties exists.

Hold to Account

No	Standard	Rating	Comments

4.1	The organisation ensures that FIRST is used to record all reports of suspected fraud, bribery and corruption, to inform intelligence held nationally by the NHSCFA and NHS CFS Wales. FIRST is also used to record all system weaknesses identified as a result of investigations and/or proactive prevention and detection exercises.	GREEN	FIRST is an information gathering, intelligence disseminating and case management toolkit provided by NHS CFA for the use of organisations to assist them with the management of referrals, intelligence and fraud enquiries. The system is used by Accredited Counter Fraud Specialists to ensure that compliance with the Criminal Procedure and Investigations Act 1996 (CPIA) is adhered to. FIRST is updated on a regular basis and within required timescales, recording all appropriate information as stipulated in the NHS CFA guidance issued.
4.2	The organisation uses FIRST to support and progress the investigation of fraud, bribery and corruption allegations, in line with the NHSCFA's guidance.	GREEN	Files are updated within the timescales. All appropriate information is recorded and cases identified for closure appropriately. The Trust's LCFS reviews information on FIRST on a regular basis to ensure that all appropriate information is recorded timely and used to identify any investigations that require further action or files for closure. This ensures that, where there may have been a break in activity on a case the reason can be recorded to ensure compliance with due process and legislative requirements.

4.3	The organisation shows a commitment to pursuing, and/or supporting the NHSCFA and NHS CFS Wales in pursuing, the full range of available sanctions (criminal, civil, disciplinary and regulatory) against those found to have committed fraud, bribery or corruption in primary and secondary care sectors, as detailed in the NHSCFA guidance and following the advice of the Operational Fraud Manager in NHS CFS Wales.	GREEN	The LCFS has adhered to all legislative requirements and will conduct investigations, when required, in line with guidance. Appropriate advice is sought from CFS Wales at the start of any investigation. All investigation files are reviewed as part of Focused Assessments and are compliant with appropriate procedures and originals kept on file. This has resulted in a range of sanctions (e.g. criminal, civil and disciplinary) and recoveries being achieved. Any findings from investigations are then used to inform policy/procedural changes and recommendations implemented. Any system weaknesses are discussed with NWSSP Internal Audit and as part of the Audit Committee process.
4.4	The organisation completes witness statements that follow best practice and comply with national guidelines.	GREEN	All witness statement will be found to be fully compliant with the relevant National File Standards and any guidance issued.
4.5	Interviews under caution are conducted in line with the National Occupational Standards (CJ201.2) and the Police and Criminal Evidence Act 1984.	GREEN	All interview under cautions will be found to be fully compliant with guidance issued, CJ201.2 and the Police And Criminal Evidence Act 1984 (PACE). The caution is explained appropriately and there is a clear understanding of conversation management and lines of questioning pursued in relation to any allegations made. The closure of the interview will also include a summary of the discussions held. This process has recently been re-enforced as part of individual sessions provided by NHS CFA trainers.

4.6	The organisation seeks to recover, and/or supports the NHSCFA and NHS CFS Wales in seeking to recover, NHS funds that have been lost or diverted through fraud, bribery and corruption, following an assessment of the likelihood and financial viability of the recovery. The organisation publicises cases that have led to successful recovery of NHS funds.	GREEN	The Trust has a Counter Fraud and Corruption Policy which has recently been reviewed. The document outlines the recovery processes to follow when seeking Redress. Recoveries are monitored by the Trust and further action taken if payments are missed. In addition, CFS Wales would also assist, if required, in recovering any amounts of money on behalf of the Trust.

GIG CYMRU NHS WALES | Partneriaeth Cydwasanaethau Shared Services Partnership

COUNTER FRAUD & CORRUPTION

ANNUAL REPORT 2017/18

Craig Greenstock
Counter Fraud Manager
Cardiff and Vale University Health Board

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1. Management Summary

1.1 This Annual Report has been written in accordance with the provisions of the Welsh Assembly Government Directions on Fraud and Corruption, which requires Local Counter Fraud Specialists (LCFS) to provide a written report, at least annually, to the Health Body on any Counter Fraud work undertaken. The report content and style used complies with the model prescribed by NHS Counter Fraud Authority (formerly NHS Protect) and therefore is in the same format as those that have been submitted in previous years.

1.2 The Velindre NHS Trust together with NHS Wales Shared Services Partnership (NWSSP) appointed as their nominated Lead LCFS, Craig Greenstock, Counter Fraud Manager at the Cardiff and Vale University Health Board, who completed his Counter Fraud Training in December 2000 and was accredited in March 2001.

1.3 During 2017/18, four (4) new investigations into possible fraudulent or corrupt activity were instigated together with the five (5) cases that were brought forward from 2016/17. Out of the four (4) new cases, all of them involved alleged false claims that had been submitted to the NHS Student Awards Service.

1.4 Civil recovery of £2,486 has also been made for any monies fraudulently obtained that were identified during the course of the various investigations. Included as part of the civil recovery are claims, by the Velindre NHS Trust, for all cost identified as a result of not only the fraud proven to have been committed, but also the LCFS' costs (e.g. court attendance, salary, travel expenses) in carrying out the individual criminal investigations.

1.5 If required, advice as to how to proceed is then sought on each individual case from NHS CFS (Wales) and once an investigation, into the allegations, has been concluded, legal opinion would also be taken from the Specialist Fraud Division - Crown Prosecution Service as to whether there was sufficient evidence to warrant and support a criminal prosecution.

1.6 Regular progress reports on the progress of cases have been made to the Trust's Audit Committee and where system weaknesses have been identified and recommendations made, these have been sent to the relevant Service Group and/or Directorate Managers.

1.7 The mix of cases investigated to date are summarised in **Appendix 2** and a full index of the cases reported/referred to the LCFS' are listed in **Appendix 3**.

1.8 Velindre NHS Trust's policies and procedures (e.g. Human Resources, Finance etc) have been reviewed and commented upon in relation to the Counter Fraud Policy.

1.9 Close liaison and a good working relationship was established with the NHS Counter Fraud Service (Wales) following its establishment by Welsh Government and it becoming operational in October 2001, and this relationship continues to develop and strengthen.

2. Inform and Involve (Developing an Anti Fraud Culture)

2.1 The LCFS' have an on-going work programme with the NHS Counter Fraud Service (Wales) to develop a real Anti-Fraud Culture within the NHS.

Examples of work carried out to develop an Anti Fraud Culture include:

- Distribution of relevant Counter Fraud reports to the Trust's Senior Managers
- Submission of comments on draft Trust policies/protocols as appropriate relating to any Counter Fraud issues
- A number of fraud awareness presentations, sixteen (16) in total, were given to over 200 NHS staff as part of planned Corporate Induction sessions and also given to NWSSP Stores staff based in Bridgend and Cwmbran respectively. A number of other presentations are in the process of being arranged to take place in 2018/19.
- Analysis of staff feedback questionnaires is carried out following the fraud awareness sessions in order to gauge how much knowledge the attendees had of the counter fraud work that is being undertaken and also to assist in forming the content of future sessions.

Examples of work currently planned/being considered in developing an Anti-Fraud Culture:

- Additional fraud awareness presentations to other various staff groups as outlined in the NWSSP Counter Fraud Work-Plan for 2018/19.
- Developing the quarterly Counter Fraud Newsletter which currently provides NWSSP staff with real examples of fraud and the successful outcomes from such investigations.

2.2 In accordance with the Secretary of State Directions, as in **Appendix 1**, the LCFS' will:

- Proactively seek and report to NHS Counter Fraud Authority any opportunities where details of Counter Fraud work (involving action on prevention, detection, investigation, sanction or redress) can be used within presentations or publicity in order to deter Fraud and Corruption in the NHS.
- Report all allegations of fraud to NHS Counter Fraud Authority and develop a good working relationship to ensure that all information is available for presentations and/or publicity.
- Also share information with other LCFS' throughout Wales in order to build on good practice and identify areas where fraud may be prevented.

3. Prevent Fraud

3.1 The LCFS' will assist by providing information to and liaising with Velindre NHS Trust Communication and Corporate Departments, if required, when reporting prosecution cases that may attract media attention to ensure that a consistent approach is taken and the message is sent out that fraud will not be tolerated within Velindre NHS Trust.

The LCFS' regular liaise with Velindre NHS Trust and NWSSP Senior Managers and other staff on all allegations of fraud received and it has been identified that this work by the LCFS' continues to have a positive impact in identifying and reporting any fraudulent activity.

The deterrence effect is difficult to measure, however, there are still a consistent number of referrals being made during 2017/18 and these have all been from the NHS Student Awards Service. It is hoped from some of the planned awareness session that more NWSSP staff will be aware of the potential areas for fraud and, as a result of advice and further guidance from the nominated LCFS', will be more prepared to take action against any fraudsters by reporting the outcome of any subsequent investigation to the remaining staff.

The details of one particular NWSSP fraud related prosecution case did actually appear in both the National and Local press and was also disseminated to the managers involved and other staff via the quarterly Counter Fraud Newsletter and the Fraud Awareness presentations which have also been given to the various staff groups.

3.2 To be effective locally, publicity needs to have local relevance and it is important for the LCFS' to communicate local successes, particularly around Sanctions and Redress and so it is also important that outline details of all successful prosecutions continue to appear in Velindre NHS Trust and NWSSP staff related publications.

3.3 The LCFS' will, in conjunction with NHS Counter Fraud Authority, NHS CFS (Wales) and NWSSP Corporate Department, consider publicity in any case of fraud, where a successful outcome is achieved as a result of action taken via any of the disciplinary, criminal and/or civil routes. This helps to reinforce the messages about action being taken to reduce fraud and will be carried out through the appropriate channels.

4. Deter Fraud

4.1 LCFS' will provide reports on systems weaknesses in each case where fraud is established to:

- NHS Counter Fraud Authority
- NWSSP Internal Audit
- Wales Audit Office (External Audit)

Examples where this has occurred are:

- Submission of new case notifications and intelligence information via NHS Counter Fraud Authority FIRST Case Management System.
- Providing regular reports and/or presentations to Velindre NHS Trust, NWSSP Audit Committee and Senior Managers.
- Regular liaising with Internal and External Auditors with reference to investigations for assistance and previous reports held by them.
- Where, as a result of Counter Fraud work, any system weaknesses have been identified then the LCFS' have provided potential solutions and/or recommendations as part of closure reports to the relevant managers.

4.2 The LCFS' provide reports on policy weaknesses in each case where fraud is established to NHS Counter Fraud Authority, Velindre NHS Trust and NWSSP's Finance Director.

4.3 Where policy and/or system weaknesses are identified, the LCFS' will notify the appropriate staff such as Velindre NHS Trust's Finance Director, Director of Workforce & OD, Senior Managers, Internal and External Audit and/or NHS Counter Fraud Authority.

5. Hold to Account (Detection)

5.1 The LCFS' will take account of:

- Information from the Internal and External Audit functions regarding System Weaknesses (e.g. interpreter services and overseas/private patients).
- NHS Counter Fraud Authority Risk Management exercises in order to prioritise other areas of detection work.
- The LCFS' own enquiries and analysis of data, reports (including Whistle Blowing) and trends (e.g. sickness absence).
- National Fraud Initiative 2016/17 Data Matching Exercise

6. Hold to Account (Investigating Fraud)

6.1 The LCFS' will investigate cases in accordance with the Secretary of State Directions. All investigations have, therefore, been carried out in accordance with the directives outlined in **Appendix 1**.

The LCFS' will refer cases to NHS CFS (Wales) in accordance with the Welsh Assembly Government Directions and all cases have been reported using the NHS Counter Fraud Authority FIRST Case Management System. From January 2010, all NHS LCFS' have been required to electronically record all information regarding their investigations onto the NHS Counter Fraud Authority FIRST Case Management System, which is held within a restricted area within the NHS Counter Fraud Authority internet webpage.

6.2 Four (4) NWSSP cases were formally referred to NHS CFS (Wales) in 2017/18 via the FIRST Case Management System and there were also two (2) ongoing cases brought forward from 2016/17. Most referrals received are not necessarily and/or automatically reported on the NHS Counter Fraud Authority FIRST Case Management System, due to the fact that many are isolated instances and very low in terms of monetary value.

Each case is judged on the individual merits before proceeding with an investigation and in the majority of cases it has been found to best suited for the individual(s) to be dealt with under Velindre NHS Trust's Disciplinary Policy rather than as part of a full scale criminal investigation and/or prosecution due to the small monetary amounts involved in the alleged fraud in addition to the cost of taking a case to court.

6.3 The LCFS' will and do provide NHS Counter Fraud Authority, Internal Audit and External Audit, NWSSP's Finance Director and Audit Committee, with regular update reports on significant movements with particular cases.

7. Hold to Account (Applying Sanctions and Seeking Redress)

7.1 The LCFS' will give consideration to the different sanctions available to them and have regard to the "Triple Track" approach to investigations, i.e. Criminal, Civil and Disciplinary action. To ensure that correct, prompt action is taken in each case, a close working relationship has been developed with NWSSP's Workforce and Human Resource Managers.

7.2 The LCFS' will supply NWSSP Accounts Receivable Department with information where fraud is established in order to enable them to recover the lost resources. A full file is maintained on each of the investigations carried out to provide information that will assist in the recovery of funds.

8. Annual Assessment Declaration

8.1 Since 2013/14 and following a review of the practice whereby NHS Counter Fraud Authority would determine how effective a Health Body's Counter Fraud arrangements were when compared to other NHS Bodies, a significant change was introduced into the way in which Health Bodies were to report and then be assessed.

8.2 This new process, based on a risk based approach, now requires each Health Body to undertake it's own Self Risk Tool (**Appendix 4**) based on a set of criteria and standards.

8.3 This SRT is then assessed, by NHS Counter Fraud Authority, against the individual standards as part of a three (3) year rolling programme with guidance, on the completion of the Self Risk Tool and the individual standards which have to met, being issued to all NHS bodies on an annual basis.

Appendix 1

WELSH ASSEMBLY GOVERNMENT DIRECTIONS

The following grid identifies the key requirements under Welsh Assembly Government Directions and outlines current activity within each section.

Paragraph	Instruction	Action by Health Board
2 (1)	Chief Executive and Director of Finance to Monitor and ensure compliance with these Directions and any other instructions on countering fraud and corruption against the NHS Action to be taken in accordance with the NHS Counter Fraud and Corruption Manual and in accordance with the Table annexed to the Directions	Regular meetings are held between the NWSSP Finance Director and the Nominated Lead LCFS. Where possible the Manual has been referred to for guidance and appropriate action taken. An updated Manual has previously been issued following a revision, by Welsh Government, after taking into account changes in legislation within the NHS in England.
2 (2)	Each health body shall facilitate, and co-operate with NHS Counter Fraud Authority's Quality Inspection work giving prompt access to staff, workplaces and relevant documentation	Good close working relationship has been established with NHS CFS (Wales). To date there has never been an issue over access to staff or workplaces. NHS Counter Fraud Authority Quality & Assurance Unit carried out a Focused Assessment in October 2016, with full co-operation, and their report was received and then accepted by NWSSP Hosted Body (i.e. Velindre NHS Trust).
2 (3)	Endeavour to agree an SLA with NHS Counter Fraud Service (Wales).	The current SLA was signed in March 2010, but will be reviewed to incorporate any changes which may take place within the NHS in Wales.
3 (1)	Nomination of a suitable officer to act as LCFS. Notify NHS Counter Fraud Authority of replacement LCFS within three months of the need becoming apparent	The NWSSP Nominated Lead LCFS is Craig Greenstock.
3 (2)	A trained and accredited LCFS in post by 1 February 2002	The NWSSP's Nominated Lead LCFS was accredited in 2001 and is employed at another NHS Body, but undertakes the counter fraud work as part of a separate contracted-out service.

4 (a)	LCFS reports to Director of Finance	The Nominated Lead LCFS reports directly to the Finance Director, informs him of all cases as they are received and keeps him updated on any progress/closure.
4 (b)	LCFS provision of written report at least annually	The 2017/18 NWSSP CF Annual Report has specifically been produced for the first time at the request of the NWSSP General Manager and Finance Director. The information contained in the Annual Report will also be incorporated into the CF Annual Report which is then produced for the Hosted Body (i.e. Velindre NHS Trust).
4 ©	Attendance at Audit Committee meetings Right of access to all Audit Committee members. Right of access to Chairman and Chief Executive	The NWSSP Nominated Lead LCFS or at least one of the Health Body's other LCFS' has attended all Audit Committee meetings that have taken place up to and including April 2018. The LCFS' have access to all Audit Committee members. The LCFS' have not required access during the year but are confident that, if required, right of access is available (as detailed in the health body's Counter Fraud Policy)
4 (d)	Undertake Pro-Active work to detect cases of Fraud and/or Corruption as specified by Chief Executive and Director of Finance, particularly where systems weaknesses have been identified	The LCFS' have made sixteen (16) separate Fraud Awareness Presentations to over staff as part of Coporate Induction planned sessions and also to other NWSSP staff based in the Bridgend and Cwmbran Stores respectively. The LCFS' also undertake Pro-Active Exercises and follow up all incidents of a potential fraudulent nature received via the NHS Counter Fraud Reporting Line, Velindre NHS Trust's Whistle Blowing facilities and/or any Internal or External Audit reports.
4 (e)	Proactively seek and report opportunities for publicity to NHS Counter Fraud Authority (includes instances for inclusion in presentations) involving action to prevent, detect, investigate, impose sanctions and seek redress	One particular successful fraud related case received significant media coverage in the National and Local press and has also been publicised across NWSSP and other Hosted Body sites via the quarterly Counter Fraud Newsletter.

4 (f)	Investigate cases of suspected fraud in accordance with division of work outlined, the LCFS will not investigate (unless there is prior agreement)	All cases investigated to date have followed the guidelines.
	LCFS will investigate where it is clear that they will be under £15k. Cases where it is clear they will be over £15,000 in value will be referred to NHS CFS (Wales).	Only cases less than £15,000 are investigated, and above £15,000 the cases are referred to, and investigated by/in liaison with, NHS CFS (Wales).
	There is evidence that fraud extends beyond the Health Body.	There has been one (1) NWSSP related case identified during the year which also extended to two (2) Local Authorities, Dept of Works and pensions and HM Revenue and Customs which was investigated by the LCFS together with DWP/HMRC Fraud Specialist as part of a joint working arrangement.
	GDS and/or prescription fraud are involved	There have been no alleged frauds reported that involved any altered documentation for prescribed drugs.
	There is evidence of corruption involving a public official	There have been no cases of alleged corruption reported during 2017/18.
	The LCFS' will provide assistance when required in investigation of cases involving their Health Body where the investigation falls within the remit of NHS Counter Fraud Authority.	There have been no matters reported that would have fallen within the remit of NHS Counter Fraud Authority.
4 (g)	Refer cases to NHS Counter Fraud Authority teams as appropriate	All cases appropriate to NHS CFS (Wales) have been referred.
4 (h)	Inform the appropriate NHS Counter Fraud Authority team of all cases of suspected fraud investigated by the Health Body.	Entries on the FIRST Case Management Systems, for intelligence purposes, have been completed for all cases of suspected fraud investigated during the year.
5	Co-operate with investigative work: Chief Executive and Director of Finance to ensure access is given as soon as possible and not later than 7 days from the request to the LCFS or NHS Counter Fraud Authority Operational Service staff to:	The LCFS' and NHS Counter Fraud Authority rights and responsibilities, as set out in the SLA, SFIs and the Counter Fraud Policy, have been fully complied with and both have received co-operation from all levels throughout the health body.

	Premises, records and data owned or controlled by the health body relevant to detection/investigation of fraud and corruption All staff who may have relevant information.	As above
6 (1)	LCFS to complete relevant forms when Director of Finance believes fraud or corruption to be present, so that NHS Counter Fraud Authority may supply advice on appropriate sanctions. LCFS and Director of Finance to consider further action in accordance with the NHS Fraud & Corruption Manual.	Investigations have complied with NHS Fraud & Corruption Manual and completed forms as appropriate.
6 (2)	Director of Finance to liaise with NHS CFS (Wales) concerning prosecutions prior to taking such action.	Investigations have complied with the NHS Fraud & Corruption Manual
6 (3)	Director of Finance to liaise with NHS CFS (Wales) prior to reaching a decision to refer cases to the police or other body for investigative action, if required.	Appropriate liaison took place in any cases to date where investigations have required referral to police or any other third party organisations (e.g. UK Borders Agency).
6 (4)	Non-disclosure of information, except for purposes of investigation or subsequent proceedings; no disclosure to anyone who may be implicated	There has been no disclosure of information to anyone who may be implicated in any of the investigations unless required under Police & Criminal Evidence Act.
6 (5)	LCFS to report details of any identified system weakness which would allow fraud or corruption to occur, to the internal auditors	The LCFS' liaise with Internal & External Auditors and provide information regarding system weaknesses. Managers are also informed of system weaknesses and advised accordingly.
6 (6)	LCFS to ensure investigations focus on obtaining information to ensure recovery of funds can take place. Director of Finance responsible for ensuring financial redress is sought where losses identified	A full file is maintained on each of the investigation carried out to provide information to assist the recovery of funds. Recovery of losses is considered in all cases and would be sought where appropriate.

Appendix 2

Further Information

1. Reporting lines

Trust Chief Executive (Velindre NHS Trust)	Steve Ham Chief Executive's Office Corporate Headquarters Unit 2, Charnwood Court Parc Nantgarw, Nantgarw Nr.Cardiff. CF15 7QZ Email: Steve.Ham2@wales.nhs.uk
NWSSP Managing Director	Neil Frow NHS Wales Shared Services Partnership (NWSSP) 4-5 Charnwood Court Heol Billingsley Parc Nantgarw Cardiff CF15 7QZ Email: Neil.Frow@wales.nhs.uk
Executive Director of Finance (Velindre NHS Trust)	Mark Osland Finance Director's Office Corporate Headquarters Unit 2, Charnwood Court Parc Nantgarw, Nantgarw Nr.Cardiff. CF15 7QZ Email: Mark.Osland@wales.nhs.uk
Director of Finance (NWSSP)	Andy Butler NHS Wales Shared Services Partnership (NWSSP) 4-5 Charnwood Court Heol Billingsley Parc Nantgarw Cardiff CF15 7QZ Email: Andy.Butler@wales.nhs.uk
Nominated Lead Local Counter Fraud Specialist	Craig Greenstock Counter Fraud Department 1st Floor, Brecknock House University Hospital of Wales Heath Park Cardiff CF14 4XW Email: Craig.Greenstock@wales.nhs.uk

2. Mix of cases

Number of cases in 2017/8, including those brought forward from previous years:

Area (based on initial reported category)	Number of cases	Closed	Ongoing
Reimbursement of Costs (Student Awards)	8	4	4
Miscellaneous (Use/Theft of NHS Property)	1	0	1
Total	**9**	**4**	**5**

3. NHS Counter Fraud Authority Website

Information about NHS Counter Fraud Authority and the NHS Counter Fraud Strategy can be found at www.cfa.nhs.uk

Appendix 3

INDEX OF LCFS INVESTIGATIONS 2017/18

Ref. No	Subject	Status
SSP14.05	Unauthorised Sale of NHS Property	Crown Court Hearing (Suspended Sentence) Civil Recovery (5k) still being made at £50 per month
SSP15/04	False Claim for Costs	Crown Court Hearing 18.10.17. Female defendant was sentenced to 2yrs in prison and male defendant sentenced to 6mths in prison. Ongoing POCA to recover total of £87k (£10k NHS and £70k HMRC/LA).
SSP16.04	False Claim for Costs	Magistrates Court Hearing 29.3.17 - Sentenced to a £200 Fine plus £400 Costs and £120 Compensation to be repaid - Suspended from the course.
SSP16.05	False Claim for Costs	Magistrates Court on 27.6.17 - Police caution issued. Compensation award of £4,000 plus costs. Subject removed from course by University.
SSP17.02	False Claim for Costs	No further action by CPS. Subject removed from course by University
SSP18.02	False Claim for Costs	No evidence to support allegation. No further action to be taken on advice from CPS.
SSP18.03	False Claim for Costs	No evidence to support allegation. No further action to be taken on advice from CPS.
SSP18.04	False Claim for Costs	Initial enquiries with Local Authority and University.
SSP18.05	False Claim for Costs	Interview under caution - 13/4/18

Appendix 4

Summary of Risk against the Standards of NHS Bodies (Fraud, Corruption and Bribery) as at 31st March 2018

Area of Activity	Red/ Amber/Green level
Strategic Governance	Green
Inform and Involve	Green
Prevent and Deter	Green
Hold to Account	Green
Overall Level	Green

AREA OF ACTIVITY	DAYS USED
STRATEGIC GOVERNANCE	11
INFORM AND INVOLVE	18
PREVENT AND DETER	5
HOLD TO ACCOUNT	41
TOTAL DAYS USED	75

COST OF ANTI-FRAUD, BRIBERY AND CORRUPTION WORK	
PROACTIVE COSTS	£9,520
REACTIVE COSTS	£ 11,480
TOTAL COSTS	£ 21,000

Organisation Name

NHS Wales Shared Services Partnership (NWSSP)

Director of Finance

Andrew Butler

Date

7th May 2018

MEETING	Velindre NHS Trust Audit Committee for NHS Wales Shared Services Partnership
DATE	24 July 2018
AGENDA ITEM	5.1
PREPARED BY	Roxann Davies, Compliance Officer
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

Governance Matters

PURPOSE OF REPORT

The purpose of this paper is to provide the Audit Committee with a brief update on governance developments within NWSSP.

1. DEPARTURES FROM STANDING ORDERS

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

2. CONTRACTS FOR NWSSP

The table overleaf summarises contracting activity undertaken during the period **19 May 2018 to 7 July 2018**.

A summary of activity for the period is set out in **Appendix A**.

Description	No.
Direct Call Off against National Framework Agreement	1
Invitation to competitive quote of value between £5,000 and £25,000 (exclusive of VAT)	1
Single Quotation Actions	0
Contract Extensions	0
Invitation to competitive tender of value between £25,000 and the prevailing OJEU threshold (exclusive of VAT)	0
Invitation to competitive tender of value exceeding prevailing OJEU threshold (exclusive of VAT)	0
Single Tender Actions	0

3. NWSSP PROCUREMENT SERVICES ALL WALES CONTRACTING ACTIVITY

All Wales Contracting Activity in progress

During the period **27 March 2018 to 15 May 2018**, activity against **19** contracts has been completed. This includes **5** contracts at the briefing stage and **10** contracts at the ratification stage. In addition to this activity, extensions have been actioned against **4** contracts.

A summary of activity for the period is set out in **Appendix B**.

4. STORES WRITE OFFS

The value of stores, at **30 June 2018**, amounted to **£2,890,813**. For **May – June 2018**, a stock write off of **£3,003.89** has been actioned for out of date stock. This equates to **0.1%** of the total stock holding value in **June**.

Stock Type	Bridgend	Denbigh	Cwmbran
Stock Value	1,530,235	735,043	625,534
Out of Date Stock	2,341.74	379.38	282.77
Total	**0.15%**	**0.05%**	**0.05%**

These items were reviewed through the stock losses protocol and stock write on/write off forms have been completed and authorised in line with the agreed Protocol.

A summary of activity for the period is set out in **Appendix C**.

5. GIFTS, HOSPITALITY & SPONSORSHIP

There has been **1** declaration relating to gifts and/or hospitality since the last Audit Committee meeting.

NWSSP Employee	Position	Type	Source	Description	Value	Authorised by	Accepted or Declined & Date
Neil Frow	Managing Director	Hospitality	Health Services Journal	Annual Drinks Reception	Unknown	A Butler	31.05.2018 Declined

Sponsorship Declarations

There have been **0** declarations received relating to sponsorship since the last Audit Committee meeting.

6. WELSH GOVERNMENT QUARTERLY UPDATE

On a quarterly basis, the NWSSP issues a letter to Dr Andrew Goodall at Welsh Government to confirm any Audit Reports which have achieved limited or no assurance. For Quarter 4 of 2017/2018, we submitted a nil return.

