Audit, Finance & Risk

Tue 08 June 2021, 12:00 - 13:00

Via Microsoft Teams

GIG CYMRU NHS WALES | Bwrdd Iechyd Prifysgol Aneurin Bevan University Health Board

Agenda

1.
Preliminary Matters

1.1.
Apologies for Absence

1.2.
Declarations of Interest

2.
Final Annual Accounts

2.1.
Review of Final Accounts Report 2020/21

Attachments *Director of Finance & Performance*

- Item 2.1a Final Accounts paper 2020-21.pdf (5 pages)
- Item 2.1b Appendix 1 - Draft ACs Report questions responses.pdf (6 pages)

2.1.1.
Audited 2020/21 Annual Accounts

Attachment *Director of Finance & Performance*

- Item 2.1.1 ABUHB 2020-21 Final Annual Accounts.pdf (75 pages)

2.1.2.
Associated LFR & LMS returns

Attachments *Director of Finance & Performance*

- Item 2.1.2a ABUHB LFR 101-105 2020-21 Final.pdf (9 pages)
- Item 2.1.2b FR 3 2020-21 Anal of Exp by Type- Final Accounts.pdf (3 pages)
- Item 2.1.2c FR4 Report.pdf (1 pages)
- Item 2.1.2d FR5 Reports.pdf (4 pages)
- Item 2.1.2e FR 6 NHS Interparty Eliminations 2020-21.pdf (6 pages)
- Item 2.1.2f ABUHB FR 7-9 2020-21 Final.pdf (4 pages)
- Item 2.1.2g TMS-LMS Month 12 2020-21.pdf (6 pages)
- Item 2.1.2h LFR13 - ABUHB Fin Return Summary.pdf (3 pages)

2.1.3.
Pooled Budget Memorandum Account

Attachment *Director of Finance & Performance*

- Item 2.1.3 Memorandum Statement - Monnow Vale 2020-21 - Signature.pdf (1 pages)

3.
Annual Report

3.1.
Performance Report and Accountability Report (including Annual Governance Statement and Remuneration & Staff Report)

Attachment *Interim Board Secretary*

Item 3.1 Aneurin Bevan University Health Board Annual Report and Annual Accounts 2020.pdf (112 pages)

4.
Audit Wales External Audit

4.1.
Audit of Financial Statements Report (ISA 260)

Attachment *Audit Wales*

Item 4.1 Audit of Accounts Report Draft.pdf (22 pages)

5.
Internal Audit

5.1.
Head of Internal Audit Opinion

Attachment *Head of Internal Audit*

Item 5.1 AA HIA Annual Report and Opinion 20-21.pdf (41 pages)

5.2.
Summary of Internal Audit Reports Issued Since Last Meeting

Attachment *Head of Internal Audit*

Item 5.2 Audit Committee 8 June 2021.pdf (13 pages)

5.2.1.
Governance Arrangements during Covid-19 Pandemic – Quarter 4 Advisory Review Final Report

Attachment *Head of Internal Audit*

Item 5.2.1 ABUHB 2020-21 Covid Governance f_up Final Advisory Report for Client.pdf (23 pages)

5.2.2.
Mental Health and Learning Disabilities Divisional Review

Attachment *Head of Internal Audit*

Item 5.2.2 ABUHB 2020-21 MHLD Divisional review Final Report for Client.pdf (23 pages)

5.2.3.
Health and Care Standards

Attachment *Head of Internal Audit*

Item 5.2.3 2020-21 Health Care Standards Final for Client.pdf (12 pages)

5.2.4.
IT Risk Assessment

Attachment *Head of Internal Audit*

Item 5.2.4 ABU2021 IT Risk Assessment Final Report.pdf (34 pages)

5.2.5.
Clinical Futures - Transport

Attachment *Head of Internal Audit*

Item 5.2.5 2020-21 ABUHB Clinical Futures - Transport Final Report v2.pdf (25 pages)

5.2.6.
Mass Vaccination Programme

Attachment *Head of Internal Audit*

Item 5.2.6 ABUHB 2020.21 Mass Vaccination Final Report for Client v2.pdf (19 pages)

5.2.7.
Partnership Financial Governance - Test, Trace and Protect

Attachment *Head of Internal Audit*

Item 5.2.7 ABUHB 2020-21 Partnership Financial Governance Trace and Protect Final Report for Client v2.pdf (14 pages)

5.2.8.
BREXIT Preparations

Attachment *Head of Internal Audit*

Item 5.2.8 ABUHB 2020-21 Brexit Preparationss Advisory Review - Final Report1.pdf (10 pages)

5.2.9.
Reducing Nosocomial Transmission (formerly Q3/4 Delivery Framework)

Attachment *Head of Internal Audit*

Item 5.2.9 ABUHB 2020-21 Reducing Nosocomial Transmission Advisory Review - FINAL Report.pdf (14 pages)

5.2.10.
Staff Experience

Attachment *Head of Internal Audit*

Item 5.2.10 ABUHB 2020-21 Staff Experience Final Report for Client.pdf (22 pages)

6.
Date of Next Meeting

6.1.
Thursday 12th August at 9:30am

Audit, Finance & Risk Committee

Aneurin Bevan University Health Board Final Accounts for 2020/21

Executive Summary

The accounts for 2020/21 are attached to this paper.

There have been no changes from the draft accounts that affect performance against any of the Health Board's duties reported to the Committee on the 18th May and Audit Wales (AW) intend to give an unqualified opinion on the accounts.

A number of classification type adjustments have been made during the audit and all the changes are included in the table below. None of the adjustments have any impact on the financial targets.

One change implemented is in relation to the Contingent Liability note where the following paragraph has been added in relation to Scheme Pays.

Pensions tax annual allowance – Scheme Pays arrangements 2019/20

In accordance with a Ministerial Direction issued on 18 December 2019, the Welsh Government have taken action to support circumstances where pensions tax rules are impacting upon clinical staff who want to work additional hours, and have determined that:

- *Clinical staff who are members of the NHS Pension Scheme and who, as a result of work undertaken in the 2019-20 tax year, face a tax charge on the growth of their NHS pension benefits, may opt to have this charge paid by the NHS Pension Scheme, with their pension reduced on retirement.*

Welsh Government, on behalf of the Aneurin Bevan University Health Board, will pay the members who opt for reimbursement of their pension, a corresponding amount on retirement, ensuring that they are fully compensated for the effect of the deduction.

This scheme will be funded directly by the Welsh Government to the NHS Business Services Authority Pension Division, the administrators on behalf of the Welsh claimants.

Clinical staff have until 31 March 2022 to opt for this scheme and the ability to make changes up to 31 July 2026.

At the date of approval of these accounts, there was insufficient data of take-up of the scheme by the Welsh clinical staff to enable a reasonable assessment of future take up to be made. As no reliable estimate can therefore be made to support the creation of a provision at 31 March 2021, the existence of an unquantified contingent liability is instead disclosed.

The Committee is asked to note that the accounts have been satisfactorily completed, and along with the ISA 260 report from Audit Wales and the Head of Internal Audit Opinion, recommend approval of the Accounts by the Board at its meeting on 9th June. A number of questions on the draft accounts have been raised by Committee members and these are attached in appendix 1 along with explanations.

The Board is asked to: (please tick as appropriate)	
Approve the Report	✓
Discuss and Provide Views	
Receive the Report for Assurance/Compliance	
Note the Report for Information Only	
Executive Sponsor: Glyn Jones, Director of Finance and Procurement	
Report Author: Mark Ross, Assistant Director of Finance (Financial Systems & Services)	
Report Received consideration and supported by :	

Executive Team		**Committee of the Board [Committee Name]**	**Audit, Finance & Risk Committee**
Date of the Report:			
Supplementary Papers Attached: Appendix 1 - Accounts			

Purpose of the Report

To give assurance to the Committee along with the Head of Internal Audit Opinion and the Audit Wales ISA 260 report, to enable the Committee to recommend that the Board approve the accounts.

Adjustments to the Accounts

2020/21 ANNUAL ACCOUNTS - Adjustments Actioned from Draft to Final

Note No.	Issue	Impact on Financial Targets
	ADJUSTMENTS ACTIONED	
Statement of Tax Payers Equity	Welsh Government COVID-19 revenue funding amended to match total of the table shown in note 34.	None
Statement of Cash Flow	Movement in capital creditors relating to intangible assets moved from Purchase of PPE line to Purchase of intangible assets line.	None
1.24.2	Amend note reference to remove reference to 'dental contract performance' and GMS Quality Outcome Framework' as no longer applicable.	None
2.3 – Duty to prepare a 3 year integrated plan	Amended narrative requested by WG as per the below. Due to the pandemic, the process for the 2020-23 integrated plan was paused in spring 2020 and a temporary quarterly planning arrangement put in place for 2020-21. As a result the extant planning duty for 2020-21 remains the requirement to submit and have approved a 2019-22 integrated plan, as set out in the NHS Wales Planning Framework 2019-22.	None

	The Aneurin Bevan University Health Board submitted a 2019-22 integrated plan in accordance with the planning framework.	
3.2	£17K amendment re Voluntary Organisation invoice miscoded to CHC.	None
3.2/4.0	£73K increase in Charitable Funds contribution to expenditure with associated increase in the income. £1K miscoded re WHSSC expenditure/income.	None
3.3	R&D footnote has been added to the final accounts as per the below. The Health Board spent £2.2m (£2.2m 2019/20) on Research & Development. The majority of the spending relates to staff £1.9m (£1.8m 2019/20) which along with the non-staff spend is reflected under the various headings within note 3.3.	None
4	Typo amended in last paragraph 'form to from'.	None
9.1	6.3% notional pension sum of £25,189K wrongly classified under permanent staff – moved to Employers contribution to pensions Scheme.	None
9.6	Previous year's comparison stated as 2018/19 instead of 2019/20.	None
11.1	Cross-referencing errors in table re 'Property, plant & equipment'. Figures for NBV of transport equipment and furniture and fittings amended to reflect NPV figures in the upper part of the table. Typo amendment in v) Write Downs from system) to system).	None
18	Accruals for the Bonus Payment and COVID annual leave accrual categorised as 'Non-NHS Creditor' in the draft accounts, moved to 'Accruals' in the final accounts.	None
20	Defence fees provision less than and more than one year were shown the wrong way around in the draft accounts.	None
21.1	Contingent Liability note has been amended to include an additional paragraph requested by WG re scheme pays.	None
23	The number of cases have been added to the bottom of this note	None
24	The line at the bottom of the note that reads 'on/off' has been removed	None
28	The £7.057m re NWSSP Covid assets moved to the correct line – NWSSP COVID assets debited to expenditure but non-cash line.	None
29	Events after the reporting period - NHS and social care staff bonus payment moved - from note 29 to note 34. Additional note added requested by WG. These financial statements were authorised for issue by the Chief Executive and Accountable Officer on 15th June 2021 the date they were certified by the Auditor General for Wales'.	None
30	Related Party transactions – The calculation for Local Authorities was sourced from a pivot table which didn't pick up the full range of invoices.	None
31	Amended consignment stock figure to include VAT.	None

32	Monnow Vale – amendment made to remove decimal points. CHC Pooled budget figure amended to include the Lead Contributor costs of £10k.	None
LMS	The calculation for Local Authorities was sourced from a pivot table which didn't pick up the full range of invoices – updated LA Values in line with note 30 Related Party Transactions)above	None
	REMUNERATION REPORT	
	Salary for Mererid Bowley restated from £100K - £120K to £115K to £120K	None
	Change to Dr Sarah Aitken's title to show Interim Medical Director (From 30.03.20 to 23.07.20) to Medical Director (From 30.03.20 to 173.01.21)	None
	Additional note to be added to the remuneration report re £735 Bonus payment The NHS and social care financial recognition scheme bonus of £735 payment to reward eligible NHS staff has not been included in the NHS Remuneration Report calculations. This bonus payment is not a contractual payment, but a one off payment to reward eligible staff for their commitment and tireless efforts in the most challenging circumstances.	None
	Prior year comparator figure for Nick Wood changed to exclude overpayment amount.	None
	PENSIONS BENEFITS	
	Change to Dr Sarah Aitken's title to show Interim Medical Director (From 30.03.20 to 23.07.20) to Medical Director (From 30.03.20 to 173.01.21)	None
Note to be added to bottom of pensions note	*It should be noted that the table below only includes Directors in post at the point that the NHS Pensions Agency provided the relevant information on pensions for staff, this being February 2021. As a result no pension disclosures are made in respect of the following directors who retired during the year:* *R Bevan, Board Secretary 30th November 2020* Additional note to be added to the bottom of the remuneration report re £735 Bonus payment	None
	LFR ADJUSTMENTS	
LFR3	Adjustments actioned to refect£1K miscoding re WHSSC between Income & expenditure and adjustment actioned for the increase in charitable funds expenditure.	
LFR6	The NHS Trust Creditor was based on first LMS submission, it didn't take into account the £55k Velindre Creditor reduction for Capital invoices.	None
	WHOLE OF GOVERNMENT ACCOUNTS	
LMS2	The calculation for Local Authorities was sourced from a pivot table which didn't pick up the full range of invoices – updated LA Values in line with note 30 Related Party Further amendment required to balances with bodies external to Government as a result of the above.	None

Recommendation
The Audit, Finance and Risk Committee is asked to endorse the Aneurin Bevan University Health Board accounts for 2020/21 for approval by the Board on 9th June 2020.

Supporting Assessment and Additional Information	
Risk Assessment (including links to Risk Register)	*Statutory financial reporting is a key duty for the organisation. Failure to have an unqualified audit opinion on the financial statements of the organisation would cause significant reputational damage.*
Financial Assessment	*No direct financial implications*
Quality, Safety and Patient Experience Assessment	*No direct implications.*
Equality and Diversity Impact Assessment (including child impact assessment)	*No adverse impact.*
Health and Care Standards	*Not applicable.*
Link to Integrated Medium Term Plan/Corporate Objectives	*Having an agreed IMTP is a core statutory financial duty which is disclosed in the financial statements.*
The Well-being of Future Generations (Wales) Act 2015 – 5 ways of working	*Not relevant.*
Glossary of New Terms	

Appendix 1
Audit, Finance & Risk Committee Meeting 18th May 2021

Draft Accounts - Questions and Comments

Cover Report

1. **WSCC/EASC - remaining increase in expenditure is due to what; is overall increase in line with planned budget?**

   All movements are in line with budget. The budget is based on WHSSC plan, which is approved by Chief Executives at Joint Committee.
   The spend covers individual service pressures with providers, service investments, the full year effect of service improvements from prior years and individual patient treatments.

2. **WSCC/EASC - is the increase in NICE Drugs due to increased activity or new drugs approved by NICE?**

   All NICE drugs are new, approved. The new NICE drugs have been rolled out by providers, so are driven by demand.

3. **WSCC/ EASC - is the increase of £2m in Service Growth in line with budget?**

   All movements are in line with budget. Budget is based on WHSSC plan, which is approved by Chief Executives at Joint Committee.

4. **CHC - what is value of Covid 19 expenditure funded by WG?**

   The increase in the Community CHC accruals relates to accruals for COVID placement and temporary uplift/void payments (re additional COVID funding received from WG)

	£000	
Specific CHC Covid funding received		
Support for Adult Social Care Providers	4,245	Letter 38
Community & Mental Health Covid Care Home Payments Q3/Q4	1,960	Letter 115
	6,205	Community £5,297k / Mental Health £908k
Other Covid Funding directed towards Continuing Healthcare		
Service Improvement funding	474	Letter 3 (part) - Mental Health
Sustainability funding	5,501	Letter 63 (part) - Mental Health
Other	26	Children
	12,206	

5. **CHC - what is the overall value of accrual for CHC compared with previous years?**

	2020/21 £000	2019/20 £000	2018/19 £000
Year end Accruals			
Community	- 10,133	- 6,198	- 7,658
Mental Health	- 5,725	- 4,200	- 4,570
Children	- 770	- 664	- 241
	- 16,628	- 11,063	- 12,468

The increase in the Community CHC accruals relates to accruals for COVID placement and temporary uplift/void payments (re additional COVID funding received from WG)

6. **Staff costs - what is covered by the Single Lead Employer £5m?**

The single lead employer is an agreement between the Health Bodies in Wales and Velindre University NHS Trust (on behalf of NHS Wales Shared Services Partnership (NWSSP)). The agreement is in relation to the employment of Foundation Doctors, Foundation dentists, Pre-registration Pharmacists, Medical and Dental Core Trainees and Speciality Medical and Dental Training Registrars and Specialty Practice General Practice Registrars in Wales.

The Health Education and Improvement Wales (Establishment and Constitution Order 2017 sets out Health Education and Improvement Wales (HEIW) principal function. HEIW must exercise their functions in relation to planning, commissioning and delivery of education and training for persons in the provision of health services. To ensure consistency of standards and develop a Wales wide approach to training it has been determined that all of the above training posts (referred to as 'Trainees) in Wales shall be employed by a single lead employer, NWSSP.

7. **Staff costs - why is pension contribution so much lower in 20-21 (£2m v £23m)?**

The first time this was reflected in the HB accounts was 2019/20 with a value of £23m. In 2020/21 it was £25m. The table is showing the movement between years.

8. **Staff costs does the table on page 5 of 12 include agency?**

Yes agency cots are included.

9. **Staff costs - the average salary costs of new permanent staff equates to £39.3K: how does this compare with the total average cost for total workforce and why is it different?**

See table below

	2020-21					2019-20							
Staff Group	Number	Expenditure	Agency	Expenditure incl. agency	Average cost per employee	Number	Expenditure	Agency	Expenditure incl. agency	Average cost per employee	Variance Number	Variance Total Costs	Variance Average Cost per employee
		£000	£000	£000	£000		£000	£000	£000	£000		£000	£000
Administrative, clerical and board members	2390	94,948	1,452	96,400	40.33	2270	82,426	172	82,598	36.39	120	13,802	3.95
Medical and dental	1179	140,019	9,512	149,531	126.83	1111	120,575	11,372	131,947	118.76	68	17,584	8.06
Nursing, midwifery registered	3825	192,651	18,090	210,741	55.10	3616	173,106	10,182	183,288	50.69	209	27,453	4.41
Professional, Scientific, and technical staff	456	26,214	310	26,524	58.17	427	22,665	280	22,945	53.74	29	3,579	4.43
Additional Clinical Services	2582	92,850	766	93,616	36.26	2322	76,812	254	77,066	33.19	260	16,550	3.07
Allied Health Professions	774	38,830	904	39,734	51.34	756	34,863	1,191	36,054	47.69	18	3,680	3.65
Healthcare Scientists	237	12,341	639	12,980	54.77	234	11,646	627	12,273	52.45	3	707	2.32
Estates and Ancilliary	1217	34,236	8,210	42,446	34.88	1092	32,063	1,526	33,589	30.76	125	8,857	4.12
Students	1	-				3	-				-2	-	0.00
Total	12661	632,089	39,883	671,972	53.07	11831	554,156	25,604	579,760	49.00	830	92,212	

10. Supplies and Services - was the increase in Premises Security planned and is it ongoing; what is the connection, if any, to the pandemic?

Answer to both 10 & 11 below.

11. Premises costs~ how do outturn costs in relation to GUH compare with the forecasts?

Outturn costs were slightly higher than forecast for premises security. The original GUH plan was to appoint substantive staff however due to pandemic situation, a security company was used.
The number of security staff used increased above original plans since additional security was used to man both the main entrance, Emergency Department/Children's Assessment entrance as well as provide support to facilitate the car parks.
The on-going aim is to eventually reduce these costs and move to using substantive staff.

12. Prompt payment policy - what is the cost of the Retinue contract and have cost savings been secured from reduction in the number of invoices?

The work undertaken by the Medical Staffing teams has not changed with the implementation of retinue as they are still required to log and confirm all of the shifts requested and worked. Any savings associated with the reduction in the number of invoices processed would be with the NWSSP Accounts payable team.

In 2020/21 the amount payable to Retinue for locums including yearend accruals equated to £8.4m.

13. Pensions tax annual allowance - how accurate is the value of £2.4m attributed to ABUHB?; do we know how many ABUHB staff are involved?

An estimated figure of £15.5M for Wales was calculated by the Government Actuary Department (GAD) using the same principles as those used by the GAD to calculate the impact in England. The estimate was made on the basis of the number of consultants in each Welsh health Body with the £15.5m being apportioned on the basis of numbers.

Since the submission of the draft accounts it has been concluded that there is insufficient data of take-up of the scheme by the Welsh clinical staff to enable a reasonable assessment of future take up to be made. As no reliable estimate can therefore be made to support the creation of a provision at 31 March 2021, the existence of an unqualified contingent liability is instead disclosed.

The appropriate note has been added to the contingent liability note in the accounts.

Draft Accounts

14. Note 3.1 - what is the reason for the negative amount (£5.2m) in non cash limited Pharmaceutical services?

Dispensing Costs

The Pharmacy payment (made on the 1st of each month) consists of 2 elements:

- Payments made to community pharmacies for dispensing prescriptions. These include payments for professional fees, establishment payments, and practice payments etc. under the Pharmacy Contract. These are charged to Cash Limited Pharmaceutical Services in Note 3.1;

- Payments for drugs and appliance costs, which includes the cost of drugs, consumables, container fees & VAT less discounts. These are charged to NCL Pharmaceutical Services in Note 3.1.

Prescribing Costs

Prescribing costs – the cost of prescriptions issued by GP Practices – are deducted from NCL Pharmaceutical Services costs and charged to Prescribed Drugs & Appliance Costs in Note 3.1.

WP10HP costs – the cost of prescriptions issued by hospitals but dispensed by community pharmacies – are deducted from NCL Pharmaceutical Services costs and charged to Clinical Supplies & Services in Note 3.3.

The NCL Pharmaceutical Services expenditure therefore relates to the difference between Prescribing costs & Dispensing costs.

15. Note 3.3. - Supplies and Services General has increased by £9.5m, what are the reasons?

Supplies & Services – General

Increase from £14.125m in 2019/20 to **£23.734m in 2020/21**. This is an increase in the year of **£9.609m**.
The Supplies & Services – General category includes expenditure on areas such as provisions and catering related expenditure, and also Clothing and Cleaning equipment. Staff Uniforms & Protective Clothing have seen an in-year increase of **£6.3m**.
£6m of this increase related to Covid-19 expenditure, as part of the Health Board's response to the pandemic, and ensuring that the necessary Protective Clothing was available to Front-line staff when required.
Further increases in this category related to a £1.2m increase on Premises Security. An element of this increase was in relation to security of the Grange University Hospital site upon it's opening in November. The vast majority of the increase, related to premises security for the Drive-Through Testing centres set up as part of the Health Board's response to the Covid-19 Pandemic. £460K was spent exclusively on the security for the Rodney Parade Stadium Testing centre.

Further Increases in this category relate to the following:
£500k increase in Cleaning Equipment & Materials, of which £100k related to expenditure on Covid-19, and a further £200k related supplies for the opening of GUH.
£350k increase in Bed & Linen: Non-disposable. The majority of this increase (£250k) related to Covid-19 expenditure. A Further £100k on GUH.
£800k increase on Other General Supplies & Services. £170k on the opening of GUH. £640k on Covid-19.
£250k on Refuse & Clinical Waste Contracts. £120k on Covid-19 and £130k on new contracts related to GUH.

16. Note 3.3 - there is no expenditure recorded for R&D, is this correct?
Included in other headings and a note to the account explains:

The Health Board spent £2.2m (£2.2m 2019/20) on Research and Development. The majority of this spend relates to staff £1.9m (£1.8m 2019/20) which along with the non-staff spend is reflected under the various headings within note 3.3.

17. Note 13 - What is the impairment ratio for GUH: is it in line with other recently commissioned assets such as YYF?

ABUHB Asset Under Construction Impairments

	GUH (includes PY 17/18 impairment)	YYF	YAB
Final AUC Value	£318,238,430.00	£162,556,033.95	£53,764,311.13
Impairment	£69,838,113.42	£46,340,564.90	£24,277,972.13
% Impairment / AUC Value	22%	29%	45%

Additional Audit, Finance & Risk Committee Questions

18. WHSSC/EASC queries covered in note 1, 2 & 3 above.

19. Premises Breakdown – additional information requested as to the full variance analysis for the £7.522m

Premises
Increase from £29.348m in 2019/20 to **£36.870m in 2020/21.** This is an increase in the year of **£7.522m.**

The Premises category includes expenditure on areas such as Utilities (Electricity, Gas, Water etc.), Business Rates and also the Rent charges for the Health Board's various sites. There was a significant increase of £1m on Electricity charges in the year, which was new costs in the year related to the opening of the Grange University Hospital. Other areas of expenditure under the Premises category include Computer and IT software costs, which increased by £3m. This increase was as a result of the one-off spend of £1.3m as part of the 111 Project set-up, an increase of £600K on Microsoft Licences, due to implementation of Microsoft Office 365 and a further £450K on costs related to the implementation of the Clinical Futures Programme.

Further Increases on Premises relate to the following:
Business Rates increases of £1m, of which £850k related to the opening of GUH, and other increases related to general Business rates increases over the other sites.
There was also a £1.5m increase on Minor Works costs, including £300k specifically related to Covid-19 pandemic works.

There was also an £800k increase in External Data contracts, of which half of this related to the increase in the PACS Radiology managed service contract.

ANEURIN BEVAN UNIVERSITY LOCAL HEALTH BOARD

FOREWORD

These accounts have been prepared by the Local Health Board under schedule 9 section 178 Para 3(1) of the National Health Service (Wales) Act 2006 (c.42) in the form in which the Welsh Ministers have, with the approval of the Treasury, directed.

Statutory background

The Local Health Board was established on 1st October 2009 following the merger of Gwent Healthcare NHS Trust and the following Local Health Boards.
Blaenau Gwent Local Health Board
Caerphilly Local Health Board
Monmouthshire Local Health Board
Newport Local Health Board
Torfaen Local Health Board

The Health Board covers the areas of Blaenau Gwent, Caerphilly, Monmouthshire, Newport and Torfaen with a population of approximately 600,000 people. The Health Board has an annual budget from the Welsh Government of just over £1.3 billion per year from which we plan and deliver services for the population of the Health Board area. The Health Board, as well as providing services locally, works in partnership to seek to improve health and well-being in the area, particularly through our partnership arrangements to respond to the Social Services and Well-Being Act and the Well Being of Future Generations Act.

Performance Management and Financial Results

Welsh Health Circular WHC/2016/054 replaces WHC/2015/014 'Statutory and Administrative Financial Duties of NHS Trusts and Local Health Boards' and further clarifies the statutory financial duties of NHS Wales bodies and is effective for 2020-21. The annual financial duty has been revoked and the statutory breakeven duty has reverted to a three year duty, with the first assessment of this duty in 2016-17.

Local Health Boards in Wales must comply fully with the Treasury's Financial Reporting Manual to the extent that it is applicable to them. As a result, the Primary Statement of in-year income and expenditure is the Statement of Comprehensive Net Expenditure, which shows the net operating cost incurred by the LHB which is funded by the Welsh Government. This funding is allocated on receipt directly to the General Fund in the Statement of Financial Position.

Under the National Health Services Finance (Wales) Act 2014, the annual requirement to achieve balance against Resource Limits has been replaced with a duty to ensure, in a rolling 3 year period, that its aggregate expenditure does not exceed its aggregate approved limits.

The Act came into effect from 1 April 2014 and under the Act the first assessment of the 3 year rolling financial duty took place at the end of 2016-17.

Statement of Comprehensive Net Expenditure for the year ended 31 March 2021

	Note	2020-21 £'000	2019-20 £'000
Expenditure on Primary Healthcare Services	3.1	**287,056**	276,914
Expenditure on healthcare from other providers	3.2	**417,804**	379,749
Expenditure on Hospital and Community Health Services	3.3	**951,356**	766,378
		1,656,216	1,423,041
Less: Miscellaneous Income	4	**(105,020)**	(103,895)
LHB net operating costs before interest and other gains and losses		**1,551,196**	1,319,146
Investment Revenue	5	**(17)**	(18)
Other (Gains) / Losses	6	**(43)**	(78)
Finance costs	7	**683**	753
Net operating costs for the financial year		**1,551,819**	**1,319,803**

See note 2 on page 27 for details of performance against Revenue and Capital allocations.

The notes on pages 8 to 74 form part of these accounts.

Other Comprehensive Net Expenditure

	2020-21	2019-20
	£'000	£'000
Net (gain) / loss on revaluation of property, plant and equipment	**(6,695)**	(1,737)
Net (gain) / loss on revaluation of intangibles	**0**	0
(Gain) / loss on other reserves	**0**	0
Net (gain)/ loss on revaluation of PPE & Intangible assets held for sale	**0**	0
Net (gain)/loss on revaluation of financial assets held for sale	**0**	0
Impairment and reversals	**0**	0
Transfers between reserves	**0**	0
Transfers to / (from) other bodies within the Resource Accounting Boundary	**0**	0
Reclassification adjustment on disposal of available for sale financial assets	**0**	0
Other comprehensive net expenditure for the year	**(6,695)**	(1,737)
Total comprehensive net expenditure for the year	**1,545,124**	1,318,066

The notes on pages 8 to 74 form part of these accounts.

Statement of Financial Position as at 31 March 2021

	Notes	31 March 2021 £'000	31 March 2020 £'000
Non-current assets			
Property, plant and equipment	11	**779,935**	760,424
Intangible assets	12	**6,595**	4,563
Trade and other receivables	15	**118,391**	148,912
Other financial assets	16	**554**	586
Total non-current assets		**905,475**	914,485
Current assets			
Inventories	14	**9,857**	9,486
Trade and other receivables	15	**95,887**	58,561
Other financial assets	16	**32**	31
Cash and cash equivalents	17	**1,821**	1,301
		107,597	69,379
Non-current assets classified as "Held for Sale"	11	**1,205**	1,131
Total current assets		**108,802**	70,510
Total assets		**1,014,277**	984,995
Current liabilities			
Trade and other payables	18	**(202,444)**	(144,924)
Other financial liabilities	19	**0**	0
Provisions	20	**(45,999)**	(18,372)
Total current liabilities		**(248,443)**	(163,296)
Net current assets/ (liabilities)		**(139,641)**	(92,786)
Non-current liabilities			
Trade and other payables	18	**(4,315)**	(5,226)
Other financial liabilities	19	**0**	0
Provisions	20	**(124,942)**	(155,459)
Total non-current liabilities		**(129,257)**	(160,685)
Total assets employed		**636,577**	661,014
Financed by :			
Taxpayers' equity			
General Fund		**512,572**	543,040
Revaluation reserve		**124,005**	117,974
Total taxpayers' equity		**636,577**	661,014

The financial statements on pages 2 to 7 were approved by the Board on 9th June 2021 and signed on its behalf by:

Chief Executive and Accountable Officer …….. Date: 9th June 2021

The notes on pages 8 to 74 form part of these accounts.

Statement of Changes in Taxpayers' Equity
For the year ended 31 March 2021

	General Fund £000s	Revaluation Reserve £000s	Total Reserves £000s
Changes in taxpayers' equity for 2020-21			
Balance at 1 April 2020	543,040	117,974	**661,014**
Net operating cost for the year	(1,551,819)		**(1,551,819)**
Net gain/(loss) on revaluation of property, plant and equipment	0	6,695	**6,695**
Net gain/(loss) on revaluation of intangible assets	0	0	**0**
Net gain/(loss) on revaluation of financial assets	0	0	**0**
Net gain/(loss) on revaluation of assets held for sale	0	0	**0**
Impairments and reversals	0	0	**0**
Other Reserve Movement	0	0	**0**
Transfers between reserves	664	(664)	**0**
Release of reserves to SoCNE	0	0	**0**
Transfers to/from LHBs	0	0	**0**
Total recognised income and expense for 2020-21	(1,551,155)	6,031	**(1,545,124)**
Net Welsh Government funding	1,495,498		**1,495,498**
Notional Welsh Government Funding	25,189		**25,189**
Balance at 31 March 2021	512,572	124,005	**636,577**
Included in Net Welsh Government Funding:			
Welsh Government Covid 19 Capital Funding	18,261		**18,261**
Welsh Government Covid 19 Revenue Funding	142,557		**142,557**

The notes on pages 8 to 74 form part of these accounts.

Statement of Changes in Taxpayers' Equity
For the year ended 31 March 2020

	General Fund £000s	Revaluation Reserve £000s	Total Reserves £000s
Changes in taxpayers' equity for 2019-20			
Balance at 1 April 2019	430,993	117,518	**548,511**
Net operating cost for the year	(1,319,803)		**(1,319,803)**
Net gain/(loss) on revaluation of property, plant and equipment	0	1,737	**1,737**
Net gain/(loss) on revaluation of intangible assets	0	0	**0**
Net gain/(loss) on revaluation of financial assets	0	0	**0**
Net gain/(loss) on revaluation of assets held for sale	0	0	**0**
Impairments and reversals	0	0	**0**
Other reserve movement	0	0	**0**
Transfers between reserves	1,281	(1,281)	**0**
Release of reserves to SoCNE	0	0	**0**
Transfers to/from LHBs	0	0	**0**
Total recognised income and expense for 2019-20	(1,318,522)	456	**(1,318,066)**
Net Welsh Government funding	1,407,584		**1,407,584**
Notional Welsh Government Funding	22,985		**22,985**
Balance at 31 March 2020	543,040	117,974	**661,014**

The notes on pages 8 to 74 form part of these accounts.

Statement of Cash Flows for year ended 31 March 2021

	Notes	2020-21 £'000	2019-20 £'000
Cash Flows from operating activities			
Net operating cost for the financial year		**(1,551,819)**	(1,319,803)
Movements in Working Capital	27	**52,668**	(40,771)
Other cash flow adjustments	28	**123,531**	97,738
Provisions utilised	20	**(12,352)**	(11,006)
Net cash outflow from operating activities		**(1,387,972)**	(1,273,842)
Cash Flows from investing activities			
Purchase of property, plant and equipment		**(104,378)**	(130,693)
Proceeds from disposal of property, plant and equipment		**927**	633
Purchase of intangible assets		**(2,723)**	(2,833)
Proceeds from disposal of intangible assets		**0**	0
Payment for other financial assets		**0**	0
Proceeds from disposal of other financial assets		**0**	0
Payment for other assets		**0**	0
Proceeds from disposal of other assets		**0**	0
Net cash inflow/(outflow) from investing activities		**(106,174)**	(132,893)
Net cash inflow/(outflow) before financing		**(1,494,146)**	(1,406,735)
Cash Flows from financing activities			
Welsh Government funding (including capital)		**1,495,498**	1,407,584
Capital receipts surrendered		**0**	0
Capital grants received		**0**	93
Capital element of payments in respect of finance leases and on-SoFP PFI Schemes		**(832)**	(625)
Cash transferred (to)/ from other NHS bodies		**0**	0
Net financing		**1,494,666**	1,407,052
Net increase/(decrease) in cash and cash equivalents		**520**	317
Cash and cash equivalents (and bank overdrafts) at 1 April 2020		**1,301**	984
Cash and cash equivalents (and bank overdrafts) at 31 March 2021		**1,821**	1,301

The notes on pages 8 to 74 form part of these accounts.

Notes to the Accounts

1. Accounting policies

The Minister for Health and Social Services has directed that the financial statements of Local Health Boards (LHB) in Wales shall meet the accounting requirements of the NHS Wales Manual for Accounts. Consequently, the following financial statements have been prepared in accordance with the 2020-21 Manual for Accounts. The accounting policies contained in that manual follow the 2020-21 Financial Reporting Manual (FReM) in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006, except for IFRS 16 Leases, which is deferred until 1 April 2022; to the extent that they are meaningful and appropriate to the NHS in Wales.

Where the LHB Manual for Accounts permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the LHB for the purpose of giving a true and fair view has been selected. The particular policies adopted by the LHB are described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

1.1. Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets and inventories.

1.2. Acquisitions and discontinued operations

Activities are considered to be ‘acquired’ only if they are taken on from outside the public sector. Activities are considered to be ‘discontinued’ only if they cease entirely. They are not considered to be ‘discontinued’ if they transfer from one public sector body to another.

1.3. Income and funding

The main source of funding for the LHBs are allocations (Welsh Government funding) from the Welsh Government within an approved cash limit, which is credited to the General Fund of the LHB. Welsh Government funding is recognised in the financial period in which the cash is received.

Non-discretionary funding outside the Revenue Resource Limit is allocated to match actual expenditure incurred for the provision of specific pharmaceutical, or ophthalmic services identified by the Welsh Government. Non-discretionary expenditure is disclosed in the accounts and deducted from operating costs charged against the Revenue Resource Limit.

Funding for the acquisition of fixed assets received from the Welsh Government is credited to the General Fund.

Miscellaneous income is income which relates directly to the operating activities of the LHB and is not funded directly by the Welsh Government. This includes payment for services uniquely provided by the LHB for the Welsh Government such as funding provided to agencies and non-activity costs incurred by the LHB in its provider role. Income received from LHBs transacting with other LHBs is always treated as miscellaneous income.

From 2018-19, IFRS 15 Revenue from Contracts with Customers has been applied, as interpreted and adapted for the public sector, in the FREM. It replaces the previous standards IAS 11 Construction Contracts and IAS 18 Revenue and related IFRIC and SIC interpretations. The potential amendments identified as a result of the adoption of IFRS 15 are significantly below materiality levels.

Income is accounted for applying the accruals convention. Income is recognised in the period in which services are provided. Where income had been received from third parties for a specific activity to be delivered in the following financial year, that income will be deferred.

Only non-NHS income may be deferred.

1.4. Employee benefits

1.4.1. Short-term employee benefits

Salaries, wages and employment-related payments are recognised in the period in which the service is received from employees. The cost of leave earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry forward leave into the following period.

1.4.2. Retirement benefit costs

Past and present employees are covered by the provisions of the NHS Pensions Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, General Practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period.

The latest NHS Pension Scheme valuation results indicated that an increase in benefit required a 6.3% increase (14.38% to 20.68%) which was implemented from 1 April 2019.

As an organisation within the full funding scope, the joint (in NHS England and NHS Wales) transitional arrangement operated from 2019-20 where employers in the Scheme would continue to pay 14.38% employer contributions under their normal monthly payment process, in Wales the additional 6.3% being funded by Welsh Government directly to the Pension Scheme administrator, the NHS Business Services Authority (BSA the NHS Pensions Agency).

However, NHS Wales' organisations are required to account for **their staff** employer contributions of 20.68% in full and on a gross basis, in their annual accounts. Payments made on their behalf by Welsh Government are accounted for on a notional basis. For detailed information see Note 34 within these accounts.

For early retirements other than those due to ill health the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to expenditure at the time the NHS Wales organisation commits itself to the retirement, regardless of the method of payment.

Where employees are members of the Local Government Superannuation Scheme, which is a defined benefit pension scheme this is disclosed. The scheme assets and liabilities attributable to those employees can be identified and are recognised in the NHS Wales organisation’s accounts. The assets are measured at fair value and the liabilities at the present value of the future obligations. The increase in the liability arising from pensionable service earned during the year is recognised within operating expenses. The expected gain during the year from scheme assets is recognised within finance income. The interest cost during the year arising from the unwinding of the discount on the scheme liabilities is recognised within finance costs.

1.4.3. NEST Pension Scheme

An alternative pensions scheme for employees not eligible to join the NHS Pensions scheme has to be offered. The NEST (National Employment Savings Trust) Pension scheme is a defined contribution scheme and therefore the cost to the NHS body of participating in the scheme is equal to the contributions payable to the scheme for the accounting period.

1.5. Other expenses

Other operating expenses for goods or services are recognised when, and to the extent that, they have been received. They are measured at the fair value of the consideration payable.

1.6. Property, plant and equipment

1.6.1. Recognition

Property, plant and equipment is capitalised if:

● it is held for use in delivering services or for administrative purposes;

● it is probable that future economic benefits will flow to, or service potential will be supplied to, the NHS Wales organisation;

● it is expected to be used for more than one financial year;

● the cost of the item can be measured reliably; and

● the item has cost of at least £5,000; or

● Collectively, a number of items have a cost of at least £5,000 and individually have a cost of more than £250, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or

● Items form part of the initial equipping and setting-up cost of a new building, ward or unit, irrespective of their individual or collective cost.

Where a large asset, for example a building, includes a number of components with significantly different asset lives, the components are treated as separate assets and depreciated over their own useful economic lives.

1.6.2. Valuation

All property, plant and equipment are measured initially at cost, representing the cost directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management.

Land and buildings used for services or for administrative purposes are stated in the Statement of Financial Position (SoFP) at their revalued amounts, being the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses. Revaluations are performed with sufficient regularity to ensure that carrying amounts are not materially different from those that would be determined at the end of the reporting period. Fair values are determined as follows:

● Land and non-specialised buildings – market value for existing use

● Specialised buildings – depreciated replacement cost

HM Treasury has adopted a standard approach to depreciated replacement cost valuations based on modern equivalent assets and, where it would meet the location requirements of the service being provided, an alternative site can be valued. NHS Wales' organisations have applied these new valuation requirements from 1 April 2009.

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees but not borrowing costs, which are recognised as expenses immediately, as allowed by IAS 23 for assets held at fair value. Assets are revalued and depreciation commences when they are brought into use.

In 2017-18 a formal revaluation exercise was applied to land and properties. The carrying value of existing assets at that date will be written off over their remaining useful lives and new fixtures and equipment are carried at depreciated historic cost as this is not considered to be materially different from fair value.

An increase arising on revaluation is taken to the revaluation reserve except when it reverses an impairment for the same asset previously recognised in expenditure, in which case it is credited to expenditure to the extent of the decrease previously charged there. A revaluation decrease that does not result from a loss of economic value or service potential is recognised as an impairment charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to expenditure. Impairment losses that arise from a clear consumption of economic benefit should be taken to expenditure.

References in IAS 36 to the recognition of an impairment loss of a revalued asset being treated as a revaluation decrease to the extent that the impairment does not exceed the amount in the revaluation surplus for the same asset, are adapted such that only those impairment losses that do not result from a clear consumption of economic benefit or reduction of service potential (including as a result of loss or damage resulting from normal business operations) should be taken to the revaluation reserve. Impairment losses that arise from a clear consumption of economic benefit should be taken to the Statement of Comprehensive Net Expenditure (SoCNE).

From 2015-16, IFRS 13 Fair Value Measurement must be complied with in full. However IAS 16 and IAS 38 have been adapted for the public sector context which limits the circumstances under which a valuation is prepared under IFRS 13. Assets which are held for their service potential and are in use should be measured at their current value in existing use. For specialised assets current value in existing use should be interpreted as the present value of the assets remaining service potential, which can be assumed to be at least equal to the cost of replacing that service potential. Where there is no single class of asset that falls within IFRS 13, disclosures should be for material items only.

In accordance with the adaptation of IAS 16 in table 6.2 of the FReM, for non-specialised assets in operational use, current value in existing use is interpreted as market value for existing use which is defined in the RICS Red Book as Existing Use Value (EUV).

Assets which were most recently held for their service potential but are surplus should be valued at current value in existing use, if there are restrictions on the NHS organisation or the asset which would prevent access to the market at the reporting date. If the NHS organisation could access the market then the surplus asset should be used at fair value using IFRS 13. In determining whether such an asset which is not in use is surplus, an assessment should be made on whether there is a clear plan to bring the asset back into use as an operational asset. Where there is a clear plan, the asset is not surplus and the current value in existing use should be maintained. Otherwise the asset should be assessed as being surplus and valued under IFRS13.

Assets which are not held for their service potential should be valued in accordance with IFRS 5 or IAS 40 depending on whether the asset is actively held for sale. Where an asset is not being used to deliver services and there is no plan to bring it back into use, with no restrictions on sale, and it does not meet the IAS 40 and IFRS 5 criteria, these assets are surplus and are valued at fair value using IFRS 13.

1.6.3. Subsequent expenditure

Where subsequent expenditure enhances an asset beyond its original specification, the directly attributable cost is capitalised. Where subsequent expenditure restores the asset to its original specification, the expenditure is capitalised and any carrying value of the item replaced is written-out and charged to the SoCNE. As highlighted in previous years the NHS in Wales does not have systems in place to ensure that all items being "replaced" can be identified and hence the cost involved to be quantified. The NHS in Wales has thus established a national protocol to ensure it complies with the standard as far as it is able to which is outlined in the capital accounting chapter of the Manual For Accounts. This dictates that to ensure that asset carrying values are not materially overstated. For All Wales Capital Schemes that are completed in a financial year, NHS Wales organisations are required to obtain a revaluation during that year (prior to them being brought into use) and also similar revaluations are needed for all Discretionary Building Schemes completed which have a spend greater than £0.5m. The write downs so identified are then charged to operating expenses.

1.7. Intangible assets

1.7.1. Recognition

Intangible assets are non-monetary assets without physical substance, which are capable of sale separately from the rest of the business or which arise from contractual or other legal rights. They are recognised only when it is probable that future economic benefits will flow to, or service potential be provided to, the NHS Wales organisation; where the cost of the asset can be measured reliably, and where the cost is at least £5,000.

Intangible assets acquired separately are initially recognised at fair value. Software that is integral to the operating of hardware, for example an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software that is not integral to the operation of hardware, for example application software, is capitalised as an intangible asset. Expenditure on research is not capitalised: it is recognised as an operating expense in the period in which it is incurred. Internally-generated assets are recognised if, and only if, all of the following have been demonstrated:

● the technical feasibility of completing the intangible asset so that it will be available for use.

● the intention to complete the intangible asset and use it.

● the ability to use the intangible asset.

● how the intangible asset will generate probable future economic benefits.

● the availability of adequate technical, financial and other resources to complete the intangible asset and use it.

● the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Measurement

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the criteria above are initially met. Where no internally-generated intangible asset can be recognised, the expenditure is recognised in the period in which it is incurred.

Following initial recognition, intangible assets are carried at fair value by reference to an active market, or, where no active market exists, at amortised replacement cost (modern equivalent assets basis), indexed for relevant price increases, as a proxy for fair value. Internally-developed software is held at historic cost to reflect the opposing effects of increases in development costs and technological advances.

1.8. Depreciation, amortisation and impairments

Freehold land, assets under construction and assets held for sale are not depreciated.

Otherwise, depreciation and amortisation are charged to write off the costs or valuation of property, plant and equipment and intangible non-current assets, less any residual value, over their estimated useful lives, in a manner that reflects the consumption of economic benefits or service potential of the assets. The estimated useful life of an asset is the period over which the NHS Wales Organisation expects to obtain economic benefits or service potential from the asset. This is specific to the NHS Wales organisation and may be shorter than the physical life of the asset itself. Estimated useful lives and residual values are reviewed each year end, with the effect of any changes recognised on a prospective basis. Assets held under finance leases are depreciated over the shorter of the lease term and estimated useful lives.

At each reporting period end, the LHB checks whether there is any indication that any of its tangible or intangible non-current assets have suffered an impairment loss. If there is indication of an impairment loss, the recoverable amount of the asset is estimated to determine whether there has been a loss and, if so, its amount. Intangible assets not yet available for use are tested for impairment annually.

Impairment losses that do not result from a loss of economic value or service potential are taken to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to the SoCNE. Impairment losses that arise from a clear consumption of economic benefit are taken to the SoCNE. The balance on any revaluation reserve (up to the level of the impairment) to which the impairment would have been charged under IAS 36 are transferred to retained earnings.

1.9. Research and Development

Research and development expenditure is charged to operating costs in the year in which it is incurred, except insofar as it relates to a clearly defined project, which can be separated from patient care activity and benefits there from can reasonably be regarded as assured. Expenditure so deferred is limited to the value of future benefits expected and is amortised through the SoCNE on a systematic basis over the period expected to benefit from the project.

1.10 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met when the sale is highly probable, the asset is available for immediate sale in its present condition and management is committed to the sale, which is expected to qualify for recognition as a completed sale,

within one year from the date of classification. Non-current assets held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Fair value is open market value including alternative uses.

The profit or loss arising on disposal of an asset is the difference between the sale proceeds and the carrying amount and is recognised in the SoCNE. On disposal, the balance for the asset on the revaluation reserve, is transferred to the General Fund.

Property, plant and equipment that is to be scrapped or demolished does not qualify for recognition as held for sale. Instead it is retained as an operational asset and its economic life adjusted. The asset is derecognised when it is scrapped or demolished.

1.11. Leases

Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

1.11.1. The LHB as lessee

Property, plant and equipment held under finance leases are initially recognised, at the inception of the lease, at fair value or, if lower, at the present value of the minimum lease payments, with a matching liability for the lease obligation to the lessor. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the SoCNE.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised initially as a liability and subsequently as a reduction of rentals on a straight-line basis over the lease term. Contingent rentals are recognised as an expense in the period in which they are incurred.

Where a lease is for land and buildings, the land and building components are separated and individually assessed as to whether they are operating or finance leases.

1.11.2. The LHB as lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of the NHS Wales organisation net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the NHS Wales organisation’s net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

1.12. Inventories

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

considered to be a reasonable approximation to fair value due to the high turnover of stocks. Work-in-progress comprises goods in intermediate stages of production. Partially completed contracts for patient services are not accounted for as work-in-progress.

1.13. Cash and cash equivalents

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value. In the Statement of Cash flows (SoCF), cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and that form an integral part of the cash management.

1.14. Provisions

Provisions are recognised when the LHB has a present legal or constructive obligation as a result of a past event, it is probable that the LHB will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties. Where a provision is measured using the cash flows estimated to settle the obligation, its carrying amount is the present value of those cash flows using the discount rate supplied by HM Treasury.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursements will be received and the amount of the receivable can be measured reliably.

Present obligations arising under onerous contracts are recognised and measured as a provision. An onerous contract is considered to exist where the LHB has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

A restructuring provision is recognised when the LHB has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with ongoing activities of the entity.

1.14.1. Clinical negligence and personal injury costs

The Welsh Risk Pool Services (WRPS) operates a risk pooling scheme which is co-funded by the Welsh Government with the option to access a risk sharing agreement funded by the participative NHS Wales bodies. The risk sharing option was implemented in both 2020-21 and 2019-20. The WRP is hosted by Velindre NHS Trust.

1.14.2. Future Liability Scheme (FLS) - General Medical Practice Indemnity (GMPI)

The FLS is a state backed scheme to provide clinical negligence General Medical Practice Indemnity (GMPI) for providers of GMP services in Wales.

In March 2019, the Minister issued a Direction to Velindre NHS Trust to enable Legal and Risk Services to operate the Scheme. The GMPI is underpinned by new secondary legislation, The NHS (Clinical Negligence Scheme) (Wales) Regulations 2019 which came into force on 1 April 2019.

GMP Service Providers are not direct members of the GMPI FLS, their qualifying liabilities are the subject of an arrangement between them and their relevant LHB, which is a member of the scheme. The qualifying reimbursements to the LHB are not subject to the £25,000 excess.

1.15. Financial Instruments

From 2018-19 IFRS 9 Financial Instruments has applied, as interpreted and adapted for the public sector, in the FReM. The principal impact of IFRS 9 adoption by NHS Wales' organisations, was to change the calculation basis for bad debt provisions, changing from an incurred loss basis to a lifetime expected credit loss (ECL) basis.

All entities applying the FReM recognised the difference between previous carrying amount and the carrying amount at the beginning of the annual reporting period that included the date of initial application in the opening general fund within Taxpayer's equity.

1.16. Financial assets

Financial assets are recognised on the SoFP when the NHS Wales organisation becomes party to the financial instrument contract or, in the case of trade receivables, when the goods or services have been delivered. Financial assets are derecognised when the contractual rights have expired or the asset has been transferred.

The accounting policy choice allowed under IFRS 9 for long term trade receivables, contract assets which do contain a significant financing component (in accordance with IFRS 15), and lease receivables within the scope of IAS 17 has been withdrawn and entities should always recognise a loss allowance at an amount equal to lifetime Expected Credit Losses. All entities applying the FReM should utilise IFRS 9's simplified approach to impairment for relevant assets.

IFRS 9 requirements required a revised approach for the calculation of the bad debt provision, applying the principles of expected credit loss, using the practical expedients within IFRS 9 to construct a provision matrix.

1.16.1. Financial assets are initially recognised at fair value

Financial assets are classified into the following categories: financial assets 'at fair value through SoCNE'; 'held to maturity investments'; 'available for sale' financial assets, and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

1.16.2. Financial assets at fair value through SoCNE

Embedded derivatives that have different risks and characteristics to their host contracts, and contracts with embedded derivatives whose separate value cannot be ascertained, are treated as financial assets at fair value through SoCNE. They are held at fair value, with any resultant gain or loss recognised in the SoCNE. The net gain or loss incorporates any interest earned on the financial asset.

1.16.3 Held to maturity investments

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity, and there is a positive intention and ability to hold to maturity. After initial recognition, they are held at amortised cost using the effective interest method, less any impairment. Interest is recognised using the effective interest method.

1.16.4. Available for sale financial assets

Available for sale financial assets are non-derivative financial assets that are designated as available for sale or that do not fall within any of the other three financial asset classifications. They are measured at fair value with changes in value taken to the revaluation reserve, with the exception of impairment losses. Accumulated gains or losses are recycled to the SoCNE on de-recognition.

1.16.5. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. After initial recognition, they are measured at amortised cost using the effective interest method, less any impairment. Interest is recognised using the effective interest method.

Fair value is determined by reference to quoted market prices where possible, otherwise by valuation techniques.

The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, to the net carrying amount of the financial asset.

At the SOFP date, the LHB assesses whether any financial assets, other than those held at ‘fair value through profit and loss’ are impaired. Financial assets are impaired and impairment losses recognised if there is objective evidence of impairment as a result of one or more events which occurred after the initial recognition of the asset and which has an impact on the estimated future cash flows of the asset.

For financial assets carried at amortised cost, the amount of the impairment loss is measured as the difference between the asset’s carrying amount and the present value of the revised future cash flows discounted at the asset’s original effective interest rate. The loss is recognised in the SoCNE and the carrying amount of the asset is reduced directly, or through a provision of impairment of receivables.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the SoCNE to the extent that the carrying amount of the receivable at the date of the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

1.17. Financial liabilities

Financial liabilities are recognised on the SOFP when the LHB becomes party to the contractual provisions of the financial instrument or, in the case of trade payables, when the goods or services have been received. Financial liabilities are de-recognised when the liability has been discharged, that is, the liability has been paid or has expired.

1.17.1. Financial liabilities are initially recognised at fair value

Financial liabilities are classified as either financial liabilities at fair value through the SoCNE or other financial liabilities.

1.17.2. Financial liabilities at fair value through the SoCNE

Embedded derivatives that have different risks and characteristics to their host contracts, and contracts with embedded derivatives whose separate value cannot be ascertained, are treated as financial liabilities at fair value through profit and loss. They are held at fair value, with any resultant gain or loss recognised in the SoCNE. The net gain or loss incorporates any interest earned on the financial asset.

1.17.3. Other financial liabilities

After initial recognition, all other financial liabilities are measured at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments through the life of the asset, to the net carrying amount of the financial liability. Interest is recognised using the effective interest method.

1.18. Value Added Tax (VAT)

Most of the activities of the LHB are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

1.19. Foreign currencies

Transactions denominated in a foreign currency are translated into sterling at the exchange rate ruling on the dates of the transactions. Resulting exchange gains and losses are taken to the SoCNE. At the SoFP date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the reporting date.

1.20. Third party assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the NHS Wales organisation has no beneficial interest in them. Details of third party assets are given in Note 31 to the accounts.

1.21. Losses and Special Payments

Losses and special payments are items that the Welsh Government would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way each individual case is handled.

Losses and special payments are charged to the relevant functional headings in the SoCNE on an accruals basis, including losses which would have been made good through insurance cover had the NHS Wales organisation not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure). However, the note on losses and special payments is compiled directly from the losses register which is prepared on a cash basis.

The LHB accounts for all losses and special payments gross (including assistance from the WRP).

The LHB accrues or provides for the best estimate of future pay-outs for certain liabilities and discloses all other potential payments as contingent liabilities, unless the probability of the liabilities becoming payable is remote.

All claims for losses and special payments are provided for, where the probability of settlement of an individual claim is over 50%. Where reliable estimates can be made, incidents of clinical negligence against which a claim has not, as yet, been received are provided in the same way. Expected reimbursements from the WRP are included in debtors. For those claims where the probability of settlement is between 5- 50%, the liability is disclosed as a contingent liability.

1.22. Pooled budget

The LHB has entered into pooled budgets with Local Authorities. Under the arrangements funds are pooled in accordance with section 33 of the NHS (Wales) Act 2006 for specific activities defined in the Pooled budget Note.

The pool budget is hosted by one organisation. Payments for services provided are accounted for as miscellaneous income. The LHB accounts for its share of the assets, liabilities, income and expenditure from the activities of the pooled budget, in accordance with the pooled budget arrangement.

Monmouthshire County Council - Monnow Vale Health and Social Care Unit
Funds are pooled for the provision of health and social care inpatient, outpatient, clinic and day care facilities to individuals who have medical, social, community or rehabilitation needs. The pool is hosted by Aneurin Bevan University Local Health Board. The financial operation of the pool is governed by a pooled budget agreement between the Local Health Board and Monmouthshire County Council. The income from Monmouthshire County Council is recorded as Local Authority Income in these accounts.

Expenditure for services provided under the arrangement is recorded under the appropriate expense headings in these accounts.

The property in which the unit is housed has been provided by a Private Finance Partner; the contract with the PFI partner is for 30 years and is categorised as an on balance sheet PFI scheme with the HB recognising **72%** of the property - see Note 32 of these accounts for further details.

The five Local Authorities in Gwent - Gwent Wide Integrated Community Equipment Service
Funds are pooled for the provision of an efficient and effective GWICES (Gwent Wide Integrated Community Equipment Service) to service users who are resident in the partner localities. The pool is hosted by Torfaen County Borough Council. The Health Board makes a financial contribution to the scheme but does not account for the schemes expenditure or assets/liabilities generated by this expenditure.

The financial operation of the pool is governed by a pooled budget agreement between the bodies listed above and the Health Board. Payments for services provided by the host body, Torfaen County Borough Council, are accounted for as expenditure within these accounts.

Monmouthshire County Council - Mardy Park Rehabilitation Centre
Funds are pooled for the provision of care to individuals who have rehabilitation needs. The LHB has entered into a pooled budget with Monmouthshire County Council. The pool is hosted by Monmouthshire County Council.

The five Local Authorities in Gwent - Gwent Frailty Programme
Funds are pooled for the purpose of establishing a consistent service across Gwent. The pool is hosted by Caerphilly County Borough Council , as lead commissioner. The financial operation of the pool is governed by a pooled budget agreement between the bodies listed above and the Health Board. Payments for services provided by the host body, Caerphilly County Borough Council, are accounted for as expenditure within these accounts. Additional information is provided in Note 32.

The five Local Authorities in Gwent and ABUHB – A pooled Fund for Care Home Accommodation functions for Older People
Statutory Directions issued under section 169 of the Social Services and Wellbeing (Wales) Act 2014 required Partnership Bodies to enter into partnership arrangements and for the establishment and maintenance of pooled funds from April 2018, for the exercise of their Care Home Accommodation Functions.

The overarching strategic aim of this Agreement is: -
- To ensure coordinated arrangements for ensuring an integrated approach across the Partnership to the commissioning and arranging for Care Home Accommodation for Older People.
- To ensure provision of high quality, cost effective Care Home Accommodation which meets local health and social care needs, through the establishment of a pooled fund
- To develop a managed market approach to the supply of quality provision to meets the needs of Older People Care Home Accommodation.

Funds are pooled for the provision and commissioning of specified services for older people (>65 years of age) in a care home setting in Gwent. The pool has been hosted by Torfaen County Borough Council since August 2018.

The Health Board makes a financial contribution to the scheme equivalent to actual expenditure incurred in commissioning related placements in homes during the year, but in addition does incur minimal costs associated with a share of the services provided by the host organisation and these are accounted for as expenditure within these accounts.

1.23. Critical Accounting Judgements and key sources of estimation uncertainty

In the application of the accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates. The estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or the period of the revision and future periods if the revision affects both current and future periods.

1.24. Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the SoFP date, that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Significant estimations are made in relation to on-going clinical negligence and personal injury claims. Assumptions as to the likely outcome, the potential liabilities and the timings of these litigation claims are provided by independent legal advisors. Any material changes in liabilities associated with these claims would be recoverable from the Welsh Risk Pool.

Significant estimations are also made for continuing care costs resulting from claims post 1 April 2003. An assessment of likely outcomes, potential liabilities and timings of these claims are made on a case by case basis. Material changes associated with these claims would be adjusted in the period in which they are revised.

Estimates are also made for contracted primary care services. These estimates are based on the latest payment levels. Changes associated with these liabilities are adjusted in the following reporting period.

In line with International Accounting Standard (IAS)19, the Health Board has included in its accounts an accrual for untaken annual leave as at 31st March 2021. The impact of COVID-19 has had a significant impact on the ability of staff to take annual leave during 2020-21. The accrual is reflected in notes 3.1, 3.3 and 9.1 to the accounts.

1.24.1. Provisions

The LHB provides for legal or constructive obligations for clinical negligence, personal injury and defence costs that are of uncertain timing or amount at the balance sheet date on the basis of the best estimate of the expenditure required to settle the obligation.

Claims are funded via the Welsh Risk Pool Services (WRPS) which receives an annual allocation from Welsh Government to cover the cost of reimbursement requests submitted to the bi-monthly WRPS Committee. Following settlement to individual claimants by the NHS Wales organisation, the full cost is recognised in year and matched to income (less a £25K excess) via a WRPS debtor, until reimbursement has been received from the WRPS Committee.

1.24.2. Probable & Certain Cases – Accounting Treatment

A provision for these cases is calculated in accordance with IAS 37. Cases are assessed and divided into four categories according to their probability of settlement;

Remote	Probability of Settlement	0 – 5%
	Accounting Treatment	Contingent Liability.
Possible	Probability of Settlement	6% - 49%
	Accounting Treatment	Defence Fee - Provision*
	Contingent Liability for all other estimated expenditure.	
Probable	Probability of Settlement	50% - 94%
	Accounting Treatment	Full Provision
Certain	Probability of Settlement	95% - 100%
	Accounting Treatment	Full Provision

** Personal injury cases - Defence fee costs are provided for at 100%.*

The provision for probable and certain cases is based on case estimates of individual reported claims received by Legal & Risk Services within NHS Wales Shared Services Partnership.

The solicitor will estimate the case value including defence fees, using professional judgement and from obtaining counsel advice. Valuations are then discounted for the future loss elements using individual life expectancies and the Government Actuary's Department actuarial tables (Ogden tables) and Personal Injury Discount Rate of minus 0.25%.

Future liabilities for certain & probable cases with a probability of 95%-100% and 50%- 94% respectively are held as a provision on the balance sheet. Cases typically take a number of years to settle, particularly for high value cases where a period of development is necessary to establish the full extent of the injury caused.

The Health Board has provided for some £163m (£168m 2019/20) within note 20 in respect of potential clinical negligence and personal injury claims and associated defence fees. These provisions have been arrived at on the advice of NHS Wales Shared Services Partnership - Legal & Risk Services. Given the nature of such claims this figure could be subject to significant change in future periods. However, the potential financial effect of such uncertainty is mitigated by the fact that the LHB's ultimate liability in respect of individual cases is capped at £0.025m, with amounts above this excess level being reimbursed by the Welsh Risk Pool.

The Health Board has estimated a liability of £0.458m (£0.289m 2019/20) in respect of retrospective claims for Continuing Health Care funding. The estimated provision is based upon an assessment of the likelihood of claims meeting criteria for continuing health care and the actual costs incurred by individuals in care homes. The provision is based on information made available to the Health Board at the time of these accounts and could be subject to significant change as outcomes are determined. Aneurin Bevan University Local Health Board has reviewed its portfolio of outstanding claims for continuing healthcare and made an assessment of likely financial liability based on an estimated success factor, eligibility factor and expected weekly average costs of claims. The assumptions have been derived by reviewing a sample of claims.

Primary care expenditure includes estimates for areas which are paid in arrears and not finalised at the time of producing the accounts. These estimates relate to GMS Quality Assurance and Improvement Framework, GMS Enhanced Services, and pharmacy estimates, which are based on an assessment of likely final performance.

1.25 Private Finance Initiative (PFI) transactions

HM Treasury has determined that government bodies shall account for infrastructure PFI schemes where the government body controls the use of the infrastructure and the residual interest in the infrastructure at the end of the arrangement as service concession arrangements, following the principles of the requirements of IFRIC 12. The NHS Wales organisation therefore recognises the PFI asset as an item of property, plant and equipment together with a liability to pay for it. The services received under the contract are recorded as operating expenses.

The annual unitary payment is separated into the following component parts, using appropriate estimation techniques where necessary:

a) Payment for the fair value of services received;

b) Payment for the PFI asset, including finance costs; and

c) Payment for the replacement of components of the asset during the contract 'lifecycle replacement'.

1.25.1. Services received

The fair value of services received in the year is recorded under the relevant expenditure headings within 'operating expenses'.

1.25.2. PFI asset

The PFI assets are recognised as property, plant and equipment, when they come into use. The assets are measured initially at fair value in accordance with the principles of IAS 17. Subsequently, the assets are measured at fair value, which is kept up to date in accordance with the NHS Wales organisation's approach for each relevant class of asset in accordance with the principles of IAS 16.

1.25.2. PFI liability

A PFI liability is recognised at the same time as the PFI assets are recognised. It is measured initially at the same amount as the fair value of the PFI assets and is subsequently measured as a finance lease liability in accordance with IAS 17.

An annual finance cost is calculated by applying the implicit interest rate in the lease to the opening lease liability for the period, and is charged to 'Finance Costs' within the SoCNE.

The element of the annual unitary payment that is allocated as a finance lease rental is applied to meet the annual finance cost and to repay the lease liability over the contract term.

An element of the annual unitary payment increase due to cumulative indexation is allocated to the finance lease. In accordance with IAS 17, this amount is not included in the minimum lease payments, but is instead treated as contingent rent and is expensed as incurred. In substance, this amount is a finance cost in respect of the liability and the expense is presented as a contingent finance cost in the SoCNE.

1.25.3. Lifecycle replacement

Components of the asset replaced by the operator during the contract ('lifecycle replacement') are capitalised where they meet the NHS Wales organisation's criteria for capital expenditure. They are capitalised at the time they are provided by the operator and are measured initially at their fair value.

The element of the annual unitary payment allocated to lifecycle replacement is pre-determined for each year of the contract from the operator's planned programme of lifecycle replacement. Where the lifecycle component is provided earlier or later than expected, a short-term finance lease liability or prepayment is recognised respectively.