7. RECOMMENDATIONS

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

APPENDIX A - NWSSP CONTRACTS – Activity Undertaken (19/05/2018 – 07/07/2018)

Trust	Division	Procurement Ref No	Date	SFI Reference	Agreement Title/Description	Supplier	Anticipated Agreement Value (ex VAT)	Reason/Circumstance and Issue	Compliance Comment	Procurement Action Required
VEL	NWSSP-Business Systems & Informatics	NWSSP-DCO-39072	3rd May 2018	Direct Call Off	Purchase of Mitel Licenses & Professional Services (for telephones)	Maintel Europe Ltd	£28,221.00 (initial purchase) + £33,302 (subject to funding = potential value £61,523	Direct Award to Crown Commercial Services Framework	Compliant – 1 invitation issued, 1 received	No action required
VEL	NWSSP-Business Systems & Informatics	NWSSP-RFQ-39104	3rd May 2018	Invitation to Quote	Purchase of Handsets (for telephones)	Maintel Europe Ltd	£17,000 (initial purchase) + £10,200 (subject to funding) = potential value £27,200	Invitation to quote, based on M.E.A.T	Compliant - 3 Invitations issued, 1 submitted a bid	No action required

APPENDIX B - All Wales Contracting Activity In Progress (15/05/2018 – 04/07/2018)

Contract Title	Doc Type	Total Value	MR approval <£750K	WG approval >£500k	NF approval £750-£1M	Chair Approval £1M+
Total facilities management – combining various local facilities contracts such as security, window cleaning, building maintenance etc	briefing	£2,738,193	14/05/2018	21/05/2018	n/a	n/a
Orthotics Consumables - Contract will include stock orthotic consumables such as braces, Ankle Foot Orthoses (AFO's) and immobilisation boots	briefing	£4,745,837	14/05/2018	30/05/2018	n/a	n/a
Provision of SEW IMCA - The purpose of the IMCA service is to help particularly vulnerable people who lack the capacity to make important decisions about serious medical treatment and changes of accommodation	briefing	£1,104,525	11/05/2018	14/06/2018	n/a	n/a
Suction Consumables - Standardisation of Closed Suction Systems across Wales	briefing	£1,587,512	30/05/2018	08/06/2018	n/a	n/a
Respiratory Therapy & Accessories - The contract that was established incorporated the following products - CPAP Homecare Devices Only, Humidifiers, Masks, Tubing	briefing	£8,695,670	12/06/2018	sent to WG 12/6	n/a	n/a
Pulp - Medical pulp products are used in most acute settings across NHS Wales and are designed for a multitude of functions that support broader efforts to reduce hospital acquired infections	briefing	£3,057,444	26/05/2018	sent to WG 26/6	n/a	n/a
CVU - Transforming outpatients pharmacy - Hospital Pharmacy Transformation Programme which includes the review of supply chain management, consideration of outsourcing outpatient dispensing services or use of alternative providers or community pharmacies.	briefing	£15,000,000	25/06/2018	sent to WG 25/6	n/a	n/a
NWIS Benchmarking - The purpose of the contract is to re-procure an All Wales Benchmarking System for use across Health Boards and Welsh Government.	ratification	£1,675,000	23/05/2018	28/05/2018	31/05/2018	31/05/2018
AB - Managed lab services - Biochemistry (Pathology) – provision of an integrated pathology managed lab service to cover general routine clinical biochemistry, immunoassays, immunology, microbiology and serology.	ratification	£7,500,000	01/06/2018	19/06/2018	trust governance applies	trust governance applies
Haulage, Set Up and Maintenance - The purpose of the contract is to provide haulage and maintenance of specialist NHS trailer and support vehicles of a high quality, limiting clinical downtime, at the most competitive price available.	ratification	£1,104,753	06/06/2018	14/06/2018	15/06/2018	19/06/2018
Outsourcing/insourcing of clinical, surgical & diagnostic procedures - To assist Health Boards with meeting their Referral to Treatment (RTT) targets in a number of critical areas and/or to provide support where resource capacity is not available to meet service demand due to staffing/recruitment availability issues for example.	ratification	£40,000,000	12/06/2018	03/06/2018	sent to NF 4/7	
Trastuzumab - To contract for Trastuzumab to purchase for use by All Wales hospital pharmacy departments, as requested by the All Wales Drug Contracting Committee	ratification	£13,210,408	12/06/2018	19/06/2018	21/06/2018	26/06/2018

CVU - Hospice at Home Services - The service is designed to work with the Cardiff and Vale District Nursing service in meeting the needs of palliative and end of life care for patients in the Cardiff and Vale area. The service will be delivered through the provision of high quality planned nursing care in an agreed combination of visits over the 24 hours period as appropriate to support the needs of the patients and their carers.	ratification	£902,426	14/06/2018	20/06/2018	trust governance applies	trust governance applies
AB - Collection & sorting of mail - The contract covers the collection and delivery of physical mail items of up to 2kg. Services under the contract include, but are not limited to: bulk mail; standard mailings; sorted and unsorted mail; unaddressed mail; secured mail; undelivered mail; and bespoke requirements as identified.	ratification	£1,018,333	25/06/2018	sent to WG 25/6	trust governance applies	trust governance applies
Proprietary Drugs 2 - To contract for Proprietary Drugs Items to purchase for use by All Wales hospital pharmacy departments, as requested by the All Wales Drug Contracting Committee.	ratification	£105,838,588	26/06/2018	sent to WG 26/6		
Fruit & Veg - It is anticipated that the provision of NHS Wales' requirements for Fruit and Vegetables will be met through the NPS Framework for Fresh Food and Beverages going forward.	extension	£5,506,772	30/05/2018	original approval applies 17/9/14	31/05/2018	31/05/2018
BCU - General Waste collections - The contract provides the collection of general domestic waste from all BCUHB sites	extension	£1,600,000	30/05/2018	original approval applies - 30/8/13	trust governance applies	trust governance applies
Bread & Morning Goods - It was the intention of Procurement Services to make use of the National Procurement Service (NPS) framework for the Supply and Distribution of Fresh Food and Beverages to procure bread for Health Boards and Trusts in the summer of this year.	extension	£2,480,520	04/06/2018	original approval applies 22/4/13	04/06/2018	05/06/2018
Frozen Food - The intention is to migrate this contract over to the NPS Framework 2 Frozen Foods	extension	£6,479,455	08/06/2018	original approval applies 29/11/13	11/06/2018	12/06/2018
Natural Gas - The current contract is split into the Large and Small sites portfolios awarded to a sole supplier, British Gas	extension	£82,530,163	18/06/2018	original approval applies 8/5/13	18/06/2018	19/06/2018
Mental Health Community Advocacy for BCU - Central Sourcing Commissioning arranged on behalf BCUHB a compliant contract for a community based, non statutory advocacy service, for people with mental health needs in North Wales.	extension	£1,500,000	20/06/2018	original approval applies 23/2/15	21/06/2018	26/06/2018
BCU - Provision of a Dementia Support Worker Service - BCUHB sought to commission a Dementia Support Worker Service to complement the provision of dementia services that are currently offered across the six counties of North Wales.	extension	£775,116	28/06/2018	original approval applies 18/3/16	trust governance applies	trust governance applies
Ambient Groceries - Canned Fruit & Vegetables, Canned Meat & Fish, Canned Tomatoes, Patient Snacks, Direct Groceries - extension for products that are to be directly awarded via the NPS Packaged Goods Framework, as well as for an additional 3 months, to expire on 30/09/2018 for Procurement Services to carry out a mini-competition for products not included on the Framework.	extension	£6,156,915	28/06/2018	original approval applies - 30/8/16	sent to NF 28/6	

APPENDIX C - Stores Write Offs (May - June 2018)

Bridgend Stores

Item	Description	Value	Date
FMM093	*** DISCONTINUED INSUFFICIENT USAGE *** SPIKE (BOX 100) : 5015921	36.84	29/06/18
AWM510	*SUGAR ICING 3KG	4.48	22/06/18
ALD016	FLOUR SELF RAISING 12.5KG	52.8	23/05/18
EMQ121	*SWAB GAUZE XRD T5 S&T 12PLY 22.5CM X 22.5CM T5's (PACK 100) : F823195	207.57	17/05/18
EMI191	*SWAB GAUZE XRD WHITE 32PLY 7.5CM X 10CM T5's (PACK 100) : F823140	86.42	17/05/18
AHG475	*APRICOT HALVES IN NATURAL JUICE 822g	40.8	16/05/18
AHG475	*APRICOT HALVES IN NATURAL JUICE 822g	115.2	16/05/18
AHG475	*APRICOT HALVES IN NATURAL JUICE 822g	115.2	16/05/18
AEL180	PICKLE SWEET IND PORTIONS (BRANSTON) 23G (BOX 100)	1,667.27	15/05/18
ADB165	BISCUITS CREAM CRACKERS (TWO BISCUIT PACK) (CASE 2 x 168)	15.16	03/05/18
Total		**2,341.74**	

Denbigh Stores

Item	Description	Value	Date
FST402	*CATH URETHRAL PRE-LUBRICATED INTERMITTENT FEMALE 2 SIDE EYES 8CH : 28508	244.08	18/06/18
AAN153	FRUIT JUICE CRANBERRY CRUSH 1 LITRE	69.91	14/06/18
AAN153	FRUIT JUICE CRANBERRY CRUSH 1 LITRE	10.19	14/06/18
AHG475	APRICOT HALVES IN NATURAL JUICE 822g	14.4	18/05/18
AHG475	APRICOT HALVES IN NATURAL JUICE 822g	40.8	18/05/18
Total		**379.38**	

Cwmbran Stores

Item	Description	Value	Date
AML050	*** DISCONTINUED INSUFFICIENT USAGE *** HERB PARSLEY DRIED 190G	10.8	20/06/18
AGU305	*** DISCONTINUED INSUFFICIENT USAGE *** SARDINES IN TOMATO SAUCE 120G	9	20/06/18
ACD240	COFFEE INSTANT GRANULES 750g	27.4	24/05/18
ALK361	*CHEESECAKE FILLING MIX 96 PORTION	43.33	23/05/18
ABT0002	BABY MILK SMA 1ST INFANT MILK RTF 100ML	192.24	15/05/18
Total		**282.77**	

MEETING	Velindre NHS Trust Audit Committee for NHS Wales Shared Services Partnership
DATE	24 July 2018
AGENDA ITEM	5.2
REPORT PREPARED BY	Roxann Davies, Compliance Officer
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

Update on the Implementation of Audit Recommendations

PURPOSE OF REPORT

This report provides an update to the Audit Committee on the progress of tracking audit recommendations within NWSSP.

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 has been in operation since 1st April 2011. Following its set up as a Virtual Organisation, NWSSP has recorded the recommendations from Internal Audit Reports, those received from Wales Audit Office and those issued directly prior to establishment. It is essential that user confidence in NWSSP is developed and maintained; an important way in which to develop user confidence is to monitor and implement audit recommendations, in an effective and efficient way.

2. CURRENT POSITION

The detailed recommendations relating to audit reports in respect of NWSSP services have been captured in a detailed tracking database. A copy of the summary extract is attached at **Appendix A**, for your information.

In this report, the base position has been taken from the previous report presented to the Audit Committee.

There are **45** reports covered in this review; **15** reports have achieved **Substantial** assurance; **23** reports have achieved **Reasonable** assurance, **0** reports have been awarded **Limited** assurance or **No Assurance;** and **7** reports were generated with **Assurance Not Applicable**. The reports include **206** recommendations for action.

The figures relating to the level of assurance achieved for each directorate's audit reports are outlined in **Table 1** below. The progress towards implementation of recommendations is outlined **Table 2**.

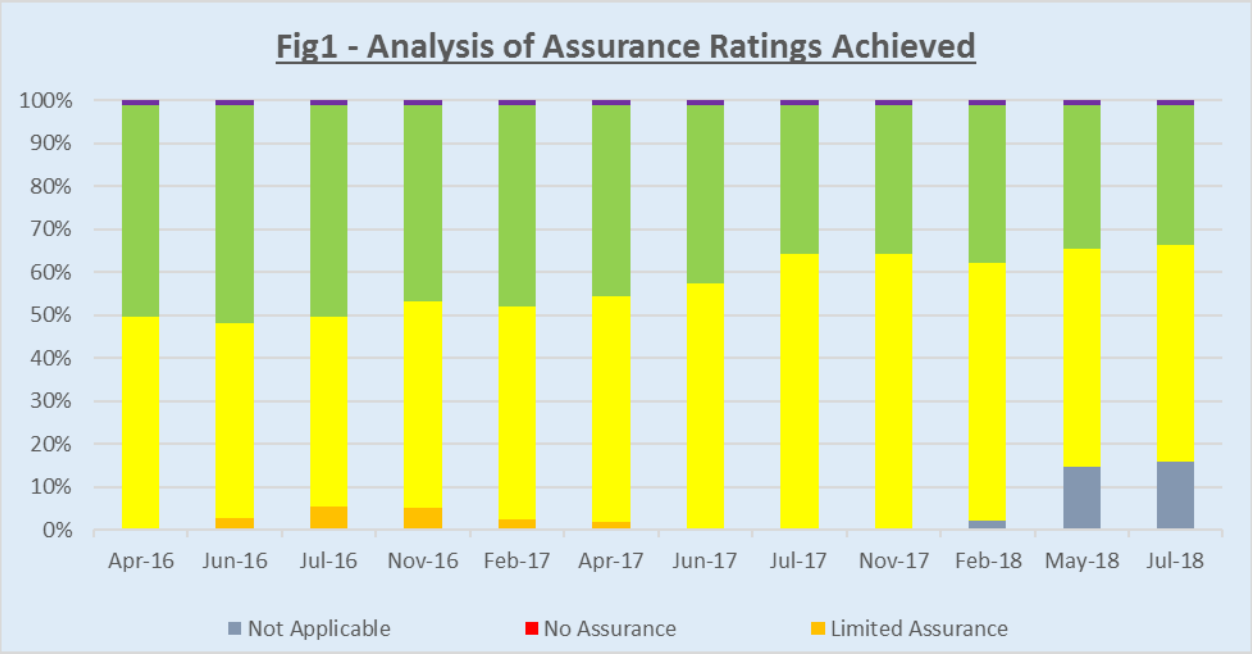
The following reports **Assurance Not Applicable** assurance ratings and on this basis, they are categorised as assurance not applicable:

- **3** Wales Audit Office Reports
- **2** Internal Audit Advisory Reports
- **1** SGS UK Ltd ISO14001 Audit Report
- **1** Information Commissioner's Office Training Audit Report

Table 1 - Summary of Audit Report Ratings
Position as at July 2018 (excluding reports on the current agenda)

NWSSP Service	Assurance Not Applicable	No Assurance	Limited	Reasonable	Substantial	Total
Internal Audit Reports						
Corporate Services	0	0	0	4	6	**10**
Employment Services	0	0	0	3	3	**6**
Specialist Estates Services	0	0	0	2	2	**4**
Primary Care Services	0	0	0	0	2	**2**
Procurement Services	2	0	0	12	0	**14**
Workforce	0	0	0	1	2	**3**
Legal & Risk	0	0	0	1	0	**1**
Total Internal Audit	**2**	**0**	**0**	**23**	**15**	**40**
External Audit Reports						
Wales Audit Office	3	0	0	0	0	**3**
Total External Audit	**3**	**0**	**0**	**0**	**0**	**3**
Other Audit Reports						
SGS UK Ltd ISO14001	1	0	0	0	0	**1**
ICO Training Audit	1	0	0	0	0	**1**
Total Other Audit	**2**	**0**	**0**	**0**	**0**	**2**
GRAND TOTAL	**7**	**0**	**0**	**23**	**15**	**45**
Percentage	**16%**	**0%**	**0%**	**51%**	**33%**	**100%**

At a previous meeting of the Audit Committee, it was agreed that NWSSP would provide a summary of the audit report assurance ratings achieved, to highlight the direction of travel. The summary position can be analysed as in **Fig1**, overleaf.



The above graph highlights an improvement over time and demonstrates that **100%** of NWSSP's audit reports are rated **Substantial** or **Reasonable** assurance, compared to **82%** in October 2012. In addition, **33%** of the reports are rated as 'substantial' compared with **30.7%** in October 2012.

Table 2 - Summary of Audit Recommendations

Recommendations		Implemented	Not Yet Due	Not Yet Due NOT NWSSP	Revised Deadline	Overdue
Internal Audit	**151**	**138**	**11**	**2**	**0**	**0**
High	12	11	1	0	0	0
Medium	74	66	6	2	0	0
Low	58	54	4	0	0	0
Not Applicable	7	7	0	0	0	0
External Audit	**44**	**42**	**2**	**0**	**0**	**0**
High	8	8	0	0	0	0
Medium	35	33	2	0	0	0
Low	1	1	0	0	0	0
Not Applicable	0	0	0	0	0	0
Other Audit	**11**	**4**	**7**	**0**	**0**	**0**
High	0	0	0	0	0	0
Medium	0	0	0	0	0	0
Low	0	0	0	0	0	0
Not Applicable	11	4	7	0	0	0
TOTALS:	**206**	**184**	**20**	**2**	**0**	**0**

3. RECOMMENDATION

The Audit Committee is asked to **NOTE** the report findings and the progress made to date.

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												
	CORP/13-14/1	Corporate Services	All Wales	Student Awards Services	2013-14	Substantial	2	2	0	0	0	0
	CORP/14-15/1	Corporate Services	NWSSP	Budgetary Control, Financial Reporitng & General Ledger	2014-15	Substantial	1	1	0	0	0	0
	CORP/15-16	Corporate Services	NWSSP	Information Goverance	2015-16	Reasonable	5	5	0	0	0	0
	CORP/16-17/1	Corporate Services	NWSSP	Risk Management	2016-17	Reasonable	4	4	0	0	0	0
NWSSP-1718-02	CORP/17-18/1	Corporate Services	NWSSP	Information Governance GDPR	2017-18	Substantial	2	2	0	0	0	0
NWSSP-1718-03	CORP/17-18/2	Corporate Services	NWSSP	Non-Medical Education Training Budget	2017-18	Substantial	3	1	2	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	0	2	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	0	3	0	0	0
						TOTAL	**27**	**20**	**7**	**0**	**0**	**0**
	EMP/14-15/1	Employment Services	All Wales	Recruitment: Qualifications & DBS Checks	2014-15	Substantial	2	2	0	0	0	0
	EMP/15-16/1	Employment Services	WAST	ESR CAATS	2015-16	Substantial	0	0	0	0	0	0
	EMP/15-16/2	Employment Services	BCU	ESR CAATS	2015-16	Substantial	1	1	0	0	0	0
	EMP/15-16/7	Employment Services	Cardiff & Vale/Cwm Taf/PHW/Velindre	Payroll Services	2015-16	Reasonable	9	7	0	0	0	2
	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	3	3	0	0	0
						TOTAL	**21**	**16**	**3**	**0**	**0**	**2**
	L&R/15-16/1	Legal & Risk	All Wales	Welsh Risk Pool Services	2015-16	Reasonable	2	2	0	0	0	0
						TOTAL	**2**	**2**	**0**	**0**	**0**	**0**
	PCS/14-15/2	Primary Care Services	All Wales	Post Payment Verification	2014-15	Substantial	3	3	0	0	0	0
NWSSP-1718-12	PCS/17-18/1	Primary Care Services	All Wales	Contractor Payments	2017-18	Substantial	1	0	1	0	0	0
						TOTAL	**4**	**3**	**1**	**0**	**0**	**0**
	PROC/14-15/1	Procurement Services	ABMU	Local Procurement Team	2014-15	Reasonable	4	4	0	0	0	0
	PROC/14-15/2	Procurement Services	Cardiff & Vale	Local Procurement Team	2014-15	Reasonable	4	4	0	0	0	0
NWSSP-1516-19	PROC/15-16/1	Procurement Services	All Wales	Bridgend Stores	2015-16	Reasonable	11	11	0	0	0	0
	PROC/15-16/2	Procurement Services	All Wales	Cwmbran Stores **Follow Up**	2015-16	Reasonable	4	4	0	0	0	0
	PROC/15-16/3	Procurement Services	Cwm Taf	Local Procurement Team	2015-16	Reasonable	4	4	0	0	0	0
	PROC/15-16/4	Procurement Services	BCU & WAST	Local Procurement Team	2015-16	Reasonable	2	2	0	0	0	0
NWSSP-1516-03	PROC/15-16/5	Procurement Services	All Wales	Central Sourcing	2015-16	Reasonable	7	7	0	0	0	0
NWSSP-1617-06	PROC/16-17/2	Procurement Services	All Wales	Health Courier Services **Follow Up**	2016-17	Reasonable	2	2	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
						TOTAL	**65**	**65**	**0**	**0**	**0**	**0**
	SES/15-16/1	Specialist Estates Services	All Wales	Design4Life - BAM	2015-16	Reasonable	5	5	0	0	0	0
	SES/15-16/2	Specialist Estates Services	All Wales	Design4Life - Interserve	2015-16	Substantial	3	3	0	0	0	0
	SES/15-16/3	Specialist Estates Services	All Wales	Mechanical & Electrical Sub Contractors	2015-16	Substantial	11	11	0	0	0	0
	SES/15-16/4	Specialist Estates Services	All Wales	Design4Life - Open Book Audit: Laing O'Rourke	2015-16	Reasonable	4	4	0	0	0	0
						TOTAL	**23**	**23**	**0**	**0**	**0**	**0**
	WORK/15-16/1	Workforce	All Wales	WfIS Core Skills & Training Framework **Follow Up**	2015-16	Substantial	4	4	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
						TOTAL	**9**	**9**	**0**	**0**	**0**	**0**
WALES AUDIT OFFICE EXTERNAL AUDIT REPORTS												
	WAO/15-16	All Services	All Wales	WAO Review of NWSSP	2015-16	Not Applicable	12	12	0	0	0	0
	WAO/16-17/1	All Services	All Wales	WAO Nationally Hosted NHS IT Systems Assurance Report	2016-17	Not Applicable	25	23	2	0	0	0
	WAO/16-17/2	All Services	All Wales	WAO Management Letter	2016-17	Not Applicable	7	7	0	0	0	0
						TOTAL	**44**	**42**	**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	3	7	0	0	0
	ISO14001/17/18	Corporate Services	NWSSP	SGS UK Ltd Audit of ISO14001 Environmental Management System	2017-18	Not Applicable	1	1	0	0	0	0
						TOTAL	**11**	**4**	**7**	**0**	**0**	**0**
						TOTAL RECS	**206**	**184**	**20**	**0**	**0**	**2**

MEETING	Velindre NHS Trust Audit Committee for NHS Shared Services Partnership
DATE	24 July 2018
AGENDA ITEM	5.3
PREPARED BY	Roxann Davies, Compliance Officer
PRESENTED BY	Andy Butler, Director of Finance and Corporate Services
TITLE OF REPORT	Audit Committee Annual Report 2017-18

PURPOSE

The NWSSP Audit Committee Annual Report 2017-18 is presented to the Committee for information.

1. INTRODUCTION

The fifth Annual Report of the NWSSP Audit Committee, for the reporting period 2017-18, highlights the activities and details the performance of the Committee. The primary role of the Annual Report is to review the establishment and maintenance of the effective systems of internal control and risk management. In achieving this aim, the Committee assesses the work undertaken by Internal Audit, External Audit and Local Counter Fraud Specialists, together with management in areas of governance, risk and control.

The Committee is endeavour to continue to develop its functions and effectiveness and intends to seek further assurance, throughout 2018-19.

2. RECOMMENDATION

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

GIG CYMRU NHS WALES | Partneriaeth Cydwasanaethau Shared Services Partnership

GIG CYMRU NHS WALES | Ymddiriedolaeth GIG Felindre Velindre NHS Trust

Velindre NHS Trust Audit Committee for NHS Wales Shared Services Partnership

Annual Report 2017-2018

1. FOREWORD

I am pleased to present the Annual Report of the Velindre NHS Trust Audit Committee for NHS Wales Shared Services Partnership. It outlines the coverage and results of the Committee's work for the year ending 31 March 2018.

During the year, I was supported by Independent Members, Judge Ray Singh and Professor Jane Hopkinson, who offer considerable knowledge and wide-ranging experience to the Committee.

I would like to express my thanks to all the officers of the Committee who have supported and contributed to the work carried out and for their commitment in meeting important targets and deadlines. I also wish to record my appreciation for the support and contribution given by Internal Audit at NWSSP, Local Counter Fraud Services and by the Wales Audit Office.

2017/18's meetings have been well attended, and there was constructive dialogue and challenge throughout. Indeed, a characteristic of the Committee's work and its related meetings has been the willingness of all parties to raise issues, acknowledge shortcomings and put forward positive suggestions to help bring about meaningful improvements to services, systems and day-to-day working practices. This approach is to be welcomed and is very much appreciated by the Committee.

I am keen to foster and promote a culture of continual improvement and we introduced a number of new initiatives to the Committee during 2017/18, including a brief effectiveness review session at the end of each meeting, the issuing of electronic Committee papers, and the assurance mapping exercise carried out across the organisation, which accompanied an extensive review of risk management.

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

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

2. INTRODUCTION

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

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

3. ROLE, MEMBERSHIP, ATTENDEES AND COMMITTEE ATTENDANCES

3.1 Role

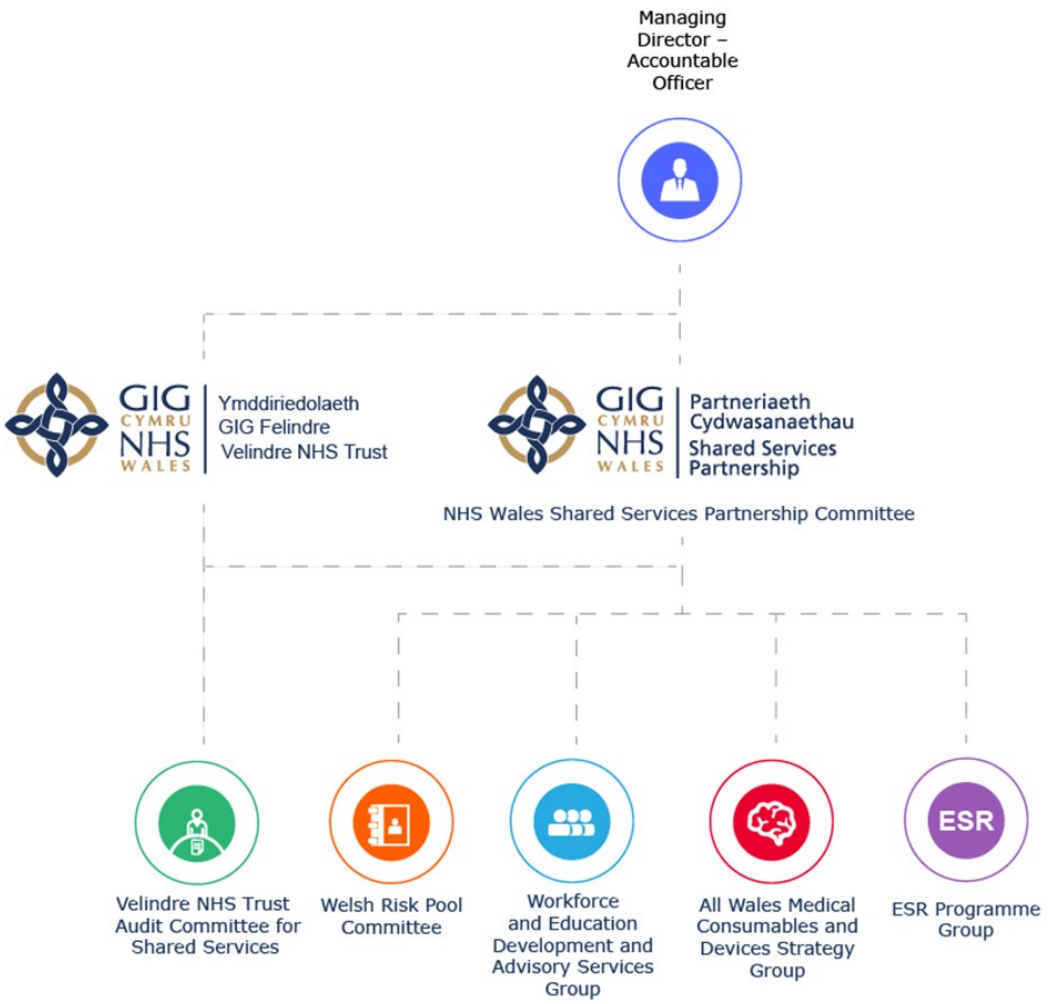
The Audit Committee advises and assures the Shared Services Partnership Committee (SSPC) on whether effective governance arrangements are in place through the design and operation of the SSPC assurance framework. This framework supports the SSPC in its decision-making and in discharging its accountabilities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

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

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

Details of the overall assurance framework are set out in **Figure 1** overleaf:

Figure 1: Overall Assurance Framework



Underpinned through the overarching Velindre NHS Trust legal and assurance framework

3.2 Membership

Given the hosting and specific governance responsibilities of Velindre in relation to NWSSP, Velindre NHS Trust's Audit Committee also acts as the Audit Committee for NWSSP. As such, the same three Independent Members sit on both Audit Committees.