Where the fair value of the lifecycle component is less than the amount determined in the contract, the difference is recognised as an expense when the replacement is provided. If the fair value is greater than the amount determined in the contract, the difference is treated as a 'free' asset and a deferred income balance is recognised. The deferred income is released to the operating income over the shorter of the remaining contract period or the useful economic life of the replacement component.

1.25.4. Assets contributed by the LHB to the operator for use in the scheme

Assets contributed for use in the scheme continue to be recognised as items of property, plant and equipment in the LHB's SoFP.

1.25.5. Other assets contributed by the LHB to the operator

Assets contributed (e.g. cash payments, surplus property) by the LHB to the operator before the asset is brought into use, which are intended to defray the operator's capital costs, are recognised initially as prepayments during the construction phase of the contract. Subsequently, when the asset is made available to the LHB, the prepayment is treated as an initial payment towards the finance lease liability and is set against the carrying value of the liability.

A PFI liability is recognised at the same time as the PFI assets are recognised. It is measured at the present value of the minimum lease payments, discounted using the implicit interest rate. It is subsequently measured as a finance lease liability in accordance with IAS 17.

On initial recognition of the asset, the difference between the fair value of the asset and the initial liability is recognised as deferred income, representing the future service potential to be received by the LHB through the asset being made available to third party users.

Other PFI arrangements off Statement of Financial Position

Where the LHB has no control or residual interest in the assets and the balance of risks and rewards lie with the operator, the arrangement is treated as an operating lease and the costs are included in the SoCNE as incurred. The LHB has two such arrangements relating to the maintenance of the energy systems in the Royal Gwent and Nevill Hall Hospitals.

Joint PFI contract

The LHB has entered into an agreement to share a facility, provided by a Private Finance Partner, with Monmouthshire County Council to match the agreement with the Private Finance Partner. The arrangement is treated as a PFI arrangement and the total obligation is included as a liability of the LHB. The contribution towards the unitary charge committed by Monmouthshire County Council is treated as a financial asset. The future contribution was measured initially at the same amount as the fair value of the share of the PFI asset and is subsequently measured as a finance lease.

1.26. Contingencies

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the LHB , or a present obligation that is not recognised because it is not probable that a payment will be required to settle the obligation or the amount of the obligation cannot be measured sufficiently reliably. A contingent liability is disclosed unless the possibility of a payment is remote.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the LHB. A contingent asset is disclosed where an inflow of economic benefits is probable.

Where the time value of money is material, contingencies are disclosed at their present value.

Remote contingent liabilities are those that are disclosed under Parliamentary reporting requirements and not under IAS 37 and, where practical, an estimate of their financial effect is required.

1.27. Absorption accounting

Transfers of function are accounted for as either by merger or by absorption accounting dependent upon the treatment prescribed in the FReM. Absorption accounting requires that entities account for their transactions in the period in which they took place with no restatement of performance required.

Where transfer of function is between LHBs the gain or loss resulting from the assets and liabilities transferring is recognised in the SoCNE and is disclosed separately from the operating costs.

1.28. Accounting standards that have been issued but not yet been adopted

The following accounting standards have been issued and or amended by the IASB and IFRIC but have not been adopted because they are not yet required to be adopted by the FReM

IFRS14 Regulatory Deferral Accounts
Applies to first time adopters of IFRS after 1 January 2016. Therefore not applicable.

IFRS 16 Leases is to be effective from 1st April 2022.

IFRS 17 Insurance Contracts, Application required for accounting periods beginning on or after 1 January 2021, but not yet adopted by the FReM: early adoption is not therefore permitted.

1.29. Accounting standards issued that have been adopted early

During 2020-21 there have been no accounting standards that have been adopted early. All early adoption of accounting standards will be led by HM Treasury.

1.30. Charities

Following Treasury's agreement to apply IAS 27 to NHS Charities from 1 April 2013, the NHS Wales organisation has established that as it is the corporate trustee of the Aneurin Bevan University LHB NHS Charitable Fund, it is considered for accounting standards compliance to have control of the Aneurin Bevan University LHB NHS Charitable Fund as a subsidiary and therefore is required to consolidate the results of the Aneurin Bevan University LHB NHS Charitable Fund within the statutory accounts of the LHB.

The determination of control is an accounting standard test of control and there has been no change to the operation of the Aneurin Bevan University LHB NHS Charitable Fund or its independence in its management of charitable funds.

However, the LHB has with the agreement of the Welsh Government adopted the IAS 27 (10) exemption to consolidate. Welsh Government as the ultimate parent of the Local Health Boards will disclose the Charitable Accounts of Local Health Boards in the Welsh Government Consolidated Accounts. Details of the transactions with the charity are included in the related parties' notes.

2. Financial Duties Performance

The National Health Service Finance (Wales) Act 2014 came into effect from 1 April 2014. The Act amended the financial duties of Local Health Boards under section 175 of the National Health Service (Wales) Act 2006. From 1 April 2014 section 175 of the National Health Service (Wales) Act places two financial duties on Local Health Boards:

- A duty under section 175 (1) to secure that its expenditure does not exceed the aggregate of the funding allotted to it over a period of 3 financial years
- A duty under section 175 (2A) to prepare a plan in accordance with planning directions issued by the Welsh Ministers, to secure compliance with the duty under section 175 (1) while improving the health of the people for whom it is reponsible, and the provision of health care to such people, and for that plan to be submitted to and approved by the Welsh Ministers.

The first assessment of performance against the 3 year statutory duty under section 175 (1) was at the end of 2016 -17, being the first 3 year period of assessment.

Welsh Health Circular WHC/2016/054 "Statutory and Financial Duties of Local Health Boards and NHS Trusts" clarifies the statutory financial duties of NHS Wales bodies effective from 2016-17.

2.1 Revenue Resource Performance

	Annual financial performance			
	2018-19	2019-20	2020-21	**Total**
	£'000	£'000	£'000	**£'000**
Net operating costs for the year	1,226,261	1,319,803	1,551,819	**4,097,883**
Less general ophthalmic services expenditure and other non-cash limited expenditure	(2,149)	(161)	(1,423)	**(3,733)**
Less revenue consequences of bringing PFI schemes onto SoFP	0	0	0	**0**
Total operating expenses	1,224,112	1,319,642	1,550,396	**4,094,150**
Revenue Resource Allocation	1,224,347	1,319,674	1,550,641	**4,094,662**
Under /(over) spend against Allocation	235	32	245	**512**

Aneurin Bevan University LHB **has** met its financial duty to break-even against its Revenue Resource Limit over the 3 years 2018-19 to 2020-21.

The health board received £0 strategic cash only support in 2020-21.
This cash only support is provided to assist the health board with payments to staff and suppliers, there is no requirement to repay this strategic cash assistance.

2.2 Capital Resource Performance

	2018-19	2019-20	2020-21	**Total**
	£'000	£'000	£'000	**£'000**
Gross capital expenditure	141,139	133,286	112,376	**386,801**
Add: Losses on disposal of donated assets	0	7	0	**7**
Less NBV of property, plant and equipment and intangible assets disposed	(81)	(555)	(884)	**(1,520)**
Less capital grants received	(45)	(93)	(333)	**(471)**
Less donations received	(121)	(300)	(201)	**(622)**
Charge against Capital Resource Allocation	140,892	132,345	110,958	**384,195**
Capital Resource Allocation	140,933	132,373	110,971	**384,277**
(Over) / Underspend against Capital Resource Allocation	41	28	13	**82**

Aneurin Bevan University LHB **has** met its financial duty to break-even against its Capital Resource Limit over the 3 years 2018-19 to 2020-21.

2.3 Duty to prepare a 3 year integrated plan

Due to the pandemic, the process for the 2020-23 integrated plan was paused in spring 2020 and a temporary quarterly planning arrangement put in place for 2020-21.

As a result the extant planning duty for 2020-21 remains the requirement to submit and have approved a 2019-22 integrated plan, as set out in the NHS Wales Planning Framework 2019-22.

The Aneurin Bevan University Health Board submitted a 2019-22 integrated plan in accordance with the planning framework.

The Minister for Health and Social Services extant approval

Status	**Approved**
Date	27/03/2019

The LHB **has** therefore met its statutory duty to have an approved financial plan.

2.4 Creditor payment

The LHB is required to pay 95% of the number of non-NHS bills within 30 days of receipt of goods or a valid invoice (whichever is the later). The LHB has achieved the following results:

	2020-21	2019-20
Total number of non-NHS bills paid	**245,667**	281,043
Total number of non-NHS bills paid within target	**236,594**	273,053
Percentage of non-NHS bills paid within target	96.3%	97.2%

The LHB has met the target.

3. Analysis of gross operating costs

3.1 Expenditure on Primary Healthcare Services

	Cash limited £'000	Non-cash limited £'000	2020-21 Total £'000	2019-20 £'000
General Medical Services	108,993		**108,993**	103,343
Pharmaceutical Services	32,317	(5,208)	**27,109**	22,900
General Dental Services	33,079		**33,079**	36,608
General Ophthalmic Services	2,103	6,631	**8,734**	8,911
Other Primary Health Care expenditure	2,289		**2,289**	2,872
Prescribed drugs and appliances	106,852		**106,852**	102,280
Total	**285,633**	**1,423**	**287,056**	276,914

Note 3.1 - Expenditure on Primary Healthcare Services
The General Medical Services expenditure includes £13,743k (2019/20 £12,427k) in relation to staff salaries, the General Dental Services expenditure includes £1,719k (2019/20 £2,283k) in relation to staff salaries, and the Prescribed Drugs & Appliance expenditure includes £313k (2019/20 £337k) in relation to staff salaries.

3.2 Expenditure on healthcare from other providers

	2020-21 £'000	2019-20 £'000
Goods and services from other NHS Wales Health Boards	**58,322**	59,424
Goods and services from other NHS Wales Trusts	**36,487**	34,079
Goods and services from Health Education and Improvement Wales (HEIW)	**0**	0
Goods and services from other non Welsh NHS bodies	**8,469**	9,676
Goods and services from WHSSC / EASC	**161,384**	144,458
Local Authorities	**43,934**	39,205
Voluntary organisations	**14,833**	12,953
NHS Funded Nursing Care	**8,660**	7,671
Continuing Care	**81,347**	71,005
Private providers	**4,228**	1,287
Specific projects funded by the Welsh Government	**0**	0
Other	**140**	(9)
Total	**417,804**	379,749

Local Authorities expenditure relates to the following bodies:	**£'000**	£'000
Blaenau Gwenty County Borough Council	**4,442**	3,361
Caerphilly County Borough Council	**17,785**	15,545
Monmouthshire County Council	**4,932**	4,485
Newport City Council	**8,039**	8,210
Torfaen County Borough Council	**8,626**	7,520
Gloucestershire County Council	**87**	84
Cardiff City Council	**21**	0
Pembrokeshire County Council	**2**	0
	43,934	39,205

3.3 Expenditure on Hospital and Community Health Services

	2020-21 £'000	2019-20 £'000 Reclassified
Directors' costs	2,346	2,448
Operational Staff costs	664,559	577,312
Single lead employer Staff Trainee Cost	5,067	0
Collaborative Bank Staff Cost	0	0
Supplies and services - clinical	100,158	97,510
Supplies and services - general	23,734	14,125
Consultancy Services	168	848
Establishment	8,670	8,090
Transport	2,429	1,974
Premises	36,870	29,348
External Contractors	0	0
Depreciation	32,654	25,403
Amortisation	1,574	948
Fixed asset impairments and reversals (Property, plant & equipment)	62,133	(3,154)
Fixed asset impairments and reversals (Intangible assets)	0	0
Impairments & reversals of financial assets	0	0
Impairments & reversals of non-current assets held for sale	209	0
Audit fees	373	382
Other auditors' remuneration	0	0
Losses, special payments and irrecoverable debts	1,886	3,154
Research and Development	0	0
Other operating expenses	8,526	7,990
Total	**951,356**	766,378

3.4 Losses, special payments and irrecoverable debts: charges to operating expenses

Increase/(decrease) in provision for future payments:	2020-21 £'000	2019-20 £'000
Clinical negligence;		
Secondary care	10,844	51,032
Primary care	0	0
Redress Secondary Care	5	498
Redress Primary Care	0	0
Personal injury	86	751
All other losses and special payments	30	198
Defence legal fees and other administrative costs	1,731	1,614
Gross increase/(decrease) in provision for future payments	12,696	54,093
Contribution to Welsh Risk Pool	0	0
Premium for other insurance arrangements	0	0
Irrecoverable debts	(95)	475
Less: income received/due from Welsh Risk Pool	(10,715)	(51,414)
Total	1,886	3,154

	2020-21 £	2019-20 £
Permanent injury included within personal injury £:	34,156	374,241

The Health Board spent £2.2m (£2.2m 2019/20) on Research and Development. The majority of this spend relates to staff £1.9m (£1.8m 2019/20) which along withg the non-staff spend is reflected under the various headings within note 3.3.

Note 3.4 includes £548,056 (£959,157 2019/20) relating to Redress cases which represents 75 (96 2019/20)

4. Miscellaneous Income

	2020-21 £'000	2019-20 £'000
Local Health Boards	21,348	21,221
Welsh Health Specialised Services Committee (WHSSC)/Emergency Ambulance Services Committee (EASC)	8,905	8,881
NHS Wales trusts	10,172	8,429
Health Education and Improvement Wales (HEIW)	10,130	9,623
Foundation Trusts	4	37
Other NHS England bodies	1,211	2,431
Other NHS Bodies	16	62
Local authorities	18,260	17,553
Welsh Government	7,252	7,146
Welsh Government Hosted bodies	0	0
Non NHS:		
Prescription charge income	0	0
Dental fee income	1,865	6,997
Private patient income	16	312
Overseas patients (non-reciprocal)	63	246
Injury Costs Recovery (ICR) Scheme	886	1,777
Other income from activities	972	930
Patient transport services	0	0
Education, training and research	3,689	3,558
Charitable and other contributions to expenditure	1,243	1,091
Receipt of NWSSP Covid centrally purchased assets	7,057	0
Receipt of Covid centrally purchased assets from other organisations	0	0
Receipt of donated assets	201	300
Receipt of Government granted assets	389	93
Non-patient care income generation schemes	69	125
NHS Wales Shared Services Partnership (NWSSP)	0	(2)
Deferred income released to revenue	0	0
Contingent rental income from finance leases	0	0
Rental income from operating leases	0	0
Other income:		
Provision of laundry, pathology, payroll services	72	73
Accommodation and catering charges	1,736	3,292
Mortuary fees	331	259
Staff payments for use of cars	758	791
Business Unit	1,887	1,800
Other	6,488	6,870
Total	**105,020**	103,895

Other income Includes;		
Salary Sacrifice Schemes & Fleet Vehicles	2,129	2,165
VAT recoveries re Business Activities and accrued income	1,060	1,062
Other	3,299	3,643
	0	0
	0	0
	0	0
Total	**6,488**	6,870

Welsh Government Covid 19 income included in total above;.	20	0

Injury Cost Recovery (ICR) Scheme income

	2020-21 %	2019-20 %
To reflect expected rates of collection ICR income is subject to a provision for impairment of:	22.43	21.79

Welsh Government provided a Cyber Security Grant totalling £20K in relation to IT infrastructure as part Health Board's response Covid-19.

Included in note 3.3 is £7.057m of Personal Protective Equipment (PPE) items received from NWSSP which have been offset by the income identified in note 4 above. There is no overall financial impact on the Health Board in relation to these PPE items.

5. Investment Revenue

	2020-21 £000	2019-20 £000
Rental revenue :		
PFI Finance lease income		
planned	0	0
contingent	0	0
Other finance lease revenue	0	0
Interest revenue :		
Bank accounts	0	0
Other loans and receivables	0	0
Impaired financial assets	0	0
Other financial assets	17	18
Total	**17**	18

6. Other gains and losses

	2020-21 £000	2019-20 £000
Gain/(loss) on disposal of property, plant and equipment	43	80
Gain/(loss) on disposal of intangible assets	0	0
Gain/(loss) on disposal of assets held for sale	0	(2)
Gain/(loss) on disposal of financial assets	0	0
Change on foreign exchange	0	0
Change in fair value of financial assets at fair value through SoCNE	0	0
Change in fair value of financial liabilities at fair value through SoCNE	0	0
Recycling of gain/(loss) from equity on disposal of financial assets held for sale	0	0
Total	**43**	78

7. Finance costs

	2020-21 £000	2019-20 £000
Interest on loans and overdrafts	0	0
Interest on obligations under finance leases	0	0
Interest on obligations under PFI contracts		
main finance cost	381	439
contingent finance cost	375	353
Interest on late payment of commercial debt	0	0
Other interest expense	0	0
Total interest expense	**756**	792
Provisions unwinding of discount	(73)	(39)
Other finance costs	0	0
Total	**683**	753

8. Operating leases

LHB as lessee

As at 31st March 2021 the LHB had 35 operating leases agreements in place for the leases of premises, 697 arrangements in respect of equipment and 395 in respect of vehicles, with 6 premises, 5 equipment and 190 vehicle leases having expired in year.

Payments recognised as an expense	**2020-21**	2019-20
	£000	£000
Minimum lease payments	**6,070**	6,120
Contingent rents	**0**	0
Sub-lease payments	**0**	0
Total	**6,070**	6,120

Total future minimum lease payments		
Payable	**£000**	£000
Not later than one year	**4,725**	4,188
Between one and five years	**9,110**	6,628
After 5 years	**9,355**	10,432
Total	**23,190**	21,248

LHB as lessor

Rental revenue	**£000**	£000
Rent	**190**	190
Contingent rents	**0**	0
Total revenue rental	**190**	190

Total future minimum lease payments		
Receivable	**£000**	£000
Not later than one year	**176**	176
Between one and five years	**704**	704
After 5 years	**1,085**	1,181
Total	**1,965**	2,061

LHB as Lessee
The LHB has the following leases, none of which is subject to any contingency:
- Leases on properties which are at fixed rentals subject to periodic review. The significant Leases expire at dates between August 2021 and November 2043 except for one lease which does not expire until March 2064
- Leases of medical and other equipment, IT equipment and photocopiers, at fixed rentals, generally for between three and seven years and
- Vehicle leases at fixed rentals generally for a period of three to five years

9. Employee benefits and staff numbers

9.1 Employee costs

	Permanent Staff	Staff on Inward Secondment	Agency Staff	Specialist Trainee (SLE)	Collaborative Bank Staff	Other	Total	2019-20
	£000	£000	£000	£000	£000	£000	£000	£000
Salaries and wages	510,752	2,731	38,406	4,083	0	2,211	**558,183**	476,844
Social security costs	47,931	0	0	462	0	0	**48,393**	44,178
Employer contributions to NHS Pension Scheme	82,247	0	0	522	0	0	**82,769**	75,449
Other pension costs	332	0	0	0	0	0	**332**	349
Other employment benefits	0	0	0	0	0	0	**0**	0
Termination benefits	0	0	0	0	0	0	**0**	0
Total	641,262	2,731	38,406	5,067	0	2,211	**689,677**	596,820

Charged to capital	**1,930**	2,013
Charged to revenue	**687,747**	594,807
	689,677	596,820
Net movement in accrued employee benefits (untaken staff leave accrual included above)	245	94
Covid 19 Net movement in accrued employee benefits (untaken staff leave accrual included in above)	17,129	0

The staff under the 'Other' heading relate to Agency Medical Staff who are paid via a direct engagement scheme which commenced in January 2020.

9.2 Average number of employees

	Permanent Staff Number	Staff on Inward Secondment Number	Agency Staff Number	Specialist Trainee (SLE) Number	Collaborative Bank Staff Number	Other Number	Total Number	2019-20 Number
Administrative, clerical and board members	2,352	22	16	0	0	0	**2,390**	2,270
Medical and dental	1,010	8	60	89	0	12	**1,179**	1,111
Nursing, midwifery registered	3,601	1	223	0	0	0	**3,825**	3,616
Professional, Scientific, and technical staff	451	1	4	0	0	0	**456**	427
Additional Clinical Services	2,566	0	16	0	0	0	**2,582**	2,322
Allied Health Professions	764	0	10	0	0	0	**774**	756
Healthcare Scientists	226	5	6	0	0	0	**237**	234
Estates and Ancilliary	1,001	0	216	0	0	0	**1,217**	1,092
Students	1	0	0	0	0	0	**1**	3
Total	**11,972**	**37**	**551**	**89**	**0**	**12**	**12,661**	11,831

9.3. Retirements due to ill-health

	2020-21	2019-20
Number	12	7
Estimated additional pension costs £	473,647	541,118

The estimated additional pension costs of these ill-health retirements have been calculated on an average basis and are borne by the NHS Pension Scheme.

9.4 Employee benefits

The LHB does not have an employee benefit scheme, please give details.

9.5 Reporting of other compensation schemes - exit packages

Exit packages cost band (including any special payment element)	2020-21 Number of compulsory redundancies	2020-21 Number of other departures	2020-21 Total number of exit packages	2020-21 Number of departures where special payments have been made	2019-20 Total number of exit packages
	Whole numbers only	Whole numbers only	Whole numbers only	Whole numbers only	Whole numbers only
less than £10,000	0	0	0	0	0
£10,000 to £25,000	0	0	0	0	0
£25,000 to £50,000	0	0	0	0	0
£50,000 to £100,000	0	0	0	0	0
£100,000 to £150,000	0	0	0	0	0
£150,000 to £200,000	0	0	0	0	0
more than £200,000	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	0

Exit packages cost band (including any special payment element)	2020-21 Cost of compulsory redundancies	2020-21 Cost of other departures	2020-21 Total cost of exit packages	2020-21 Cost of special element included in exit packages	2019-20 Total cost of exit packages
	£'s	£'s	£'s	£'s	£'s
less than £10,000	0	0	0	0	0
£10,000 to £25,000	0	0	0	0	0
£25,000 to £50,000	0	0	0	0	0
£50,000 to £100,000	0	0	0	0	0
£100,000 to £150,000	0	0	0	0	0
£150,000 to £200,000	0	0	0	0	0
more than £200,000	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	0

Exit costs paid in year of departure	Total paid in year 2020-21	Total paid in year 2019-20
	£'s	£'s
Exit costs paid in year	0	0
Total	**0**	0

Redundancy and other departure costs have been paid in accordance with the provisions of the NHS Voluntary Early Release Scheme (VERS). Where the LHB has agreed early retirements, the additional costs are met by the LHB and not by the NHS Pensions Scheme. Ill-health retirement costs are met by the NHS Pensions Scheme and are not included in the table.

The Health Board has not approved any VERS in 2020/21.

Additional requirement as per FReM
£0 exit costs were paid in 2020-21, the year of departure (£0 - 2019-20).

9.6 Remuneration Relationship

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce.

The banded remuneration of the highest-paid director in the LHB for the financial year 2020-21 was £205k - £210k (2019-20, £200k - £205k). This was 6.8 times (2019-20, 6.7 times) the median remuneration of the workforce, which was £30,615 (2019-20, £30,038).

In 2020-21, 3 (2019-20, 14) employees received remuneration in excess of the highest-paid director. Remuneration for all staff ranged from £18k to £228k (2019-20, £18k to £301k).

There was a 1.9% increase in the median remuneration of the workforce due to the pay awards, incremental pay progressions and workforce composition fluctuations.

Total remuneration includes salary and non-consolidated performance-related pay. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions or beneifuts-in-kind which due to their value are not material.

9.7 Pension costs

PENSION COSTS

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that “the period between formal valuations shall be four years, with approximate assessments in intervening years”. An outline of these follows:

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary’s Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2021, is based on valuation data as 31 March 2020, updated to 31 March 2021 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019 to 20.6% of pensionable pay. The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap that was set following the 2012 valuation.

In January 2019, the Government announced a pause to the cost control element of the 2016 valuations, due to the uncertainty around member benefits caused by the discrimination ruling relating to the McCloud case.

The Government subsequently announced in July 2020 that the pause had been lifted, and so the cost control element of the 2016 valuations could be completed. The Government has set out that the costs of remedy of the discrimination will be included in this process. HMT valuation directions will set out the technical detail of how the costs of remedy will be included in the valuation process. The Government has also confirmed that the Government Actuary is reviewing the cost control mechanism (as was originally announced in 2018). The review will assess whether the cost control mechanism is working in line with original government objectives and reported to Government in April 2021. The findings of this review will not impact the 2016 valuations, with the aim for any changes to the cost cap mechanism to be made in time for the completion of the 2020 actuarial valuations.

c) National Employment Savings Trust (NEST)

NEST is a workplace pension scheme, which was set up by legislation and is treated as a trust-based scheme. The Trustee responsible for running the scheme is NEST Corporation. It's a non-departmental public body (NDPB) that operates at arm's length from government and is accountable to Parliament through the Department for Work and Pensions (DWP).

NEST Corporation has agreed a loan with the Department for Work and Pensions (DWP). This has paid for the scheme to be set up and will cover expected shortfalls in scheme costs during the earlier years while membership is growing.

NEST Corporation aims for the scheme to become self-financing while providing consistently low charges to members.

Using qualifying earnings to calculate contributions, currently the legal minimum level of contributions is 8% of a jobholder's qualifying earnings, for employers whose legal duties have started. The employer must pay at least 3% of this.

The earnings band used to calculate minimum contributions under existing legislation is called qualifying earnings. Qualifying earnings are currently those between £6,240 and £50,000 for the 2020-2021 tax year (2019-2020 £6,136 and £50,000).

Restrictions on the annual contribution limits were removed on 1st April 2017.

10. Public Sector Payment Policy - Measure of Compliance

10.1 Prompt payment code - measure of compliance

The Welsh Government requires that Health Boards pay all their trade creditors in accordance with the CBI prompt payment code and Government Accounting rules. The Welsh Government has set as part of the Health Board financial targets a requirement to pay 95% of the number of non-NHS creditors within 30 days of delivery.

	2020-21	**2020-21**	2019-20	2019-20
NHS	**Number**	**£000**	Number	£000
Total bills paid	**5,719**	**302,038**	6,234	273,895
Total bills paid within target	**4,858**	**295,559**	5,544	265,363
Percentage of bills paid within target	**84.9%**	**97.9%**	88.9%	96.9%
Non-NHS				
Total bills paid	**245,667**	**596,364**	281,043	589,202
Total bills paid within target	**236,594**	**569,515**	273,053	571,483
Percentage of bills paid within target	**96.3%**	**95.5%**	97.2%	97.0%
Total				
Total bills paid	**251,386**	**898,402**	287,277	863,097
Total bills paid within target	**241,452**	**865,074**	278,597	836,846
Percentage of bills paid within target	**96.0%**	**96.3%**	97.0%	97.0%

10.2 The Late Payment of Commercial Debts (Interest) Act 1998

	2020-21	2019-20
	£	£
Amounts included within finance costs (note 7) from claims made under this legislation	**0**	0
Compensation paid to cover debt recovery costs under this legislation	**1,466**	1,048
Total	**1466**	1048

11.1 Property, plant and equipment

	Land £000	Buildings, excluding dwellings £000	Dwellings £000	Assets under construction & payments on account £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Cost or valuation at 1 April 2020	78,457	378,550	2,687	296,279	88,798	548	27,676	3,269	876,264
Indexation	(1,489)	5,349	40	0	0	0	0	0	3,900
Additions									
- purchased	0	7,715	18	47,429	40,469	0	10,587	2,019	108,237
- donated	0	8	0	0	193	0	0	0	201
- government granted	0	0	0	0	333	0	0	0	333
Transfer from/into other NHS bodies	0	0	0	0	0	0	0	0	0
Reclassifications	0	319,613	0	(319,613)	0	0	0	0	0
Revaluations	0	(2,819)	0	0	0	0	0	0	(2,819)
Reversal of impairments	0	5,677	38	0	0	0	0	0	5,715
Impairments	(65)	(70,503)	0	0	(374)	0	0	0	(70,942)
Reclassified as held for sale	0	0	0	0	(493)	0	0	0	(493)
Disposals	0	0	0	(835)	(4,482)	0	(2,151)	(421)	(7,889)
At 31 March 2021	76,903	643,590	2,783	23,260	124,444	548	36,112	4,867	912,507
Depreciation at 1 April 2020	0	40,327	227	1,792	58,071	407	13,157	1,859	115,840
Indexation	0	760	4	0	0	0	0	0	764
Transfer from/into other NHS bodies	0	0	0	0	0	0	0	0	0
Reclassifications	0	1,792	0	(1,792)	0	0	0	0	0
Revaluations	0	(6,378)	0	0	0	0	0	0	(6,378)
Reversal of impairments	0	414	3	0	0	0	0	0	417
Impairments	0	(3,325)	0	0	(186)	0	0	0	(3,511)
Reclassified as held for sale	0	0	0	0	(210)	0	0	0	(210)
Disposals	0	1	0	0	(4,452)	0	(2,132)	(421)	(7,004)
Provided during the year	0	17,972	80	0	9,190	32	5,036	344	32,654
At 31 March 2021	0	51,563	314	0	62,413	439	16,061	1,782	132,572
Net book value at 1 April 2020	78,457	338,223	2,460	294,487	30,727	141	14,519	1,410	760,424
Net book value at 31 March 2021	76,903	592,027	2,469	23,260	62,031	109	20,051	3,085	779,935
Net book value at 31 March 2021 comprises :									
Purchased	73,857	590,186	2,469	23,260	61,020	109	20,030	3,057	773,988
Donated	3,046	1,709	0	0	685	0	21	28	5,489
Government Granted	0	132	0	0	326	0	0	0	458
At 31 March 2021	76,903	592,027	2,469	23,260	62,031	109	20,051	3,085	779,935
Asset financing :									
Owned	76,903	584,103	2,469	23,260	61,492	109	20,051	3,085	771,472
Held on finance lease	0	0	0	0	0	0	0	0	0
On-SoFP PFI contracts	0	7,924	0	0	539	0	0	0	8,463
PFI residual interests	0	0	0	0	0	0	0	0	0
At 31 March 2021	76,903	592,027	2,469	23,260	62,031	109	20,051	3,085	779,935

The net book value of land, buildings and dwellings at 31 March 2021 comprises :

	£000
Freehold	663,123
Long Leasehold	8,276
Short Leasehold	0
	671,399

Valuers 'material uncertainty', in valuation. The disclosure relates to the materiality in the valuation report not that of the underlying account. 0

The land and buildings were revalued by the Valuation Office Agency with an effective date of 1st April 2017. The valuation has been prepared in accordance with the terms of the Royal Institute of Chartered Surveyors Valuation Standards, 6th Edition . LHB s are required to apply the revaluation model set out in IAS 16 and value its capital assets to fair value. Fair value is defined by IAS 16 as the amount for which an asset could be exchanged between knowledgeable, willing parties in an arms length transaction. This has been undertaken on the assumption that the property is sold as part of the continuing enterprise in occupation.

11.1 Property, plant and equipment

	Land £000	Buildings, excluding dwellings £000	Dwellings £000	Assets under construction & payments on account £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Cost or valuation at 1 April 2019	79,574	367,313	2,611	186,786	88,831	676	22,929	2,663	**751,383**
Indexation	(748)	2,740	27	0	0	0	0	0	**2,019**
Additions									
- purchased	0	4,204	24	111,767	6,675	0	6,838	552	**130,060**
- donated	0	13	0	0	239	0	28	20	**300**
- government granted	0	93	0	0	0	0	0	0	**93**
Transfer from/into other NHS bodies	0	0	0	0	0	0	0	0	**0**
Reclassifications	0	2,076	0	(2,244)	0	0	0	168	**0**
Revaluations	0	0	0	0	0	0	0	0	**0**
Reversal of impairments	0	4,533	25	0	0	0	0	0	**4,558**
Impairments	(32)	(1,574)	0	(30)	0	0	0	0	**(1,636)**
Reclassified as held for sale	(337)	(848)	0	0	0	0	0	0	**(1,185)**
Disposals	0	0	0	0	(6,947)	(128)	(2,119)	(134)	**(9,328)**
At 31 March 2020	78,457	378,550	2,687	296,279	88,798	548	27,676	3,269	**876,264**
Depreciation at 1 April 2019	0	26,202	147	1,792	57,306	503	11,963	1,721	**99,634**
Indexation	0	280	2	0	0	0	0	0	**282**
Transfer from/into other NHS bodies	0	0	0	0	0	0	0	0	**0**
Reclassifications	0	0	0	0	0	0	0	0	**0**
Revaluations	0	0	0	0	0	0	0	0	**0**
Reversal of impairments	0	239	1	0	0	0	0	0	**240**
Impairments	0	(472)	0	0	0	0	0	0	**(472)**
Reclassified as held for sale	0	(54)	0	0	0	0	0	0	**(54)**
Disposals	0	0	0	0	(6,835)	(128)	(2,096)	(134)	**(9,193)**
Provided during the year	0	14,132	77	0	7,600	32	3,290	272	**25,403**
At 31 March 2020	0	40,327	227	1,792	58,071	407	13,157	1,859	**115,840**
Net book value at 1 April 2019	79,574	341,111	2,464	184,994	31,525	173	10,966	942	**651,749**
Net book value at 31 March 2020	78,457	338,223	2,460	294,487	30,727	141	14,519	1,410	**760,424**
Net book value at 31 March 2020 comprises :									
Purchased	75,350	336,313	2,460	294,487	30,005	141	14,491	1,374	**754,621**
Donated	3,107	1,777	0	0	694	0	28	36	**5,642**
Government Granted	0	133	0	0	28	0	0	0	**161**
At 31 March 2020	78,457	338,223	2,460	294,487	30,727	141	14,519	1,410	**760,424**
Asset financing :									
Owned	78,457	329,052	2,460	294,487	30,010	141	14,519	1,410	**750,536**
Held on finance lease	0	0	0	0	0	0	0	0	**0**
On-SoFP PFI contracts	0	9,171	0	0	717	0	0	0	**9,888**
PFI residual interests	0	0	0	0	0	0	0	0	**0**
At 31 March 2020	78,457	338,223	2,460	294,487	30,727	141	14,519	1,410	**760,424**

The net book value of land, buildings and dwellings at 31 March 2020 comprises :

	£000
Freehold	**409,655**
Long Leasehold	**9,485**
Short Leasehold	**0**
	419,140

Valuers 'material uncertainty', in valuation. The disclosure relates to the materiality in the valuation report not that of the underlying account. **0**

The land and buildings were revalued by the Valuation Office Agency with an effective date of 1st April 2017. The valuation has been prepared in accordance with the terms of the Royal Institute of Chartered Surveyors Valuation Standards, 6th Edition . LHB s are required to apply the revaluation model set out in IAS 16 and value its capital assets to fair value. Fair value is defined by IAS 16 as the amount for which an asset could be exchanged between knowledgeable, willing parties in an arms length transaction. This has been undertaken on the assumption that the property is sold as part of the continuing enterprise in occupation.

11. Property, plant and equipment (continued)

Disclosures:

i) Donated Assets
Assets totalling £201k during the year were purchased via Charitable Funds donations, and Government Granted equipment assets totalling £333k were received from the Department of Health in relation to the Covid-19 response.

ii) Valuations
The LHBs land and Buildings were revalued by the Valuation Office Agency with an effective date of 1st April 2017. The valuation has been prepared in accordance with the terms of the Royal Institute of Chartered Surveyors' Valuation Standards, 6th edition.

The LHB is required to apply the revaluation model set out in IAS 16 and value its capital assets to fair value. Fair value is defined by IAS 16 as the amount for which an asset could be exchanged between knowledgeable, willing parties in an arms length transaction. This has been undertaken on the assumption that the property is sold as part of the continuing enterprise in operation.

In 2020-21 indexation has been applied to land and buildings based on indices received from the Valuation Office Agency. In 2020-21, no indexation has been applied to equipment.

In addition, in 2020-21 there have been separate revaluations for three assets under construction coming into use. The most significant of these is the opening of the Grange University Hospital, with the others relating to the Lift Replacement Programme in Royal Gwent and Nevill Hall Hospitals and the Theatres Laminar Flow installation at RGH. Updated valuations have also been undertaken for two Assets Held for Sale and reflected in Note 13.

iii) Asset Lives
Depreciated as follows:
- Land is not depreciated.
- Buildings as determined by the Valuation Office Agency.
- Equipment 5-15 years.

iv) Compensation
There has been no compensation received from third parties for assets impaired, lost or given up, that is included in the income statement.

v) Write Downs
The Health Board is required to assess whether it owns any surplus assets which have no sale restrictions and plans for future use to comply with IFRS 13. One equipment asset (RGH Cardiac Catheter Lab 1 imaging system) has been identified as such in 2020/21 following the service relocation to the Grange University Hospital. The asset has been written down to fair value in the accounts and included as an impairment in Note 13.

vi) The LHB does not hold any property where the value is materially different from its open market value.

vii) Assets Held for Sale or sold in the period.
There were no disposals of Assets Held for Sale in 2020/21. The two properties classified as Assets Held for Sale during 2019/20 have been revalued during the year and are now planned to be sold in quarter one of 2021/22. One equipment asset (RGH Cardiac Catheter Lab 2 imaging system) has been reclassified to Assets Held for Sale in the period following the service relocation to the Grange University Hospital.

11. Property, plant and equipment

11.2 Non-current assets held for sale

	Land	Buildings, including dwelling	Other property, plant and equipment	Intangible assets	Other assets	Total
	£000	£000	£000	£000	£000	£000
Balance brought forward 1 April 2020	337	794	0	0	0	**1,131**
Plus assets classified as held for sale in the year	0	0	283	0	0	**283**
Revaluation	0	0	0	0	0	**0**
Less assets sold in the year	0	0	0	0	0	**0**
Add reversal of impairment of assets held for sale	0	0	0	0	0	**0**
Less impairment of assets held for sale	0	(12)	(197)	0	0	**(209)**
Less assets no longer classified as held for sale, for reasons other than disposal by sale	0	0	0	0	0	**0**
Balance carried forward 31 March 2021	337	782	86	0	0	**1,205**
Balance brought forward 1 April 2019	127	293	0	0	0	**420**
Plus assets classified as held for sale in the year	337	794	0	0	0	**1,131**
Revaluation	0	0	0	0	0	**0**
Less assets sold in the year	(127)	(293)	0	0	0	**(420)**
Add reversal of impairment of assets held for sale	0	0	0	0	0	**0**
Less impairment of assets held for sale	0	0	0	0	0	**0**
Less assets no longer classified as held for sale, for reasons other than disposal by sale	0	0	0	0	0	**0**
Balance carried forward 31 March 2020	337	794	0	0	0	**1,131**

12. Intangible non-current assets
2020-21

	Software (purchased)	Software (internally generated)	Licences and trademarks	Patents	Development expenditure- internally generated	Carbon Reduction Commitments	Total
	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2020	1,514	0	6,001	0	0	0	7,515
Revaluation	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0
Additions- purchased	1,146	0	2,459	0	0	0	3,605
Additions- internally generated	0	0	0	0	0	0	0
Additions- donated	0	0	0	0	0	0	0
Additions- government granted	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0
Disposals	(217)	0	(1,299)	0	0	0	(1,516)
Gross cost at 31 March 2021	2,443	0	7,161	0	0	0	9,604
Amortisation at 1 April 2020	943	0	2,009	0	0	0	2,952
Revaluation	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0
Impairment	0	0	0	0	0	0	0
Provided during the year	245	0	1,329	0	0	0	1,574
Reclassified as held for sale	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0
Disposals	(218)	0	(1,299)	0	0	0	(1,517)
Amortisation at 31 March 2021	970	0	2,039	0	0	0	3,009
Net book value at 1 April 2020	571	0	3,992	0	0	0	4,563
Net book value at 31 March 2021	1,473	0	5,122	0	0	0	6,595
At 31 March 2021							
Purchased	1,468	0	5,122	0	0	0	6,590
Donated	5	0	0	0	0	0	5
Government Granted	0	0	0	0	0	0	0
Internally generated	0	0	0	0	0	0	0
Total at 31 March 2021	1,473	0	5,122	0	0	0	6,595

12. Intangible non-current assets
2019-20

	Software (purchased)	Software (internally generated)	Licences and trademarks	Patents	Development expenditure- internally generated	Carbon Reduction Commitments	Total
	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2019	1,479	0	3,203	0	0	0	**4,682**
Revaluation	0	0	0	0	0	0	**0**
Reclassifications	0	0	0	0	0	0	**0**
Reversal of impairments	0	0	0	0	0	0	**0**
Impairments	0	0	0	0	0	0	**0**
Additions- purchased	35	0	2,798	0	0	0	**2,833**
Additions- internally generated	0	0	0	0	0	0	**0**
Additions- donated	0	0	0	0	0	0	**0**
Additions- government granted	0	0	0	0	0	0	**0**
Reclassified as held for sale	0	0	0	0	0	0	**0**
Transfers	0	0	0	0	0	0	**0**
Disposals	0	0	0	0	0	0	**0**
Gross cost at 31 March 2020	**1,514**	**0**	**6,001**	**0**	**0**	**0**	**7,515**
Amortisation at 1 April 2019	673	0	1,331	0	0	0	**2,004**
Revaluation	0	0	0	0	0	0	**0**
Reclassifications	0	0	0	0	0	0	**0**
Reversal of impairments	0	0	0	0	0	0	**0**
Impairment	0	0	0	0	0	0	**0**
Provided during the year	270	0	678	0	0	0	**948**
Reclassified as held for sale	0	0	0	0	0	0	**0**
Transfers	0	0	0	0	0	0	**0**
Disposals	0	0	0	0	0	0	**0**
Amortisation at 31 March 2020	**943**	**0**	**2,009**	**0**	**0**	**0**	**2,952**
Net book value at 1 April 2019	**806**	**0**	**1,872**	**0**	**0**	**0**	**2,678**
Net book value at 31 March 2020	**571**	**0**	**3,992**	**0**	**0**	**0**	**4,563**
At 31 March 2020							
Purchased	561	0	3,992	0	0	0	**4,553**
Donated	10	0	0	0	0	0	**10**
Government Granted	0	0	0	0	0	0	**0**
Internally generated	0	0	0	0	0	0	**0**
Total at 31 March 2020	**571**	**0**	**3,992**	**0**	**0**	**0**	**4,563**

Additional Disclosures re Intangible Assets

i) On initial recognition Intangible non-current assets are measured at cost. Following initial recognition, intangible assets are carried at fair value by reference to an active market, or, where no active market exists, at amortised replacement cost (modern equivalent asset basis), indexed for relevant price increases, as a proxy for fair value.

ii) The useful economic life of Intangible non-current assets are assigned on an individual asset basis using either a standard life of 5 years or the period covered by a licence.

iii) All fully depreciated assets still in use are being carried at nil net book value. Fully depreciated assets with a GBV of £1,573k were disposed of during the year.

iv) These assets have not been subject to indexation or revaluation during the year.

Additions during the year comprised:
1. Dr Doctor Software Licence £873k with a 2 year life
2. Lightfoot SFN Licence £1,456k with a 3 year life
3. Citrix Licences £450k with a 4 year life
4. ArcServe Anti-Ransomware System £350k with a 5 year life
5. G2 Digital Dictation Licences £168k with a 5 year life
6. Pharmacy Stock Control System £97k with a 5 year life
7. ICT Flow Centre System Licences £57k with a 5 year life
8. Various ICT Software & Licenses £156k with a 5 year life

13 . Impairments

	2020-21 Property, plant & equipment £000	2020-21 Intangible assets £000	2019-20 Property, plant & equipment £000	2019-20 Intangible assets £000
Impairments arising from :				
Loss or damage from normal operations	0	0	0	0
Abandonment in the course of construction	0	0	0	0
Over specification of assets (Gold Plating)	0	0	0	0
Loss as a result of a catastrophe	0	0	0	0
Unforeseen obsolescence	0	0	0	0
Changes in market price	0	0	0	0
Others (specify)	69,129	0	1,912	0
Reversal of Impairments	(5,298)	0	(4,318)	0
Total of all impairments	**63,831**	**0**	(2,406)	0
Analysis of impairments charged to reserves in year :				
Charged to the Statement of Comprehensive Net Expenditure	62,342	0	(3,154)	0
Charged to Revaluation Reserve	1,489	0	748	0
	63,831	0	(2,406)	0

2020-21	Impairment amount £000	Reason for impairment £000	Nature of Asset £000	Valuation basis £000	Charge to SoCNE £000	Charge to reserve £000
Grange University Hospital	66,585	Assets Valued on Coming Into Use	Operational	Existing Use	66,585	0
Laminar Flow RGH	593	Assets Valued on Coming Into Use	Operational	Existing Use	593	0
Cath Lab 2 RGH	197	Asset valued on moving to AHFS	Held for Sale	Fair Value	197	0
Cath Lab 1 RGH	188	Revalued on Surplus Asset basis	Surplus Plant	Fair Value	188	0
Indexation - Land	1,554	Indexation Loss	Operational	Fair Value	65	1,489
Homelands	12	Updated Market Valuation	Held for Sale	Fair Value	12	0
Total Impairment	69,129				67,640	1,489
Reversal of Impairments						
Ysbyty Aneurin Bevan	(950)	Indexation - reversal of impairment in previous years	Operational Assets	Indexation	(950)	0
Ysbyty Ystrad Fawr	(3,558)				(3,558)	0
Serennu Childrens Centre	(217)				(217)	0
Royal Gwent	(360)				(360)	0
St Cadocs	(135)				(135)	0
Llanfrechfa Grange	(37)				(37)	0
Neville Hall	(26)				(26)	0
Various Community Sites	(15)				(15)	0
Total Reversal of Impairments	(5,298)				(5,298)	0
Net credit to SoCNE	63,831				62,342	1,489

14.1 Inventories

	31 March 2021 £000	31 March 2020 £000
Drugs	**3,117**	3,428
Consumables	**6,563**	5,841
Energy	**177**	217
Work in progress	**0**	0
Other	**0**	0
Total	**9,857**	9,486
Of which held at realisable value	**0**	0

14.2 Inventories recognised in expenses

	31 March 2021 £000	31 March 2020 £000
Inventories recognised as an expense in the period	**0**	0
Write-down of inventories (including losses)	**0**	0
Reversal of write-downs that reduced the expense	**0**	0
Total	**0**	**0**

15. Trade and other Receivables

Current	**31 March 2021 £000**	31 March 2020 £000
Welsh Government	**7,017**	6,826
WHSSC / EASC	**441**	998
Welsh Health Boards	**1,672**	3,447
Welsh NHS Trusts	**3,500**	3,328
Health Education and Improvement Wales (HEIW)	**111**	217
Non - Welsh Trusts	**208**	455
Other NHS	**0**	0
2019-20 Scheme Pays - Welsh Government Reimbursement	**0**	0
Welsh Risk Pool Claim reimbursement		
NHS Wales Secondary Health Sector	**63,083**	24,895
NHS Wales Primary Sector FLS Reimbursement	**0**	0
NHS Wales Redress	**488**	752
Other	**0**	0
Local Authorities	**4,273**	3,823
Capital debtors - Tangible	**0**	53
Capital debtors - Intangible	**0**	0
Other debtors	**11,399**	11,268
Provision for irrecoverable debts	**(1,951)**	(2,070)
Pension Prepayments NHS Pensions	**0**	0
Pension Prepayments NEST	**0**	0
Other prepayments	**5,646**	4,569
Other accrued income	**0**	0
Sub total	**95,887**	58,561
Non-current		
Welsh Government	**0**	0
WHSSC / EASC	**0**	0
Welsh Health Boards	**0**	0
Welsh NHS Trusts	**0**	0
Health Education and Improvement Wales (HEIW)	**0**	0
Non - Welsh Trusts	**0**	0
Other NHS	**0**	0
2019-20 Scheme Pays - Welsh Government Reimbursement	**0**	0
Welsh Risk Pool Claim reimbursement;		
NHS Wales Secondary Health Sector	**117,181**	146,889
NHS Wales Primary Sector FLS Reimbursement	**0**	0
NHS Wales Redress	**0**	0
Other	**0**	0
Local Authorities	**0**	0
Capital debtors - Tangible	**0**	0
Capital debtors - Intangible	**0**	0
Other debtors	**1,210**	2,023
Provision for irrecoverable debts	**0**	0
Pension Prepayments NHS Pensions	**0**	0
Pension Prepayments NEST	**0**	0
Other prepayments	**0**	0
Other accrued income	**0**	0
Sub total	**118,391**	148,912
Total	**214,278**	207,473

15. Trade and other Receivables (continued)

Receivables past their due date but not impaired

	31 March 2021 £000	31 March 2020 £000
By up to three months	1,264	1,891
By three to six months	194	180
By more than six months	1,257	844
	2,715	2,915

Expected Credit Losses (ECL) / Provision for impairment of receivables

Balance at 1 April 2020	(2,070)	(1,663)
Transfer to other NHS Wales body	0	0
Amount written off during the year	24	69
Amount recovered during the year	0	0
(Increase) / decrease in receivables impaired	89	(497)
Bad debts recovered during year	6	21
Balance at 31 March 2021	(1,951)	(2,070)

In determining whether a debt is impaired consideration is given to the age of the debt and the results of actions taken to recover the debt, including reference to credit agencies.

Receivables VAT

Trade receivables	2,625	2,205
Other	458	220
Total	3,083	2,425

16. Other Financial Assets

	Current		Non-current	
	31 March 2021 £000	31 March 2020 £000	**31 March 2021 £000**	31 March 2020 £000
Financial assets				
Shares and equity type investments				
Held to maturity investments at amortised costs	**0**	0	**0**	0
At fair value through SOCNE	**0**	0	**0**	0
Available for sale at FV	**0**	0	**0**	0
Deposits	**0**	0	**0**	0
Loans	**32**	31	**554**	586
Derivatives	**0**	0	**0**	0
Other (Specify)				
Held to maturity investments at amortised costs	**0**	0	**0**	0
At fair value through SOCNE	**0**	0	**0**	0
Available for sale at FV	**0**	0	**0**	0
Total	**32**	**31**	**554**	**586**

17. Cash and cash equivalents

	2020-21 £000	2019-20 £000
Balance at 1 April 2020	**1,301**	984
Net change in cash and cash equivalent balances	**520**	317
Balance at 31 March 2021	**1,821**	1,301
Made up of:		
Cash held at GBS	**1,797**	1,278
Commercial banks	**0**	0
Cash in hand	**24**	23
Cash and cash equivalents as in Statement of Financial Position	**1,821**	1,301
Bank overdraft - GBS	**0**	0
Bank overdraft - Commercial banks	**0**	0
Cash and cash equivalents as in Statement of Cash Flows	**1,821**	1,301

In response to the IAS 7 requirement for additional disclosure, the changes in liabilities arising for financing activities are;

Lease Liabilities £0k
PFI liabilities £832k

The movement relates to cash, no comparative information is required by IAS 7 in 2020-21.

18. Trade and other payables

Current	**31 March 2021 £000**	31 March 2020 £000
Welsh Government	**66**	66
WHSSC / EASC	**2,370**	164
Welsh Health Boards	**2,569**	1,557
Welsh NHS Trusts	**3,935**	3,626
Health Education and Improvement Wales (HEIW)	**0**	4
Other NHS	**4,335**	6,113
Taxation and social security payable / refunds	**5,170**	3,932
Refunds of taxation by HMRC	**0**	0
VAT payable to HMRC	**0**	0
Other taxes payable to HMRC	**0**	0
NI contributions payable to HMRC	**0**	0
Non-NHS payables - Revenue	**59,115**	46,154
Local Authorities	**16,562**	18,501
Capital payables- Tangible	**11,886**	8,080
Capital payables- Intangible	**882**	0
Overdraft	**0**	0
Rentals due under operating leases	**0**	0
Obligations under finance leases, HP contracts	**0**	0
Imputed finance lease element of on SoFP PFI contracts	**911**	832
Pensions: staff	**9,001**	8,328
Non NHS Accruals	**97,401**	56,576
Deferred Income:		
Deferred Income brought forward	**0**	70
Deferred Income Additions	**0**	(70)
Transfer to / from current/non current deferred income	**0**	0
Released to SoCNE	**0**	0
Other creditors	**0**	0
PFI assets –deferred credits	**0**	0
Payments on account	**(11,759)**	(9,009)
Sub Total	**202,444**	144,924
Non-current		
Welsh Government	**0**	0
WHSSC / EASC	**0**	0
Welsh Health Boards	**0**	0
Welsh NHS Trusts	**0**	0
Health Education and Improvement Wales (HEIW)	**0**	0
Other NHS	**0**	0
Taxation and social security payable / refunds	**0**	0
Refunds of taxation by HMRC	**0**	0
VAT payable to HMRC	**0**	0
Other taxes payable to HMRC	**0**	0
NI contributions payable to HMRC	**0**	0
Non-NHS payables - Revenue	**0**	0
Local Authorities	**0**	0
Capital payables- Tangible	**0**	0
Capital payables- Intangible	**0**	0
Overdraft	**0**	0
Rentals due under operating leases	**0**	0
Obligations under finance leases, HP contracts	**0**	0
Imputed finance lease element of on SoFP PFI contracts	**4,315**	5,226
Pensions: staff	**0**	0
Non NHS Accruals	**0**	0
Deferred Income :		
Deferred Income brought forward	**0**	0
Deferred Income Additions	**0**	0
Transfer to / from current/non current deferred income	**0**	0
Released to SoCNE	**0**	0
Other creditors	**0**	0
PFI assets –deferred credits	**0**	0
Payments on account	**0**	0
Sub Total	**4,315**	5,226
Total	**206,759**	150,150

It is intended to pay all invoices within the 30 day period directed by the Welsh Government.

The Capital Payables - Tangible figure includes balances that have been agreed with other NHS Wales bodies, as part of the Agreement of Balances process. A balance of £526K was agreed with Cardiff & Vale UHB and £71K was agreed with Velindre University NHS Trust as part of this process.

18. Trade and other payables (continued).

Amounts falling due more than one year are expected to be settled as follows:	**31 March 2021 £000**	31 March 2020 £000
Between one and two years	**997**	911
Between two and five years	**1,854**	2,725
In five years or more	**1,464**	1,590
Sub-total	**4,315**	5,226

19. Other financial liabilities

	Current		**Non-current**	
Financial liabilities	**31 March 2021 £000**	31 March 2020 £000	**31 March 2021 £000**	31 March 2020 £000
Financial Guarantees:				
At amortised cost	**0**	0	**0**	0
At fair value through SoCNE	**0**	0	**0**	0
Derivatives at fair value through SoCNE	**0**	0	**0**	0
Other:				
At amortised cost	**0**	0	**0**	0
At fair value through SoCNE	**0**	0	**0**	0
Total	**0**	0	**0**	0

20. Provisions

	At 1 April 2020	Structured settlement cases transferred to Risk Pool	Transfer of provisions to creditors	Transfer between current and non-current	Arising during the year	Utilised during the year	Reversed unused	Unwinding of discount	At 31 March 2021
Current	£000	£000	£000	£000	£000	£000	£000	£000	£000
Clinical negligence:-									
Secondary care	14,314	0	(1,178)	35,737	7,723	(8,735)	(7,468)	0	40,393
Primary care	0	0	0	0	0	0	0	0	0
Redress Secondary care	524	0	0	0	237	(218)	(231)	0	312
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	497	0	0	(169)	165	(263)	(113)	0	117
All other losses and special payments	0	0	0	0	30	(30)	0	0	0
Defence legal fees and other administration	1,155	0	0	660	1,653	(1,032)	(579)		1,857
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	440			90	438	(410)	(107)	(39)	412
2019-20 Scheme Pays - Reimbursement	0			0	0	0	0	0	0
Restructuring	0			0	0	0	0	0	0
Other	1,442		0	0	1,719	(52)	(201)		2,908
Total	18,372	0	(1,178)	36,318	11,965	(10,740)	(8,699)	(39)	45,999
Non Current									
Clinical negligence:-									
Secondary care	146,409	0	(4,118)	(35,737)	11,811	(1,074)	(1,223)	0	116,068
Primary care	0	0	0	0	0	0	0	0	0
Redress Secondary care	0	0	0	0	0	0	0	0	0
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	3,443	0	0	169	223	(259)	(189)	(34)	3,353
All other losses and special payments	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	1,686	0	0	(660)	681	(158)	(24)		1,525
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	3,718			(90)	0	0	0	0	3,628
2019-20 Scheme Pays - Reimbursement	0			0	0	0	0	0	0
Restructuring	0			0	0	0	0	0	0
Other	203		0	0	327	(121)	(41)		368
Total	155,459	0	(4,118)	(36,318)	13,042	(1,612)	(1,477)	(34)	124,942
TOTAL									
Clinical negligence:-									
Secondary care	160,723	0	(5,296)	0	19,534	(9,809)	(8,691)	0	156,461
Primary care	0	0	0	0	0	0	0	0	0
Redress Secondary care	524	0	0	0	237	(218)	(231)	0	312
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	3,940	0	0	0	388	(522)	(302)	(34)	3,470
All other losses and special payments	0	0	0	0	30	(30)	0	0	0
Defence legal fees and other administration	2,841	0	0	0	2,334	(1,190)	(603)		3,382
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	4,158			0	438	(410)	(107)	(39)	4,040
2019-20 Scheme Pays - Reimbursement	0			0	0	0	0	0	0
Restructuring	0			0	0	0	0	0	0
Other	1,645		0	0	2,046	(173)	(242)		3,276
Total	173,831	0	(5,296)	0	25,007	(12,352)	(10,176)	(73)	170,941

Expected timing of cash flows:

	In year to 31 March 2022	Between 1 April 2022 31 March 2026	Thereafter	Total £000
Clinical negligence:-				
Secondary care	40,393	116,068	0	156,461
Primary care	0	0	0	0
Redress Secondary care	312	0	0	312
Redress Primary care	0	0	0	0
Personal injury	117	1,277	2,076	3,470
All other losses and special payments	0	0	0	0
Defence legal fees and other administration	1,857	1,525	0	3,382
Pensions relating to former directors	0	0	0	0
Pensions relating to other staff	412	3,628	0	4,040
2019-20 Scheme Pays - Reimbursement	0	0	0	0
Restructuring	0	0	0	0
Other	2,908	368	0	3,276
Total	45,999	122,866	2,076	170,941

The expected timing of cash flows are based on best available information; but they could change on the basis of individual case changes. The claims outstanding with the Welsh Risk Pool are based on best estimates of settlement of claims provided by the Health Board's legal advisors. The Health Board estimates that in 2021/22 it will receive £40,616,280 and in 2022/23 and beyond £117,181,426 from the Welsh Risk Pool in respect of clinical negligence and personal injury payments.

Other provisions include: Continuing Healthcare Independent Review Panel (IRP) & Ombudsman claims £458,086. The estimation method used to calculate the provision for 2020/21 is consistent with the methodology used in 2019/20. In the continuing absence of detailed assessment information the Health Board has used a mixture of actual assessments and the application of an expected success factor and average weekly costs to determine whether an individual claimant provision would be established.

Other provisions include an amount for Ancillary Staff Banked Annual Leave Payments, potential VAT payment to HMRC and a provision for potential pension costs know as 'final pay control'.

The total Health Board provision also includes an amount of £311,362 which relates to 36 Redress cases where offers have been made to the families but not yet accepted or breach and causation have been proven.

20. Provisions (continued)

	At 1 April 2019	Structured settlement cases transferred to Risk Pool	Transfer of provisions to creditors	Transfer between current and non-current	Arising during the year	Utilised during the year	Reversed unused	Unwinding of discount	At 31 March 2020
Current	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Clinical negligence:-									
Secondary care	30,372	(305)	(1,723)	5,179	7,741	(5,936)	(21,014)	0	**14,314**
Primary care	0	0	0	0	0	0	0	0	**0**
Redress Secondary care	439	0	0	0	533	(413)	(35)	0	**524**
Redress Primary care	0	0	0	0	0	0	0	0	**0**
Personal injury	388	0	0	(96)	682	(441)	(18)	(18)	**497**
All other losses and special payments	0	0	0	0	198	(198)	0	0	**0**
Defence legal fees and other administration	1,098	0	0	134	1,060	(746)	(391)		**1,155**
Pensions relating to former directors	0			0	0	0	0	0	**0**
Pensions relating to other staff	423			113	510	(424)	(161)	(21)	**440**
2019-20 Scheme Pays - Reimbursement	0			0	0	0	0	0	**0**
Restructuring	0			0	0	0	0	0	**0**
Other	2,559		0	0	562	(229)	(1,450)		**1,442**
Total	**35,279**	**(305)**	**(1,723)**	**5,330**	**11,286**	**(8,387)**	**(23,069)**	**(39)**	**18,372**
Non Current									
Clinical negligence:-									
Secondary care	88,484	0	0	(5,179)	65,661	(1,506)	(1,051)	0	**146,409**
Primary care	0	0	0	0	0	0	0	0	**0**
Redress Secondary care	0	0	0	0	0	0	0	0	**0**
Redress Primary care	0	0	0	0	0	0	0	0	**0**
Personal injury	3,260	0	0	96	87	0	0	0	**3,443**
All other losses and special payments	0	0	0	0	0	0	0	0	**0**
Defence legal fees and other administration	1,037	0	0	(134)	1,078	(162)	(133)		**1,686**
Pensions relating to former directors	0			0	0	0	0	0	**0**
Pensions relating to other staff	3,831			(113)	0	0	0	0	**3,718**
2019-20 Scheme Pays - Reimbursement	0			0	0	0	0	0	**0**
Restructuring	0			0	0	0	0	0	**0**
Other	919		0	0	988	(951)	(753)		**203**
Total	**97,531**	**0**	**0**	**(5,330)**	**67,814**	**(2,619)**	**(1,937)**	**0**	**155,459**
TOTAL									
Clinical negligence:-									
Secondary care	118,856	(305)	(1,723)	0	73,402	(7,442)	(22,065)	0	**160,723**
Primary care	0	0	0	0	0	0	0	0	**0**
Redress Secondary care	439	0	0	0	533	(413)	(35)	0	**524**
Redress Primary care	0	0	0	0	0	0	0	0	**0**
Personal injury	3,648	0	0	0	769	(441)	(18)	(18)	**3,940**
All other losses and special payments	0	0	0	0	198	(198)	0	0	**0**
Defence legal fees and other administration	2,135	0	0	0	2,138	(908)	(524)		**2,841**
Pensions relating to former directors	0			0	0	0	0	0	**0**
Pensions relating to other staff	4,254			0	510	(424)	(161)	(21)	**4,158**
2019-20 Scheme Pays - Reimbursement	0			0	0	0	0	0	**0**
Restructuring	0			0	0	0	0	0	**0**
Other	3,478		0	0	1,550	(1,180)	(2,203)		**1,645**
Total	**132,810**	**(305)**	**(1,723)**	**0**	**79,100**	**(11,006)**	**(25,006)**	**(39)**	**173,831**

21. Contingencies

21.1 Contingent liabilities

Provisions have not been made in these accounts for the following amounts :	**2020-21 £'000**	2019-20 £'000
Legal claims for alleged medical or employer negligence:-		
Secondary care	**420,315**	339,883
Primary care	**45**	45
Redress Secondary care	**146**	0
Redress Primary care	**0**	0
Doubtful debts	**0**	0
Equal Pay costs	**0**	0
Defence costs	**5,719**	4,675
Continuing Health Care costs	**1,364**	2,022
Other	**0**	0
Total value of disputed claims	**427,589**	346,625
Amounts (recovered) in the event of claims being successful	**(422,167)**	(340,543)
Net contingent liability	**5,422**	6,082

ABUHB – Contingent Liability Note

Other litigation claims could arise in the future due to known incidents. The expenditure which may arise from such claims cannot be determined and no provision has been made for them. The legal claims have increased by £81m from 2019/20 with the number of claims increasing from 146 in 2019/20 to 273 in 2020/21.

Liability for Permanent Injury Benefit under the NHS Injury Benefit Scheme lies with the employer. Individual claims to the NHS Pensions Agency could arise due to known incidents.

Continuing Healthcare Cost uncertainties
The Health Board has made progress in completing the review of the outstanding claims for reimbursement of retrospective care payments (IRPs) during 2020/21. As a consequence there has been a movement in the level of provision and uncertainty including in these Accounts.

Note 20 sets out the £0.458m provision made for probable continuing care costs relating to 57 outstanding claims received by 31st March 2021. This compares with the 2019/20 provision of £0.288m and 82 outstanding phase 1 to 7 claims.

Note 21.1 also sets out the £1.364m contingent liability for possible additional continuing care costs relating to those claims if they are all settled and in full, comparing favourably with the £2.022m reported for 2019/20.

During 2016/17 ABUHB took the decision to close 116 claims that had become dormant i.e. no progress made in establishing eligibility, between December 2007 and November 2014. A further 4 claims were added in 2018/19. The contingent liability for these claims reported for 2019/20 was £3.187m. There has been no change to the volume of dormant claims during 20/21 and given their age, the claims have now been closed.

In addition the LHB has a further 7 new (Phase 7) claims, which have been received in the latter part of the financial year for which the assessment process remains incomplete. The assessment process is highly complex, involves multi-disciplinary teams and for those reasons can take many months. At this stage, the LHB does not have the information to make a judgement on the likely success or otherwise of these claims, however, they may result in additional costs to the LHB, which cannot be quantified at this time.

ABUHB – Contingent Liability Note continued

Pensions tax annual allowance – Scheme Pays arrangements 2019/20

In accordance with a Ministerial Direction issued on 18 December 2019, the Welsh Government have taken action to support circumstances where pensions tax rules are impacting upon clinical staff who want to work additional hours, and have determined that:

- clinical staff who are members of the NHS Pension Scheme and who, as a result of work undertaken in the 2019-20 tax year, face a tax charge on the growth of their NHS pension benefits, may opt to have this charge paid by the NHS Pension Scheme, with their pension reduced on retirement.

Welsh Government, on behalf of the Aneurin Bevan University Health Board, will pay the members who opt for reimbursement of their pension, a corresponding amount on retirement, ensuring that they are fully compensated for the effect of the deduction.

This scheme will be funded directly by the Welsh Government to the NHS Business Services Authority Pension Division, the administrators on behalf of the Welsh claimants.

Clinical staff have until 31 March 2022 to opt for this scheme and the ability to make changes up to 31 July 2026.

At the date of approval of these accounts, there was insufficient data of take-up of the scheme by the Welsh clinical staff to enable a reasonable assessment of future take up to be made. As no reliable estimate can therefore be made to support the creation of a provision at 31 March 2021, the existence of an unquantified contingent liability is instead disclosed.

21.2 Remote Contingent liabilities

	2020-21 £'000	2019-20 £'000
Please disclose the values of the following categories of remote contingent liabilities :		
Guarantees	0	0
Indemnities	14,159	9,800
Letters of Comfort	0	0
Total	**14,159**	**9,800**

21.3 Contingent assets

	2020-21 £'000	2019-20 £'000
Please give detail	0	0
	0	0
	0	0
Total	**0**	0

22. Capital commitments

Contracted capital commitments at 31 March	2020-21 £'000	2019-20 £'000
Property, plant and equipment	10,090	46,614
Intangible assets	0	0
Total	**10,090**	46,614

23. Losses and special payments

Losses and special payments are charged to the Statement of Comprehensive Net Expenditure in accordance with IFRS but are rec orded in the losses and special payments register when payment is made. Therefore this note is prepared on a cash basis.

Gross loss to the Exchequer

Number of cases and associated amounts paid out or written-off during the financial year:

	Amounts paid out during period to 31 March 2021	
	Number	**£**
Clinical negligence	120	10,027,088
Personal injury	47	522,123
All other losses and special payments	149	53,843
Total	316	10,603,054

Analysis of cases which exceed £300,000 and all other cases:

Cases where cumulative amount exceeds £300,000	**Number**	**Case type**	**Amounts paid out in year**	**Cumulative amount**
			£	£
04RVFPI0038	04RVFPI0038	PI	27,201	438,390
09RVFMN0033	09RVFMN0033	MN	1,728,000	1,918,000
10RVFMN0058	10RVFMN0058	MN	34,900	459,900
14RVFMN0015	14RVFMN0015	MN	0	1,875,324
14RVFMN0061	14RVFMN0061	MN	201,500	1,871,500
14RVFMN0114	14RVFMN0114	MN	74,000	1,308,993
14RVFMN0118	14RVFMN0118	MN	79,967	2,152,500
15RVFMN0185	15RVFMN0185	MN	900,000	1,050,000
16RVFMN0131	16RVFMN0131	MN	93,932	300,781
16RVFMN0139	16RVFMN0139	MN	652,500	745,000
16RVFMN0187	16RVFMN0187	MN	31,000	416,000
16RVFMN0202	16RVFMN0202	MN	433,500	433,500
16RVFMN0206	16RVFMN0206	MN	300,000	495,000
16RVFMN0216	16RVFMN0216	MN	300,000	995,000
16RVFMN0242	16RVFMN0242	MN	0	632,000
17RVFMN0034	17RVFMN0034	MN	1,100,000	1,100,000
17RVFMN0070	17RVFMN0070	MN	136,000	311,000
18RVFMN0110	18RVFMN0110	MN	40,000	340,000
18RVFPI0022	18RVFPI0022	PI	61,873	309,887
20RVFMN0129	20RVFMN0129	MN	350,000	350,000
			0	0
			0	0
Sub-total	**20**		**6,544,373**	**17,502,775**
All other cases	296		4,058,681	10,132,703
Total cases	**316**		**10,603,054**	**27,635,478**

24. Finance leases

24.1 Finance leases obligations (as lessee)

The Local Health Board has no finance leases receivable as a lessee.

Amounts payable under finance leases:

Land	**31 March 2021 £000**	31 March 2020 £000
Minimum lease payments		
Within one year	**0**	0
Between one and five years	**0**	0
After five years	**0**	0
Less finance charges allocated to future periods	**0**	0
Minimum lease payments	**0**	0
Included in:		
Current borrowings	**0**	0
Non-current borrowings	**0**	0
	0	0
Present value of minimum lease payments		
Within one year	**0**	0
Between one and five years	**0**	0
After five years	**0**	0
Present value of minimum lease payments	**0**	0
Included in:		
Current borrowings	**0**	0
Non-current borrowings	**0**	0
	0	0

24.1 Finance leases obligations (as lessee) continued

Amounts payable under finance leases:

Buildings	**31 March 2021**	31 March 2020
Minimum lease payments	**£000**	£000
Within one year	**0**	0
Between one and five years	**0**	0
After five years	**0**	0
Less finance charges allocated to future periods	**0**	0
Minimum lease payments	**0**	0
Included in:		
Current borrowings	**0**	0
Non-current borrowings	**0**	0
	0	0
Present value of minimum lease payments		
Within one year	**0**	0
Between one and five years	**0**	0
After five years	**0**	0
Present value of minimum lease payments	**0**	0
Included in:		
Current borrowings	**0**	0
Non-current borrowings	**0**	0
	0	0

Other	**31 March 2021**	31 March 2020
Minimum lease payments	**£000**	£000
Within one year	**0**	0
Between one and five years	**0**	0
After five years	**0**	0
Less finance charges allocated to future periods	**0**	0
Minimum lease payments	**0**	0
Included in:		
Current borrowings	**0**	0
Non-current borrowings	**0**	0
	0	0
Present value of minimum lease payments		
Within one year	**0**	0
Between one and five years	**0**	0
After five years	**0**	0
Present value of minimum lease payments	**0**	0
Included in:		
Current borrowings	**0**	0
Non-current borrowings	**0**	0
	0	0

24.2 Finance leases obligations (as lessor) continued

The Local Health Board has no finance leases receivable as a lessor.

Amounts receivable under finance leases:

	31 March 2021	31 March 2020
Gross Investment in leases	**£000**	£000
Within one year	**0**	0
Between one and five years	**0**	0
After five years	**0**	0
Less finance charges allocated to future periods	**0**	0
Minimum lease payments	**0**	0
Included in:		
Current borrowings	**0**	0
Non-current borrowings	**0**	0
	0	0
Present value of minimum lease payments		
Within one year	**0**	0
Between one and five years	**0**	0
After five years	**0**	0
Less finance charges allocated to future periods	**0**	0
Present value of minimum lease payments	**0**	0
Included in:		
Current borrowings	**0**	0
Non-current borrowings	**0**	0
	0	0

25. Private Finance Initiative contracts

25.1 PFI schemes off-Statement of Financial Position

The LHB has two PFI operational schemes deemed to be off-statement of Financial Position

	Newport Hospitals Energy Scheme	Nevill Hall Hospitals Energy Scheme	Total
	£000	£000	£000
Estimated capital value of the PFI scheme	1182	3300	4482

Both schemes relate to the provision of replacement heating and lighting systems within the respective hospitals. Neither has resulted in guarantees, commitments or other rights and obligations upon the LHB. The Newport hospitals scheme commenced in 2015 for a period of 5 years ending in September 2020. The Nevill Hall scheme commenced in 2000 for a period of 25 years. The payments are made quarterly in advance with prepayments at year end for the period beyond 31 March 2021 included in debtors.

Commitments under off-SoFP PFI contracts	**Off-SoFP PFI contracts**	Off-SoFP PFI contracts
	31 March 2021	31 March 2020
	£000	£000
Total payments due within one year	**861**	1,103
Total payments due between 1 and 5 years	**3,200**	3,359
Total payments due thereafter	**0**	603
Total future payments in relation to PFI contracts	**4,061**	5,065
Total estimated capital value of off-SoFP PFI contracts	**3,300**	4,482

25.2 PFI schemes on-Statement of Financial Position

Capital value of scheme included in Fixed Assets Note 11	**£000**	**£000**	**£000**
	4,244	**3,118**	**1,100**
	Chepstow Community Hospital	Monnow Vale Health and Social Care Facility	Nevill Hall Hospital Day Surgery
Contract start date:	Feb-00	Mar-04	Sep-99
Contract end date:	Feb-25	Mar-36	Sep-24

Chepstow Community Hospital - a new community hospital including the provision of ancillary support services. This scheme commenced in 1998 with unitary charge payments being made for a period of 25 years from February 2000. The obligation for the scheme is £2,027k.

Monnow Vale Health and Social Care Facility - a new health and social care facility. This scheme commenced in 2006 with unitary charge payments being made for a period of 30 years from 2006. The obligation for the scheme is £2,058k.

Nevill Hall Hospital Day Surgery - a purpose built day unit including the provision of medical equipment for the unit. The PFI partner has responsibility for maintaining the building and replacing the equipment used with the unit. The scheme commenced in 1998 with unitary charge payments being made for a period of 25 years from 1999. The obligation for the scheme is £1,141k.

Total obligations for on-Statement of Financial Position PFI contracts due:

	On SoFP PFI Capital element	**On SoFP PFI Imputed interest**	**On SoFP PFI Service charges**
	31 March 2021	**31 March 2021**	**31 March 2021**
	£000	**£000**	**£000**
Total payments due within one year	**911**	**318**	**2,400**
Total payments due between 1 and 5 years	**2,850**	**550**	**8,557**
Total payments due thereafter	**1,465**	**234**	**6,421**
Total future payments in relation to PFI contracts	**5,226**	**1,102**	**17,378**

	On SoFP PFI Capital element	On SoFP PFI Imputed interest	On SoFP PFI Service charges
	31 March 2020	31 March 2020	31 March 2020
	£000	£000	£000
Total payments due within one year	832	381	2,502
Total payments due between 1 and 5 years	3,636	823	10,485
Total payments due thereafter	1,590	280	6,922
Total future payments in relation to PFI contracts	6,058	1,484	19,909

	31 March 2021
	£000
Total present value of obligations for on-SoFP PFI contracts	**23,706**

25.3 Charges to expenditure

	2020-21	2019-20
	£000	£000
Service charges for On Statement of Financial Position PFI contracts (excl interest costs)	**1,987**	2,081
Total expense for Off Statement of Financial Position PFI contracts	**1,109**	1,313
The total charged in the year to expenditure in respect of PFI contracts	**3,096**	3,394

The LHB is committed to the following annual charges

	31 March 2021	31 March 2020
PFI scheme expiry date:	**£000**	£000
Not later than one year	**0**	264
Later than one year, not later than five years	**2,321**	1,584
Later than five years	**553**	1,383
Total	**2,874**	3,231

The estimated annual payments in future years will vary from those which the LHB is committed to make during the next year by the impact of movement in the Retail Prices Index.

The estimated annual payments in future years will vary from those which the LHB is committed to make during the next year by the impact of movement in the Retail Prices Index. One of the Off SoFP PFI contracts ceased during 2020/21 and as such the number entered reflects the number of contracts in existence at the end of March 2021.

25.4 Number of PFI contracts

	Number of on SoFP PFI contracts	**Number of off SoFP PFI contracts**
Number of PFI contracts	3	1
Number of PFI contracts which individually have a total commitment > £500m	0	0

PFI Contract	**On / Off-statement of financial position**
Number of PFI contracts which individually have a total commitment > £500m	0

PFI Contract

25.5 The LHB <u>has/ has no</u> Public Private Partnerships

26. Financial risk management

Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. The LHB is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which these standards mainly apply. The LHB has limited powers to invest and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the LHB in undertaking its activities.

Currency risk
The LHB is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and Sterling based. The LHB has no overseas operations. The LHB therefore has low exposure to currency rate fluctuations.

Interest rate risk
LHBs are not permitted to borrow. The LHB therefore has low exposure to interest rate fluctuations.

Credit risk
Because the majority of the LHB's funding derives from funds voted by the Welsh Government the LHB has low exposure to credit risk.

Liquidity risk
The LHB is required to operate within cash limits set by the Welsh Government for the financial year and draws down funds from the Welsh Government as the requirement arises. The LHB is not, therefore, exposed to significant liquidity risks.

27. Movements in working capital

	2020-21 £000	2019-20 £000
(Increase)/decrease in inventories	(371)	(1,913)
(Increase)/decrease in trade and other receivables - non-current	30,553	(57,837)
(Increase)/decrease in trade and other receivables - current	(37,327)	11,518
Increase/(decrease) in trade and other payables - non-current	(911)	(166)
Increase/(decrease) in trade and other payables - current	57,520	6,462
Total	49,464	(41,936)
Adjustment for accrual movements in fixed assets - creditors	(4,688)	487
Adjustment for accrual movements in fixed assets - debtors	(53)	53
Other adjustments	7,945	625
	52,668	(40,771)

28. Other cash flow adjustments

	2020-21 £000	2019-20 £000
Depreciation	32,654	25,403
Amortisation	1,574	948
(Gains)/Loss on Disposal	(43)	(78)
Impairments and reversals	62,342	(3,154)
Release of PFI deferred credits	0	0
NWSSP Covid assets issued debited to expenditure but non-cash	(7,057)	0
Covid assets received credited to revenue but non-cash	0	0
Donated assets received credited to revenue but non-cash	(201)	(300)
Government Grant assets received credited to revenue but non-cash	(389)	(93)
Non-cash movements in provisions	9,462	52,027
Other movements	25,189	22,985
Total	123,531	97,738

29. Events after the Reporting Period

The need to plan and respond to the Covid-19 pandemic has impacted significantly on the Health Board, wider NHS and society in the past year. This has required a dynamic response which has presented a number of opportunities in addition to risks. The need to respond and recover from the pandemic will be with the Health Board and wider society throughout 2021-22 and beyond and the Health Board's Governance Framework will need to consider and respond to this on an on-going basis.

These financial statements were authorised for issue by the Chief Executive and Accountable Officer on 15th June 2021 the date they were certified by the Auditor General for Wales'.

30. Related Party Transactions

The Welsh Government is regarded as a related party. During the year the LHB have had a significant number of material transactions with the Welsh Government and with other entities for which the Welsh Government is regarded as the parent body, namely

	2020-21		As at 31st March 2021	
	Expenditure to related party	Income from related party	Amounts owed to related party	Amounts due from related party
	£000	£000	£000	£000
Welsh Government	217	11,327	66	7,017
Betsi Cadwaladr University Health Board	566	81	462	17
Cardiff & Vale University Health Board	34,283	3,441	1,586	746
Cwm Taf University Health Board	22,629	1,936	358	75
Hywel Dda University Health Board	748	714	228	5
Powys Teaching Health Board	247	16,152	40	711
Swansea Bay University Health Board	3,207	1,197	421	118
Velindre NHS Trust	52,477	8,211	3,082	2,900
Welsh Ambulance Services NHS Trust	10,721	1,144	477	82
Public Health Wales NHS Trust	1,778	4,254	392	517
Welsh Health Specialised Services Committee	161,384	8,905	2,370	441
Health Education and Improvement Wales (HEIW)	0	10,222	0	111

In addition the LHB has had significant number of material transactions with other Government Departments and other central and local Government bodies. The most significant of these transactions are with the following:-

	2020-21		As at 31st March 2021	
Government Body	Expenditure to related party	Income from related party	Amounts owed to related party	Amounts due from related party
	£000	£000	£000	£000
Blaenau Gwent County Borough Council	5,849	1,435	2,123	304
Caerphilly County Borough Council	19,314	11,635	4,513	2,696
Monmouthshire County Council	6,923	1,593	1,882	543
Newport City Council	10,334	1,939	2,908	444
Torfaen County Borough Council	11,640	1,918	5,049	281

The LHB has also had significant material transactions with the following:

Aneurin Bevan Local Health Board Charitable Fund	17	1,170	32	25

A number of the LHB's Board members have interests in related parties as follows:

			2020-21		As at 31st March 2021	
Member	**Related Organisation**	**Relationship with Related Party**	Expenditure to related party	Income from related party	Amounts owed to related party	Amounts due from related party
			£000	£000	£000	£000
Glyn Jones	Citizens Advice Bureau (Caerphilly & Blaenau Gwent)	Voluntary Treasurer and Board Trustee	190	0	0	0
	Royal Brompton & Harefield NHS Foundation Trust	Son is on Student/Clinical Placement	42	1	46	0
	NHS Wales Informatics Service (Hosted by Velindre NHS Trust)	Sister is Project Manager	52,477	8,211	3,082	2,900
	Swansea Bay University Health Board	Niece is on the NHS Wales Graduate Finance Training Scheme	3,207	1,197	421	118
Dr James Calvert	Royal College of Physicians	Clinical Lead of National Asthma Audit	14	0	2	0
Mererid Bowley	Mitie Engineering	Husband employed by	399	0	162	0
Dr Paul Buss	HFMA	Council Member of Institue Costing for Value	3	0	3	0
Richard Bevan	Carers Trust South East Wales	Voluntary Director and Chair of the People and Well Being Committee	223	0	126	0
Philip Robson	Hospice of Valleys	Trustee	408	0	6	0
Chris Koehli	Pobl Group Limited	Non Executive Director	2,067	0	110	0
	Carers Trust Wales	Chair	223	0	126	0
Emrys Elias	Mind UK	Vice Chair and Director Trustee	30	0	0	0
	Mind Cymru	Chair of Governance Board				
	Welsh Health Specialised Services Committee	Vice Chair	161,384	8,905	2,370	441
Katija Dew	Newport Live	Trustee	74	0	6	0
Richard Clark	Torfaen County Borough Council	County Borough Councillor, Deputy Leader and Elected Member	11,640	1,918	5,049	281
David Jones	Ofcom	Non Executive Director for Wales	2	0	0	0
David Street	Caerphilly County Borough Council	Corporate Director, Social Services and Housing	19,314	11,635	4,513	2,696

31. Third Party assets

The LHB held £31,205.63 cash at bank and in hand at 31 March 2021 (31st March 2020, £19,758.14) which relates to monies held by the LHB on behalf of patients. Cash held in patient Investment Accounts amounted to £0 at 31st March 2021 (31st March 2020, £0). This has been excluded from the Cash and Cash equivalents figure reported in the accounts.

In addition the LHB had located on its premises £2.0m of consignment stock. This stock remains the property of the supplier until it is used.

32. Pooled budgets

The Health Board has five pooled budgets. The specific accounting treatment of each pooled budget is covered within Accounting Policies note 1.22.

Monnow Vale Health and Social Care Unit
The Health Board has entered into a pooled budget with Monmouthshire County Council. Under the arrangement funds are pooled under section 33 of the NHS (Wales) Act 2006 to provide health and social care inpatient, outpatient, clinic and day care facilities to individuals who have medical, social, community or rehabilitation needs and a memorandum note to the accounts provides details of the joint income and expenditure. The asset value of property, plant & equipment is £4,437K which is split 72% Aneurin Bevan Health Board and 28% Monmouthshire County Council. The costs incurred under the pooled budget is declared in the memorandum trading account.

Gwent Wide Integrated Community Equipment Service
The Health Board has entered into a pooled budget with the 5 Local Authorities in the Gwent area, namely Blaenau Gwent, Caerphilly, Monmouth, Newport and Torfaen County Borough Councils, for the provision of an effective integrated GWICES (Gwent Wide Integrated Community Equipment Service) to service users who are resident in the partners' localities. Under the arrangement funds are pooled under section 33 of the NHS (Wales) Act 2006 for the joint equipment store in the Gwent area. The Health Board accounts for its share of the assets, liabilities, income and expenditure arising from the activities of the pooled budget, identified in accordance with the pooled budget agreement. The LHB's contribution is £903K for 2020/21 (£918K in 2019/20).

Mardy Park Rehabilitation Centre
The Health Board has entered into a pooled budget arrangement with Monmouthshire County Council. Under the arrangement funds are pooled under Section 33 of the NHS (Wales) Act 2006 to provide care to individuals who have rehabilitation needs. The pool is hosted by Monmouthshire County Council and the LHBs contribution is £207K for 2020/21 (£203K in 2019/20).

Gwent Frailty Programme
The Health Board has entered into a pooled budget with 5 Local Authorities in the Gwent area, namely Blaenau Gwent , Caerphilly, Monmouthshire, Newport and Torfaen County councils, for the provision of a Gwent wide integrated health and social care Frailty service, for service users who are resident in the partners' localities. Under the arrangement funds are pooled under section 33 of the NHS (Wales) Act 2006 for the purpose of establishing a consistent service for the Gwent area. The Health Board accounts for its share of the assets, liabilities, income and expenditure arising from the activities of the pooled budget, identified in accordance with the pooled budget agreement. The LHB's contribution is £9,730K for 2020/21 (£9,714K in 2019/20).

Continuing Healthcare - Older People in Care Homes
The Health Board has entered into a pooled budget with the 5 Local Authorities in the Gwent area, namely Blaenau Gwent, Caerphilly, Monmouthshire, Newport and Torfaen County Councils, for the provision and commissioning of certain specialised services for older people (>65 years of age) in a care home setting in Gwent. Statutory Directions issued under section 169 of the Social Services and Wellbeing (Wales) Act 2014 required Partnership Bodies to enter into partnership arrangements and for the establishment and maintenance of pooled funds from April 2018, for the exercise of their Care Home Accommodation Functions.
The pool was established in August 2018 and is hosted by Torfaen County Borough Council. Under the arrangement, the Health Board makes a financial contribution equivalent to related expenditure in commissioning related placements in homes during the year. The LHB's contribution is £31,117K for 2020/21 (£37,641K in 2019/20).

Pooled Budget memorandum account for the period 1st April 2020 - 31st March 2021

Monnow Vale

	Cash	Own Contribution	Grants	Total
	£	£	£	£
Funding				
Aneurin Bevan Health Board	0	2,481,819	0	2,481,819
Monmouthshire County Council	361,508	768,436	0	1,129,944
Total Funding	**361,508**	**3,250,255**	**0**	**3,611,763**
Expenditure				
Aneurin Bevan Health Board	0	2,596,627	0	2,596,627
Monmouthshire County Council	405,864	765,470	0	1,171,334
Total Expenditure	**405,864**	**3,362,097**	**0**	**3,767,961**
Net (under)/over spend	**44,356**	**111,842**	**0**	**156,198**

33. Operating segments

IFRS 8 requires bodies to report information about each of its operating segments.

Whilst the organisation is structured into divisions, the performance management and the allocation of resourcews flow from the Board of Aneurin Bevan University Health Board.

There are no hosted services within the health board. Divisions do not manage capital programmes, have any autonomy in relation to balance sheets or produce discrete accounts.

For the purposes of IFRS 8 it is therefore deemed that there is no requirement to report any operating segments.

34. Other Information

34.1. 6.3% Staff Employer Pension Contributions - Notional Element

The value of notional transactions is based on estimated costs for the twelve month period 1 April 2020 to 31 March 2021. This has been calculated from actual Welsh Government expenditure for the 6.3% staff employer pension contributions between April 2020 and February 2021 alongside Health Board/Trust/SHA data for March 2021.

Transactions include notional expenditure in relation to the 6.3% paid to NHS BSA by Welsh Government and notional funding to cover that expenditure as follows:

	2020-21 £000	2019-20 £000
Statement of Comprehensive Net Expenditure for the year ended 31 March 2021		
Expenditure on Primary Healthcare Services	**512**	441
Expenditure on Hospital and Community Health Services	**24,677**	22,544
Statement of Changes in Taxpayers' Equity For the year ended 31 March 2021		
Net operating cost for the year	**25,189**	22,985
Notional Welsh Government Funding	**25,189**	22,985
Statement of Cash Flows for year ended 31 March 2021		
Net operating cost for the financial year	**25,189**	22,985
Other cash flow adjustments	**25,189**	22,985
2.1 Revenue Resource Performance		
Revenue Resource Allocation	**25,189**	22,985
3. Analysis of gross operating costs		
3.1 Expenditure on Primary Healthcare Services		
General Medical, Dental & Prescribing Services	**512**	441
3.3 Expenditure on Hospital and Community Health Services		
Directors' costs	**68**	89
Staff costs	**24,609**	22,455
9.1 Employee costs		
Permanent Staff		
Employer contributions to NHS Pension Scheme	**25,189**	22,985
Charged to capital	**0**	0
Charged to revenue	**25,189**	22,985
18. Trade and other payables		
Current		
Pensions: staff	**0**	0
28. Other cash flow adjustments		
Other movements	**25,189**	22,985

34. Other Information

34.2. Other (continued)

Welsh Government Covid 19 Funding

	2020-21 £000
Capital	
Capital Funding Field Hospitals	9,300
Capital Funding Equipment & Works	8,961
Capital Funding other (Specify)	-
Welsh Government Covid 19 Capital Funding	**18,261**
Revenue	
Sustainability Funding	56,400
C-19 Pay Costs Q1 (Future Quarters covered by SF)	8,527
Field Hospital (Set Up Costs, Decommissioning & Consequential losses)	-
PPE (including All Wales Equipment via NWSSP)	8,950
TTP- Testing & Sampling - Pay & Non Pay	-
TTP - NHS & LA Tracing - Pay & Non Pay	7,487
Vaccination - Extended Flu Programme	894
Vaccination - COVID-19	4,911
Bonus Payment	14,663
Annual Leave Accrual - Increase due to Covid	20,295
Urgent & Emergency Care	4,441
Support for Adult Social Care Providers	6,205
Hospices	-
Independent Health Sector	2,127
Mental Health	1,079
Other Primary Care	2,083
Other	4,495
Welsh Government Covid 19 Revenue Funding	**142,557**

34.3 NHS and Social care staff bonus payment

The Minister for Health and Social Services announced on 17th March 2021 that all directly employed NHS staff with at least one month's continuous services in the NHS in Wales between 17th March 2020 and 28th February 2021 would receive a one off non-consolidated non-pensionable payment of £500.

Included within staff costs in Note 3.3 and 9.1 of the accounts are the estimated costs of £14.7m in respect of these bonus payments, this equating to £735 per employee including employer on costs.
The estimated cost of the bounus payment has been directly funded by Welsh Government through a revenue allocation to the health board as detailed in Note 34.2 to the accounts.

34. Other Information

34.4 Implemention of IFRS 16

HM Treasury agreed with the Financial Reporting Advisory Board (FRAB), to defer the implementation of IFRS 16 Leases until 1 April 2022, because of the circumstances caused by Covid-19.

To ease the pressure on NHS Wales Finance Departments the IFRS 16 detailed impact statement has been removed by the Welsh Government Health and Social Services Group,Finance Department.

We expect the introduction of IFRS16 will have a significant impact and this will be worked through for disclosure in our 2022-23 financial statements.

THE NATIONAL HEALTH SERVICE IN WALES ACCOUNTS DIRECTION GIVEN BY WELSH MINISTERS IN ACCORDANCE WITH SCHEDULE 9 SECTION 178 PARA 3(1) OF THE NATIONAL HEALTH SERVICE (WALES) ACT 2006 (C.42) AND WITH THE APPROVAL OF TREASURY

LOCAL HEALTH BOARDS

1. Welsh Ministers direct that an account shall be prepared for the financial year ended 31 March 2011 and subsequent financial years in respect of the Local Health Boards (LHB)1, in the form specified in paragraphs [2] to [7] below.

BASIS OF PREPARATION

2. The account of the LHB shall comply with:

(a) the accounting guidance of the Government Financial Reporting Manual (FReM), which is in force for the financial year in which the accounts are being prepared, and has been applied by the Welsh Government and detailed in the NHS Wales LHB Manual for Accounts;

(b) any other specific guidance or disclosures required by the Welsh Government.

FORM AND CONTENT

3. The account of the LHB for the year ended 31 March 2011 and subsequent years shall comprise a statement of comprehensive net expenditure, a statement of financial position, a statement of cash flows and a statement of changes in taxpayers' equity as long as these statements are required by the FReM and applied by the Welsh Assembly Government, including such notes as are necessary to ensure a proper understanding of the accounts.

4. For the financial year ended 31 March 2011 and subsequent years, the account of the LHB shall give a true and fair view of the state of affairs as at the end of the financial year and the operating costs, changes in taxpayers' equity and cash flows during the year.

5. The account shall be signed and dated by the Chief Executive of the LHB.

MISCELLANEOUS

6. The direction shall be reproduced as an appendix to the published accounts.

7. The notes to the accounts shall, inter alia, include details of the accounting policies adopted.

Signed by the authority of Welsh Ministers

Signed : Chris Hurst Dated :

1. Please see regulation 3 of the 2009 No.1559 (W.154); NATIONAL HEALTH SERVICE, WALES; The Local Health Boards (Transfer of Staff, Property, Rights and Liabilities) (Wales) Order 2009.

GENERAL MEDICAL SERVICES - NEW GMS CONTRACT

	HB
	£000
Global Sum	58,356
MPIG Correction Factor	538
TOTAL GLOBAL SUM & MPIG	**58,894**
Quality Aspiration Payments	5,436
Quality Achievement Payments	1,594
Quality Assurance Improvement Framewrok (QAIF)	0
QAIF (In hours Access)	1,655
TOTAL QUALITY	**8,685**
Direct Enhanced Services	7,959
National Enhanced Services	599
Local Enhanced Services	1,477
TOTAL ENHANCED SERVICES	**10,035**
LHB Administered	6,957
Premises	7,107
IM & T	1,475
Out of Hours	7,941
Cost of Drugs and Appliances After Discounts and Plus Container Allowances	
Dispensing Doctors	3,753
Prescribing Medical Practitioners - Personal Administration	1,801
Dispensing Service Quality Payment	70
Professional Fees	
Dispensing Doctors	1,452
Prescribing Medical Practitioners - Personal Administration	823
Dispensing Doctors Prescribing Incentive schemes	0
TOTAL DISPENSING	7,899
TOTAL NEW GMS CONTRACT	**108,993**
Residuals: Cash Limited	0
Residuals: Non Cash Limited	0
TOTAL RESIDUALS	**0**
TOTAL	**108,993**

GENERAL MEDICAL SERVICES - NEW GMS CONTRACT

	HB £000
Directed Enhanced Services	
Bank Holiday	326
Learning Disabilities	116
Childhood Immunisation Scheme	1,300
Mental Health (Residual costs only 2019-20)	58
Influenza & Pneumococcal Immunisations Scheme	2,211
Services for Violent Patients	50
Minor Surgery Fee	744
Menu of Agreed DES	
Asylum Seekers & Refugees (from 1st April 2008)	(28)
Care of Diabetes	552
Care Homes	901
Extended Surgery Opening	653
Gender Identity	6
Homeless	10
Oral Anticoagulation with Warfarin	1,060
TOTAL DIRECTED ENHANCED SERVICES	**7,959**
National Enhanced Services	
INR Monitoring	0
Shared Care Drug Monitoring (near patient testing)	298
Drug Misuse	(40)
IUCD	126
Alcohol Misuse	0
Depression	5
Minor Injury Services	0
Diabetes Modules	210
Services to the Homeless	0
TOTAL NATIONAL ENHANCED SERVICES	**599**
Analysis of Local Enhanced Services	
ADHD	0
Asylum Seekers & Refugess (from 1st April 2008)	0
Cardiology	0
Care Homes	0
Care of diabetes	0
Chiropody	0
Counselling	92
Depo - Provera **(including Implanon)**	303
Dermatology	0
Dietetics	0
DOAC/ NOAC	220
Drugs Misuse	0
Extended Minor Surgery	0
Gonaderlins	94
Homeless (including homeless nurses)	0
HPV Vaccinations	(1)
Immunisations **(excluding DES - Childhood Imm & Influenza & Pneumococcal Imm)**	369
Learning Disabilities	0
Lithium / INR Monitoring	0
Local Development Schemes	0
Mental Health	107
Minor Injuries	0
MMR	0
Mulitiple Sclerosis	0
Muscular Skeletal	0

Nursing Homes	0
Orthopaedic (Upper Limb GPwSi Service/Clinical assessments)	0
Osteopathy	0
Phlebotomy	285
Physiotherapy	8
Referral Management	0
Respiratory (inc COPD)	0
Ring Pessaries	0
Sexual Health Services	0
Shared Care	0
Smoking Cessation	0
Substance Misuse	0
Suturing	0
Swine Flu	0
Transport/Ambulance costs	0
Vasectomy	0
Weight Loss Clinic	0
Wound Care	0
Zoladex	0

Other

	0
	0
	0
	0
	0
	0
	0
	0
	0
	0
	0
	0
	0
	0

TOTAL LOCAL ENHANCED SERVICES	**1,477**
TOTAL ENHANCED SERVICES	**10,035**

Memorandum item

Enhanced Services included above but in dispute with LMC (TOTAL)	0
Enhanced Services included above but not yet formally agreed LMC	0

GENERAL MEDICAL SERVICES - NEW GMS CONTRACT

	HB
	£000
LHB Administered	
Seniority	1,000
Doctors Retention Scheme Payments	65
Locum Allowances: consists of adoptive, paternity & maternity	451
Locum Allowances: cover for sick leave	600
Locum Allowances: cover for suspended doctors	212
Prolonged Study Leave	0
Recruitment and Retention (including Golden Hello)	0
Appraisal - appraiser costs	0
Primary Care Development Scheme	0
Partnership Premium	877
Supply of syringes and needles	0
Other (please detail below)	3,752
TOTAL LHB ADMINISTERED	**6,957**

Analysis of Other Payments	
Additional Managed Practice costs **(costs in excess of Global Sum/MPIG)**	1,510
CRB checks	1
GP Locum payments	(3)
LHB Locality group costs	0
Managing Practice costs **(LHB employed staff working in GP practices to improve GP services)**	0
Primary Care Initiatives	515
Salaried GP costs	0
Stationery & Distribution	139
Training	57
Translation fees	51
COVID vaccination payments to GP practices	1,480
Other	
PPV Recovery	(30)
Quality Review Visits	8
Printing & Postage of Letters to Patients	19
Other Miscellaneous Payments	5
TOTAL OTHER PAYMENTS	**3,752**

GENERAL MEDICAL SERVICES - NEW GMS CONTRACT

	HB
	£000
Premises	
Notional Rents	2,881
Actual Rents: health centres	235
Actual Rents: others	2,436
Cost Rent	16
Clinical Waste/Trade Refuse	216
Rates, water, sewerage etc	404
Health Centre Charges	219
Improvement Grants	665
All Other Premises (please detail below)	35
TOTAL PREMISES	**7,107**

Analysis of Other Premises	
Premises Fees (Legal/Professional)	5
District Valuer Fees	15
Other - includes perspex screens & minor works	15
TOTAL OTHER PREMISES	**35**

PHARMACEUTICAL / NON CASH LIMITED ANALYSIS / PRESCRIBING EXPENDITURE ANALYSIS

	HB £000
New Pharmacy Contract	
Professional fees	14,089
Special fees and allowances	1,077
Essential Services	
Establishment payment	3,292
Practice payment	7,147
COVID deliveries	2,174
DDA Allowance	0
Protected professional allowance	198
Repeat dispensing setup	197
Repeat dispensing transition payment	0
ETP Allowance (IT costs)	315
Protected additional professional payment	0
Quality Scheme	660
Continuity Payment	792
Collaborative Working Scheme	29
Advanced Services	
Other advanced services	0
Discharge Medicine Review	73
Enhanced Services	
Bank Holiday	0
Additional Hours Service (including Rotas)	520
Essential Small Pharmacy Service	26
Payments to Pharmacists Advice to Care Homes (nursing and residential)	5
Other Payments (Please detail below) **not including Difference between Dispensing & Prescribing**	105
Total Pharmacy Contractually Funded Expenditure	**30,699**

Analysis of Other Payments	
Pharmacy Contract Tranisitional Payments	51
Patient Medical Records (MAR Chart)	0
Palliative Care	0
Independent Prescribing Service	53
Other - Locum	0
Other	0
TB - Medicines Compliance Programme	1
Total Other Payments	**105**

Pharmacy - Non contractually funded expenditure

1. Commissioned Enhanced Services - Cost of Service Fee (Remuneration) - Reimbursement costs charged to Prescribing	
Emergency hormonal contraception (EHC)	75
Common Ailments Service	407
Sore throat test and treat	0
On demand availability of specialist drugs (e.g. palliative care)	49
Stop smoking	375
Supervised administration (opiates)	9
Needle and syringe exchange	25
Medicine Assessment and Compliance Support (other than MUR)	0
Gluten free food supply	0
Language Access Service	0
Seasonal flu immunisation	373
Blood pressure testing	0
Sexually transmitted disease testing (excluding Chlamydia)	0
Home delivery	0
Weight management	0
Support for alcohol misuse	0
Blood glucose testing	0
Cholesterol testing	0
Anticoagulant monitoring	0
Chlamydia testing and treatment	0
Condom supply (unless part of EHC)	0
Disease specific medicines management	2
Medication review (other than MUR)	86
Support around hospital discharge (other than DMR)	0
Pharmacy Dressings Scheme (e.g. ONPOS Dressings scheme)	0
Non Dispensed Scheme	59
Pharmacy Waste reduction scheme	0
Sub Total	1,460

2. Associated Service Delivery costs	
Clinical Waste	52
CRB Checks	0
Pre-Registration Trainees	42
Travel Expenses	0
Printing & Stationery	0
Office Equipment	0

Postage	3
Advertising	1
Sub Total	98
3. Other Miscellaneous Expenditure	
HB staff associated with the delivery/monitoring of the pharmacy contract	0
Pharmaceutical Needs Assessment	4
Lead Role Payment	21
Premises Costs (including Covid Barriers)	40
Other	17
Sub Total	82
4. Patient refunds	0
Total "Non Contractually funded items" expenditure	1,640
TOTAL PHARMACEUTICAL SERVICES EXPENDITURE	**32,339**
NON CASH LIMITED	
Appliance Contractor Costs	0
Difference Between Dispensing and Prescribing	(5,208)
TOTAL NON CASH LIMITED	**(5,208)**
TOTAL PHARMACEUTICAL INCOME	(22)
PRESCRIBING COSTS	
GP Prescribing Costs	104,900
Home Oxygen Therapy Service (Cost of the Air Products Contract - do not include Assessment Centre costs)	1,498
Scriptswitch costs	153
Prescribing Incentive Scheme	301
TOTAL GP PRESCRIBING COSTS	**106,852**

Revenue Allocation for DENTAL CONTRACT (Table F)

	HB £000
Expenditure / activities included in a GDS contract and /or PDS agreement	
Enhanced Bank Holiday	3
Gross Contract Value - General Dental Services	27,658
Gross Contract Value - Personal Dental Services	0
Emergency Dental Services (inc Out of Hours)	858
Additional Access	22
Business Rates	158
Domiciliary Services	0
Maternity/Sickness etc.	55
Sedation services including GA	573
Seniority payments	86
Employer's Superannuation	1,413
Oral Surgery	0
Other **(Please detail below)**	2,253
TOTAL DENTAL SERVICES EXPENDITURE	**33,079**

Analysis of Other Payments: Activities/expenditure not included in a GDS contract and/or PDS agreement. This includes payments made under other arrangements e.g. GA under an SLA and D2S, plus other or one off payments such as dental nurse training

Emergency Dental Services (inc Out of Hours)	0
Additional Access	0
Sedation services including GA	335
Continuing professional development	0
Occupational Health / Hepatitis B	0
Gwen Am Byth-oral health in care homes	48
Refund of patient charges	(12)
Design to Smile	700
Other Community Dental Services including WHC/2015/001	0
Dental Foundation Training/Vocational Training	838
DBS/CRB checks	0
Health Board staff costs associated with the delivery / monitoring of the dental contract	91
Oral Surgery	0
Orthodontics	0
Special care dentistry e.g. WHC/2015/002	146
Oral Health Promotion/Education	107
Dental Helpline	13
Innovation Fund Payments	310
Domicillary Payments	7
Vocational Trainee Grant & Service Cost Income	(372)
Career Development Dentist Income	(55)
Attend Anywhere	7
Ventilation Equipment	83
PPE	8
Other Community Dental Services including WHC/2015/001	(1)
TOTAL OTHER PAYMENTS	**2,253**

Receipts	
Patient Fee Income	(1,865)
TOTAL DENTAL SERVICES INCOME	**(1,865)**

GENERAL OPHTHALMIC SERVICES EXPENDITURE

	HB
	£000
Enhanced Bank Holiday	0
Ophthalmic Medical Practitioner Sight Test Fees - Gross payments	3,328
Ophthalmic Medical Practitioner Domiciliary Visit Fees - Gross payments	135
Employers Superannuation Contributions (including Reg 79 optant payments)	0
Ophthalmic Optician Sight Test Fees	0
Ophthalmic Optician Domiciliary Visit Fees	0
Payment for HC 3 Holders Towards Cost of Private Sight Test and Domiciliary Visit Fees	0
Grants to Supervisors of Ophthalmic Opticians Trainees	36
Replacement and Repair of Children's and Handicapped Adults' Glasses	213
Cost of Vouchers for Supply of Spectacles	2,789
Superannuation	0
Patient Refunds	0
Continuing Education & Training (CET) payments	76
Low Vision Service	161
Welsh Eye Care Examinations	1,999
Other Payments **(Please detail below)**	(3)
TOTAL OPHTHALMIC SERVICES EXPENDITURE	**8,734**
Analysis of Other Payments	
PPV Recovery	(3)
	0
	0
	0
	0
TOTAL OTHER PAYMENTS	**(3)**
INCOME:	
Incorrect Voucher Payments Recovered from Patients and Suppliers and Incorrect NHS Sight Test Fees Recovered from Patients	**0**

UNAUDITED/AUDITED

ANALYSIS OF EXPENDITURE BY TYPE

(A) REVENUE - PAY EXPENDITURE	SLE Trainees / Collaborative Bank £000	All Other Expenditure £000	**Total Expenditure £000**
Executive board members and senior managers		2,070	2,070
Medical staff			
Foundation Programme Doctors (FH01and FH02)	1,570	4,878	6,448
Fixed Term Speciality Registrar Appointments (FTStRA)	0	0	0
Consultants	0	80,559	80,559
Other career grades	0	10,911	10,911
Registrar Group Doctors	3,497	34,648	38,145
Other medical hospital grades	0	2,259	2,259
Total medical staff (including locums)	5,067	133,255	138,322
Dental staff			
Foundation Programme Doctors (FH01and FH02)	0	0	0
Fixed Term Speciality Registrar Appointments (FTStRA)	0	0	0
Consultants	0	195	195
Other career grades	0	0	0
Registrar Group	0	84	84
Other dental hospital grades	0	1,418	1,418
Total dental staff (including locums)	0	1,697	1,697
Nursing, midwifery and health visiting staff			
Nurse consultants	0	518	518
Nurse managers	0	5,560	5,560
Registered Nurses	0	186,573	186,573
Total nursing, midwifery and health visiting staff	0	192,651	192,651
Additional Clinical Services Staff			
Additional Clinical Services - Unqualified Nurses	0	76,071	76,071
Additional Clinical Services - All Other Staff	0	16,517	16,517
Additional Clinical Services - Ambulance Staff	0	262	262
Total Additional Clinical Services Staff	0	92,850	92,850
Scientific, Technical and Allied Health Professional Staff			
Allied Health Professionals	0	38,830	38,830
Professional, Scientific and Technical Staff	0	26,214	26,214
Healthcare Scientists	0	12,341	12,341
Total Scientific, Technicaland Allied Health Professional Staff	0	77,385	77,385
Administrative and clerical	0	92,602	92,602
Estates and Ancillary staff	0	34,236	34,236
Students	0	0	0
TOTAL NHS STAFF SALARIES AND WAGES	**5,067**	**626,746**	**631,813**
Non NHS staff (agency etc)			
Medical			9,512
Dental			0
Nursing, midwifery and health visiting staff			18,090
Additional Clinical Services - Unqualified Nurses			743
Additional Clinical Services - All Other Staff			23
Additional Clinical Services - Ambulance Staff			0
Allied Health Professionals			904
Professional, Scientific and Technical Staff			310
Healthcare Scientists			639
Maintenance & works staff			0
Administrative and clerical			1,452
Estates and Ancillary staff			8,210
TOTAL NON NHS STAFF SALARIES AND WAGES			**39,883**
Chairman's and non-executive members' remuneration			276
TOTAL REVENUE EXPENDITURE ON SALARIES AND WAGES			671,972

	£000
(B) REVENUE - NON-PAY EXPENDITURE	
Clinical supplies and services	
Drugs	47,818
Dressings	787
Medical & surgical equipment - purchase	33,200
Medical & surgical equipment - maintenance	3,208
X - ray equipment - purchase	48
X - ray film & chemicals - purchase	364
X - ray equipment - maintenance	1,298
Appliances	4,658
Laboratory equipment - purchase	7,825
Laboratory equipment - maintenance	274
Other clinical supplies	678
Total clinical supplies	100,158
General supplies and services	
Provisions & kitchen	4,236
Contract & hotel services (incl. cleaning & catering)	1,741
Uniforms & clothing	7,332
Laundry & cleaning equipment	2,041
Bedding & linen	943
Other general supplies and services	7,441
Total general supplies and services	23,734
Establishment expenditure	
Printing & stationery	1,262
Postage	857
Telephones	986
Advertising	1,593
Travel, subsistence & removal expenses	2,495
Other transport costs (includes transport & moveable plant)	2,429
Other establishment expenditure	1,477
Total establishment expenditure	11,099
Premises and fixed plant	
Electricity	5,462
Gas	2,605
Other fuels (including oil & coal)	1,306
Water & sewerage	1,110
External general services contracts	0
Furniture, office & computer equipment	8,205
Computer hardware maintenance contracts & data processing contracts	6,710
Business rates	5,460
Rent	1,640
Building & engineering equipment	3,030
Building & engineering contracts	1,342
Total premises and fixed plant	36,870
Depreciation	
Depreciation on owned assets (capital charges)	33,838
Depreciation on donated assets	390
Total depreciation	34,228
Sub-total non-pay revenue expenditure	**206,089**

(B) REVENUE - NON-PAY EXPENDITURE (cont.)

Sub-total brought forward			206,089
Fixed asset impairments and reversals			62,342
Total purchase of healthcare from non-NHS bodies			0
Capital charge interest			0
External contracts			0
Total external consultancy staffing and consultancy			168
Miscellaneous expenditure			
Auditors remuneration			373
Research and development			0
Other miscellaneous			10,412
Total miscellaneous			10,785
TOTAL NON-PAY REVENUE EXPENDITURE			**279,384**

(C) SUMMARY			**£000**
TOTAL salaries and wages			**671,972**
TOTAL non-pay revenue expenditure			**279,384**
Sub-total			**951,356**
Expenditure on Primary Healthcare Services (note 3.1 LHB)	0	287,056	**287,056**
Expenditure on Healthcare from other providers (per note 3.2 LHB)			417,804
Services from other NHS bodies (not recharges) non-healthcare			0
Services from other NHS bodies (not recharges) subcon'd healthcare			0
Services from foundation Trusts			0
HEIW Non Medical Education and Training Note 3.1	0	0	**0**
HEIW Postgraduate Medical, Dental & Pharmacy Education Note 3.2	0	0	**0**
TOTAL REVENUE EXPENDITURE			**1,656,216**

LOSSES AND SPECIAL PAYMENTS FINANCIAL RETURN FR4

Part 1a:

Analysis of losses and special payments where approval for case write off has been received in financial year (including cash and non-cash write offs). Cash written off may include amounts paid in previous years.

		Number of cases	Amount of loss or payment
LOSSES:			
1	**Losses of cash due to:**	**Number**	**£**
1a	Theft, Fraud, etc.	**0**	**0**
1b	Overpayment of salaries, wages, fees, allowances	**81**	**21,095**
1c	Other causes	**1**	**293**
2	**Fruitless payments**	**0**	**0**
3	**Bad debts and claims abandoned:**		
3a	Private Patients	**1**	**126**
3b	Overseas visitors	**10**	**2,564**
3c	Other	**4**	**287**
4	**Damage to buildings, property etc:**		
4a	Theft, Fraud, etc.	**0**	**0**
4b	Other	**0**	**0**
SPECIAL PAYMENTS:			
5	**Compensation under legal obligation**		
5(a)	Directed by the Courts	**0**	**0**
5(b)	Directed by the NHS Pension Agency	**1**	**110,632**
5(c)	Other compensation payments made under legal obligation	**0**	**0**
6	**Extra contractual to contractors**	**0**	**0**
7	**Ex gratia payments:**		
7a	Loss of personal effects	**40**	**17,657**
7b	Clinical negligence with advice	**35**	**2,949,296**
7c	Personal injury with advice	**22**	**190,733**
7d	Other clinical nelgligence and personal injury	**33**	**280,718**
7e	Other	**12**	**11,821**
7f	Maladministration, no financial loss by claimant	**0**	**0**
7g	Patient referrals outside UK & EEA guidelines	**0**	**0**
8	**Extra statutory and regulationary**	**0**	**0**
TOTAL LOSSES AND SPECIAL PAYMENTS		**240**	**3,585,221**
	Of which, cases of £250,000 or more:		
1a/4a	Fraud Cases	**0**	**0**
2	Fruitless payments	**0**	**0**
4	Damage to buildings, property, etc.	**0**	**0**
5(a)	Directed by the Courts	**0**	**0**
5(b)	Directed by NHS Pension Agency	**0**	**0**
5(c)	Other compensation payments made under legal obligation	**0**	**0**
7b	Clinical negligence with advice	**2**	**1,333,770**
7c	Personal injury with advice	**0**	**0**
	All other cases	**0**	**0**

LOSSES AND SPECIAL PAYMENTS FINANCIAL RETURN FR5

a: Analysis of provisions for clinical negligence cases	Number of cases	Excess met by Health Body	Settlement from Risk Pool	Total
(i). Clinical negligence special payment provisions	**Number**	**£**	**£**	**£**
At 1st April 2020				**161,245,714**
Structured settlement cases transferred to the Welsh Risk Pool				**0**
Transfer of provisions to creditors				**-5,295,750**
Arising during the year				**19,770,788**
Utilised during the year				**-10,027,088**
Reversed unused				**-8,921,542**
Unwinding of discount				**0**
At 31st March 2021				**156,772,122**
(ii) Clinical negligence defence costs provisions				
At 1st April 2020				**2,577,941**
Structured settlement cases transferred to the Welsh Risk Pool				**0**
Transfer of provisions to creditors				**0**
Arising during the year				**2,228,447**
Utilised during the year				**-1,056,246**
Reversed unused				**-565,548**
Unwinding of discount				**0**
At 31st March 2021				**3,184,595**
(iii) Total clinical negligence provisions				
At 1st April 2020	**438**	**2,043,051**	**161,780,604**	**163,823,655**
Structured settlement cases transferred to the Welsh Risk Pool	**0**	**0**	**0**	**0**
Transfer of provisions to creditors	**0**	**0**	**-5,295,750**	**-5,295,750**
Arising during the year	**174**	**2,086,884**	**19,912,352**	**21,999,236**
Utilised during the year				
(a)	**(72)**	**-1,589,112**	**-9,494,221**	**-11,083,334**
Reversed unused				
(b)	**(94)**	**-336,340**	**-9,150,750**	**-9,487,090**
Unwinding of discount		**0**	**0**	**0**
At 31st March 2021	**446**	**2,204,483**	**157,752,234**	**159,956,717**
Expected timing of cash flows				
Within 1 year		**1,796,418**	**40,570,808**	**42,367,226**
Between 1 and 5 years		**408,065**	**117,181,426**	**117,589,491**
After 5 years		**0**	**0**	**0**

(a) Number of cases column only includes cases that were utilsed and closed during the financial year

(b) Number of cases column only includes cases that were cancelled during the financial year

LOSSES AND SPECIAL PAYMENTS FINANCIAL RETURN FR5

b: Analysis of provisions for personal injury cases	Number of cases	Excess met by Health Body	Settlement from Risk Pool	Total
(i). Personal injury special payment provisions	**Number**	**£**	**£**	**£**
At 1st April 2020				**3,940,282**
Structured settlement cases transferred to the Welsh Risk Pool				**0**
Transfer of provisions to creditors				**0**
Arising during the year				**387,944**
Utilised during the year				**-522,123**
Reversed unused				**-301,807**
Unwinding of discount				**-34,313**
At 31st March 2021				**3,469,983**
(ii) Personal injury defence costs provisions				
At 1st April 2020				**262,477**
Structured settlement cases transferred to the Welsh Risk Pool				**0**
Transfer of provisions to creditors				**0**
Arising during the year				**105,329**
Utilised during the year				**-134,022**
Reversed unused				**-37,366**
Unwinding of discount				**0**
At 31st March 2021				**196,417**
(iii) Total personal injury provisions				
At 1st April 2020	**117**	**4,010,946**	**191,813**	**4,202,759**
Structured settlement cases transferred to the Welsh Risk Pool	**0**	**0**	**0**	**0**
Transfer of provisions to creditors	**0**	**0**	**0**	**0**
Arising during the year	**26**	**406,882**	**86,392**	**493,273**
Utilised during the year				
(a)	**(24)**	**-551,978**	**-104,167**	**-656,145**
Reversed unused				
(b)	**(20)**	**-210,608**	**-128,565**	**-339,174**
Unwinding of discount		**-34,313**	**0**	**-34,313**
At 31st March 2021	**99**	**3,620,928**	**45,472**	**3,666,400**
Expected timing of cash flows				
Within 1 year		**520,875**	**45,472**	**566,347**
Between 1 and 5 years		**1,024,107**	**0**	**1,024,107**
After 5 years		**2,075,946**	**0**	**2,075,946**

(a) Number of cases column only includes cases that were utilsed and closed during the financial year

(b) Number of cases column only includes cases that were cancelled during the financial year

LOSSES AND SPECIAL PAYMENTS FINANCIAL RETURN FR5

d: Analysis of total provisions	Number of cases	Excess met by Health Body	Settlement from Risk Pool	Total
(i). Total loss or special payment provisions	**Number**	**£**	**£**	**£**
At 1st April 2020				**165,185,996**
Structured settlement cases transferred to the Welsh Risk Pool				**0**
Transfer of provisions to creditors				**-5,295,750**
Arising during the year				**20,188,506**
Utilised during the year				**-10,578,984**
Reversed unused				**-9,223,350**
Unwinding of discount				**-34,313**
At 31st March 2021				**160,242,105**
(ii) Total defence costs provisions				
At 1st April 2020				**2,840,418**
Structured settlement cases transferred to the Welsh Risk Pool				**0**
Transfer of provisions to creditors				**0**
Arising during the year				**2,333,777**
Utilised during the year				**-1,190,268**
Reversed unused				**-602,914**
Unwinding of discount				**0**
At 31st March 2021				**3,381,012**
(iii) Total losses and special payments provisions				
At 1st April 2020	**555**	**6,053,997**	**161,972,417**	**168,026,413**
Structured settlement cases transferred to the Welsh Risk Pool	**0**	**0**	**0**	**0**
Transfer of provisions to creditors	**0**	**0**	**-5,295,750**	**-5,295,750**
Arising during the year	**349**	**2,523,539**	**19,998,743**	**22,522,282**
Utilised during the year				
(a)	**(245)**	**-2,170,863**	**-9,598,389**	**-11,769,252**
Reversed unused				
(b)	**(114)**	**-546,948**	**-9,279,315**	**-9,826,264**
Unwinding of discount		**-34,313**	**0**	**-34,313**
At 31st March 2021	**545**	**5,825,411**	**157,797,706**	**163,623,117**
Expected timing of cash flows				
Within 1 year		**2,317,293**	**40,616,280**	**42,933,573**
Between 1 and 5 years		**1,432,172**	**117,181,426**	**118,613,598**
After 5 years		**2,075,946**	**0**	**2,075,946**

(a) Number of cases column only includes cases that were utilsed and closed during the financial year

(b) Number of cases column only includes cases that were cancelled during the financial year

LOSSES AND SPECIAL PAYMENTS FINANCIAL RETURN FR5

c: Analysis of all other losses and special payments	Number of cases	Excess met by Health Body	Settlement from Risk Pool	Total
(i). All other loss or special payment provisions	**Number**	**£**	**£**	**£**
At 1st April 2020				**0**
Structured settlement cases transferred to the Welsh Risk Pool				**0**
Transfer of provisions to creditors				**0**
Arising during the year				**29,773**
Utilised during the year				**-29,773**
Reversed unused				**0**
Unwinding of discount				**0**
At 31st March 2021				**0**
(ii) All other defence costs provisions				
At 1st April 2020				**0**
Structured settlement cases transferred to the Welsh Risk Pool				**0**
Transfer of provisions to creditors				**0**
Arising during the year				**0**
Utilised during the year				**0**
Reversed unused				**0**
Unwinding of discount				**0**
At 31st March 2021				**0**
(iii) Total all other losses and special payments provisions				
At 1st April 2020	**0**	**0**	**0**	**0**
Structured settlement cases transferred to the Welsh Risk Pool	**0**	**0**	**0**	**0**
Transfer of provisions to creditors	**0**	**0**	**0**	**0**
Arising during the year	**149**	**29,773**	**0**	**29,773**
Utilised during the year				
(a)	**(149)**	**-29,773**	**0**	**-29,773**
Reversed unused				
(b)	**0**	**0**	**0**	**0**
Unwinding of discount		**0**	**0**	**0**
At 31st March 2021	**0**	**0**	**0**	**0**
Expected timing of cash flows				
Within 1 year		**0**	**0**	**0**
Between 1 and 5 years		**0**	**0**	**0**
After 5 years		**0**	**0**	**0**

(a) Number of cases column only includes cases that were utilsed and closed during the financial year

(b) Number of cases column only includes cases that were cancelled during the financial year

Aneurin Bevan University Local Health Board

LFR 6 **LMS Totals**

	11327	23522	8905	20666	10222	25247	62236	161384	67044	0
2020-21										
	WG Income	**LHB Income**	**WHSSC Income**	**NHS Trust Income**	**HEIW Income**	**WG Expenditure**	**LHB Expenditure**	**WHSSC Expenditure**	**NHS Trust Expenditure**	**HEIW Expenditure**
Account Total	**11,327**	**23,522**	**8,905**	**20,666**	**10,222**	**25,247**	**62,236**	**161,384**	**67,044**	**0**
Difference	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Reconciliation details must be provided of any difference between TMS and accounts disclosures and submitted with the FR6.

Note 3 -LHB- Please provide split of expenditure to NHS Trusts/HEIW on reconciliation sheet

3.1 Expenditure on Primary Healthcare Services										
Cash Limited										
General Medical Services	0	0	0	0	0	456	0	0	1759	0
Pharmaceutical Services	0	0	0	0	0	0	32	0	0	0
General Dental Services	0	0	0	0	0	53	0	0	0	0
General Ophthalmic Services	0	0	0	0	0	0	0	0	0	0
Other Primary Health Care expenditure	0	0	0	0	0	0	0	0	0	0
Prescribed drugs and appliances	0	0	0	0	0	3	0	0	0	0
Total	0	0	0	0	0	512	32	0	1759	0
Non Cash Limited										
General Medical Services	0	0	0	0	0	0	0	0	0	0
Pharmaceutical Services	0	0	0	9	0	0	0	0	0	0
General Dental Services	0	0	0	349	0	0	0	0	0	0
General Ophthalmic Services	0	0	0	0	0	0	0	0	0	0
Other Primary Health Care expenditure	0	0	0	0	0	0	0	0	0	0
Prescribed drugs and appliances	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	358	0	0	0	0	0	0
TOTAL										
General Medical Services	0	0	0	0	0	456	0	0	1759	0
Pharmaceutical Services	0	0	0	9	0	0	32	0	0	0
General Dental Services	0	0	0	349	0	53	0	0	0	0
General Ophthalmic Services	0	0	0	0	0	0	0	0	0	0
Other Primary Health Care expenditure	0	0	0	0	0	0	0	0	0	0
Prescribed drugs and appliances	0	0	0	0	0	3	0	0	0	0
Total	0	0	0	358	0	512	32	0	1759	0
3.2 Expenditure on healthcare from other providers										
Goods and services from other NHS Wales Health Boards	0	0	0	0	0	0	58322	0	0	0
Goods and services from other NHS Wales Trusts	0	0	0	0	0	0	0	0	36487	0
Goods and services from Health Education and Improvement Wales (HEIW)	0	0	0	0	0	0	0	0	0	0
Goods and services from other non Welsh NHS bodies	0	0	0	0	0	0	0	0	0	0
Goods and services from WHSSC/EASC	0	0	1	0	0	0	0	161383	0	0
Local Authorities	0	0	0	0	0	0	0	0	0	0
Voluntary organisations	0	0	0	0	0	0	0	0	0	0
NHS Funded Nursing Care	0	0	0	0	0	0	0	0	0	0
Continuing Care	0	0	0	0	0	0	0	0	0	0
Private providers	0	0	0	0	0	0	0	0	0	0
Specific projects funded by the Welsh Government	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	556	0	2068	0
Total	0	0	1	0	0	0	58878	161383	38555	0
3.3 Other Operating Expenditure										

Directors' costs	0	0	0	0	0	68	0	0	0	0
Operational Staff costs	0	0	0	0	0	24582	366	0	187	0
Single lead employer Staff Trainee Cost	0	0	0	0	0	0	0	0	5067	0
Collaborative Bank Staff Cost	0	0	0	0	0	0	0	0	0	0
Supplies and services - clinical	0	0	0	0	0	0	1699	0	15312	0
Supplies and services - general	0	0	0	0	0	0	99	0	167	0
Consultancy Services	0	0	0	0	0	0	48	0	74	0
Establishment	0	0	0	0	0	0	1	0	1448	0
Transport	0	0	0	0	0	0	0	0	0	0
Premises	0	0	0	0	0	77	1060	0	4063	0
External Contractors	0	0	0	0	0	0	0	0	0	0
Depreciation	0	0	0	0	0	0	0	0	0	0
Amortisation	0	0	0	0	0	0	0	0	0	0
Fixed asset impairments and reversals (Property, plant & equipment)	0	0	0	0	0	0	0	0	0	0
Fixed asset impairments and reversals (Intangible assets)	0	0	0	0	0	0	0	0	0	0
Impairments & reversals of financial assets (by class)	0	0	0	0	0	0	0	0	0	0
Impairments and reversals of non-current assets held for sale	0	0	0	0	0	0	0	0	0	0
Audit fees	0	0	0	0	0	0	0	0	0	0
Other auditors' remuneration	0	0	0	0	0	0	0	0	0	0
Losses, special payments and irrecoverable debts										
Research and Development	0	0	0	0	0	0	0	0	0	0
Other operating expenses	0	0	0	0	0	8	53	0	412	0
Total	0	0	0	0	0	24735	3326	0	26730	0

4. Income

Local Health Boards	0	21348	0	0	0	0	0	0	0	0
WHSSC/EASC	0	0	8904	0	0	0	0	1	0	0
NHS Wales trusts	0	0	0	10172	0	0	0	0	0	0
Health Education and Improvement Wales (HEIW)	0	0	0	0	10130	0	0	0	0	0
Foundation Trusts	0	0	0	0	0	0	0	0	0	0
Other NHS England bodies	0	0	0	0	0	0	0	0	0	0
Other NHS Bodies	0	0	0	0	0	0	0	0	0	0
Local authorities	0	0	0	0	0	0	0	0	0	0
Welsh Government	7252	0	0	0	0	0	0	0	0	0
Welsh Government Hosted bodies	0	0	0	0	0	0	0	0	0	0
Non NHS:	0	0	0	0	0	0	0	0	0	0
Prescription charge income	0	0	0	0	0	0	0	0	0	0
Dental fee income	0	0	0	0	0	0	0	0	0	0
Private patient income	0	0	0	0	0	0	0	0	0	0
Overseas patients (non-reciprocal)	0	0	0	0	0	0	0	0	0	0
Injury Costs Recovery (ICR) Scheme	0	0	0	0	0	0	0	0	0	0
Other income from activities	0	0	0	0	0	0	0	0	0	0
Patient transport services	0	0	0	0	0	0	0	0	0	0
Education, training and research	3690	0	0	414	68	0	0	0	0	0
Charitable and other contributions to expenditure										
Receipt of NWSSP Covid centrally purchased assets	0	0	0	7057	0	0	0	0	0	0
Receipt of Covid centrally purchased assets from other organisations	0	0	0	0	0	0	0	0	0	0
Receipt of donated assets										
Receipt of Government granted assets										

Non-patient care income generation schemes	0	0	0	1030	20	0	0	0	0	0
NWSSP	0	0	0	0	0	0	0	0	0	0
Deferred income released to revenue	0	0	0	0	0	0	0	0	0	0
Contingent rental income from finance leases	0	0	0	0	0	0	0	0	0	0
Rental income from operating leases	0	0	0	0	0	0	0	0	0	0
Other income:										
Provision of laundry, pathology, payroll services	0	0	0	83	0	0	0	0	0	0
Accommodation and catering charges	0	0	0	0	0	0	0	0	0	0
Mortuary fees	0	0	0	0	0	0	0	0	0	0
Staff payments for use of cars	0	0	0	0	0	0	0	0	0	0
Business units	0	1800	0	66	0	0	0	0	0	0
Other	385	374	0	1486	4	0	0	0	0	0
Total	11327	23522	8904	20308	10222	0	0	1	0	0
Welsh Government Covid 19 income included in total above;.	20	0	0	0	0	0	0	0	0	0

Aneurin Bevan University Local Health Board

LFR 6

2020-21

	LMS Totals	**7017**	**1672**	**441**	**3500**	**22948**	**111**	**66**	**3095**	**2370**	**3951**	**0**
		CY	**CY**	**CY**	**CY**	**CY**	**CY**	**CY**	**CY**	**CY**	**CY**	**CY**
		WG	**LHB**	**WHSSC**	**NHS Trust**	**WRP**	**HEIW**	**WG**	**LHB**	**WHSSC**	**NHS Trust**	**HEIW**
		Debtor	**Debtor**	**Debtor**	**Debtor**	**Debtor**	**Debtor**	**Creditor**	**Creditor**	**Creditor**	**Creditor**	**Creditor**
	Account Tot	**7,017**	**1,672**	**441**	**3,500**	**22,948**	**111**	**66**	**3,095**	**2,370**	**3,951**	**0**
	Difference	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Reconciliation details must be provided of any difference between TMS and accounts disclosures and submitted with the FR6.