3.3 Attendees

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

3.4 Attendance at Audit Committee 2017/2018

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

Figure 2: Meetings and Member Attendance 2017/2018

In Attendance	04/17	06/17	07/17	11/17	02/18	Total
Independent Members						
Martin Veale JP, Chair & Independent Member	✓	✓	✓	✓	✓	**5/5**
Judge Ray Singh, Independent Member	✓		✓	✓		**3/5**
Professor Jane Hopkinson, Independent Member	✓	✓	✓	✓	✓	**5/5**
Wales Audit Office						
Audit Team Representative	✓✓	✓	✓		✓	**4/5**
NWSSP Audit Service						
Director of Audit & Assurance	✓	✓	✓	✓	✓	**5/5**
Head of Internal Audit	✓	✓	✓	✓	✓	**5/5**
Audit Manager	✓	✓	✓	✓	✓	**5/5**
Counter Fraud Services						
Local Counter Fraud Specialist	✓	✓	✓	✓	✓	**5/5**
NWSSP						
Margaret Foster, Chair NWSSP	✓		✓	✓	✓	**4/5**
Neil Frow, Managing Director	✓	✓	✓		✓	**4/5**
Andy Butler, Director of Finance & Corporate Services	✓	✓	✓	✓	✓	**5/5**
Peter Stephenson, Head of Finance and Business Improvement					✓	**1/5**
Jacqui Maunder, Head of Corporate Services	✓	✓	✓	✓	✓	**5/5**
Roxann Davies, Compliance Officer	✓	✓	✓	✓	✓	**5/5**
Velindre NHS Trust						
Steve Ham, Chief Executive		✓				**1/5**
Mark Osland, Director of Finance	✓	✓	✓		✓	**4/5**
✓✓ - Denotes more than one attendee						

4. AUDIT COMMITTEE BUSINESS

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

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

4.1 External Audit (Wales Audit Office)

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

- NWSSP Nationally Hosted NHS IT Systems Assurance Report 2016-17
- WAO Proposed Work 2016-2017
- Capital Expenditure Scheme Update
- Internal Audit Visit Update
- WAO Report of NWSSP 2016-17
- WAO Assurance Arrangements 2018

WAO have stated that the findings of their work enabled them to place reliance on the services provided by NWSSP.

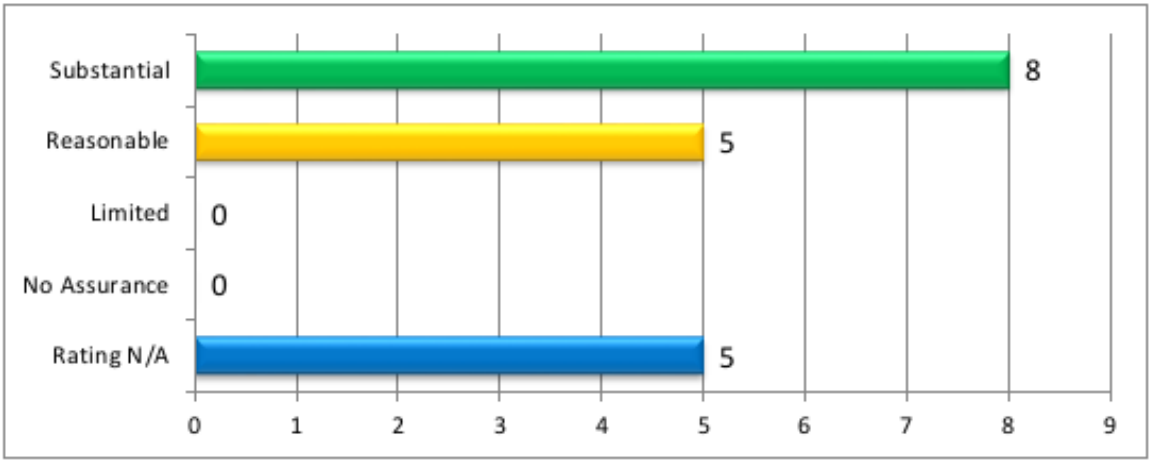
4.2 Internal Audit

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

18 Internal Audit reports were generated during 2017-18 and they achieved assurances as follows:

- **8** reports achieved substantial assurance
- **5** reports achieved a reasonable assurance
- **5** advisory reports (which do not include an assurance opinion)

Figure 3: Internal Audit Reports 2017-18 by Assurance Rating



During 2017-2018, the areas covered by Internal Audit's programme of work included:

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

External Quality Assessment

During February and March 2018, Internal Audit were subject to a formal External Quality Assessment (EQA) by the Chartered Institute of Internal Auditors (IIA), that demonstrated their compliance with Public Sector Internal Audit Standards (PSIAS).

Head of Internal Audit Opinion and Annual Report

Figure 4: Head of Internal Audit Opinion: Reasonable Assurance

	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.

4.3 Local Counter Fraud Services

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

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

- Progress Update at each meeting
- Quality Assessment Final Report
- Velindre NHS Trust Annual Report 2016-17
- Counter Fraud Work Plan 2017-18
- Counter Fraud Self Review Tool Submission 2016-17
- Counter Fraud Press Release
- Counter Fraud Quarterly Newsletters

During 2017/18, **4** new investigations into possible fraudulent or corrupt activity were instigated together with the **5** cases that were brought forward from 2016/17. Out of the **4** new cases, **3** involved alleged false claims submitted to the NHS Student Awards Service and which are still under investigation.

As part of its work, there is a regular annual programme of raising fraud awareness, for which a number of days are then allocated and included as part of a an agreed Counter Fraud Work-Plan which is agreed by the Audit Committee, on an annual basis.

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

4.4 Internal Control and Risk Management

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

***Annual Governance Statement*:** During 2017-18 the NWSSP produced its Annual Governance Statement which explains the processes and procedures in place to enable NWSSP to carry out its functions effectively. The Statement was produced following a review of NWSSP's governance arrangements undertaken by the NWSSP Senior Management Team and the Head of Finance and Business Development. The Statement brings together all disclosures relating to governance, risk and control for the organisation.

***Tracking of Audit Recommendations*:** Internal Audit has paid specific attention to auditing new areas of activity and to assessing on a risk approach basis. The Committee has continued focus on the timely implementation of audit recommendations; with any changes submitted, being challenged and/or approved by the Committee. The Audit Tracking process has also been subject to a review by Internal Audit, for which **substantial assurance** was provided. As at year-end, the status of audit recommendations was as follows:

• **222** recommendations overall contained within the Audit Tracker
• **209 implemented** recommendations
• **8 not yet due** recommendations
• **2 revised deadline** recommendations
• **3 revised deadline (not NWSSP action)** recommendations
• There were **no overdue** recommendations

**The table* above *records the position in terms of the latest reports for each area (i.e. when an area is subject to a re-audit, details of the new recommendations are added and the numbers relating to the earlier review are removed from the table).*

Audit Committee Effectiveness Survey: An anonymised Committee Effectiveness Survey was undertaken in May 2018, to obtain feedback from Committee members on potential areas for development. The statements used in the survey were devised in accordance with the guidance outlined within the NHS Audit Committee Handbook and aligned with the statements used by Velindre NHS Trust for its Effectiveness Survey. The survey identified the following:

- All respondents felt that the Committee had been provided with sufficient authority and resource to perform its role effectively;
- All considered that the Committee meets sufficiently frequently to deal with planned matters and that sufficient time is made available for questions and discussion;
- All agreed that the atmosphere at Committee meetings is conducive to open and productive debate;
- All agreed that the behaviour of members and attendees was courteous and professional; and
- All 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.
- Areas for further consideration included the use of the Welsh Language in meetings, and in promoting greater use of technology for Committee papers.

A full list of the internal reports/papers considered by the Audit Committee in 2017-18 is attached at **Appendix B** for information.

4.5 Private Meeting with Auditors

In line with recognised good practice, a private meeting was held on 6 February 2018, between Audit Committee members, Internal Audit, External Audit and the Local Counter Fraud Specialist. This provided an opportunity for any matters of concern to be raised without the involvement of Executives. No issues of concern arose from the meeting. All auditors are also aware that they can directly approach the Chair at any time with any matters that may be concerning them.

5. REPORTING AND COMMUNICATION OF THE COMMITTEE'S WORK

The Committee reports a summary of the key issues discussed at each of its meetings to the SSPC and to Velindre NHS Trust Board by way of a 'Highlight Report'. In addition, this Annual Report seeks to bring together in one simple document details of the work carried out during the reporting period, to review and test NWSSP's governance and assurance framework. The cumulative outcome of this work has helped to demonstrate the effectiveness of NWSSP's governance arrangements and underpins the assurance the Committee was able to provide to both the SSPC and Velindre NHS Trust.

6. CONCLUSION AND FORWARD LOOK

The work of the Audit Committee in 2017-18 has been varied and wide-ranging. The Committee has sought to play its part in helping to develop and maintain a more effective assurance framework, and improvements have been evidenced by the findings of internal and external audit.

Looking forward, the Audit Committee has identified the following priorities for 2018/19:

- A higher standard of assurance, through strengthening existing governance processes, particularly in relation to corporate risk management and assurance mapping
- A continued focus on the timely implementation of audit recommendations; and
- Better value for money and service improvement, through actions to improve the use of Committee software to issue papers electronically.

APPENDIX A
List of Internal Audits Undertaken and Assurance Ratings

Internal Audit Assignment	Assurance Rating 2017-18	Date Presented To Audit Committee
General Pharmaceutical Services (including Prescribing)	Substantial	24/04/2018
General Medical Services	Substantial	24/04/2018
General Ophthalmic Services	Substantial	07/11/2017
Audit Recommendation Tracker	Substantial	05/06/2018
Information Governance: GDPR	Substantial	06/02/2018
Non-Medical Health Education Budget	Substantial	05/06/2018
WfIS ESR OH Bi Directional Interface (Immunisations)	Substantial	06/02/2018
Corporate Governance; including Risk Management Follow-Up	Substantial	05/06/2018
General Dental Services	Reasonable	24/04/2018
Employment Services – Payroll Services All Wales	Reasonable	05/06/2018
Procurement Services - Accounts Payable All Wales	Reasonable	24/04/2018
Performance Management and Reporting	Reasonable	05/06/2018
Surgical Materials Testing Laboratory	Reasonable	05/06/2018
WAO Review – RKC Associates: Lessons Learned by NWSSP	Advisory Report Assurance Not Applicable	07/11/2017
ABMUHB CRC Payment Review	Advisory Report Assurance Not Applicable	06/02/2018
Primary Medical Care Advisory Team	Advisory Report Assurance Not Applicable	N/A
Exeter System Advisory Review	Advisory Report Assurance Not Applicable	N/A
Renewal of the NHS Building for Wales Frameworks	Advisory Report Assurance Not Applicable	N/A
Substantial Assurance Rating	**8**	
Reasonable Assurance Rating	**5**	
Limited Assurance Rating	**0**	
Assurance Not Applicable	**5**	
Total	**18**	

APPENDIX B
Internally Generated Assurance Reports/Papers

Report/Paper	Every Meeting	Annually	As Appropriate
Tracking of Audit Recommendations	✓		
Governance Matters	✓		
Corporate Risk Register	✓		
Audit Committee Forward Plan			✓
Health and Care Standards – Self Assessment		✓	
Health and Care Standards – Action Plan		✓	
Annual Governance Statement		✓	
Audit Committee Effectiveness Survey		✓	
Audit Committee Annual Report		✓	
Audit Committee Terms of Reference		✓	
Review of NWSSP's Standing Orders			✓
Integrated Medium Term Plan (IMTP)		✓	
Environmental Management System (ISO14001) External Audit Report		✓	
Assurance Mapping		✓	
NWSSP Working Relationship Briefing			✓
Electronic Staff Record (ESR) Hire 2 Retire Update			✓
Actions to Improve Governance around NWSSP Warehouse Stock Management			✓
Establishment of the Welsh Infected Blood Support Service			✓
Ensuring Value for Money in the use of Single Tender Actions			✓
Health & Safety Annual Report 2016-17		✓	
IT Strategy			✓
National Audit Office Cyber Security and Information Risk Guidance			✓
National Optical Fraud Update			✓
Replacement of Primary Care Services Payment System – National Health Application Infrastructure Service (NHAIS)			✓
Impact on Procurement Services as a result of the delayed award of 3 National Procurement Service (NPS) food frameworks			✓
Wales Audit Office Report on Public Procurement in Wales			✓
Wales Audit Office Report on RKC Associates – Lessons Learned by NWSSP			✓
Stores Losses Protocol Guidelines and Procedure			✓
Cyber Security and Information Risk Action Plan			✓

MEETING	Velindre NHS Trust Audit Committee for NHS Shared Services Partnership
DATE	24 July 2018
AGENDA ITEM	5.4
PREPARED BY	Roxann Davies, Compliance Officer
PRESENTED BY	Andy Butler, Director of Finance and Corporate Services
TITLE OF REPORT	Review of Audit Committee Terms of Reference

PURPOSE

The purpose of this report is to provide the Committee with DRAFT revised Terms of Reference, for **APPROVAL**.

1. INTRODUCTION

The NWSSP utilises Velindre NHS Trust's Committee arrangements to assist in discharging its governance responsibilities. It is a requirement that the NWSSP annually review its Audit Committee Terms of Reference, to ensure alignment with those of our host.

The attached document sets out the Terms of Reference for the Audit Committee, based on those of Velindre's Audit Committee and in accordance with model Standing Orders, reflecting the NHS Wales Audit Committee Handbook.

2. RECOMENDATION

The Committee is asked to **APPROVE** the amendments suggested to the NWSSP Audit Committee Terms of Reference.

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Velindre NHS Trust Audit Committee for NHS Wales Shared Services Partnership

Terms of Reference & Operating Arrangements

June 2018

1. BACKGROUND

1.1 In May 2012, all Health Boards and Trusts approved the Standing Orders for Shared Services Partnership Committee. Section 4.0.3 of the Standing Orders states:

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

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

ORGANISATIONAL STRUCTURE

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

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

In 2012, it was agreed that the Velindre Audit Committee would be utilised to act on behalf of NWSSP Committee, that there would be a clear distinction between these two areas/functions and that they would be addressed separately under the Audit Committee arrangements. This 'functional split' allows for clear consideration of the issues relating specifically to the business of the nationally run systems and national services that are provided by NWSSP and avoids the boundaries between the governance considerations of the hosting relationship and the governance considerations of NWSSP being blurred. The functional split can be illustrated below:

(a) **Governance** **(Host Relationship)**	**(b)** **Nationally Run Systems & Services**
1 Velindre NHS Trust **2 Audit Committee**	**Velindre NHS Trust** **Audit Committee for NHS Wales Shared Services Partnership**

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

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

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

This document goes on to outline the Terms of Reference for **(b)**, above.

2. INTRODUCTION

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

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

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

3 PURPOSE

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

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

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

4 DELEGATED POWERS AND AUTHORITY

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

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

  - NWSSP's ability to achieve its objectives;
  - Compliance with relevant regulatory requirements, standards, quality and service delivery requirements, other directions and requirements set by the Welsh Government and others;
  - The reliability, integrity, safety and security of the information collected and used by the organisation;
  - The efficiency, effectiveness and economic use of resources; and
  - The extent to which NWSSP safeguards and protects all of its assets, including its people.

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

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

- All risk and control related disclosure statements (in particular the Annual Governance Statement together with any accompanying Head of Internal Audit Statement, External Audit Opinion or other appropriate independent assurances), prior to endorsement by the SSPC;
- The underlying assurance processes that indicate the degree of the achievement of corporate objectives, the effectiveness of the management of principal risks and the appropriateness of the above disclosure statements;
- The policies for ensuring compliance with relevant regulatory, legal and code of conduct and accountability requirements; and
- The policies and procedures for all work related to fraud and corruption as set out in Welsh Government Directions and as required by NHS Protect.

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

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

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

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

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

to secure the ongoing development and improvement of the organisation's governance arrangements.

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

Authority

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

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

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

Access

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

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

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

Sub Committees

4.11 The Audit Committee may, subject to the approval of the SSPC, establish Sub Committees or Task and Finish Groups to carry out on its behalf specific aspects of Committee business. Currently, there is an established Welsh Risk Pool Committee which is a Sub Committee of the SSPC, however, there are no Sub Committees of the Audit Committee.

5 MEMBERSHIP

Members

5.1 A minimum of 3 members, comprising:

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

Attendees

5.2 In attendance:

NWSSP Managing Director, as Accountable Officer
NWSSP Chair
NWSSP Director of Finance & Corporate Services
NWSSP Director of Audit & Assurance
NWSSP Head of Internal Audit
NWSSP Audit Manager
NWSSP Head of Finance and Business Development
NWSSP Compliance Officer
Representative of Velindre NHS Trust

Local Counter Fraud Specialist
Representative of the Auditor General for Wales
Other Executive Directors will attend as required by the Committee Chair

By invitation The Committee Chair may invite:

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

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

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

Secretariat

5.3 Secretary As determined by the Accountable Officer

Member Appointments

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

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

5.5 Audit Committee members' Terms and Conditions of Appointment, (including any remuneration and reimbursement) are determined on appointment by the Cabinet Secretary for Health, Well-being and Sport.

Support to Audit Committee Members

5.6 The NWSSP Head of Finance and Business Development and NWSSP Compliance Officer, on behalf of the Audit Committee Chair, shall:

- Arrange the provision of advice and support to Audit Committee members on any aspect related to the conduct of their role; and
- Ensure the provision of a programme of organisational development for Audit Committee members as part of the Trust's overall OD programme developed by the Velindre Executive Director of Workforce & Organisational Development.

6 AUDIT COMMITTEE MEETINGS

Quorum

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

Frequency of Meetings

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

Withdrawal of Individuals in Attendance

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

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

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

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

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

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

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

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

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

8 REPORTING AND ASSURANCE ARRANGEMENTS

8.1 The Audit Committee Chair shall:

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

urgent/critical matters that may affect the operation and/or reputation of the organisation.

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

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

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

9 APPLICABILITY OF STANDING ORDERS TO COMMITTEE BUSINESS

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

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

10 REVIEW

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

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MEETING	Velindre NHS Trust Audit Committee for NHS Shared Services Partnership
DATE	24 July 2018
AGENDA ITEM	5.5
PREPARED AND PRESENTED BY	Roxann Davies, Compliance Officer
TITLE OF REPORT	Health and Care Standards Self-Assessment and Action Plan

PURPOSE

To provide the Committee with a summary of the **APPROVED** Health and Care Standards Self-Assessment and Action Plan, in accordance with Welsh Government's Health and Care Standards Framework for NHS Wales, **FOR ENDORSEMENT**.

1. BACKGROUND

The Standards for Health Service in Wales provide a framework for consistent standards of practice and delivery across NHS 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 Framework comprises seven main themes and sub criteria against which NHS bodies need to demonstrate compliance.

2. PROCESS

The process for undertaking the annual self-assessment is:

- The Head of Corporate Services undertakes an initial evaluation;
- A draft self-assessment is 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; and
- Once approved, it is presented to the Partnership Committee, Audit Committee and the Velindre NHS Trust Board, for endorsement.

3. SELF-ASSESSMENT RATINGS

Each theme is assessed and given an overall 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:

Health and Care Standards Self- Assessment Ratings 2017-18			
Theme	**Executive Lead**	**2017/2018 Rating**	**2016/2017 Rating**
Governance, Leadership and Accountability	Senior Management Team	4	4
Staying Healthy	Director of Workforce and Organisational Development	3	3
Safe Care	Director of Finance and Corporate Services Director of Specialist Estates	4	4
Effective Care	Senior Management Team	3	3
Dignified Care	Not applicable	Not applicable	
Timely Care	Not applicable	Not applicable	
Individual Care	Senior Management Team	3	3
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 reflects NWSSP's overall compliance against the Health and Care Standards and has been rated as a **3,** as outlined below:

Overall Health and Care Standards Self-Assessment Rating 2017/2018					
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			✓		

4. ACTION PLAN

Following completion of the Self-Assessment, an Action Plan to manage and monitor areas whereby NWSSP need to develop and strengthen its compliance against the Standards. Work is ongoing and the Action Plan be brought to a future Committee meeting. The Action Plan will link into the wider well-being agenda for NWSSP and integrate the Corporate Health Standard work programme being developed at present.

5. RECOMMENDATION

The Committee are asked to **ENDORSE** the Health and Care Standards Self-Assessment and Action Plan.

MEETING	Velindre NHS Trust Audit Committee for NHS Shared Services Partnership
DATE	24 July 2018
AGENDA ITEM	7.1
PREPARED BY	Roxann Davies, Compliance Officer
TITLE OF REPORT	Annual Review 2017-18

PURPOSE

The NWSSP Annual Review 2017-18 is presented to the Committee, **FOR INFORMATION ONLY**.

NHS Wales Shared Services Partnership Annual Review 2017-2018

Adding Value Through Partnership

GIG CYMRU NHS WALES | Partneriaeth Cydwasanaethau Shared Services Partnership

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About Our Annual Review

The Annual Review 2017-2018 explains what we do and how we are working to deliver professional, technical and administrative support services to NHS Wales. It explains the importance of working in collaboration with the Health Boards and Trusts to add value through partnership working, ensuring we deliver services that meet their needs.

Our priorities for 2017-2018 were set out in our Integrated Medium Term Plan (IMTP) 2019-2021, which also sets out our strategic objectives and provides a detailed analysis of our performance in 2017-2018.
This Annual Review document shows how progress is being made against the plan.

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Introduction from the Managing Director & Chair

Welcome to the NHS Wales Shared Services Partnership (NWSSP) Annual Report for 2017-2018. This is our 7th annual report and, as in previous years, shows how we are continually improving our services to meet the demands of our customers and our ongoing commitment to adding value through partnership working.

2017/18 was another positive year for the Partnership's development with lots of notable service achievements and improvements to many underpinning processes and systems. Our organisational values support us on our journey to world class; we continue to listen and learn from our partners, working together across NHS Wales, taking responsibility through all our actions and innovating to deliver the best results for the people of Wales.

Our strategic plan shows the road map of how we will provide value added support services over the next three years and beyond.
The vision we continue to set ourselves remains challenging, however we are confident that we have the dedication and capability to deliver against this plan.

As an all-Wales organisation we are uniquely placed to achieve efficiency and reduce variation through standardisation, modernisation and collaboration.
We will continue to return our savings by distributing them to Health Boards and Trusts.

Working with all of our stakeholders we will deliver transformational change that will make a lasting impact on NHS Wales.

We would like to thank our staff for their hard work and dedication; without all of you our achievements would not have been possible. We are always extremely proud of how our staff drive continuous improvement and will continue to recognise their commitment through our annual staff recognition awards.

You will see the contributions of our staff through the achievements and case studies in this annual review aligned to our five strategic objectives; value for money, customers, excellence, staff and service development.

It is also important to acknowledge the commitment and support of the members of the Shared Services Partnership Committee (SSPC), who represent the Health Boards and Trusts across NHS Wales and ensure that NWSSP's services are meeting the needs of the population of Wales.

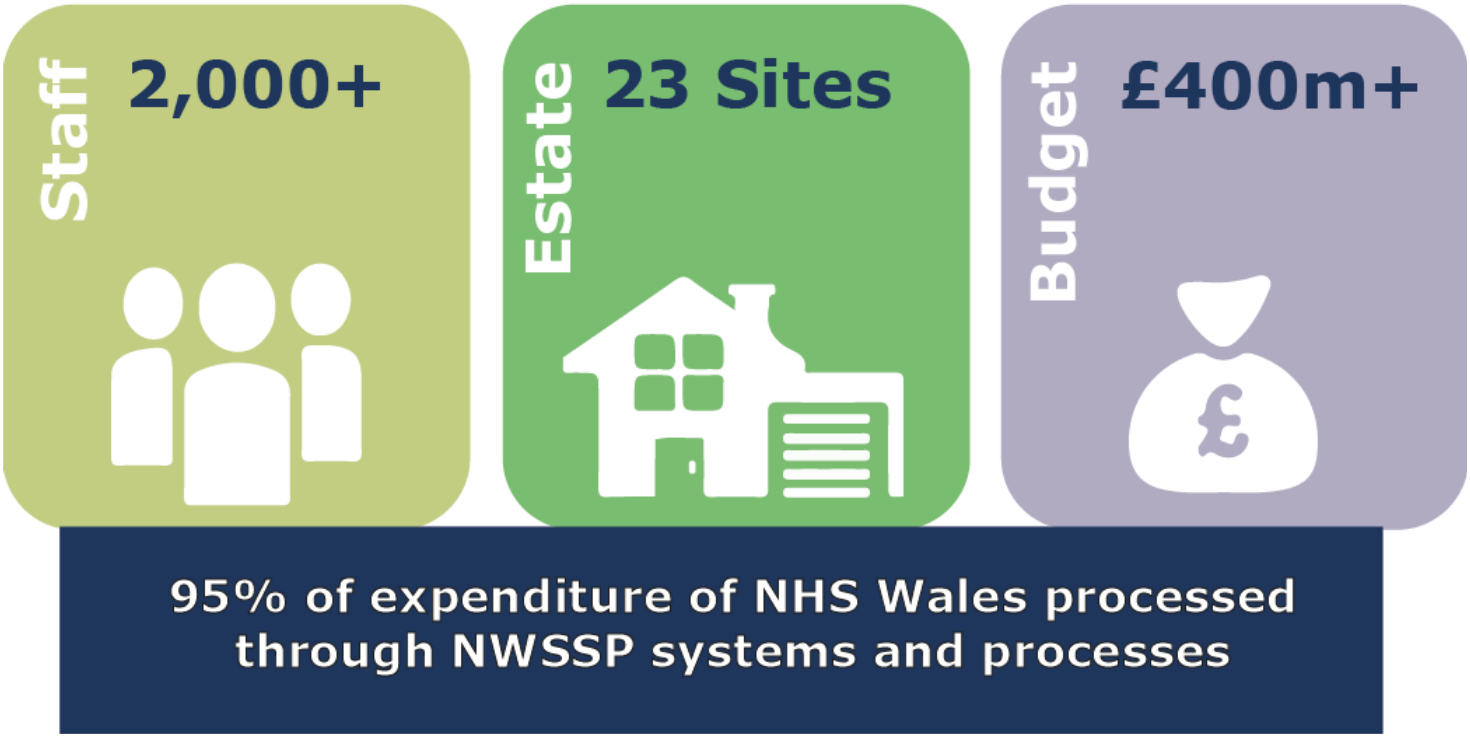
In our journey to becoming a world-class organisation we are determined to further improve and develop our commitment to supporting NHS Wales tackle key issues.

Margaret Foster,
Chair of the Shared Services Partnership Committee (SSPC)

Neil Frow,
Managing Director, NWSSP

Who We Are and What We Do

NWSSP is an independent mutual organisation, owned and directed by NHS Wales. We provide a range of high quality, customer-focused, professional, technical and administrative functions and services to Health Boards and Trusts in Wales, delivering significant savings and benefits, both qualitative and financial, to the NHS.



NWSSP is an integral part of the NHS Wales family, and is led by a Managing Director and Senior Management Team who are accountable to the SSPC. The Committee is composed of representatives from each of the seven Health Board and three NHS Trusts across Wales. We also have a number of sub-committees and advisory groups, which include members drawn from our partners, stakeholders and service users.