	31 March 2021 £000	31 March 2021 £000	31 March 2021 £000	31 March 2021 £000	31 March 2021 £000	31 March 2021 £000	31 March 2021 £000	31 March 2021 £000	31 March 2021 £000	31 March 2021 £000	31 March 2021 £000
15. Trade and other receivables											
Current											
Welsh Government	7017	0	0	0	0	0	0	0	0	0	0
WHSSC /EASC	0	0	441	0	0	0	0	0	0	0	0
Welsh Health Boards	0	1672	0	0	0	0	0	0	0	0	0
Welsh NHS Trusts	0	0	0	3500	0	0	0	0	0	0	0
Health Education and Improvement Wales (HEIW)	0	0	0	0	0	111	0	0	0	0	0
Non - Welsh Trusts	0	0	0	0	0	0	0	0	0	0	0
Other NHS	0	0	0	0	0	0	0	0	0	0	0
2019-20 Scheme Pays - Welsh Government Reimbursement	0	0	0	0	0	0	0	0	0	0	0
Welsh Risk Pool Claim Reimbursements											
NHS Wales Secondary Health Sector	0	0	0	0	22737	0	0	0	0	0	0
NHS Wales Primary Sector FLS Reimbursement	0	0	0	0	0	0	0	0	0	0	0
NHS Wales Redress	0	0	0	0	211	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0
Local Authorities	0	0	0	0	0	0	0	0	0	0	0
Capital debtors - Tangibles	0	0	0	0	0	0	0	0	0	0	0
Capital debtors - Intangibles	0	0	0	0	0	0	0	0	0	0	0
Other debtors	0	0	0	0	0	0	0	0	0	0	0
Provision for irrecoverable debts	0	0	0	0	0	0	0	0	0	0	0
Pension Prepayments NHS Pensions	0	0	0	0	0	0	0	0	0	0	0
Pension Prepayments NEST	0	0	0	0	0	0	0	0	0	0	0
Other prepayments	0	0	0	0	0	0	0	0	0	0	0
Other accrued income	0	0	0	0	0	0	0	0	0	0	0
Sub total	7017	1672	441	3500	22948	111	0	0	0	0	0
Non-current											
Welsh Government	0	0	0	0	0	0	0	0	0	0	0
WHSSC /EASC	0	0	0	0	0	0	0	0	0	0	0
Welsh Health Boards	0	0	0	0	0	0	0	0	0	0	0
Welsh NHS Trusts	0	0	0	0	0	0	0	0	0	0	0
Health Education and Improvement Wales (HEIW)	0	0	0	0	0	0	0	0	0	0	0
Non - Welsh Trusts	0	0	0	0	0	0	0	0	0	0	0
Other NHS	0	0	0	0	0	0	0	0	0	0	0
2019-20 Scheme Pays - Welsh Government Reimbursement	0	0	0	0	0	0	0	0	0	0	0
Welsh Risk Pool Claim Reimbursements											
NHS Wales Secondary Health Sector	0	0	0	0	0	0	0	0	0	0	0
NHS Wales Primary Sector FLS Reimbursement	0	0	0	0	0	0	0	0	0	0	0
NHS Wales Redress	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0

Local Authorities	0	0	0	0	0	0	0	0	0	0	0
Capital debtors - Tangibles	0	0	0	0	0	0	0	0	0	0	0
Capital debtors - Intangibles	0	0	0	0	0	0	0	0	0	0	0
Other debtors	0	0	0	0	0	0	0	0	0	0	0
Provision for irrecoverable debts	0	0	0	0	0	0	0	0	0	0	0
Pension Prepayments NHS Pensions	0	0	0	0	0	0	0	0	0	0	0
Pension Prepayments NEST	0	0	0	0	0	0	0	0	0	0	0
Other prepayments	0	0	0	0	0	0	0	0	0	0	0
Other accrued income	0	0	0	0	0	0	0	0	0	0	0
Sub total	0	0	0	0	0	0	0	0	0	0	0
Total	7017	1672	441	3500	22948	111	0	0	0	0	0

18. Trade and other payables

Current											
Welsh Government	0	0	0	0	0	0	66	0	0	0	0
WHSSC /EASC	0	0	0	0	0	0	0	0	2370	0	0
Welsh Health Boards	0	0	0	0	0	0	0	2569	0	0	0
Welsh NHS Trusts	0	0	0	0	0	0	0	0	0	3936	0
Health Education and Improvement Wales (HEIW)	0	0	0	0	0	0	0	0	0	0	0
Other NHS	0	0	0	0	0	0	0	0	0	0	0
Taxation and social security payable / refunds	0	0	0	0	0	0	0	0	0	0	0
Refunds of taxation by HMRC	0	0	0	0	0	0	0	0	0	0	0
VAT payable to HMRC	0	0	0	0	0	0	0	0	0	0	0
Other taxes payable to HMRC	0	0	0	0	0	0	0	0	0	0	0
NI contributions payable to HMRC	0	0	0	0	0	0	0	0	0	0	0
Non-NHS Payables- Revenue	0	0	0	0	0	0	0	0	0	0	0
Local Authorities	0	0	0	0	0	0	0	0	0	0	0
Capital Creditors - Tangibles	0	0	0	0	0	0	0	526	0	15	0
Capital Creditors - Intangibles	0	0	0	0	0	0	0	0	0	0	0
Overdraft	0	0	0	0	0	0	0	0	0	0	0
Rentals due under operating leases	0	0	0	0	0	0	0	0	0	0	0
Obligations under finance leases, HP contracts	0	0	0	0	0	0	0	0	0	0	0
Imputed finance lease element of on SoFP PFI contracts	0	0	0	0	0	0	0	0	0	0	0
Pensions: staff	0	0	0	0	0	0	0	0	0	0	0
Non NHS Accruals	0	0	0	0	0	0	0	0	0	0	0
Deferred Income:											
Deferred Income brought forward	0	0	0	0	0	0	0	0	0	0	0
Deferred Income Additions	0	0	0	0	0	0	0	0	0	0	0
Transfer to / from current/non current deferred income	0	0	0	0	0	0	0	0	0	0	0
Released to SoCNE	0	0	0	0	0	0	0	0	0	0	0
Other creditors	0	0	0	0	0	0	0	0	0	0	0
PFI assets – deferred credits	0	0	0	0	0	0	0	0	0	0	0
Payments on account	0	0	0	0	0	0	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**0**	**0**	**66**	**3095**	**2370**	**3951**	**0**
Non-current											
Welsh Government	0	0	0	0	0	0	0	0	0	0	0
WHSSC /EASC	0	0	0	0	0	0	0	0	0	0	0
Welsh Health Boards	0	0	0	0	0	0	0	0	0	0	0
Welsh NHS Trusts	0	0	0	0	0	0	0	0	0	0	0

Health Education and Improvement Wales (HEIW)	0	0	0	0	0	0	0	0	0	0	0
Other NHS	0	0	0	0	0	0	0	0	0	0	0
Taxation and social security payable / refunds	0	0	0	0	0	0	0	0	0	0	0
Refunds of taxation by HMRC	0	0	0	0	0	0	0	0	0	0	0
VAT payable to HMRC	0	0	0	0	0	0	0	0	0	0	0
Other taxes payable to HMRC	0	0	0	0	0	0	0	0	0	0	0
NI contributions payable to HMRC	0	0	0	0	0	0	0	0	0	0	0
Non-NHS payables - Revenue	0	0	0	0	0	0	0	0	0	0	0
Local Authorities	0	0	0	0	0	0	0	0	0	0	0
Capital Creditors - Tangibles	0	0	0	0	0	0	0	0	0	0	0
Capital Creditors - Intangibles	0	0	0	0	0	0	0	0	0	0	0
Overdraft	0	0	0	0	0	0	0	0	0	0	0
Rentals due under operating leases	0	0	0	0	0	0	0	0	0	0	0
Obligations under finance leases, HP contracts	0	0	0	0	0	0	0	0	0	0	0
Imputed finance lease element of on SoFP PFI contracts	0	0	0	0	0	0	0	0	0	0	0
Pensions: staff	0	0	0	0	0	0	0	0	0	0	0
Non NHS Accruals	0	0	0	0	0	0	0	0	0	0	0
Deferred Income:											
Deferred Income brought forward	0	0	0	0	0	0	0	0	0	0	0
Deferred Income Additions	0	0	0	0	0	0	0	0	0	0	0
Transfer to / from current/non current deferred income	0	0	0	0	0	0	0	0	0	0	0
Released to SoCNE	0	0	0	0	0	0	0	0	0	0	0
Other creditors	0	0	0	0	0	0	0	0	0	0	0
PFI assets –deferred credits	0	0	0	0	0	0	0	0	0	0	0
Payments on account	0	0	0	0	0	0	0	0	0	0	0
Sub-total	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total	**0**	**0**	**0**	**0**	**0**	**0**	**66**	**3095**	**2370**	**3951**	**0**

ANEURIN BEVAN UNIVERSITY LOCAL HEALTH BOARD ANNUAL ACCOUNTS 2020-21
FR 7 Analysis of impairments and reversals recognised in 2020-21

	2020-21 Total £000
Property, Plant and Equipment impairments and reversals taken to SoCNE/SoCI	
Loss or damage resulting from normal operations	0
Over-specification of assets	0
Abandonment of assets in the course of construction	0
Total charged to Departmental Expenditure Limit	0
Unforeseen obsolescence	0
Loss as a result of catastrophe	0
Other	62133
Changes in market price	0
Total charged to Annually Managed Expenditure	62133
Property, Plant and Equipment impairments and reversals charged to the revaluation reserve	
Loss or damage resulting from normal operations	0
Over Specification of Assets	0
Abandonment of assets in the course of construction	0
Unforeseen obsolescence	0
Loss as a result of catastrophe	0
Other	1489
Changes in market price	0
Total impairments for PPE charged to reserves	1489
Total Impairments of Property, Plant and Equipment	63622
Intangible assets impairments and reversals charged to SoCNE/SoCI	
Loss or damage resulting from normal operations	0
Over-specification of assets	0
Abandonment of assets in the course of construction	0
Total charged to Departmental Expenditure Limit	0
Unforeseen obsolescence	0
Loss as a result of catastrophe	0
Other	0
Changes in market price	0
Total charged to Annually Managed Expenditure	0
Intangible Assets impairments and reversals charged to the Revaluation Reserve	
Loss or damage resulting from normal operations	0
Over-specification of assets	0
Abandonment of assets in the course of construction	0
Unforeseen obsolescence	0
Loss as a result of catastrophe	0
Other	0

Changes in market price	0
Total impairments for Intangible Assets charged to Reserves	0
Total Impairments of Intangibles	0
Financial Assets charged to SoCNE/SoCI	
Loss or damage resulting from normal operations	0
Total charged to Departmental Expenditure Limit	0
Loss as a result of catastrophe	0
Other	0
Total charged to Annually Managed Expenditure	0
Financial Assets impairments and reversals charged to the Revaluation Reserve	
Loss or damage resulting from normal operations	0
Loss as a result of catastrophe	0
Other	0
TOTAL impairments for Financial Assets charged to reserves	0
Total Impairments of Financial Assets	0
Non-current assets held for sale - impairments and reversals charged to SoCNE/SoCI.	
Loss or damage resulting from normal operations	0
Abandonment of assets in the course of construction	0
Total charged to Departmental Expenditure Limit	0
Unforeseen obsolescence	0
Loss as a result of catastrophe	0
Other	209
Changes in market price	0
Total charged to Annually Managed Expenditure	209
Total impairments of non-current assets held for sale	209
Investment Property impairments charged to SoCNE/SoCI	
Loss as a result of catastrophe	0
Other	0
Changes in market price	0
Total charged to Annually Managed Expenditure	0
Total Investment Property impairments charged to SoCNE/SoCI	0
Total Impairments charged to Revaluation Reserve	**1489**
Total Impairments charged to SoCI - DEL	**0**
Total Impairments charged to SoCI - AME	**62342**
Overall Total Impairments	**63831**

Of which:

Impairment on revaluation to "modern equivalent asset" basis	0
Donated and Gov Granted Assets, included above	
Donated Asset Impairments: amount charged to SoCNE/SoCI - DEL	0
Donated Asset Impairments: amount charged to SoCNE/SoCI - AME	0
Donated Asset Impairments: amount charged to revaluation reserve	0
Total Donated Asset Impairments	0
Government Granted Asset Impairments: amount charged to SoCNE/SoCI - DEL	0
Government Granted Asset Impairments: amount charged to SoCNE/SoCI - AME	0
Government Granted Asset Impairments: amount charged to revaluation reserve	0
Total Gov Granted asset Impairments.	0
TOTAL DONATED/GOVERNMENT GRANTED ASSET IMPAIRMENTS	0

The impairment losses disclosed as 'other ' above compromise :

0

The balance comprises:

0

ANEURIN BEVAN UNIVERSITY LOCAL HEALTH BOARD ANNUAL ACCOUNTS 2020-21
FR 9 NHS Wales FHoT Extract for Welsh Government

SoFA Extract for Welsh Government

	@ 31 March 2021 £000	@ 31 March 2020 £000
Total incoming resources	**1198**	954
Total resources (expended)	**-1243**	-1087
Net incoming/(outgoing) resources	**-45**	-133
Gross transfers between funds	**0**	0
Other recognised gains and (losses)	**673**	-32
Net movement in funds	**628**	-165

Balance Sheet Extract for Welsh Government

		2020-21	2019-20
Fixed assets			
	Tangible Assets	**0**	0
	Investments	**5250**	4607
Total fixed assets		**5250**	4607
Current assets			
	Debtors	**196**	191
	Investments	**0**	0
	Cash at bank and in hand	**238**	129
	Prepayments	**11**	42
Total current assets		**445**	362
(Liabilities)			
	Current		
	Creditors: Amounts falling due within one year	**-252**	-154
	Current Provisions for liabilities and charges	**0**	0
Total current liabilities		**-252**	-154
Net current assets / (liabilities)		**193**	208
Total assets less current liabilities		**5443**	4815
	Non Current		
	Creditors: Amounts falling due greater than one year	**0**	0
	Non Current Provisions for liabilities and charges	**0**	0
Total non-current liabilities		**0**	0
Total net assets		**5443**	4815
	X check	0	

Statement of Cash Flows

		2020-21 Total Funds £000	2019-20 Total Funds £000
Cash flows from operating activities:			
Net cash provided by (used in) operating activities		-102	-434
Cash flows from investing activities:			
	Dividend, interest and rents from investments	181	188
	Proceeds from the sale of investments	30	150
	Purchase of investments	0	0
	(Increase) / decrease in cash awaiting investment	0	0
Net cash provided by (used in) investing activities		211	338
Change in cash and cash equivalents in the Reporting Period		109	-96
Cash and cash equivalents at the beginning of the Reporting Period		129	225
Cash and cash equivalents at the end of the Reporting Period		238	129

Note

1. X check value must = 0

The FR 9 return has been signed as properly prepared by the LHB Director of Finance, in lieu of formal certified accounts for the funds held on trust. Formal accounts supporting the returns will be subject to independent audit certification during autumn 2021.

Director of Finance Signature _____ Date 9th July 2021

MEMORANDUM STATEMENTS

	Creditors (Due to) Total	Creditors (Due to) Of which over 12 months	Debtors (Due from) Total	Debtors (Due from) Of which over 12 months	Expenditure (Due to) Total	Income (Due from) Total
	£000	£000	£000	£000	£000	£000
Summary Sheet:						
Welsh Government	66	0	7,017	0	217	1,506,824
Welsh local health boards	3,095	0	1,672	0	61,680	23,522
Welsh NHS Trusts	3,951	0	26,448	0	64,976	13,609
Special Health Authority (HEIW)	0	0	111	0	0	10,222
WHSSC	2,370	0	441	0	161,384	8,905
All English health bodies	4,431	2,163	171	0	14,689	840
All N. Ireland health bodies	8	2	0	0	-3	13
All Scottish health bodies	33	0	8	0	34	3
Miscellaneous	0	0	0	0	0	0
Credit note provision	0	0	0	0	0	0
Sub total	13,954	2,165	35,868	0	302,977	1,563,938
Other Central Government Bodies						
Other Government Departments*	1,943	4	28	0	14,311	568
Revenue & Customs	7,804	0	0	0	48,229	0
Local Authorities	16,561	771	4,268	0	54,173	18,520
Welsh Government Hosted Bodies	0	0	0	0	0	0
Balances with Public Corporations and trading funds	0	0	0	0	0	0
Balances with bodies external to Government	0	0	0	0	0	0
TOTAL	40,262	2,940	40,164	0	419,690	1,583,026

*** Other Government Departments with Balances > £1,000k**
Please specify:

NHS Supply Chain	1,929	14,178

Capital expenditure agreed with other Welsh NHS bodies but excluded from figures above:

	Total Agreed £'000	Capital £'000	Submitted £'000
Cardiff and Vale	526	526	526
Cwm Taf Morgannwg	24	24	24
Swansea Bay University He	6	6	6
Velindre	2,068	2,068	2,068

Month 12

MEMORANDUM STATEMENTS

2020-21

Please complete in round £000s not decimals of £000s

	Creditors (Due to) Total £000	Creditors (Due to) Of which over 12 months £000	Debtors (Due from) Total £000	Debtors (Due from) Of which over 12 months £000
Balances with Welsh Local Health Boards				
Aneurin Bevan	0	0	0	0
Betsi Cadwaladwr LHB	462	0	17	0
Cardiff and Vale	1,586	0	746	0
Cwm Taf Morgannwg	358	0	75	0
Hywel Dda	228	0	5	0
Powys	40	0	711	0
Swansea Bay	421	0	118	0
Adjustment for roundings	0	0	0	0
TOTAL	**3,095**	**0**	**1,672**	**0**
Balance with WHSSC:				
WHSSC	2,370	0	441	0
Adjustment for roundings	0	0	0	0
TOTAL	**2,370**	**0**	**441**	**0**
Balances with Welsh NHS Trusts:				
Public Health Wales	392	0	517	0
Velindre	3,082	0	2,900	0
Welsh Ambulance Services	477	0	82	0
Adjustment for roundings	0	0	1	0
TOTAL	**3,951**	**0**	**3,500**	**0**
Balances with Special Health Authority				
HEIW	0	0	111	0
	0	**0**	**111**	**0**
Balance with WRP:				
Welsh Risk Pool (claims submitted but not yet paid by WRP)	0	0	4,960	0
Welsh Risk Pool (expenses incurred by Trust but not yet claimed from WRP)	0	0	17,989	0
Welsh Risk Pool other (for use by host body only)	0	0	0	0
Adjustment for roundings	0	0	(1)	0
TOTAL	**0**	**0**	**22,948**	**0**
Balance with WG				
(Note LHB debtors and creditors with WG relate to Trading Income and Expenditure only)				
Welsh Government	66	0	7,017	0
WRP Non cash relating to debtor of last resort	0	0	0	0
Adjustment for roundings	0	0	0	0
TOTAL	**66**	**0**	**7,017**	**0**

For completion by WRP at month 12 only

Aneurin Bevan University Health Board **LMS/TMSC**

Month 12

Please complete in round £000s not decimals of £000s

MEMORANDUM STATEMENTS

2020-21

		Expenditure Total £000	Income Total £000
Transactions with Welsh Local Health Boards			
Aneurin Bevan		0	0
Betsi Cadwaladwr LHB		566	81
Cardiff and Vale		34,283	3,441
Cwm Taf Morgannwg		22,629	1,936
Hywel Dda		748	714
Powys		247	16,152
Swansea Bay		3,207	1,197
Adjustment for roundings		0	1
		61,680	**23,522**
Transactions with WHSSC:			
WHSCC		161,384	8,905
Adjustment for roundings		0	0
TOTAL		**161,384**	**8,905**
Transactions with Welsh NHS Trusts:			
Public Health Wales		1,778	4,254
Velindre	RQF	52,477	8,211
Welsh Ambulance Services	RT4	10,721	1,144
Adjustment for roundings		0	0
TOTAL		**64,976**	**13,609**
Balances with Special Health Authority			
HEIW		0	10,222
		0	**10,222**
Health Board Transactions with WG:			
Welsh Government	**Trading Invoiced & Non Invoiced**	217	11,327
Welsh Government	**FIS Funding Revenue (Cash)**		1,220,184
Welsh Government	**FIS Funding Capital (Cash)**		105,200
Welsh Government	**FIS Funding - GMS (Cash)**		106,378
Welsh Government	**FIS Funding - Pharmacy (Cash)**		32,807
Welsh Government	**FIS Funding - Dental (Cash)**		30,088
Welsh Government	**FIS Funding - FHS NCL (Cash)**		840
Adjustment for roundings		0	0
TOTAL		**217**	**1,506,824**
NHST Transactions with WG:			
Welsh Government	**Trading Invoiced & Non Invoiced Income**	0	0
Welsh Government	**Short term loans**	0	0
Welsh Government	**PDC Capital**	0	0
Welsh Government	**WRP Non cash relating to debtor of last resort**	0	0
Adjustment for roundings		0	0
TOTAL		**0**	**0**

For completion by WRP at month 12 only

Aneurin Bevan University Health Board Month 12	Values excluding Rates		Rates		Values excluding Rates		Rates	
	As per Agreement				As per Accounts			
	(Cr)	(Dr)	(Cr)	(Dr)	(Cr)	(Dr)	(Cr)	(Dr)
Local Authority	£k	£k	£k	£k	£k	£k	£k	£k
Blaenau Gwent County Borough Council	0	0	0	0	2123	304	0	0
Brecon Beacons National Park Authority	0	0	0	0	0	0	0	0
Bridgend County Borough Council	0	0	0	0	0	0	0	0
Caerphilly County Borough Council	0	0	0	0	4527	2696	-14	0
Cardiff City and County Council	0	0	0	0	22	0	0	0
Carmarthenshire County Council	0	0	0	0	0	0	0	0
Ceredigion County Council	0	0	0	0	0	0	0	0
Conwy County Borough Council	0	0	0	0	0	0	0	0
Denbighshire County Council	0	0	0	0	0	0	0	0
Dyfed Powys Police Authority	0	0	0	0	0	0	0	0
Flintshire County Council	0	0	0	0	0	0	0	0
Gwent Police Authority	0	0	0	0	0	0	0	0
Gwynedd County Council	0	0	0	0	0	0	0	0
Isle of Anglesey County Council	0	0	0	0	0	0	0	0
Merthyr Tydfil County Borough Council	0	0	0	0	0	0	0	0
Mid and West Wales Fire Authority	0	0	0	0	0	0	0	0
Monmouthshire County Council	0	0	0	0	1882	543	0	0
Neath Port Talbot County Borough Council	0	0	0	0	0	0	0	0
Newport City Council	0	0	0	0	2660	444	248	0
North Wales Fire Authority	0	0	0	0	0	0	0	0
North Wales Police Authority	0	0	0	0	0	0	0	0
Pembrokeshire Coast National Park Authority	0	0	0	0	0	0	0	0
Pembrokeshire County Council	0	0	0	0	0	0	0	0
Powys County Council	0	0	0	0	0	0	0	0
Rhondda Cynon Taff County Borough Council	0	0	0	0	0	0	0	0
Snowdonia National Park Authority	0	0	0	0	0	0	0	0
South Wales Fire Authority	0	0	0	0	0	0	0	0
South Wales Police Authority	0	0	0	0	0	0	0	0
Swansea City and County Council	0	0	0	0	0	0	0	0
Torfaen County Borough Council	0	0	0	0	4101	281	948	0
Vale of Glamorgan County Council	0	0	0	0	0	0	0	0
Wrexham County Borough Council	0	0	0	0	0	0	0	0
	0	**0**	**0**	**0**	**15315**	**4268**	**1182**	**0**

Aneurin Bevan University Health Board
Month 12

Local Authority	As per Agreement				As per Accounts			
	Values excluding Rates		Rates		Values excluding Rates		Rates	
	Exp/ Issued	Inc/ Receipted	Exp/ Issued	Inc/ Receipted	Exp/ Issued	Inc/ Receipted	Exp/ Issued	Inc/ Receipted
	£000	£000	£000	£000	£000	£000	£000	£000
Blaenau Gwent County Borough Council	0	0	0	0	5294	1435	556	0
Brecon Beacons National Park Authority	0	0	0	0	0	0	0	0
Bridgend County Borough Council	0	0	0	0	0	0	0	0
Caerphilly County Borough Council	0	0	0	0	18092	11635	1221	0
Cardiff City and County Council	0	0	0	0	105	0	0	0
Carmarthenshire County Council	0	0	0	0	0	0	0	0
Ceredigion County Council	0	0	0	0	0	0	0	0
Conwy County Borough Council	0	0	0	0	0	0	0	0
Denbighshire County Council	0	0	0	0	0	0	0	0
Dyfed Powys Police Authority	0	0	0	0	0	0	0	0
Flintshire County Council	0	0	0	0	0	0	0	0
Gwent Police Authority	0	0	0	0	0	0	0	0
Gwynedd County Council	0	0	0	0	0	0	0	0
Isle of Anglesey County Council	0	0	0	0	0	0	0	0
Merthyr Tydfil County Borough Council	0	0	0	0	0	0	0	0
Mid and West Wales Fire Authority	0	0	0	0	0	0	0	0
Monmouthshire County Council	0	0	0	0	6218	1593	705	0
Neath Port Talbot County Borough Council	0	0	0	0	0	0	0	0
Newport City Council	0	0	0	0	8624	1939	1710	0
North Wales Fire Authority	0	0	0	0	0	0	0	0
North Wales Police Authority	0	0	0	0	0	0	0	0
Pembrokeshire Coast National Park Authority	0	0	0	0	0	0	0	0
Pembrokeshire County Council	0	0	0	0	0	0	0	0
Powys County Council	0	0	0	0	0	0	0	0
Rhondda Cynon Taff County Borough Council	0	0	0	0	0	0	0	0
Snowdonia National Park Authority	0	0	0	0	0	0	0	0
South Wales Fire Authority	0	0	0	0	0	0	0	0
South Wales Police Authority	0	0	0	0	0	0	0	0
Swansea City and County Council	0	0	0	0	0	0	0	0
Torfaen County Borough Council	0	0	0	0	10405	1918	1235	0
Vale of Glamorgan County Council	0	0	0	0	0	0	0	0
Wrexham County Borough Council	0	0	0	0	0	0	0	0
	0	**0**	**0**	**0**	**48738**	**18520**	**5427**	**0**

Aneurin Bevan University Health Board

This information is required for year end only in line with the timetable issued in the NHS Wales Manual for Account.

This information will be used

- to support the Welsh Government Consolidation and Whole of Government Accounts elimination processes;
- reported to the counterparties;
- differences of >£200k between Health bodies and the Counter Parties will be identified by Welsh Government and the relevant parties notified.

If there are any transactions not covered by the tables below please provide details below the tables provided, detailing the Counterparty/ transaction type/Amount

Month 12

	As per Accounts				Comments
	< 1 year		> 1 year		
	(Cr)	(Dr)	(Cr)	(Dr)	
Welsh Government: Consolidated bodies	£000	£000	£000	£000	
Finance Wales	0	0	0	0	
Careers Choices	0	0	0	0	
Regeneration Investment Fund for Wales (RiFW)	0	0	0	0	
Holdco (Holding company Cardiff Airport)	0	0	0	0	
WG Sponsored Bodies above WGA Minor body limit					
WGA Pack prepared by Welsh Government					
Arts Council Wales	0	0	0	0	
Arts Council for Wales National Lottery	0	0	0	0	
Care Council for Wales - Social Care Wales	0	0	0	0	
ESTYN	0	0	0	0	
HEFCW	0	0	0	0	
National Library of Wales	0	0	0	0	
National Museum of Wales	0	0	0	0	
Natural Resources Wales	0	0	0	0	
Sport Wales	0	0	0	0	
Sports Council for Wales National Lottery	0	0	0	0	
Transport for Wales	0	0	0	0	
	0	0	0	0	

	As per Accounts		Comments
	Expenditure/ Issued	Income/ Receipted	
Welsh Government: Consolidated bodies	£000	£000	
Finance Wales	0	0	
Careers Choices	0	0	
Regeneration Investment Fund for Wales (RiFW)	0	0	
Holdco (Holding company Cardiff Airport)	0	0	
WG Sponsored Bodies above WGA Minor body limit			
WGA Pack prepared by Welsh Government			
Arts Council Wales	0	0	
Arts Council for Wales National Lottery	0	0	
Care Council for Wales - Social Care Wales	0	0	
ESTYN	0	0	
HEFCW	0	0	
National Library of Wales	0	0	
National Museum of Wales	0	0	
Natural Resources Wales	0	0	
Sport Wales	0	0	
Sports Council for Wales National Lottery	0	0	
Transport for Wales	0	0	
	0	0	

Counterparty

Transaction type

Amount

FINANCIAL RETURN
FR 13 **DH Donated Assets**

Equipment Type	Make	Model
Blood Gas Analysers	Nova Biomedical	Stat Profile Prime Plus
Blood Gas Analysers	Werfen	GEM Premier 4000
Ventilator Consumables	Ortus	VG70 - Expiratory Blocks
Mechanical Ventilator - Emergency	Breas Medical	Nippy 4+
Mechanical Ventilator - Emergency	Breas Medical	Vivo 65
Mechanical Ventilator - ICU	Beijing AoenMed	VG70
Mechanical Ventilator - ICU	Draeger	Evita V800
Mechanical Ventilator - ICU	GE	Carescape R860
Mechanical Ventilator - ICU	Getinge / Maquet	Servo-air
Mechanical Ventilator - ICU	Getinge / Maquet	Servo-i
Mechanical Ventilator - ICU	Hamilton	C3
Mechanical Ventilator - ICU	Hamilton	C6
Mechanical Ventilator - ICU	Hamilton	G5
Mechanical Ventilator - ICU	Vyaire	Bellavista 1000
Mechanical Ventilator - Transport	Draeger	Oxylog 3000 Plus
NIV (BiPaP)	Breas Medical	Vivo 2
NIV (BiPaP)	Breas Medical	Vivo 3
NIV (BiPaP)	Lowenstein Medical	Prisma VENT50-C
NIV (BiPaP)	Philips Respironics	BiPAP A40
NIV (BiPaP)	Philips Respironics	Bipap S/T System One
NIV (BiPaP)	Philips Respironics	Trilogy 202
NIV (BiPaP)	Philips Respironics	Trilogy EVO
NIV (BiPaP)	ResMed	Lumis 150 VPAP ST-A
Oxygen Concentrators	Caire Inc	Visionaire 5
Patient Monitors	EDAN	iM50
Patient Monitors	GE	Carescape B105
Patient Monitors	GE	Carescape B125
Patient Monitors	GE	Carescape B450
Patient Monitors	GE	Carescape B650
Patient Monitors	GE	Carescape B850
Patient Monitors	Mindray	BeneVision N12
Patient Monitors	Mindray	ePM12
Patient Monitors	Philips	CM120
Patient Monitors	Philips	IntelliVue MX450
Patient Monitors	Philips	IntelliVue MX550
Patient Monitors	Philips	IntelliVue MX750
Syringe drivers	MedCaptain	HP-30
Ultrasound	GE	Venue Go
Ultrasound	Philips	Lumify
Ultrasound	Sonosite	Edge ii
Video Laryngoscopes (reusable)	Karl Storz	C-MAC

Date Received	No	Total Value £	AME Depreciation £
		0.00	
		0.00	
		0.00	
		0.00	
10.07.2020	8	68,726.92	4909.08
		0.00	
		0.00	
		0.00	
		0.00	
2 x 03.06.20 / 4 x 06.07.20	6	180,158.83	15013.26
		0.00	
		0.00	
		0.00	
20.05.20	4	83,913.04	8990.67
		0.00	
28.05.20	6	10,806.95	0
		0.00	
		0.00	
		0.00	
		0.00	
		0.00	
		0.00	
		0.00	
09/04/2020	68	35,246.48	0
		0.00	
		0.00	
		0.00	
		0.00	
		0.00	
		0.00	
		0.00	
02.07.2020	2	9,988.39	0
		0.00	
		0.00	
		0.00	
		0.00	
		0.00	
		0.00	
		0.00	
		0.00	
		0.00	
	94	**388,840.61**	**28913.01**

	£
On Receipt	
CREDIT	
Income	
Receipt of DHSC Government granted assets	388,840.61
DEBIT	
Consumables	
Stock	0
Non Cosumables < £5k	
Expenditure - Supplies and services - clinical	56,041.83
Non Consumables > £5k	
Fixed Assets Prop Plant & Equipent	332,798.79
	388840.61

Monnow Vale Health and Social Care Unit
The Health Board has entered into a pooled budget with Monmouthshire County Council. Under the arrangement funds are pooled under section 33 of the NHS (Wales) Act 2006 to provide health and social care inpatient, outpatient, clinic and day care facilities to individuals who have medical, social, community or rehabilitaion needs.

The pool is hosted by Aneurin Bevan University Health Board. The financial operation of the pool is governed by a pooled budget agreement between the Local Health Board and Monmouthshire County Council. The income from Monmouthshire County Council is recorded as Local Authority Income in the Health Boards accounts.
Expenditure for services provided under the arrangement are recorded under the appropriate expense headings in the Health Boards accounts.

The property in which the unit is housed has been provided by a Private Finance Partner; the contract with the PFI partner is for 30 years and is categorised as an on balance sheet PFI scheme. The asset value of property, plant & equipment is **£4,437K** which is split 72% Aneurin Bevan University Health Board and 28% Monmouthshire County Council.

The costs incurred under the pooled budget are declared in the memorandum trading account.

Pooled Budget memorandum account for the period 1st April 2020 - 31st March 2021

Monnow Vale

	Cash	Own Contribution	Grants	Total
	£	£	£	£
Funding				
Aneurin Bevan Health Board	0	2,481,819	0	2,481,819
Monmouthshire County Council	361,508	768,436	0	1,129,944
Total Funding	**361,508**	**3,250,255**	**0**	**3,611,763**
Expenditure				
Aneurin Bevan Health Board	0	2,596,627	0	2,596,627
Monmouthshire County Council	405,864	765,470	0	1,171,334
Total Expenditure	**405,864**	**3,362,097**	**0**	**3,767,961**
Net (under)/over spend	**44,356**	**111,842**	**0**	**156,198**

Certificate of Director of Finance
I certify that the above pooled fund memorandum account accurately discloses the income received and the expenditure incurred in accordance with the partnership agreement, as amended by any subsequent agreed variations, entered into under Section 33 of the Health Act 2006.

Director of Finance …… Date: 9th June 2021

Aneurin Bevan University Health Board Annual Report and Annual Accounts 2020/21

Our Annual Report is a suite of documents that tell you about our organisation, the services and care we provide and what we do to plan, deliver and improve healthcare for you. It provides information about how we performed in 2020/21, what we have achieved, how we plan to continue to improve next year and our plans for the future. This report also explains how important it is for us to work with you and listen to your views, to better deliver services that meet your needs, as close to your home as possible.

Our Annual Report for the period 1st April 2020 to 31st March 2021 includes:

- Our **Performance Report** which details how we have performed against our targets and the actions planned to maintain or improve our performance.

- Our **Accountability Report** which details our key accountability requirements and provides information about how we manage and control our resources, identify and respond to our risks, and comply with our own governance arrangements.

- Our **Financial Statements and Annual Accounts** which detail how we have spent our money and met our obligations.

Section One – The Performance Report	**3**
Section Two – The Accountability Report	**50**
Section Three – The Financial Statements	
The Audited Annual Accounts 2020-21	

Aneurin Bevan University Health Board
Section 1 – Performance Report
1st April 2020 – 31st March 2021

Introduction

The Manual for Accounts (MfA) establishes that the purpose of the performance report (or section of the annual report) is to provide information on the organisation, its main objectives and strategies and the principal risks that that the organisation faces. This report provides this for the Health Board for the year 1st April 2020 – 31st March 2021.

Areas of Responsibility

Aneurin Bevan University Health Board was established in October 2009 and achieved 'University' status in December 2013. We serve a population of more than 639,000 people, which is approximately 21% of the total Welsh population.

With a budget of **£1.3billion,** we deliver healthcare services to people in Blaenau Gwent, Caerphilly, Monmouthshire, Newport, Torfaen and also provide some services to the people of South Powys.

We are governed by a Board, which comprises Executive Directors and Independent Members who make decisions about all services and care provided in our area. In 2020/21, the Board was chaired by Ann Lloyd and the operational leadership and direction was provided by Judith Paget, our Chief Executive and Accountable Officer.

The Health Board has continued to develop to ensure we operate in a patient-focused, safe, open and prudent way. The Board sets the strategic objectives, monitors progress, agrees actions to achieve these objectives, and ensures appropriate controls are in place and working properly throughout the organisation.

Impact of COVID-19 on delivery of services

The last year, 2020/2021, was very challenging for the Health Board along with the rest of the NHS and care services in responding to the COVID-19 pandemic. We are extremely proud of the way in which our staff responded showing resilience, bravery, dynamism, resourcefulness and great skill to deal with the major challenges presented during the pandemic. To ensure that we were able to continue to respond appropriately to people's health care needs we introduced new ways of working, revolutionising the number of patients supported through digital consultations and reviews, introduced digital communications between inpatients and their families when visiting was restricted, ensured our

staff had appropriate and effective PPE and embraced agile working to keep our staff as safe as possible and successfully opened the Grange University Hospital ahead of schedule.

Primary and community services continue to be a priority and along with our mental health and learning disability services have maintained all core essential services throughout the pandemic and have responded to the changing needs presented throughout the year.

Supporting staff physically, mentally and emotionally in response to the changing environment has meant a greater need for our Employee Wellbeing Services. This service has proved invaluable for our staff and we believe will continue to be even more important going forward.

Closer working with our public sector partners facilitated the successful introduction of the Gwent Test, Trace and Protect Programme with 98% contact tracing success rate. Our preparedness for the COVID-19 Vaccinations meant that the Health Board was able to start swiftly and following the JCVI guidelines, continue to quickly adapt to the needs of our population. We have vaccinated over half a million people in the past four and a half months.

As part of the Health Board's commitment to delivering its Integrated Medium Term Plan (IMTP), ten organisational priorities would be given greater focus and enhanced Executive leadership during 2020/21 to ensure delivery quickly and with purpose. These were:

On the 16th March 2020, and in response to the unprecedented challenge associated with the COVID-19 pandemic, the Integrated Medium Term Planning process for NHS Wales was suspended and Welsh Government adopted a quarterly COVID-19 operating framework. Health Boards were required to develop operational plans describing their response to COVID-19 and the delivery of essential and routine health services.

The reality of steering the organisation through the COVID-19 pandemic has impacted on the progress that has been possible to deliver these organisational priorities. For some priorities this meant accelerating the scale and pace of delivery, for others it was necessary to suspend them and to refocus resources to support the immediate and substantial response to COVID-19 pandemic.

The Health Board had to suspend routine elective services and undertake major reconfiguration of our hospitals wards and departments where infection prevention and control was key to create a safe environment for patients with and without COVID-19. This was aligned to the NHS Wales COVID-19 Operating Framework which was produced to assist the NHS in Wales in its response and the phased return to urgent and planned services.

Along with all Health Boards in Wales, the interruption to services has resulted in increased waiting lists and longer waiting times. The challenge has been to adapt to redesign access pathways and new ways of working which are safe and maximise capacity.

Staff have achieved incredible feats in the last 12 months. In particular successfully opening a new hospital in the middle of a pandemic is an outstanding achievement. This was a key enabler for the Health Board to manage its COVID response and ensure the continuation of care in a safer and more appropriate environment, providing enhanced diagnostic and surgical capacity.

The following narrative provides an overview of some of the key areas and how these services have performed during 2020/2021.

Planning and Delivery of Safe, Effective and Quality Services

The Health Board's response to the COVID-19 pandemic changed during the year as we became much more informed about the disease and ways to improve our care. This was characterised by transformation across the system through planning and delivery of services underpinned by the principles of our Clinical Futures Strategy, leading to the early commissioning and opening of the Grange University Hospital (GUH) and reconfiguration of services in the remaining Local General Hospitals and community to support greater resilience. Through these enabling changes, the Health Board became better equipped to focus on widening access across our communities.

The quality of services and patient safety remained at the core of our response, with an additional and clear focus on the well-being of our staff who met the challenge of managing winter pressures whilst ensuring that essential services were maintained and that routine care was undertaken where safe and practical.

Underpinning and balancing our response was the equal weight given to *The Four Harms* aimed at reducing the inequalities that could contribute to higher mortality rates in some communities.

Harm from Covid-19 itself

Lessons learned in the Immediate Response phase helped to inform our advance planning for the anticipated second wave of the pandemic and the adaptation of essential services to make them sustainable after the opening of GUH. An example of this learning was in our Primary Care and Community Services who have been at the forefront of new ways of working through embracing technology. We captured the views and experiences of frontline staff and senior managers through online surveys and semi-structured interviews in June 2020. The fundamental need at the time of an emergency response was for timely decision-making, as slow decision making, or not making a decision, could cause harm in itself. This knowledge helped to adapt our governance structures, improve communication and ensure delivery of priorities and strengthened the longer term strategic support for care homes.

Harm from an overwhelmed NHS and social care system

Ensuring that our response to COVID-19 was consistent with the modelling scenarios set out by Welsh Government assisted the Health Board in maintaining essential services during peaks in infection rates as well as meeting the demands of winter pressures and reducing the potential for harm from an overwhelmed NHS and Social Care system. Use of the capacity provided by the new GUH and application of COVID and non-COVID patient pathways through our care system assisted with reducing the potential for hospital acquired infection and enabled sustainable management of our workforce. Use of the new state-of-the-art critical care facilities to care for critically ill patients was central to our ability to manage these pathways.

Harm from a reduction in non COVID-19 activity

Understanding our demand and capacity alongside a phased response plan also helped us to manage our services through the winter, ensuring that our actions were effective, timely and proportional and to re-introduce services as and when it was safe to do so, reducing the potential for harm due to reductions in non-COVID activity.

ABUHB Phased Response to the Covid-19 Pandemic

The response structure was adaptable and flexible to enable clear and effective decision-making within a well-defined strategic, tactical and operational framework using specially developed tools, such as, the Organisational Thermometer, to help the organisation respond to triggers and changes in demand.

In light of the scientific expertise advising Government, all Health Board processes and protocols relating to COVID-19 were based on National Government guidance. Planning for the winter period was based on a *likely* scenario and *reasonable worst case scenario,* with the objective to balance demand and bed capacity.

Harm from a wider societal actions/lockdown

The potential for psychological and social harm as well as effects on the physical health of the population has been highlighted during the pandemic. Social isolation, psychological trauma, anxiety, depression and other symptoms of distress can affect the well-being of the many groups in society including children, students, elderly, and health and care staff.

Core essential mental health and learning disability services were maintained throughout the pandemic and staff responded to the changing needs with new ways to support better mental health and well-being in the community whilst continuing to develop our crisis services as part of a wider transformation of mental health and learning disabilities services. A number of adjustments were made to service delivery to create capacity and meet the needs of patients and citizens in innovative ways, including the increased use of non-face-to-face contacts, with telephone and virtual modes of communication used where clinically appropriate.

Further evidence has emerged over the period that the effects of the pandemic on mental health will be more severe and long lasting for some population groups. Frontline staff and people who have experienced bereavement are now at increased risk of poor mental well-being. Mental well-being is a recognised public health priority and the Health Board has put into place an Enhanced Foundation Tier Project to improve population mental well-being and reduce inequalities. Plans have been developed to ensure longer term accessibility, availability and awareness of appropriate, consistent, up-to-date and evidence based self-help

resources, recognising that this need will be substantial as part of the COVID-19 recovery process for many people.

Health Board Annual Plan for 2021/22

The learning outlined above has helped the Health Board to determine its ongoing response to COVID-19, continue to deliver services to our population and allow transformation to flourish across the system.

Clinical Futures principles are integrated in our response to the Covid-19 pandemic, moving forward with clear decision–making towards our long-term ambitions whilst supporting the leadership and resilience shown by our front-line teams who have continued to act with professionalism and compassion throughout a difficult period. Our plan for 2021/22 has been developed in light of the above challenges and experiences recognising that the impacts of the pandemic on our population, our workforce, our partners and our system run deep and will dominate efforts to reset health and well-being services for our communities. The plan is designed to capture our core intentions and give clear priorities for dealing with COVID-19 related demand and the risks and challenges in refocussing on the delivery of routine care in a flexible and agile way. Sustainable cultural change through delivery of our Annual Plan will make it possible for people to see the system and how it works and enable and encourage staff to act.

Primary Care

The rapid development of the pandemic from March 2020 necessitated a reactive response in Primary and Community care to ensure that the Health Board was able to respond to and manage an unprecedented set of circumstances. The opportunity of the pause between phases one and two allowed a review to be undertaken and for changes and adaptations to be made.

In the period between June and October 2020 the Health Board started to return to 'business as usual' in commencing with non-urgent care and this was reflected in primary and community services, including increased consultations in primary care, recommencement of some dental interventions and additional outpatient activity. Although there were reductions in planned activity again in December, the complete cessation of all non-urgent work seen in phase one was not repeated.

General Medical Services

General Medical Services (GMS) have responded well to the COVID-19 situation with services maintained in accordance with Welsh Government guidance with robust escalation and communication processes in place.

Following the first, reactive phase of the pandemic, a GMS recovery plan and toolkit were developed and practices were supported to begin the resumption of services in line with the Welsh Government recovery plan. Essential services were maintained, and an audit in relation to the 6-8 week physical examination of babies has commenced. Further

contractual relaxations or suspensions were introduced and managed accordingly. Core contractual aspects, such as the vacant practice process, have also continued.

The Health Board supported the implementation of the COVID-19 specific improvement grants which supported 50 primary care providers across 71 buildings in order to develop COVID-19 safe environments.

COVID-19 Primary Community Immunisation Services was offered to all practices with 73 out of 74 GP practices participating. A detailed resource pack was prepared, with regular updates provided. Weekly meetings with practices take place and continuous review of data, activity and delivery of the programme is ongoing.

The current backlog of care and of unknown harms remains a significant concern to the Health Board. This will also be impacted by the resumption of secondary care services and the pathways to support this. There will be an increase in demand and it is expected that number of face to face appointments will rise. Further analysis of the telephony infrastructure is required and the current Access Standards will remain in place for 2021/22.

Dental Services

Dental Services were significantly impacted by the COVID-19 pandemic and in the first phase of emergency response government escalation guidance dictated only very urgent and emergency treatments were undertaken.

The guidance is now in the amber phase and a dental recovery plan has been developed, with a robust communication network supporting this roll out. A collaborative "Neighbourhood Care Network" (NCN) approach between dental practices was established which supported aspects such as "buddying" arrangements. The 3 COVID-19 Hub sites remain in place and the 3 General Dental Services (GDS) Health Board designated Non-COVID-19 Aerosol Generating Procedure (AGP) Urgent Dental Care sites that were established ended on 31st December 2020. Welsh Government provided financial support (£82K) for improved ventilation for 77 out of 78 practices providing AGPs. . Additional urgent access sessions were secured and from March 2021, 33 practices were funded for 100% Annual Contract Value to provide Emergency Dental Service appointments, resulting in approximately 600 additional appointments. The Attend Anywhere video consultation, telephone advice and guidance virtual system was introduced with 21 practices having implemented it, with 144 consultations undertaken between October 20 and February 2021.

It is acknowledged that there is a backlog of care provision in dentistry and dental practices have been asked to delay routine dental checks for low risk patients so that they have appointment slots available for those who need urgent treatment or treatment that has been delayed. At this time, it is important that those most in need of dental care receive it ahead of those who are not currently experiencing problems. This will continue in quarter 1 and 2 of 2021/22 and the Welsh Government requirements in relation to access and care provision will be implemented.

As it is anticipated that the need for urgent appointment will increase. The dental domiciliary service has yet to commence however, there are plans in place to address this.

Optometry

Service provision was maintained in accordance with red/amber phases of the pandemic. The Health Board established 17 host optometry practices during the red phase; of these, 4 optometry practices were able to provide enhanced care via Independent Prescribers.

During phase two all practices were open at least 75% of core hours pre-COVID-19 and a number of services were able to recommence including, General Ophthalmic Service, Eye Health Emergency Wales, domiciliary, prison and low vision.

Teams in all settings have embraced remote working and a change has been seen in how colleagues communicate with patients; this will be considered as part of our long term provision of care.

Pharmacy

A change in activity was noted over the last year and community pharmacies were active partners in supporting the influenza vaccination programme. The acute pharmacy team was instrumental in supporting the opening of the Grange University Hospital. The team ensured critical care drugs were readily available for clinicians in Gwent and developed a dashboard describing the availability, which was adopted nationally as part of the COVID-19 response. We were the first Health Board to adopt the new National Pharmacy System, which is now implemented in all 4 pharmacies in the Health Board.

Combined Community Teams – closer working across disciplines and agencies

During the COVID pandemic the Combined Community Teams (CCT) as a collaborative approach, across team and organisational boundaries, was developed to ensure the most effective response in support of residents. Each of the borough teams developed processes to understand the triggers requiring a centralised direction to assist with decision making. This process was tested at a table top exercise in late June and then operationally tested from November 2020 to February 2021. The process was reported as working well and was particularly successful in supporting care home escalation. As the Health Board works toward Place Based Care, the principles of this approach will be important in supporting integration.

Therapy Services

During the pandemic, we matched and redeployed a number of Allied Health Professional (AHP) and health science staff, to potential gaps in

service. Staff, whose usual roles were put on hold, were assigned to alternative profession specific areas and some staff also offered their support to undertake roles outside their usual role to ensure smooth running of the Health Board. Therapy managers provided cross cover between all therapy services and the Assistant Directors of Therapies and Health Science were deployed to support local hospital planning and contribute to the overall strategic COVID-19 planning for the Health Board.

A wide number of AHP and health science professions have instigated remote assessment, treatment and support strategies for their services and are using new remote and distanced practice, including wide use of 'Attend Anywhere' service. In one service (Community Stroke and ABI team) the virtual approach has led to a 4:1 ratio of virtual contacts compared with face-to-face contacts. Dietetic Services have used urgent remote access to services via telephone, whilst the Occupational Therapy and the Community Neuro Rehab Service team has been undertaking community visits, including care homes and specialist placements, using technology and alternative working practices e.g. assessment and treatments undertaken at distance / from the garden. Physiotherapy Services has been utilising telephone assessments and guidance and children's physiotherapy used Attend Anywhere for assessments and complex treatments. Speech and Language Therapy Service is using virtual strategies for vulnerable and high risk cases via video link with speech therapy being offered individually; the service is exploring delivery using a group function based on modified evidence based programmes.

Acute Services

The Health Board Risk Profile indicates that there is a potential risk to population health in relation to avoidable harm due to prioritisation of COVID-19 management. However, the evidence points to hospitals and care settings to be high-risk environments for COVID-19 transmission presenting a significant risk to patient safety. Therefore, important surveillance and monitoring of COVID-19 infections acquired within hospitals (nosocomial transmission) has been essential to identify sources and to minimise risk of further transmission.

Elective care

Prioritising Patients Based on Clinical Risk

Elective activity undertaken during the pandemic and a focus on when we can re-start services has been based on the Essential Services Framework guidance distributed by Welsh Government, where delivery was defined by the clinical prioritisation of the patient rather than a time based approach. Services deemed as essential are broadly defined as services that are life-saving or life impacting, where harm would be significant or irreversible without timely intervention. The focus has been on re-establishing elements of routine service although the challenge has been to be able to respond to surges in COVID-19 pressures.

The management of elective waiting lists has still been measured based on the national Referral to Treatment (RTT) performance standard and guidance. At the end of March 2021 the Health Board reported 35,367 patients who had breached the maximum 36 week RTT target of which there were 29,354 patients waiting over 52 weeks. At the end of March 2020 the reported position was 1,623 patients waiting 36 weeks of which 113 patients had been waiting over 52 weeks. The suspension of routine elective services during the pandemic and the approach to not adjust patient pathway waits if the patient was unavailable or anxious about attending due to COVID-19, had a significant impact on the increase in waiting list volumes and waiting times.

It was important therefore, that when services re-started with constricted capacity and resources, to be able to identify and target where best to prioritise resources to maximise outcomes and mitigate greatest harm from delayed pathways. During the acute phase of COVID-19 the Royal College of Surgeons (RCS) introduced guidance on how and what pathways should be prioritised and indicated defined deferment periods to each priority code to support a reduction of further harm from waiting. By the end of March 2021, 96% of all surgical waiting lists for patients waiting for a surgical intervention had been allocated a risk priority. Going forward, patients requiring treatment will continue to be prioritised based on clinical need rather than time waited on waiting lists and this has had and will continue to have a negative impact on overall waiting times.

Outpatients

The ongoing work as part of the All Wales Outpatient Transformation Programme continues to build on the new ways of working and modernisation established during the first wave of the pandemic. This includes the outpatient improvement measures outlined by the Planned Care Programme Board requirements, key targets regarding risk-management of long waiting follow-up patients which have been set by Welsh Government. The main targets include:

- 20% reduction in the total size of the follow up waiting list (March 2021 position of 104,511 against a target of 100,053)
- Total patients waiting >100% past their planned review date.(March 2021 position of 12,739 against a target of 5,637)

These targets were set by Welsh Government against the March 2019 year end position as a baseline. The targets were challenging given the volume of patients, however, there has been no account taken of the suspension of elective services during the pandemic.

Consequently, the Health Board has embraced the opportunity to undertake more outpatient work virtually. On average 47% of all of the consultations undertaken are via video, telephone and use of Attend Anywhere. It has been essential to ensure that there is a clinically led review of requests for face-to-face clinics and ensure the highest priority patients and conditions are allocated clinical space or whether the review could be undertaken virtually. Going forward, service plans will be based

on the opportunities around these new models of attendance and not just face-to-face consultations.

There are a number of initiatives that the Health Board has explored to manage the task ahead to deal with the backlog of new and follow up patients waiting to be reviewed including group video consultations which will be piloted in the community respiratory/asthma service. The Health Board is also tasked with discharging 20% of patients reviewed to a "See on Symptom" (SOS) or "Patient Initiated Follow up" (PIFU) list. This ensures that patients are empowered to be seen when there is a change in their condition and they are able to access care and advice much quicker. It also removes the need for redundant follow up appointments and allows for patients with more complex needs to be seen whilst improving patient access and experience. Throughout the pandemic the Health Board has not been able to achieve this target mainly due to the fewer patients being reviewed and the cautious approach of clinical teams during a pandemic and in ensuring that this is the best outcome for patients who may not have been seen for some time.

The Health Board has implemented a new process in the latter part of 2020 to provide "advice only" letters to GPs, which has avoided addition to an outpatient waiting list. Almost 4,000 letters have been sent and this example of good practice is set to be adopted across NHS Wales.

As with the treatment waiting lists consideration will be given to how to risk prioritise the outpatient waiting lists. At present the Health Board is taking a risk-managed approach to discussions with patients around their place on the waiting lists and timeline of being seen. Given the number of patients waiting for a first appointment Welsh Government has outlined that there will be standard communication to patients which clearly explains the challenges within Health Boards and expectations in terms of waiting times. The Health Board is focussed on those patients waiting 52 weeks and over, cancer and urgent patients and those patients on the follow up waiting list who are significantly past their review date.

Diagnostic access

The reduced diagnostic activity during the pandemic has resulted in significant increases in waiting times for patients. Diagnostic services have focused on the most urgent patients which resulted in an increase in the number of patients waiting longer than the 8 week target.

There were 5,707 patients waiting over 8 weeks at the end of March 2021 compared with 1,491 at the end of March 2020.

With regard to endoscopy, the initial response to COVID-19 mirrored guidance from the British Gastroenterology Society and the Royal College of Surgeons. As a consequence of reduced capacity, and with clinical agreement of the physicians and surgeons, the FIT10 test was rolled out with a new pathway for lower GI USC and clinically assessed urgent referrals. Endoscopy activity has continued to increase over recent months across all sites and has recovered pre-COVID-19 levels of activity. Plans are being developed to address the backlog and options for additional capacity with support through the independent sector.

Radiology services have been effected significantly but have continued to provide access for patients requiring essential services and providing imaging of COVID-19 patients. The requirements for social distancing, cleaning and PPE has had a significant effect on capacity. However, radiology diagnostics continue to recover well, particularly in the areas around musculoskeletal ultrasound and some of the complex cardiac diagnostics which has been supported through some of the capacity in the independent sector.

Cancer and Single Cancer Pathway

In 2020 a major change came about in the management and reporting of patients on a cancer pathway. Health Boards had been managing patients under two cancer measures, a 62 day urgent suspected cancer and 31 day non-urgent suspected cancer. In June 2019 The Welsh Government announced that all Health Boards will work to implement a Single Cancer Pathway in Wales. Following a period of shadow reporting, the formal reporting against the new measures started in December 2020 with a requirement that at least 75% of patients start their first definitive treatment within 62 days of the point of suspicion.

The Single Cancer Pathway (SCP) is a Welsh Government target for diagnosing cancer and starting treatment more quickly and is a UK first for measuring waiting times for cancer but more importantly it provides an ambitious platform for transforming cancer care. The new business intelligence tools underpinning the Single Cancer Pathway will allow NHS Wales to track and manage people with suspected cancer in much greater detail.

The SCP is the culmination of more than three years of work to change how health boards identify and report cancers and to improve outcomes and experiences for people affected by cancer. For the first time, Health Boards will record how long patients wait from the point a cancer is first suspected, regardless of the way they enter the healthcare system.

Equally, for those patients who do not have cancer, they will be reassured promptly, reducing unnecessary stress and worry.

Whilst the changes implemented to the management of cancer performance have been warmly welcomed, the consequences of COVID-19 and the challenges associated with keeping patients and staff safe have made the adherence to the new measures challenging and these are reflected in the reported performance. As the pressure from the first wave of the pandemic eased, and the processes to complement the new reporting measures were implemented, performance improved and at its peak in November 2020 achieved 73.2% against the 75% threshold. The second wave was not accompanied by the dramatic drop in demand as experienced in the first wave and with the shielding advice re-administered, staff sickness rising and patients choosing to delay, the performance subsequently deteriorated. In addition, the role of out the vaccination programme led to many patients choosing to defer appointments until they were vaccinated.

The overwhelming focus of the Health Board now turns to the recovery of the cancer position through the reduction of backlog over 62 days, improving access to timely first seen appointments within 2 weeks and achieving a diagnosis within 28 days. Positive improvements in these metrics within the latter stages of the year provide a promising indication of an improving compliance position as the Health Board moves into the new financial year.

The service has recognised the opportunities COVID-19 has presented to develop and implement the SCP and allowed for discussions regarding the management of cancer pathways and particularly rules around the current adjustment protocol for cancer pathways. In preparation, the service has been working to ensure that patients referred during the pandemic are all treated equally with the same urgency, despite the need for social isolating or shielding.

Despite the challenges, the Health Board's cancer services continue to pilot and lead the development of the Single Cancer pathway across Wales and this is reflected in the Health Board's performance. The new single pathway approach should reduce the need for significant administrative input and should improve consistency and data accuracy. The development of the Health Board's business intelligence tool which monitors the patients on the Single Cancer Pathway and assists management and escalation has attracted attention from a number of other Health Boards. The Rapid Diagnostic Centre (RDC) continues to show evidence of diagnosing complex patients significantly faster. The Health Board is currently commissioning a rapid access suspected cancer clinic at St Joseph's Hospital. It is anticipated that with the initiatives in place and the support of the project manager targeting those areas that are of concern, cancer pathways will continue to improve for patients and will impact positively on performance.

Eye Care Measures

All individuals who are referred to hospital for ophthalmology will have a maximum waiting time based on a clinical assessment of their condition and well-being. All ophthalmology patients who require regular ongoing review or treatment will be seen within clinically indicated intervals, reviewed at each appointment. These measures provide a focus on the experience and the outcomes for patients, rather than traditional waiting time measures. However, the Health Board must report performance compliance to Welsh Government for both the Eye Care and Referral to Treatment measures.

The new performance measure is calculated as 95% of priority or risk 1 patients, to be seen by their target date or within 25% in excess of their target date for care/treatment. The measure is based on priority and urgency of care required by each patient. Priority is based on the risk of harm associated with the patient's eye condition if the target review date is missed. Urgency is seen as how soon that patient should be seen given the current state and/or risk of progression of the condition.

At the start of the pandemic, the Ophthalmology service and primary care worked collaboratively to protect essential eye care services in an aim to minimise harm to service users and those waiting for assessment or care.

Host practices were identified for the majority of neighbourhood clinical networks to provide enhanced support and reduce the burden on secondary care services. Optometry team members were redeployed to General Practitioner practices to support service delivery and a WhatsApp group was established between Neighbourhood Care Networks (NCNs) to offer support between neighbouring practices. Urgent primary eye care was supported through local optometry practices with patients able to access telephone and video appointments and Personal Protective Equipment (PPE) was provided to community optometry practices. For those patients with COVID-19 symptoms and urgent eye problems which could not wait for symptoms to pass, a medical decision was made balancing the risk of potential sight loss versus COVID-19 symptoms. Those requiring urgent treatments were seen in a dedicated suspected/confirmed COVID-19 area. Overall the number of patients seen has reduced in order to maintain social distancing requirements but a number of services continued, such as, Emergency Eye Clinic, Rapid Access Clinics, Urgent lasers, Urgent Suspected Cancers and Virtual Glaucoma reviews. Due to the vulnerable nature and age of the majority of service users only those patients at risk of permanent sight loss were brought into face to face clinics during the two COVID-19 surges.

The focus during the pandemic has been to see patients categorised as R1 (at risk of permanent sight loss), whether they were new or follow up review patients. During 2020/21 83% of patients reviewed were follow up patients compared to 70% in the previous year. In 2020/21 the average attendance was 89% with patients the Risk factor R1 and this had increased by over 60% compared to those seen at the beginning of April 2020.

However, despite the focus on the R1 patients the number of patients past target on the waiting list increased during the year. This is due to a pre-COVID-19 gap in capacity and demand made worse by a reduction in capacity due to social distancing requirements. The secondary care eye services were impacted in terms of capacity by staff availability (COVID-19 related sickness and shielding), social distancing requirements and COVID-19 related infection control guidance on the physical capacity and layout of clinics, emergency eye care, day case and inpatient treatments. Ophthalmology staff were also re-deployed to support the wider secondary care COVID-19 response.

During the pandemic the service expanded the Wet AMD service (R1 patients requiring regular treatment) and this will continue into the new financial year.

The Health Board had already engaged in an outsourcing contract for patients referred with cataracts. However, whilst this contract paused for the first 9 months of 2020, it is now re-established.

Mental Health

In response to the COVID-19 pandemic several adjustments were made across mental health services, to create capacity and meet need in a different way. Mental health was considered to be an essential service and because of lockdown, shielding and social distancing, teams had to re-think how people referred were going to be assessed as well how support was to be given to those already in the mental health system.

It was inevitable with social distancing and major efforts to reduce the spread of the virus that face-to-face contacts with service users, between staff and between organisations would have to be severely curtailed. An increase in the use of telephone and virtual modes of communication was reflected in health and social care.

In terms of the Neurodevelopment and specialist Child and Adolescent Mental Health Service, performance against the 80% target has been maintained throughout the pandemic. Teams responded well to the needs of service users, and the service did not see a reduction in the number of referrals for SCAMHS/ND assessments.

In addition to face-to-face assessments, technological solutions such as Attend Anywhere was useful for communicating with families. The combination of face-to-face (with appropriate safety measures in place at the time), telephone and virtual communication has enabled the teams to maintain delivery and referral to treatment. The direct line built upon what was previously in place in terms of existing phone lines for professionals as well as the existing single point of access for young people's emotional wellbeing and mental health (the SPACE – Wellbeing panel). The consultation line that was previously available for professionals was made available for families enabling them to be able to speak directly with a skilled clinician and receive advice and support.

The Primary Care Mental Health Service (PCMHSS) had to completely transform resulting in 100% of the service being provided remotely at the height of the pandemic. The service continues to deliver the majority of consultations via telephone or video conferencing. Where face-to-face appointments have resumed, accommodation has been a challenge as not all locations can be compliant with social distancing requirements, which has meant identifying suitable alternative facilities. Appointments often take longer, as practitioners need to comply with PPE guidance, pre-appointment checks and cleaning routines. Performance has not been where the service would like in relation to access, however, the service is focusing on assessment, to ensure that all patients receive the initial assessment with a registered mental health practitioner. This is part of an approach which aims to minimise the number of interactions with different practitioners and to direct patients to the most appropriate care and support first time. Where therapy is indicated, the aim has been to maintain care interventions with the same practitioner. Overall, this is deemed to better care for individual patients whilst acknowledging that it may initially impact on the access performance target.

With regard to demand for services, referrals for adults are back to pre-COVID-19 levels and Children and Young People (CYP) referrals are at a level that exceeds pre-pandemic referral numbers. Despite the many

challenges described, and loss of some staff, the service is focussed on improving performance in 2021/2022.

With regards to Psychological Therapy, compliance against the 80% target of patients being seen and treated within 26 weeks, has not been achieved but has remained relatively stable. Psychologists have throughout the pandemic supported the wider Health Board, for example, employee well-being, development of community resilience resources and supporting adult acute services. In addition, the service has had to adapt to provide appropriate therapy interventions including remote interventions.

For those patients at risk of relapse, self-harm or suicide, care and treatment has been intensified. Face to face consultations have been available throughout the pandemic, particularly for high risk patients. This is indicated by an increase in the number of contacts over the period.

The service has introduced new procedures to see service users at the same time and this has now reduced the resource required. Going forward, much of the service strategy is built on the provision of interventions in a group format.

Infection control procedures, access to appropriate clinic space and staff absences/redeployment have had an impact on performance. The older adult directorate compliance is 82.5% for January but continues to aim to do better.

It is widely anticipated that there will be significant mental health consequences of the COVID-19 pandemic and public health control measures. Isolation, loneliness, and disconnection are commonly reported. Many people within the community have suffered significant loss and trauma. Psychological therapies are the indicated intervention in such circumstances and the service anticipate a significant rise in referrals once services return to a more normal state. Access to psychological therapies for older adults within the Health Board has been identified as a challenge and referral rates in both primary and secondary mental health services do not represent the accepted prevalence of mental health conditions in older people within the Health Board area. Specifically, there is a historical under-referral of older adults for psychological therapy and research evidence to suggest that medication is the default option. Plans to address this will require a different approach in terms of services offered and re-allocation of resources to help achieve this.

Screening

In March 2020, during the early stages of the COVID-19 Pandemic, the Welsh Government agreed with Public Health Wales' recommendation to temporarily pause some of the population based screening programmes. This was in response to the Welsh Government's announcement to suspend non-urgent outpatient appointments and non-urgent surgical admissions and procedures in order to redirect staff and resources to support the response to COVID-19.

The pause affected the following screening programmes: Breast Test Wales, Cervical Screening Wales, Bowel Screening Wales, Diabetic Eye Screening Wales and Wales Abdominal Aortic Aneurysm Screening. The Newborn Hearing Screening, Newborn Bloodspot Screening and the Antenatal Screening programmes continued throughout the pandemic and were not paused at any point.

As the numbers of COVID-19 cases started to reduce in May 2020, plans were developed to reinstate the screening programmes. Public Health Wales set out the conditions required to restart screening; using a risk assessed approach to prioritise the cohort of participants requiring their offer and to safely phase the programmes restart so that the screening could be offered safely to participants.

Programmes were reinstated in the following order: Cervical Screening (June), Bowel Screening, Breast Screening and Aneurysm Screening (August) and Diabetic Eye Screening (September).

The number of participants offered screening in each clinic was reduced to ensure COVID-19 safe pathways. There continues to be limitations in availability of clinic locations, reductions in staff availability, limitations in primary care availability for cervical screening, constraints around colonoscopy provision and reduced uptake in the Diabetic Eye Screening programme.