Partnership working is very important to our journey in ensuring our successful development. We interact with our partners in a variety of ways. As an organisation, we wish to develop trusted partnerships across NHS Wales so that we can support the moves required to efficiency changes ensuring we champion a data driven system.

Our vision is to be recognised as a world-class shared services organisation through the excellence of our people, services and processes. 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 create an environment within which customer service is a core component of the management and delivery of services.

Who We Are and What We Do

Our Services

Our services are provided through Divisions. An overview of each Division is given below, with more details provided in the individual Delivery Plans.

Audit and Assurance Services – we provide audit and assurance services to all health organisations in Wales

Central Team e-Business Services – we centrally manage and support the All- Wales Financial Ledger systems

Counter Fraud Services - we lead on work to identify and tackle Economic Crime including Fraud, Bribery and Corruption in NHS Wales

Digital Workforce Solutions – we manage the strategic electronic staff record (ESR) and workforce system programme

Employment Services – we pay salaries and expenses and support the safe and timely recruitment of new staff

Health Courier Services – we provide a wide range of courier services to hospitals, community services, health alliances, local health groups and General Practitioners

Legal and Risk Services – we provide legal advice for all of the health bodies in Wales

Primary Care Services - we provide a wide range of services to GPs, community pharmacies, dentists, opticians and appliance contractors

Procurement Services – we source, contract, order and pay for the goods and services which the NHS needs everyday

Single lead employer for GP Specialty Registrars – we provide a workforce service to GP Specialty Registrars as they undertake their training across NHS Wales

Student Awards Services - we manage the NHS Wales Bursary Schemes, which provide funding for healthcare students on NHS funded courses in Wales

Surgical Medical Testing Laboratory - we test medical devices to make sure they are safe and develop standards for manufacturers to comply with

Specialist Estates Services – we provide advice and support to help NHS Wales provide modern, safe and efficient buildings and facilities

Welsh Risk Pool – we manage financial risk arising from negligence claims or other losses through a pooled fund arrangement

Workforce, Education and Development Services - we ensure NHS Wales has a workforce with the skills to meet the demands of modern day healthcare.

Highlights of 2017-2018

Delivered **£100 million** worth of **professional influence savings**

652,000 orders processed totalling **£932 million**

1.7 million invoices processed totalling **£4.2 billion**

Improved GP Trainee fill rates to **91%** following success of the Single Point of Contact (SPOC) for employment queries

1.2 million ophthalmic claims forms scanned and processed

Over **65,000** internet hits per month

Over **70,000** NHS Wales employees with ESR self-service access

NHS Electronic Staff Record

Introduced new **Health Courier Service Delivery Models** to include providing 24 Hour/ Out of Hours cover

SMTL laboratory **accredited** to **ISO 17025**

99.88% payroll accuracy rate

40 million prescription forms scanned and processed

98% student bursary applications processed in less than 20 days

Achieved a statutory and mandatory training compliance of above **85%** for our staff

£1.58 billion of payments to NHS Wales Contractors by Primary Care Services

Recruitment helpdesk **98%** responsiveness with an increase of **200** calls a month

Supporting the development **of 111 and the extension of GP Out of Hours**

Calendar of Achievements

2017

April 2017
NWSSP Team Support Primary Care Nursing Conference

May 2017
Success for NWSSP at HPMA Wales Healthcare Conference

June 2017
Success for NWSSP Teams at HPMA National Awards 2017

June 2017
Director of Procurement Services Awarded MBE

August 2017
NHS Wales Celebrating Diversity at PRIDE Cymru

September 2017
NWSSP Teams move to new Offices in Matrix House, Swansea

November 2017
Success for Procurement Services at Prestigious GO and HCSA Awards

December 2017
Wales Health Student Forum hold all-Wales Conference for students

2018

February 2018
Digital Workforce Solutions team hold national conference

March 2018
Legal & Risk Services shortlisted for Public Sector Paperless Awards

Strategy Map

Our Vision

To be a recognised world class shared service through the excellence of our people, services and processes

Our Mission

To enable the delivery of world class Public Services in Wales through customer-focus, collaboration and innovation

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

Open and transparent customer-focused culture

That supports the delivery of high quality services

Excellence

An organisation that delivers process excellence

Focus on continuous service improvement, automation and the use of technology

Staff

Appropriately skilled, productive, engaged and healthy workforce

Service development

Extend the range of high quality services provided to NHS Wales and Welsh public sector

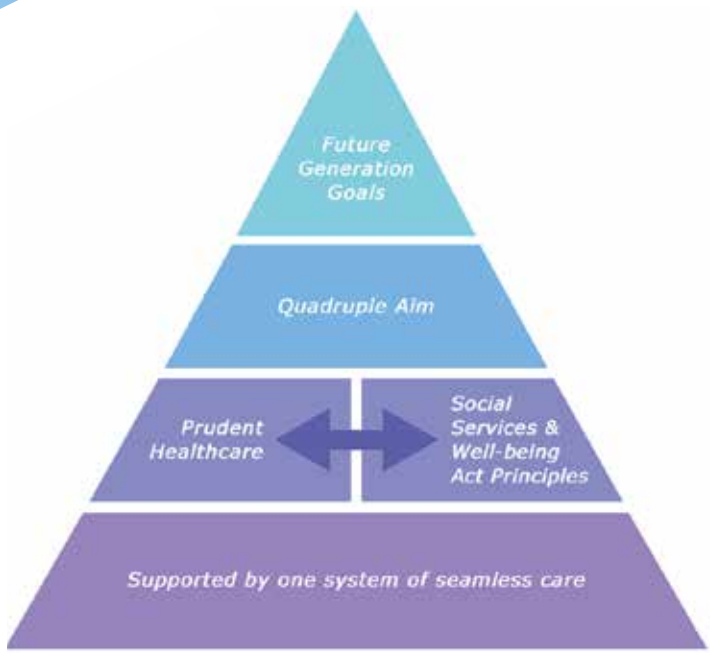
Our Overarching Goals

1. We will promote a **consistency of service** across Wales by talking and listening to our partners
2. We will **extend** our services to increase value for money and innovation benefitting the people of Wales
3. We will continue to **standardise, innovate and modernise** our services delivery models to achieve prudent healthcare
4. We will encourage people to want to **work and stay** with us by attracting, training and keeping them
5. We will use our resources effectively so that as the need for our services grow we can maintain a **balanced financial plan**
6. We will provide **excellent customer service** and we will **maximise efficiency** by providing our services in one way across Wales
7. We will deliver a world class service and use our skills and expertise to help NHS Wales **tackle key issues**
8. We will support NHS Wales **meet their challenges** by **sharing good practice** and identifying opportunities

Strategic Approach

Our strategic approach responds to a number of regional drivers for health and social care, including:

- The National Strategy "Prosperity for All"
- Parliamentary Review of Health and Social Care
- Well-being of Future Generations Act (2015)
- Health and Care Standards (2015)
- Prudent and Value Based Healthcare
- Developing the role of primary care
- Social services and well-being act (2014)
- National Improvement Programme
- Strengthening health and care quality and governance in Wales
- Public Health (Wales) Act 2017
- Nurse Staffing Levels (Wales) Act 2016.



Our People

Chartered Institute of Personnel and Development - Cohort 1 & Cohort 2
29 staff participating

People Management Skills
2 Workshops - **15** staff trained

Conflict Management Training
1 Workshop - **12** staff trained

Business Improvement Techniques NVQ's L2 & L3 North and South Wales **40+** learners progressing

Pili Pala – South Wales Cohort 1
7 workshops
14 Staff participating

Accredited Programmes ILM and NVQ's
29+ learners completed

40+ learners progressing

AP Triple 3 Summit
15 Summit Meetings with **10** Leaders of Change
3 work streams established

5 People Management Skills Programmes delivered to **35** staff

PADR Skills for New Managers
8 Workshops
66 Managers trained

Corporate Induction
16 Workshops
162 staff participated

Fire Marshal Training
11 Workshops
110 staff trained

PADR Refresher for Existing Managers
4 Workshops
34 Staff trained

HealthCare Leadership Model – Cohort 2
6 Workshops
8 senior managers participating

Team Based Working - Payroll
4 Workshops
27 staff participated

Information Governance Training & Refresher
32 Workshops
333 staff trained

PCS World Class Journey
38 Workshops
251 staff trained

Legionella Awareness
2 Workshops
18 staff trained

Esop Class Training Level 3
16 Workshops
104 staff trained

AW Sickness Absence
11 Workshops
78 staff trained

Team Based Working - Procurement Services
6 Workshops

Achievements & Priorities

Appropriately skilled, productive, engaged and healthy workforce

Achievements we have made:

Improved **PADR** compliance despite the implementation of the **pay progression policy**

Developed and implemented an **action plan** based on the **2016 national staff survey** outcomes

Successful roll out of **ESR Employee Self Service** to all **GP Trainees**

913+ hours of **training** for all non-accredited programmes

1400+ staff trained/ training

Achieved a **statutory and mandatory training** compliance of above **85%** for our staff

Successful **transfer** of staff to **Matrix House**, Swansea

206 workshops delivered

Our Key priorities for action over the next three years

- Provide staff with the skills they need to excel at work
- Make sure we attract and keep the best staff
- Support our staff so they feel happy and listened to in the workplace
- Ensure NWSSP is a "Great place to Work".

What good looks like in three years?

- A multi-skilled and motivated workforce to support continuous improvement
- A workforce which fully embraces the values of NWSSP
- A well-established support programme for staff that promotes emotional well-being
- Delivered the action plan based on the staff survey outcomes.

Good Practice & Recognition

Staff

NWSSP Colleagues Raise Money for Bradley Lowery Foundation

Kind hearted staff from our Companies House office, Cardiff, held a football shirt themed 'dress down day' in aid of the Bradley Lowery Foundation. Just over £300 was raised for the Foundation which is named after the little boy who made the UK and world news when, at the age of 18 months, was diagnosed with cancer. Bradley's inspirational battle and friendship with Jermain Defoe, who used to play for his beloved Sunderland FC, touched the nation's heart.

The money raised will now go to the Foundation that will help to support families with their own fund raising campaigns. Victoria Bartlett from Employment Services said: *"It turned into a tremendous effort from everyone who joined in on the day and those who continued to donate afterwards. Special thank you must be given to Alex Gould for raising the idea as without his contribution the day would never have happened."*

Colleagues Raise Money for Welsh Hearts Charity

Colleagues at our Nantgarw headquarters raised £100 for the Welsh Hearts, the heart charity for Wales. The money was raised from the proceeds of the office tuck shop which has raised money in the past for other worthy causes.

WELSH HEARTS
CALONNAU CYMRU
THE HEART CHARITY FOR WALES
ELUSEN Y GALON DROS GYMRU

WELSH HEARTS
CALONNAU CYMRU

Welsh Hearts was founded in 2013 and has focused on placing Defibrillators in communities and schools throughout Wales and holding free CPR training sessions to the public. The charity's aim is to significantly improve the chances of those that have cardiac arrests outside of hospital where the first few minutes are absolutely crucial in saving their lives.

Welsh Hearts representative and spokesman, John Tyrell, said: *"Your support of our Charity is very much appreciated. Thank you once again for considering Welsh Hearts – I would like to reassure you that the donation will be put to good and effective use throughout Wales."*

Case Studies

Staff

Health Courier Services

Health Courier Service (HCS) supports front line services across Wales, operating, where required, 24 hours a day, 365 days a year, providing vital Clinical Logistical Support services for Primary and Unscheduled Care in Hospitals, Clinics, Surgeries, GP Practices, Pharmacies and Schools (Flu Vaccines).

HCS often go 'above and beyond' in terms of their duties and were thanked by the family of an injured patient after HCS staff supported her after a fall, in extremely poor weather and with difficult access for emergency services. Once again HCS have demonstrated the highest standard of professionalism, judgement and caution in carrying out their roles.

HCS South East Wales Area Manager, Gildas Griffiths, said: *"Colleagues Nick Kihlberg, Roger Jones and Ashley Rowell supported me with an injured female who had sustained serious injuries to her leg following a fall outside her home, during the recent adverse weather whilst HCS were maintaining and supporting critical services in 4x4 vehicles. Because of the weather and prevailing conditions, emergency services had difficulties in reaching us.*

I received contact from the patient's family who wanted to express their gratitude for our assistance and to provide an update on her condition. As suspected, the injury was serious and I was advised that the trauma team at University Hospital of Wales, Cardiff, informed the family that without your prompt and safe actions, her condition could have been critical."

Director of Procurement Services, Mark Roscrow, said: *"Can I also add my appreciation for the job the guys did and it's an excellent example of the real NHS doing a fantastic job for patients and in very difficult circumstances. The team really are 'more than just a blue light service' in supporting NHS Wales."*

Case Studies

Staff

Celebrating Success at the Staff Recognition Awards 2017

NWSSP's second Staff Recognition Awards were held on 9 June 2017 at the Angel Hotel, Cardiff, to celebrate staff achievements across our services. The award categories are our core values of Listening and Learning, Working Together, Taking Responsibility and Innovating. Awards were also given for Team of the Year, Welsh Language Learner of the Year and for the NWSSP Managing Director's 'Stars'.

The 'Listening and Learning' category was won by Primary Care Services' 'World Class Journey' project, which focused on giving staff a better understanding of the importance of their role within NWSSP and how they take the organisation forward. The 'Working Together' award was given to the Non-Medical Sourcing Team (Transport and Utilities) from Procurement Services, who demonstrated incredible resilience in delivering value for customers as well as saving the organisation over £100,000 through cash release savings in the financial year 2017/2018.

The 'Taking Responsibility' category was won by the Workforce and Organisational Development team for their work supporting the e-Learning platform. The awards judges recognised that the team had gone the 'extra mile' for working outside of normal hours to avoid disruption to the service. The award for 'Innovating' was presented to the All-Wales Recruitment Team for the Trac Implementation Programme. The judges were impressed with the Trac system, as it offers a step-by-step recruitment process, and believe the team implemented Trac to its full potential.

The 'Team of the Year' award went to the Personal Injury Team who work within Legal and Risk Services. The judges were impressed with the teams' mission statement of 'Be the Best, Do the Most, Innovate', as well as their winning formula of weekly workshop sessions that included client focused innovation, bespoke lectures and ideas for social media. The winner of the Welsh Language Learner of the Year Award was Ann Cahalane from Employment Services, who was recognised as making significant and visible progress in terms of her learning and development. The final award category of the evening belonged to 'Neil's Stars,' NWSSP's Managing Director, Neil Frow, nominated staff that he felt had made outstanding contributions to delivering a world class service. Eight members of NWSSP staff were presented with these awards from across Shared Services.

- John Holdham, Workforce and Organisational Development
- Michelle Stephens, Employment Services
- Paula Jones, Health & Safety
- Katie Edmunds, Central Team eBusiness Services
- Claire Salisbury, Procurement Services
- Kayla Macmillan, Procurement Services
- Jodanna Beynon, Employment Services
- Beverley Palmer, Workforce and Organisational Development.

Reflecting on the evening, NWSSP Managing Director, Neil Frow, said: *"It was fantastic to see how this event has grown from our first Staff Recognition Awards in 2016. I'd like to thank everyone who took the time to nominate colleagues, highlighting just how many staff members deserved to be recognised at such a formal event. I would also like to thank our Director of Workforce and Organisational Development, Hazel Robinson, and her planning team for their efforts in organising a fantastic event. Without all of you, the event would not have been possible."*

Achievements & Priorities

Open and transparent customer-focused culture that supports the delivery of high quality services

Achievements we have made:

Improved GPSTR fill rates to **91%** following success of the Single Point of Contact (SPOC) for employment queries

Customer Service Excellence Compliance+ for implementation of TRAC

Provided **dedicated support** to each Health Board to **increase** the supply of nursing through contract agencies

94% of adverts placed within 2 days

Triennial rental reassessments are completed on over **600** GP surgeries

Offered a straightforward route to access **legal services** as and when they are needed

99.88% payroll accuracy rate

65k internet hits per month

Continued focus by our Audit and Assurance services on sharing lessons learnt and **good practice** across organisations

Our Key priorities for action over the next three years

- Strengthen our relationships with our customers
- Work with customers to develop standard systems and processes
- Turn our data into information that helps NHS Wales make informed changes
- Lead and support the delivery of NHS Wales priorities.

What good looks like in three years?

- Ongoing customer appraisal, feedback and business review
- An embedded trusted partnership relationship across NHS Wales
- Well-developed customer service strategy with high customer satisfaction levels across all services
- Developed strong mechanisms for engagement and co-production to improve quality and user experience.

Good Practice & Recognition

Customers

Primary Care Services retain Customer Services Excellence Award

Primary Care Services (PCS) successfully completed their two day annual assessment with regards to the government's Customer Service Excellence Standard (CSE). Subject to ratification from the awarding body, PCS will retain the CSE standard award being compliant in all areas. Furthermore, and building on from last year's results, PCS is likely to be awarded 'Compliance Plus' (no non-conformities with compliance in all areas), status in a number of assessment categories.

A major theme of the assessment was surrounding the ongoing development of the Patient Medical Record (PMR) service that PCS provide. The assessor was extremely pleased how this was progressing taking the opportunity to visit 2 PMR practices based in Ystrad Mynach and Burry Port. Dave Hopkins, Director of Primary Care Services, said: *"The feedback from the assessor was very positive and it is extremely pleasing that PCS has once again illustrated how it is committed to customer service excellence. I would like to thank the business support staff who supported the assessor directly, especially in the PMR area and to everyone in making such an impression which has enabled PCS to maintain the standard and make the assessment such a success."*

Legal and Risk Services hold All-Wales Anti-Violence Collaborative workshop

The first all-Wales Anti-Violence Collaborative workshop was held on 8 December 2017 at the Metropole Hotel, Llandrindod Wells. The Collaborative is being driven by NWSSP Legal and Risk Services as part of an initiative involving all Welsh regional Police forces, the Crown Prosecution Service (CPS), Welsh Government and NHS Wales. The aim of the Collaborative is to work in partnership with the above bodies to promote anti-violence initiatives towards NHS Wales staff whilst also updating a previous memorandum of understanding between the parties.

The Collaborative is being sponsored by Director General of Health and Social Services/Chief Executive, NHS Wales Andrew Goodall, the Cabinet Secretary's office for Health and Social Services, and a specialist Project Board Steering Team and Project Team. The workshop was attended by almost 100 people and was chaired and coordinated by Legal and Risk Solicitor Andrew Hynes (project lead) and his Personal Injury team as well as support from the NWSSP Communications team.

Reflecting on the day, Andrew Hynes said: *"The workshop proved to be an excellent event with attendees fully engaged and eager to drive forward the premise of the collaborative together. All speakers gave powerful, thought provoking presentations which really hit home with the audience. I am really looking forward to our future plans for the Collaborative including increasing public, police, NHS, online and CPS awareness, to hold further all-Wales workshops and to design and implement further training and educational workshops."*

Case Studies

Customers

Procurement Services assist with new SuRNICC Unit at Ysbyty Gan Clwyd

The first phase of the new £18m SuRNICC (Sub-Regional Neonatal Intensive Care Centre) at Ysbyty Glan Clwyd was completed in early 2018.

The unit will care for newborn babies from across North Wales with significant care needs. The first phase of the project includes the construction of the new unit, which features five intensive care cots, five high-dependency cots, and nine special care cots.

The new unit also features a dedicated isolation unit, a transitional care service to keep mums and newborn babies together, and on-site parent accommodation, helping patients with premature and sick babies spend as much time with their child as possible.

The SuRNICC meets the latest modern neonatal healthcare standards and provides significantly improved facilities for both families of babies on the unit and neonatal staff. The department will work in tandem with neonatal and maternity units at Ysbyty Gwynedd and Wrexham Maelor Hospital to provide joined-up care for sick and premature babies across North Wales.

The procurement team at Alder House have been regularly involved over the past 12 months with the Management Team for the project, the staff in the unit and the Electro-Biomedical Engineering (hospital equipment technicians) department in identifying and procuring all the specialist equipment and furniture for the project. The project fits really well with NWSSP's Core value ethos of Listening and Learning and Working Together.

The construction of the second phase of the project, which includes additional special care and high dependency cots, has now commenced in the site previously accommodating the SCBU (Special Care Baby Unit) and upon its completion in a few months, the two phases will be joined to make the unit fully operational. During this period the local teams' support of the project will continue with the procurement of the additional equipment required for the second phase.

Case Studies

Customers

Payroll Customer Support Team

Outlined within the Employment Services 2015-18 Integrated Medium Term Plan (IMTP) was a recommendation to further develop the customer service centre for Payroll services in Companies House to create a single point of contact for all incoming payroll calls.

The Payroll teams within Companies House, Cardiff, had differing models of contact, the teams servicing Cardiff and Vale University Health Board, Cwm Taff University Health Board, Public Health Wales and Velindre NHS Trust were still operating an individual "direct dial" approach, the Aneurin Bevan University Health Board (ABUHB)/Powys Teaching Health Board (PTHB) team was running a contact centre approach with an average of a 75% call answering success rate. The payroll model for the ABUHB/PTHB team was providing insufficient numbers of first resolution with the majority of queries being transferred to the operational teams delaying caller resolution.

Key Business Objectives for implementing this change was to ensure consistency of current provisions with the NWSSP Customer Service Strategy and the NWSSP Strategic Objectives, in particular:

- Focus on customer care ethos and service quality
- Improve quality of support for new NHS Wales organisations
- Strengthen public sector partnership working
- Increase public confidence in NHS Wales.

Key Areas of Change

- Increase knowledge of Customer Support Team to provide efficient first point resolution and improve customer journeys
- Service Level increased from 75% to averaging between 90 - 99%
- Customer Service Training Packages to improve customer service
- Customer Focused Recruitment of Staff
- Culture Change
- Workforce Optimisation
- Unified Customer Experience
- Improvements to utilisations of Systems.

What's Happening Next?

With the new systems, analysis of the types of calls has been more efficient and has highlighted the need to work with Health Boards/Trusts in order to improve the availability of information and knowledge of the service users.

Removing unnecessary calls such as "when do I get paid", "what is my increment date" and changes to personal details such as name, address resulting in further increase in performance. Our aim is to provide an interactive customer FAQ's to direct users quickly to the right action whilst supporting other strategies such as uptake of Electronic Staff Record self service. This will aim to increase customer satisfaction and remove unnecessary telephone volumes.

Achievements & Priorities

An organisation that delivers process excellence, focus on continuous service improvement, automation and the use of technology

Achievements we have made:

Invested in project management **support** to drive **excellence** in systems and procedures

Supported Welsh Government **Train, Work, Live campaign** increasing professional appointments

3 days average time of appointment letters sent to Managers

Managed the new **Student Bursary Scheme** to support commissioned training places

Developed the **Store and Scan on Demand** service within Primary Care Services **reducing pressures** on GP Practices estates

99.5% accuracy rate for prescription keying

Implemented temperature controlled transport for **pathology**

We have been a key enabler in delivering the **National Improvement Programme**

We have provided **National services** and **solutions** to reduce variation helping our partners adopt the **best practice**

SMTL laboratory accredited to **ISO 17025**

Our Key priorities for action over the next three years

- Strive for excellence in everything we do
- Provide standard modern and automated services
- Use our All-Wales performance data to highlight and deliver improvement
- Invest in technology to increase the efficiency and quality of our services.

What good looks like in three years?

- Larger regional centres of excellence increasing resilience, efficiency, standardisation and collaboration
- Established plan for service improvement priorities informed from innovation
- Using metrics to help improve our performance in a more proactive manner
- Benchmarking of our services and achievements against world class requirements.

Good Practice & Recognition

Excellence

Fourth free Education Day held by Legal & Risk Personal Injury Team wows clients from across Wales

A Personal Injury Day, hosted by Personal Injury team within NWSSP Legal and Risk Services, was held in Companies House, Cardiff on 5 May 2017. The day gave colleagues involved in the legal process from across NHS Wales Health Boards the chance to update and refresh their legal knowledge and to network.

The event, hosted by Head of Department Andrew Hynes, was very well attended and received much positive feedback. Andrew said: *"The opportunity to forge and renew relationships (client to client and client to legal advisor) is equally as important as the educational content.*

The feedback has been hugely supportive, in fact I couldn't be happier. We will definitely continue with more of the education days which are provided entirely free of charge."

Cwmbran Stores receives successful Audit outcome

Cwmbran Stores, part of NWSSP Procurement Services, was subject to its annual audit of food receipt, storage and distribution processes by assessors Support, Training & Services Limited (STS).

The audit was carried out over the course of a whole day during which the auditor conducted a thorough visual internal and external inspection of the premises and a detailed review of its operational procedures. During this specific audit, a total of 46 procedures, protocols, forms, files and licences were reviewed, making it an intense day for the Cwmbran Stores staff.

The audit was subsequently passed within the appropriate timescales and a Public Sector Compliance Certificate issued. Martin Schell, Regional Supply Chain Manager (South and East Wales) commented: *"I am very pleased to learn that Cwmbran Stores have retained their 'Code of Practice and Technical Standard for Food Processors and Suppliers to the Public Sector' accreditation. It represents an important and highly credible acknowledgement of the hard work carried out at Cwmbran Stores in so many areas, not least of which were stock rotation, cleanliness, product recalls, working practices, waste disposal and stock purchasing."*

Case Studies

Excellence

Surgical Materials Testing Laboratory (SMTL) maintains UKAS accreditation

In line with NWSSP's strategic objective of achieving excellence, the SMTL implements an International Organisation for Standardisation (ISO) 17025) General requirements for the competence of testing and calibration laboratories) accredited Quality Management System (QMS). ISO 17025 is an international standard which assesses the competence of testing and calibration laboratories and accreditation is provided by the United Kingdom Accreditation Service (UKAS). Accreditation is a means of assessing the technical competence and integrity of organisations offering evaluation services. SMTL utilise a rigorous QMS to ensure work undertaken by the laboratory is both accurate and reliable. A satisfactory annual inspection by UKAS is necessary for the ISO 17025 accreditation to be maintained.

In October 2017 SMTL hosted UKAS for their annual 2 day inspection when SMTL staff were observed and questioned with regards to the testing of various medical devices. For this visit, the UKAS audit team included a specialist inspector to review the Environmental Testing service, observing SMTL staff testing a controlled room within Princess of Wales Hospital HSDU Department. The inspectors also reviewed SMTL's Quality Management System (QMS) as well as scrutinising the Physical Testing Department.

The inspection was extremely positive once again, with the UKAS Inspectors recommending SMTL maintain their accreditation status. They commented on the good level of service provided by the lab, noting that staff were well trained and experienced. They also noted that SMTL have effective quality control measures in place.

The maintenance of this accreditation is important to Procurement Services, as SMTL testing is regularly included as a quality hurdle in All Wales Procurement processes, ultimately helping to ensure value for money for NHS Wales. SMTL also provide commercial testing services to the international medical device industry, and are internationally renowned as experts within their field.

Case Studies

Excellence

Audit & Assurance Services

It is a requirement of the Public Sector Internal Audit Standards (PSIAS) that all audit services have an External Quality Assessment (EQA) undertaken at least once every five years to assess the level of conformance with standards.

In order for Audit & Assurance Services to be able to demonstrate and report conformance with the PSIAS and thereby demonstrate to its client organisations that it provides a quality and professional service the EQA was an essential process to go through. The EQA process enables Audit & Assurance Services to show commitment to achieving the Strategic Objective of Excellence - Developing an organisation that delivers process excellence through a focus on continuous service improvement, automation and the use of digital technology.

Audit & Assurance Service appointed the Chartered Institute of Internal Auditors to undertake the EQA via a tender process. The EQA was undertaken during February and March 2018 using a process of a validation of the self-assessment carried out by NWSSP Audit & Assurance Services using the methods prescribed by the Chartered Institute of Internal Auditors.

The assessment was undertaken on the basis of reviewing a wide range of documentary evidence, surveys to representative stakeholders and also by interviews undertaken with members of the Internal Audit teams and stakeholders including Directors and Independent members from across NHS Wales.

The Final EQA report was received by the Director of Audit and Assurance in April 2018 following a draft report and further more detailed comments on a standard-by-standard checklist. Conclusions by the External Assessor: Conformance to the International Professional Practice Framework (IPPF) and to the Public Sector Internal Audit Standards (PSIAS). 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."*

Audit & Assurance Service now can state in its documentation that it "Generally Confirms" to the PSIAS. This the highest level of conformance achievable and therefore is an important mark of quality and will benefit the service when looking to develop its service with NHS Wales and also the wider public sector in line with their Strategic Objective of Service Development.