Recommendations have been made for early 2021/22 to tackle these challenges with the aim of bringing the delivery of the programmes back towards pre-COVID-19 levels. Several of large significant work streams that were halted due to the pandemic, such as, optimisation of the bowel screening programme and replacement programme for breast screening are now able to be restarted and will have clear public health benefit for the population to address cancer outcomes.

Stroke Care

Maintaining stroke services throughout the pandemic has faced many challenges. Early in the pandemic, we communicated with our communities and used social media to encourage people to seek help if they experienced symptoms of stroke and we are pleased that access to our stroke services was maintained. The pandemic forced us to work in a different way as the clinical teams were severely impacted through sickness and shielding, and some clinical staff were redeployed to support the Health Board's wider pandemic response. We were also forced to make changes to our clinical accommodation to facilitate the required COVID-19 safety measures. We made adjustments to our rehabilitation pathways, needing to consolidate our rehab sites so that our clinical teams were better able to respond. Our Community Neuro Rehab Service team worked hard to increase early supported discharge to allow those recovering from a stroke to return home as soon as possible and this work continues. Even though the early move to the Grange University Hospital in November meant that we were able to occupy our purposely designed Hyper Acute Stroke Unit earlier than planned, the stroke service remained challenged by wider pressures in the system, impacting on our

ability to fully implement our acute stroke pathway. However, we are now working to recover and re-establish our acute and rehabilitation pathways.

Unscheduled Care

Attendance at the Health Board's Emergency Departments has been increasing since early in 2020 and improvement changes have been made to patient flow both in and across the hospital network. The implementation of temporary site based leadership arrangements have supplemented the focus on managing daily operational pressures and working between sites.

The table below illustrates the increase in demand at the Health Board's Emergency Departments since early 2020

Month/Year	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-20	Feb-20	Mar-20	Apr-20
Patients	10240	6908	10086	10996	12261	12988	12512	11011	11118	10157	9515	9200	12465	14328

Flow Centre Model

Informed by the analysis of demand, indicating that greater than 30% of patients attending the emergency department could be re-directed to a more appropriate location we are supporting patients to access the right services first time. Access and flow is enhanced for patients who require definitive treatment in emergency departments and minor injuries units. The risk of nosocomial infection is reduced. The Health Board is optimally prepared for a further wave of COVID-19.

Urgent Primary Care 24/7

In line with the Quarter 3 and 4 Plan a range of priorities have been taken forward in the context of urgent care, in parallel to the opening of the new hospital, to ensure improved system response and resilience. The model for urgent care centres at Royal Gwent and Nevill Hall Hospitals has been established with the urgent care centre at Royal Gwent Hospital created in November and at Nevill Hall Hospital in December. Patients are diverted away from the GUH where appropriate through redirection by 111 and the flow centre. Extended 24 hour GP Out of Hours services have commenced at Royal Gwent and Nevill Hall Hospitals with a multi-disciplinary workforce in place to provide up to 90 appointments per day and patients redirected to booked appointments via the clinical hub.

Clinical Review Hub (Contact First)

This is a key element of reconfigured urgent care, with the principal aim of establishing 111 as the first point of contact and entry into urgent care, rather than via a 999 emergency call. A phased approach is being taken to mitigate any potential clinical risks working jointly with WAST, NHS 111 and the new Urgent Primary Care 24/7 Clinical Review Hubs. Phase 1 of the Health Board's Contact First service went live in November 2020 using manual redirection of 111 ED/MIU calls using a restricted 'Always' List to

align with opening of The Grange University Hospital, following a comprehensive risk assessment, mitigating actions and finalisation and agreement of all required pathways. The core Contact First Team was expanded with increased scope and call volume. Phase 2 is scheduled for implementation in May 2021 following engagement with the Community Health Council and other key stakeholders and a full communications strategy has been agreed with WAST and 111.

An evaluation strategy is in place to inform Phase 3 which will seek to extend the service from July 2021, piloting Emergency Department bookings and wider pathway expansion to CAMHS, Mental Health and wider specialist services.

Agile Working & New Ways of Working

The pandemic has catapulted different ways of working into the here and now and will mean very significant changes for our workforce, our patients and service users, our citizens and our health system. Our Agile Working Framework provides our workforce with a one stop shop for support and resources. We are currently reviewing agile working in the context of our Estates Strategy to understand how we can provide our accommodation differently along with digital solutions to support agile working and more effective use of resources. We plan to retain much of the new and innovative ways of working which have served us well during the pandemic. This will include building on the way services have supported patients to access digital consultations and review where appropriate, for example reducing outpatient waiting times.

Maintaining these changes supports the delivery of care closer to home, our continued response to the challenges of COVID-19 and delivering our commitment to becoming carbon neutral by 2030. Importantly it takes account of the changing needs of our staff and their wellbeing. Our plan is to ensure that we capture the learning from the pandemic and apply it so that we become a more innovative, agile, and socially responsible organisation aligned to our Clinical Futures Strategy and the Well Being of Future Generations Act. New ways of working will be supported by an Organisational Development programme focused on developing and nurturing innovative and collaborative behaviours.

Design and Implementation of Testing and Immunisation for COVID-19

The Health Board is responsible for symptomatic COVID-19 testing in its geographical area and this is well embedded within our internal test, trace and protect structure (TTP). Our Coronavirus Testing Programme has been operational since March 2020 and has grown exponentially in the last year. The programme aims to deliver timely, efficient and effective testing for anyone that needs a test. Over 650,000 tests have been undertaken in the first 12 months at the time of reporting.

Our testing programme manages sixteen community testing facilities, a fleet of mobile home visit teams, staff to test in each of our hospitals, a

regular testing programme for public-facing Health Board staff and a dedicated team to respond quickly to outbreaks, clusters and incidents.

Testing is an integral component of the region's ability to discharge its responsibilities set out in the Coronavirus Control Plan for Wales. The Testing Service works as an integrated function with local authorities and Public Health Wales and local incident management teams to consider community transmission.

Our testing programme has 5 key work streams:

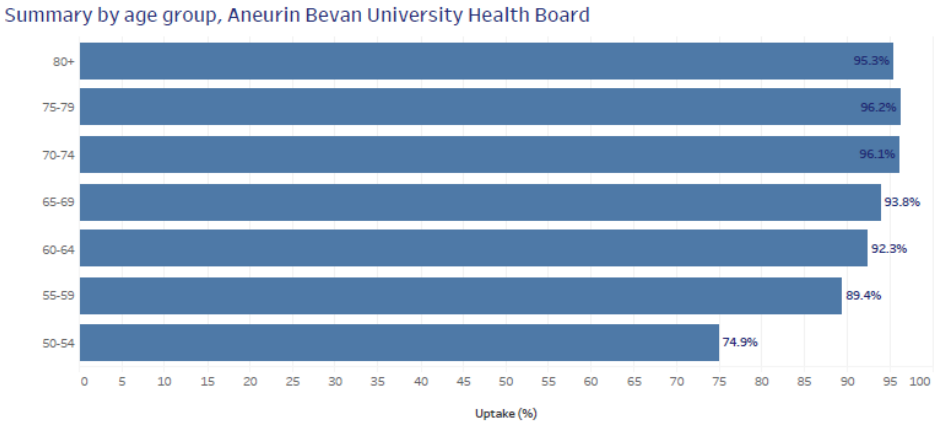
- Community testing for symptomatic members of our communities
- Hospital testing to support the delivery of safe and effective healthcare
- Pre-elective testing to provide safe care to patients
- Testing in response to outbreaks and incidents
- Regular testing of Health Board staff

Further information on the Health Board's testing programme can be found in the Covid-19 Testing Team Annual Report 2020/21.

Mass Vaccination Programme

The Mass Vaccination Programme commenced on 8th December 2020, offering vaccinations to priority groups as defined by the Joint Committee of Vaccinations and Immunisation (JCVI) and Welsh Government.

The programme delivered a total of 367,177 vaccinations between 8th December 2020 and 30th March 2021, to 277,061 residents. Over half of the Health Board's adult population, have now received their first dose of the COVID-19 vaccine, and a total of 90,116 residents have received their second dose. Vaccine supply is the limiting factor in the programme and the team has demonstrated that it can scale the programme up and down according to varying supply.



The programme is on track to complete the offer of first doses by mid-April to the first 9 Priority Groups. The programme is achieving high coverage rates with over 95% of those aged over 70 having received their first dose; over 90% of those aged between 60 and 69 years received

first dose, and it has exceeded the Welsh Government target of 75%+ for 50-59 year group (vaccination is continuing in these groups).

Influenza vaccinations

Influenza is a seasonal infectious disease, which although a relatively mild respiratory illness for most individuals, is associated with significant level of morbidity and mortality in vulnerable individuals including the elderly, those with chronic disease, the immunosuppressed and pregnant women.

Outbreaks of influenza may also be associated with significant levels of staff absence creating pressures on staffing levels at times when there are greater pressures on the system. Immunisation offers a clinically significant level of protection against acquiring infection or if infected reducing the severity of the illness, hospitalisation and death.

On 21st May 2020, the Chief Medical Officer outlined the priorities for the Influenza Immunisation Programme 2020-21 (WHC 2020-009). The groups eligible for free flu vaccine on NHS remained the same as in 2019-20 and in summary includes:

- children aged two and three years on 31 August 2020
- children in primary school from reception class to year 6 (inclusive)
- people aged 65 years and older
- people aged six months to less than 65 years in clinical risk groups
- pregnant women
- people living in care homes or other long-stay care facilities
- carers
- close contacts of immunocompromised individuals

On 14th August 2020, the Chief Medical Officer emphasised the need to maximise the uptake of flu vaccine in the priority groups and set a national target of a minimum 75% uptake across all eligible groups and endorsed extending the flu programme to offer free flu vaccine to household contacts of NHS shielded patients, all adult prisoners who are not otherwise eligible, and people aged 50-64 years subject to the availability of additional vaccine.

Flu vaccine uptake data are collected, collated and published by Public Health Wales[1] and as of 23rd March 2021, the uptake in Aneurin Bevan University Health Board was:

- In in people aged 65 years and over an uptake target of 75% was set. In the Health Board uptake increased from 70.8% in 2019-20 to 78.3% in 2020-21. Overall, this is the highest in Wales. 52 (of 74) GP surgeries either met or exceeded the target

- In in people aged 6 months to 64 years in a clinical risk group an uptake target of 75% was set. In the Health Board uptake increased

[1] http://nww.immunisation.wales.nhs.uk/ab-ivor

from 46.5% in 2019-20 to 54.6% in 2020-21. Overall, this is again the highest in Wales. However, only 4 (of 74) GP surgeries either met or exceeded the target.

- For 2 year and 3 year old children the uptake increased from 59.9% in 2019-20 to 61.2% in 2020-21. This is again the highest in Wales.
- For 4 years and 10 years, uptake increased from 68% in 2019-20 to 70% in 2020-21, which is lower than the Welsh average (72.4%)
- In the Health Board area 1,628 social care staff in various settings received free flu vaccine.
- In the Health Board area 2,100 pregnant women received free flu vaccine.
- The number of ABUHB staff eligible for the vaccination this season was 13,847; this is an increase of 458 staff compared to 2019/20 season. The number of staff vaccinated at the end of the season was 9,190; this represents 66.4% uptake overall amongst all staff, which is higher than the 2019-20 uptake (61.0%)

Summary by Health Board and Local Authority (23mar2021)

		Children 2 to 3 years			Clinical risk 6m to 64y			65y and older		
		Denominator	Immunised	Uptake (%)	Denominator	Immunised	Uptake (%)	Denominator	Immunised	Uptake (%)
Aneurin Bevan UHB	Blaenau Gwent	1,480	886	59.9%	11,506	5,933	51.6%	14,304	10,837	75.8%
	Caerphilly	3,975	2,433	61.2%	27,129	14,477	53.4%	36,832	28,543	77.5%
	Monmouthshire	1,857	1,397	75.2%	13,289	8,590	64.6%	26,050	21,295	81.7%
	Newport	3,891	2,287	58.8%	21,907	11,424	52.1%	27,197	20,954	77.0%
	Torfaen	2,094	1,204	57.5%	14,614	7,905	54.1%	19,721	15,543	78.8%
	AB Total	13,297	8,207	61.7%	88,445	48,329	54.6%	124,104	97,172	78.3%
Wales	Wales	66,234	37,270	56.3%	444,330	226,590	51.0%	681,255	521,082	76.5%

Delivery of Infection Control Measures to deliver both COVID-19 and non- COVID-19 Care

In line with other NHS organisations and healthcare systems across the world the COVID-19 pandemic has not only impacted "usual" services – but it has seriously challenged the significant progress made in preventing healthcare associated infections over the past 10 -15 years.

The challenge for Infection Prevention and Control (IP&C) teams lay in the lack of an evidence base for this virus – resulting in changing national guidance as and when knowledge emerged from countries managing their outbreaks, such as, China and Italy.

In light of the scientific expertise advising Government all Health Board processes and protocols relating to COVID-19 have been based on National Government guidance.

As widely reported in the media the pandemic placed huge strain on the NHS with significant attention on healthcare workers ability to access and

use Personal Protective Equipment. The use of respiratory PPE was and still is particularly important to prevent transmission from staff to patient and vice versa.

Despite the negative publicity access to PPE in Wales was not an issue, although there were a number of occasions where concern was raised by procurement colleagues that supplies were low.

At the start of the pandemic it was reassuring to know that Welsh Government had stockpiled PPE but it took some time for the stock to be formally released. As we were the first Health Board in Wales to be managing outbreaks there was a need to urgently access the stock.

Stocks of PPE did fall to a low level on hospital sites but the Health Board was never in a position where stock (with the exception of visors) had been exhausted and it has maintained this position over the pandemic.

Access to visors was problematic across the UK and urgent steps were taken to liaise with local businesses who utilised their machinery to create visors; significant numbers were given to the Health Board free of charge.

It should be noted that the assessment of the equipment was made by the senior leadership of the Infection Prevention & Control Team (IP&C). In normal circumstances such equipment wold undergo strict testing at SMTL in West Wales. Nevertheless, in the absence of any visors the equipment significantly mitigated risk.

Distribution of the equipment also proved problematic at the start of the pandemic with the IP&C team stepping in to deliver equipment when stocks were low. This was resolved with the creation of PPE hubs across the Health Board and delivery processes were refined further with aid from the armed forces.

The Health Board is now in a comfortable position as far as PPE is concerned.

The arrival of the first patient at the Royal Gwent in March 2020 and the subsequent escalation of cases meant that formal IP&C education became impossible to deliver using the traditional route. The gathering of healthcare workers in classroom sessions would have created further risk of transmission. The IP&C team responded by providing training in clinical areas backed up by demonstrating PPE donning and doffing on the Intranet site.

The IP&C team now have an agreed education strategy with performance metrics presented at the Reducing Nosocomial Infection Transmission Group.

The pandemic resulted in the need to reconfigure hospital sites and cease all but urgent clinical services in March 2020 - to keep patients safe and mitigate risk of transmission. Hospital infrastructure was rapidly reviewed and essential infection control measure instigated, such as, the adjustment of ventilation and provision of doors to bays on wards and cubicles in assessment areas, such as, MAU and ED.

Over the summer period further mitigation was put in place in line with Government guidance including 2 metre distancing across all Health

Board premises and between beds with the use of plastic curtains, to break the airborne route of transmission.

Pathways were developed to stream patients into COVID-19, Non-COVID-19 and suspect COVID-19 streams and these were colour coded at a later date to Red, Purple, and Amber with a green pathway (RPAG) added for elective patients in summer 2020. These pathways remain in place to the present day and will only be stepped down in line with Government guidance.

Despite the introduction of these pathways services are restarting and have to "fit" within this RPAG configuration. This is proving challenging but new and creative ways of working ensure patient safety is maintained.

All service restarts are reviewed at the Reducing Nosocomial Transmission Group; this includes senior leadership teams and IP&C staff. All service restarts must have IP&C scrutiny and sign off before commencing.

Compliance with Welsh Government Targets

Welsh Government targets have remained "active" despite the pandemic and the following table outlines compliance based on provisional figures up to the 31st March 2021.

Organism	**2020/21 Target**	**Current rate**	**All Wales comparison**
C.*difficile*	A rate of no more than 25 cases per 100,000 population	24.69 Target achieved	Second lowest
Staph *aureus*	A rate of no more than 19 per 100,000 population	26.56 23% increase Target ***not*** achieved	Second highest
E*Coli*	A rate of no more than 61 per 100,000 population	49.73 - 30% fewer cases Target achieved	Lowest When all Gram negatives combined ABuHB is the most improved with 31+% reduction overall
Klebsiella	A 10% decrease compared to 2019/20	19.45 - 20% fewer cases Target achieved	
Pseudomonas Aeruginosa	A 10% decrease compared to 2019/20	4.06 - 38% fewer cases Target achieved	

Clearly there is a need to focus on the reduction of staph aureus bloodstream infections in 21/22.

A reduction strategy will be developed taking into account the learning from cases identified in the community as well as hospital.

Treating people as individuals

Meaningful activities – direct involvement and activity packs

During autumn 2020, all volunteer activity was suspended due to government guidance and hospital visiting restrictions. This increased the issue of loneliness and boredom for patients on all ward areas, particularly for those in single rooms. The Person Centred Care Team (PCCT) visited some wards at Ysbyty Aneurin Bevan (YAB) during this time to provide some extra social interaction for these patients until volunteers were able to return.

Activities were provided including, crosswords, word puzzles, colouring activities, art packs, magazines and newsletters that can be used safely by individuals. Reminiscence Interactive Therapy Activities (RITAs) units have been provided, set up and training given to staff and volunteers on their use in providing meaningful activity and entertainment to patients. This has been invaluable in supporting patients with cognitive impairment.

Volunteers and Digital Companions

Volunteering activity in all clinical areas was suspended for a few months but is gradually being restarted where the environment is safe and the volunteers are safe in line with their personal risk assessments. However, many volunteers have requested to continue to 'visit' clients by telephone befriending and there are now 102 befriending volunteers phoning 106 clients, providing valuable social connection.

Volunteers have continued to be recruited and trained (remotely) throughout the restrictions so that they can be engaged as soon as is safely permitted. Many of the volunteers that are returning to the clinical areas are also providing digital support and becoming Digital Champions. They can support patients to use digital technology to provide both activity and entertainment and also connection with family friends.

Chaplaincy – patient and family liaison

The patient and family liaison project began in response to an evident need to improve communication between families and patients during a period where actual contact and visits were not permissible. The forced separation during times of acute sickness and potential end of life care caused emotional, psychological and spiritual distress for families and patients.

Chaplains from Grange University Hospital, Royal Gwent Hospital and Nevill Hall Hospital were already working on an ad-hoc basis supporting wards by arranging telephone calls, FaceTime or WhatsApp communication between patients and families. The establishment of the Family / Patient Liaison Project formalised and better resourced this service provision. The chaplaincy service recognised a need to continue with general pastoral visiting during this period and was able to adapt and encompass this work within this framework.

The Patient Centred Care Team led a publicity and information campaign to ensure wards were made aware of the support available and revisited areas where need was greatest. The referrals via Ffrind i Mi were low, however, a significant number of requests were received direct from wards to chaplains who they knew from regular ward visiting.

Chaplains also increased the number of general visits to wards during this period and through generic pastoral visiting found a number of patients who were keen to make use of the provision.

The Family / Patient Liaison Project was intended to complement and support family communication work already being undertaken by ward staff. Overall numbers were relatively small, with thirty-seven patients being supported with a call or Facetime to date. Chaplains continue to support a few people with family communication, usually as a result of a pastoral visit.

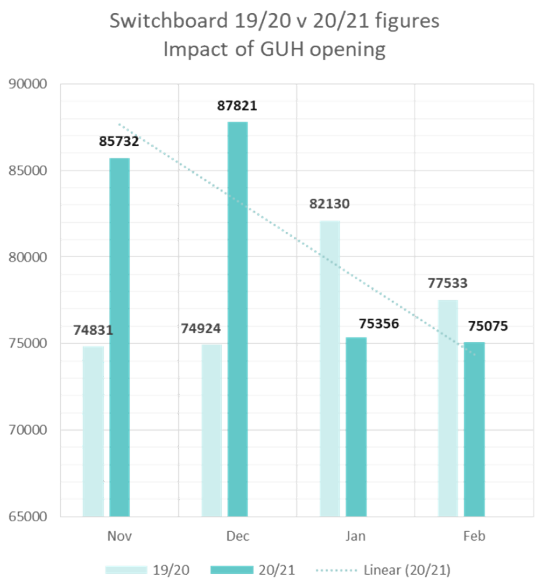
Virtual Visiting

Virtual Visiting (VV) carts and a new iPad for each ward, Medical Assessment Unit, Surgical Assessment Unit and the Emergency Department are being deployed. FaceTime is available on each device so staff can now use them to create Virtual Visits although the use of Attend Anywhere is preferred. Virtual Visiting is now a local and national project, supported by Technology Enabled Cymru.

Patient and Family Liaison through Dedicated Telephony Support

During 2020/21 it was evident that the pandemic and resulting visiting restrictions resulted in much increased demand on clinical time. Wards were impacted by a significant upturn in telephone calls from relatives which they were unable to answer. This in turn had a significant impact on the switchboard services with calls reverting back to them when going unanswered. Many of these calls were harrowing, distressing and very challenging to the team to manage on a busy central telecommunication exchange.

The solution was to introduce the rapid rollout of a 'Patient Liaison Service' on the three main sites to provide the communication pathway between the caller and the patient. If the Patient Liaison Officer could answer the query immediately they did so, but they also physically visited the ward to obtain the required information for the caller. This ranged from basic wellbeing details to a request for in-depth clinical information which the ward staff then provided to the enquirer. The service commenced in mid-January 2021 and from 31st March is confined to the Grange University Hospital site due to a drop in demand at other sites.



Supporting People with Sensory Loss

The past 12 months have been challenging for the Interpreting & Translation Services, however, the Health Board has continued to source interpreters where requested to support essential patient care, including those patients requiring the support of a British Sign Language interpreter.

Interpreters have continued to attend face to face appointments where it necessitates, however, with the introduction and roll out of Attend Anywhere and Microsoft Teams, we have also been able to offer virtual appointments.

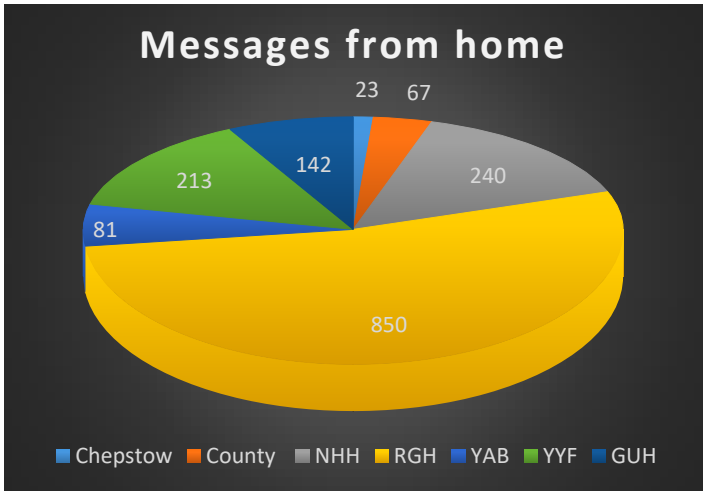
ABUHB contracted interpreters are now participating in the COVID-19 lateral flow testing programme, thereby ensuring a safer approach to face to face interpretation, in line with Welsh Government guidelines.

Messages from Home

Following national guidance, Health Board hospital sites were closed to visitors in March 2020 to enable us to keep patients, visitors and staff safe during the COVID-19 pandemic. We know that hearing from a loved one who is unable to visit is so important to patients. Whilst many people embraced technology using mobile phones, it is recognised that there were many patient who are unable to do this.

As a result, a dedicated service which enabled family and friends to email a message and / or image to a loved one in hospital was set up using the email address messagesfromhome.ABB@wales.nhs.uk

Each hospital site has a designated individual who monitors the mailbox then prints and delivers messages to the ward. Ward staff ensure that messages are distributed to the patient and assistance is provided to read the message if required. From 16th April 2020, when the first message was received, to 16th April 2021 we have distributed a total of 1,616 messages across our hospital sites as shown below:



The service has been supported by the Communications Team who issue regular reminders about the service across our social media sites. The service has received positive feedback from members of the public and staff who have supported the service. Some comments include:

> *"Great idea the importance of effective communication during these unprecedented times is paramount for patients and their families."*

> *"My daughter in New Zealand has used it to send an email to her Granny in Neville Hall Hospital. It has cheered her up so much. Thank you."*

> *"What a kind and thoughtful initiative".*

End of Life Care Companions (EoLC)

Based on the Marie Curie model, the Health Board developed an End of Life Care Companion service to support patients who were at risk of dying alone in hospitals. For those people who did have family or friends, our model would also support relatives, providing with them with respite.

Recruitment of the End of Life Care (EoLC) Companion volunteers has continued through the pandemic. Mandatory training has been delivered remotely whilst the EoLC training will commence when it can be provided safely and socially distanced. In total there are 29 volunteers that have completed the recruitment process with another 28 in process. There are currently 8 active End of Life volunteers based in the Grange University Hospital and Ysbyty Aneurin Bevan This will be extended to other hospitals as capacity allows. Some of these volunteers have also undertaken an additional days training of Food Hygiene Level 2, in order to provide further support on the wards

Patient Reported Experience Measures (PREMs), CHC Buddying

Consideration has been taken in balancing the risk of increased 'footfall' on the wards with ensuring the capture of patient experience feedback. Patient Reported Experience Measures (PREMs) have been captured in two mental health wards (Talygarn and Ty Cyfannol).

The Community Health Council (CHC) was supported to complete their patient surveys across ABUHB sites in October 2020 and in the Grange University Hospital (GUH) in March 2021 via remote access. The Person Centred Care Team was able to provide support by linking patients and CHC members via video calls.

In Patient 'Buddying' is a project between the Community Health Council and Health Board to gain inpatient feedback. Health Board staff visited wards and facilitated face/screen time between the inpatients and the Community Health Council Advocates. Phase 1 of the CHC Buddying started on 8 September 2020 at the Medical Assessment Unit at Royal Gwent Hospital and was completed 8 October at the Medical Assessment Unit at Nevill Hall Hospital in the mist of COVID-19.

Key highlights from the Emergency Department Survey GUH

'Happy or Not' consoles were commissioned by National Collaborative Commissioning Unit (NCCU) to capture patient feedback and were located in the waiting room prior to the pandemic. At the onset of the pandemic, it was deemed inappropriate to use the 'Happy or Not' consoles because of infection prevention and control issues.

On the opening of the Grange University Hospital, there was a requirement to gain real time patient feedback. In the absence of the 'Happy or Not' consoles, a discussion took place with the Person-Centred Care Team about the possibility of undertaking the National PREM. This was not deemed appropriate for an ED Department.

It was therefore agreed that a bespoke and confidential patient experience survey that would provide the ED department with real time patient experience at the point of care. The survey questions focused on 7 key themes:

- Politeness of staff
- Thoughtful and caring
- Reassuring and kind
- Informative
- Respectful of privacy
- Communication
- Cleanliness of the environment

This commenced on 11th January 2021 and was undertaken until the 31st of March 2021 A total of 321 surveys were completed and are currently being evaluated.

Improving safety

Safeguarding Issues

During the initial phase of the pandemic the Corporate Safeguarding Team adapted its practice to support front line practitioners. This involved the children service leads becoming a point of contact for the 5 Local Authority areas. The adult service leads took over the completion of the section 126 enquiries on behalf of the Divisional teams. Many services had reduced capacity as staff had been redeployed to support in-patient services.

Following the first surge, the Safeguarding Committee considered the impact of the pandemic for Safeguarding and noted that in some cases there had been delays or potential delays in safeguarding concerns being identified. As such it was agreed that staff from Health Visiting and District Nursing would not be redeployed in further surges to ensure face to face contact in these core services were maintained.

The Regional Safeguarding Board continued to meet. Initially this was with a smaller executive group to ensure the impact of COVID-19 on Safeguarding was understood. Safeguarding Reviews continued and meetings were held via MS Teams, on a regional and local basis the use of electronic meetings has been hugely beneficial ensuring the business of safeguarding continues. Moving forward virtual meetings will continue while acknowledging that some face to face meetings will need to be reintroduced.

The NHS Wales Safeguarding Network continued to meet virtually; a forum in which we were able to share good practice.

Putting Things Right

Concerns

During 2020/21 Aneurin Bevan University Health Board continued to adhere to the National Health Service (Concerns, Complaints and Redress Arrangements) (Wales) Regulations 2011 for the Putting Things Right process wherever possible. In March 2020 a national steer issued from Welsh Government recognised the organisational challenges and advised that investigations were to be proportionate to the concern raised.

The number of complaints received by Aneurin Bevan University Health Board during 2020/21 (including, in the case of Welsh NHS bodies, concerns reported under Part 7 of the Regulations related to cross border services) was 2,224 and of those:

- 1,660 were classified as CONCCO (formal complaints)
- 564 had an Early Resolution
- 6 CONCLA (Redress)

There were a total of 27 cases presented to Redress Panel during 2020/21 but of those, 21 pre-dated this reporting period. The ABUHB Redress Panel was suspended from March – July 2020 as a direct result of the pandemic, ABUHB being hit significantly in the first wave. Our Redress Panel normally sits with clinicians from across the Health Board. As

clinicians were required at the frontline or redeployed and the Redress Panel could not sit with the correct representation and had to be suspended during these months. Cases due to be heard at panel were suspended and the patients notified. The number of new cases slowed and stopped very quickly as investigations were similarly affected by the pandemic. In the summer of 2020 the Panel was recommenced and by September the cases that were previously placed on hold were worked through and concluded.

There was a noticeable decrease in complaints received during the first quarter of 2020/21, in comparison to previous years. However, for the remainder of the reporting year, numbers were relatively consistent, with a noticeable increase during months nine and twelve.

The top three themes raised during this period were:

1. Clinical care
2. Communication/Information
3. Waiting times/delays/cancellations

The Welsh Government's 'no/restricted hospital visiting' national steer, impacted upon the relative and carer experience which was evident in concerns received.

The total number of complaints closed during the reporting period was 2,138, of those, 1,615 were formal and 523 were early resolution. The number of complaints closed will not equate to the number received as some may not be closed within the reporting period.

Of the complaints closed:

- 1,612 were Regulation 24
- 0 were Regulation 26
- 17 were Regulation 33 e.g. the complaint that was also part of a Serious Incident

Waiting times, delays and cancellations concerns were in response to the national guidance issued and restrictions put in place. However, the positive following actions were undertaken in response to communication and clinical care issues:

- The introduction of 'virtual visiting', supported where possible with tablets and phones distributed to ward areas ensuring visual contact between the patient and relatives/carers could be maintained.
- 'Messages from Home', involved a dedicated email address being set up to enable family members to send an email message. The emails were printed by a designated person on each site and delivered daily to each ward.
- An 'Information and Concerns Helpline' was set up. The line was a dedicated helpline for patients and their families, which aimed to resolve queries and concerns and provide reassurance. The helpline was managed by the Corporate 'Putting Things Right' Team and was open 9am-5pm, 7 days per week.

- An 'Interim Telephony Support' service was set up to aid patient, family, carer and staff communication. In January 2021, it was universally recognised that due to significant pressures on clinical teams answering ward-based queries, an interim 12 hour a day, seven day a week telephony support service was introduced across all hospital sites. This was initially a pilot until 31st March, but has since been extended until 31st May on the GUH site. They will continue to link with queries involving other sites.
- The availability of donated nightclothes and toiletries for patients, was fundamental ensuring dignity and respect were maintained, in the absence of visitors.
- Bespoke care planning for patients with complex needs accessing secondary care.
- Care, nutrition and hydration of patients in ambulances was identified as a recurring theme in pressure ulcers incidents informal concerns and observational audits. As a result, a collaboration with WAST was established to minimise risk for patients waiting in ambulances for prolonged periods of time which remains ongoing.
- There has been significant improvements in relation to the senior nurses signing off pressure ulcers within the specified time frame. To support the senior nurse sign-off of inpatient pressure ulcer incidents, data is exported from Qlik Sense Hub and is circulated to key individuals on a weekly basis to follow up any outstanding reviews. Since the process was introduced in February 2021, there has been an increase in the number of HAPUs signed off by the Senior Nurse.
- Complaints were raised by patients who were exempt from wearing face coverings. The Health Board embarked upon a campaign aimed at raising awareness amongst staff and the general public around face covering exemptions. This resulted in the production and sharing guidelines in hospital areas and GP surgeries.

As of April 2021 the Health Board had received notification of 88 complaints that had been referred to the Public Sector Ombudsman Wales (PSOW) for 2020/21.Of these, 23 were anonymous. Of the 65 identifiable complaints, 21 related to complaints received by the Health Board during 2020/2021; the remaining 44 related to concerns from previous years. This is due to the time it takes for concerns to be referred to the PSOW by a complainant and then notification received by the Health Board from PSOW.

Patient feedback was received in relation to bereavement issues. A '*Care after Death Hub'* was established to manage the practicalities and provide a coordinated approach following a death. A single point of contact was created for relatives and carers. This was supported by a dedicated Bereavement Services set up for relatives and carers to ensure safe and dignified collection of deceased patient's property. Once again this was impacted by restricted visiting guidance.

A major theme related to concerns about the communication about the COVID-19 vaccinations and delivery programme. The Health Board created standard and consistent vaccination information and messages for

complainants. A dedicated email address and phone line was established to manage these queries.

There were a number of enquiries about the safety measures employed by the Health Board to prevent the spread of COVID-19. Again, consistent and clear communications were created alongside the use of safety advisors to monitor Infection Prevention and Control measures introduced.

Improving safety - Learning from Serious Incidents

There were 169 incidents reported in 2020/21 and managed through the Serious Incident Process either as Red 1 (Corporately led) or Red 2 (Divisionally led) investigation. Due to the COVID-19 pandemic, from 16 March 2020 to 16 August 2020, the Serious Incident reporting criteria was revised by Welsh Government (WG). Even though this resulted in fewer serious incidents being formally reported it did not prevent incidents being reviewed and investigated thoroughly.

In August 2020national reporting arrangements were reinstated. Unfortunately, the second surge followed and the pressures experienced by Health Boards was recognised and in January 2021, guidance was once again aligned to that of March 2020. This meant that the reportable criteria was reduced from 23 to 6:

1. Never Events
2. Inpatient Suicide
3. Maternal Death
4. Neonatal Death
5. Homicide
6. Any other incident of high impact (for local decision)

A robust internal investigative process continued, ensuring that actions and importantly learning continued. The learning identified and actions undertaken year include:

1. *Patient Falls*

The pandemic response meant that there were changes to the function of some wards, especially at Royal Gwent, Nevill Hall and Ysbyty Ystrad Fawr Hospitals and Community sites. This included the increased usage of bank and agency staff along with the redeployment of substantive Health Board staff to unfamiliar clinical areas. Falls data was carefully monitored during this period, with the Falls Review Panel meeting virtually. The Falls Collaborative continued to work on the development of the' Charter for Falls' and the 'Radar for Readiness' for the wards participating in the initial phase. The Collaborative will look to progress the actions aligned to the corporate action plan for the effective management and prevention of avoidable inpatient falls.

2. *Infection Prevention and Control Outbreaks*

Outbreak meetings were held and themes reviewed. An evidence-based COVID-19 Implementation Plan was developed and implemented, with monitoring through the Reducing Nosocomial Transmission Group. The plan evolved as the learning from thematic reviews and ownership improved. Weekly environmental audits were conducted, which were increased in areas of concern and COVID-19 Safety Advisors were employed.

3. *Pressure Damage*

The figures for hospital acquired pressure ulcers and the outcome of the root cause analyses were shared with Senior Nurses for action and improvement. The review attributed pressures on ward teams as a direct result of COVID-19, to include staffing deficits, high use of casual staff, and the redeployment of staff directly impacted on continuity of care.

Whilst COVID-19 has impacted and caused constraints there have also been positive outcomes such as improved ICT capabilities and agile working. This has particularly benefited the serious incident review meetings, as clinicians travel time has markedly reduced.

Delivering in Partnership

Delivery of Test Trace and Protect Locally

On 13th May 2020 Welsh Government (WG) published their Test, Trace and Protect (TTP) strategy supported by the Public Health Wales (PHW) Public Health Protection Response Plan. The central role of Local Health Boards and Local Authorities was clearly outlined: to set up regional and local contact tracing structures in efforts to tackle the onward transmission of COVID-19. The overall purpose of the plan and the creation of a new service was to "find, prioritise, act and report".

The Gwent Test, Trace and Protect Service (GTTPS), consisting of a partnership between the Health Board, Blaenau Gwent County Borough Council, Caerphilly County Borough Council, Monmouthshire County Council, Newport City Council, Torfaen County Borough Council and, later, the Coordination Unit (hosted by Torfaen County Borough Council) began contact tracing at the beginning of June 2020.

The GTTPS has successfully reached, isolated, and contained the onward transmission of COVID-19 in over 37,000 index cases and over 66,000 contacts up to 31st March 2021. At its peak during December 2020, GTTPS had to trace over 5,000 cases in a single week.

The workforce was scaled up over the course of the financial year to respond to the increasing demand and at peak comprised of more than 400 whole time equivalent staff (WTEs) in Local Authorities and over 70 WTEs within the Health Board. This scaling up of the workforce was critical to reach as many cases and contacts as quickly as possible and allowed us to reach over 90% of cases (from approximately 11,000 cases) within 24 hours of a positive result in Quarter 4 of 2020-21 – a

significant improvement on Quarter 3 where 42% of cases (from approximately 28,000) were reached within the first 24 hours.

The impact of TTP on reducing the onward transmission of COVID-19is significant. According to the Welsh Government's Technical Advisory Group the reduction of the R rate in Wales can be estimated at between -0.4 and 0.5 to date.

In the Audit Wales report of TTP in Wales (published March 2021) the Auditor General recognised that:

- The service was developed from scratch at unprecedented scale and pace
- It was particularly encouraging to see how well public sector partners worked together at national, regional, and local levels
- There were times when the TTP service was stretched to its limit but responded well to the challenge

The Health Board has played a pivotal role in facilitating the partnerships and enabling the delivery of operations across GTTPS. Our success has undoubtedly been down to strong partnerships between the five Local Authorities and the Health Board. Colleagues across the region have been incredibly committed to integrated public services and using the knowledge of our communities has been instrumental in the achievements of GTTPS.

As a Health Board we were the first in Wales to set up our own staff contact tracing service; the Staff Wellbeing and Support Team which traced approximately 1,700 positive staff cases between June 2020 and March 2021. The Staff Wellbeing and Support Team has also supported the management of work related to returning international travellers in partnership with the All Wales Arriving Traveller Team hosted by Cardiff Council.

At present, the GTTPS is funded until the end of September 2021. However, it is anticipated that GTTPS will be required beyond this. As we move forward, contact tracing alongside testing, vaccination, and adherence to government guidance form the essential elements that will enable our recovery.

Management of plans for excess deaths

As a result of COVID-19, a rapid increase in the capacity of body store facilities was required and these were implemented at pace due to a lack of provision within the locality, and nationwide rapid increase in demand for surge capacity. Temporary storage was situated on the Llanfrechfa Grange House Site, meeting all requirements for a facility of this nature. A bespoke ICT application was developed to track all deceased patients at all locations.

All Mortuary services liaised closely with funeral directors to ensure rapid collection of the deceased, without whom the peak occupancy would have been higher.

In addition, a Care After Death team was established in April 2020 which supported the timely release of deceased patients to funeral directors. This enabled a reduction in the number of days that deceased patients were held at Health Board premises.

Workforce Management and Wellbeing

Reviewing the shape of the workforce

Our workforce plans will optimise the opportunity to develop and implement sustainable workforce models across all aspects of our patient pathways. Our plans will focus on reviewing skill mix, development of new roles and maximising the contribution of the unregistered workforce through promoting top of licence working. This will build on our experience through enhancing new and existing roles in response to the COVID pandemic and the early opening of the Grange University Hospital (GUH). For example:

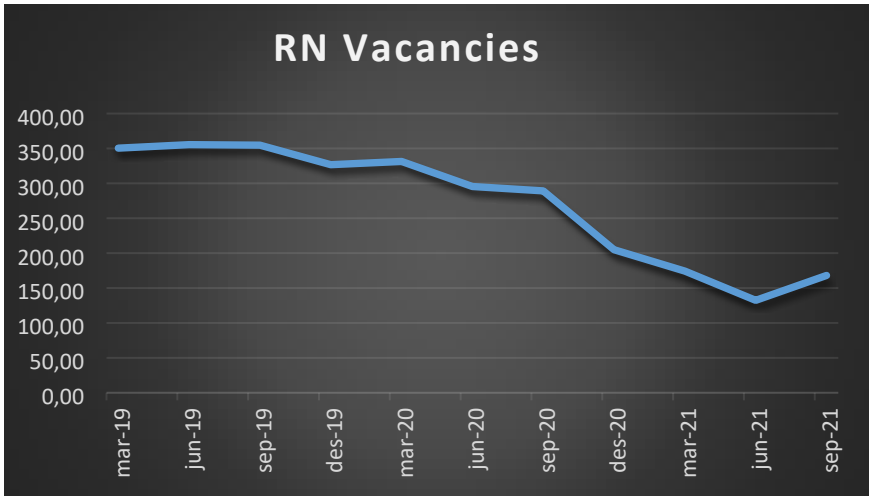
- In preparation for the GUH opening the Health Board introduced a new innovative Core Care Model which included the establishment of band 4 Assistant Practitioner (Nursing) roles.
- We also introduced new roles to support our covid-19 response such as Ward Assistants and a workforce for our Mass Vaccination Centres and Track Trace and Protect services.
- In addition, we positively engaged with the overwhelming response from volunteers and mutual aid from other local employers to respond to the unprecedented challenges of the previous 12 months. We currently have over 90 volunteers who play and active role within the mass vaccination centres.
- We also built upon new roles such as Physician Associates. The temporary relaxation of working hours rules for our current cohort of 31 (as at November 2020) Physician Associates (PAs) has enabled them to support services out of hours. Their commitment and flexibility during the pandemic has been outstanding. We are currently recruiting a further cohort and anticipate we will have an establishment of 36 going forward.

Future plans include training and education within primary care and nursing homes to support admission avoidance into secondary care through improved advanced care planning. We will continue to work closely with Health Education Inspectorate Wales (HEIW) to maximise our workforce planning capacity and skills. The restarting of core services will require a greater focus on maximising opportunities for new ways of working. This will involve the use of established standards and frameworks and encouraging the development of new workforce solutions for areas of staffing under pressure through increasing skill mix, blended roles and extended roles. Job planning will also need to be more flexible to support different and emerging models of health care.

Recruitment and Retention

We launched a specific COVID-19 recruitment campaign via Social Media on 24 March 2020 and received over 2,000 responses. This has resulted in over 750 new engagements into employment contracts or to our resource bank.

At the time of the opening of the GUH, 241 additional posts had been recruited (91% of all posts required). We have continued to ensure recruitment activity remains a top priority, recognising that some roles are hard to recruit across the UK. We continue to work proactively with national programmes such as Train, Work, Live and Student Streamlining recruitment streams. Our recruitment activity for 2020/21 has reduced Registered Nurse vacancies from 336 wte reported in April 2020 to 168 wte and we have recruited an additional 129 wte Health Care Support Workers (HCSWs) through this period.



There were 19.8 wte Ward Assistants recruited to support ward staffing and to help ensure that that Registered Nurses were not undertaking tasks that could be delegated to others.

We have supported our communities by providing economic and employment opportunities in the Gwent area. This has helped expose a broader range of people to opportunities available within the Health Service. This included:

- Airline Industry staff supporting our wellbeing offer for staff and mass vaccination centres.
- Staff from local Leisure Trusts supporting our Mass Vaccination programme.
- The patient care assistant role which was open to applicants with no formal healthcare training or experience and recruitment was also promoted via our mutual aid and partnership networks.

We have redesigned our Induction Programme for new starters into a blended delivery of virtual and face to face provision ensuring social distancing, whilst maintaining a quality experience for new starters.

Whilst progress with recruitment has been positive it is essential that this activity remains one of our top priorities, recognising that some roles such as Care of the Elderly (COTE), Intensivists, Psychiatrists, Stroke, and other speciality consultant and junior doctor posts and other clinical support roles, such as, sonographers, remain specialities which are hard to recruit to across the UK. The Health Board was able to successfully recruit the staff required to open the GUH and we plan to build upon our very successful programme of recruitment and the positive recruitment campaign for the mass vaccination programme and COVID-19 surge. We will continue to work proactively with national programmes such as Train, Work, Live and Student Streamlining recruitment streams. We will continue to comply with the Nursing Staffing Levels (Wales) Act 2016 which will be extended to include paediatric services during the next year. We will maintain our focus on intensive recruitment campaigns for Registered Nurses (RN) and Health Care Support Workers (HCSW) and all vacancies.

Recognising that we are operating in an increasingly competitive market and want to be an organisation in which people choose to workand one where they choose to stay. Our Retention Framework includes a tool kit that facilitates staff to have a voice, be engaged, supported & developed, whilst maintaining their wellbeing to reach their full potential. This ensures that we put staff at the centre of what we do and ensuring we embed our core values which creates a positive workplace culture.

Ensuring safe staffing levels

In order to establish safe staffing levels we rapidly developed and implemented additional workforce plans to respond to the surge in the early stages of the pandemic as well as reviewing workforce plans to provide the required workforce to enable the opening the Grange University Hospital (GUH) four months early, support COVID Test, Trace and Protect (TTP) and Mass Vaccination.

The workforce requirements had been carefully considered alongside the need to continue to provide safe staffing levels and effective services at all our hospitals and community services in conjunction with responding to the emerging demands of the pandemic and winter pressures.

The plans took account of the availability of new recruits from our focused recruitment campaigns, returning retirees, healthcare students and the deployment of existing staff.

The deployment of existing clinical staff was critical in ensuring that we were able to respond to the urgent needs of the pandemic. A Workforce Deployment Hub was created to identify individuals and teams who, as a result of changes to service delivery in the first wave, could be redeployed to support the COVID-19 surge plans. Where necessary additional training was provided to enable existing staff to work in a different environment. Our central deployment process has supported the deployment of over 240 staff.

Through the deployment process we were also able to deploy staff who were required to shield to work from home and also support pregnant or

vulnerable staff to move from clinical areas to safer working environments. This allowed us to staff critical areas. For example, registered nurses and doctors were redeployed to our Flow Centre to support pre-hospital streaming and to Track, Trace and Protect teams and the Staff Testing Assessment Unit. Our ability to respond has been supported by agile working, enabled by investment in additional technology and changes to how we provide our services using remote consultations via "Attend Anywhere".

Overall staff turnover had reduced in quarter 1 by 2.6% and 1.1% in quarter 2 2020/21 compared to turnover rates between 7-8% in the previous years. We are aware that many staff delayed retirement, as well as NHS Wales agreeing to delay commencing new starters to support the COVID-19 response. Turnover has recently increased to expected levels and is currently 9.27% which reflects the expected impact of staff who delayed retirements to support the COVID-19 response. During quarter 2 we have launched a new Retention Framework to ensure we retain valuable skills and experience of our workforce.

This is an interactive toolkit that brings together best practice tools, techniques and Health Board approaches to support retention. It also provides connectivity to our Employee Experience and Agile Working Frameworks.

In order to ensure workforce continuity we supported our staff to work more flexibly by providing equipment to support home and agile working options. Two agile working surveys were undertaken with staff and the development of an Agile Working Framework provides guidance for staff and managers.

The aim of these frameworks is to demonstrate our commitment to both potential and current staff in making them a priority by always putting people first. This will enable them to have a voice and feel engaged and supported whilst maintaining their wellbeing.

Identifying and training staff to undertake new roles

Alongside recruitment of new staff the Health Board identified individuals and teams who, as a result of changes to service delivery in the first wave, could be redeployed to support the COVID-19 surge plans. Where necessary additional training was provided to enable existing staff to work in a different environment.

The Organisational Development team worked with nursing colleagues to assess the needs of staff who were being deployed to different clinical environments, healthcare students and those returning to the workforce following retirement. A clinical skills programme was developed to meet the practical and wellbeing needs of these groups. The Health Board worked in partnership with Coleg Gwent, who provided premises on their Usk Campus, to enable this clinical skills training to take place in a COVID-19 safe environment. Within this setting the Health Board provided clinical training and assessment of competence to over 1,100 new and redeployed workers.

By December 2020 there was a need to both recruit and train an additional workforce to support the implementation of the Mass Vaccination Programme. In excess of 500 Health Professionals have been engaged and trained to work in the Mass Vaccination Centres. Over 100 volunteers have been engaged through mutual aid with our Local Authority partners in addition to the military to support the Mass Vaccination Programme.

Wellbeing initiatives for staff

The development and ongoing implementation of an evidenced based staff wellbeing plan has been essential to support our staff during the different response phases of the pandemic. The Employee Wellbeing Service website is now fully operational delivering first class bilingual and evidence based reference materials that are also accessible on smartphones and mobile devices and the development of a Wellbeing Peer Support Network. Our Wellbeing offer for staff included:

- Hub and spoke model of psychological support.
- Development of a new website that is accessible to staff on their mobile devises and tablets.
- Peer support phone line.
- Drop in sessions.
- Specific group sessions around particular topics, for example, sleep and dealing with traumatic experiences.
- A series of Wellbeing surveys have been run quarterly to understand how staff are feeling and focus support in the right areas.
- Additional investment in the Wellbeing offer and plans to develop a Centre of Excellence.
- The provision of accommodation during the first wave of the Pandemic for staff who needed to isolate from vulnerable family members.
- Introduced Project Wingman at St Cadoc's Hospital. This involved a collaboration with airline staff who had been furloughed, made redundant or grounded, and who wanted to help those in need of support.
- Supporting staff to be deployed on a temporary basis to areas that were classified as lower risk to maintain safety and well-being.
- The early development of a staff testing hub for staff reporting symptoms of COVID-19 led by the Workforce team. This hub coordinated the testing and provided staff with well-being, health and isolation advice.
- Occupational Health developed an on-line referral form which sped up the referral process and reduced the time to receive advice. This change is one that has had positive feedback and will continue.

Risk assessments and shielding of staff

During the first and second COVID-19 pandemic waves guidance on shielding was provided by Welsh Government. This had an impact on our staff as well as our local community and volunteers i.e. those who were clinically vulnerable should no longer attend the workplace.

We have supported staff in line with the Welsh Government advice in relation to shielding requirements. During the first COVID surge there were over 290 staff who were required to shield. Our workforce team contacted staff who were shielding during the first surge to provide support, advice and to identify opportunities to continue to engage them in work. This was complimented by the "buddying" of staff to provide well-being support. Our approach has supported the majority of staff who were required to shield to return to work.

During the first wave of the pandemic the Health Board developed a risk assessment tool for staff with underlying conditions to provide advice and guidance on safety in the workplace. As the evidence emerged of the disproportionate, negative impact of COVID-19 on our black, asian and minority ethnic communities this risk assessment tool was further developed to take this into account. This was shared across Wales and further modified by an All Wales expert group.

The Health Board has continued to focus on supporting staff who had been previously shielding to return to work safely. Risk assessments have shown weekly improvements in compliance figures. The COVID-19 Workforce Risk Assessment Tool is now on ESR and has been added to the Compliance Matrix as a mandatory requirement.

Our ESR records currently show 61.47% compliance with completion of the Covid-19 Workforce risk assessments. The safety of our staff remains our primary concern and we are working with Divisional teams, staff side representatives and bank and agency workers to support completion of the Covid-19 workforce risk assessment. We are also proactively contacting staff who have not completed their risk assessment which has supported the improvement in compliance rates. We have developed paper copies which are then uploaded onto ESR to support staff who do not have easy access to a computer and continue to make personal contact with staff in high risk groups, who need to complete or re-new the assessment. This helps ensure that adjustments to provide a COVID safe working environment are implemented where necessary.

The Health Board is developing a programme of work to strengthen our approach to equality, diversity and inclusion. We undertook a listening exercise to ensure that staff views and concerns shape and develop the approach we take. The emerging work programme has resulted in the establishment of a new Race Equality Group. This group has agreed 3 short term priorities and a detailed action plan describing the actions and milestones needed to achieve these priorities. The work of the group will continue to review a range of evidence from National sources to inform its work plan going forward and broaden its scope to include other protected characteristics.

Review of COVID-19 staff deaths

Sadly, we are aware of three staff deaths due to COVID-19. A task force with representatives from Infection Prevention and Control, Workforce and Organisational Development and Corporate Health and Safety has been established to progress the death reviews. These reviews will

identify relevant learning measures for sharing. The investigations, which are ongoing, will determine whether the deaths will be reportable to comply with RIDDOR.

Role of Employee & Professional Advisory Groups

Strong partnership working has been maintained and strengthened during the COVID-19 pandemic period and continues. Regular meetings with our local Trade Union representatives, Local Negotiating Committee and the BMA have taken place. These have provided valuable opportunities to share and discuss issues, agree staff guidance and to influence the Frequently Asked Questions developed through our all Wales networks.

This partnership working was critically important as the Health Board was opening the Grange University Hospital four months early, during winter pressures and the pandemic.

We remain committed to working in partnership with Local Authorities and the Military to support the Mass Vaccination Centres and Track Trace and Protect Service.

Further information on the role of the Healthcare Professionals Forum is available in the Annual Governance Statement.

The Welsh Language Standards

The Health Board recognises the importance of meeting language needs and the positive impact this has on patient experience and the delivery of safe, high quality care. Wales is a country with two official languages, Welsh and English, and we promote and support the right of the community we serve to live their language of choice. This is an integral part of our values as an organisation in putting 'People First' and the culture we are continuously embedding.

The organisation is continuing to make good progress in developing work processes and systems to assist in compliance with and the facilitation of the implementation of the Welsh Language Standards. The Health Board has a dedicated Welsh Language Standards page on the corporate website.

Promoting and Increasing the Use of the Welsh Language

One of the key objectives adopted by the Health Board in response to the 'Five Ways of Working' described in the Wellbeing of Future Generations Act is to 'Promote a diverse workforce able to express their cultural heritage, with opportunities to learn and use Welsh in the workplace'. In response, we have adopted a holistic approach to staff engagement and the development of Welsh language skills, working closely with local stakeholder groups in addition to national and local training providers, to increase opportunities for staff to develop their linguistic skills and sensitivity. This is supporting our response to the ambitious challenge set out in the three strategic themes of the Welsh Language Strategy - Cymraeg 2050 to: increase the number of Welsh speakers; increase the use of Welsh; and create favourable conditions for the use of Welsh – infrastructure and context.

In order to increase the use of Welsh internally, the Health Board has established a Welsh speaker's network PartnerIAITH. Launched on St David's Day 2020, the network now has 64 members of staff who have self-registered, and can access regular virtual chat clubs and events, as well as bespoke 1:1 and small group learning opportunities for learners.

We are pleased to report an increase in staff enrolling on Welsh language courses over the reporting period, despite the challenges posed by the pandemic, and applaud staff's commitment to their learning.

Number of staff enrolled on accredited courses 2019/20 – 2020/21

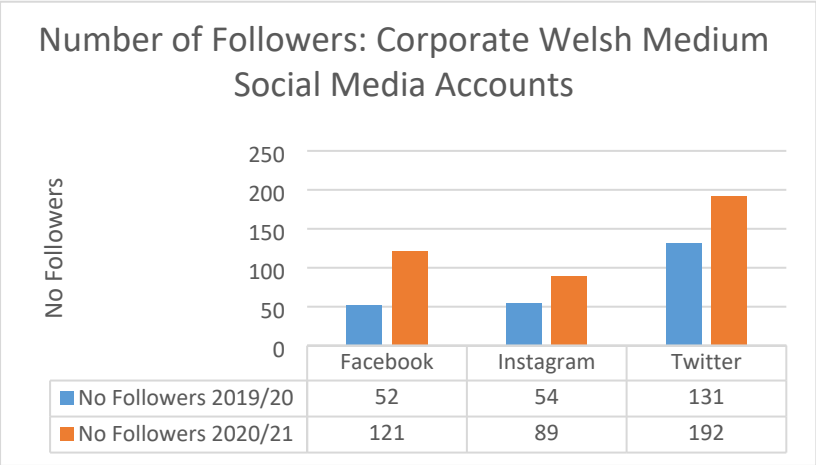
Course Title	Number Enrolled (2019/20)	Number Enrolled (2020/21)
Welsh Mynediad/Entry Level 30-week course (Year 1)	2	36
Welsh Mynediad/Entry Level 30-week course (Year 2)	0	0
Welsh Sylfaen/ Foundation (Year 1)	0	6
Welsh Canolradd/Intermediate Level 30-weel course (Year 2)	1	0

Moreover, in response to the impact that the pandemic has had on our ability to train staff in a classroom environment, we are excited to launch new digital Welsh Language Awareness training resources and a series of animation reels, to be used to promote key messages regarding the Welsh language, this year. We have also promoted free online courses provided by Coleg Cenedlaethol and are delighted to report an increased uptake of 109% in the first Quarter of 2021 compared to the same period last year.

On St David's Day 2021, we launched an internal campaign- 'Diwrnod Dwli Dysgu' (Love Learning Day). Staff were provided with numerous

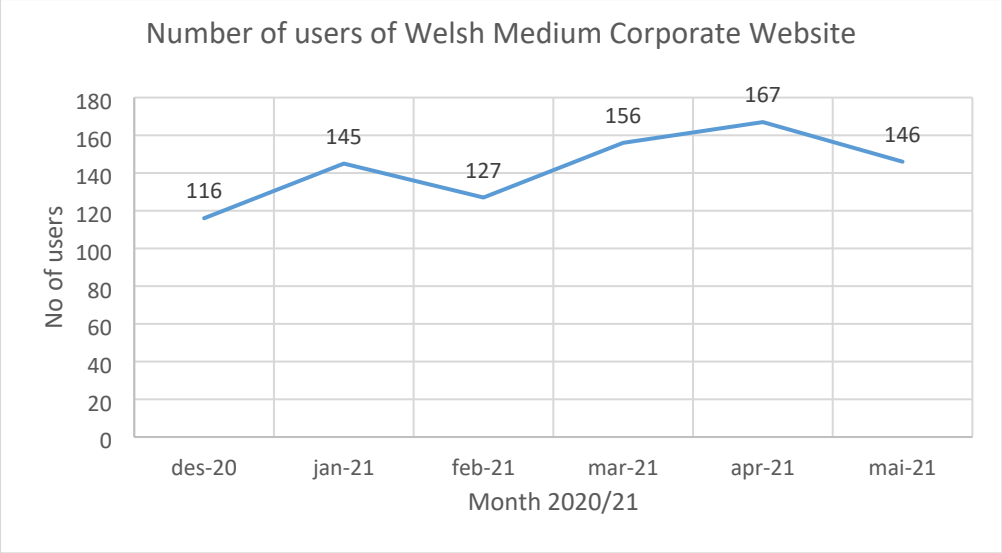
learning resources and materials, and different approaches to learning Welsh were promoted to emphasise the important message that there is no 'one-size-fits-all' method of learning any language.

Since their formation in June 2019, our Welsh Social Media accounts are steadily increasing in followers, as we continue to engage with our Welsh-speaking Community.



The promotion of bilingual campaigns across all Corporate English and Welsh Medium Channels has greatly increased our Welsh language social media presence. Successful Welsh language communication campaigns for 2020/21 to date have included: Diwrnod Shwmae, Diwrnod Hawliau, Dydd Miwsig Cymru, and Dydd Santes Dwynwen.

Since its launch in 2019, Google analytics suggest that the Welsh medium corporate website has maintained a consistent number of users over the past 6 months, the challenge now is to expand this user base by actively promoting this service to Welsh speaking patients.



The Future of Welsh in the Health Board

The progress over the reporting period demonstrates our continued commitment to delivering a service that meets the needs of both our Welsh-speaking communities and our own Workforce. This also demonstrates a significant cultural change on an organisational level,

ensuring progress is made against the Standards and that Welsh speakers receive equitable, quality services. We are committed to ensuring that Welsh language needs are embedded in our corporate identity and as a golden thread throughout our Values and Behaviours

Decision Making and Governance

Role of the Board and Committees and effectiveness

The Board is chaired by Ann Lloyd CBE and the organisation's operational delivery is led by Judith Paget CBE, Chief Executive, who is the Health Board's Accountable Officer. The Board is made up of individuals from a range of backgrounds, disciplines and areas of expertise.

The Board provides leadership and direction to the organisation and has a key role in ensuring that the organisation has sound governance arrangements in place. The Board seeks to ensure that it has an open culture and high standards in the ways in which its work is conducted. Together, Board Members share corporate responsibility for all decisions and play a key role in monitoring the performance of the organisation.

The Health Board has established a range of Board Committees. These Committees are chaired by Independent Members of the Board and the Committees have key roles in relation to the system of governance and assurance, including decision making, scrutiny, development discussions, risk assessment and performance monitoring.

This year has been dominated by COVID-19 and the Health Board's response to it therefore there were no annual reviews of committee business during the year This will be resumed as soon as possible and will be part of a wider review of governance and reflection on learning following the COVID-19 pandemic period.

Further information on the role, membership and effectiveness of the Health Board and its Committees is provided in the Annual Governance Statement.

Changes to governance arrangements

In response to the COVID-19 pandemic, it was necessary for the organisation to discharge its duties differently from the 23rd March 2020 following new advice and guidance issued by Welsh Government. These adjusted governance and assurance arrangements were approved on 9th April 2020. An overview of the revised arrangements is provided in the Annual Governance Statement. The full document is available on the following link.

Civil Contingencies and Emergency Planning

In addition to the organisational response to the pandemic there has been continued planning preparation and response to requirements of the Civil Contingency Act (2004). When the Grange University Hospital opened this became our only hospital with an Emergency Department consequently

ABUHB's only receiving hospital in the event of a major incident. The major incident plan has been rewritten to reflect this change and all action cards updated accordingly together with responsive departments, and in collaboration with relevant LRF partners. Training in the new plan has been undertaken with staff at strategic, tactical and operational level. A new fully equipped Hospital Co-ordination Centre is now sited at the GUH with rooms identified on the site for additional supporting aspects of the plan. There is an additional Executive co-ordination centre set up at Health Board Headquarters to provide additional resilience.

Business continuity planning and delivery has also continued during the pandemic to support severe weather, planned ICT upgrades and response to untoward incidents.

The Health Board also continued to prepare for EU Transition working both internally and with LRF partners and Welsh Government.

Planning for MERIT has continued and the requirements under the Prevent Duty, under the CONTEST strategy.

Multi-agency working

In addition to the collaborative working in response to the pandemic through the SCG there has been continued multiagency working in the form of tactical sub-groups to the SCG, which include BCM group, Mass Fatalities Group and Risk group. Additionally the LRF Executive group has met and the supportive co-ordination group to address the wider requirements of joint working under the Civil Contingencies Act.

The Health Board's Governance and Assurance Framework is outlined in the Annual Governance Statement.

Audit and Assurance – summary of sources with high level findings.

The Health Board receives assurance from a number of regulatory and advisory bodies, including internal audit, Audit Wales, Healthcare Inspectorate Wales and the Welsh Risk Pool.

The Health Board commissioned the Internal Audit Service to undertake a rapid advisory review, to assess the adjusted financial and overall governance arrangements that were put in place to maintain appropriate governance whilst enabling the senior leadership team to respond to the COVID-19 pandemic.

The Internal Audit Review report was finalised in July 2020. The main observations from the report were "*that temporary governance arrangements operated effectively during the peak. The Health Board complied with the guidance and the principles issued by Welsh Government.*"

The Audit Wales Structured Assessment Report for 2020, which examines the arrangements the Health Board has in place to support good governance across key areas of the Health Board's business and the

efficient, effective and economic use of resources, made the following assessment:

"Overall, we found that the Health Board maintained good governance quickly adapting its governance arrangements to respond to the challenges of the pandemic. Financial management remains robust but ongoing COVID-19 costs risk financial deficit. Quarterly plans set out the safe restart of planned services and resources required, although reporting of delivery is not yet established."

Further information is provided in the Annual Governance Statement.

Conclusion and Forward Look

2020/2021 was an extraordinary year in everybody's lives. The Health Board took the learning from the first waves of the pandemic to plan for the winter period, which was one of the most challenging the organisation has ever faced. Admissions to our hospitals for COVID-19 tracked against our Reasonable Worst Case Scenario and the challenges faced by our staffing in supporting our communities was significant.

Amongst this challenge the staff in the organisation opened a new hospital, fully equipped, on budget and four months early. The organisation maintained essential services and in partnership supported the delivery of the Test, Trace and Protect Programme and delivered a new mass vaccination programme from scratch.

The process of recovery began in the final quarter, ensuring pathways were in place to deliver activity in safe environments and restart services paused over the winter months. As demand for services rebalances and communities are able to return to activities then the learning about adapting and changing our system will come to the fore.

It would be right to finish by paying tribute to all the Health Board's staff for their strength, courage and resilience over the last year.

Aneurin Bevan University Health Board
Section 2 – Accountability Report
1st April 2020 – 31st March 2021

Introduction to the Accountability Report

Aneurin Bevan University Health Board is required to publish, as part of our annual reporting, an Accountability Report. The purpose of the Accountability Report section of the Annual Report has been designed to demonstrate the ways in which the Health Board is meeting its key accountability and reporting requirements.

This Accountability Report has three sections:

- **Corporate Governance Report**
  This explains the composition of the Health Board, its governance structures and arrangements and how the Health Board seeks to achieve its objectives and responsibilities to meet the needs of the people we serve.

- **Remuneration and Staff Report**
  This section contains information about the staff of the organisation, particularly focusing on the remuneration of its Board and senior management, fair pay ratios and other staff information, such as sickness absence rates.

- **Parliamentary Accountability and Audit Report**
  This section contains a range of disclosures on the regularity of expenditure, fees, charges, compliance with cost allocation, material remote contingent liabilities, long-term expenditure trends and charging requirements set out in HM Treasury guidance.

Corporate Governance Report

As a minimum, the corporate governance report includes:

- The Directors' Report
- The Statement of Accounting Officer's Responsibilities
- The Annual Governance Statement.

The Directors' Report

This section of the report sets out details of the Directors of the Health Board in 2020/21. This information is outlined in the Annual Governance Statement of the Health Board and can be found in detail in the Annual Governance Statement (AGS). Details of the membership of the Board and its Committees, including the Audit Committee, are also shown in this section of the AGS.