Case Studies

Excellence

Patient Medical Record (PMR) Storage and Scan on Demand Service

The concept of off-site storage within Primary Care Services (PCS), came to the fore following an initial request from a GP practice for a temporary storage solution for live patient paper medical records (PMR's). Whilst GP practices predominantly operate using electronic records, current legislation requires paper records to be produced upon either the death of the patient or when patients register with another practice.

Prior to 2015, the All-Wales storage facility predominantly stored and retrieved primary care medical death records. Utilising this facility as the foundation, a solution was successfully piloted proving the concept of providing an efficient records delivery service supported by established courier transport arrangements and embracing digital technology using the electronic transfer of live patient records to GP practices via a secure network portal.

This service embodies the organisation's core values through listening to the needs of our stakeholders, being responsive to their requirements, empowering colleagues, and valuing our customers.

The PMR service is aligned with NWSSP's strategic aims and objectives:

- Achieving value for money through the delivery of consistent services by economies of scale
- Supporting the development of an open and transparent customer focused culture that supports the delivery of high quality services
- Developing an organisation that delivers process excellence through a focus on continuous service improvement, automation and the use of digital technology
- Enabling the organisation to deploy existing skilled resources which will be released through continued service improvement and automation
- Developing and extending the range of high quality services provided to NHS Wales and the broader public sector.

This programme has driven service re-design that aligns to the NHS Wales Primary Care Plan, 2018. Delivering a modernised service that supports the sustainability agenda whilst enabling NHS Wales to realise and deliver significant benefits including:

- Process re-engineering achieving more with less resource
- Reducing variation through modernisation of current service models
- Supporting prudent healthcare – reducing variation through evidence based approaches
- Enhancing scanning solutions and utilising technology to reduce and eliminate paper transactions.

The culture embedded within PCS is 'what more can we do' and we will use this programme as a catalyst to further drive:

- Proactive engagement with stakeholders
- Continuous service improvement whilst continually achieving full audit assurance
- Expanding NWSSP services into Primary Care cluster networks and federations.

With 300,000 paper records moving across Wales per annum, the further development of the PMR service combined with a full review of the current legislation truly provides PCS with a huge opportunity in supporting the development of a modern NHS, built on a secure footing of quality and secure digital services.

Achievements & Priorities

Highly efficient and effective organisation Deliver real term savings and service quality benefits to its customers

Achievements we have made:

Collaborative **procurement strategy** developed **in partnership**

We spend **47%** of our NHS non-pay expenditure with companies who were based in Wales

Deliver **£100 million** worth of professional influence benefits

NWSSP **99% compliance** with Public Sector Pay Policy

Qlik

Provide QlikView 2nd Line Support and complete developments in house saving **£60k** per annum

Phase 1 of certificate of sponsorship **management for medical and dental trainees** resulted in **£22,288** estimated savings

£1.2 million cost avoidance through technology enabled learning solutions

Eliminated paper payslips and administered e-payslips for NWSSP by **April 2018**

Deliver cost efficiencies across **Hire to Retire** transactional services

Deliver procurement **savings** target

Our Key priorities for action over the next three years

- Generate over £2 million of direct savings
- Deliver over £100 million worth of professional influence benefits for NHS Wales
- Secure capital funding to invest in services to meet customer needs
- Deliver efficient processes and drive down costs.

What good looks like in three years?

- Delivery of overall financial targets
- A well-established, financially stable business model with future benefits and growth identified
- Continued realisation of significant Professional Influence savings
- Identification and maximisation of income generation opportunities.

Good Practice & Recognition

Value for money

Mum Who Enjoyed Holidays in America Jailed after Joint Operation by Counter Fraud Services

A former student nurse who fraudulently claimed more than £70,000 in tax credits lived a "lavish" lifestyle, enjoyed holidays with her husband, underwent plastic surgery and took out a joint finance loan for a time-share property in America. Tammy Ann Gunter, claimed tax credits after declaring she was a single person, made false claims for student finance and an NHS bursary and forged a letter purporting to be from Her Majesty's Revenue and Customs (HMRC), Merthyr Tydfil Crown Court was told. The joint investigation began in January 2015, led by NHS Counter Fraud Service Wales, and involved the Department for Work and Pensions and HMRC.

Ms Gunter was jailed for two years at the court after pleading guilty to one count of being knowingly concerned in fraudulent activity undertaken with a view to obtaining tax credits, one count of forgery and four counts of fraud. One count of fraud was ordered to lie on her file. Her husband Neil Mark Hart, was also sentenced to six months imprisonment after pleading guilty to one count of encouraging or assisting the commission of an offence, believing it would be committed.

Craig Greenstock, lead Counter Fraud Specialist for NWSSP, said: *"Tammy Ann Gunter has, by her actions and assisted by Neil Mark Hart, been quite deliberate and calculating when trying to obtain as much money as they could from the individual public bodies. It is hoped, therefore, that this sentence will show that such a deliberate fraud will not be tolerated and that the NHS, together with other public bodies, will take firm action against the dishonest minority who are, in effect, stealing taxpayers' money for their own gain."*

Value Based Procurement

Procurement Services are leading the way in healthcare across the UK by developing a Value Based Procurement approach. Working closely with Aneurin Bevan University Health Board, Procurement Services have secured 3 year's funding from Welsh Government (Efficiency Through Technology Programme) to develop and implement the practice. The approach assesses value as a derivative of outcome divided by cost and places Clinical and Patient Reported Outcomes at the heart of the procurement decision making process and resulting contractual performance management.

Based upon work from Harvard Business School and the Boston Consulting Group, the concept switches from the traditional procurement decisions of input product specification and individual component price to an outcome focused contractual model, where risks transfer to the supplier and improved outcomes are rewarded. The approach also fully embraces the principles of Prudent Health and helps to remove barriers to innovation adoption.

The Value Based Procurement Programme will develop an Implementation Framework in order to ensure a systematic approach to delivery against the Programme, this will include (but not be limited to) description of processes to support Value Based Procurement activity for all of NHS Wales and to support the development of a different system of care for Wales.

Case Studies

Value for money

Removal of Paper payslips for GP Specialty Training Registrars

When NWSSP became the Lead Employer (on behalf of Velindre NHS Trust) for GP Specialty Training Registrars (GPSTRs) within Wales in February 2015, GPSTRs were receiving paper payslips from NWSSP Payroll. Owing to the rotational nature of the training scheme, these were sent direct to their home address and resulted in a significant financial and resource drain.

In September 2017, paper payslips were switched off for all GPSTRs on the training scheme, who instead now use the Electronic Staff Record (ESR) Self Service application to access, view and download their monthly payslips. While this may seem like a simple task, all GPSTRs required set up on ESR and the provision of log in details, and therefore required the partnership working of Payroll, Medical Workforce, Digital Workforce Solutions and the ESR team. All GPSTRs are now automatically set up on ESR upon commencing on the scheme.

The switch to electronic payslips aligns with both the strategic aims of NWSSP and the Well-being and Future Generations Act Objectives by:

- Improving value for money by reducing postage costs
- Realising cost savings to be redirected back into the NHS
- Increasing efficiency by removing the manual labour and time required for postal payslips
- Releasing staff members to perform value adding tasks and allow further skill development
- Taking a step towards reaching a paperless NHS system
- Modernisation of processes
- Reducing the environmental impact and subsequently improving the sustainability for future generations.

The move to electronic payslips also brings additional benefits, with ESR access allowing GPSTRs to keep their personal information up-to-date themselves, removing this task from the Medical Workforce Department, while also aiding communications between NWSSP and GPSTRs. The potential for future opportunities is also evident, with ESR access permitting the possibility of:

- Access to online E-learning modules as part of the Core Skills Framework
- Submitting, approval and tracking of annual and sickness leave for all GPSTRs.

Case Studies

Value for money

Lead Sponsor for Tier 2 (General) Certificate of Sponsorships for Deanery appointed Junior Doctors in training in Wales

Historically, NHS Wales organisations were responsible for issuing a Tier 2 (General) Certificate of Sponsorship (CoS) to non- European Economic Area (EEA)medical trainees as they acted as both the sponsor and the employer. This, however, impacted and restricted the movement of the trainees across NHS Organisations in Wales as they were required to obtain a new CoS each time they rotated to a new employer. This would cost £199 to the employer, with a potential upfront cost of £1000 per year for the Immigration Skills Charge and a cost of between £466 and £1,944 to the trainee plus dependants costs.

During this time, Tier 2 trainees that were working in Wales were only considered eligible to apply in the first recruitment round if the whole of the training programme was within their current Health Board. This could rarely be guaranteed as the vast majority of training programmes in Wales rotate across Health Boards in order to meet training curriculum requirements.

The Wales Deanery had received reports from trainees regarding the negative impact this was having upon recruitment and retention, since Wales offered fewer opportunities to obtain a training post compared to England and Scotland. These trainees are considering applying for positions in England or Scotland as they offered lower costs and earlier applications in the training programmes.

NWSSP set up the project to establish a process that allowed non-EEA trainees on Tier 2 visas to be considered alongside UK or EEA applicants and not be subjected to the Resident Labour Market Test. Therefore, the trainees were eligible in the first recruitment round and reduced the costs for NHS Organisations and the trainees, as they no longer need to reapply for each rotation.

Following successful dialogue between NWSSP with the Home Office during the summer of 2016, we established and coordinated an implementation group of representatives from Medical Workforce teams in NHS Organisations across Wales and Wales Deanery to agree a process with a target date for implementation of Autumn 2016.

With the new process successfully implemented, NWSSP have received positive feedback from all involved and the benefits below have been realised with further to come.

Outcomes/Benefits:

- Processed 66 Certificates of Sponsorships
- Reduction of 225 Tier 2 (General) Certificates of Sponsorship
- Saving to NHS Wales: £29,452
- Savings to Junior Doctors: £216,188
- Over 450 hours of administrative time saved
- Survey feedback from Doctors who have used this service, rated the service as an average score of 9.28 (10 being highly satisfied)
- Doctors commence training in NHS Wales, remain in NHS Wales, with provision of consistent training to the doctor and consistent care to the patients
- Rotational pathway based on training requirements not visa restrictions.

Achievements & Priorities

Extend the range of high quality services provided to NHS Wales and Welsh public sector

Achievements we have made:

Introduced a **One Wales Primary Care Rebate Scheme** to include a new IT platform

Working with NHS Wales to **support service change** and service **redesign**

GIG CYMRU NHS WALES 70

Substantially increased advertising vacancies for **Primary Care sector**

Integration of Primary Care Services transport and distribution to **HCS**

Enhanced the e-learning solution to enable accessibility to over **300 courses** for NHS Wales and the wider public sector including **Local Authorities** and **Welsh Government**

Llywodraeth Cymru
Welsh Government

Support working across the public sector through our **systems** and **processes**

We have continued to deliver existing services whilst exploring **new all Wales functions** such as the **Welsh Infected Blood Support Service**

Provide **new shared services** to NHS Wales and the wider public sector

Supporting the development of **111** and the extension of **GP Out of Hours**

Introduced new HCS Service Delivery Models to include providing 24 Hour/ Out of Hours cover

Our Key priorities for action over the next three years

- Develop our services under five themes:

  1. Supporting sustainable Primary Care
  2. Sharing best practice and informing decisions
  3. Workforce modernisation
  4. Supporting service re-design
  5. Once for Wales systems.

What good looks like in three years?

- Developing our all Wales service following the review of current arrangements
- Provide a holistic legal advice service across the public sector in Wales
- Extension of our support services into Primary Care sector
- Supporting our partners to deliver transformation programmes.

Good Practice & Recognition

Service development

NWSSP Supports Innovative National Pharmacy Recruitment Scheme

NWSSP's Workforce, Education and Development Services (WEDS) division supported the first National Pre-registration Pharmacist Recruitment Scheme for England and Wales. The recruitment scheme involves a rigorous selection process for trainees in a single day at a single venue of their choice. Wales hosted one of seven interview centres at Cardiff City Stadium over 2 days.

The vision was to develop an evidence based recruitment system that enables the best candidates to be selected into training posts in an equitable, transparent and efficient manner. The new process provides interview slots for all eligible candidates, removing the need to shortlist. The streamlined process removes duplication and is fairer. NWSSP staff were involved with employers in welcoming students to the event, checking their identification and in delivering the assessment methods.

Wales Pharmacy Recruitment Lead, Michele Sehrawat, said: *"We are all really pleased with how well the 2 day interview centre ran for students and employers. A huge thanks to all those involved in the collaboration. In reality this is a first step in a process of a big change for pre-reg pharmacist training for Wales. We really have our eye on the further goals; filling training posts in Wales with good trainees and providing excellent pre-reg training, so we can grow a workforce who deliver the best possible person centred services for Wales."*

NWSSP Supported Framework launched for NHS Wales Medical Workforce

The Together We Care (TWC) framework was launched at the Welsh NHS Confederation annual conference in Cardiff. Supported and developed in partnership with stakeholders by Workforce, Education and Development Services, TWC is a new framework for the Medical Workforce within NHS Wales. The framework was also developed on behalf of the Chief Executives of NHS Wales organisations by the All- Wales Strategic Medical Workforce Group, through a series of engagement events with medical staff and other relevant stakeholders from across Wales. The framework also sets out what doctors can expect from training and working in NHS Wales, throughout their whole careers, and what is expected of them.

Tracy Myhill, Chief Executive Abertawe Bro Morgannwg University Health Board and Chief Executive Lead for Workforce: *"The framework demonstrates NHS Wales' commitment to both our current and future doctors through its alignment with the NHS Wales Core Principles and demonstrates a commitment to the well-being goals of the Well-being of Future Generations (Wales) Act. It is a unique document to NHS Wales."*

Case Studies

Service development

Property Team Legal and Risk Services

We buy, sell, take leases and grant leases, grant and accept rights and advise generally on property matters across the NHS Wales Estate which include but are not limited to offices, Headquarter buildings, hospitals, GP surgeries, ambulance stations, development sites, helipads, newsagents and pharmacies etc.

Legal and Risk advised Velindre NHS Trust in relation to the development of Maggie's Cancer Centre within the grounds of the Velindre Cancer Hospital in Cardiff. Velindre Cancer Centre sees around 5,000 new diagnoses a year, with a further 50,000 new outpatient appointments from people living with or after cancer within the South Wales cancer network. The largest cancer centre in the country, it provides specialist cancer services to over 1.5 million people in Cardiff, Newport and beyond.

Maggie's and Velindre Cancer Centre are working in partnership to create cancer support of the highest quality for people in South East Wales. Once established, Maggie's South East Wales is expected to receive up to 20,000 visits a year.

Legal and Risk's property team worked in conjunction with Specialist Estate Services to prepare complex documentation between Velindre and Maggie's. To document the build obligations of Maggie's and upon completion of the build the 10 year lease which sets out how Maggie's will occupy Maggie's cancer centre where it will exist and operate alongside the existing Velindre Cancer Hospital.

Legal and Risk advised Velindre with a customer focused approach. They took the time to familiarise themselves with Velindre's relocation plans should Velindre decide to relocate the cancer hospital during Maggie's 10 year lease term and advised Velindre throughout the transaction in relation to possible termination rights and documented these appropriately within the legal development agreement.

Legal and Risk also advised Cardiff and Vale University Health Board in relation to this transaction who offered a compound area within the Whitchurch Hospital grounds to facilitate the construction and development of Maggie's Centre. Legal and Risk offered service quality benefits to Cardiff and Vale ensuring the compound licence contained the necessary conditions upon Maggie's to preserve and reinstate the compound land to ensure it remained in a fit state for future development.

Cardiff and Vale also offered car parking facilitates for the operation of Maggie's cancer centre and linked the parking agreements with the lease agreements in place between Velindre and Maggie's i.e. they contained cross obligations and identical termination dates.

The legal documentation prepared by the property legal services team which allowed the commencement of the construction of the Maggie's cancer centre embodies the organisation's core values through listening to the needs of our customers and supporting them in service development by being responsive to their requirements, empowering change, and valuing our customers.

Case Studies

Service development

Wales Infected Blood Support Scheme (WIBSS)

On the 30 March 2017 the Cabinet Secretary for Health, Well-being and Sport announced new support arrangements for individuals and their families, infected with Hepatitis C and/or HIV through treatment with contaminated blood in NHS Wales. The focus was on improving on the support provided by the previous schemes, to ensure a transparent and equitable scheme for beneficiaries infected in Wales.

A single streamlined scheme was introduced in November 2017, providing not just financial support, but pastoral and welfare advice too. The Cabinet Secretary announced that Velindre NHS Trust, through NHS Wales Shared Services Partnership (NWSSP), and Velindre Cancer Centre ,would administer the Scheme on his behalf.

WIBSS is aligned with NWSSP's strategic aims and objectives by providing a single point of contact for Scheme Beneficiaries, offering:

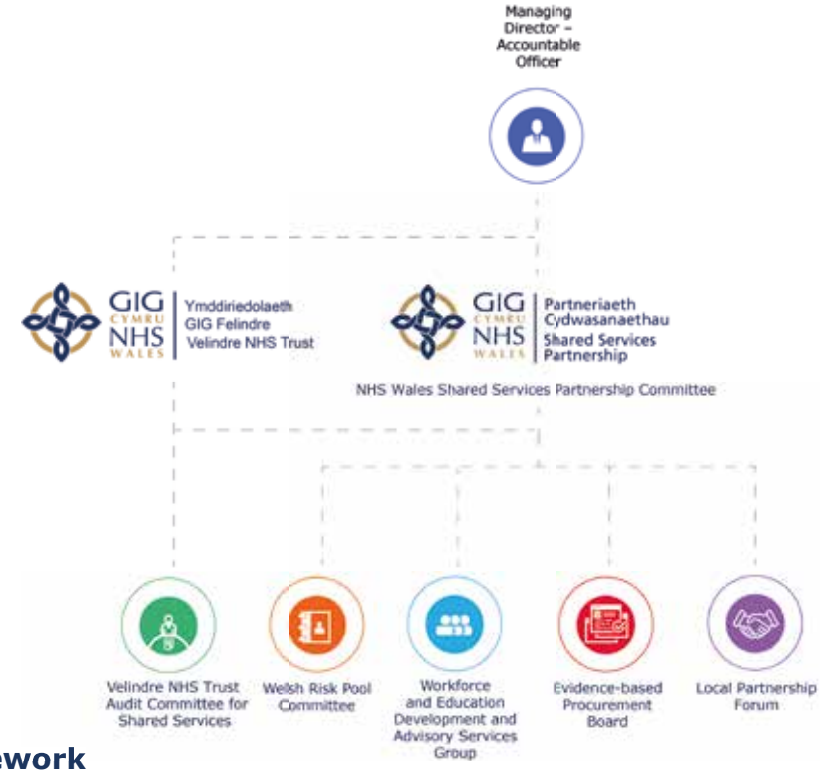
- Reliable, responsive and accurate payments process, supported by clear understandings with Department for Work and Pensions and Her Majesty's Revenue and Customs about the tax and benefits status of the support provided
- Welfare rights advice from a dedicated team of trained advisors
- Key worker support to help beneficiaries to navigate the healthcare system
- Signposting beneficiaries towards other services, funds and sources of support
- A dedicated bilingual website
- Local rate phone line securely connecting to the WIBSS team
- Secure storage and handling of beneficiary data
- Outcome based reporting to Ministers and Velindre NHS Trust Board
- Quality accreditation of the support service
- An independent appeals process.

The scheme has around 200 beneficiaries, who mostly transferred from the five separate schemes previously operating on a UK wide basis. New applicants can also apply to join the WIBSS if they can demonstrate they were infected with HIV and /or Hepatitis C through contaminated blood received during treatment by NHS Wales.

The service embodies NWSSP's core values through listening to the needs of stakeholders, being responsive to their requirements and valuing and respecting beneficiaries. Since WIBSS became operational in November 2017, they have contacted all our beneficiaries to let them know what services they offer. WIBSS have since had a very positive response and complimentary feedback.

Governance

The Governance Structure for NWSSP is shown below:



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. Details on these committees is provided below.

Shared Services Partnership Committee

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 representative who acts on behalf of the respective Health Board or Trust.

The Partnership Committee ensures that NWSSP consistently follows 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.

Velindre Audit Committee for NWSSP

The primary role of the Velindre 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 2017/2018 to ensure these key functions were embedded within the standing orders and governance arrangements

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.

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 2018.

Governance

Managing Risk

Velindre NHS Trust has an approved strategy for risk management and NWSSP has a risk management protocol in line with our host's strategy providing a clear systematic approach to the management of risk within NWSSP.

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.

During 2017/18 the risk management framework and approach was subject to a detailed review building on the recommendations of an internal audit report issued in March 2017. The report contained findings that highlighted the need to make risk management more effective and dynamic within NWSSP and two workshops were held in the spring of 2017 to share the findings with directors and senior management.

Changes have since been made to the format of the corporate and directorate risk registers to ensure that they are both consistent and that they provide a more concise picture of the current position with each risk.

The recently appointed Head of Finance and Business Development, supported by the Compliance Officer, is working with Directors and their Senior Management Teams to ensure that the risks recorded within each register remains current and that there is focus on achievement of planned actions to mitigate the risk. This is reinforced through the quarterly review process of each directorate where review of the directorate risk register is a standing agenda item.

In 2017/18 assurance maps were produced for each of the directorates to provide a view on how the key operational, or business-as-usual risks were being mitigated. These were presented to the Audit Committee in November 2017 and they will be updated and reviewed by the Audit Committee annually.

Governance

Information Governance

There is an ever-increasing culture of confidentiality within NWSSP, with continual training and awareness, whilst promoting the Information Governance (IG) service on the intranet. During 2017-18 significant work has been undertaken in ensuring preparedness for the implementation of the General Data Protection Regulations on May 25 2018.

Key activities during the year included:

333 staff trained in 2017-18

Regular attendance at **Corporate Induction**

Dedicated NWSSP Information Governance **email address** linked to Actionpoint that has recorded over **300** calls in 2017-2018

89% compliance in IG online e-learning

96% compliant with the **Caldicott** self-assessment toolkit

A reviewed, reformatted **comprehensive** suite of **protocols** and **guidance documents** (including development of those where gaps were identified)

Established point of contact for NWSSP including **Breach Reporting** Work plans concentrating on **IG, FOI** and **General Data Protection Regulation (GDPR)**

Established Information Governance **risk register**

Privacy Impact Assessment process for all major changes to **working plans** and **new projects**

Annual Governance Statement

The Annual Governance Statement is a key feature of NWSSP's annual report on performance. It demonstrates how we managed and controlled resources in 2017-18 and the extent to which we complied with our own governance requirements. In doing so, it brings together all disclosures relating to governance, risk and control.

The Head of Internal Audit provides an annual opinion on the adequacy and effectiveness of the risk management, control and governance processes to support the statement. As a hosted organisation, the statement also forms part of the Velindre NHS Trust's Annual Report and Accounts.

The Annual Governance Statement for 2017-18 can be accessed at this link:
http://www.nwssp.wales.nhs.uk/governance-and-assurance-arrangements/

Sustainability

Our Sustainable Development Statement

"Ensuring that our long-term vision meets and continues to meet the needs of Wales, through Working in Partnership."

Sustainability

"Ensuring that we act in a manner which seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs."

-Sustainable Development Principle

NWSSP is aware of its obligations under the Well-being of Future Generations (Wales) Act 2015 and the associated Sustainable Development Principle; to think about the long-term, to strengthen and improve its working partnerships and to communicate effectively with partners with a view to working in partnership to prevent problems and take a more joined up approach to service delivery.

Development of Our Well-being Goals

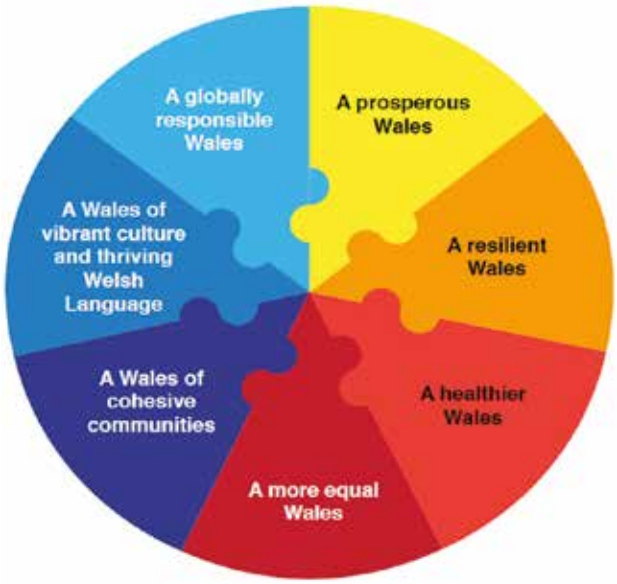
In partnership with our Senior Management Team and key individuals across divisions, we have produced a Well-being Statement and Objectives which demonstrates how we are supporting achievement of the Well-being Goals that Wales should be; prosperous, resilient, healthier, more equal, globally responsible and a country of cohesive communities, have a vibrant culture and a thriving Welsh language. Additionally, our integrated reporting framework provides assurance to align with the seven goals contained within the Act.

We hosted Well-being Workshops to develop our Objectives, carried out SWOT Analysis exercises and welcomed Rita Singh, Head of Policy, Future Generations Commissioner's Office and Sophie Howe, Future Generations Commissioner, to meet our SMT and discuss the well-being agenda.

Further, for 2018-2019, we have considered the long-term integration plans for the organisations Well-being Objectives and accordingly developed a more robust strategic view of well-being, through alignment of our Overarching Goals with our Well-being Objectives.

Our Commitment to Well-being and Sustainable Development

We are highly committed to developing and implementing Once for Wales approaches. Paramount to this is the Sustainable Development Principle and the associated five Ways of Working; to think about the long-term, to integrate with the wider public sector, to involve our partners, to work in collaboration, to prevent problems and take a more joined up approach to service delivery. The diagram below demonstrates how our divisions are committed to delivering sustainable services aligned to the five ways of working.



Sustainability

Our Well-being Goals for 2018

During the IMTP planning process for 2018, we have integrated our well-being goals into our overarching goals to set out our intentions and strategic direction. These are our long-term goals and demonstrate how we are contributing towards the 'Wales We Want' in 2050. We will be focusing on actions that help Wales tackle key issues, support the development of sustainable services and lead to a healthier Wales.

1. We will promote a **consistency of service** across Wales by engagement with our partners whilst respecting local needs and requirements

2. We will **extend the scope of our services** into NHS Wales and the wider public sector to drive value for money, consistency of approach and innovation that will benefit the people of Wales

3. We will continue to **standardise, innovate and modernise** our service delivery models to achieve the well-being goals and the benefits of prudent healthcare

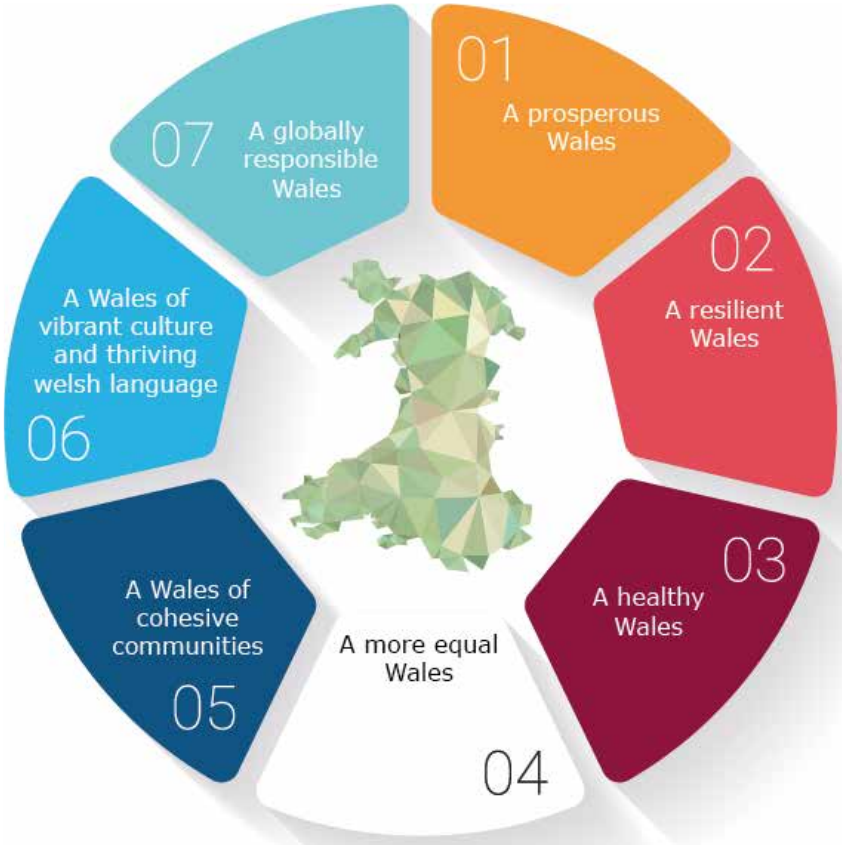
4. We will be an **employer of choice** for today and future generations by attracting, training and retaining a highly skilled and resilient workforce who are developed to meet their maximum potential

5. 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

6. 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

7. We will **work in partnership** to deliver world class service that will help NHS Wales tackle key issues and lead to a healthier Wales that supports sustainable Primary Care

8. We will support NHS Wales to **meet their challenges** by being a catalyst for learning lessons and **sharing good practice**, identifying further opportunities to deliver high quality services.