Board Members' Interests

The document, which can be accessed in the link below, shows details of directorships of other organisations or other interests that have been declared by the members of the Board of Aneurin Bevan University Health Board, and staff across the organisation, in line with the Standards of Business Conduct Policy, as at the 31st March 2021. This information is available on the Health Board's Internet site and can be accessed by following this link.

Information Governance

This section covers information relating to data related incidents where they have been formally reported to the Information Commissioner's Office. It also includes information relating to personal data related incidents, including 'serious untoward incidents'. This information is available in the Health Board's AGS.

Information on Environmental, Social and Community Issues

This section provides information on environmental, social and community issues. The Board has a Wellbeing of Future Generations Programme Board; which covers a broad agenda including energy, waste, water and sustainability. It is co-chaired by the Director for Public Health and Strategic Partnerships and the Board Secretary. The Programme Board is charged with taking forward the sustainability agenda of the organisation. Progress on energy, water and waste management initiatives and targets are reported to the Programme Board, as well as initiatives around sustainable procurement, IT and travel. The Board has not met during the COVID-19 Pandemic.

Environmental public health issues are dealt with in liaison with Public Health Wales Environmental Health Team.

During the last year, the Health Board has developed an Estates Energy Strategy which reflects the current priorities, drivers and opportunities for the Health Board. It examines how energy and carbon management in the

organisation could be made more effective with best practice, technology and innovation. This includes a challenging target for carbon reduction of 3% year on year for 5 years, the performance of which is measured and reported annually. The Health Board will also be aligning its activities to complement and make progress towards the objectives and targets set out in the NHS Wales Decarbonisation Strategic Delivery Plan which was recently published by Welsh Government. The Plan responds to the declaration of the climate emergency in 2019 and also the ambition of Welsh Ministers for the Welsh public sector to be net zero by 2030.

The Health Board continues to work towards introducing more sustainable and resource efficient methods of processing waste generated from health care activities. Recycling facilities are embedded at all main hospital sites which stream off co-mingled mixed recyclates for onward sorting and reprocessing into new products and materials. Cardboard is separated and baled at the two main hospital sites within the Health Board and processed into mill size bales.

The segregation of infectious waste is continually evaluated and where possible, in line with guidance and best practice items are removed and diverted into a lower cost disposal option.

The Health Board continues to work towards implementing a zero to landfill approach in collaboration with external contractors.

The Health Board continues to operate a third party certified Environmental Management System (EMS) to the international standard ISO 14001:2015.
The EMS has been developed to become the focal point for driving forward continual environmental improvement. It provides a joined up approach for the management of waste minimisation initiatives, recycling, energy and carbon management, sustainable procurement and sustainable travel initiatives.

Certification ensures that we not only comply with legislation, but go above and beyond this and implementing best practice in our role as an exemplar NHS organisation in the area of healthcare waste and environmental management.

The organisation places high importance on continued certification to ISO 14001 and the assurance it provides to the Board and our stakeholders.

The Health Board continues to lead in the area of recycling of polypropylene instrument wrap from the Hospital Sterilisation and Disinfection Unit (HSDU) for recycling. Before the introduction of the recycling initiative, all the polypropylene wrap from HSDU was being collected into Orange Hazardous Waste bags and consigned as Infectious Waste at considerable cost and environmental impact.

The Health Board can demonstrate a number of benefits in relation to the diversion of material from the clinical waste stream (currently 2 tonnes

per month), while producing a commercial polymer with a commodity value.

Statement of the Accountable Officer's Responsibilities

This Statement was signed by the Chief Executive as part of the approval of the Health Board's Annual Accounts on the 9th June 2021 and can be found as part of this documentation. Add link when available

Statement of Directors' responsibilities in respect of the Accounts

This Statement was signed by the Chair, Chief Executive and Director of Finance and Performance as part of the approval of the Health Board's Annual Accounts on the 9th June 2021 and can be found as part of this documentation. Add link when available

Aneurin Bevan University Health Board
Annual Governance Statement
1st April 2020 – 31st March 2021

1. Scope of Responsibility

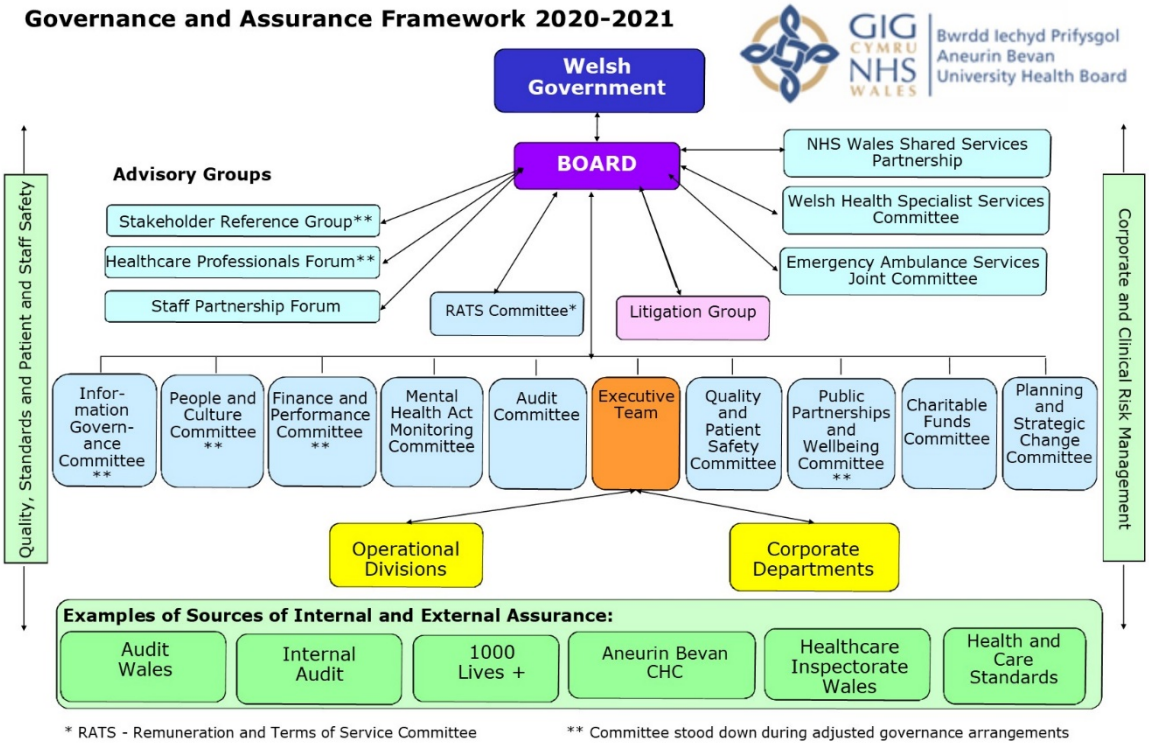
The Board is accountable for Governance, Risk Management and Internal Control. As Chief Executive of the Board, I have responsibility for maintaining appropriate governance structures and procedures as well as a sound system of internal control that supports the achievement of the organisation's aims and objectives, whilst safeguarding the public funds and the organisation's assets for which I am personally responsible. These are carried out in accordance with the responsibilities assigned by the Accountable Officer of NHS Wales.

The Annual Report outlines the different ways the organisation has had to work both internally and with partners in response to the unprecedented pressure in planning and providing services. It explains arrangements for ensuring standards of governance are maintained, risks are identified and mitigated and assurance has been sought and provided. Where necessary additional information is provided in the Annual Governance Statement, however the intention has been to reduce duplication where possible. It is therefore necessary to review other sections in the Annual Report alongside this Annual Governance Statement (AGS).

The response to the pandemic in 2020-21 affected all organisations and their ability to work as normal. It meant a very different way of working for the Health Board and its partners and it is important to recognise that decisions will have been made differently than under normal circumstances. Nevertheless, the Health Board must still demonstrate that the decisions made comply with regulation and stand up to scrutiny of their value and compliance.

2. Our Governance and Assurance Framework

Aneurin Bevan University Health Board has agreed Standing Orders for the regulation of proceedings and business of the organisation. These are designed to translate the statutory requirements set out in the LHB (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 delegation to officers and others and Standing Financial Instructions, they provide the regulatory framework for the business conduct of the Health Board and define its 'ways of working'. These documents, together with the Board Assurance Framework and a range of corporate policies set by the Health Board make up the Governance and Assurance Framework and arrangements of the organisation. During 2020/21 the Health Board operated an adjusted governance and assurance framework to enable us to continue to discharge organisational responsibilities effectively, whilst recognising the reality of the required executive focus for the response to the COVID-19 Pandemic. The diagram below outlines the governance and Committee structure (indicating Committees stood down during the pandemic response).



3. The Role of the Board

The Board is chaired by Ann Lloyd CBE and the organisation's operational delivery is led by Judith Paget CBE, Chief Executive, who is the Health Board's Accountable Officer. There has been some change in the Executive and Independent membership of the Board during the last year. These changes are outlined in Table One in Attachment One.

In accordance with the Public Bodies (Admissions to Meetings) Act 1960 the organisation is required to meet in public; the Health Board usually meets six times a year in public. The Board is made up of individuals from a range of backgrounds, disciplines and areas of expertise. The Board comprises the Chair, Vice Chair and nine other Independent Members and the Chief Executive and eight Executive Directors. There are also Associate Independent Members, Special Advisors and other senior managers who routinely attend Board Meetings. The full membership of the Board and their lead roles and committee responsibilities are outlined in Table One in Attachment One.

The Board provides leadership and direction to the organisation and has a key role in ensuring that the organisation has sound governance arrangements in place. The Board seeks an open culture and high standards in the ways in which its work is conducted. Board Members share corporate responsibility for all decisions and undertake a key role in monitoring the performance of the organisation.

All the meetings of the Board in 2020/21 were appropriately constituted and quorate. The key business and risk matters considered by the Board during 2020/21 are outlined in this statement and further information can be obtained

from the published Health Board meeting papers on the Health Board's web pages via the following link.

The Board held one additional meeting over and above the scheduled six meetings of the Board in 2020/21. It held this meeting on the 30th June 2020 to consider and approve the Ysbyty Ystrad Fawr Breast Services Outline Business Case for submission to Welsh Government and to endorse the proposal to open the Grange University Hospital in November 2020, 4 months ahead of schedule.

The Board held its Annual General Meeting on Wednesday 28th October 2020. This was held via Microsoft Teams and streamed on the Health Board's YouTube Channel.

The Board met in June 2020 to formally approve the Annual Accounts for 2019/20 following detailed consideration by the Health Board's Audit Committee. This meeting has not been included in the attendance record as this is a procedural meeting and is run with the required quorate for the Board only and therefore, not all members are required to attend.

4. Committees of the Board

The Health Board has created a range of Board Committees which have key roles in the system of governance and assurance. These Committees are Chaired by Independent Members of the Board.

As outlined below, a number of these committees were suspended in line with adjusted governance arrangements during the COVID-19 pandemic, as a result, the Committee Structure during 2020/21 was not subject to the usual review, however, as outlined on page 70 a revised structure will be implemented from 1st April 2021.

In terms of the existing committee structure, the Planning and Strategic Change Committee has a different model of membership, which includes all Independent Members and Executive Members of the Board. This recognises that the committee is constituted to focus on strategic development and medium and longer term planning matters, rather than acting as an assurance committee for scrutiny purposes.

The Health Board is continuing to develop the ways in which its Committees operate and work together to ensure the Board is assured on the breadth of the Health Board's work to meet its objectives and responsibilities and the risks against their achievement in line with the Health Board's Board Assurance Framework.

The Committees that currently do not meet in public are either because of the confidential nature of their business, such as, the Remuneration and Terms of Service (RATS) Committee or they are development meetings such as the Planning and Strategic Change Committee, discussing plans and ideas often in their formative stages. The Health Board and its Committees have sought to undertake a minimum of its business in private sessions and ensure business,

wherever possible, is considered in public. However, it has not been possible to hold committee meetings in public during the COVID-19 pandemic.

The Health Board has a Charitable Funds Committee which oversees the Health Board's Charitable Funds on behalf of the Board, as Corporate Trustee for charitable funds. The work of the Committee provides assurance through reporting to the Board that charitable funds are being appropriately considered.

A more detailed overview of the issues considered by the Audit Committee, Quality and Patient Safety Committee and Planning and Strategic Change Committee, which continued to operate for all or part of the adjusted governance arrangements is provided below.

Further information with regard to the purpose and business of all the Health Board's Committees can be found on the Health Board's web pages via the following link:
https://abuhb.nhs.wales/about-us/committees-partnerships/

5. Membership of the Health Board and its Committees

The Tables in Attachments 1 and 2 provides the membership of the Board during 2020/21 and attendance at Board and Committee meetings respectively for this period. All meetings were quorate.

On 23 March 2020 the Welsh Government suspended all Ministerial Public Appointment campaigns. At the time of this suspension the Health Board was actively recruiting to the Independent Member (Finance) and Independent Member (University). Action taken to ensure the Board remained stable and had appropriate capacity and capability during this time included the extension of the appointment of a Special Advisor to the Board (Finance) in addition to the existing Special Board Adviser role, which had also been extended until 31st March 2021. A successful appointment was made to the role of Independent Member (University) in January 2021. Unfortunately the Health Board continued to be unable to recruit to the role of Independent Member (Finance).

6. Discharging Good Governance during the COVID-19 Pandemic

In accordance with the Public Bodies (Admissions to Meetings) Act 1960 the organisation is required to meet in public. As a result of the public health risk linked to the pandemic there have been limitations on public gatherings and it has not therefore been possible to allow the public to attend meetings of our Board and Committees since 23rd March 2020. To ensure business was conducted in as open and transparent manner as possible during this time the Health Board live streamed its Board meetings using its YouTube digital channel from June 2020.

Welsh Government endorsed the view that NHS Wales organisations did not need to livestream all Committee meetings. Live-streaming meetings is resource intensive and the risk to openness and transparency by not live streaming has

been assessed as low as individuals have not attended to observe meetings in the past. However, in order to maintain openness and transparency with regard to the ways in which the Health Board conducted its committee business, committee papers continued to be published on the Health Board's website prior to the meetings and Committee assurance reports were provided to each Board meeting.

Advice and guidance issued by Welsh Government allowed for adjusted governance and assurance arrangements and these were approved on 9th April 2020 and are provided in overview below. Board and Committee meetings were and continue to be held using the NHS Wales digital conferencing application (MS Teams). These arrangements were continually assessed during the year as the Health Board learned from its experiences of new technologies and approaches. The adjusted arrangements were formally reviewed in July 2020 and December 2020 and remained in place until 31st March 2021.

7. Revised Board and Committee Arrangements

Board meetings continued to be held bi-monthly, as per the published meeting programme. As well as using MS Teams for the meetings all Board meetings in the public domain were live streamed on the Health Board's YouTube Channel.

The programme of Board Development and Board Briefing Sessions continued and topics covered included:

- Managing Our Resources Effectively
- Refreshing and Updating the Board Assurance Framework and Risk Appetite Statement
- Development of the Health Board's Annual Plan
- Engagement of Healthcare Inspectorate Wales with the Health Board

Regular briefing sessions were held with Independent Members, to ensure they were aware of developments and decisions and to enable appropriate scrutiny and challenge. Members' service visits, such as patient safety walk arounds, were suspended during the pandemic.

During the COVID-19 Pandemic, it was recognised that the full Committee structure of the Health Board could not continue. However, it was important that as a minimum the Audit Committee and the Quality and Patient Safety Committee continued to meet. All other Committees were suspended until 31st March 2021. Key matters normally covered by these committees were considered by the Audit Committee or the Quality and Patient Safety Committee or the Board.

- **Audit Committee**
  The Audit Committee is a key Committee as it monitors the design and adequacy of the Health Board's governance arrangements. During 2020/21 the Committee focused on the statutory requirements including accounts, annual report and risk management and monitored the financial position of

the Health Board due to the suspension of the Finance and Performance Committee.

The Audit Committee approved an Internal Audit Plan for 2020/21, although this remained flexible to respond to changing demands and resources. It received the resulting Internal Audit Reports, noted key areas of risk and tracked the management responses made to improve systems and organisational policies. The Committee has noted improvement of agreed actions and the sharing of learning and has scrutinised and challenged areas where progress has not been as progressive as anticipated and agreed further remedial actions. This has assisted the organisation in assessing the effectiveness of the controls and actions that have been put in place.

During the year the Committee considered a number of audit reports, including about Safeguarding, WCCIS, Environmental Sustainability, and financial assurance of the Grange University Hospital. The Committee closely monitored progress to ensure that progress was achieved, but it also recognised these areas were complex and these will continue to be monitored in the coming year. A limited assurance report was received for Infection Control and the Committee tasked the Executive Team with undertaking a review across the Health Board to address the need to ensure appropriate recording processes were completed.

The Committee continues to work with Audit Wales as part of its work to determine the accuracy of financial statements and its programme of performance audits and assurance reports including the Structured Assessment report.

The Committee has maintained its focus on improvements in the financial systems and control procedures and monitored payments and trending processes.

The Health Board's Counter Fraud Service provided regular update reports throughout the year and the Audit Committee approved the Counter Fraud Annual Plan and Annual Report. Positive independent assessments were received about the effectiveness of the Health Board's Counter Fraud Service.

The Committee approved the Health Board's revised approach to risk management and noted that there will be continued refinement during 2021/22.

The Committee monitored the financial position of the organisation, in line with adjusted governance arrangements, and monitored the financial decisions taken by the Tactical and Strategic Groups as part of the Health Board's command structure for the COVID-19 Pandemic.
The Committee continued its focus on ensuring that the Health Board obtained value for money and the best use of resources and a programme of work is in place for 2021/22.

- **Quality and Patient Safety Committee**

The Quality and Patient Safety Committee is key to the Health Board's assessment and scrutiny of the quality and safety of the services it provides.

The Committee played a critical role during the pandemic where challenging decisions and action were assessed ensuring that the Health Board acted in the best interests of the patients, public and staff. The Chair of the People and Culture Committee is a member of the Committee and ensured that the health and safety interests of staff were considered. The terms of reference of the Committee were temporarily amended to reflect this additional responsibility.

The Committee has retained a clear focus on the pertinent issues, challenges and progress of the COVID-19 pandemic, from both a national and local perspective. The Committee reviewed the risk management approach to COVID-19 and received regular updates through a specific COVID-19 Risk Register. It also monitored progress through a COVID-19 dashboard and assessed the Health Boards position through participation in COVID-19 trials and studies, reflections from an Infection Prevention and Control perspective and patient experience during COVID-19.

The Committee has continued to monitor organisational performance against quality and safety measures, including mortality data, participation in National Clinical Audits, compliance with sepsis bundles and health care associated infections and falls.

The regulations for the management of concerns in Wales were introduced in April 2011; the regulations required health bodies to 'investigate once, investigate well'. The Committee has continued to monitor organisational and divisional performance against the 20 day and 30 day compliance targets for responding and to receive assurance that there is learning from each complaint or incident and that this is communicated across the Health Board. Significant work has been undertaken to improve the turnaround time, performance, and the handling and quality of responses when a complaint is received or an incident investigated.

- **Charitable Funds Committee**
  Urgent matters were considered via Chair's Action by the Committee Chair. The Committee met using digital conferencing in August 2020 to receive an update on charitable funds received and bids approved and in January 2021 to consider and approve the Charitable Funds Annual Accounts.

- **Public Partnerships and Well Being Committee (suspended)**
  These matters were raised directly at the Board.

- **Finance and Performance Committee (suspended)**
  Finance matters were considered at Audit Committee and performance matters were raised directly at the Board. A structure was put in place which enabled the Director of Finance and Performance to track COVID-19 related expenditure and other financial expenditure changes due to suspension of

Health Board service activity. This was reported to the Audit Committee and to the Board.

- **Mental Health Act Monitoring Committee**
  The Vice Chair in their statutory role in this area has kept these matters under review with the Director of Primary, Community and Mental Health. This Committee resumed meetings in February 2021. Further information on how the Mental Health Act has been monitored during adjusted governance arrangements is available on the following link.

- **Remuneration and Terms of Service Committee (as required)** This Committee met on two occasions during the year (September 2020 and March 2021). In addition, urgent action was agreed as Chair's Action and reported to the Board.

- **People and Culture Committee (suspended)**
  Workforce considerations, especially with regard to health and safety of staff were considered by the Quality and Patient Safety Committee.

- **Information Governance Committee (suspended)**
  Information Governance concerns were considered directly by the Board.

- **Planning and Strategic Change Committee**
  Matters were considered directly by the Board, particularly the progress with the Clinical Futures Programme. This Committee was resumed on 17th June 2020.

- **Health Board Advisory Groups (suspended)**
  The Healthcare Professionals Forum and the Stakeholder Reference Group were suspended for the period; however, their importance was recognised and membership continued to be engaged through briefings and communication.

Throughout the course of the past year the organisation has had to respond to unprecedented demands. The Board has received reports of practices that have been adapted and changed to ensure risks and presenting circumstances have been managed effectively and expeditiously. The year saw the development of an agile and transformative culture where staff recognised the need to change working practices to effectively respond to the pandemic. The Health Board wishes to retain and nurture this behaviour whilst ensuring that the accountability, scrutiny and assurance framework remains effective.

The Health Board will introduce a revised Committee structure from 1st April 2021 with a clear focus on outcome measures whilst maintaining effective scrutiny and assurance around the Health Boards strategic decision making, financial accountability and patient outcomes.

Revised Terms of Reference for our Committees were adopted as draft by the Board in March 2021 and will be further refined during the year. Their effectiveness will be monitored and will form part of audit plans for the year.

- **Litigation Group**
  WHC (97) 17 on Clinical Negligence and Personal Injury Litigation – Claims Handling, the Welsh Assembly Government formally delegated its authority for the management of clinical negligence and personal injury litigation claims with a value of under £1m to Health Boards and NHS Trusts on the condition that guidance in the circular was followed. The Health Board's Policy for the Management of Clinical Negligence and Personal Injury Litigation, sets out the Health Board's financial scheme of delegation following the guidelines within the Welsh Health Circular. Under the scheme a formal sub group of the Board, known as the Litigation Group has been established with delegated authority to make decisions on claims with a value above £100,000 where cases may be taken to trial and for cases which significantly threaten the reputation of the Health Board (those below £100,000 are approved in line with the Health Board's Scheme of Delegation).

- **Redress Panel**
  The Putting Things Right Regulations that govern the investigation of Concerns in Wales requires the Health Board to have a Redress Panel. The purpose of the Redress Panel is to consider the findings of investigation of a concern (a complaint or incident) and to make final determinations as to whether there has been a breach of duty of care and whether any harm has been caused to the patient by the incident.

There are several Wales-wide Joint Committees, which regularly provide written update reports to the Board:

- **Welsh Health Specialised Services Committee (WHSSC):**

The Welsh Health Specialised Services Committee (WHSSC) is responsible for the joint planning of Specialised and Tertiary Services on behalf of Local Health Boards in Wales.

WHSSC was established in 2010 by the Local Health Boards (LHBs) in Wales to ensure that the population of Wales has fair and equitable access to the full range of specialised services. In establishing WHSSC to work on their behalf, the seven LHBs recognised that the most efficient and effective way of planning these services was to work together to reduce duplication and ensure consistency.

WHSSC is hosted by Cwm Taf Morgannwg University Local Health Board. The Health Board is represented on the Committee by the Chief Executive and reports of the Joint Committee's activity are regularly reported to the Board.

- **Emergency Ambulance Services Committee (EASC):**

Emergency Ambulance Services in Wales are provided the Welsh Ambulance Services NHS Trust (WAST) and commissioning of Ambulance Services in Wales is a collaborative process underpinned by a quality and delivery framework. The framework provides for clear accountability for the provision of emergency ambulance services with the Chief Ambulance Services Commissioner (CASC) and the Emergency Ambulance Services Committee (EASC) acting on behalf of Health Boards and holding WAST to account as the provider of emergency

ambulance services. EASC is hosted by Cwm Taf Morgannwg University Local Health Board. The Health Board is represented on the Committee by the Chief Executive and reports of the joint committee's activity are regularly reported to the Board.

Advisory Groups
The Board has three advisory groups established in line with our Standing Orders: the Stakeholder Reference Group, Healthcare Professionals Forum and the Trades Union Partnership Forum (Local Partnership Forum). The Stakeholder Reference Group and Healthcare Professionals Forum were suspended as part of the adjusted governance arrangements to respond to the pandemic and therefore, did not meet during 2020/21.

- **Stakeholder Reference Group:**
  The Group is made up of a range of partner organisations from across the Health Board area. The Group is chaired by an Associate Independent Member of the Board who is also the Veterans Representative.

- **Healthcare Professionals Forum:**
  The Forum comprises representatives from a range of clinical and health professions within the Health Board and across primary care practitioners. The Forum is chaired by an Associate Independent Member of the Board - although Chair of the Forum retired in November 2020. The Forum will therefore need to elect a new chair during 2021/22.

- **Trades Union Partnership Forum (Local Partnership Forum):**
  The Forum is the formal partnership engagement and communication mechanism of staff organisations and the Health Board. The Trades Union Partnership Forum (TUPF) is jointly chaired by the staff representative and the Chief Executive of the Health Board.

8. Review of Adjusted Governance Arrangements

The Health Board commissioned the Internal Audit Service to undertake a rapid advisory review, to assess the adjusted financial and overall governance arrangements that were put in place to maintain appropriate governance whilst enabling the senior leadership team to respond to the pandemic.

The Internal Audit Review report was finalised in July 2020. The main observations from the report were "*that temporary governance arrangements operated effectively during the peak. The Health Board complied with the guidance and the principles issued by Welsh Government.*"

Nevertheless, the report advised on some areas where improvements could be made. These have been considered by the Health Board's senior leadership team and the Audit Committee. A response plan was developed and the actions undertaken and monitored.

9. Integrated Medium Term Plan/Annual Plan

In accordance with the National Health Service Finance (Wales) Act 2014 and the Health Board's duties with regard to operational planning set out in section 175 of the NHS Wales Act 2006 the Health Board submitted its IMTP to Welsh Government. This was unable to progress as planned in 2020-2021 due to suspension of the IMTP process introduced by Welsh Government in response to the pandemic.

The 2020-21 IMTP was approved by the Health Board and submitted to Welsh Government in accordance with the NHS Planning Framework by the required deadline. However, the IMTP was not approved by Welsh Government as the IMTP process was suspended before the approval process could be completed.

In line with its planning duty, the Health Board followed the NHS Wales COVID-19 Operating Framework for 2020-21 and undertook a quarterly planning cycle to submit plans accompanied by a minimum dataset to Welsh Government building on the approved IMTP for 2019-22. The minimum dataset provides information on progress with implementing the quarterly plans which were focussed on delivering safe care and avoidance of the 'Four Harms' associated with COVID and covered risks and contingencies.

The Health Boards plans were aligned to local prevention and response and delivering quality and safety in essential services, including Test, Trace and Protect infection prevention and control and updating capacity plans based on improved modelling data. The complex challenges associated with our response and with restarting routine services used improved modelling data alongside a risk management approach to develop our plans.

Responding to the challenges set out in the National Clinical Framework and the ambitions of *A Healthier Wales* and the *Looking Forward Recovery Plan*, the Health Board took the opportunity to refresh its plan adopting a life course approach that optimises the health and well-being of our communities. In tandem with these developments, the Health Board has embraced the opportunity to move to a dynamic planning model based on data intelligence and a focus on meaningful outcomes. The Board has not commented specifically on the quality of data received at the Board and Committees, however, the ways in which performance information and data have been reported to the Board has continued to develop and the Board has commented positively on these.

The draft Annual Plan was considered at the Public Board Meeting on 24th March 2021, and was approved by the Board as a strong foundation for delivery in the coming year. The plan was submitted to Welsh Government on 31st March and now awaits government approval.
Work continues to develop a delivery framework for the plan to be in place by the end of the first quarter.

10. Revenue Resource Performance

The Health Board met its Revenue Resource Limit for the year and delivered a surplus of £245k. Against the breakeven duty over a rolling three year period, the Board reported a surplus of £512k as shown below:

3 Year Revenue Breakeven Duty	*2018/19 £000*	*2019/20 £000*	*2020/21 £000*	*Total £000*
Underspend Against Allocation	235	32	245	512

11. Capital Resource Performance

In addition to a revenue resource limit the Health Board has a capital resource limit (CRL) that sets the target for capital expenditure. The target of £110.971M was met in 2020/21 with a small underspend of £13k. The target is measured over a 3 year period as shown below:

3 Capital Resource Duty	*2018/19 £000*	*2019/20 £000*	*2020/21 £000*	*Total £000*
Underspend Against Allocation	41	28	13	82

12. All-Wales Risk Pool Arrangements

The Welsh Risk Pool Services (WRPS) is a risk sharing mechanism, similar to an insurance arrangement which provides indemnity to NHS Wales' organisations against negligence claims and losses. Each NHS organisation must meet the first £25,000 of a claim or loss – similar to an insurance policy excess requirement.

13. Audit Wales Structured Assessment

The Audit Wales Structured Assessment Report for 2020, examines the arrangements the Health Board has in place to support good governance across key areas of the Health Board's business and the efficient, effective and economic use of resources, made the following assessment:

"Overall, we found that the Health Board maintained good governance quickly adapting its governance arrangements to respond to the challenges of the pandemic. Financial management remains robust but ongoing COVID-19costs risk financial deficit. Quarterly plans set out the safe restart of planned services and resources required, although reporting of delivery is not yet established."

The Health Board has committed to undertake a number of improvement actions during 2021 to respond to this assessment. The progress against these actions will be monitored by the Executive Team and the Health Board's Committees, but the overall organisational response to these actions will be kept under review

through the Audit, Finance and Risk Committee's reporting and tracking mechanisms.

The Health Board also uses reports from Healthcare Inspectorate Wales, the Welsh Risk Pool and other inspectorates and regulatory bodies to inform the governance and assurance approaches established by the organisation. A tracking mechanism for these recommendations is also in place and is monitored by the Patient Quality Safety and Outcomes Committee.

14. Annual Quality Statement

The Health Board is not required to prepare an Annual Quality Statement for 2020/21, however, the Performance Report provides quality performance information.

15. The Health Board's system of internal control

The Health Board's system of internal control is designed to manage risk (both clinical and non-clinical) in a positive way but recognises that risk to the Health Board's strategic priorities, aims and objectives cannot be completely eliminated but it must be able to demonstrate these have been considered and evaluated and that any impact if realised can be manged effectively.

The system of internal control has been in place for the year ended 31 March 2021 and up to the date of approval of the Annual Accounts at 9th June 2021. During 2020/21 the system of internal control was adapted in line with the Health Board's adjusted governance arrangements with monitoring by the Audit Committee and the Quality and Patient Safety Committee.

The Board Secretary is responsible for maintaining and co-ordinating the corporate risk approach whilst the Executive Lead for clinical risk management is the Director of Therapies and Health Science. The Health Board and its Committees monitor the management of risk with the executive function considering the risks profile and actively engaging in its management.

The COVID-19 pandemic meant a change to organisational activity and its control; a dedicated programme management structure - Emergency Planning Command and Control structure was created, with a flow of information to the Board. This structure was stood down on 21st December 2020 and replaced with slimmer business reporting and escalation processes with operational site Bronze Groups reporting directly to Executive Team.

The Health Board developed a specific operational risk register for the organisation's management of the pandemic and this was held, reviewed and updated by the Executive Team on a regular basis.

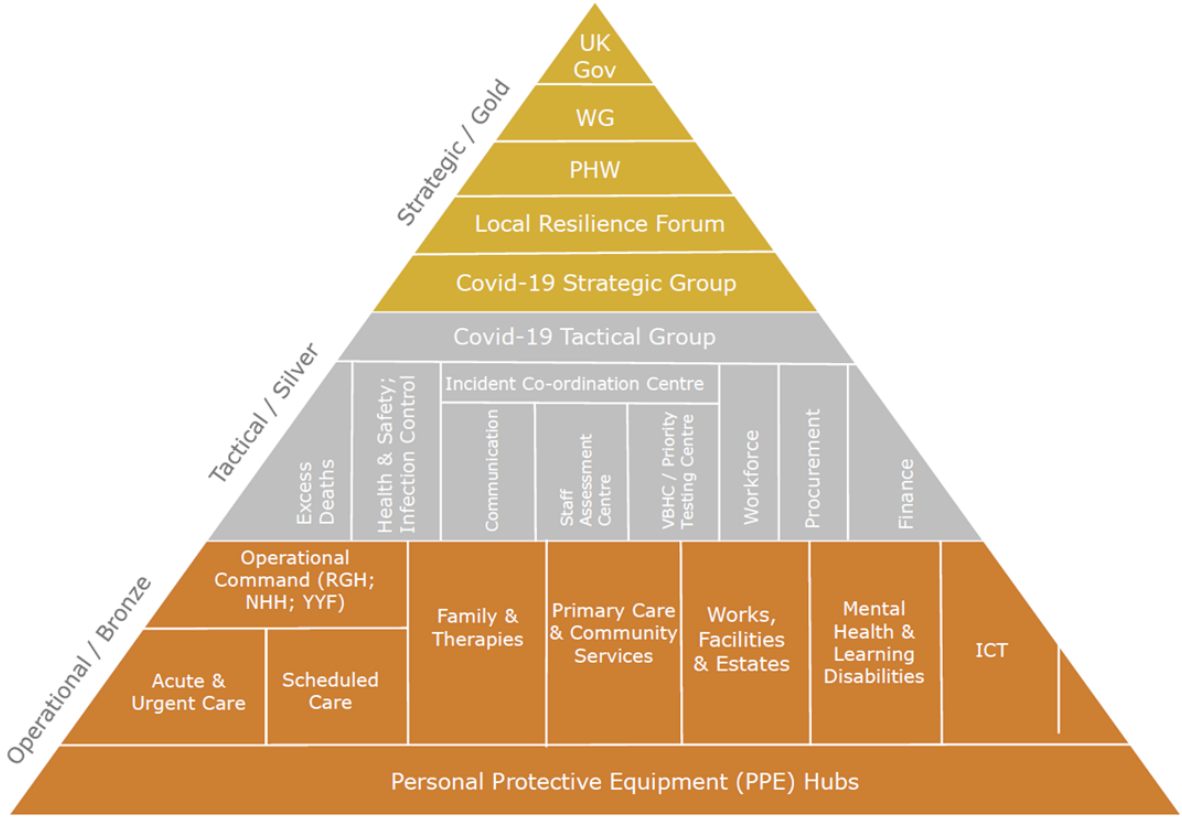
Following a refinement of risk management a reframed strategic risk register was presented to Board in March 2021. The Health Board's risk profile changed due to the response to the COVID-19 Pandemic and now includes a specific risk in relation to the impact of the pandemic and any subsequent Variants of Concern (VOCs).

16. Capacity to handle risk

As previously highlighted the need to plan and respond to the COVID-19 pandemic presented a number of challenges to the Health Board. A number of new and emerging risks were identified. Whilst the organisation did have a major incident and business continuity plan in place, as required by the Civil Contingencies Act 2004, the scale and impact of the pandemic has been unprecedented. Significant action has been taken at a national and local level to respond to the impact on the organisation and population. This has involved working in partnership on the multi-agency response as a key member of the Strategic Co-ordination Group. There remains a level of uncertainty about the overall impact this will have on the immediate and longer term delivery of services by the organisation, although I am confident that all appropriate action is being taken.

The Risk Management model in place during the Health Boards pandemic response is outlined in the Health Board Risk Management Strategy. It should be acknowledged that the Risk Management Strategy is currently under review and a revised version will be presented to the Board in September 2021.

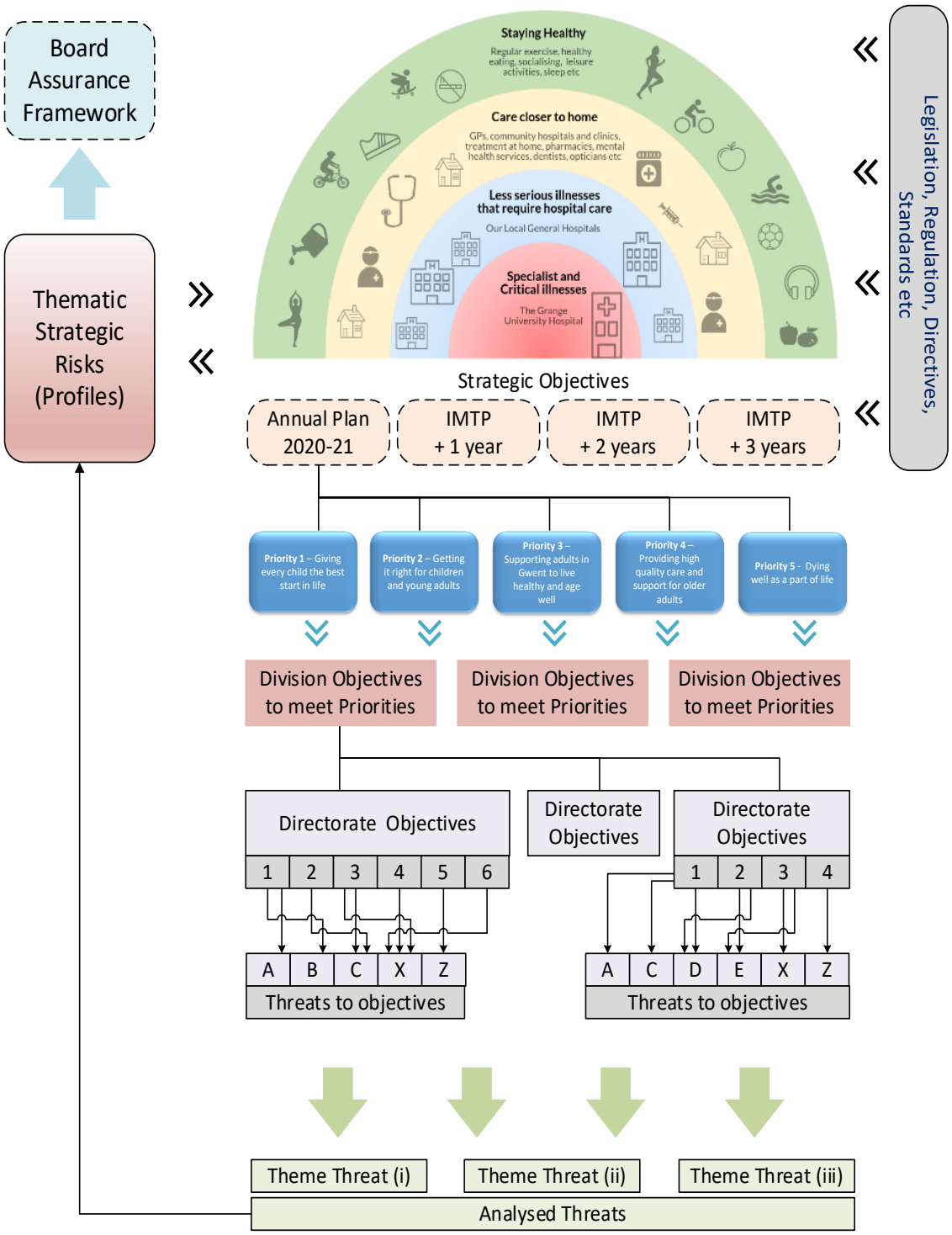
In addition to the arrangements described within the Risk Management Strategy, the Health Board also adopted a 'Command and Control' structure, a diagrammatical example of which is depicted below:



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

The Health Board is committed to engaging with its stakeholders in order to fully understand respective risk profiles especially in relation to shared risks. There are currently no significant, high level shared risks however, further developmental work is planned when embedding the revised risk management approach to include key stakeholders risk profiles when considering and developing our own mitigations.

The Health Board continues to evolve its approach to risk management. The revised approach is focussed on the threats to the Health Boards strategic aims and objectives and work is underway to strengthen links to performance management reporting and outcomes to demonstrate to demonstrate further assurance. The Health Board's revised approach includes the provision of a Risk Dashboard and this is reflected in the Health Board's revised Board Assurance Framework. Formal endorsement of the revised Risk Management approach was received at the Health Board's Audit Committee meeting on 8th April 2021. The diagram below provides an overview of the Risk Management model being adopted by the Health Board.



17. Risk Management Training

Risk Management training continued on an ad-hoc basis during 2020 due to the impact of Covid-19. During the 2021, a risk management training needs analysis will be undertaken to develop a robust training plan alongside the creation of a Community of Practice specifically for risk management, anticipated to have its inaugural meeting in Autumn 2021.

18. Corporate Risk Profile

As of 31st March 2021 there were 17 risks on the Health Board's Corporate Risk Profile, which also sets out the Health Boards level of acceptance and any actions being taken to address the risks.

The profile of risks are as follows:

Category of Risk	Number of Risks at March 2021
Strategic Risks	7
Financial Risks	1
Operational/Business Risks	5
Compliance Risks	2
Public Health Risk	2

The profile of the assessed level of risks as at 31st March 2021 is outlined in the risk map below.

Consequence Score	Likelihood Score				
	1 Rare	2 Unlikely	3 Possible	4 Likely	5 Almost certain
5 - Catastrophic			3	5	
4 - Major	2	3	3	1	
3 - Moderate					
2 - Minor					
1 - Negligible					

Five risks were assessed as high level risks:

NEW RISK	Failure to identify and manage new COVID-19 variants of concern leading to rapid spread and harm.	20
CRR002	Failure to recruit and retain appropriately skilled staff and senior leadership to deliver high quality care.	20
CRR019	Failure to meet the needs of the population who require high levels of emergency supportive care,	20

	including releasing ambulances promptly to respond to unmanaged community demand.	
CRR023	Potential risk to population health in relation to avoidable harm due to priority being given to management of the COVID-19 pandemic.	**20**
CRR020	Failure to implement Welsh Community Care Information System (WCCIS)	**20**

19. The risk and control framework

The Health Board's approach to risk management provides a framework and structured process for the identification and management of all risks (clinical and non-clinical) across the organisation to better inform decision making and optimise outcomes for our population. The Health Board's decision on how to manage its risks will be different for the range of risks identified and the intelligence it receives about the risk and service and this is reflected in the Health Board's current Risk Appetite Statement link. A revised risk appetite statement and agreed definitions of risk tolerance levels is currently being developed and will form an integral part of the revised Board Assurance Framework which will be considered at the May 2021 Board meeting.

The Health Board's systems and processes allow for the Board and staff to implement necessary actions to respond to risks at all organisational levels. They also facilitate the reporting of risks throughout the organisation, escalating to senior levels of management and to the Health Board and its Committees.

20. Information Governance

The Health Board has a range of responsibilities in relation to the information that it holds, uses and shares. The Medical Director is the Health Board's Caldicott Guardian and the Director of Planning, Digital and ICT (Information, Communications and Technology) is the Senior Information Risk Owner (SIRO).

The adjusted governance arrangements meant that the Information Governance Committee (IGC) was suspended during the pandemic and its function distributed to the Board, Audit Committee and Quality and Patient Safety Committee.

The Health Board continues to implement processes and communication around information asset tracking, General Data Protection Regulations (GDPR) and data protection. The information governance e-learning training material has been revised and made available on the intranet. Revision of privacy notices at a national and local level have taken place and are being deployed. Information governance policies continue to be reviewed on an all-Wales basis as part of the collaborative work required in light of GDPR to ensure consistency of policy content and context across organisations.

The Health Board continues to be proactive in using the NHS Wales Information Governance management support framework to ensure consistency of policy, standards and interpretation of the law and regulation across NHS Wales' organisations.

During 2020-21, the Health Board received just over 4,500 Data Protection Act Subject Access Requests (SARs); this is a 22% decrease from 2019-20. The largest proportion of requests received continues to be made by solicitors and legal services. The pandemic meant that staff availability was limited and meeting the 30 day time limit has been challenging, but the compliance rate has been steady at over 90% for the past few years, and this year's compliance rate is 94%.

The Wales Accord on the Sharing of Personal Information (WASPI) framework is embedded in the way in which the Health Board shares relevant information with its partner organisations. This was important when sharing personal information between partners as part of the COVID-19 response.

There were 661 information governance incidents recorded by staff this year on the Health Board's DATIX Incident Reporting System; a decrease of over 50 from the previous year. These incidents are of varying levels of concern, such as missing pages in a paper record, to ICT systems being unavailable for a period of time, but none were reported as major incidents.

One complaint was made to the Information Commissioners Office (ICO) by a complainant (there have been no concerns reported by the Health Board). The Health Board provided supportive evidence to the ICO to show that it was acting within the law and had provided the complainants with an effective service regarding their information. Again, this year, no action was taken by the ICO against the Health Board. The Health Board is open and transparent about the way it manages information; it believes it has a co-operative and trusted relationship with the public, its health and care partners and the ICO. There have been no lapses in data security other than trivial ones.

21. Health and Care Standards

The Health and Care Standards came into force on 1 April 2015 and incorporate a revision of the 'Doing Well, Doing Better: Standards for Health Services in Wales (2010)' and the 'Fundamentals of Care Standards (2003)'. They set out the Welsh Government's common framework of standards to support the NHS and partner organisations in providing effective, timely and quality services across all health care settings and describe what the people can expect when they access health services.

The Standards provide a framework that attempts to ensure that the services provided are integrated and of the highest quality. The Health and Care Standards cover seven key themes and have at their core a focus on patient-centred care and it is recognised are surrounded by the requirement for clear governance, leadership and accountability. The work on Health and Care Standards is led by the Director of Nursing and monitored in terms of compliance by the Quality and Patient Safety Committee.

A review of the governance around each of the Health and Care Standards is currently underway, with a lens on ensuring robust monitoring of the quality and safety associated with each of the standards. It is anticipated that this review will be complete by September 2021.

There is a corporate lead identified for each standard who has the required level of specialist knowledge to oversee progress in relation to the standard. These individuals will be key in the facilitation of the associated groups and committees. Their role will be to oversee the evidence and information considered in each group to ensure that it continues to provide assurance in relation to the specific standard.

An annual assurance report will be produced, using a consistent framework, for each of the 7 standards and will be reported to the Patient Quality Safety and Outcomes Committee, via the Quality and Patient Safety Operational Group. The report will provide detail in terms of concordance with the standards outlining performance and practice for each Division with actions to secure improvements where necessary. These reports will be scheduled across the year.

Following the completion of the Health and Care Standards review, it will be necessary to review and to test the process to ensure robust and comprehensive process with respect to assurance. This review will be undertaken in mid-2022.

22. Additional Assurance Disclosures

Control measures are in place to ensure compliance with all employer obligations under equality, diversity and human rights legislation.
As an employer with staff entitled to membership of the NHS Pension Scheme, control measures are in place to ensure compliance with all employer obligations contained within the scheme regulations. This includes ensuring that deductions

from salary, employer's contributions and payments in to 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.

The organisation has undertaken risk assessments and Carbon Reduction Delivery Plans are in place in accordance with emergency preparedness and civil contingency requirements based on UKCIP 2009 weather projections to ensure compliance with the organisation's obligation under the Climate Change Act and the Adaption Reporting requirements.

The response to the COVID-19 pandemic took precedence during 2020 and this presented several new challenges. Significant action was taken at national and local levels and the Health Board continues to work in partnership with many agencies and as a key member of the Strategic Co-ordination Group. The organisation continues to work closely with a wide range of partners as it continues with its response and planning into the recovery phase. It will be necessary to ensure this is underpinned by robust risk management arrangements to achieve our strategic objectives.

23. Post Payment Verification

In accordance with the Welsh Government directions the Post Payment Verification (PPV) Team, (a role undertaken for the Health Board by the NHS Shared Services Partnership), in respect of General Medical Services Enhanced Services, General Dental Services and General Ophthalmic Services has carried out its work under the terms of the service level agreement (SLA) and in accordance with NHS Wales agreed protocols. This area is scrutinised by the Audit Committee on an annual basis.

24. Modern Slavery Act 2015 – Transparency in Supply Chains

The Health Board has signed up to and is fully committed to the Welsh Government Code of Practice Ethical Employment in Supply Chains.
This 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.
The code of practice sets out a number of commitments and the Health Board has prepared an action plan so that it can monitor progress against these. Good progress has been made so far against these key commitments. The Health Board have included the requirement for all suppliers to meet the Act in our standard NHS Terms and Conditions of contract.

The procurement function is a key area for ethical employment in supply chains. This is run by NHS Wales Shared Services Partnership (NWSSP) which is hosted by Velindre University NHS Trust (Velindre).
More information can be found on the work done on the Health Board's behalf by NWSSP on the Shared Services Partnership website

25. UK Corporate Governance Code

The Health Board has also undertaken a self-assessment against the main principles of the UK Corporate Governance Code as they relate to NHS public sector organisation in Wales. This assessment has been informed by Audit Wales Structured Assessment and key feedback from Internal Audit. The Health Board is satisfied that it was complying with the main principles of the Code, conducting its business openly and transparently whilst recognising that the pandemic will have had an impact on the methods to do this. The Health Board has not identified any departures from the Code through the year.

26. Review of effectiveness of the system of internal control

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control and this is informed by the work of the Wales Audit Office, NHS Internal Audit and the Executive Officers who have responsibility for the development and maintenance of the internal control framework and comments made by the external auditors in their audit letter and reports.

My advice to the Board is informed by reports on internal controls received from all its committees and in particular the Audit Committee and Quality and Patient Safety Committee. The Quality and Patient Safety Committee also provides assurance relating to issues of clinical governance, patient safety and health standards. In addition, reports submitted to the Board by the Executive Team identify risk issues for consideration.

This year has been dominated by COVID-19 and the Health Board's response to it, therefore, there were no annual reviews of committee business during the year. This will be resumed as soon as possible and will be part of a wider review of governance and reflection on learning following the COVID-19 pandemic period.

27. Ministerial Directions 2020/2021 and Welsh Health Circulars

Receipt of Welsh Health Circulars are logged and a lead Executive Director identified to oversee the implementation of the required action or to develop the required response. The Board, a designated Committee or the Executive Team monitors progress against the circulars depending on the subject matter or actions required within the circular.

There are no major issues to report with regard to the implementation of these Ministerial Directions or Welsh Health Circulars. A list of Welsh Government Ministerial Directions issued in 2020/21 and action taken by the Health Board is provided as Attachment Three.

28. Internal Audit

The Head of Internal Audit provides me as Accountable Officer and the Board through the Audit Committee with an assessment 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 NHS Wales Shared Services Partnership. 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 by the Head of Internal Audit on governance, risk management and control is a function of this risk based audit programme and contributes to the picture of assurance available to the Board in reviewing effectiveness and supporting our drive for continuous improvement.

The programme has been impacted by the need to respond to the COVID-19 pandemic with some audits deferred, cancelled or curtailed as the organisation responded to the pandemic. The Head of Internal Audit is satisfied that there has been sufficient internal audit coverage during the reporting period in order to provide the Head of Internal Audit Annual Opinion. In forming the Opinion the Head of Internal Audit has considered the impact of the audits that have not been fully completed.
The report of the Head of Internal Audit is included as Annex 1.

The Head of Internal Audit has concluded that:
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.

Due to the considerable impact of COVID-19 on the Health Board, the internal audit plan has needed to be agile and responsive to ensure that key developing risks are covered. As a result of this approach, and with the support of officers and independent members across the Health Board, the plan has been delivered substantially in accordance with the agreed schedule and changes required during the year, as approved by the Audit Committee. In addition, regular audit progress reports have been submitted to the Audit Committee. Although changes have been made to the plan during the year, the Head of Internal Audit has confirmed sufficient audit work was undertaken during the year to be able to give an overall opinion in line with the requirements of the Public Sector Internal Audit Standards.

In total, 17 reports were issued during the year, eight were allocated Substantial Assurance, eight were allocated Reasonable Assurance and one was allocated Limited Assurance. No reports were allocated with No Assurance. In addition, nine advisory & non-opinion reports were also issued.

The audit of Infection Prevention and Control received a Limited Assurance opinion rating and was reported to the Audit Committee in April 2021. The Committee received an explanation in relation to the reasons and the circumstances and challenges regarding the audit were acknowledged. The Executive Team will be undertaking a review across the Health Board to address the need to ensure appropriate recording processes are implemented.

The Health Board maintains a tracking system for internal audit recommendations and the agreed management actions and these are regularly reported to the Health Board's Audit Committee. In addition, the progress of actions for each limited assurance report are tracked by the Executive Team and Audit Committee. The Audit Committee reports are available on the following link.

29. Conclusion

During 2020/21 the Health Board, along with other NHS organisations, saw unprecedented demands on our services due to the COVID-19 Pandemic. This required changes and adjustments to the ways in which we worked to deliver our services and the way in which we governed our organisation and provided sound systems and mechanisms of internal control. This has been reflected in this Statement.

Whilst we continue to respond to the Pandemic we are now starting the long road to recovery. The period of adjusted governance arrangements has now ceased and the learning from the pandemic response has prompted a change to the way we conduct future business. We are now moving into an agile working environment and the use of technology to improve performance continues to grow.

Whilst the impact of the pandemic is significant the Health Board has continued to make progress and develop during 2020/21. We have been developing and embedding our approach to good governance and appropriate controls framework across the organisation and the adoption of the adjusted governance framework, a refined Board Assurance Framework and risk management approach is evidence of the Health Board's ability to change and improve. The Health Board is committed to continue to progress and improve our arrangements as we further develop as an organisation in the coming year and reflect upon the impact of COVID-19.

Information will continue to be published to provide assurance to our patients, service users, citizens and stakeholders that the services we provide are high quality, safe, effective and efficient. The opening of the Grange University Hospital provides the opportunity to continue the transformation of our health and well-being services with increased expectations from our citizens and we will continue to actively involve patients and citizens in the design, delivery and transformation of these services. Our governance mechanisms will be open and transparent to enable these expectations to be monitored, scrutinised and assessed to ensure successful delivery.

Judith Paget

Chief Executive Date:

Aneurin Bevan University Health Board
Remuneration and Staff Report
1st April 2020 – 31st March 2021

Directors Remuneration Report

This report provides information in relation to the remuneration of those persons in senior positions within the Health Board who have authority and responsibility for directing or controlling the major activities of the Health Board. This was also provided in the Health Board's Annual Accounts approved on the 9th June 2021, but have been reproduced here for ease of reference.

Remuneration Report										
Salary and Pension entitlements of Senior Managers Remuneration										
		2020-21					**2019-20**			
		Salary	**Benefits in kind**	**Pension Benefits**	**Total**		**Salary**	**Benefits in kind**	**Pension Benefits**	**Total**
Name	**Title**	**(bands of £5,000)**	**(to nearest £100)**		**(bands of £5,000)**		**(bands of £5,000)**	**(to nearest £100)**		**(bands of £5,000)**
		£000	**£00**	**£000**	**£000**		**£000**	**£00**	**£000**	**£000**
Executive Directors										
Judith Paget	Chief Executive	205 - 210	0	37	245 - 250		200 - 205	0	20	225 - 230
Glyn Jones	Director of Finance & Performance / Deputy Chief Executive	150 - 155	0	39	190 - 195		150 - 155	0	(19)	130 - 135
Nicola Prygodzicz	Director of Planning, Digital & IT	120 - 125	0	37	155 - 160		110 - 115	6	25	135 - 140
Martine Price	Acting Director of Nursing (Until 14.07.19)	0	0	0	0		35 - 40	0	11	45 - 50
Rhiannon Jones	Director of Nursing (Since 15.07.19)	130 - 135	13	84	215 - 220		90 - 95	0	110	200 - 205
Geraint Evans	Director of Workforce and Organisational Development	130 - 135	0	0	130 - 135		130 - 135	0	0	130 - 135
Dr James Calvert	Medical Director (Since 04.01.21)	40 - 45	0	32	75 - 80		0	0	0	0
Dr Sarah Aitken	Director of Public Health & Strategic Partnerships (Until 29.03.20) / Interim Medical Director (From 30.03.20 to 17.01.21) / Director of Public Health & Strategic Partnerships (From 18.01.21)	155 - 160	0	48	205 - 210		125 - 130	0	33	160 - 165
Mererid Bowley	Interim Director of Public Health & Strategic Partnerships (From 10.04.20 Until 18.01.21)	115 - 120	0	0	115 - 120		0	0	0	0
Dr Paul Buss	Medical Director (Until 30.04.20)	15 - 20	0	0	15 - 20		195 - 200	0	0	195 - 200

Peter Carr	Director of Therapies and Health Sciences	105 - 110	77	29	140 - 145		105 - 110	0	75	180 - 185
Nick Wood	Director of Primary, Community and Mental Health	140 - 145	2	28	170 - 175		140 - 145	51	34	180 - 185
Director of Operations										
Claire Birchall	Director of Operations	110 - 115	0	28	135 - 140		105 - 110	0	45	150 - 155
Board Secretary										
Richard Bevan	Board Secretary (Until 30.11.20)	70 - 75	0	0	70 - 75		100 - 105	0	23	125 - 130
Richard Howells	Interim Board Secretary (Since 01.11.20)	35 - 40	0	35	70 - 75		0	0	0	0
Special Advisor to the Board										
Philip Robson	Special Advisor to the Board	35 - 40	0	0	35 - 40		35 - 40	0	0	35 - 40
Chris Koehli	Special Advisor to the Board (Since 15.07.19)	30 - 35	0	0	30 - 35		20 - 25	0	0	20 - 25
Non-Executive Directors										
Ann Lloyd CBE	Chair	65 - 70	0	0	65 - 70		65 - 70	0	0	65 - 70
Emrys Elias	Vice Chair	55 - 60	0	0	55 - 60		55 - 60	0	0	55 - 60
Katija Dew	Independent Member (Third/Voluntary Sector)	15 - 20	0	0	15 - 20		15 - 20	0	0	15 - 20
Prof. Helen Sweetland	Independent Member (University) (Since 01.01.21)	0	0	0	0		0	0	0	0
Prof. Dianne Watkins	Independent Member (University) (Until 31.12.19)	0	0	0	0		10 - 15	0	0	10 - 15
Catherine Brown	Independent Member (Finance) (Until 14.09.19)	0	0	0	0		5 - 10	0	0	5 - 10

Richard Clark	Independent Member (Local Authority)	15 - 20	0	0	15 - 20		15 - 20	0	0	15 - 20
Pippa Britton	Independent Member (Community)	15 - 20	0	0	15 - 20		15 - 20	0	0	15 - 20
Frances Taylor	Independent Member (Community) (Until 31.01.20)	0	0	0	0		10 - 15	0	0	10 - 15
Paul Daneen	Independent Member (Community) (Since 05.03.20)	15 - 20	0	0	15 - 20		0 - 5	0	0	0 - 5
Shelley Bosson	Independent Member (Community)	15 - 20	0	0	15 - 20		15 - 20	0	0	15 - 20
David Jones	Independent Member (ICT) (Until 06.11.20)	5 - 10	0	0	5 - 10		15 - 20	0	0	15 - 20
Louise Wright	Independent Member (Trade Union)	0	0	0	0		0	0	0	0
Keith Sutcliffe	Associate Independent Member (Chair of Stakeholder Group)	0	0	0	0		0	0	0	0
David Street	Associate Independent Member (Social Services)	0	0	0	0		0	0	0	0
Louise Taylor	Associate Independent Member (Chair of Health Professionals Forum) (Since 01.10.19)	0	0	0	0		0	0	0	0

The NHS and social care financial recognition scheme bonus of £735 payment to reward eligible NHS staff has not been included in the NHS Remuneration Report calculations. This bonus payment is not a contractual payment, but a one off payment to reward eligible staff for their commitment and tireless efforts in the most challenging circumstances.

The 2019-20 salary for Nick Wood has been restated as it included an overpayment of salary which has been repaid.

The salary shown for Mererid Bowley is the amount recharged by Public Health Wales NHS Trust, it is not the actual salary paid.

Salary has been reported as gross pay, which is before the deduction of any salary sacrifice schemes. During 2020-21 Nick Wood had £7k sacrificed in respect of the lease car scheme and Nicola Prygodzicz had £1k sacrificed in respect of the home computing scheme.

The post of Special Advisor to the Board has been disclosed as it has been deemed to have an influence over board decisions.

The amount of pension benefits for the year which contributes to the single total figure is calculated using a similar method to that used to derive pension values for tax purposes and is based on information received from NHS BSA Pensions Agency.

The value of pension benefits is calculated as follows:

(real increase in pension* x20) + (real increase in any lump sum) – (contributions made by member)

*excluding increases due to inflation or any increase of decrease due to a transfer of pension rights

This is not an amount which has been paid to an individual by the Health Board during the year, it is a calculation which uses information from the pension benefit table. These figures can be influenced by many factors e.g. changes in a persons salary, whether or not they choose to make additional contributions to the pension scheme from their pay and other valuation factors affecting the pension scheme as a whole.

It should be noted that the table above and below only includes Directors in post at the point that the NHS Pensions Agency provided the relevant information on pensions for staff, this being February 2021. As a result no pension disclosures are made in respect of the following directors who retired during the year:

R Bevan, Board Secretary 30th November 2020

Membership of the Remunerations and Terms of Service Committee (RATS)

The Remuneration and Terms of Service Committee advises the Board on remuneration and terms and conditions matters. The membership of this Committee is published as part of the Annual Governance Statement (AGS), outlined in Attachment One below.

The remuneration policy of the Health Board for the current and future financial years is set by Welsh Government and guidance and requirements are provided to the Health Board. The remuneration levels of senior decision makers within the Health Board are determined in line with national pay scales and Welsh Government approved proposed salary levels for very senior staff, who are not covered by the Agenda for Change pay scales.

All senior managers within the Health Board are subject to annual appraisal and the Health Board's Personal Appraisal Development Review (PADR) process. This process sets objectives for staff throughout the year and assesses individual achievement against these objectives.

In relation to contracts and tenure of Board Members, the Chair, Vice-Chair and Independent Members can be appointed up to 4 year terms, which can be extended to a maximum of eight years in any one NHS organisation. Executive Members of the Board are appointed to permanent contracts in line with Welsh Government contractual guidance and requirements and as a result are required to provide three months' notice of termination of employment.

Remuneration Relationship

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce.

The banded remuneration of the highest-paid director in the LHB for the financial year 2020-21 was £205k - £210k (2019-20, £200k - £205k).

This was 6.8 times (2019-20, 6.7 times) the median remuneration of the workforce, which was £30,615 (2019-20, £30,038).

In 2020-21, 3 (2019-20, 14) employees received remuneration in excess of the highest-paid director.

Remuneration for all staff ranged from £18k to £228k (2018-19, £18k to £301k).

There was a 1.9% increase in the median remuneration of the workforce due to the pay awards, incremental pay progressions and workforce composition fluctuations.

Total remuneration includes salary and non-consolidated performance-related pay. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions or benefits-in-kind which due to their value are not material.

Staff Report

Staff Numbers (shown as contracted whole time equivalents): average number of employees 2020-21

9.2 Average number of employees 2020-21							
	Permanent Staff	Staff on Inward Secondment	Agency Staff	Specialist Trainee (SLE)	Collaborative Bank Staff	Other	Total
	Number	Number	Number	Number	Number	Number	Number
Administrative, clerical and board members	2,352	22	16	0	0	0	**2,390**
Medical and dental	1,010	8	60	89	0	12	**1,179**
Nursing, midwifery registered	3,601	1	223	0	0	0	**3,825**
Professional, Scientific, and technical staff	451	1	4	0	0	0	**456**
Additional Clinical Services	2,566	0	16	0	0	0	**2,582**
Allied Health Professions	764	0	10	0	0	0	**774**
Healthcare Scientists	226	5	6	0	0	0	**237**
Estates and Ancilliary	1,001	0	216	0	0	0	**1,217**
Students	1	0	0	0	0	0	**1**
Total	**11,972**	**37**	**551**	**89**	**0**	**12**	**12,661**

Staff Composition

The table above provides the breakdown of staff numbers per discipline and professional group within the Health Board.

The gender breakdown for all staff groups is provided below:

	Female	**Male**	**Total**
WTE	9,726.88	2,549.12	12,276
%	79.23%	20.77%	

The total number of staff per discipline differs from the staff numbers table shown above due to the gender figures being based on a point in time as at 31st March 2021. The
staff numbers figures represents the average over a 52 week period of staff in post.

Sickness Absence

As a result of the COVID-19 pandemic overall staff absence for 2020/21 has reached unprecendented levels. The national measures to manage the pandemic have directly impacted on our absence levels including requirements to self-isolate and to follow Welsh Government advice in relation to shielding to ensure the safety of our workforce and patients. The Health Board has monitired absence in various categories as set out in this section.

The Health Board's sickness absence rate for 2020/2021 is 5.85%, a reduction for sickness related absence from 6.15% in 2019/2020 decreased from 6.15% in 2019/2020. At the start of the year, April's sickness levels peaked at 8.41%, reducing to a low of 5.58% in August, 2020. The latter part of the year saw another spike in absence of 7.52% in December, reducing on a month by month basis for the remainder of the year to 5.13% in March 2021. These figures include sickness absence as a result of COVID-19 symptoms or a confirmed infection which ranged from 1.87% in April 2020 to 0.35% in March 2021.

The COVID-19 pandemic has certainly impacted on the Health Board's overall absence rates, and it has been evidenced that as the community transition rates reduce or increase, this will be replicated in our sickness absence rates. Overall sickness absence for 2020/21 has been higher than 2017/18 at 5.23% and 2018/19 at 5.29% which were closer to the Health Board absence target rate of 5%.

Over the past 5 years, the average working days lost per individual has increased slightly year on year. In 2019/2020 the average sickness days lost was 15.2 per individual employee, which increased to 16 days in 2020/21. The table below provides the sickness absence trend data for the Health Board over the last six years.

Sickness Absence	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Days lost (Short term < 28 days)	61,261	53,097	60,406	54,759	68,229	60,411
Days lost (Long term >28 days)	144,562	147,711	153,345	162,684	194,289	188,778
Total days lost	205,823	200,808	213,751	217,443	262,518	249,189
Total staff years	902	880	937	954	1156	1093
Average working days lost	14.7	14.2	15.2	15.2	15.2	16.0
Total staff employed in period (headcount)	14,020	14,155	14,012	14,334	14,835	15,528
Total staff employed with no absence (headcount)	4,919	5,803	4,848	5,016	5,402	5,997
Percentage staff with no sick	40%	41%	37%	35%	36%	39%

Medical Exclusion

Medical exclusion is a term used to record those staff who have had to self-isolate for a number of reasons, for example a household member having COVID-19 symptoms, being contacted through Track, Trace and Protect, or being classified as extremely clinically vulnerable and therefore having to shield for two separate periods of time as a result of Welsh Government advice.

The table below highlights how the pandemic impacted on attendance overall, with a further 94,038 days lost due to staff having to be medically excluded:

Medical Exclusion	2019/20	2020/21
Days lost (Short term < 28 days)	6,779	36,331
Days lost (Long term >28 days)	2,439	57,707

Total days lost	9,218	94,038
Total staff years	40	412
Average working days lost	0.6	6
Total staff employed in period (headcount)	14,835	15,528
Total staff employed with no absence (headcount)	13,351	10,093
Percentage staff with no medical exclusion	90%	65%
Percentage staff with no sick or medical exclusion	36%	33%

Medical exclusion adds a further 6 days on average per individual employee to overall absence. Taking the overall average absence days lost per employee from 15.2 days in 2019/20 to 22 days in 2020/21, resulting in a total of 343,227 total working days lost due to sickness absence and/or medical exclusion.

Actions to reduce absence and support employee wellbeing

Improving well-being and attendance at work remains a high priority, and whilst we have had to adapt our ways of working to support staff and reduced training on managing attendance at work, a number of new initiatives have taken place. These include:

- Workforce and Organisation Development took a direct role in supporting staff on long term absence, by maintaining communication and contact with staff. This in turn allowed managers to concentrate on the operational challenges to services brought on by the pandemic, whilst ensuring staff had access to continuity of support.
- Coaching managers via virtual platforms to support absence management and well-being.
- Providing written guidance for managers on recording and reporting absences that were impacted by COVID-19 including detailed Frequently Asked Questions to support both staff and managers.

- Occupational Health developed an on-line referral form which sped up the referral process and reduced the time to receive advice. This change is one that has had positve feedback and will continue.
- The early development of a risk assessment tool for staff who had underlying conditions or were pregnant to inform appropriate protection within the workplace. This was subsequently shared on an all Wales basis and further developed by an expert group into the current all Wales Workforce COVID-19 Risk Assessment Tool.
- The Health Board led the way for staff testing with the early development of a staff testing hub led by the Workforce team. This hub coordinated the testing and provided staff with well-being, health and isolation advice.
- Rapid development of a hub and spoke model for employee well-being through temporarily increasing psychology support through redeployment; this included the provision of a mix of individual staff support, drop in sessions and specific group sesions around particular topics, for example, sleep and dealing with traumatic experiences. This offer of support was well received from staff and demand increased significantly after the first and second surges of the pandemic.
- Peer support phone line – the Peer Support phone line, staffed by volunteers (all employees of ABUHB) was established early in the first wave of the pandemic to offer support to staff.
- A series of well-being surveys for all staff have been run quarterly over the last year to establish how staff are feeling and enable a focus of appropriate well-being support to both divisions and staff groups.
- A new well-being website was developed and launched that is accessible for staff on all platforms, including android and IOS devices and tablets, to enable staff to access evidence based support materials at any time.
- Key clinical staff who required accommodation during the first wave of the Pandemic were actively identified and provided with accommodation in order to allow them to continue to work and protect vulnerable family members.
- A review of all cases where stress/anxiety/depressions was cited as the main reason for long term absence. This resulted in staff being signposted to relevant support including those internal and external to the Health Board, such as Employee Well-being/Occupational Health and other self-help activities, such as, Silver Cloud.

- Introducing Project Wingman at St Cadoc's Hospital, Caerleon which was an initiative led by the Mental Health and Learning Disabilities Division. This involved a collaboration with airline staff who had been furloughed, made redundant or grounded, and who wanted to support NHS staff well-being. They were able to give staff who are in stressful situations a safe haven outside of their normal workplace, to chat and have a cup of coffee, and be signposted to additional support if required. This was positively received by those that attended.
- Supporting staff to be deployed on a temporary basis to areas that were classified as lower risk to maintain safety and well-being.
- Supporting staff to work more flexibly by providing equipment to support home and agile working options.
- Two Agile working surveys have been undertaken with staff. An Agile Working Framework that is interactive and provides guidance for staff and managers has been developed and published on the intranet.
- Reviewing, monitoring and supporting those staff that have had to be medically excluded on a weekly basis. This enabled staff to have regular communication, access to accurate information, and to receive bespoke support, for example, discussions around alternative employment options.
- An ongoing commitment to working in partnership with staff side representatives to ensure employee voice is considered in absence management.

Staff Policies applied in the Year

The Health Board has a policy framework in place, which covers all policies, procedures and guidance that apply to the Health Board, our staff and those who work in partnership with the organisation or are contracted to work for the Health Board. This includes policies relevant to the protected characteristics of age, disability, gender reassignment, race, religion or belief, sex, and sexual orientation to ensure that the Health Board is fair, open and equal to all members of staff and to those who apply to work for the organisation. These policies include open and accessible training programmes, which promote equality of opportunity and raise awareness of the needs of all staff, but particularly those with protected characteristics. Policies are developed in partnership with our staff and trades unions colleagues. The Health Board has a policy database, which is actively managed and guided by the Health Board's Policy on Policies and Procedures.

Expenditure on Consultancy

Expenditure on Consultancy 2020-21
Note 3.3 from the main Accounts

Consultant	Details	£000
A2HLive LTD	COVID testing project and operational management support	3
AKESO	HSC contract review	50
Autism Spectrum Connections Cymru	Workplace Assessment	1
Avison Young (UK) LTD	Planning & valuation appraisal report re Maindiff Court site	12
Careful AI	Machine Learning /AI governance	4
Castor Business Consulting LTD	Market testing Chepstow PFI contract	12
Channel 3 Consulting LTD	WCCIS	-10
Creative Incubation LTD	Intermediate care facility workforce planning and options appraisal	2
Deloitte LLP	Employment Tax	12
Ernst & Young LLP	VAT Compliance	27
Finegreen Associates	Estates survey	14
GP Fire & security	Security infrastructure review	4
KPMG	VAT Compliance	-3
Mandatory Workplace Training LTD	TEC/Telehealth Programme	10
NHS Business Services Authority	ESR Interface - Absence inbound & Rostering Healthroster	5
POD Point LTD	Electric Vehicle charge point feasibility study & Grange University Hospital Survey & proposal	2
Templar Executives LTD	G Cloud 12 development of tool kit	23
TOTAL		168

Off Payroll Engagements

Table 1: For all off-Payroll engagements as of 31 March 2021, for more than £245 per day

No. of existing Engagements as of 31 March 2021	5
Of which, the number that have existed:	
for less than one year at time of reporting	3
for between one and two years at time of reporting	
for between two and three years at time of reporting	
for between three and four years at time of reporting	1
for four or more years at time of reporting	1

Table 2: For all new off-Payroll engagements between 1 April 2020 and 31 March 2021, for more than £245 per day

	Number
Number of new engagements between 1 April 2020 and 31 March 2021	4
Of which…	
No. assessed as caught by IR35	
No. assessed as not caught by IR35	
No. engaged directly (via contracted to department) and are on the departmental payroll	
No. of engagements reassessed for consistency/assurance purposes during the year	
No. of engagements that saw a change to IR35 status following the consistency review	

Table 3: For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2020 and 31 March 2021

Number of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year.	**0**
Number of individuals that have been deemed "board members, and/or, senior officials with significant financial responsibility", during the financial year. This figure should include both off-payroll and on-payroll engagements.	10

Exit Packages

Reporting of other compensation schemes - exit packages										
		2020-21		2020-21		2020-21		2020-21		2019-20
Exit packages cost band (including any special payment element)		Number of compulsory redundancies		Number of other departures		Total number of exit packages		Number of departures where special payments have been made		Total number of exit packages
less than £10,000		0		0		0		0		0
£10,000 to £25,000		0		0		0		0		0
£25,000 to £50,000		0		0		0		0		0
£50,000 to £100,000		0		0		0		0		0
£100,000 to £150,000		0		0		0		0		0
£150,000 to £200,000		0		0		0		0		0
more than £200,000		0		0		0		0		0
Total		0		0		0		0		0

		2020-21		2020-21		2020-21		2020-21		2019-20
Exit packages cost band (including any special payment element)		Cost of compulsory redundancies		Cost of other departures		Total cost of exit packages		Cost of special element included in exit packages		Total cost of exit packages
		£'s		£'s		£'s		£'s		£'s
less than £10,000		0		0		0		0		0
£10,000 to £25,000		0		0		0		0		0
£25,000 to £50,000		0		0		0		0		0
£50,000 to £100,000		0		0		0		0		0
£100,000 to £150,000		0		0		0		0		0
£150,000 to £200,000		0		0		0		0		0
more than £200,000		0		0		0		0		0
Total		0		0		0		0		0
Exit costs paid in year of departure						Total paid in year				Total paid in year
						2020-21				2019-20
						£'s				£'s
Exit costs paid in year						0				0
Total						0				0

Redundancy and other departure costs have been paid in accordance with the provisions of the NHS Voluntary Early Release Scheme (VERS). Where the LHB has agreed early retirements, the additional costs are met by the LHB and not by the NHS Pensions Scheme. Ill-health retirement costs are met by the NHS Pensions Scheme and are not included in the table.

The Health Board has not approved any VERS in 2020/21.

Additional requirement as per FReM

£0 exit costs were paid in 2020-21, the year of departure (£0 - 2019-20).

Parliamentary Accountability and Audit Report

Regularity of Expenditure

Expenditure incurred by the Health Board during 2020/21 was in line with the purposes intended by the National Assembly for Wales.

Fees and charges

The Health Board incurred costs amounting to £0.373m for the provision of the statutory audit by the Wales Audit Office.

Managing public money

This is the required Statement for Public Sector Information Holders as referenced in the Directors' Report. In line with other Welsh NHS bodies, the Health Board has adopted standing financial instructions which enforce the principles outlined in HM Treasury guidance 'Managing Public Money' which sets out the main principles for dealing with resources in the UK public sector. As a result the Health Board should have complied with the cost allocation and charging requirements of this guidance. The Health Board has not been made aware of any instances where this has not been done.

Remote Contingent Liabilities

This disclosure was introduced for the first time in 2015-16. It shows those contingent liabilities that are deemed to be extremely remote and have not been previously disclosed within the normal contingent liability note within the accounts. . It relates to 2 medical negligence cases in 2020/21 (3 medical negligence cases in 2019/20) and is reported in Note 21.2 to the main accounts.

Certificate and Report of the Auditor General for Wales to the Senedd

Report on the audit of the financial statements – To be provided by Audit Wale

Annex 1:

Head of Internal Audit Annual Report and Opinion

HIA Annual Report and Opinion 20-21 /

Attachment One

Health Board Attendance at Public Board Meetings and Committee Membership 2020/21:

Key:

- ● Audit Committee
- ◆ Quality and Patient Safety Committee
- ■ Information Governance Committee – stood down during adjusted governance
- ▲ Public Partnerships and Well Being Committee – stood down during adjusted governance
- ⬟ Charitable Funds Committee
- ❖ Remuneration and Terms of Service Committee
- ⊙ Finance and Performance Committee – stood down during adjusted governance
- ☸ Planning and Strategic Change Committee
- □ Litigation Group
- ⁂ Mental Health Act Monitoring Committee
- ♦ People and Culture Committee – stood down during adjusted governance

The members shown in grey boxes were those that left the organisation during 2020/21.

Table One

Name	Position	Board Committee Membership 2020/2021	Champion Roles	Attendance Record at Board 2020/21
Ann Lloyd CBE	Chair	☸ Chair ❖ Chair		7 out of 7 possible meetings attended

Name	Position	Board Committee Membership 2020/2021	Champion Roles	Attendance Record at Board 2020/21
		◻ Chair Attends all other Committees as an observer on a periodic basis during the year.		
Judith Paget CBE	Chief Executive	☸ ⬟ ❖ Lead Officer ◻ Attends all committees on a periodic basis		7 out of 7 possible meetings attended
Glyn Jones	Director of Finance and Performance/ Deputy Chief Executive	● Lead Officer ⊙ Lead Officer ☸ ⬟ Lead Officer		7 out of 7 possible meetings attended
Dr Paul Buss (until 30th April 2020)	Medical Director	◆ Lead Officer ☸ ◻		0 out of 0 possible meetings attended
Dr Sarah Aitken (30 March 2020 to 18 January 2021)	Interim Medical Director	◆ Lead Officer ☸ ◻		7 out of 7 possible meetings attended
Dr Sarah Aitken (from 18 January 2021)	Director of Public Health and Strategic Partnerships	▲ Lead Officer ☸		

Name	Position	Board Committee Membership 2020/2021	Champion Roles	Attendance Record at Board 2020/21
Dr James Calvert (from 4th January 2021)	Medical Director	◆ Lead Officer ☸ ◻		2 out of 2 possible meetings attended
Mererid Bowley (10 April 2020 to 18 January 2021)	Interim Director of Public Health and Strategic Partnerships	▲ Lead Officer ☸		4 out of 5 possible meetings attended
Rhiannon Jones	Director of Nursing	◆ Lead Officer ☸ ◻		6 out of 7 possible meetings attended
Nick Wood	Director of Primary, Community and Mental Health	☸ ⁂ Lead Officer		7 out of 7 meetings attended.
Geraint Evans	Director of Workforce and OD	☸ ● Lead Officer ❖ Lead Officer		7 out of 7 possible meetings attended
Philip Robson	Special Adviser to the Board	Attends the Board and a range of committee meetings on a regular basis. Mr Robson is also Chair of the Regional Partnership Board under the Social Services and Well Being Act arrangements in the Gwent area. ▲		7 out of 7 possible meetings attended in this role.
Emrys Elias	Vice Chair of the Board	● ◆ Chair	• Safeguarding Champion • Children and Young People Lead	7 out of 7 possible meetings attended

Name	Position	Board Committee Membership 2020/2021	Champion Roles	Attendance Record at Board 2020/21
		▲ Vice Chair ❁ ⁂ Chair ● ❖ Vice Chair □ Vice Chair	• Mental Health Lead/Champion	
Nicola Prygodzicz	Director of Planning, Digital and IT	■ Lead Officer ❁ Lead Officer		7 out of 7 possible meetings attended
Katija Dew	Independent Member (Third/Voluntary Sector)	■ Vice Chair ▲ Chair ⁂ ⬟ ❁	• Citizen Engagement Champion • Mental Health Lead/Champion • Newport Lead/Champion	7 out of 7 possible meetings attended
Louise Wright	Independent Member (Trade Union)	◆ ■ ⬟ ● ❖ ❁	• Equalities Champion/Lead • Welsh Language Champion/Lead • Staff Welfare Champion/Lead	5 out of 7 possible meetings attended
Shelley Bosson	Independent Member (Community)	● Chair ▲ ⊙	• Putting Things Right Champion/Lead • Out of Area Referrals Champion/Lead	7 out of 7 possible meetings attended

Name	Position	Board Committee Membership 2020/2021	Champion Roles	Attendance Record at Board 2020/21
		☸	• Caerphilly Champion/Lead • Structural Design Champion/Lead • Pharmaceutical Applications Champion/Lead	
Pippa Britton	Independent Member (Community)	◆ ▲ ☸ 💧 Chair	• Torfaen Champion/Lead	7 out of 7 possible meetings attended
Cllr Richard Clark	Independent Member (Local Authority)	⊙ Chair ☸	• Local Government Champion/Lead	6 out of 7 possible meetings attended
David Jones (Until 6th November 2020)	Independent Member (ICT)	● ■ Chair ☸ 💧		3 out of 4 possible meetings attended
Dave Street	Independent Member (Directors of Social Services)	▲ ☸		0 out of 7 possible meetings attended
Keith Sutcliffe	Associate Independent Member (Chair of Stakeholder Group)	▲ ⬟ ☸		7 of 7 possible meetings attended

Name	Position	Board Committee Membership 2020/2021	Champion Roles	Attendance Record at Board 2020/21
Richard Bevan (Until 30th November 2020)	Board Secretary	Attends a range of committee meetings on a regular basis. Lead Officer for the Stakeholder Reference Group and Healthcare Professionals Forum. ☸ ● Lead Officer		4 out of 4 possible meetings attended
Richard Howells (From 1st November 2020)	Interim Board Secretary	Attends a range of committee meetings on a regular basis. Lead Officer for the Stakeholder Reference Group and Healthcare Professionals Forum. ☸ ● Lead Officer		3 out of 3 possible meetings attended
Claire Birchall	Director of Operations	☸		7 out of 7 possible meetings attended
Peter Carr	Director of Therapies and Health Sciences	◆ Lead Officer □ ☸		6 out of 7 possible meetings attended
Chris Koehli	Special Advisor - Finance			6 out of 7 possible meetings attended
Louise Taylor * (Until November 2020)	Associate Independent Member (Chair of Health Professionals Forum)			0 out of 4 possible meetings attended*

Name	Position	Board Committee Membership 2020/2021	Champion Roles	Attendance Record at Board 2020/21
Paul Deneen	Independent Member (community)	◆ ▲ ☸	Communications and Engagement	7 out of 7 possible meetings attended
Prof. Helen Sweetland (from 1st January 2021)	Independent Member (University)	☸		2 out 2 possible meetings attended
Please note that Executive members of the Board are lead officers for some committees, but can be required to attend all committees.				

The Public Board in June 2020 to received the accounts was held on a quorum only basis and therefore is not included in this table

*Front line worker and apologies given during the pandemic

Attachment Two

Name	Position	Audit	Quality and Patient Safety	Planning and Strategic Change	Remuneration and Terms of Service	Mental Health Act Monitoring	Charitable Funds
Ann Lloyd CBE	Chair			4/4	2/2		
Judith Paget CBE	Chief Executive			4/4			2/2

Name	Position	Audit	Quality and Patient Safety	Planning and Strategic Change	Remuneration and Terms of Service	Mental Health Act Monitoring	Charitable Funds
Glyn Jones	Director of Finance and Performance/ Deputy Chief Executive			2/4			2/2
Dr Paul Buss	Medical Director			0/0			
Dr James Calvert (from 4th January 2021)	Medical Director			0/1			
Rhiannon Jones	Director of Nursing			2/4			
Nick Wood	Director of Primary, Community and Mental Health			4/4			
Geraint Evans	Director of Workforce and OD			4/4			
Dr Sarah Aitken	Interim Medical Director (until 18/1/21) Director of Public Health and Strategic Partnerships (from 18/1/21)			3/4			
Philip Robson	Special Adviser to the Board			3/4			
Emrys Elias	Vice Chair of the Board	7/8	5/5	3/4	2/2	1/1	
Nicola Prygodzicz	Director of Planning, Digital and IT			4/4			
Katija Dew	Independent Member (Third/Voluntary Sector)			3/4		1/1	2/2

Name	Position	Audit	Quality and Patient Safety	Planning and Strategic Change	Remuneration and Terms of Service	Mental Health Act Monitoring	Charitable Funds
Louise Wright	Independent Member (Trade Union)		5/5	4/4	2/2		2/2
Shelley Bosson	Independent Member (Community)	8/8		3/4	2/2		
Pippa Britton	Independent Member (Community)		5/5	3/4			
Cllr Richard Clark	Independent Member (Local Authority)	4/8		0/4		1/1	
David Jones (Until 6th November 2020)	Independent Member (ICT)	6/6		2/2			
Dave Street	Independent Member (Directors of Social Services)			0/4			
Keith Sutcliffe	Associate Independent Member (Chair of Stakeholder Group)			2/4			1/2
Richard Bevan (until 30th November 2020)	Board Secretary			3/3			
Richard Howells (from 1st November 2020)	Interim Board Secretary			1/1			
Claire Birchall	Director of Operations			1/4			

Name	Position	Audit	Quality and Patient Safety	Planning and Strategic Change	Remuneration and Terms of Service	Mental Health Act Monitoring	Charitable Funds
Peter Carr	Director of Therapies and Health Sciences			4/4			
Chris Koehli	Special Advisor - Finance	8/8		4/4			
Louise Taylor	Associate Independent Member (Chair of Health Professionals Forum)			0/4			
Paul Deneen	Independent Member (community)			4/4			
Proff. Helen Sweetland (from 1st January 2021)	Independent Member (University)			1/1			

Attachment Three: Welsh Health Circulars

Ministerial Direction/ Date of Compliance	Date/Year of Adoption	Action to demonstrate implementation/response
Ministerial direction regarding the NHS Pension Tax Proposal 2019 to 2020	December 2019	At the date of approval of the accounts for 2020/21, there was no evidence of take-up of the scheme by our clinical staff and no information was available to enable a reasonable assessment of future take up to be made. As no reliable estimate can therefore be made to support the creation of a provision at 31 March 2021, the existence of an unquantified contingent liability is instead disclosed in the accounts of the Health Board.
WHC/2020/006 Continuation of Immunisation Programmes during the COVID-19 Pandemic	3rd April 2020	Implemented. Immunisation Programmes have continued during the pandemic
WHC/2020/008 Re-use of end of life medicines in hospices and care homes during COVID-19	30th April 2020	Guidance to support the implementation of this WHC was developed by the Chief Pharmacists Group supported by the National Clinical Lead, Palliative & End of Life Care, Wales. This was issued to all care homes and GP practices and utilised as part of the pandemic response.
WHC/2020/009 The National Influenza Programme 2020-21	21st May 2020	Information issued to GP practices and manged via Flu Group
WHC/2020/011 Temporary Amendments to Model Standing Orders, Reservation and Delegation of Powers	9th July 2020	Standing Orders and Scheme of Delegation amended and approved by the Board
WHC/2020/012 Clinical Assessment of COVID-19 in the Community	4th August 2020	Assessment of COVID-19 impact undertaken September/October 2020. Specific impact within care home setting undertaken and action plan developed to address outstanding areas.

Ministerial Direction/ Date of Compliance	Date/Year of Adoption	Action to demonstrate implementation/response
WHC/2020/13 The National Influenza Immunisation Programme 2020-21	14th August 2020	Information issued to GP practices and manged via Flu Group
WHC/2020/14 Ear Wax Management Primary and Community Care Pathway	29th September 2020	Meeting arranged 30th April 2021
WHC/2020/15 Policy on Single Use laryngoscopes	22nd September 2020	Actioned, however requires ongoing monitoring. Single use laryngoscopes handles and blades are in use. Re: the use of video laryngoscopes, the blades are single use as the design of the blades does not allow for appropriate decontamination. Sheaths are used over the video screen.
WHC/2020/016 Procedure for the Performance Management, Removal or Suspension of NHS Non-Officer Board Members	10th December 2020	Arrangements are in place for review of Non-Officer performance
WHC/2020/018 Support for GP Premises Liabilities	1st October 2020	Health Board understands the requirements of WHC and will consider such applications in accordance with the guidance. LPS review undertaken in 2019 and is being refreshed. No sustainability applications received.
WHC/2020/019 Health and Wellbeing Support for NHS Health Boards and Trusts Workforce	30th October 2020	Health and Wellbeing support has been improved across the Health Board.
WHC/2020/022 NHS Wales Annual Planning Framework	14th December 2020	Annual Plan prepared, approved by the Board and submitted to Welsh Government
WHC/2020/023 EU Exit: Continuity of Medicine Supply	22nd December 2020	Actions are mainly at UK level rather than devolved responsibilities. The key action for Health Boards was to reiterate to

Ministerial Direction/ Date of Compliance	Date/Year of Adoption	Action to demonstrate implementation/response
at the end of the Transition Period		prescribers and patients of the importance of not to stockpile medication together with maintaining prescription durations. This advice was reiterated in order to manage repeat prescription. Work has continued to monitor prescription shortages through the work of the national shortages group and providing local advice where appropriate.
WHC/2020/024 Clinical Assessment of COVID-19 in the Community	22nd December 2020	Assessment undertaken and taken through Senior Leadership Meeting for endorsement March 2021.
WHC/2020/025 Health Board Allocations 2021 to 2022	5th January 2021	Actioned.
WHC/2021/001 Suspected Cancer Pathway (SCP) Guidelines	14th January 2021	The Health Board has fully implemented the new SCP guidelines. Operational processes are continuing to be refined to effectively manage patients in line with the new guidelines and reporting processes have been completely revised to ensure accuracy of reporting.
WHC/2021/002 Health Board and Trust Champions: Assessment of Roles	19th January 2021	Health Board Champions identified.
WHC/2021/003 Senedd Elections 2021:Letter to NHS Health Boards and Trusts	11th March 2021	Information issued
WHC/2021/004 The National Influenza Immunisation Programme 2020-21	19th February 2021	Information issued to GP practices and manged via Flu Group
WHC/2021/006 Elections to Senedd Cymru May 2021: Guidance for NHS Wales	10th March 2021	Information issued
WHC/2021/007 The Healthy Child Wales Programme: 6	11th March 2021	GPs have been reminded of the importance of timely surveillance examination in infants in accordance with the national programme. The Primary Care Division has

Ministerial Direction/ Date of Compliance	Date/Year of Adoption	Action to demonstrate implementation/response
week post-natal GP physical examination of babies		initiated a process with GPs and the Child Health team to ensure reconciliation of completed examinations with the numbers expected to be completed.
WHC/2021/09 School Entry Hearing Screening Pathway	25th March 2021	The organisation is in a strong position to implement as the new National Pathway is based on the ABUHB current pathway.

Archwilio Cymru
Audit Wales

Audit of Accounts Report – Aneurin Bevan University Health Board

Audit year: 2020-21

Date issued: June 2021

Document reference: 2437A2021-22

Purpose of this document

This document is a draft supplied in confidence solely for the purpose of verifying the accuracy and completeness of the information contained in it and to obtain views on the conclusions reached.

Handling prior to publication

This document and the copyright comprised therein is and remains the property of the Auditor General for Wales. It contains information which has been obtained by the Auditor General and the Wales Audit Office under statutory functions solely to discharge statutory functions and has been prepared as the basis for an official document that may be issued or published in due course. It may also contain information the unauthorised disclosure of which may be an offence under section 54 of the Public Audit (Wales) Act 2004. Except as expressly permitted by law, neither the document nor any of its content may be reproduced, stored in a retrieval system and/or transmitted in any form or by any means, or disclosed to any person other than the original recipient without the prior written permission of the Wales Audit Office. It must be safeguarded at all times to prevent publication or other improper use of its content. Unauthorised use or disclosure may result in legal proceedings. Any enquiries regarding disclosure or re-use of this document should be sent to the Wales Audit Office at infoofficer@audit.wales.

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

In the event of receiving a request for information to which this document may be relevant, attention is drawn to the Code of Practice issued under section 45 of the Freedom of Information Act 2000. The section 45 code sets out the practice in the handling of requests that is expected of public authorities, including consultation with relevant third parties. In relation to this document, the Auditor General for Wales and the Wales Audit Office are relevant third parties. Any enquiries regarding disclosure or re-use of this document should be sent to the Wales Audit Office at infoofficer@audit.wales.

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

DRAFT

Contents

We intend to issue an unqualified audit report on your Accounts. There are some issues to report to you prior to their approval.

Audit of Accounts Report

Introduction 4

Impact of COVID-19 on this year's audit 4

Proposed audit opinion 6

Significant issues arising from the audit 6

Recommendations 7

Follow up of last year's significant issues arising from the audit 8

Appendices

Appendix 1 – Final Letter of Representation 9

Appendix 2 – Proposed audit report 12

Appendix 3 – Substantive report 17

Appendix 4 – Summary of corrections made 19

DRAFT

Audit of Accounts Report

Introduction

1 We summarise the main findings from our audit of your 2020-21 financial statements in this report.

2 We have already discussed these issues with Assistant Director of Finance (Financial Systems & Services) and his team.

3 Auditors can never give complete assurance that accounts are correctly stated. Instead, we work to a level of 'materiality'. This level of materiality is set to try to identify and correct misstatements that might otherwise cause a user of the accounts into being misled.

4 We set this level at £16.6 million for this year's audit.

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

- remuneration report/senior pay disclosure and exit packages;
- Related Parties; and
- the Ministerial Direction for clinicians' pay.

6 We have now substantially completed this year's audit and are in the final stages of review. However, some aspects of our work remain outstanding while we await responses to final Payroll queries.

7 We will provide an update to the Audit Committee on 8 June 2020.

8 In our professional view, we have complied with the ethical standards that apply to our work; remain independent of yourselves; and, our objectivity has not been compromised in any way. There are no relationships between ourselves and yourselves that we believe could undermine our objectivity and independence.

Impact of COVID-19 on this year's audit

9 The COVID-19 pandemic has had a significant impact on all aspects of our society and continues to do so. You are required to prepare accounts and it is of considerable testament to the commitment of your accounts team that you have succeeded in doing so this year in the face of the challenges posed by this pandemic. We are extremely grateful to the professionalism of the team in supporting us to complete our audit in such difficult circumstances.

10 The pandemic has unsurprisingly affected our audit and we summarise in **Exhibit 1** the main impacts. Other than where we specifically make recommendations, the detail in **Exhibit 1** is provided for information purposes only to help you understand the impact of the COVID-19 pandemic on this year's audit process.

DRAFT

Exhibit 1 – impact of COVID-19 on this year's audit

Timetable	• We received the draft accounts on 30 April 2021, in line with the deadline set by Welsh Government. • Our deadline for completing our audit was extended by two weeks, to 11 June 2021. • We expect your audit report to be signed on 15 June 2021.
Electronic signatures	If still necessary at the time of approval and signing, we will accept electronic signatures and electronic transfer of files.
Audit evidence	As in previous years, we received the majority of audit evidence in electronic format. We have used various techniques to ensure its validity. Where we have been unable to obtain access to paper documents because of COVID-19 restrictions, we have devised alternative audit methodologies to obtain sufficient audit evidence. Specifically: • the Finance Team provided audit evidence to the audit team via a secure file sharing portal; • the Finance Team were available by video conferencing for discussions, and also for the sharing of on-screen information/evidence; • Audit Wales also secured remote read-only access to the Health Board's Oracle ledger which enabled the audit team to query the ledger and hence reduce the burden on the finance team to provide this information; and • for testing of existence and ownership of assets we have used a combination access to our land registry tool and photographic evidence.
Other	• Video conferencing has enabled the audit team to correspond effectively with the finance team throughout the audit. • Video conference-based Audit Committee meetings have enabled us to proficiently discharge our responsibility for reporting to those charged with governance.

11 We will continue to review what we have learned for our audit process from the COVID-19 pandemic and whether there are innovative practices that we might adopt in the future to enhance that process.

12 The overall quality of the accounts and supporting working papers was again good. Whilst we received the majority of the supporting documentation during the first week of the audit, there were some areas of the accounts where the receipt of

working papers was slightly delayed and some responses to audit queries took longer than expected.

Proposed audit opinion

13 Subject to the satisfactory completion of the remaining outstanding audit work referred to in paragraph 6, we intend to issue an unqualified audit opinion on this year's accounts once you have provided us with the final version of the Annual Governance Statement, the Accounting Officer's Statement of Responsibilities, the Statement of Director's Responsibilities with a Letter of Representation based on that set out in **Appendix 1**.

14 We issue a 'qualified' audit opinion where we have material concerns about some aspects of your accounts; otherwise we issue an unqualified opinion.

15 The audit report also includes an emphasis of matter, drawing the reader's attention to Note 21.1 of the accounts. This note describes the impact of a Ministerial Direction issued on 18 December 2019 to the Permanent Secretary of the Welsh Government. My opinion is not modified in respect of this matter. My audit report will also be supported by a substantive report regarding the implication of the Ministerial Direction on senior clinicians' pensions.

16 The Letter of Representation contains certain confirmations we are required to obtain from you under auditing standards along with confirmation of other specific information you have provided to us during our audit.

17 Our proposed audit report is set out in **Appendix 2** and a copy of my substantive report can be found in **Appendix 3**.

Significant issues arising from the audit

Uncorrected misstatements

18 There are no misstatements identified in the accounts, which remain uncorrected.

Corrected misstatements

19 There were initially misstatements in the accounts that have now been corrected by management. However, we believe that these should be drawn to your attention and they are set out with explanations in **Appendix 4**. Some of these misstatements were identified by management and these have been identified separately within **Appendix 4**.

20 There are also a number of minor misstatements that have been corrected by management. However, we do not consider that they need to be drawn to your attention as part of your responsibilities over the financial reporting process. As

DRAFT

well as a few additional disclosures, the financial corrections were minor and have not impacted on the reported surplus.

Other significant issues arising from the audit

21 In the course of the audit, we consider a number of matters relating to the accounts and report any significant issues arising to you. There was one issue arising in these areas this year as shown in **Exhibit 2**:

Exhibit 2 – significant issues arising from the audit

Significant issues arising from the audit	
Contingent liability and emphasis of matter paragraph in audit report	I have requested that the Health Board sets out in Note 21.1 - Contingent liabilities - additional narrative to disclose the potential liability resulting from the Ministerial Direction to the Welsh Government to fund pensions' tax liabilities above the pension savings annual allowance threshold. The Health Board has included the additional contingent liability. I have also drawn the reader's attention to this disclosure in an emphasis of matter paragraph in my audit report. My opinion is not modified in respect of this matter, but I will also be reporting to the Senedd regarding the implication of the Ministerial Direction on senior clinicians' pensions. A copy of my report can be found in **Appendix 3**.

Recommendations

22 We intend to discuss lessons learnt and recommendations arising from our audit of the financial statements at the joint post project learning session that we will hold jointly with the Finance Team. The agreed actions arising from this session will be presented to the Audit Committee scheduled for the Autumn 2021.

Follow up of last year's significant issues arising from the audit

23 In our Audit of the Accounts Report 2019-20, we identified two significant issues arising from the audit:

- Contingent liability and emphasis of matter paragraph in audit report – this issue remains for 2020-21 as referred to in **Exhibit 2** above.
- Delays in obtaining information required to audit the remuneration report – this year the Finance Team co-ordinated the preparation of the remuneration report and supporting working papers, which we received in a timely manner.

DRAFT

Appendix 1

Final Letter of Representation

Aneurin Bevan UHB Letterhead

Auditor General for Wales
Audit Wales
24 Cathedral Road
Cardiff
CF11 9LJ

Xx June 2021

Representations regarding the 2020-21 financial statements

This letter is provided in connection with your audit of the financial statements (including that part of the Remuneration Report that is subject to audit) of Aneurin Bevan University Health Board for the year ended 31 March 2021 for the purpose of expressing an opinion on their truth and fairness, their proper preparation and the regularity of income and expenditure.

We confirm that to the best of our knowledge and belief, having made enquiries as we consider sufficient, we can make the following representations to you.

Management representations

Responsibilities

As Chief Executive and Accountable Officer I have fulfilled my responsibility for:

- Preparing the financial statements in accordance with legislative requirements and the Treasury's Financial Reporting Manual. In preparing the financial statements, I am required to:
  - observe the accounts directions issued by Welsh Ministers, including the relevant accounting and disclosure requirements and apply appropriate accounting policies on a consistent basis;
  - make judgements and estimates on a reasonable basis;
  - state whether applicable accounting standards have been followed and disclosed and explain any material departures from them; and
  - prepare them on a going concern basis on the presumption that the services of Aneurin Bevan University Health Board will continue in operation.
- Ensuring the regularity of any expenditure and other transactions incurred.

DRAFT

- The design, implementation and maintenance of internal control to prevent and detect error.

Information provided

We have provided you with:

- Full access to:
  - all information of which we are aware that is relevant to the preparation of the financial statements such as books of account and supporting documentation, minutes of meetings and other matters;
  - additional information that you have requested from us for the purpose of the audit; and
  - unrestricted access to staff from whom you determined it necessary to obtain audit evidence.
- The results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- Our knowledge of fraud or suspected fraud that we are aware of and that affects Aneurin Bevan University Health Board and involves:
  - management;
  - employees who have significant roles in internal control; or
  - others where the fraud could have a material effect on the financial statements.
- Our knowledge of any allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, regulators or others.
- Our knowledge of all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.
- The identity of all related parties and all the related party relationships and transactions of which we are aware.
- Our knowledge of all possible and actual instances of irregular transactions.

Financial statement representations

All transactions, assets and liabilities have been recorded in the accounting records and are reflected in the financial statements.

The methods, the data and the significant assumptions used in making accounting estimates, and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.

DRAFT

Related party relationships and transactions have been appropriately accounted for and disclosed.

All events occurring subsequent to the reporting date which require adjustment or disclosure have been adjusted for or disclosed.

All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to the auditor and accounted for and disclosed in accordance with the applicable financial reporting framework.

The financial statements are free of material misstatements, including omissions. The effects of uncorrected misstatements identified during the audit are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Representations by Aneurin Bevan University Health Board

We acknowledge that the representations made by management, above, have been discussed with us.

We acknowledge our responsibility for the preparation of true and fair financial statements in accordance with the applicable financial reporting framework. The financial statements were approved by Aneurin Bevan University Health Board on 9 June 2021.

We confirm that we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that it has been communicated to you. We confirm that, as far as we are aware, there is no relevant audit information of which you are unaware.

Signed by:	Signed by:
Chief Executive	Board Chair
Date:	Date:

DRAFT

Appendix 2

Proposed Audit Report

Certificate and independent auditor's report of the Auditor General for Wales to the Senedd

Opinion on financial statements

I certify that I have audited the financial statements of Aneurin Bevan University Health Board for the year ended 31 March 2021 under Section 61 of the Public Audit (Wales) Act 2004. These comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Cash Flow Statement and Statement of Changes in Taxpayers' Equity and related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards as interpreted and adapted by HM Treasury's Financial Reporting Manual.

In my opinion the financial statements:

- give a true and fair view of the state of affairs of Aneurin Bevan University Health Board as at 31 March 2021 and of its net operating costs for the year then ended;
- have been properly prepared in accordance with international accounting standards as interpreted and adapted by HM Treasury's Financial Reporting Manual; and
- have been properly prepared in accordance with the National Health Service (Wales) Act 2006 and directions made there under by Welsh Ministers.

Opinion on regularity

In my opinion, in all material respects, the expenditure and income in the financial statements have been applied to the purposes intended by the Senedd and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis of opinions

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the Board in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinions.

Emphasis of Matter

I draw attention to Note 21.1 of the financial statements, which describes the impact of a Ministerial Direction issued on 18 December 2019 to the Permanent Secretary of the Welsh Government. My opinion is not modified in respect of this matter.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the body's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. The Chief Executive is responsible for the other information contained within the annual report. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon. My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Report on other requirements

Opinion on other matters

In my opinion, the part of the remuneration report to be audited has been properly prepared in accordance with the National Health Service (Wales) Act 2006 and directions made there under by Welsh Ministers.

In my opinion, based on the work undertaken in the course of my audit:

DRAFT

- the information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and the Annual Governance Statement has been prepared in accordance with Welsh Ministers' guidance; and
- the information given in the Foreword for the financial year for which the financial statements are prepared is consistent with the financial statements and the has been prepared in accordance with Welsh Ministers' guidance.

Matters on which I report by exception

In the light of the knowledge and understanding of the Board and its environment obtained in the course of the audit, I have not identified material misstatements in the Foreword or the Annual Governance Statement.

I have nothing to report in respect of the following matters, which I report to you, if, in my opinion:

- adequate accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by my team;
- the financial statements and the audited part of the Remuneration Report are not in agreement with the accounting records and returns;
- information specified by HM Treasury or Welsh Ministers regarding remuneration and other transactions is not disclosed; or
- I have not received all the information and explanations I require for my audit.

Responsibilities

Responsibilities of Directors and the Chief Executive for the financial statements

As explained more fully in the Statements of Directors' and Chief Executive's Responsibilities, the Directors and the Chief Executive are responsible for the preparation of financial statements which give a true and fair view and for such internal control as the Directors and Chief Executive determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors and Chief Executive are responsible for assessing the board's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to

DRAFT

issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

My procedures included the following:

- Enquiring of management, the audited entity's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to Aneurin Bevan University Health Board's policies and procedures concerned with:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition, posting of unusual journals and review accounting estimates for biases.
- Obtaining an understanding of Aneurin Bevan University Health Board's framework of authority, as well as other legal and regulatory frameworks that the Aneurin Bevan University Health Board operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of Aneurin Bevan University Health Board.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management, the Audit Committee and legal advisors about actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance and the Board; and
- addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business;

DRAFT

I also communicated relevant identified laws and regulations and potential fraud risks to all audit team and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the Aneurin Bevan University Health Board controls, and the nature, timing and extent of the audit procedures performed.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Responsibilities for regularity

The Chief Executive is responsible for ensuring the regularity of financial transactions.

I am required to obtain sufficient evidence to give reasonable assurance that the expenditure and income have been applied to the purposes intended by the Senedd and the financial transactions conform to the authorities which govern them.

Report

Please see my Report on (pages x to y/the following pages).

Adrian Crompton
Auditor General for Wales
15 June 2021

24 Cathedral Road
Cardiff
CF11 9LJ

DRAFT

Appendix 3

Report of the Auditor General to the Senedd

Introduction

Under the Public Audit Wales Act 2004, I am responsible for auditing, certifying and reporting on Aneurin Bevan University Health Board's (the HB's) financial statements. I am reporting on these financial statements for the year ended 31 March 2021 to draw attention to one key matter for my audit. This is the implication of the Ministerial Direction on senior clinicians' pensions. I have not qualified my 'true and fair' opinion in respect of any of this matter.

Ministerial direction on senior clinicians' pensions

NHS Pension scheme and pension tax legislation is not devolved to Wales. HM Treasury's changes to the tax arrangements on pension contributions in recent years included the reduction in the Annual Allowance limit from over £200,000 in 2011-12 to £40,000 in 2018-19. As a result, in cases where an individual's pension contributions exceed certain annual and/or lifetime pension contribution allowance limits, then they are taxed at a higher rate on all their contributions, creating a sharp increase in tax liability.

In a Written Statement on 13 November 2019, the Minister for Health and Social Services had noted that NHS Wales bodies were: 'regularly reporting that senior clinical staff are unwilling to take on additional work and sessions due to the potentially punitive tax liability'. In certain circumstances this could lead to additional tax charges in excess of any additional income earned.

On 18 December 2019, the First Minister (mirroring earlier action by the Secretary of State for Health and Social Care for England) issued a Ministerial Direction to the Permanent Secretary to proceed with plans to commit to making payments to clinical staff to restore the value of their pension benefits packages. If NHS clinicians opted to use the 'Scheme Pays' facility to settle annual allowance tax charges arising from their 2019-20 NHS pension savings (ie settling the charge by way of reduced annual pension, rather than by making an immediate one-off payment), then their NHS employers would meet the impact of those tax charges on their pension when they retire.

The Ministerial Direction was required because this solution could be viewed by HMRC to constitute tax planning and potentially tax avoidance, hence making the expenditure irregular. Managing Welsh Public Money (which mirrors its English equivalent) specifically states that 'public sector organisations should not engage in…tax evasion, tax avoidance or tax planning'.

A Ministerial Direction does not make regular what would otherwise be irregular, but it does move the accountability for such decisions from the Accounting Officer to the Minister issuing the direction.

The solution applies only to annual allowance tax charges arising from an increase in the benefits accrued in the NHS Pension Scheme during the tax year ended 5 April 2020. For

DRAFT

the tax year ended 5 April 2021, the Chancellor increased the thresholds for the tapered annual allowance and, as a result, it is anticipated that the risk to the supply of clinical staff has been mitigated.

The HB currently has insufficient information to calculate and recognise an estimate of the potential costs of compensating senior clinical staff for pension benefits that they would otherwise have lost, by using the 'Scheme Pays' arrangement. As a result, no expenditure is recognised in the financial statements but as required the HB has disclosed a contingent liability in Note 21.1 of its financial statements.

All NHS bodies will be held harmless for the impact of the Ministerial Direction, however in my opinion any transactions included in the HB's financial statements to recognise this liability would be irregular and material by their nature. This is because the payments are contrary to paragraph 5.6.1 of Managing Public Money and constitute a form of tax planning which will leave the Exchequer as a whole worse off. The Minister's direction alone does not regularise the scheme. Furthermore, the arrangements are novel and contentious and potentially precedent setting.

I have not modified my regularity opinion in this respect this year because as set out above, no expenditure has been recognised in the year ended 31 March 2021. I have however placed an Emphasis of Matter paragraph in my audit report to highlight this issue, and have prepared this report to bring the arrangement to the attention of the Senedd.

Adrian Crompton
Auditor General for Wales
15 June 2021

DRAFT

Appendix 4

Summary of corrections made

During our audit we identified the following misstatements that have been corrected by management, but which we consider should be drawn to your attention due to their relevance to your responsibilities over the financial reporting process.

Exhibit 3: summary of corrections made

Value of correction	Nature of correction	Reason for correction
£31.792 million £nil impact on the overall financial position	**Note 18 – Trade and other payables** Reduce the 'Non-NHS payables – Revenue' line in Note 18, with a corresponding increase in the 'Non NHS Accruals' line in Note 18.	To correct the classification of the annual leave accrual and the year-end bonus payment within Note 18.
£25.189 million £nil impact on the overall financial position	**Note 9.1 – Employee costs** Reduce the 'Salaries and wages' line in Note 9.1, with a corresponding increase in the 'Employer contributions to NHS Pension Scheme' line in Note 9.1.	To correct classification of the notional 6.3% staff employer pension contributions within Note 9.1.
£8.922 million £nil impact on the overall financial position	**Note 30 – Related party Transactions** Increase Local Authority income by £8.922 million across five individual Local Authorities	To ensure all Local Authority income is correctly disclosed. These amendments were identified by the Health Board

Value of correction	Nature of correction	Reason for correction
£0.882 million £nil impact on the overall financial position	**Note 27 – Movements in working capital** Reduce the 'Adjustment for accrual movements in fixed assets – creditors' line in Note 27 and include the amount in a 'Adjustment for intangible assets – creditors' line.	To correct the classification error identified by the Health Board with regards to the movement on intangible asset accruals within Note 27.
Narrative only	**Note 21.1 – Contingent liabilities** Additional narrative in Note 21.1 to describe the potential impact of the Ministerial Decision to fund NHS Clinicians' pension tax liabilities.	Following on from Welsh Government and Audit Wales guidance, to include a contingent liability which could be material by nature.
Various amounts and narrative	**Remuneration Report** A number of amendments to the remuneration report including an adjustment to a prior year banding.	To ensure senior managers' and directors' remuneration is correctly disclosed.
Various amounts and narrative	**Other** A number of amendments to the disclosure Notes.	During the audit we identified a number of trivial amendments and errors in narrative which the Health Board has chosen to amend.

Audit Wales
24 Cathedral Road
Cardiff CF11 9LJ

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

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

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

Partneriaeth Cydwasanaethau
Shared Services Partnership

Bwrdd Iechyd Prifysgol Aneurin Bevan
University Health Board

Aneurin Bevan University Health Board

HEAD OF INTERNAL AUDIT OPINION & ANNUAL REPORT 2020/21

June 2021

NHS Wales Shared Services Partnership

Audit & Assurance Services

CONTENTS

Ref	Section	Page
1.	**EXECUTIVE SUMMARY**	**3**
1.1	Purpose of this Report	3
1.2	Head of Internal Audit Opinion	3
1.3	Delivery of the Audit Plan	3
1.4	Summary of Audit Assignments	4
2.	**HEAD OF INTERNAL AUDIT OPINION**	**6**
2.1	Roles and Responsibilities	6
2.2	Purpose of the Head of Internal Audit Opinion	7
2.3	Assurance Rating System for HIA Opinion	7
2.4	Head of Internal Audit Opinion	8
2.5	Required Work	15
2.6	Statement of Conformance	15
2.7	Completion of the Annual Governance Statement	16
3.	**OTHER WORK RELEVANT TO THE HEALTH BOARD**	**17**
4.	**DELIVERY OF THE INTERNAL AUDIT PLAN**	**20**
4.1	Performance against the Audit Plan	20
4.2	Service Performance Indicators	21
5.	**RISK-BASED AUDIT ASSIGNMENTS**	**22**
5.1	Overall summary of results	22
5.2	Substantial Assurance	23
5.3	Reasonable Assurance	24
5.4	Limited Assurance	26
5.5	No Assurance	26
5.6	Assurance Not Applicable	26
5.7	Deferred Audits	29
6.	**ACKNOWLEDGEMENT**	**30**

Appendix A Conformance with Internal Audit Standards
Appendix B Audit Results Grouped by Assurance Domain
Appendix C Performance Indicators
Appendix D Audit Assurance Ratings
Appendix E Responsibility Statement

Report status: Final
Draft report issued: May 2021
Final report issued: June 2021
Author: James Quance, Head of Internal Audit
Lead Executive: Richard Howells (Interim Board Secretary)
Audit Committee: June 2021

1. EXECUTIVE SUMMARY

1.1 Purpose of this Report

Aneurin Bevan University Health Board's ('the Health Board') Board is collectively accountable for maintaining a sound system of internal control that supports the achievement of the organisation's objectives and is also responsible for putting in place arrangements for gaining assurance about the effectiveness of that overall system. A key element in that flow of assurance is the overall assurance opinion from the Head of Internal Audit.

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

As a result of the continued impact of COVID-19, our audit programme has been subject to change during the year. In this report we have set out how the programme has changed and the impact of those changes on the Head of Internal Audit opinion.

1.2 Head of Internal Audit Opinion 2020/21

The purpose of the annual Head of Internal Audit opinion is to contribute to the assurances available to the Chief Executive as Accountable Officer and the Board which underpin the Board's own assessment of the effectiveness of the system of internal control. The approved Internal Audit plan is focused towards risk and therefore the Board will need to integrate these results with other sources of assurance when making a rounded assessment of control for the purposes of the Annual Governance Statement. The overall opinion for 2020/21 is that:

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

1.3 Delivery of the Audit Plan

Due to the considerable impact of COVID-19 on the Health Board, the internal audit plan has needed to be agile and responsive to ensure that key developing risks are covered. As a result of this approach, and with the support of officers and independent members across the Health Board, the plan has been delivered

substantially in accordance with the agreed schedule and changes required during the year, as approved by the Audit Committee. In addition, regular audit progress reports have been submitted to the Audit Committee. Although changes have been made to the plan during the year, we can confirm that we have undertaken sufficient audit work during the year to be able to give an overall opinion in line with the requirements of the Public Sector Internal Audit Standards.

The Internal Audit Plan for 2020/21 year was initially presented to the Audit Committee in April 2020. This Annual Report and Opinion is primarily based on the delivery of that annual plan, including the subsequent updates made to the plan that are report the Audit Committee at each meeting.

There are, as in previous years, audits undertaken at NWSSP, NWIS (now Digital Health and Care Wales), WHSSC and EASC that support the overall opinion for NHS Wales health bodies (see Section 3).

Our External Quality Assessment (EQA), conducted by the Chartered Institute of Internal Auditors, and our Quality Assurance and Improvement Programme (QAIP) have both confirmed that our internal audit work 'generally conforms' to the requirements of the Public Sector Internal Audit Standards for 2020/21. For this year, our QAIP has considered specifically the impact that COVID-19 has had on our audit approach and programmes. We are able to state that our service 'conforms to the IIA's professional standards and to PSIAS.'

1.4 Summary of Audit Assignments

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

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

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

Where we have given either Limited or No Assurance, management are aware of the specific issues identified and have agreed action plans to improve control in these areas. These planned control improvements should be referenced in the Annual Governance Statement where it is appropriate to do so.

In addition, and in part reflecting the impact of COVID-19, we also undertook a number of advisory and non-opinion reviews to support our overall opinion.

Figure 1 Summary of Audit Results

Substantial Assurance	Reasonable Assurance
• Health and Care Standards • WCCIS • Recruitment Checks • Partnership Financial Governance - Test, Trace and Protect • Mass Vaccination Programme • Grange University Hospital – Site Management Assurance • GUH Project Audit: Quality Assurance (Construction Management) • Grange University Hospital – Technical and Commissioning	• Safeguarding • Mental Health & Learning Disabilities Directorate Review • Clinical Futures – Workforce (Draft) • Clinical Futures – Transport • HSDU Project • High Voltage Electrical Systems Management • GUH: Financial Assurance • GUH: Equipment Procurement Assurance
Limited Assurance	**Advisory & Non-Opinion**
• Infection Prevention and Control	• Governance Arrangements during the Covid-19 Pandemic • Governance Arrangements during the Covid-19 Pandemic Quarter 4 • IM&T Control Risk Assessment • Follow-up of High Priority Recommendations • Covid 19: Reducing Nosocomial Transmission • Staff Experience • Brexit Preparations • Annual Quality Statement • Environmental Sustainability Report
No Assurance	
N/A	

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

2. HEAD OF INTERNAL AUDIT OPINION

2.1 Roles and Responsibilities

The Board is collectively accountable for maintaining a sound system of internal control that supports the achievement of the organisation's objectives and is responsible for putting in place arrangements for gaining assurance about the effectiveness of that overall system.

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

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

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

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

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

The Board, through the Audit Committee, will need to consider the Head of Internal Audit opinion together with assurances from other sources including reports issued by other review bodies, assurances given by management and other relevant information when forming a rounded picture on governance, risk management and control for completing its Governance Statement.

2.2 Purpose of the Head of Internal Audit Opinion

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

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

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

2.3 Assurance Rating System for the Head of Internal Audit Opinion

For 2020/21, the assurance rating framework for expressing the overall Head of Internal Audit annual opinion that was agreed in 2013/14 has been amended to formally remove the eight assurance 'domains based' approach to forming the opinion for Health Boards. The domains approach has been removed to ensure that work in 2020/21 reflected the significant change in the risk profile for NHS Wales' organisations due to the impact of COVID-19.

There are no changes to the approach to forming the opinion for Health Boards and other Health Bodies. The professional judgement of the Head of Internal Audit also remains key in determining the appropriate overall opinion. This change does not impact upon our assessment of our compliance with the requirements of PSIAS.

The assurance rating system based upon the colour-coded barometer and applied to individual audit reports remains unchanged. The descriptive narrative used in these definitions as clarified in 2013/14 has proven effective in giving an objective and consistent measure of assurance in the context of assessed risk and associated control in those areas examined.

This same assurance rating system is applied to the overall Head of Internal Audit opinion on governance, risk management and control as to individual assignment audit reviews. The assurance rating system together with definitions is included at **Appendix D**.

The individual conclusions arising from detailed audits undertaken during the year have been summarised by the assurance ratings received. The aggregation of audit results gives a better picture of assurance to the Board and also provides a rational basis for drawing an overall audit opinion. However, please note that for presentational purposes we have shown the results using the eight assurance domains that were used to frame the audit plan at its outset (see section 2.4.2

and Appendix B). We will consider whether changes need to be made to how we present our findings in this report for the 2021/22 Head of Internal Audit Opinion.

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

2.4 Head of Internal Audit Opinion

2.4.1 Scope of opinion

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

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

This opinion will need to be reflected within the Annual Governance Statement along with confirmation of action planned to address the issues raised. Particular focus should be placed on the agreed response to any Limited Assurance reports issued during the year and the significance of the recommendations made (of which there was one audit in 2020/21).

The audit work undertaken during 202/21 and reported to the Audit Committee has been aggregated at **Appendix B**.

2.4.2 Basis for Forming the Opinion

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

- An assessment of the range of individual opinions and outputs arising from risk-based audit assignments contained within the Internal Audit plan that have been reported to the Audit Committee throughout the year. In addition, and where appropriate, work at either draft report stage or in progress but substantially complete has also been considered, and where this is the case then it is identified in the report. This assessment has taken account of the relative materiality of these areas and the results of any follow-up audits in progressing control improvements (see section 2.4.3).

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

As stated above, these detailed results have been aggregated to build a picture of assurance across the Health Board.

In reaching this opinion we have identified that the majority of reviews during the year concluded positively with robust control arrangements operating in some areas. In particular, the assurance provided through the Integrated Audit and Assurance Plan for the Grange University Hospital was positive, with few areas of concern regarding the project which is significant in the context of the Covid-19 Pandemic and early opening of the hospital.

Taking together the results of audits, advisory reviews and follow-up work, the Clinical Governance, Quality and Safety area continues to be where the most improvement is required and where securing that improvement is the most challenging for management. This was the case prior to the Pandemic and will remain a critical area of focus for Internal Audit going forward.

From the reports issued during the year, eight were allocated Substantial Assurance, eight were allocated Reasonable Assurance and one was allocated Limited Assurance. No reports were allocated no assurance. In addition, nine Advisory & Non opinion reports were also issued.

In addition, the Head of Internal Audit has considered residual risk exposure across those assignments where limited or no assurance was reported. Further, the Head of Internal Audit has considered the impact where audit assignments planned this year did not proceed to full audits following preliminary planning work and these were either: removed from the plan; removed from the plan and replaced with another audit; or deferred until a future audit year. The reasons for changes to the audit plan were presented to the Audit Committee for consideration and approval. Notwithstanding that the opinion is restricted to those areas which were subject to audit review, the Head of Internal Audit has considered the impact of changes made to the plan when forming their overall opinion.

A summary of the findings in each of the domains as per the structure of the plan for 2020/21, is shown below, whilst noting the overall opinion for the Health Board is based on an overall aggregated position.

Corporate Governance, Risk Management and Regulatory Compliance

The advisory review of Governance during the Covid-19 Pandemic, covering elements of strategic and financial governance and risk management, presented an overall positive picture of arrangements. It highlighted that the temporary governance arrangements operated effectively during the first peak of the pandemic and, overall, complied with the guidance and the principles issued by Welsh Government.

A Quarter Four follow-up was also undertaken due to the ongoing operation of temporary governance arrangements throughout the year and continued to report positively, whilst noting that proposed new committee reporting arrangements are yet to be fully embedded.

The audit of the Health Board's reporting of Health & Care Standards received a Substantial Assurance opinion rating.

Our Follow-up of High Priority Recommendations review identified pleasing progress with the implementation of recommendations in respect of previously Limited Assurance reports in the area of Health and Safety Management.

A review of both the Annual Governance Statement and the Governance, Leadership and Accountability Standard highlighted that they were considered to be on the whole consistent with our knowledge of the Health Board through the audit work performed in the Internal Audit plan and a review of other organisational documents.

Strategic Planning, Performance Management & Reporting

We undertook two audits of Clinical Futures in support of the wider programme of assurance provided through the Integrated Audit and Assurance Plan for the Grange University Hospital. The audits of Workforce and Transport both received a Reasonable Assurance opinion rating.

The audit of the Mass Vaccination Programme also received a Substantial opinion rating.

Financial Governance and Management

The advisory review of Governance During the Covid-19 Pandemic and the Quarter Four follow up highlighted that financial governance was maintained during the period under review.

We also provided a Substantial Assurance opinion rating for the audit of Partnership Financial Governance: Test, Trace and Protect and the advisory review of Brexit Preparations did not identify any significant concerns.

The audits of the payment systems provided by NWSSP, which we audit each year, concluded with positive assurance. The four primary care contractor payment systems were each being given Substantial Assurance and the audits of Payroll and Accounts Payable received Reasonable Assurance opinion ratings.

Clinical Governance, Quality & Safety

The review of the Annual Quality Statement concluded that it was consistent with our knowledge of the Health Board and with Welsh Governance guidance.

The audit of Safeguarding received a Reasonable Assurance opinion rating.

The audit of Infection Prevention and Control received a Limited Assurance opinion rating because our sample testing identified an unacceptably high number of instances where the Health Board was unable to provide evidence of a negative Covid-19 test prior to discharge of patients to care homes in accordance with the guidance that was applicable at the time.

It should also be noted that the advisory review of Reducing Nosocomial Transmission, whilst not having an opinion rating, identified a number of recommendations to take into account in future such plans most notably in respect of how the Executive assures itself of implementation and compliance.

Our follow-up review identified that clinical governance, quality and safety areas continue to be those that the Health Board finds the most difficult to implement the recommendations from our reports, most notably in the areas of Job Planning, Clinical Audit, Medical Equipment & Devices and Pay Incentives.

Information Governance & IT Security

An IM&T Control Risk Assessment was undertaken, identifying areas of good practice as well as those areas that required strengthening.

We also undertook an audit of the Health Board's management of the Welsh Community Care Information System (WCCIS). We provided a Substantial Assurance opinion rating on the arrangements in place within the Health Board, whilst recognising the wider concerns with the system nationally which have been reported by Audit Wales.

Operational Service and Functional Management

The audits of the Mental Health and Learning Disabilities Division received a Reasonable Assurance opinion rating.

The Reducing Nosocomial Transmission advisory review referred to above also impacts upon this domain.

Workforce Management

We undertook an audit of Recruitment Checks due to the significantly increased volume of Health Board recruitment activity at the beginning of the Covid-19 Pandemic. We provided a Substantial Assurance opinion rating.

We also undertook an advisory review of Staff Experience in order to assist management with learning from the Pandemic.

Capital & Estates Management

The review of the Environmental Sustainability Report concluded that it was consistent with our knowledge of the Health Board and with Welsh Governance guidance.

Five positive reports were issued in respect of the Integrated Audit and Assurance Plan covering the Grange University Hospital Development. Quality Assurance, Site Management Assurance and Technical/Commissioning received Substantial Assurance opinion ratings. Financial Assurance and Equipment Procurement Assurance received a Reasonable Assurance opinion rating.

Further Capital & Estates audits of High Voltage Electrical Systems and the Hospital Sterilisation and Decontamination Unit (HSDU) received a Reasonable Assurance opinion rating.

It was also pleasing to see the progress made in the implementation of recommendations in the area of Fire Safety as part of the Follow-up of High Priority Recommendations. This is an area that had previously received Limited Assurance opinion ratings.

2.4.3 Approach to Follow Up of Recommendations

As part of our audit work we consider the progress made in implementing the actions agreed from our previous reports for which we were able to give only Limited or No Assurance. In addition, where appropriate, we also consider progress made on high priority findings in reports where we were still able to give Reasonable Assurance.

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

This year, due to the impact of COVID-19, we are aware that it has been more difficult than usual for NHS organisations to implement recommendations to the timescales they had originally agreed. In addition, we also recognise that for new recommendations it may be more difficult to be precise on when exactly actions can be implemented by. However, it remains the role of Audit Committees to

consider and agree the adequacy of management responses and the dates for implementation, and any subsequent request for revised dates, proposed by Management. Where appropriate, we have adjusted our approach to follow-up work to reflect these challenges.

Going forward, given that it is very likely that the number of outstanding recommendations will have grown during the course of the pandemic, Audit Committees will need to reflect on how best they will seek to address this position.

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

With this in mind, we undertook a complete review of all High Priority recommendations that were scheduled for implementation by January 2020 and reported them together to the April 2021 Audit Committee meeting. The table below shows our assessment of the implementation status of the 20 recommendations reviewed:

Number of recommendations fully implemented	5
Number of recommendations partially implemented	12
Number of recommendations not implemented	1
Number of recommendations superseded	2

Where relevant we have highlighted those areas of good progress and where there has been a lack of progress in the relevant domain section in 2.4.2 above.

The Head of Internal Audit has considered the impact of the status of the recommendations reviewed on the Head of Internal Audit Opinion, in particular, where progress in implementation has not been as expected.

2.4.4 Limitations to the Audit Opinion

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

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

Caution should be exercised when making comparisons with prior years. Audit coverage will vary from year to year based upon risk assessment and cyclical coverage on key control systems. In addition, the impact of COVID-19 on this year's (and to an extent last year's) programme makes any comparison even more difficult.

2.4.5 Period covered by the Opinion

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

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

The majority of audit reviews will relate to the systems and processes in operation during 2020/21 unless otherwise stated and reflect the condition of internal controls pertaining at the point of audit assessment.

The audit of Environmental Sustainability Reporting contained with the 2020/21 Internal Audit plan related to the Health Board's report produced in respect of the 2019/20 year.

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

There are some specific assurance reviews which remain relevant to the reporting of the organisation's Annual Report required to be published after the year end. Where required, any specified assurance work would be aligned with the timeline for production of the Health Board's Annual Report and accordingly will be completed and reported to management and the Audit Committee subsequent to

this Head of Internal Audit Opinion. However, the Head of Internal Audit's assessment of arrangements in these areas would be legitimately informed by drawing on the assurance work completed as part of this current year's plan.

2.5 Required Work

There are a number of pieces of work that Welsh Government has required previously that Internal Audit has reviewed each, where applicable. These pieces cover aspects of:

- Health & Care Standards, including the Governance, Leadership and Accountability standard;
- Annual Governance Statement;
- Annual Quality Statement;
- Environmental Sustainability Report; and
- Welsh Risk Pool.

Where appropriate, our work is reported in Section 5 – Risk based Audit Assignments and at **Appendix B**.

Please note that following discussions with Welsh Government we are not being mandated to audit these areas from 2021/22. Future work in these areas will be determined on the basis of risk or specific requests from the organisation.

2.6 Statement of Conformance

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

The provision of professional quality Internal Audit is a fundamental aim of our service delivery methodology and compliance with PSIAS is central to our audit approach. Quality is controlled by the Head of Internal Audit on an ongoing basis and monitored by the Director of Audit & Assurance. The work of internal audit is also subject to an annual assessment by Audit Wales. In addition, at least once every five years, we are required to have an External Quality Assessment. This was undertaken by the Chartered Institute of Internal Auditors (IIA) in February and March 2018. The IIA concluded that NWSSP's Audit & Assurance Services conforms with all 64 fundamental principles and 'it is therefore appropriate for NWSSP Audit & Assurance Services to say in reports and other literature that it conforms to the IIA's professional standards and to PSIAS.'

The NWSSP Audit and Assurance Services can assure the Audit Committee that it has conducted its audit at Health Board in conformance with the Public Sector Internal Audit Standards for 2020/21.

Our conformance statement for 2020/21 is based upon:

- the results of our internal Quality Assurance and Improvement Programme (QAIP) for 2020/21 which will be reported formally in the Summer of 2021; and
- the results of the work completed by Audit Wales.

We have set out, in **Appendix A,** the key requirements of the Public Sector Internal Audit Standards and our assessment of conformance against these requirements. The full results and actions from our QAIP will be included in the 2020/21 QAIP report. There are no significant matters arising that need to be reported in this document.

2.7 Completion of the Annual Governance Statement

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

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

3. OTHER WORK RELEVANT TO THE HEALTH BOARD

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

- NHS Wales Shared Services Partnership;
- NHS Wales Informatics Service;
- Welsh Health Specialised Services Committee; and
- Emergency Ambulance Services Committee.

Please note that, in response to COVID-19, we have altered our approach this year and undertaken additional testing on a number of the national NWSSP run systems and produced separate reports for each NHS Wales organisation where appropriate.