Sustainability

Longterm

Focus on sharing best practice and common risks/challenges
Added value through Hire2Retire services, that are safe, quick and efficient
A holistic approach to development of apprenticeship roles
Reduce the burden on GP practices by providing back-office administration support
Consideration given for life cycle and sustainable, ethical procurement practices

Prevention

A digitally enabled workforce system that will eliminate paper
Eliminate paper payslips and to administer e-payslips by April 2018
Robust succession planning across the organisation
Duty of care and compliance integration with e-expenses
Focus on sharing best practice, turning our data into intelligent information
ISO14001 environmental initiatives to reduce carbon footprint of organisation

Integration

Wider public sector engagement model within Digital workforce solutions
Support the training to managers of GP practices
Develop a network to support isharing the learning from Welsh Risk Pool
Collaborative procurement strategy developed in partnership
Equality Integrated Impact Assessments incorporated into the PMO System
Frequent engagement with our partners to ensure continuous improvement

Collaboration

Build opportunities for expansion of audit services within the wider public sector
Retention and efficient matching of healthcare graduates with employment
Working in collaboration to increase the number of GP trainees and GP returners
Support the development of a Once For Wales Concerns Management System
Expansion of generic PCS services across additional Welsh public sector bodies
Frameworks in areas such a environmental performance and community benefits

Involvement

Integration with additional service providers, for greater assurance levels
Implement transferability of information from Welsh Health Graduate Education
Public sector organisations onboarding to the Learning@Wales Moodle e-platform
Offer legal advice services to other public bodies throughout England and Wales
Awareness of Modern Slavery Act and Ethical Employment in Supply Chain Practice

Sustainability: Case Studies

iBabs Implementation for Committees

"Paperless meetings – much more than a green idea!"

If you hold meetings regularly, you will be all too well aware of the stacks of paper and quantities of ink/toner used in the process of Committee administration, as well as the time it takes staff to print, sort, tab and bind the papers for Committee members.

As of October 2017, the NWSSP introduced a more environmentally friendly and sustainable alternative, iBabs, which has been successfully rolled out to our Audit and Partnership Committees. This enables us to reduce the resources used in the process and provides Committee members with access to their more up to date agenda, papers and appendices via the internet site, or their laptop/tablet/smartphone. An added bonus is that members can make notes on the papers in real time and share these with colleagues.

Benefits of iBabs:

- Saves time
- Is efficient
- Saves money
- Facilitates the flow of documents
- Reduces stress
- Is healthier for the environment
- Is safe, stable and dependable.

We took iBabs' 'Save a Tree Test' and calculated the paper saved since the implementation for NWSSP's Audit Committee and Partnership Committee since October 2017 – 2 trees saved already!

Matrix House Health and Well-being Week

To celebrate the relocation from Oldway Centre to Matrix House, we launched our first Health and Well-being Week, promoting staff well-being and the importance of engaging in a healthy way of living. The aim of the week was to encourage staff to take part in the activities to bring on board new healthy habits and continue these in the workplace, with support from colleagues. The week boasted a jam-packed itinerary of activities for staff, with many being so popular, such as the Lakeside Walking Group, Yoga and Charity Fruit Snack Box that they will be implemented on a permanent basis!

Yoga Teacher, Simon Hegarty said: *"…so good to see our NHS here in Wales taking the initiative and spear-heading this kind of sustainable care for people in the workplace. Simply put, if you're not caring for your staff, you're way behind the curve."*

We also invited along our Public Health Wales colleagues to join in with the healthy celebrations and they kindly loaned us props from their Healthy Working Wales Scheme (HWWS), which included Life and Death Lungs, Beer Goggles and Models of 1lb and 5lb of Body Fat. Sustrans Cymru also supported the event, by kindly providing walking and cycling route maps for the Swansea area, which were showcased at an Active Travel Stand.

Sustainability: Case Studies

Celebrating Diversity at PRIDE Cymru
A celebration of equality, diversity and inclusion!

With PRIDE celebrations being enjoyed across the globe by thousands of Lesbian, Gay, Bisexual, Transgender and non-binary people, as well as allies (those that support LGBT rights), it is important to remember how far we have come in achieving equality.

The event was very well attended by NWSSP colleagues and staff members from across NHS Wales, who were all very excited to join in with the celebrations. The atmosphere was absolutely fantastic, the sun was shining, everyone was enjoying themselves and wishing each other a "Happy Pride"; Cardiff was essentially a rainbow of colour!

Roxann Davies said *"It was my very first experience of PRIDE Cymru and what a fantastic time I had! It was an absolute blast and we raised lots of awareness as to our services at the event stand. There is also lots of coverage of us during the Parade and of our event banner, NHS Wales "Celebrating Diversity", on social media!"*

Show your Rainbow!

During February 2018, we celebrated LGBT History Month; at its heart was an opportunity to celebrate LGBT life, culture and to recognise the achievements of LGBT people and communities. The aim of the month-long initiative was to recognise and raise awareness, promote equality, diversity and, most importantly, inclusion. This year's theme was Geography!

To celebrate LGBT History Month, rainbow coloured lanyards were made available, as we joined our host, Velindre NHS Trust, in asking staff to show their rainbows! The rainbow is a universal symbol of LGBT identity and solidarity; whether you identify as straight or LGBT, together we can recognise the diversity in our community and help to create a more inclusive society, by wearing a rainbow to show our support for each other.

Wearing a rainbow lanyard was completely optional; staff could choose to wear the rainbow to highlight their support for LGBT colleagues and to get people talking about the topic in a confident an open manner and we are pleased to note that 200 lanyards were given out as a result of the initiative!

Sustainability: Case Studies

Active Travel

To complement our active travel commitments, during the year, we collaborated with our hosts and Sustrans Cymru/Cycle Solutions to promote active and sustainable travel and encourage the use of public transport for healthy, active journeys, wherever possible. We provided resources and information about changing travel habits, current initiatives and how to get involved as an Environmental Champion.

The Cymru Travel Challenge ran from the 1 to 31 July, hosted by Sustrans Cymru. NWSSP finished overall in 3rd position for the 1500+ staff category. As an organisation, we logged over 500 journeys, travelled almost 3,500 miles and burnt off the equivalent of 313 doughnuts. The Challenge was flexible and inclusive for all, with the aim being to get as many people as possible travelling sustainably for local journeys. It was healthy, environmentally friendly and fun for those who participated.

Ethical Employment In Supply Chain Code of Practice & Modern Slavery Act 2015

This Code of Practice (CoP) has been established by the Welsh Government to support the development of more ethical supply chains to deliver contracts for the Welsh public sector and third sector organisations in receipt of public funds.

Evidence illustrates that unethical employment practices are taking place in supply chains throughout Wales and beyond. The CoP is designed to ensure that workers in public sector supply chains are employed ethically and in compliance with both the letter and spirit of UK, EU, and international laws.

The CoP covers the following employment issues:

- Modern slavery
- Human rights abuses
- Blacklisting
- False self-employment
- Unfair use of umbrella schemes
- Zero hours contracts; and
- Paying the Living Wage.

NWSSP has signed up to the CoP Commitments, developed Action Plan and appointed our Director of Workforce & Organisational Development as our Ethical Employment Champion.

Transparency in Supply Chains (TISC) is a centralised database that gives access to Modern Slavery Statements posted by suppliers. This site is sponsored by the Welsh Government and acts as a step towards eradicating modern slavery in supply chains.

These statements are utilised during tendering exercises undertaken, as part of the Ethical Employment Code of Practice Commitments. The site allows NWSSP to publically declare our anti-slavery stance and associated policies.

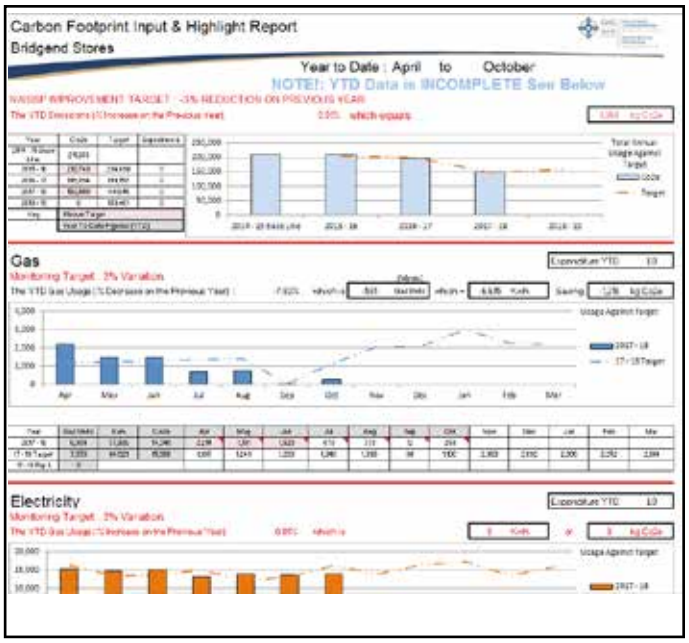
Sustainability: Case Studies

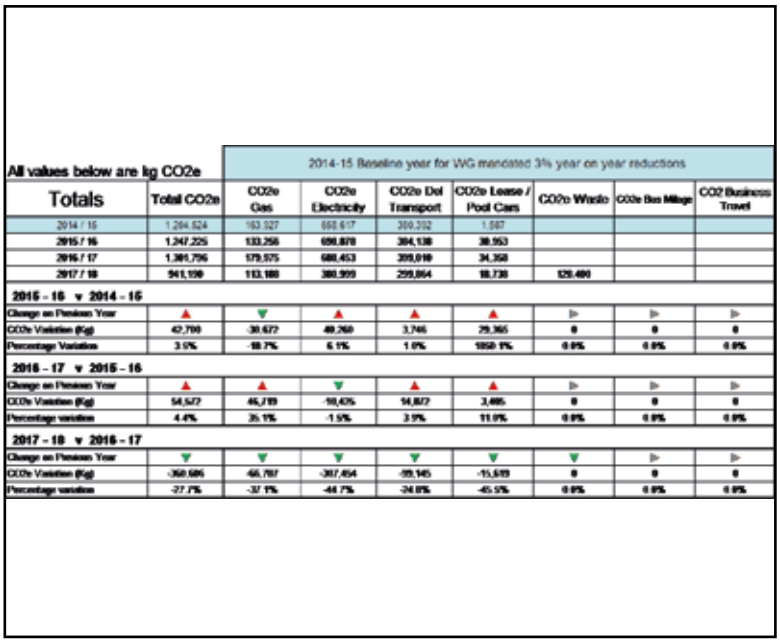
Carbon Footprint Tool - Demystifying the Monitoring Process!

Welsh Government has set targets that aim to de-carbonise the Public Sector by at least 80%, working towards "The Wales We Want" by 2050. Although this seems far into the future, they have also introduced interim 5-yearly carbon reduction targets. We have been monitoring our emissions in NWSSP for the past 4 years, since achieving and maintaining our ISO14001 certification, using the "Carbon Footprint Survey", a tool created internally by our creative Carbon Footprint 'Guru', Dave Ball of Procurement Services.

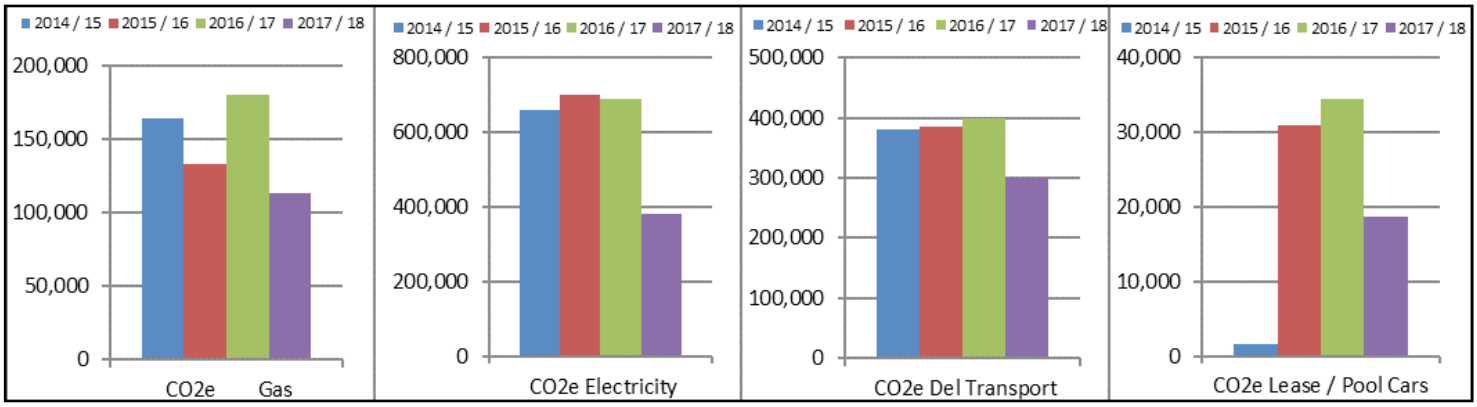
The innovative tool monitors energy consumption, carbon emissions and most importantly allows efficient energy management, which best informs objective setting and accurate reporting. The summary sheet that accompanies the tool encompasses engaging graphs and statistics, useful for management reviews and audits of the sites within the scope e.g. meter readings for utilities, waste, fuel usage and/ or vehicle mileage, depending upon need. Everything else is calculated automatically by using the functionality built into the innovative tool.

This tool is very versatile and can be adapted to meet numerous criterion and to assist us in achieving our objectives and reporting targets efficiently and effectively. By using this tool, we are able to evidence that sites are on target to achieve or exceed their targets for the current financial year. At present, sites are boasting an impressive reduction in energy consumption overall. Keep up the environmentally friendly initiatives at your sites!





All values below are kg CO2e		2014-15 Baseline year for WG mandated 3% year on year reductions						
Totals	Total CO2e	CO2e Gas	CO2e Electricity	CO2e Del Transport	CO2e Lease / Pool Cars	CO2e Waste	CO2e Bus Milage	CO2 Business Travel
2014 / 15	1,204,624	163,927	658,617	309,392	1,587			
2015 / 16	1,247,225	133,256	690,878	304,138	30,953			
2016 / 17	1,301,796	179,975	688,453	309,010	34,358			
2017 / 18	941,190	113,188	380,999	299,864	18,738	128,400		
2015 - 16 v 2014 - 15								
Change on Previous Year	▲	▼	▲	▲	▲	▶	▶	▶
CO2e Variation (Kg)	42,700	-30,672	40,260	3,746	29,365	0	0	0
Percentage Variation	3.5%	-18.7%	6.1%	1.0%	1850.1%	0.0%	0.0%	0.0%
2016 - 17 v 2015 - 16								
Change on Previous Year	▲	▲	▼	▲	▲	▶	▶	▶
CO2e Variation (Kg)	54,572	46,719	-10,425	14,872	3,405	0	0	0
Percentage variation	4.4%	35.1%	-1.5%	3.9%	11.0%	0.0%	0.0%	0.0%
2017 - 18 v 2016 - 17								
Change on Previous Year	▼	▼	▼	▼	▼	▼	▶	▶
CO2e Variation (Kg)	-360,606	-66,787	-307,454	-99,145	-15,619	0	0	0
Percentage variation	-27.7%	-37.1%	-44.7%	-24.8%	-45.5%	0.0%	0.0%	0.0%



Sustainability

Environmental Sustainability & ISO14001

The ISO14001 Environmental Management Standard was developed and published by the International Standards Organisation and specifies requirements for organisations who wish to achieve and demonstrate sound environmental performance, through controlling the impact of their activities, products or services on the environment.

Welsh Government mandated that all Health Boards and Trusts in Wales should attain ISO14001 certification at its main sites by 2012 and throughout the whole organisation by 2014. We were successful in attaining the Standard and annual surveillance audits are undertaken to assess continued compliance with the Standard. The last external assessment was undertaken in August 2017 and we successfully achieved recertification to the Standard.

We are committed to environmental improvement and operates a comprehensive Environmental Management System (EMS), in order to facilitate and achieve the Environmental Policy. As we prepare to achieve transition to the ISO14001:2015 Standard, this places particular emphasis on ongoing improvement, we will continue to promote environmental protection, resource conservation and improved efficiencies in our everyday business.

The sites included in the scope of our accreditation are:

- Charnwood Court (HQ)
- Companies House
- Alder House
- Matrix House
- Brecon & Cwmbran House
- Bridgend Stores
- Cwmbran Stores
- Denbigh Stores
- St Athan Stores.

Sustainability

Environmental Achievements and Progress Towards Objectives

Long term

The importance of balancing short-term needs with the need to safeguard the ability to also meet long-term needs.

- Integration and embedding of the Well-being agenda; greater focus on integrated reporting
- Planned transition to the ISO14001:2015 Standard, which demonstrates our continuous improvement and commitment towards the protection of the environment
- Addition to the scope of ISO14001 planned for Health Courier Services; gap analysis undertaken and work commenced
- Greater emphasis and consideration for the lifecycle perspective of waste associated with our activities; the 'reduce, reuse and recycle' ethos
- Relocation from Oldway Centre to Matrix House, boasts improved recycling facilities, sensor lights and zip taps have replaced kettles/water coolers! Each wing has its own energy and water meters for improved data monitoring
- Sustainable Procurement and Community Benefits training to be developed and delivered in connection with Workforce & OD
- Trust Travel Plan introduced and Action Plan developed; annual survey to be released during Summer 2018 and findings will be brought to a future SMT.

Integration

Considering how the public body's well-being objectives may impact upon each of the well-being goals, on their other objectives, or on the objectives of other public bodies.

- For 2018-2021, the SDP has been embedded into the IMTP planning process and our Strategic Objectives have merged with our Well-being Goals
- Our innovative carbon footprint monitoring is a well-integrated process and we are looking to further integrate water usage to improve our data collection and accuracy
- Strengthening links and aligning our local Sustainable Development & ISO14001 Groups, including the revision of our Sustainability Objectives for 2018-19
- Legal and Risk Services have been shortlisted for the Public Sector Paperless Awards 2018 for their innovative Virtual Cabinet system
- ISO14001 and the Environment has been introduced into the Corporate Induction programme for new starters; environmental leaflet and signposting for staff at first week induction.

Involvement

The importance of involving people with an interest in achieving the well-being goals, and ensuring that those people reflect the diversity of the area which the body serves.

- Achieved 3rd place overall for the Cymru Travel Challenge, in the 1500+ staff category!
- Staff walking groups support the active sustainable travel agenda with Matrix House's Lakeside Walking Group being a shining example
- Attending Sustrans' focus group meetings and workplace travel champion training to share best practice, knowledge and resources
- Applying a Community Benefits approach to all relevant procurement over the Welsh Government threshold of £2 million - audits of this process are carried out
- Opportunities for staff to get involved in the agenda and make a difference through becoming a volunteer Environmental Champion.

Sustainability

Collaboration

Acting in collaboration with any other person (or different parts of the body itself) that could help the body to meet its well-being objectives.

- Active travel stands and celebrations held to support the Travel Plan, at local sites throughout the year, in conjunction with Sustrans and Velindre NHS Trust
- Working in Partnership with Velindre NHS Trust, Welsh Blood Service and NHS Wales Informatics Services to produce an NHS Sustainability Day Newsletter showcasing our sustainable achievements
- Cycle to Work Roadshows have been facilitated with Sustrans and Cycle Solutions, with 11 staff taking advantage of the scheme in December 2017. Next Roadshow planned for Companies House on 11 May 2018
- Sustrans' worked with us to provide legacy packs for sites which will help to embed the active, healthy and sustainable travel agenda into the organisation.

Prevention

How acting to prevent problems occurring or getting worse may help public bodies meet their objectives.

- Bin the Bin initiative at Alder House introduced in order to promote responsible waste disposal practices
- Implementation of iBabs for Committee meetings to reduce paper usage
- Planned introduction of Bring Your Own Mugs to Meetings initiative and installation of recycling facilities into meeting rooms
- Sustainability Risk Assessments undertaken for all procurement activity over £25,000 - audits of this process are carried out
- Alder House introduction of secure printing facility for staff; boasting a reduction in paper/ink/toner usage and waste produced
- Health Courier Services have introduced a green internal printing initiative with recycled, unbleached paper being utilised at sites and development of Green Driving at Work Handbook
- Primary Care Services initiatives including electronic transfer of prescription claims; utilisation of document scanning/scan and transfer; electronic pharmacy e-returns; live storage of patient medical records; Health Records Requests via file sharing portal; and all PCS staff personnel files scanned for Companies House and Pontypool with Swansea files in progress.

Sustainability

Sustainability performance 2017-18

GIG CYMRU NHS WALES | Partneriaeth Cydwasanaethau Shared Services Partnership

Electricity CO_2e	Target: **3%** reduction	Actual: **18%** reduction	**Target achieved**
Gas CO_2e	Target: **3%** reduction	Actual: **7%** reduction	**Target achieved**
Water m^3	Target: **3%** reduction	Actual: **9%** reduction	**Target achieved**
Business mileage	Target: **15%** reduction by 2021	2017-18: **11%** reduction	***Target achieved**
Business mileage expenditure	Target: **15%** reduction by 2021	2017-18: **15%** reduction	**Target achieved**
Waste CO_2e	Target: **70%** recycled/ recovered	Actual: **95%** recycled/ recovered	**Target achieved**
Overall carbon footprint	Target: **3%** reduction	Actual: **3.78%** reduction	**Target achieved**

*Performance targets are year-on-year, except where noted otherwise. *7% reduction already achieved 2016-17.*

100%

of confidential waste is recycled and repurposed into paper, hand towels, notebooks and toilet roll

Through these measures we have saved

2,718 trees
5,115,264 litres of water
95,911kg of CO_2 emissions

Sustainability

NWSSP Environmental Sustainability Objectives 2018-19

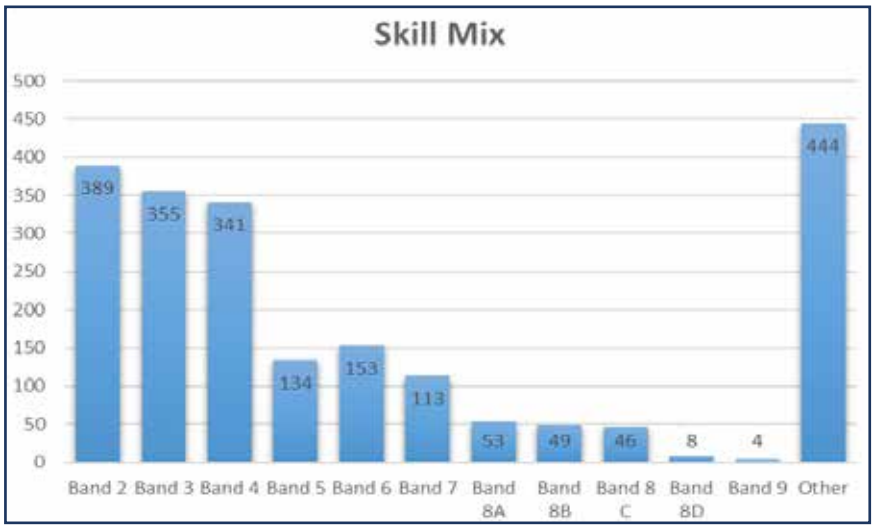
GIG CYMRU NHS WALES | Partneriaeth Cydwasanaethau Shared Services Partnership

	Objective	Target
1	To reduce our carbon footprint and our contribution to climate change	3% year-on-year reduction of carbon emissions generated at sites (baseline established 2016-17)
2	To continually identify opportunities to improve our efficiency for using finite and scarce resources	Introducing a system for staff to identify suggestions for improvement
3	To minimise waste associated with our activities	70% of waste generated at sites is recycled – working Towards Zero Waste Strategy (baseline established 2016-17)
4	To support Welsh Government's 'Wales Procurement Policy Statement' and contribute to the UK goal of being among EU leaders in sustainable procurement	Utilisation of Sustainability Risk Assessments for all relevant procurement frameworks in excess of £25,000 and applying a 'Community Benefits' approach to all relevant procurement
5	To comply with the Well-being of Future Generations Act (Wales) 2015 and the Sustainable Development Principle	Contributing towards achieving the Well-being Objectives

Appendices - Workforce Profile

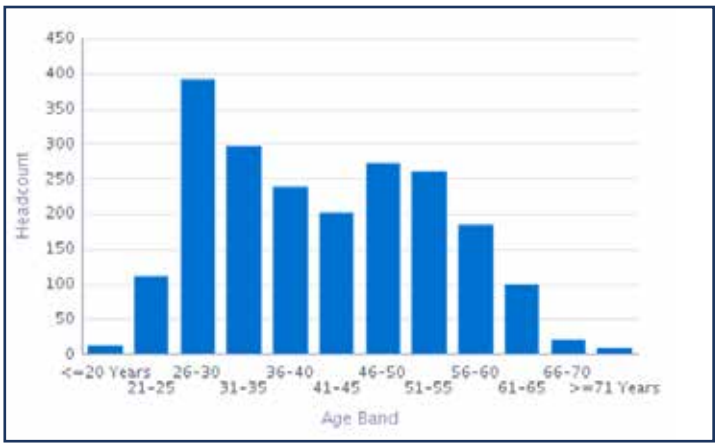
Staff in Post at 31 March 2018

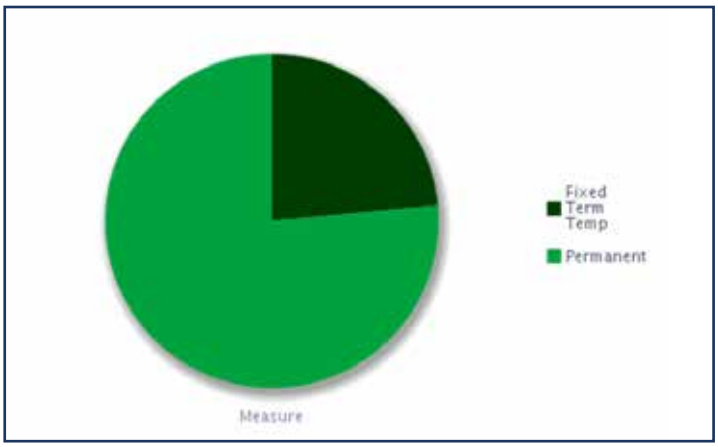
Directorate	Headcount	FTE	Turnover % (Headcount)
Audit & Assurance Section	57	53.63	7.13%
Corporate Section	43	42.01	5.25%
Counter Fraud Section	6	6.00	16.90%
Digital Workforce Solutions Section	7	7.00	12.77%
E-Business Central Team Section	11	9.43	11.43%
Employment Section	350	317.67	11.74%
Employment Services Management Service	10	9.93	11.21%
Expenses Services	25	22.51	14.34%
Payroll Services	180	162.36	9.39%
Pension Services	36	34.04	2.96%
Recruitment Services	86	77.33	21.64%
Student Awards Services	13	11.49	0.00%
Finance Section	22	21.15	21.24%
GP Trainees Section	430	383.40	29.03%
Legal & Risk Section	101	92.34	7.51%
Primary Care Section	302	276.51	6.95%
Engagement & Support Services	71	68.40	13.06%
Modernisation & Technical Services	28	26.80	7.02%
PCS Management Services	4	4.00	0.00%
Transaction Services	199	177.32	4.98%
Procurement Section	654	616.24	12.19%
Accounts Payable Services	107	102.96	17.65%
Corporate Procurement Services	11	9.63	17.65%
E-Enablement Services	16	16.00	24.12%
Health Courier Service	143	125.37	8.00%
Local Procurement Services	112	104.42	17.39%
Sourcing Services	93	88.83	12.28%
Supply Chain Services	172	169.03	7.15%
Specialist Estates Section	44	42.80	9.38%
Surgical Materials Testing (SMTL) Section	19	17.52	11.37%
Welsh Employers Unit Section	4	3.80	0.00%
Workforce & OD Section	20	18.87	16.07%
Workforce Education & Development Service Section	19	18.29	5.41%
Total	**2,089**	**1,926.66**	**14.34%**

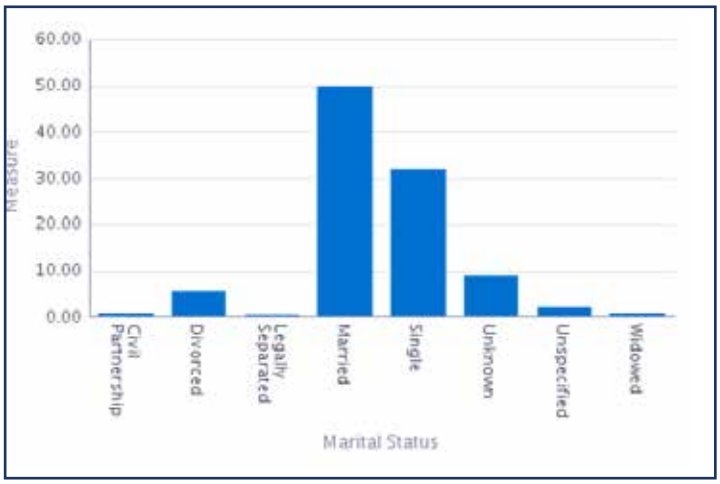


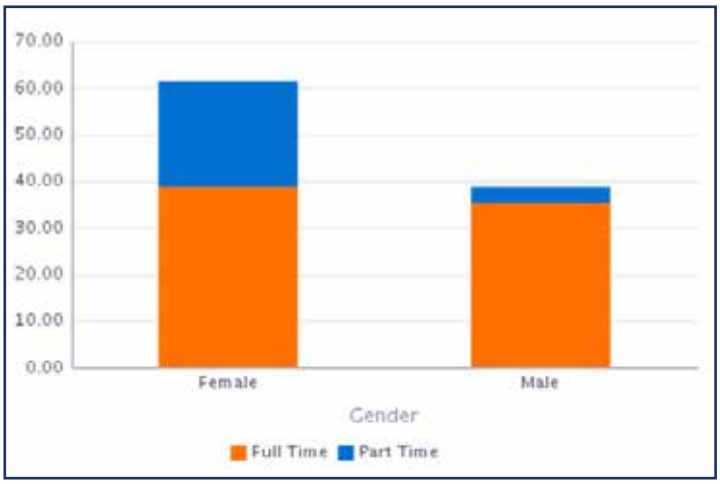
Appendices - Workforce Profile

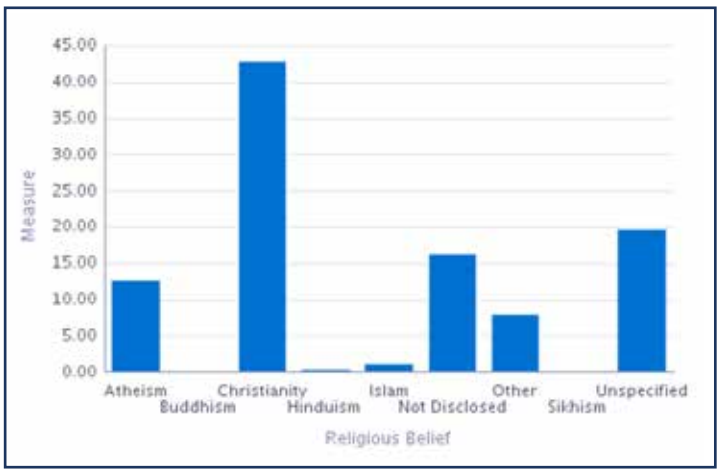
Workforce Profile - 31 March 2018

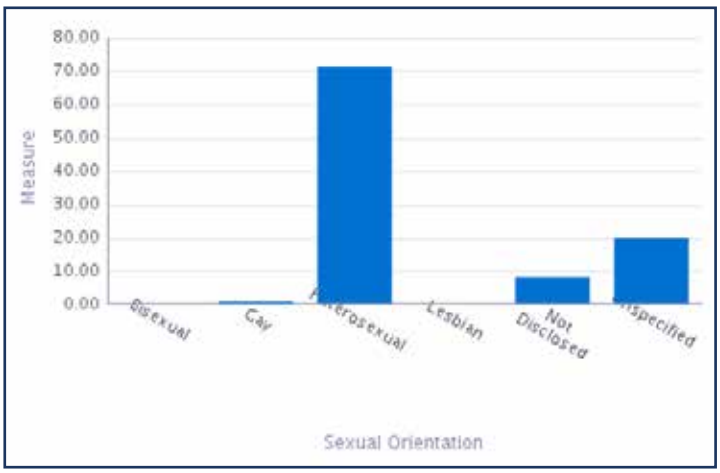


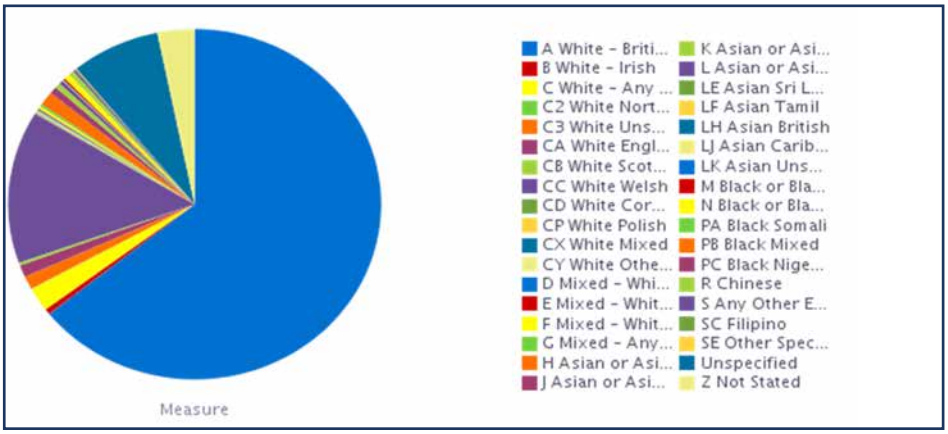












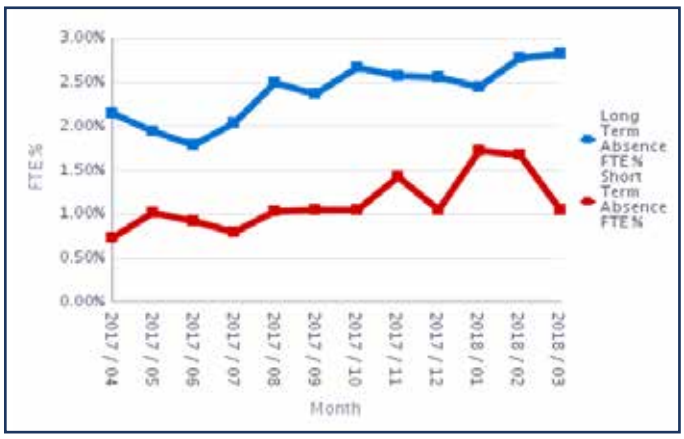
Appendices - Workforce Profile

Sickness Absence - 1 April 2017 - 31 March 2018

Absence % (FTE)	Absence Days	Abs (FTE)	Avail (FTE)
3.51%	26,829	24,049.33	684,545.52
2017 / 04	2.88%	1,587.97	55,091.80
2017 / 05	2.96%	1,694.11	57,149.18
2017 / 06	2.72%	1,504.83	55,408.01
2017 / 07	2.84%	1,626.71	57,367.60
2017 / 08	3.58%	2,065.58	58,515.10
2017 / 09	3.40%	1,918.26	56,389.84
2017 / 10	3.72%	2,159.92	58,070.50
2017 / 11	4.00%	2,252.36	56,271.11
2017 / 12	3.61%	2,111.80	58,517.82
2018 / 01	4.17%	2,453.31	58,814.65
2018 / 02	4.45%	2,373.62	53,393.74
2018 / 03	3.87%	2,302.85	59,556.19

Absence Reason	Headcount	Abs Occurrenc	FTE Days Lost	%
S10 Anxiety/stress/depression/other psychiatric illnes	155	181	7,731.36	32.1
S28 Injury, fracture	82	85	2,230.75	9.3
S13 Cold, Cough, Flu - Influenza	424	479	2,000.37	8.3
S12 Other musculoskeletal problems	82	93	1,988.76	8.3
S25 Gastrointestinal problems	398	456	1,933.85	8
S26 Genitourinary & gynaecological disorders	56	65	1,260.96	5.2
S17 Benign and malignant tumours, cancers	16	20	935.61	3.9
S15 Chest & respiratory problems	68	76	884.08	3.7
S11 Back Problems	59	64	846.76	3.5
S19 Heart, cardiac & circulatory problems	23	25	788.23	3.3

Service	12 Month Absence % (FTE)	Target	Above/Below Average Target
Audit & Assurance Section	2.78%	2.00%	-0.78%
Corporate Section	3.51%	2.00%	-1.51%
Employment Section	3.43%	4.15%	-1.28%
Payroll Services	5.57%	4.15%	-1.42%
Recruitment Services	5.58%	4.15%	-1.43%
Student Awards Services	6.55%	4.15%	-2.40%
GP Trainees Section	5.85%	1.60%	-4.25%
Legal & Risk Section	0.89%	2.00%	1.11%
Primary Care Section	2.01%	4.15%	2.14%
Engagement & Support Services	2.16%	4.15%	1.99%
Modernisation & Technical Services	3.13%	4.15%	1.02%
Transaction Services	2.80%	4.15%	1.35%
Procurement Section	4.60%	N/A	
Accounts Payable Services	3.09%	2.00%	-1.09%
E-Enablement Services	4.13%	4.15%	0.02%
Health Courier Service	4.58%	5.55%	0.97%
Local Procurement Services	3.34%	2.00%	-1.34%
Sourcing Services	3.23%	2.00%	-1.23%
Supply Chain Services	3.37%	5.55%	2.18%
Specialist Estates Section	2.88%	2.00%	-0.88%
Surgical Materials Testing (SMTL) Section	6.27%	2.00%	-4.27%
Workforce Education & Development Service	1.44%	2.00%	0.56%
Grand Total	3.51%	3.30%	-0.21%



Appendices - Workforce Profile

PADR - 1 April 2017 - 31March 2018

Section	Assignment Count	Reviews Completed	Reviews Completed %
Audit & Assurance Section	55	31	56.36
Corporate Section	39	30	76.92
Counter Fraud Section	8	3	50.00
Digital Workforce Solutions Section	7	6	85.71
E-Business Central Team Section	8	4	50.00
Employment Section	328	245	74.70
Employment Services Management Service	8	6	75.00
Expenses Services	22	16	72.73
Payroll Services	173	133	76.88
Pension Services	34	15	44.12
Recruitment Services	78	66	84.62
Student Awards Services	13	9	69.23
Finance Section	20	10	50.00
Legal & Risk Section	98	87	88.78
Primary Care Section	297	274	92.26
Engagement & Support Services	69	62	89.86
Modernisation & Technical Services	27	25	92.59
PCS Management Services	4	3	75.00
Transaction Services	197	184	93.40
Procurement Section	623	507	81.38
Accounts Payable Services	102	67	65.69
Corporate Procurement Services	11	8	72.73
E-Enablement Services	20	18	90.00
Health Courier Service	139	124	89.21
Local Procurement Services	102	88	86.27
Sourcing Services	85	73	85.88
Supply Chain Services	164	129	78.66
Specialist Estates Section	43	41	95.35
Surgical Materials Testing (SMTL) Section	18	15	83.33
Welsh Employers Unit Section	4	3	75.00
Workforce & OD Section	18	12	66.67
Workforce Education & Development Service Section	18	16	88.89
Grand Total	1,582	1,284	81.16

CSTF Learning Compliance -31 March 2018

Service	Assignment Count	Required	Achieved	Compliance %
Audit & Assurance Section	57	570	546	95.79%
Corporate Section	43	430	377	87.67%
Counter Fraud Section	6	60	60	100.00%
Digital Workforce Solutions Section	7	70	70	100.00%
E-Business Central Team Section	12	120	117	97.50%
Employment Section	350	3500	3297	94.20%
Finance Section	22	220	197	89.55%
Legal & Risk Section	101	1010	981	97.13%
Primary Care Section	301	3010	2924	97.14%
Procurement Section	645	6450	6181	95.83%
Specialist Estates Section	44	440	430	97.73%
Surgical Materials Testing (SMTL) Section	19	190	190	100.00%
Welsh Employers Unit Section	4	40	34	85.00%
Workforce & OD Section	19	190	187	98.42%
Workforce Education & Development Service Section	19	190	174	91.58%
Total	1649	16490	15765	95.60%

Annual Sustainability Report Data 2017-18

NWSSP ANNUAL SUSTAINABILITY REPORT DATA										% Difference
Gas, Electricity and Business Emissions & Mileage										
Year		2010 - 2011	2011 - 2012	2012 - 2013	2013 - 2014	2014 - 2015	2015 - 2016	2016 - 2017	2017 - 2018	
Non Financial Indicators (1,000 tCO2e)	Total Gross Emissions	0	0	0	0.00	0.00	1.00	1.40	1.16	-17.13%
	Total Net Emissions	0	0	0	0.00	0.00	1.00	1.40	1.16	-17.13%
	Gross emissions Scope 1	0	0	0	0.00	0.00	0.09	0.37	0.36	-2.80%
	Gross Emission Scope 2 & 3	0	0	0	0.00	0.00	0.91	1.03	0.80	-22.32%
Related Energy Consumption (million kWh)	Electricity: non renewable	0	0	0	0.00	0.00	1.97	2.17	1.92	-11.74%
	Electricity: Renewable	0	0	0	0	0.00	0.00	0.00	0.00	
	Gas	0	0	0	0.00	0.00	0.49	1.97	1.90	-3.54%
	LPG	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
	Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Financial Indicators (£million)	Expenditure on Energy	0	0	0	0.00	0.00	0.00	0.37	0.34	-9.86%
	CRC Licence	0	0	0	0	0	0	0	0.00	
	Expenditure on accredited offsets eg GCOF	0	0	0	0	0	0	0	0.00	
	Expenditure on Official business travel	0	0	0	0.00	0.00	0.00	0.21	0.21	-0.85%
Water										
Year		2010 - 2011	2011 - 2012	2012 - 2013	2013 - 2014	2014 - 2015	2015 - 2016	2016 - 2017	2017 - 2018	
Non financial indicators (000m3)	Water Consumption (office) supplied	0	0	0.00	0.00	0.00	20.20	30.11	27.43	-8.89%
	Water Consumption (office) abstracted	0	0	0	0	0	0	0	0	
	Water Consumption (office) per fte	0	0	0	0	0	0	0	0	
	Water Consumption supplied	0.000	0.000	0.000	0.000	0	0.00	0.00	0.00	
	Water Consumption abstracted	0	0	0	0	0	0	0	0	
Financial Indicators (£million)	water supply costs (office)	0	0	0.000	0.000	0.000	0.027	0.041	0.037	-9.38%
	water supply costs (non office	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Waste										
Year		2010 - 2011	2011 - 2012	2012 - 2013	2013 - 2014	2014 - 2015	2015 - 2016	2016 - 2017	2017 - 2018	
Non financial indicators (tonnes)	Total Waste	0.00	0.00	0.00	0.00	0.00	0.00	265.70	294.75	10.93%
	Landfill	0.00	0.00	0.00	0.00	0.00	0.00	115.63	13.76	-88.10%
	Re-used / Recycled	0.00	0.00	0.00	0.00	0.00	0.00	97.33	201.51	107.03%
	Composted	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.22	
	Incenerated with Energy recovery	0.00	0.00	0.00	0.00	0.00	0.00	52.74	77.27	46.50%
	Incenerated without Energy recovery	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Financial Indicators (£million)	Total Disposal Cost	0.000	0.000	0.000	0.000	0.000	0.000	0.082	0.210	155.51%
	Landfill	0.000	0.000	0.000	0.000	0.000	0.000	0.026	0.010	-59.38%
	Re-used / Recycled	0.000	0.000	0.000	0.000	0.000	0.000	0.034	0.125	272.56%
	Composted	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.002	
	Incenerated with Energy recovery	0.000	0.000	0.000	0.000	0.000	0.000	0.023	0.073	216.82%
	Incenerated without Energy recovery	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	

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organisations

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NWSSP Senior
Management Team

Contacts & Further Information

Thank you for reading our Annual Review

If you would like to comment on this publication you can contact us in the following ways:

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

Email: shared.services@wales.nhs.uk
Tel: 01443 848585

Website: www.nwssp.wales.nhs.uk
Twitter: @nwssp
Linkedin: NHS Wales Shared Services Partnership
YouTube: NHS Wales Shared Services Partnership

Further Information

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NHS Wales Shared Services Partnership

NHS Wales Shared Services Partnership

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MEETING	Velindre NHS Trust Audit Committee for NHS Shared Services Partnership
DATE	24 July 2018
AGENDA ITEM	7.2
PREPARED BY	Roxann Davies, Compliance Officer
TITLE OF REPORT	Annual Governance Statement 2017-18

PURPOSE

The NWSSP Annual Governance Statement 2017-18 is presented to the Committee, **FOR INFORMATION ONLY**.

GIG CYMRU NHS WALES | Partneriaeth Cydwasanaethau Shared Services Partnership

Annual Governance Statement 2017/2018

Version	Approved
1	SSPC 27 March 2018 draft for endorsement
2	SMT 29 March 2018 draft for information
3	Velindre Integrated Governance Group 10 April 2018
4	Audit Committee 24 April 2018
5	SMT 24 May 2018
6	Audit Committee 5 June 2018 (for Final Approval)

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ANNUAL GOVERNANCE STATEMENT 2017/2018

1. SCOPE OF RESPONSIBILITY

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 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).

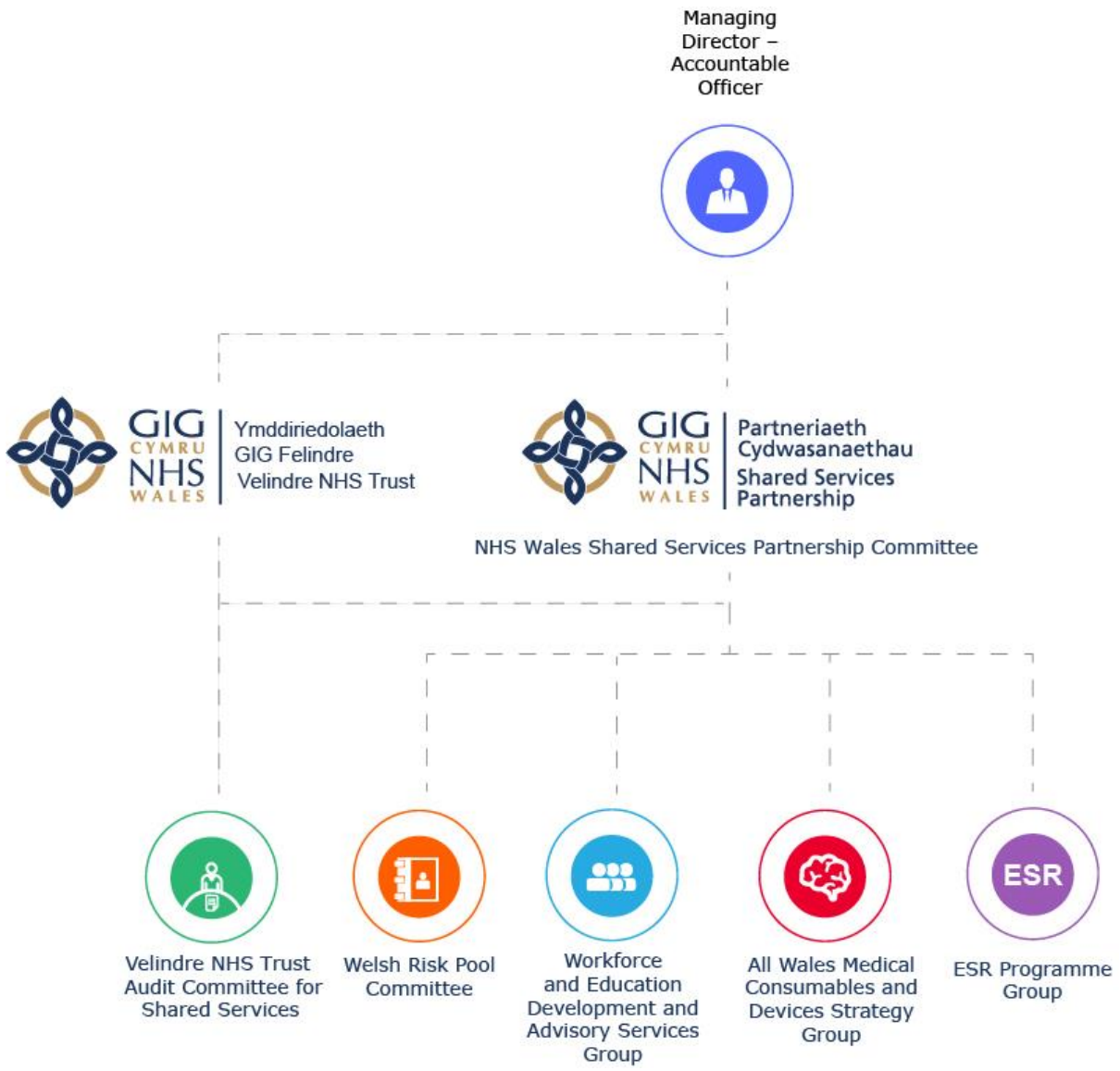
The Managing Director of Shared Services is accountable to the Shared Services Partnership Committee (Partnership Committee) in relation to those functions delegated to it. The Managing Director is also accountable to the Chief Executive of Velindre NHS Trust in respect of the hosting arrangements supporting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

The Chief Executive of Velindre NHS 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 Velindre 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 Velindre NHS 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 Velindre NHS 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



Underpinned through the overarching Velindre NHS Trust legal and assurance framework

2. GOVERNANCE FRAMEWORK

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

2.1 Shared Services Partnership Committee

The Shared Services Partnership Committee (Partnership Committee) was established in accordance with the Velindre National Health Service Trust Shared Services Committee (Wales) Regulations 2012 No. 1261(W.156) 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 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 Velindre NHS Trust policies and NWSSP's corporate protocols, approved by the SMT, provide NWSSP's Governance Framework.

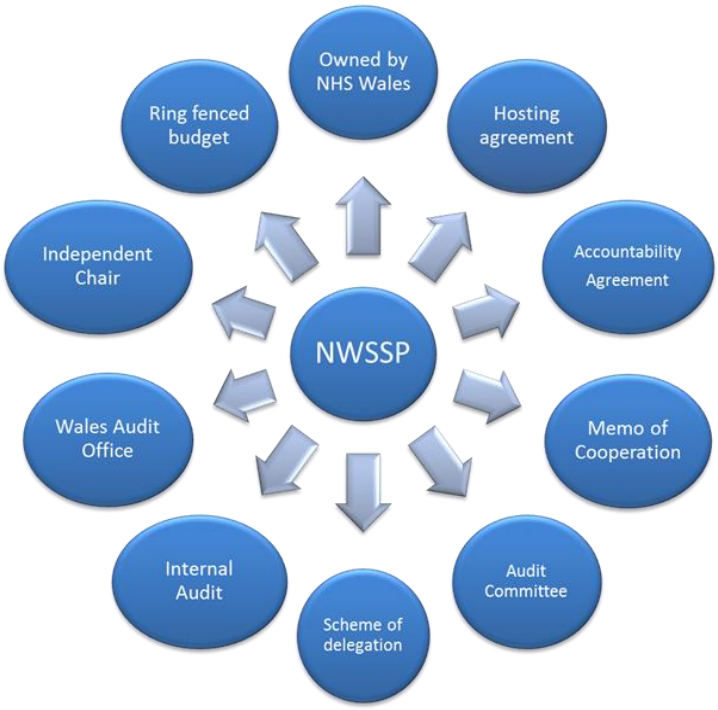
Health Boards and NHS Trusts in Wales have collaborated over the operational arrangements for the provision of shared services and have an agreed Memorandum of Co-operation to ensure that the arrangements operate effectively through collective decision making in accordance with the policy and strategy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

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

The Partnership Committee is supported by the Director of Corporate Governance/Board Secretary of Cwm Taf University Health Board, who acts as the guardian of good governance within the Committee.

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 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 Velindre 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 2018 is outlined in Figure 3 below. All meetings were quorate and 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 2017/2018

Name	**Position**	**Organisation**	**From – To**
Margaret Foster (Chair)	*Independent Member*	*NHS Wales Shared Services Partnership*	*Full Year*
Neil Frow	*Managing Director of NWSSP*	*NHS Wales Shared Services Partnership*	*Full Year*
Paul Gilchrist	*Deputy Director of Finance*	*Abertawe Bro Morgannwg UHB*	*Full Year*
Geraint Evans	*Director of Workforce and OD*	*Aneurin Bevan UHB*	*Full Year*
Huw Thomas (Vice Chair)	*Director of Operational Finance*	*Betsi Cadwaladr UHB*	*Full Year*
Christopher Lewis	*Deputy Director of Finance*	*Cardiff and Vale UHB*	*Full Year*
Joanna Davies	*Director of Workforce & OD*	*Cwm Taf UHB*	*Full Year*
Nia Williams	*Executive Project Manager*	*Hywel Dda UHB*	*Full Year*
Eifion Williams	*Director of Finance*	*Powys THB*	*Full Year*
Melanie Westlake	*Head of Corporate Governance/Board Secretary*	*Public Health Wales NHS Trust*	*Full Year*
Steve Ham	*Chief Executive*	*Velindre NHS Trust*	*Full Year*
Chris Turley	*Acting Director of Finance*	*Welsh Ambulance Services NHS Trust*	*Full Year*

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, Boards Secretary/Director of Governance, Cwm Taf UHB as governance support.

Figure 4 – Attendance at the Meetings of the NHS Wales Shared Services Partnership Committee during 2017/2018

Organisation	**18/05/ 2017**	**07/06/ 2017**	**19/09/ 2017**	**16/11/ 2017**	**18/01/ 2018**	**27/03/ 2018**
Abertawe Bro Morgannwg UHB	✗	✗	✗	✓*	✗	✗
Aneurin Bevan UHB	✗	✓	✓	✓	✓	✓
Betsi Cadwaladr UHB	✓	✓	✗	✓	✓	✓

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

✓ Denotes the nominated member was present

✓**Denotes the nominated member was not present and that a suitable officer attended on their behalf*

× Denotes Health Body not represented

*** Denotes the Director of Corporate Governance/Board Secretary, Governance Support role deputised for the Cwm Taf UHB representative*

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 2017/2018, the Partnership Committee approved an annual forward plan of business, including:

A "Horizon Scanning" Workshop – following on from the SMT Horizon Scanning workshop held on 13 September 2017. A specific workshop was held with the Partnership Committee which provided an opportunity for members to:

- Review performance;
- Review NWSSP achievements over the preceding 12 months;
- Review how NWSSP is performing against its Integrated Medium Term Plan (IMTP);
- Consider the future macro challenges to service delivery; and
- Consider what additional support NWSSP could provide to NHS Wales.

- A workshop to discuss the potential expansion of NWSSP services to further support NHS Wales; and
- *Deep Dive* sessions to explore in detail individual service areas and to collectively discuss areas of success and potential weakness with a view to collectively agreeing a potential solution.

2.3 Velindre Audit Committee for NWSSP

The primary role of the Velindre 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 2017/2018 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 2017/2018 comprised of three Independent Members of Velindre NHS Trust supported by representatives

of both Internal and External Audit and Senior Officers of NWSSP and Velindre NHS Trust.

Figure 5 - Composition of the Velindre NHS Trust Audit Committee for NWSSP during 2017/18

In Attendance	April 2017	June 2017	July 2017	Nov 2017	Feb 2018	Total Out of 5
Committee Members						
Martin Veale, Chair & Independent Member	✓	✓	✓	✓	✓	**5**
Ray Singh, Independent Member	✓		✓	✓		**3**
Professor Jane Hopkinson, Independent Member	✓	✓	✓	✓	✓	**5**
Wales Audit Office						
Audit Team Representative	✓✓	✓	✓		✓	**4**
NWSSP Audit Service						
Director of Audit & Assurance	✓	✓	✓	✓	✓	**5**
Head of Internal Audit	✓	✓	✓	✓	✓	**5**
Audit Manager	✓	✓	✓	✓	✓	**5**
Counter Fraud Services						
Local Counter Fraud Specialist	✓	✓	✓	✓	✓	**5**
NWSSP						
Margaret Foster, Chair NWSSP	✓		✓	✓	✓	**4**
Neil Frow, Managing Director	✓	✓	✓		✓	**4**
Andy Butler, Director of Finance & Corporate Services	✓	✓	✓	✓	✓	**5**
Jacqui Maunder, Head of Corporate Services	✓	✓	✓	✓	✓	**5**
Roxann Davies, Compliance Officer	✓	✓	✓	✓	✓	**5**
NWSSP Secretariat	✓	✓		✓		**3**
Other Staff		✓✓	✓✓	✓	✓✓	**4**
Velindre NHS Trust						
Steve Ham, Chief Executive		✓				**1**
Mark Osland, Director of Finance	✓	✓	✓		✓	**4**

The Audit Committee met formally on five occasions during the year with the majority of members attending regularly and all meetings were quorate. An Audit Committee "Highlight Report" and Minutes of the meeting have been reported back to the Partnership Committee.

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. The survey for 2017/18, undertaken during May 2018, had an 80% response rate (8 responses received) and identified the following:

- 88% of all responses were positive;
- 100% of respondents felt that the Committee had been provided with sufficient authority and resource to perform its role effectively;
- 100% of respondents also 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 agreed that the behaviour of members and attendees was courteous and professional; and
- All 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.

Areas for further consideration included the use of the Welsh Language in meetings, and in promoting greater use of technology for Committee papers.

2.5 Sub Groups and Advisory Groups

The Partnership Committee is supported by four advisory groups:

- **Workforce Education and Development Services Advisory Group (WEDSAG)**
  - Advisory group to the Shared Services Partnership Committee; and
  - Reviews progress with Workforce Development and Education activity on behalf of NHS Wales.

- **Welsh Risk Pool Committee**
  - Reimburse losses over £25,000 incurred by Welsh NHS bodies arising out of negligence;
  - 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 2017/2018

Name	Designation
Mr Neil Frow	Managing Director
Mr Andy Butler	Director of Finance and Corporate Services
Mrs Hazel Robinson	Director of Workforce and Organisational Development
Mr Mark Roscrow	Director of Procurement Services
Mr Paul Thomas	Director of Employment Services
Mr Simon Cookson	Director of Audit and Assurance
Mrs Anne-Louise Ferguson	Director of Legal and Risk

Mr Dave Hopkins	Director of Primary Care Services
Mr Neil Davies	Director of Specialist Estates
Mr Stephen Griffiths	Director of Workforce Education and Development Services (WEDS)

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 2018.

3.1 External Audit

During 2017/2018, NWSSP's external auditors were the Wales Audit Office (WAO). The Audit Committee has worked constructively with the WAO and the areas examined included:

- NWSSP Nationally Hosted NHS IT Systems Assurance Report 2016-17;
- WAO Proposed Work 2016-2017;
- Capital Expenditure Scheme Update;
- Internal Audit Visit Update;
- WAO Report of NWSSP 2016-17; and
- WAO Assurance Arrangements 2018.

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

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

3.2 Internal Audit

The Audit Committee regularly reviewed and considered the work and findings of the internal audit team. The Director of Audit and Assurance and the relevant Heads of Internal Audit have attended each meeting 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 2017/18 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.

Reports were timely and enabled the Audit Committee to understand operational and financial risks. In addition, our 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 Committee to monitor progress against the agreed Counter Fraud Plan; including the following reports:

- Progress Update at each meeting
- Quality Assessment Final Report
- Velindre NHS Trust Annual Report 2016-17
- Counter Fraud Work Plan 2017-18
- Counter Fraud Self Review Tool Submission 2016-17
- Counter Fraud Press Release
- Counter Fraud Quarterly Newsletter

During 2017/18, four new investigations into possible fraudulent or corrupt activity were instigated together with the five cases that were brought forward from 2016/17. Out of the four new cases, three involved alleged false claims submitted to the NHS Student Awards Service and which are still under investigation.

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

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 the Health Body, a quarterly newsletter is produced which is then available to all staff on the Health Body's Intranet website and all successful prosecutions' cases 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 2015-16 year end 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 2017/2018, 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 2017/2018, 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.

NWSSP is also committed to continuously reviewing its services and has made a commitment for all of its services to undergo the rigorous Wales Quality Award (WQA) Assessment, based on the European Foundation for Quality Management (EFQM) system, through the Wales Quality Centre. Following on from the initial follow up assessment in February 2016, the feedback indicated that NWSSP had matured as an organisation over the following 12 months and that significant progress has been made in developing IT strategies and Programme Management.

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 2018-2019 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.

Velindre NHS Trust has an approved strategy for risk management and NWSSP has a risk management protocol in line with our host's strategy providing a clear systematic approach to the management of risk within NWSSP.

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. 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.

During 2017/18 the risk management framework and approach was subject to a detailed review building on the recommendations of an internal audit report issued in March 2017. The report contained findings that highlighted the need to make risk management more effective and dynamic within NWSSP and two workshops were held in the spring of 2017 to share the findings with directors and senior management.

Changes have since been made to the format of the corporate and directorate risk registers to ensure that they are both consistent and that they provide a more concise picture of the current position with each risk. The recently appointed Head of Finance and Business Development, supported by the Compliance Officer, is working with Directors and their Senior Management Teams to ensure that the risks recorded within each register remains current and that there is focus on achievement of planned actions to mitigate the risk. This is reinforced through the quarterly review process of each directorate where review of the directorate risk register is a standing agenda item.

In 2017/18 assurance maps were produced for each of the directorates to provide a view on how the key operational, or business-as-usual risks were being mitigated. These were presented to the Audit Committee in November 2017 and they will be updated and reviewed by the Audit Committee annually.

The NWSSP Risk Protocol has been updated accordingly and now includes a greater focus on the risk appetite of the organisation. The operationalisation of the risk appetite is through the target score applied to each risk, and this has led to a re-structuring of the Corporate Risk Register 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).

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; and
- The effectiveness of key controls is regularly assured.

An internal audit of the progress made with implementing the findings of the 2016/17 audit into risk management was finalised in May 2018 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.**

5. THE RISK AND CONTROL FRAMEWORK

NWSSP's commitment to the principle that risk is managed effectively means that we will continue to work 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 2018, there is one corporate risk categorised as having a "red" risk rating. This relates to issues surrounding the outsourcing of a number of primary care services in England which have an impact on NHS Wales. There are a number of options for NWSSP in managing this particular risk and these are being evaluated at present.

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 provided 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 Velindre NHS 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. Velindre NHS 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 to the Managing Director and the Corporate Governance Manager and other designated staff 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 Velindre NHS 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. These cover the data that the organisation collects and the processing of this to ensure that NWSSP only uses it for compatible purposes and it remains secure and confidential whilst in our 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. This is to ensure that all information assets are accounted for as they are realised. This is an area that forms part of the recommendations of the General Data Protection Regulation (GDPR) that is due to be implemented by 25 May 2018 and which will be an increasing area of focus.

The IGSG discusses quarterly issues such as 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 including the implementation of GDPR.

All members of the IGSG have the opportunity during a defined consultation period to review any work that requires comment before being approved by the NWSSP Senior Management Team. The Information Governance Manager provides information in relation to any areas that require input and determines the agenda for each meeting based on their own requirements and also from those members who have items for discussion. There is also an IT or "Informatics" section on the agenda for discussion of technological issues such as Cyber Security.

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. This

poses questions on the Who, What, Why, Where, When and How of the project to get official Information Governance sign off and ensure that the work will not breach any confidentiality of patients, service users, clients or staff and that the integrity of the data is secure.

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 Velindre NHS 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. This allows discussion of issues on an All Wales basis. The Information Governance Manager is also Chair of the Freedom of Information Community of Practice, and Chair and Author for the review of the "Your Information, Your Rights" public document in readiness for the new legislation on an All Wales basis. This document will inform patients of their rights and promotes openness and transparency within the NHS.

General Data Protection Regulations (GDPR)

Work has been ongoing during 2017/18 to prepare for the new General Data Protection Regulations (GDPR) which came into effect on 25 May 2018. The GDPR builds on and strengthens the previous Data Protection Act 1998. The key work undertaken in the year included:

- *Updates to Information Governance internal protocols and training materials;*
- *Development of Privacy Notices (fair processing notices) for staff and service users due to the enhancement of individuals' rights;*
- *Information mapping to include all data known, held and processed by the NWSSP*
- *Establishment of Information Asset Owners and Administrators;*
- *A thorough review of all internal activities, including specific areas such as Procurement and Recruitment Services;*
- *Attendance at National and Local Task and Finish Groups;*
- *Appointment of a Data Protection Officer (currently the Head of Information Governance, NHS Wales Informatics Service (NWIS))*

Plans are in place to ensure that NWSSP is fully compliant with GDPR and progress is being monitored by the SIRO and the Senior Management Team.

5.4 Counter Fraud

Counter Fraud support is incorporated within the hosting agreement with Velindre NHS 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, 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.

5.5 Internal Audit

The NWSSP hosting agreement provides in Section 14 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 Velindre NHS 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 has recently been received and states 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)

The basis for NWSSP planning has been the Business Case approved by the Minister for Health and Social Services in October 2010.

Further to the National Health Service Finance (Wales) Act 2014 becoming law in Wales from January 2014, new duties with regard to operational planning were placed upon Health Boards and Trusts. The legislative changes were effected to section 175 of the NHS Wales Act 2006 and placed a duty to produce three year Integrated Medium Term Plans.

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 March each year prior to submission to Welsh Government. The 2018-2020 IMTP was submitted to Welsh Government on 31 March 2018.

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. A summary of the themes is outlined below:

The process for undertaking the annual self-assessments is:

- The Head of Corporate Services and Corporate Governance Manager undertake 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 Velindre NHS 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 2017/2018

Theme	Executive Lead	2017/2018 Self-Assessment Rating	2016/2017 Self-Assessment Rating
Governance, Leadership and Accountability	Senior Management Team	4	4
Staying Healthy	Director of Workforce and Organisational Development	3	3
Safe Care	Director of Finance and Corporate Services Director of Specialist Estates	4	4
Effective Care	Senior Management Team	3	3
Dignified Care	Not applicable	Not applicable	
Timely Care	Not applicable	Not applicable	
Individual Care	Senior Management Team	3	3
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 3 as outlined below:

Figure 10 – NWSSP's Overall Self-Assessment Score Health and Care Standards 2017/2018

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

We are committed to eliminating discrimination, valuing diversity and promoting inclusion and equality of opportunity in everything we do. Our priority is to develop a culture that values each person for the contribution they can make to our services for NHS Wales.

As a non-statutory hosted organisation under Velindre NHS Trust, we are required to adhere to Velindre NHS Trust's Equality and Diversity Policy, Strategic Equality Plan 2016-2020 and Equality Objectives, which set out the Trust's commitment and legislative requirements to promoting inclusion: http://www.nwssp.wales.nhs.uk/governance-and-assurance-arrangements

We work together with colleagues across NHS Wales 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.

We also benefit from the proactive work undertaken by our host organisation to strengthen compliance with equality and diversity legislation; the Trust has received the Positive About Disabled People "Double Tick" symbol which demonstrates the encouragement of applications from people who identify as having a disability. In addition, the Trust has attained "The Rainbow Mark" which is an equality mark sponsored by the Welsh Assembly Government and supported by the Welsh Local

Government Association and Tai Pawb. The Mark is a signifier of good practice, commitment, and knowledge of the specific needs, issues and barriers facing those who identify as lesbian, gay, bisexual, and transgender (LGBT+) in Wales.

We have worked with the NHS Wales Centre for Equality & Human Rights (CEHR) to introduce our own process for undertaking Equality Integrated Impact Assessments (EQIIA), which we are integrating into our Project Management System software. The EQIIA will consider the needs of the protected characteristics identified under the Equality Act 2010 (including the Welsh specific duties), the Human Rights Act 1998, 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), and Welsh Language, Information Governance and Health and Safety aspects.

We have provided key managers with training on the EQIIA process and introduced an "Equality Integrated Impact Assessment Panel" to review completed assessments to ensure that our policies, projects and events do not discriminate against vulnerable or disadvantaged people. Further training sessions to strengthen awareness are planned for 2018/19. We also ensure compliance with the engagement provisions of the "Gunning Principles" and the duty to have "due regard" laid out in the "Brown Principles" when reviewing existing policies, or assessing new policies for impact on protected characteristics.

Our Assistant Director of Workforce and Organisational Development is a member of the Equality Group within Velindre NHS Trust and any NWSSP specific issues are integrated into this process. Our Head of Corporate Services is a member of the NHS Wales Centre for Equality and Human Rights (CEHR) Business Planning Group and the NHS Wales Equality Leadership Group, together with our Compliance Officer, who also sits on the All Wales Senior Offices Group for Equality. We adhere to the CEHR "Governance and Scrutiny: A Guide for Boards" in respect of EQIIAs.

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: Ethnic Origin; Nationality; Country of Birth; Religious Belief, Sexual Orientation and Welsh language competencies.

NWSSP has a statutory and mandatory induction training programme for all new recruits which includes the NHS Wales "Treat Me Fairly" e-learning module focusing on equality and diversity. The module is a national training package and the statistical information pertinent to NWSSP completion contributes to the overall figure for NHS Wales. NWSSP provides a "Core Skills for Managers" Training Programme and the "Managing Conflict" module includes an awareness session on the Dignity at Work Policy and Procedure. A corporate induction package on equality, diversity and inclusion has been included within the 2018 programme for new starters in the organisation.

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.

6.2 Welsh Language

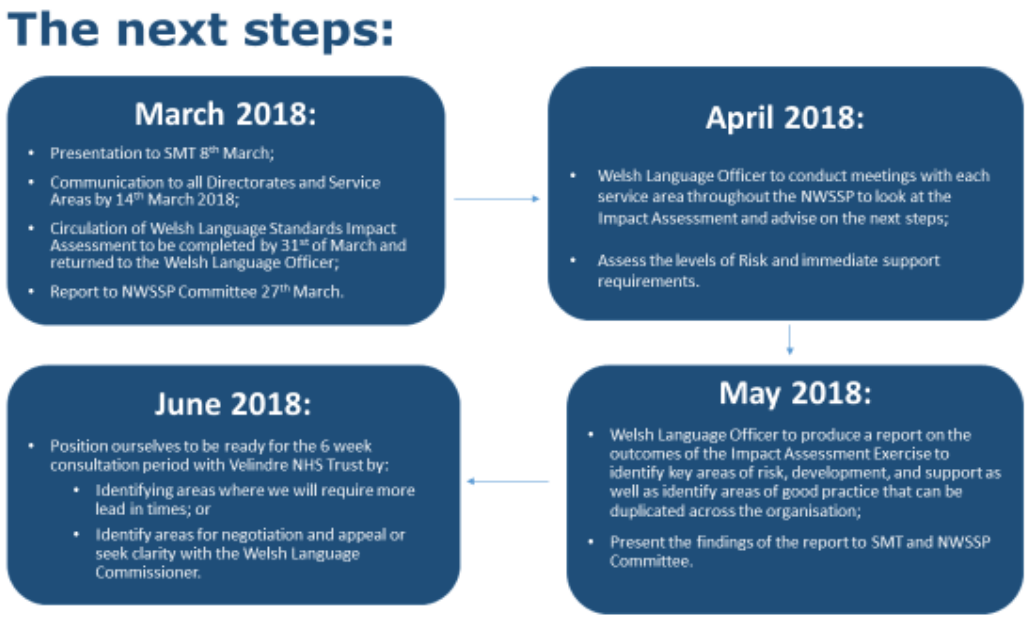
NWSSP is committed to ensuring that the Welsh and English languages are treated equally in the services we provide to the public and NHS partner organisations in Wales. This is in accordance with the current Velindre NHS Trust Welsh Language Scheme, Welsh Language Act 1993 and the Welsh Language Measure (Wales) 2011. In addition the Welsh Language Standards [No7.] Regulations 2018 will come into force in June 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 Welsh Language Translator. In March 2018 we advertised another full time Welsh Language Translator post for a fixed-term period of 12 months in the first instance.

These posts enable us to comply with our current obligations under the current Welsh Language Scheme and in the planning and preparations to meet the requirements of the Welsh Language Standards. This will increase the demand for translation services in the following areas:

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

The plans already in place to meet the requirements of the Welsh Language Standards are as follows:



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 we have invested in the development of a candidate interface on the TRAC recruitment system.

The Impact Assessment Exercise referred to above will enable NWSSP to further develop our services. The findings from the impact assessment will be compiled into a report informing the Welsh Language Strategy and Welsh Language Implementation Plan. Our achievements from the implementation plan will enable us to report on our performance against the Welsh Language Standards within our Annual Performance Report, which is bilingually to the Welsh Language Commissioner in June each year.

6.3 Handling Complaints and Concerns

NWSSP is committed to the delivery of high quality services to its customers; the NWSSP mission is 'to enable the delivery of world class Public Services in Wales through customer focus, collaboration and innovation'. In addition, one of NWSSP's corporate objectives is to 'develop customer insight and a customer focused culture'.

NWSSP's Issues and Complaints Protocol is reviewed annually. The Protocol aligns with the Velindre NHS Trust Handling Concerns Policy, the Concerns, Complaints and Redress Arrangements (Wales) Regulations 2011 and Putting Things Right Guidance. In addition the protocol was recently amended to include specific guidance on identifying if a complaint is vexatious and how to manage such complaints within NWSSP.

During 2017-18, 14 complaints were received. **71%** of the complaints received were responded to within the 30 working day target, which is consistent with the performance for the prior year. Four responses were issued outside of the target, being responded to at 31, 34, 37 and 39 working days respectively. However, in all instances holding letters were

issued to the complainants detailing 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.

6.4 Freedom of Information Requests

The Freedom of Information Act (FOIA) 2000 gives the wider 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.

In the financial year 2017/2018, NWSSP responded to 65 requests for information:

Figure 12 – Freedom of Information Requests Apr 2017- March 2018

FOI Breakdown
63 answered within the 20 day target
0 transferred out to another NHS body
0 responded to outside of the deadline
2 withdrawn

6.5 Data Security

In 2017/2018, 38 information governance breaches were reported within NWSSP, these included issues with misdirection of email and records management.

All breaches are recorded in the Datix risk management software, and investigated in accordance with the Information Governance and Confidentiality Breach Reporting protocols. The protocols encourage staff to report those breaches that originate outside the organisation for recording purposes.

From this, the Information Governance Manager writes a report including relevant recommendations and any areas for improvement to minimise the possibility of further breaches.

Any gaps identified during incident investigation provide an opportunity for changes to practice and development of new protocols. Staff are also requested to provide feedback to any recommendations made by the Information Governance Manager where action is required to further improve the service and demonstrate prevention of any further breaches.

Members of the IGSG are required to report to the Steering Group meetings on any incidents in their areas to include lessons learned and any changes that have been made since an incident was reported.

There was one Information Governance breach reported in 2017/18 that was assessed as being of a category serious enough to report to the

Information Commissioner's Office (ICO) for further investigation. However, this was done as a matter of course as the mitigations in place and the circumstances of the breach were handled in such a way that the data in question was not released into the public domain and was controlled and secured to a point where there were no risks to the data subject's information. The ICO were satisfied with the processes involved and the recommendations made and did not consider it to be an issue that required enforcement action.

It is important to note that following implementation of the new Data Protection Legislation, all breaches, regardless of perceived severity, will have to be reported to the ICO within 72 hours.

6.6 ISO14001 – Sustainability and Carbon Reduction Delivery Plan

NWSSP is committed to managing its environmental impact, lowering the organisation's carbon footprint and adhering to the sustainable development principle. As part of this organisational commitment, NWSSP was successful in attaining the ISO14001:2004 Environmental Management System certification in December 2014, in accordance with the Welsh Government mandate for all NHS Wales organisations to attain the Standard. NWSSP successfully achieved re-certification to the Standard in August 2017. One minor non-conformity (which will be closed off at the next audit) and four opportunities for improvement were identified, which have since been investigated. These are detailed below:

- **Minor Non Conformity -** The Control of Contractors Policy states that a "*record of inductions is to be kept for future auditing signed and dated by the contractors upon completion.*" However, the procedure, Contractor Management (ENV008), does not state the above. No records of signed contractor inductions were able to be retrieved at Cwmbran Stores, as the procedure was being used rather than the policy.

- **Opportunities for Improvement**
  - Consideration to be given as to separating waste providers on the electronic system to aid retrieval (Cwmbran House);
  - Consideration to investigate as to why version control on the Contract Planning Form was removed (Companies House);
  - Expand on the environmental training available through e-learning; and
  - Consideration to be given as to adding an environmental incident coding type onto DATIX, which is currently under the heading of "Health and Safety" (Cwmbran Stores).

- **Observations (highlighting good practice)**
  - Positive comments on initiatives (Cwmbran House); and
  - Excellent record keeping and retrieval of documentation (Companies House).

Carbon Footprint

As part of our commitment to reduce our contribution to climate change, a target of 3% carbon reduction year on year from a baseline of our carbon footprint, taken from 2014-2015, has been agreed and this is reflected within our Environmental Objectives.

During 2017/18, we committed to reducing our carbon reduction by implementing various environmental initiatives at our sites within the scope. NWSSP's Sustainability Report for 2017/18 explores this area in further detail:
http://www.nwssp.wales.nhs.uk/governance-and-assurance-arrangements

The main highlights from 2017/18 were as follows:

6.7 Business Continuity Planning/Emergency Preparedness

NWSSP is proactive in reviewing the capability of the organisation to continue to deliver products or services at acceptable predefined levels following a disruptive incident. We recognise our 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 Velindre NHS Trust we are required to take note of their Business Continuity Management Policy and ensure that NWSSP has effective strategies in place for:

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

NWSSP is committed to ensuring that it meets all legal and regulatory requirements and has processes in place to identify, assess, and implement applicable legislation and regulation requirements related to the continuity of operations and the interests of key stakeholders. At present there are local directorate plans in place for ensuring business continuity arrangements are effective for key services and buildings, and work is progressing in developing an overarching Business Continuity Plan which outlines our response to incidents and outbreaks, including the mobilisation of additional resource.

In addition, we complete the Caldicott Principles Into Practice (CPIP) annual self-assessment which assesses if organisations have current and tested business continuity plans in place for all of their critical infrastructure components and core information systems.

NWSSP are working 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.

6.8 UK Corporate Governance Code

NWSSP operates within the scope of the Velindre NHS Trust governance arrangements. Velindre NHS Trust has undertaken 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 under Velindre NHS Trust and as the Payroll function for NHS Wales, within NWSSP's remit 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 Velindre NHS Trust and the local 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 2017/2018 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 Corporate Governance

Internal Audit undertook a review of Corporate Governance in 2017/2018 to assess the control environment including review of this Annual Governance Statement and of the progress made in implementing the findings from the 2016/17 review of Risk Management. 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 associated with Corporate Governance 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 2017/2018.

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.

A separate review of the process for tracking Audit Recommendations (both internal and external audit) was undertaken by the Internal Auditors who 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 the Audit Recommendation Tracker was **Substantial Assurance**.

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 Velindre NHS Trust. These procedures include the Standing Orders for the regulation of their 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), they provide the regulatory framework for the business conduct of the Trust. These arrangements are supported by detailed financial operating procedures covering the whole of Velindre 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. The SLAs are reviewed annually to ensure 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 2017/2018 and that we are 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 2018-19:

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 2018-2019.

Signed by:

Managing Director – NHS Wales Shared Services Partnership

Date: 2018

MEETING	Velindre NHS Trust Audit Committee for NHS Wales Shared Services Partnership
DATE	24 July 2018
AGENDA ITEM	7.3
REPORT AUTHOR	Roxann Davies, Compliance Officer
RESPONSIBLE HEAD OF SERVICE	Andy Butler, Director of Finance and Corporate Services
PRESENTED BY	Roxann Davies, Compliance Officer

TITLE OF REPORT

Audit Committee Forward Plan 2018-19

PURPOSE OF REPORT

To provide a summary of items expected to be presented at forthcoming Audit Committee meetings, scheduled for 2018-19.

GIG CYMRU NHS WALES | Partneriaeth Cydwasanaethau Shared Services Partnership

Velindre NHS Trust Audit Committee for NHS Wales Shared Services Partnership

Forward Plan 2018-19

Month	Standing Items	Audit Reports	Governance	Minutes/Chairs Reports/Annual Reports
Q2 2018/19 **24 July 2018**	External Audit Position Statement Internal Audit Progress Report Counter Fraud Position Statement	**External Audit** -WAO Report on NWSSP 2017/18 **Internal Audit** -As outlined in the Internal Audit Operational Plan -Quality Assurance & Improvement Programme	Governance Matters Tracking of Audit Recommendations Corporate Risk Register Health and Care Standards	Minutes & Matters Arising Counter Fraud Work Plan Counter Fraud Self Review Tool Submission Counter Fraud Annual Report Audit Committee Annual Report Review of Audit Committee Terms of Reference
Q3 2018/19 **23 October 2018**	External Audit Position Statement Internal Audit Progress Report Counter Fraud Position Statement	**External Audit** -Wales Audit Office – Proposed Audit Work 2018/19 **Internal Audit** -As outlined in the Internal Audit Operational Plan	Governance Matters Tracking of Audit Recommendations Corporate Risk Register Annual Review of Audit Recommendations Not Yet Implemented	Minutes & Matters Arising Health & Care Standards Action Plan Review of Standing Orders Review of Raising Concerns (Whistleblowing) Policy Directorate Assurance Mapping Review Board Assurance Framework

Q4 2018/19 **22 January 2019**	External Audit Position Statement Internal Audit Progress Report Counter Fraud Position Statement	**Internal Audit** -As outlined in the Internal Audit Operational Plan	Governance Matters Tracking of Audit Recommendations Corporate Risk Register	**Pre-meet between Audit Committee Chair, Independent Members, Internal and External Auditors and Local Counter Fraud** Minutes & Matters Arising Review of Standing Orders
Q1 2019/20 **9 April 2019**	External Audit Position Statement Internal Audit Progress Report Counter Fraud Position Statement	**Internal Audit** -As outlined in the Internal Audit Operational Plan	Governance Matters Tracking of Audit Recommendations Corporate Risk Register Annual Governance Statement Health & Care Standards Caldicott Principles Into Practice Annual Report	Minutes & Matters Arising Audit Committee Effectiveness Survey
Q2 2019/20 **9 July 2019**	External Audit Position Statement Internal Audit Progress Report Counter Fraud Position Statement	**Internal Audit** -As outlined in the Internal Audit Operational Plan	Governance Matters Tracking of Audit Recommendations Corporate Risk Register Annual Governance Statement Health and Care Standards Review of NWSSP Risk Management Protocol	Minutes & Matters Arising Head of Internal Audit Opinion and Annual Report Results of Audit Committee Effectiveness Survey