NHS Wales Shared Services Partnership (NWSSP)

As part of the internal audit programme at NHS Wales Shared Services Partnership (NWSSP), a hosted body of the Health Board, a number of audits were undertaken which are relevant to the Health Board. These audits of the financial systems operated by NWSSP, processing transactions on behalf of the Health Board, derived the following opinion ratings:

Audit	Opinion Rating	Comments
Accounts Payable (Draft)	Reasonable	A summary report will be produced for the Health Board
Payroll	Reasonable	A summary report will be produced for the Health Board
Primary Care Services – Medical (GMS), Pharmaceutical (GPS), Dental (GDS), and Ophthalmic (GOS) Services	Substantial	A summary report will be produced for the Health Board
Welsh Risk Pool	Substantial	-

New PCS payment system – data migration & project management	N/A	Advisory support work on the implementation of the new PCS payment system.
Financial Governance Arrangements During Covid-19 Pandemic	Not rated (advisory)	Positive report on financial governance arrangements during the pandemic

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

The reports on Accounts Payable, Payroll and Primary Care Payments are also included in the table at Appendix B (as they have been in previous years).

NHS Wales Informatics Service (NWIS)

As part of the internal audit programme at NHS Wales Informatics Service (NWIS), a hosted body of the Health Board, a number of audits were undertaken which are relevant to the Health Board. These audits derived the following opinion ratings:

Audit	Opinion Rating	Comments
IT Cyber Security	Substantial	-
GDPR Follow-Up	Substantial	-
Operational Resilience	Reasonable	-
Supplier Management Follow-Up	Reasonable	-

Please note that other audits of NWIS activities are undertaken as part of the overall NWIS internal audit programme. All reports are received by the Velindre University NHS Health Board Audit Committee. No formal Head of Internal Audit Opinion is currently given for the work at NWIS.

For 2020/21, NWIS will become a Special Health Authority under the name of Digital Health and Care Wales and will have a separate Audit Committee, Internal Audit plan and annual Head of Internal Audit Opinion.

Welsh Health Specialised Services Committee (WHSSC) and **Emergency Ambulance Services Committee (EASC)**

The work at both the Welsh Health Specialist Services Committee (WHSSC) and the Emergency Ambulance Services Committee (EASC) is undertaken as part of the Cwm Taf Morgannwg University Health Board internal audit plan. These audits are listed below and derived the following opinion ratings:

Audit	Opinion Rating	Comments
WHSSC - Women and Children Directorate	Substantial	-
WHSCC – Financial Systems	Substantial	-
EASC - Recruitment review	Reasonable	-

While these audits do not form part of the annual plan for Health Board, they are listed here for completeness as they do impact on the organisation's activities. The Head of Internal Audit has considered if any issues raised in the audits could impact on the content of our annual report and concluded that there are no matters of this nature.

Full details of the NWSSP audits are included in the NWSSP Head of Internal Audit Opinion and Annual Report and are summarised in the Velindre NHS Health Board Head of Internal Audit Opinion and Annual Report. NWIS audits are summarised in the Velindre University NHS Health Board Head of Internal Audit Opinion and Annual Report, and the WHSSC and EASC audits are summarised in the Cwm Taf Morgannwg University Health Board Head of Internal Audit Opinion and Annual Report.

4. DELIVERY OF THE INTERNAL AUDIT PLAN

4.1 Performance against the Audit Plan

The Internal Audit Plan has been delivered substantially in accordance with the schedule agreed with the Audit Committee, subject to changes agreed as the year progressed. Regular audit progress reports have been submitted to the Audit Committee during the year.

The audit plan approved by the Audit Committee in April 2020 contained 36 planned reviews (not including the Integrated Audit and Assurance Plan for the Grange University Hospital). A revised plan was produced in order to respond to the challenge presented by Covid-19 which was approved by the Audit Committee in July 2020. This plan contained 32 planned reviews.

The main difference between the two plans was a planned approach to audit and report on follow-up reviews at the same time, rather than undertake a number of separate follow up reviews, and to re-focus the plan to provide assurance and advice over governance arrangements during the pandemic.

Further changes have been made to the plan during the year, with a further refocussing of the plan in December 2020 to focus for the remainder of the year on the significant risks being faced by the Health Board and providing assurance through the Integrated Audit and Assurance Plan on the early opening of the Grange University Hospital.

Some reviews have been combined with others, for example risk management and financial governance being included in the larger review of Governance Arrangements during the Covid-19 Pandemic. All changes have been reported to, and approved by, the Audit Committee.

The result of this agile approach was to conclude on a plan to deliver 26 reviews focussed on the Grange University Hospital, Covid-19 Governance, comprehensive Follow-up and a greater emphasis on advisory and non-opinion reviews in order to support the Health Board to learn from the Pandemic, whilst also providing a programme of assurance over the more significant risks recorded in the Board's Corporate Risk Register.

The assignment status summary is reported at section 5 and **Appendix B**.

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

4.2 Service Performance Indicators

In order to be able to demonstrate the quality of the service delivered by Internal Audit, a range of service performance indicators supported by monitoring systems have been developed. The key performance indicators are summarised in Appendix C.

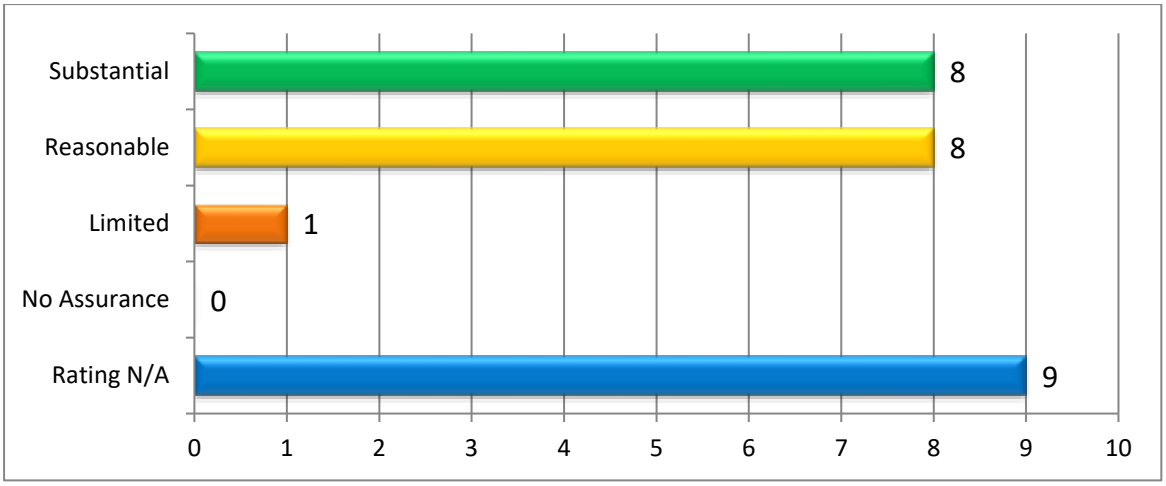
5. RISK-BASED AUDIT ASSIGNMENTS

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

5.1 Overall summary of results

In total 26 audit and advisory reviews were reported during the year. Figure 2 below presents the assurance ratings and the number of audits derived for each.

Figure 2 Summary of audit ratings



The assurance ratings and definitions used for reporting audit assignments are included in **Appendix D**.

In addition to the above, there were several audits which did not proceed following preliminary planning and agreement with management, as it was recognised that there was action required to address issues / risks already known to management and an audit review at that time would not add additional value. Such audits were replaced.

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

5.2 Substantial Assurance

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

Review Title	Objective
Health and Care Standards	The overall objective of this audit was to ensure that the planned process revisions continue to provide sufficient assurance over each Standard.
Mass Vaccination Programme	This review assessed the effectiveness of the Health Board's plan to manage the key risks associated with the roll out and implementation of the Mass Vaccination Programme.
Partnership Financial Governance – Test, Trace and Protect	The overall objectives of this review were to ensure testing results are processed within the Health Board promptly and to evaluate the controls in place over the financial consolidation process within the Trace and Protect service.
Welsh Community Care Information System (WCCIS)	This audit sought to provide reasonable assurance over the following areas: • ensure an appropriate risk management process is operating for the WCCIS project; • ensure that issues that may impact on the delivery of WCCIS functionality are appropriately managed; and • ensure that appropriate supplier management processes are in place to enable value for money.
Recruitment Checks	This audit assessed the adequacy and effectiveness of the internal controls in place for the management of recruitment checks and tested to see whether they were completed correctly and in a timely manner. The review considered the impact of the Covid-19 pandemic and changes to the key processes in place.

Review Title	Objective
Grange University Hospital – Site Management Assurance	The objective of this audit was to evaluate the systems and controls in place to appropriately manage the Covid-19 risks across the site.
GUH Project Audit: Quality Assurance (Construction Management)	The objective of this audit was to evaluate the systems and controls in place within the Health Board, with a view to delivering reasonable assurance to the Audit Committee that risks material to the objectives of the areas of coverage were appropriately managed. The scope and remit of the audit sought to assess the quality of information provided by the Supply Chain Partner (SCP) in respect of construction activities.
Grange University Hospital – Technical and Commissioning	The review was undertaken to determine the adequacy of, and operational compliance with, the systems and procedures of the Health Board, taking account of relevant Welsh Government, and other supporting regulatory and procedural requirements, as appropriate.

5.3 Reasonable Assurance

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

Review Title	Objective
Safeguarding	The Health Board and its contracted services are required to promote and protect the welfare and safety of children and adults at risk by conforming to legislation and guidance. This review considered the requirements of Standard 2.7 of the Health and Care Standards when determining if the Health Board has discharged its statutory requirements.

Review Title	Objective
Mental Health and Learning Disabilities Divisional Review	This review sought to provide the Health Board with assurance that operational procedures are compliant with key corporate policies and key risks associated with current transformation programmes are appropriately managed.
Clinical Futures – Workforce	The overall objective of this review was to evaluate the controls in place to ensure the appropriateness of the workforce plans across each hospital site. This audit considered the plans in the context of the Covid-19 pandemic.
Clinical Futures – Transport	The overall objective of this review was to evaluate and determine the adequacy of the systems and controls in place over the management of the Flow Centre transport pathway.
Hospital Sterilisation and Disinfection Unit (HSDU) Project	This review was undertaken to determine the adequacy of, and operational compliance with, the Health Board's systems and procedures, taking account of relevant NHS and other supporting regulatory and procedural requirements, as appropriate.
High Voltage Electrical Systems Management	The overall objective of this audit was to evaluate the systems and controls in place within the Health Board, with a view to delivering reasonable assurance to the Audit Committee that risks material to the objectives of the areas of coverage were appropriately managed.
Grange University Hospital – Financial Assurance	This review was undertaken to determine the adequacy of, and operational compliance with, the systems and procedures of the Health Board, taking account of relevant NHS and other supporting regulatory and procedural requirements, as appropriate.
Grange University Hospital – Equipment Procurement Assurance	The objective of this audit was to evaluate the systems and controls in place within the Health Board, with a view to delivering assurance to the Audit Committee that risks material to the objectives of the areas of coverage have been appropriately managed.

5.4 Limited Assurance

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

Review Title	Objective
Infection Prevention and Control	This audit reviewed the key controls in place, including the IPAC Team, to ensure that infection control risks are managed. We also remotely selected a sample of relevant patients throughout the process, to test the operation of the controls in place. The audit also considered the requirements of Standard 2.4 Infection Prevention and Control (IPC) and Decontamination within the Health and Care Standards (2015), where applicable.

5.5 No Assurance

There are no audited areas in which the Board has **no assurance** that arrangements to secure governance, risk management and internal control are suitably designed and applied effectively, or where action remains to be taken to address the whole control framework with high impact on residual risk exposure until resolved.

5.6 Assurance Not Applicable

The following reviews were undertaken as part of the audit plan and reported or closed by correspondence without the standard assurance rating indicator, owing to the nature of the audit approach.

Review Title	Objective
Governance Arrangements During the Covid 19 Pandemic	The advisory review assessed the adequacy and effectiveness of internal controls in operation during the Covid-19 outbreak, with particular regard to the Principles set out by the Welsh Government regarding maintaining financial governance.
Governance Arrangements During the Covid 19 Pandemic – Quarter 4	This advisory review assessed the progress of the action plan previously reported to the Audit Committee, to ensure that each action was completed as scheduled.
IM&T Control Risk Assessment	This review sought to provide a baseline picture of the organisation's status and provides suggestions for areas of improvement or future development.
Follow-up of High Priority Recommendations	The overall objective of this follow-up audit was to assess the implementation of high priority recommendations that were scheduled for completion by January 2020.
Covid 19: Reducing Nosocomial Transmission	The overarching objective of this review was to assess the effectiveness of the governance and accountability arrangements over implementation of the Health Board's Covid-19 Pathway Implementation Plan.
Brexit Preparations	This advisory review assessed the adequacy and effectiveness of the arrangements in place to prepare the organisation for the end of the transition period on 31 December 2020.
Staff Experience	The overall objective of this advisory review was to review staff wellbeing support and initiatives utilised by the Health Board during the pandemic, to determine if improvements can be made when compared to examples of best practice.
Annual Quality Statement (AQS)	The overall objective of this review was to ensure that the AQS is complete and consistent with information reported to the Board and other committees and meets the requirements of the Welsh Government.

Review Title	Objective
Environmental Sustainability Report	The overall objective of this review was to assess the adequacy of management arrangements for the production of the Sustainability Report.

5.7 Deferred Audits

Subsequent to the approval of the Internal Audit Plan in April 2020, the following audits were deferred as a result of refocussing of the plan to address the changing risk profile of the Health Board during the year (and as such some audits were combined and others added). The reason for deferment is outlined for each audit in the table below. Due to the agile planning approach and the continued adjustment of the plan during the year to respond to immediate and emerging risk, the deferral of these audits does not adversely impact on the Head of Internal Audit Opinion.

Review Title	Reason for Deferral
Gifts, Hospitality & Declarations of Interest	Lack of items to declare due to reduced activity because of Covid-19.
Mental Capacity Act	Deferred to the first quarter of 2021/22 due to operational pressures caused by Covid-19.
Building a Healthier Gwent (SCP1)	Deferred to focus on the immediate risks posed by Covid-19, for example Test, Trace and Protect and Mass Vaccination.
Clinical Negligence Costs	Deferred to 2021/22 due to reduced activity as a result of Covid-19.
Monitoring Action Plans from External Reports (including Ombudsman)	Deferred to 2021/22 due to operational pressures caused by Covid-19.
Controlled Drugs	Deferred to 2021/22 due to operational pressures caused by Covid-19.
Datix	Deferred to 2021/22 due to operational pressures caused by Covid-19.
111 Service	Deferred due to significant operational pressure caused by Covid-19.

Continuing Health Care	Deferred to 2021/22 due to operational pressures caused by Covid-19.
Pathology	Deferred to 2021/22 due to operational pressures caused by Covid-19.
Hospital Handovers	Deferred in part due to operational pressures caused by Covid-19 and covered in part in the review of Clinical Futures - Transport.

6. ACKNOWLEDGEMENT

In closing I would like to acknowledge the time and co-operation given by directors and staff of the Health Board to support the delivery of the Internal Audit assignments undertaken within the 2020/21 plan.

James Quance

Head of Internal Audit

Audit & Assurance Services

NHS Wales Shared Services Partnership

June 2021

ATTRIBUTE STANDARDS:	
1000 Purpose, authority and responsibility	Internal Audit arrangements are derived ultimately from the NHS organisation's Standing Orders and Financial Instructions. These arrangements are embodied in the Internal Audit Charter adopted by the Audit Committee on an annual basis.
1100 Independence and objectivity	Appropriate structures and reporting arrangements are in place. Internal Audit does not have any management responsibilities. Internal audit staff are required to declare any conflicts of interests. The Head of Internal Audit has direct access to the Chief Executive and Audit Committee chair.
1200 Proficiency and due professional care	Staff are aware of the Public Sector Internal Audit Standards and Code of Ethics. Appropriate staff are allocated to assignments based on knowledge and experience. Training and Development exist for all staff. The Head of Internal Audit is a professionally qualified.
1300 Quality assurance and improvement programme	Head of Internal Audit undertakes quality reviews of assignments and reports as set out in internal procedures. Internal quality monitoring against standards is performed by the Head of Internal Audit and Director of Audit & Assurance. Audit Wales complete an annual assessment. An EQA was undertaken in 2018.
PERFORMANCE STANDARDS:	
2000 Managing the internal audit activity	The Internal Audit activity is managed through the NHS Wales Shared Services Partnership. The audit service delivery plan forms part of the NWSSP integrated medium term plan. A risk-based strategic and annual operational plan is developed for the organisation. The operational plan gives detail of specific assignments and sets out overall resource requirement. The

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

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

AUDIT RESULTS GROUPED BY ASSURANCE DOMAIN

Assurance domain	Report Number		Not rated	No assurance	Limited assurance	Reasonable assurance	Substantial assurance
Corporate governance, risk and regulatory compliance	3		● Governance Arrangements During the Covid-19 Pandemic ● Governance Arrangements During the Covid-19 Pandemic – Quarter 4				● Health & Care Standards
Strategic planning, performance management and reporting	3					● *Clinical Futures - Workforce* ● Clinical Futures - Transport	● Mass Vaccination Programme
Financial governance and management *	5		● Brexit Preparations			■ *Accounts Payable* ■ Payroll	● Primary Care Payments ● Partnership Financial Governance – Test, Trace and Protect

Assurance domain	Report Number		Not rated	No assurance	Limited assurance	Reasonable assurance	Substantial assurance
Clinical governance quality and safety	3		Annual Quality Statement		Infection Prevention and Control	Safeguarding	
Information governance and security	2		IM&T Control Risk Assessment				WCCIS
Operational service and functional management	2		Covid 19: Reducing Nosocomial Transmission			Mental Health & LD Divisional Review	
Workforce management	2		Staff Experience				Recruitment checks
Capital and estates management	8		Environmental Sustainability Report			HSDU High Voltage Electrical Systems Management GUH: Financial Assurance GUH: Equipment	GUH: Quality Assurance GUH: Site Management GUH: Technical and Commissioning

Assurance domain	Report Number		Not rated	No assurance	Limited assurance	Reasonable assurance	Substantial assurance
Follow-up	1		● Follow-up of High Priority Recommendations				
	29		**9**	**-**	**1**	**10**	**9**

***** This domain includes the outcome of three financial system audits undertaken through the audit of NWSSP as they include transactions processed on behalf of the Health Board.

Key to symbols:

● Audit undertaken within the annual Internal Audit plan

Italics Reports not yet finalised but have been issued in draft

☐ Audits undertaken as part of the NWSSP Internal Audit Plan.

PERFORMANCE INDICATORS

Indicator Reported to NWSSP Audit Committee	Status	Actual	Target	Red	Amber	Green
Operational Audit Plan agreed for 2020/21	**G**	*April 2020 and June 2020*	*By 30 June*	*Not agreed*	*Draft plan*	*Final plan*
Total assignments reported against adjusted plan for 2020/21	***G***	*100%*	*100%*	*v>20%*	*10%<v<20%*	*v<10%*
Report turnaround: time from fieldwork completion to draft reporting [10 working days]	***G***	*100%*	*80%*	*v>20%*	*10%<v<20%*	*v<10%*
Report turnaround: time taken for management response to draft report [15 working days]	***G***	*80%*	*80%*	*v>20%*	*10%<v<20%*	*v<10%*
Report turnaround: time from management response to issue of final report [10 working days]	***G***	*100%*	*80%*	*v>20%*	*10%<v<20%*	*v<10%*

Key: v = percentage variance from target performance

2020/21 Audit Assurance Ratings

RATING	INDICATOR	DEFINITION
Substantial Assurance	- + Green	The Board can take **substantial assurance** that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. Few matters require attention and are compliance or advisory in nature with **low impact on residual risk** exposure.
Reasonable Assurance	- + Yellow	The Board can take **reasonable assurance** that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. Some matters require management attention in control design or compliance with **low to moderate impact on residual risk** exposure until resolved.
Limited Assurance	- + Amber	The Board can take **limited assurance** that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. More significant matters require management attention with **moderate impact on residual risk** exposure until resolved.
No Assurance	- + Red	The Board has **no assurance** that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. Action is required to address the whole control framework in this area with **high impact on residual risk** exposure until resolved.

Confidentiality

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

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

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

Audit

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

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

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

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

Responsibilities

Responsibilities of management and Internal Auditors:

It is management's responsibility to develop and maintain sound systems of risk management, internal control and governance and for the prevention and detection of irregularities and fraud.

Internal audit work should not be seen as a substitute for management's responsibilities for the design and operation of these systems.

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

Office details: Audit & Assurance Services
South Central Team
Cardiff

Contact details: james.quance@wales.nhs.uk

GIG CYMRU NHS WALES | Partnerieth Cydwasanaethau Shared Services Partnership

Audit Committee 8 June 2021

Reasonable and Substantial Assurance Internal Audit Reports and Advisory Reports

Mental Health and Learning Disabilities Divisional Review

Reasonable Assurance

Assurance Summary					
1	Transformation programme governance			✓	
2	Risk management			✓	
3	Programme plan and timeline			✓	
4	Engagement with partners and stakeholders				✓
5	Programme benefit realisation planning				✓

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

+

- Good programme management
- Good progress, despite the pandemic

-

- Project management documentation over individual projects
- Risk management documentation

GIG CYMRU NHS WALES | Partneriaeth Cydwasanaethau Shared Services Partnership

Health & Care Standards

Substantial Assurance

Assurance Summary					
1	Planned assurance review over each Standard				✓

+

- Sound methodology for providing assurance over the Standards
- Reporting mapped to key Standards, with actions plans underway

-

- None

Clinical Futures – Transport (Flow Centre)

Reasonable Assurance

Assurance Summary					
1	Operational management			✓	
2	Performance and partnership			✓	
3	Business continuity arrangements			✓	
4	Training and induction				✓
5	Complaints and incidents				✓

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

+

- Good general progress with implementing key controls
- Documented processes and continual improvement
- Processing high volumes of calls

-

- Performance monitoring and consistency
- Ensuring the overall benefits within Clinical Futures are being achieved i.e. reduced bed numbers

GIG CYMRU NHS WALES | Partneriaeth Cydwasanaethau Shared Services Partnership

Mass Vaccination Programme

Substantial Assurance

Assurance Summary					
1	Effective delivery plan				✓
2	Appropriate governance oversight				✓

+

- Very good progress on the mass vaccination programme
- Active engagement with the public
- Multiple vaccination sites
- Team actively monitoring appointments booked

-

- Query options for members of the public awaiting a vaccination

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

GIG CYMRU NHS WALES | Partneriaeth Cydwasanaethau Shared Services Partnership

Partnership Financial Governance – Trace and Protect

Substantial Assurance

- No issues were raised and we found good controls in place to ensure the management of the financial partnership arrangements between the Health Board and the local authorities.
- We also found regular reporting and financial management of the workforce requirements throughout the Trace and Protect service.

GIG CYMRU NHS WALES | Partneriaeth Cydwasanaethau Shared Services Partnership

Advisory Reviews

BREXIT Preparations

Advisory Review – No Assurance Rating Given

The review assessed the adequacy and effectiveness of the arrangements in place to prepare the organisation for the end of the Brexit transition period on 31 December 2020. The review focused on completed and planned actions in respect of the Welsh NHS Confederation guidance document EU Transition Preparedness Toolkit for the Welsh NHS.

+

- Business continuity arrangements in place
- EU Transition Group established and comprehensive governance structure
- Divisional risk assessments across key themes e.g. workforce, procurement and medicines

-

- None to raise

GIG CYMRU NHS WALES | Partneriaeth Cydwasanaethau Shared Services Partnership

Reducing Nosocomial Transmission

Advisory Review – No Assurance Rating Given

The overarching objective of this advisory review, completed during April 2021, was to assess the effectiveness of the governance and accountability arrangements over implementation of the Covid-19 Pathway Implementation Plan (CIP).

Areas for Development:

- Lack of audit trail over non-financial decisions
- Changes to the governance structure impacted on developing a formal CIP reporting process
- Action plans setting out clear timescales and milestones

GIG CYMRU NHS WALES | Partneriaeth Cydwasanaethau Shared Services Partnership

Staff Experience

Advisory Review – No Assurance Rating Given

We approached this advisory review by setting out the key objectives for:

- reviewing the Employee Wellbeing Support Service (the 'Wellbeing Service');
- determining what is in place and whether there are additional examples of best practice to incorporate; and
- suggestions of how reporting to the Board may be improved.

Positives

- Extensive wellbeing service in place and good resources available
- Good awareness throughout the Health Board of the wellbeing services available
- Continual staff engagement to seek improvement of the wellbeing services
- Staff induction incorporating wellbeing services
- Regular forum for sharing best practice across Wales
- Embedding of wellbeing culture throughout all levels of management within the Health Board
- Frequent and continual improvement of services available

Improvements

- Some wellbeing monitoring information is in place, but can be developed further
- Directing users to the most appropriate resources
- Staff review of wellbeing tools to help inform future use of wellbeing initiatives

GIG CYMRU NHS WALES | Partneriaeth Cydwasanaethau Shared Services Partnership

Covid-19 Q4 Update

Advisory Review – No Assurance Rating Given

This advisory review assessed the progress of the action plan previously reported to the Audit Committee, to ensure that each action was completed as scheduled.

In addition, we reviewed the temporary arrangements introduced at the beginning of the pandemic to ensure that these remain appropriate, including the governance framework (strategic and financial) and sub-committees of the Board that were temporarily paused.

We also included an updated review over the key financial governance matters.

Summary

- The Action Plan had a total of 18 responses to the advisory recommendations. Of these, six responses indicated that the Health Board were already addressing the issues. For the remaining 12 actions, 11 are now complete and one was in progress, but not overdue at the time of the review
- We raised one additional action to ensure outstanding actions from committees temporarily suspended were tracked and completed
- A new reporting structure was introduced during December 2020
- Key risks and items continued to be monitored at the committees
- Financial governance arrangements were extended until the end of March 2021

GIG CYMRU NHS WALES | Partneriaeth Cydwasanaethau Shared Services Partnership

Specialist Services Unit – IT Audits

GIG CYMRU NHS WALES | Partneriaeth Cydwasanaethau Shared Services Partnership

IM & T Risk Assessment

No Assurance Rating Given

This review examined the expected controls derived from the Control Objectives for Information and Related Technologies (COBIT) 2019 Framework. We reported against the subheadings of these control processes for governing organisational IT.

COBIT is an IT management framework developed by the Information Systems Audit and Control Association (ISACA) to help organisations develop, organise, and implement strategies around information management and governance.

+

The Health Board scored positively under:

- Information Governance;
- Managed Continuity;
- Managed Operations;
- Managed Budget;
- Managed Projects;
- Manged Risk;
- Ensured Risk Optimisation

-

Improvement is required under:

- Managed Strategy;
- Managed Security; and
- Compliance with External Requirements.

GIG CYMRU NHS WALES | Partneriaeth Cydwasanaethau Shared Services Partnership

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

Bwrdd Iechyd Prifysgol Aneurin Bevan
University Health Board

Governance Arrangements during Covid-19 Pandemic – Quarter 4

Advisory Review Final Report

2020/21

Aneurin Bevan University Health Board

Audit and Assurance Services

Contents

1. Governance Arrangements Update 3
2. Scope and Objectives 4
3. Executive Summary 4
4. Detailed Findings 5

Appendix One – Action plan update

Appendix Two – Revised Committee Structure and Scope Matrix

Review reference:	AB2021-11
Report status:	Final
Fieldwork commencement:	12th February 2021
Fieldwork completion:	19th April 2021
Draft report issued:	19th April 2021
Discussed with management:	30th March 2021
Final report issued:	12th May 2021
Auditors:	James Quance, Head of Internal Audit Stephen Chaney, Deputy Head of Internal Audit Chris Scott, Audit Manager
Executive sign off:	Glyn Jones, Director of Finance and Performance Richard Howells, Interim Board Secretary
Distribution:	Executive Board
Committee:	Audit Committee

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 advisory review report has been prepared for internal use only. Audit & Assurance Services reports are prepared, in accordance with the Service Strategy and Terms of Reference, approved by the Audit Committee. Advisory review 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 Aneurin Bevan University Health Board 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. Governance Arrangements Update

The NHS in Wales continues to face unprecedented and increasing pressure in planning and providing services to meet the needs of those who are affected by Covid-19. Alongside this is the need for organisations to balance continuing to provide and commission life-saving and life impacting essential services.

During March 2020 the Welsh Government provided details in a letter to the Board Secretaries Group, detailing the Governance Principles (the 'Principles') designed to help focus consideration of governance matters.

The Principles included:

- public interest and patient safety;
- staff wellbeing and deployment;
- governance and risk management;
- delegation and escalation;
- departures from existing policies and processes;
- one Wales (acting in the best interest of the whole of Wales); and
- communication and transparency.

Aneurin Bevan University Health Board (the 'Health Board') established a hierarchy of command to progress actions / decisions during the outbreak, which at the time included:

- Gold level (Strategic) – which encompassed the UK Government, Welsh Government, Local Resilience Forum members and the Covid-19 Strategic Group;
- Silver (Tactical) – which included, but not limited to risk and governance, workforce, clinical, finance and estates;
- Bronze (Operational) – these arrangements were based at different sites, localities and services, for example, RGH, NHH, mental health and learning disabilities.

Within each level of the temporary command structure, it was expected that the Principles were embedded.

On the 30th July 2020, we issued our report to the Health Board, 'Governance Arrangements during the Pandemic,' which included a series of recommendations to continue to manage the risks associated with the pandemic.

On 22nd October 2020, an action plan was presented to the Audit Committee setting out the work underway to implement each recommendation.

2. Scope and Objectives

This advisory review assessed the progress of the action plan previously reported to the Audit Committee, to ensure that each action was completed as scheduled.

In addition, we reviewed the temporary arrangements introduced at the beginning of the pandemic to ensure that these remain appropriate, including the governance framework (strategic and financial) and sub-committees of the Board that were temporarily paused.

We also included an updated review over the key financial governance matters.

3. Executive Summary

Progress with action plan

The recommendations raised in the original report were actioned by the Health Board and reported to the Board and Audit Committee during October 2020. The Health Board has continued to refine their response to the pandemic and all applicable actions have now been implemented.

Current status of temporary variations to the governance framework and workforce provisions

We re-examined the governance variations that had been implemented by the Health Board in 2020, in response to the developing pandemic, to establish their current status and found them to be appropriate. We also reviewed the transition plan for re-establishing the original governance arrangements.

We determined the following:

- Adjusted governance and scheme of delegation arrangements first approved in April 2020 were extended to the end of March 2021, to assist during the second surge.
- Command structure groups (Gold, Silver and Bronze) remained in operation until replaced by an alternative reporting structure (Executive Team) in December 2020.

- Financial delegation and reporting arrangements regarding Covid-19 expenditure and funding were extended to the end of March 2021 to assist with rapid approval during the second surge.
- Redeployment, recruitment and overtime provisions put in place in April 2020 in response to the pandemic have been amended, but remain in place in their updated form.

A revised governance structure was approved by the Board to commence from the 1st April 2021. The objective is to focus more on patient outcomes and financial accountability, whilst operating in a leaner manner.

4. Detailed Findings

This section sets out the detailed findings of the review, under the headings of Action plan delivery, Strategic Governance, Financial Governance and Workforce response.

Action plan delivery

Appendix one records the status of the actions of the management action plan in response to the original advisory review. In summary, the original plan of October 2020 recorded a total of 18 responses to the advisory recommendations. Of these, six responses indicated that the Health Board were already addressing the issues. For the remaining 12 actions, 11 are now complete and one is in progress, but not overdue.

On a further issue raised concerning the risk from malware/ phishing attack from staff using personal devices to access work systems, the Head of ICT confirmed that neither means currently available for connecting, were they to be used, would pose a security threat.

Strategic Governance - temporary variations to procedures and process

The original adjusted governance and scheme of delegation arrangements, initially amended and approved on 9th April 2020 and since extended to operate to 31st March 2021, are reproduced in the table below.

Standing Order para. Number	Heading / Sub Heading	Description of Change
Xxxii	Variation and amendment to Standing Orders	Changes to the standing orders will be agreed at Board first and communicated to Audit Committee (not the other way round)
2.1	Chair's action on urgent matters	In principle, the current Health Board's scheme of delegation and specifically the matters the Board reserves for its own decision (schedule 1 of the Standing Orders) will remain. In the event of a critical or urgent decision(s) needing to be made, the Health Board will use Chair's action.

		Due to isolation and shielding measures in place, actions / decisions will be completed virtually and an audit trail kept.
3.3	Committees of the Board	Amended arrangements for committees will be as outlined above, but will be reviewed monthly by the Chair, Chief Executive and the Board Secretary.
6.1	Community Health Councils	The Health Board will continue to consult with and inform the CHC of key planning and service changes, relocations and closure, This will be done virtually. The CHC's advice on any consultation will be obtained, but no major consultations are anticipated to be taken forward during this time. Also, the joint meetings planned for 2020 will be suspended and virtual meetings held where necessary.
7.1	Putting citizens first	Variation – The Board is unlikely to meet in person for the foreseeable future and so will meet through means of electronic/telephony/video. As a result of this, members of the public will be unable to attend or observe. To facilitate as much transparency and openness as possible, the Health Board will undertake to: • publish agendas as far in advance as possible – ideally 7 days; • publish reports as far in advance as possible – recognising that some may be tabled and therefore published after the event. We will also increase our use of verbal reporting which will be captured in the meeting minutes; • produce a written summary of the key components of the meeting to be made public within two business days and minutes within one week; • provision for written questions from non-attending Board Members to be taken at Board Meetings and responses provided immediately following meeting, as part of the post meeting report; • as well as an action log, a pending log will be kept of actions that will not be progressed during the crisis, but will be reviewed at a later date; • the Health Board will publish a clear link to their website pages and social media accounts signposting to further information; and • the Health Board will also amend the website and explain why the Board is not meeting in public.
7.2	Annual plan of board business	Suspended for the foreseeable future
7.2.5 – 7.2.7	Annual General Meeting	Welsh Government had confirmed that the AGM was required to be held by the end of November 2020.
7.4.3	Notifying and equipping Board members	The Health Board will seek to publish agenda seven days in advance. The Health Board will make greater use of verbal reporting, which will be captured in the meeting minutes.
7.5	Conducting Board meetings Admission of the public, the press and other observers	Variation – The Board is unlikely to meet in person for the foreseeable future and so will meet through electronic/telephony means. As a result of this, members of the public will be unable to attend or observe. Please see 7.1 above.
7.5.8	Chairing Board meetings	In the absence of the Chair and Vice Chair, the Health Board will agree a third Chair and the Chair of the

		Performance and Finance Committee as the 4th Chair. The Chair of Audit Committee will be kept separate to lead any evaluation or investigations following the Pandemic, if these are required.
7.5.11	Executive nominated deputies	The standing orders allow for a nominated deputy to represent an Executive Director, but not to have voting rights. In the event that no Executives are available, the Board would need to determine if the nominated deputies should have voting rights in order to make up a quorum. We propose to make recommendations on this if the need occurs.
9.0	Signing and Sealing Documents	It is recognised that legal documents will need to continue to be physically signed and sealed by affixing the common seal of the Health Board. These arrangements will remain unchanged at this time. All documents will be signed by the designated individuals i.e. Chair/Vice Chair/Third and Chief Executive/Deputy Chief Executive/Third. This will require any amendment to the Scheme of Delegation to add thirds. Due to current national arrangements, in the interim the Vice Chair has agreed to be available each week to seal required documents.

These changes originally approved to the end of June 2020 were agreed to be extended to 31st March 2021, with a review point in December 2020. The December review was then conducted on 25th November 2020 by the Chief Executive and Board Secretary when the extension to 31st March 2021 was confirmed and effected by a Chair's action.

We noted a new Executive Team reporting structure was agreed by the Executive Team on 16th December 2020 to manage the COVID and Winter response mechanism. This structure replaced the Gold command structure from 21st December 2020. We were further advised that after that date, site Bronze Groups continued to report to Executive Team as part of escalation procedures. We also saw evidence that the action log of the tactical command group had continued to be monitored after the group had stood down.

We determined that a revised governance structure had been approved by the Board to commence from the 1st April 2021. The objective of the revision is to focus more on patient outcomes and financial accountability, whilst operating in a leaner manner. Some of the key changes include:

- Audit, Finance and Risk Committee replacing the Audit Committee;
- performance will be within the remit of the Quality and Patient Safety Committee to drive forward patient related performance outcomes. The intention is to focus on the performance of

patient outcome measures, separate from financial matters; and

- the Strategy, Planning, Partnerships & Well-Being Committee will be a new committee consolidating the role of the Planning and Strategic Change Committee and the Public Partnerships and Wellbeing Committee. This committee will scrutinise collective outcome measures for services delivered with partner agencies.

During the second surge the Health Board was required to continue with the revised governance arrangements, to enable swift financial authorisation and approval of workforce requirements. However, the temporary governance arrangements reset to the revised permanent framework from the 1st April 2021 (see Appendix Two, Board Secretary's revised committee structure and scope matrix).

The Health Board has confirmed that this will be monitored during 2021/22. We emphasise the importance of ensuring the objectives for each committee are being met. This is particularly important where committees have been consolidated.

To ensure all applicable risks were being progressed we reviewed the agenda items and actions for all sub-committees of the Board still operating. We determined if key risks from other committees stood down were being addressed by the applicable committee still operating.

Whilst it is not possible to confirm that every item from paused committees were reported, we did confirm that key items were addressed through multiple routes, including, but not limited to the following examples:

- Mental Health and Learning Disabilities transformation work reported to the Board;
- workforce matters regularly managed via the Gold Command Structure and as an in-committee item at the Quality and Patient Safety Committee; and
- the WCCIS (Welsh Community Care Information System) programme risk reported into the Board.

For committee business stood down there were numerous examples of agenda items covering these within other committees during the pandemic.

However, whilst risks relating to the objectives of the Information Governance Committee were present in Board papers they were not extensive. This may be due to significant risks being resolved as they arose e.g. security warnings.

At the resumed Mental Health Act Monitoring Committee (March 2021), a paper provided details of how risks were managed in the absence of the committee during the pandemic. This was predominantly via a specific mental health and learning disabilities bronze working group, as part of the agreed command structure.

However, for information governance matters during the pandemic, there has not been an equivalent exercise presented to one of the replacement committees (e.g. Audit, Finance and Risk Committee or the Quality, Patient Safety and Performance Committee). Following the restarting of full committee business, we found:

- one agenda item relating to information governance responsibilities – subject access requests (Quality and Patient Safety Committee – now superseded -February 2021); and
- a Freedom of Information progress report to the Audit, Finance and Risk Committee (April 2021).

We reviewed the actions outstanding within the last Information Governance Committee (now superseded) and the Mental Health Act Monitoring Committee prior to the pandemic. We did not identify any evidence confirming these have been addressed during or since the pandemic surges. The Health Board should revisit each of these and ensure that all necessary actions have been addressed or reinstate them as outstanding. This has been included as a consideration for the future within Appendix One.

During the pandemic and where reviewed, we found the Health Board's collaboration with its partners to be enhanced and effective. The use of the Wales Outbreak Control Plan through the Incident Management Team (IMT) and implementing the necessary requirements of the Civil Contingencies Act plans through the Strategic Co-ordinating Group (SCG) provided a strong platform by which the Health Board responded to the changing environment.

Financial Governance – temporary variations to financial delegation and reporting arrangements

A paper setting out temporary financial delegation and reporting arrangements for spend decisions and securing Covid-19 funding in response was approved in April 2020. This gave spend limits to the Strategic and Silver command groups, exceptionally awarded specific spend limits and authorisation pathways to named consultants working on the early opening of the Grange University Hospital (GUH), and confirmed the operation of existing scheme of delegation for all other Covid-19 related expenditure. Originally approved for six months, this was extended at end of September 2020 for a further six months to 31st March 2021.

Workforce – temporary measures to assist in deployment and recruitment

Temporary measures originally implemented in April 2020 have been updated as the pandemic response has flexed to meet resource demands. These are described below:

Staff operating outside of role:

- Redeployment of staff reduced over the summer months in most areas, however, there was a renewed need to redeploy staff during the second surge, which escalated during December 2020.
- The redeployment principles were refreshed and a deployment plan agreed with Executive Team.
- The redeployment principles took into account support for staff being redeployed outside of their role, as well as a COVID risk assessment and vaccine.

Recruitment

- COVID recruitment checks have been subject to a separate audit during November 2020, which received a substantial assurance rating.
- COVID surge recruitment has now moved more into business as usual recruitment with progress in recruitment of registered nurses and healthcare support workers.
- Mass vaccination recruitment is the current focus and Workforce and OD has realigned much of their internal resources to support the recruitment and on-boarding for this programme.

Pay enhancements

- Bank pay incentives were in place until the end of March 2021 as per the usual winter requirements.
- Overtime payments for staff that are band 8a and above (agreed in the first surge in spring 2020 via an all Wales COVID response and endorsed by Strategic Gold) were reduced during the summer months where it became available by exception only and with an Executive Director approval. However, due to the second surge, broader entitlement was reintroduced on an all Wales basis and, along with enhanced overtime rates for Agenda for Change paid staff, was agreed by the Health Board on the 24th December 2020. This has been extended for roles involved within the mass vaccination centres, until May 22nd 2021.

Appendix One – Action plan update

Health Board Response Plan
Internal Audit Advisory Report on Governance Arrangements during the Covid-19 Pandemic

Advice	Lead	Response	Implementation timescale (where appropriate)	Audit assessment of Current status
Strategic Governance				
1. Release papers and minutes as soon as possible after Committee meetings	Board Secretary	1. The Health Board already has a standard for publication of papers and the finalisation in line with the provisions of Standing Orders. The instances highlighted in the report were processing misunderstandings during the height of the Pandemic and the standards have been re-emphasised and will be adhered to going forward.	Immediate	Health Board addressing – CLOSED
2. Develop a protocol pack for future events	Board Secretary	2. The development of a Protocol Pack will be developed to cover key areas such as meeting arrangements, etiquette and provision of information and communication.	End November 2020	Action delivered – CLOSED
	Head of Planning – Civil Contingencies,	There is guidance for setting up SCG as part of the LRF processes, principles in BCM plans and previous	End November 2020	Action delivered – CLOSED

Advice	Lead	Response	Implementation timescale (where appropriate)	Audit assessment of Current status
	Emergency Planning	guidance developed for a response to Industrial Action – based on these a protocol pack will be developed in anticipation for future events. Will also include JESIP principles for inter site/divisional working and the Joint Decision Making model as a tool for use.		
Scheme of Reservation and Delegation and Decision Making Arrangements 1. Guidance to determine when/to what extent the Board (and other committees) should be involved with decision making **2.** Ensure sufficient documentation/ information to justify decision	Board Secretary Director of Finance & Performance	1. Governance escalation arrangements will be added as a feature to the organisational COVID-19 Thermometer in line with the Health Board's agreed adjusted governance arrangements. 2. Revised financial/procurement proforma developed for use by Operational, Tactical and Strategic groups to inform decision making	October 2020 Proforma considered at Tactical and taken through Strategic Group on 6th October 2020.	Action delivered – CLOSED Action delivered - CLOSED
Risk Management 1. Refresh continuity plans throughout the Health Board.	Head of Emergency Planning	1. Surge planning for COVID going forward have been developed	Surge plans in place. BCM lead for finance to be invited	Action delivered – CLOSED

Advice	Lead	Response	Implementation timescale (where appropriate)	Audit assessment of Current status
	Board Secretary	and will be bought together by Tactical group for Strategic. There is a BCM Plan and structure in place for the Health Board. Finance need to update BCM plans – there is a HB BCM group – a representative from Finance can join this group to keep up to date with issues and work with other HB colleagues on BCM planning	to join the BCM group chaired by Emergency Planning Manager October 2020.	
2. Consider likelihood of other non-Covid risks increasing during the pandemic **3.** Ensure all risks are regularly reported to the Board and its committees		2. The Executive Team and the Strategic Co-ordinating Group has developed a bespoke COVID-19 Risk Register. This will be reviewed weekly by the Strategic Group and formally reviewed by an Executive Strategic Session once a month. The risks will then inform the overall Corporate Risk Register and also reporting to Committees and the Board.	October 2020.	Action delivered – CLOSED

Advice	Lead	Response	Implementation timescale (where appropriate)	Audit assessment of Current status
Financial Governance **1.** Preparation of final accounts and completion of statutory audit undertaken remotely	Director of Finance & Performance	Meeting held between Health Board and Audit Wales staff to review 2019/20 audit and production of statutory statements and accounts. Propose to operate remote working, where appropriate, in the future.	Review completed. Incorporate into normal year-end planning arrangements for 2020/21 accounts and statements.	Action IN PROGRESS not overdue
Financial Systems & Processes 1. Liaise with Welsh Risk Pool to establish insurance/ indemnity arrangements for operating additional sites	Director of Finance & Performance	Incorporate into financial decision making proforma requirement to consider Welsh Risk Pool/insurance indemnity arrangements – particularly relevant for new services and use of new locations.	Complete. Revised proforma agreed.	Action delivered - CLOSED

Advice	Lead	Response	Implementation timescale (where appropriate)	Audit assessment of Current status
Covid-19 expenditure (capital and revenue)				
1. Ensure a clear audit trail of decisions is retained.	Director of Finance & Performance	Financial decisions made at Tactical and Strategic groups reported to Audit Committee for retrospective review.	In place.	Action delivered – CLOSED
2. Implement a decision making framework to set out decisions authorised at each level and supporting documentation required	Director of Finance & Performance	Incorporate financial and procurement authorisation levels in financial decision making proforma.	Complete. Proforma agreed.	Action delivered - CLOSED
Workforce				
1. Consult and agree in advance pay rates that will apply during a pandemic period	Director of Workforce & OD	Enhanced pay rates for Registered Nurses and HCSWs were already agreed and in place from December 2020 for the winter period. These were extended to the 31st July to support the COVID response. Pay rates for medical staff and students were agreed on an all Wales basis. These arrangements would be applied in the same way in advance of a second peak in activity.	Complete.	Health Board already addressing so no action – CLOSED

Advice	Lead	Response	Implementation timescale (where appropriate)	Audit assessment of Current status
		Therefore there would be no requirement to consult in advance.		
Budget and Savings 1. Refocus efforts on savings plans, particularly where Welsh Government funding is not fully granted.	Director of Finance & Performance	Executive Team Strategic session held on "Making Best Use of Resources" (August 2020). Board Development session planned for 28th October 2020 to consider resources and savings. Month 6 forecast financial balance, based on recent funding allocation of £70.4m to deliver Q3/4 operation plan in 2020/21.	In place and ongoing.	Action delivered - CLOSED

Advice	Lead	Response	Implementation timescale (where appropriate)	Audit assessment of Current status
Partnership Arrangements				
1. Continue engagement with local authority partners to ensure arrangements are confirmed and in place, in preparation for future outbreaks.	Executive Team	1. The Health Board has maintained appropriate working relationships with local authority partners, both in terms of existing arrangements (e.g. PSBs and RPB) and collaborative planning and delivery of joint plans in response to the pandemic (e.g. TTP)	Ongoing	Health Board already addressing – CLOSED
2. Continually review capacity to ensure sufficient capacity available in the event of surge demand.	Executive Team	2. In line with Welsh Government guidance the Health Board has produced Q1 and Q2 operational plans which identify bed capacity plans, including surge capacity. The Health Board is currently producing a Q3/4 operational plan, which will cover the remainder of the 2020/21 financial year. These plans are also considered by the Board.	Q1 and Q2 complete. Q3/4 in progress	Action delivered – CLOSED

Advice	Lead	Response	Implementation timescale (where appropriate)	Audit assessment of Current status
Information Governance 1. The need to maintain privacy when working from home 2. Maintain secure access to laptops when using in public 3. Secure storage of physical copies of information held at home.	Director of Workforce & OD	1/2/3. There is home working and an advice for managers' document that supports workforce policies for this area. This includes an information governance section that contains detail on data protection, laptop and desktop security, physical records, good email practice and working with sensitive information from home. Documents available on the intranet.	Complete	1 to 3 Health Board already addressing – CLOSED
4. Risk to staff using devices at home of malware/ phishing attacks	Director of Planning, Digital & IT			4. The Head of ICT confirmed that there is no security risk with Health Board staff using their own equipment, as Office is web based and / or a remote session is created via Citrix**.** - CLOSED

Advice	Lead	Response	Implementation timescale (where appropriate)	Audit assessment of Current status
Committee Actions Actions outstanding from committees that were stood down at the start of the pandemic should be reviewed to determine if they require reinstatement or closure	Board Secretary	Agreed. The recommnedation will be completed in two parts. Firstly, the committee actions outstanding will be identified and secondly, the actions will be re-assigned (if applicable) to the appropriate committee.	Part one – end of June 2021 Part two – end of August 2021	N/A – new consideration for the future.

Appendix Two – Revised Committee Structure and Scope Matrix

Board Committee pre-adjusted governance ↓	Board Committee 2021/22 (revised structure)							
	Audit, Finance & Risk Committee	Quality, Patient Safety & Performance Committee	Strategy, Planning, Partnerships & Well-Being Committee	People & Culture Committee	Mental Health Act Monitoring Committee	Litigation Committee	Charitable Funds Committee	Remuneration & Terms of Service Committee
Audit Committee	✓ Strategic risk themes Risk approach monitor	Service delivery risks – through revised approach						
Finance & Performance Committee	✓ Financial performance	Service delivery performance						
Quality & Patient Safety Committee		✓						
Planning & Strategic Change Committee			✓ All Board development comm. (not assurance)					
Public Partnerships & Wellbeing Committee			✓ Incl Primary care					

People & Culture Committee				✓ (incl Workforce & OD)				
Mental Health & Learning Disabilities Committee		Service delivery performance	MH&LD strategy and service development		MHA compliance monitoring			
Litigation Committee						No change		
Charitable Funds Committee							No Change	
Remuneration & Terms of Service Committee								No Change
Information Governance Committee	Freedom of Information Act (FOI) compliance.	Data Protection Act / GDPR Subject Access Request (SAR) compliance, Access to Health Records Act compliance, patient information incidents, complaints.	ICT programmes and delivery					

Office details:

Mamhilad Office
Audit and Assurance Services
Cwmbran House (First Floor)
Mamhilad Park Estate
Pontypool, Gwent
NP4 0XS

Contact details:

James Quance, Head of Internal Audit – james.quance@wales.nhs.uk
Stephen Chaney, Deputy Head of Internal Audit – stephen.chaney@wales.nhs.uk
Chris Scott, Audit Manager – chris.scott@wales.nhs.uk

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

Bwrdd Iechyd Prifysgol Aneurin Bevan University Health Board

Mental Health & Learning Disabilities Divisional Review

Internal Audit Report
2020/21

Aneurin Bevan University Health Board

NHS Wales Shared Services Partnership

Audit and Assurance Services

CONTENTS

		Page
1.	Introduction and Background	4
2.	Scope and Objectives	4
3.	Associated Risks	5

OPINION AND KEY FINDINGS

4.	Overall Assurance Opinion	6
5.	Assurance Summary	7
6.	Summary of Audit Findings	7
7.	Summary of Recommendations	11

Appendix A	Management Action Plan
Appendix B	Assurance opinion and action plan risk rating
Appendix C	Responsibility Statement

Review reference:	ABU-2020-25
Report status:	Final
Fieldwork commencement:	19th April 2021
Fieldwork completion:	19th May 2021
Draft report issued:	21st May 2021
Management response received:	2nd June 2021
Final report issued:	2nd June 2021
Auditor/s:	James Quance, Head of Internal Audit Steve Chaney, Deputy Head of Internal Audit, Chris Scott, Internal Audit Manager
Executive sign off	Nick Wood, Executive Director of Primary Community and Mental Health
Distribution	Chris O'Connor, Divisional Director, Mental Health and LD Ian Thomas, General Manager, Mental Health and LD Sarah Parks-Johns, SISU Programme Manager Helen Dodoo, Sanctuary Provision Project Manager

Benna Waites, Shared Lives Project Manager

Committee Audit Committee

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

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

Please note:

This audit report has been prepared for internal use only. Audit & Assurance Services reports are prepared, in accordance with the Service Strategy and Terms of Reference, approved by the Audit Committee.

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

1. Introduction and Background

The Mental Health & Learning Disabilities (MHLD) Divisional Review was completed in line with the 2020/21 Internal Audit Plan.

The review sought to provide Aneurin Bevan University Health Board (the 'Health Board') with assurance that operational procedures are compliant with key corporate policies and key risks associated with current transformation programmes are appropriately managed.

The Health Board has developed a Clinical Futures Strategy to:

- deliver more care, closer to home;
- create a network of local services providing routine care and treatment; and
- centralise more specialist inpatient services.

Within the Mental Health and Learning Disabilities Services division (the 'Division') transformational changes have been completed across the Health Board, including the redesign of older adult services and learning disabilities residential services. The focus is now with the transformation of adult mental health services, including:

- improving community-based services, to support mental health and wellbeing;
- increasing the number of staff and services available to support primary care;
- transform the crisis pathway and services; and
- improving local support to individuals with complex needs.

The Health Board is working with key partners to achieve the above transformation, including the Community Health Council (CHC) and engagement with the public.

At the Board meeting on 26th May 2021, consultation papers over the transformation of adult mental health services were presented.

2. Scope and Objectives

The overall objective of the audit was to ensure that adequate and effective controls are in operation during the transformation of mental health and learning disability services throughout the Health Board. Any weaknesses have been brought to the attention of management and advice issued on how particular problems may be resolved and control improved to minimise future occurrence.

The review sought to provide assurance in respect of the following objectives:

- to determine if appropriate governance arrangements are in place to support the transformation of adult mental health services, including:
  - ongoing review and scrutiny of the process, with appropriate senior managers involved;
  - appropriate approval of expenditure and progression of the transformation process (e.g. the Planning and Strategic Change Committee);
  - ensuring objectives of the transformation of services are achievable and congruent with the overall strategic aims of the Health Board;
- to ensure a risk management process is embedded and regularly monitored / updated;
- to determine if a clear plan and timeline for the completion of the transformation is in place, including clear management of the deliverables;
- to ensure that appropriate and timely engagement is completed with partners and stakeholders of the Health Board (e.g. patients and CHC); and
- to ensure that the transformation benefits are identified and sufficiently monitored for achievement.

To test each of the objectives we selected a sample of projects within the transformation programmes.

3. Associated Risks

The potential risks considered in the review were as follows:

- the benefits of the transformation of services have not been clearly identified or achieved, resulting in increased costs and / or patient harm;
- the transformation of services is not aligned or consistent with the Health Board's strategic objectives;
- there is inappropriate / insufficient management of the transformation process, increasing the risk of delays and increased costs;
- inappropriate approval throughout the process;

- insufficient consideration of the risks or the management therein resulting in a failed transformation of services; and
- a lack of engagement with key partners and stakeholders, where the transformation of services fails to deliver the expected benefits.

OPINION AND KEY FINDINGS

4. Overall Assurance Opinion

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

The level of assurance given as to the effectiveness of the system of internal control in place to manage the risks associated with the Mental Health & Learning Disabilities Divisional Review is **Reasonable** Assurance.

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

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

5. Assurance Summary

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

Assurance Summary					
1	Transformation programme governance			✓	
2	Risk management			✓	
3	Programme plan and timeline			✓	
4	Engagement with partners and stakeholders				✓
5	Programme benefit realisation planning				✓

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

Design of Systems/Controls

The findings from the review have highlighted one issue classified as a weakness in the system/control design for the Mental Health and Learning Disabilities Divisional Review.

Operation of System/Controls

The findings from the review have highlighted three issues that are classified as weaknesses in the operation of the designed system/control for Mental Health and Learning Disabilities Divisional Review.

6. Summary of Audit Findings

The Health Board is contributing to the transformation of mental health services in Gwent to address weaknesses with current service delivery and deliver improvements to patient care. The Health Board's Mental Health and Learning Disabilities division (MHLD) current service priorities include two transformational programmes of work that should result in improvements

to the way systems within the Health Board support the needs of individuals. These include:

- the **Whole System Whole Person (WSWP) Crisis Support programme** is continuing the work progressed over the last two years to fundamentally transform the way in which crisis services are designed, centred around the needs of the individual; and
- the **Complex Needs programme** has been developed with the ambition that in the future no individual will need treatment outside of the Health Board, through the development of a broader range of locally based community and inpatient services and support.

Our review examined the work being undertaken by the Health Board's transformation programmes through an assessment of three key projects:

- Shared Lives: A collaborative project to provide 'Shared Lives' provision for individuals experiencing mental health crisis, initially within the Newport Borough, with consideration for further roll out, pending an evaluation of the pilot project (project budget £154k).
- Sanctuary Provision: To provide a place where a person experiencing an episode of emotional distress or a personal crisis can access self-help resources, peer support and professional help as a 'drop-in' provision (project budget £180k).
- Specialist In-Patient Service Unit (SISU) Programme, which centres on the building of a new facility and the bringing together of four existing services to achieve closer working and through that improve patient services (project budget £45m).

Findings are set out by audit objective below and where appropriate, repeated along with recommendations in the action plan in Appendix A that follows.

(i) Transformation programme governance

We assessed elements of programme governance by reviewing how the sample projects are operating in respect of oversight scrutiny, funding capture, progress monitoring and goal congruence. Whilst project governance of the aspects listed was found generally adequate, we did note that:

- formal documented project team meetings for the Shared Lives project had been suspended under Covid-19 measures during 2020 and had not yet been reinstated (although during the period of suspension we were advised that project business continued through e-mails and calls as necessary); and
- for the Sanctuary Provision project, project team meetings had only commenced in March 2021.

Consequently, we were unable to corroborate project progress or status reported to respective oversight boards through review of project team meeting agendas, papers, minutes or action logs. We have raised a recommendation within Appendix A.

(ii) Risk management

Risk management of the MHLD transformation programmes was assessed and we noted differences in how the model operated between the two transformation programmes.

The WSWP transformation programme maintains a programme level risk register where risks of the five projects of the programme are captured. The Shared Lives and Sanctuary Provision projects do not have risk registers of their own, but post their risks to the programme level register (although we noted that at present there are no risk entries in this register for the Sanctuary Provision project). The programme level register is reviewed by the transformation programme's oversight - Crisis Transformation Programme Board (CTPB) and we saw evidence of a review of this within the meeting minutes of the CTPB.

Under the Complex Needs programme, the SISU project maintains a project level risk register, although this was not fully populated. Overall, we saw evidence of risk management activity in our review of the documentation of the sample projects and the CTPB oversight board, but observed a low level of risk management documentation over project level risks. This has been raised as a recommendation within Appendix A.

(iii) Programme plan and timeline

We noted both the Shared Lives and Sanctuary Provision projects had achieved milestones to date and at the time of the audit were entering new phases for which plan documentation was being prepared. However, we also noted neither of the projects were at present operating with a task level plan. We have raised this as a recommendation within Appendix A.

The SISU project (Complex Needs transformation programme) operates a task level project plan, which is included in the regular highlight reports to the SISU project board, although we did note the plan records only the latest iteration of the timelines meaning that task slippage is not displayed. However, we have not raised a recommendation for this point.

(iv) Engagement with partners and stakeholders

Projects achieve engagement and communication with partners and stakeholders through their multi-agency joint meetings, steering groups or partnership boards.

In addition to reporting to the internal CTPB, the WSWP transformation programme reports to the multi-agency MHLD Strategic Partnership Board (MHLD SPB) which has a broad membership. This includes representatives

from the Health Board, local authorities, Gwent Police and the Community Health Council. The General Manager of the MHLD reports the transformation programme progress/ status to the MHLD SPB at intervals, recently in October 2020 and March 2021.

Additionally, a comprehensive Consultation and Engagement Programme on the 'Transformation of Adult Mental Health Services in Gwent' is in progress to share the proposals and capture the views of the public and workforce.

We did not identify any significant findings in this area.

(v) Programme benefit realisation planning

The successful delivery of benefits is a key foundation of project business cases and we note there is an expectation at Welsh Government that this will be given a high profile in proposals and considered when assessing cases for the awarding of funding.

We saw the projects examined had developed benefits documentation to varying degrees including:

- Shared Lives: project documentation indicates a moderate level of benefit identification and realisation planning. Project benefits are discussed and developed in the original Business Case and an example benefit realisation template is included in which evaluation work could later be recorded. The Shared Lives service has commenced and we noted some initial outcome metric analysis had taken place.
- Sanctuary Provision: benefits are referred to in the programme's funding bid in broad terms and the project delivery plan captures the parameters that will be measured to assess the improved outcomes for service users that are anticipated. The Welsh Government, who are providing the funding, require independent advisers to identify and develop a realisation model for the project benefits.
- Specialist In-Patient Service Unit (SISU) Programme: documentation of this project also indicates a moderate level of benefit identification and realisation planning. A benefits identification, realisation and measurement framework is set out in the Project Implementation Documentation and the main project benefits are recorded in the Strategic Outline Case documentation. We note that these are to be further developed in the Outline Business Case and that the project will engage external specialists to do so.

Whilst we saw evidence of benefit work as described, none of the projects in our sample have a clear populated benefit realisation plan. We have raised a recommendation within Appendix A that describes the key features that the plan should include.

7. Summary of Recommendations

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

A summary of these recommendations by priority is outlined below.

Priority	H	M	L	Total
Number of recommendations	**-**	**2**	**2**	**4**

Finding 1 Risk management documentation (Operation)	Risk
Risk management within the Whole System Whole Person (WSWP) programme is documented. However, we found that there is no documented risk register / other risk documentation at project level. Instead, the project's risks feature in the parent programme level risk register and are reviewed by the Crisis Transformation Programme Board (CTPB). Furthermore, we noted the following weaknesses in respect of the risk management of the two sample projects: **Shared Lives** • an absence of action owners and target dates for the delivery of actions, resulting in overdue actions not being determined. The project's two risk entries within the May 2021 CTPB risk register were unmodified since their inception in October 2020 - a period of more than six months. • the project highlight report template accommodates the reporting of top risks to the CTPB. However, these are not recorded in the project highlight reports to the CTPB that were reviewed. **Sanctuary Provision** • there are no risk entries of the project in the CTPB risk register and we were informed that project risks were not being recorded elsewhere.	Risks or threats to the projects are not managed sufficiently to prevent or mitigate adverse impacts The lack of risk management may result poor patient experience Increased financial costs

• the project highlight report template accommodates reporting of the top risks to the CTPB. However, as above, these were not recorded in the project highlight reports to the CTPB that were reviewed. The SISU project of the Complex Needs transformation programme maintains a project level risk register, but we noted the following weakness in respect of the risk management of this project: **SISU project** • The project's risk register template includes cells for the recording of mitigating actions, update comments, dates of entry and of next review. However, these are not populated for any of the risks entries in the register reviewed in the audit.	
Recommendation 1	**Priority level**
The Health Board should ensure: • within the Shared Lives project that action owners and target dates are recorded for risk management entries and the project highlights report is updated with the top risks to be reported to the CTPB; • that the Sanctuary Provision project risks are fully recorded and included within the project highlight reports to the CTPB; and • the project risk register template utilised for the SISU project should be fully completed.	**Medium**

Management Response 1	Responsible Officer/ Deadline
The Division accepts the three recommendations highlighted in the report and will ensure risk registers are maintained and kept up to date and highlight reports are completed to include top risks. Specific actions to be taken in relation to recommendations: • Shared Lives Risk register to be updated and top risks reported through highlight report to the Whole Person, Whole System (WPWS) Crisis Support Transformation Programme Board. • Sanctuary Risk Register to be developed and top risks reported through highlight report to the Whole Person, Whole System Crisis Support Transformation Programme Board. • SISU risk workshop to he held to update project risk register and mitigating actions. A review of both transformation programme governance structures is currently being undertaken as part of the wider Health Board development of a Programme Management Office. This will provide improved governance and assurance arrangements moving forward and will result in the establishment of a Mental Health and LD Programme Transformation Board to oversee all transformation programmes across the Division. In the interim, governance and reporting on risk management will be strengthened as noted above.	WPWS SRO, Chris O'Connor by 30 June 2021 WPWS SRO Chris O'Connor by 30 June 2021 Complex Needs Programme, SRO – Ian Thomas by 30 June 2021

Finding 2 Project timeline documentation (Operation)	Risk
We saw highlight reports detailing the achievement of project milestones during the period being reported, including deliverables for the next period and the general progress and status to the Crisis Transformation Programme Board (CTPB). However, we noted that neither the Shared Lives nor Sanctuary Provision projects operate with a task level project plan. Consequently, it was difficult to assess whether the projects were on, behind or ahead of schedule.	There is a risk that project slippage goes undetected/ unreported resulting in a delayed project and / or increased financial costs Patient experience is adversely affected due to project delays
Recommendation 2	**Priority level**
We recommend that the Shared Lives and Sanctuary Provision projects develop task level plans to cover future stages of their delivery.	**Medium**
Management Response 2	**Responsible Officer/ Deadline**
Agreed. Both project plans will be updated as part of the improved governance arrangements highlighted above.	31 July 2021. WPWS Programme Manager

Finding 3 Benefit realisation planning (Design)	Risk
We noted project benefit analysis had been carried out for the Specialist In-Patient Service Unit (SISU) and Shared Lives projects and that outcomes where improvements were anticipated had been identified for the Sanctuary Provision project. However, there is no benefit realisation plan setting out: • the collection of baseline data; • outcome targets or success measures; • the measurement and recording of the benefit metrics; • responsible managers; and • oversight of the results / benefit achievement e.g. a transformation programme board.	Increased risk of not achieving the project benefits Increased financial costs incurred to subsequently achieve benefits
Recommendation 3	**Priority level**
We recommend that the Health Board ensure that for each of the MHLD projects that benefit realisation planning is extended to cover: • the collection of baseline data; • targets or success measures with which to compare what is actually achieved; • the measurement and recording of the benefit metrics; • responsible managers; and • the oversight body of the benefits, to ensure these are achieved.	**Low**

Management Response 3	Responsible Officer/ Deadline
Agreed. We acknowledge that a robust benefits realisation plan needs to be developed and we are looking to commission external support to assist with this process for the SISU Programme. A tender is currently developing a tender to progress this element of the project. This is part of the OBC development and will be completed before submitted to the Board for approval. WPWS – to review benefits realisation plans for supporting projects	SISU - Strategic Capital and Estates Programme Director by end of September 2021. WPWS Programme Manager by the end of September 2021.

Finding 4 Project team meeting documentation (Operation)	Risk
We assessed elements of programme governance by reviewing how the sample projects are operating in respect of oversight scrutiny, funding capture, progress monitoring and goal congruence. Whilst project governance of the aspects listed was found generally adequate, we did note that: • project team meetings for the Shared Lives project had been suspended under Covid-19 measures during 2020 and had not yet been reinstated; and • the Sanctuary Provision project team, which began in December 2020, had only commenced project meetings in March 2021. Whilst we understand during these periods respective project business continued through e-mails and calls as necessary, the absence of documented project team meeting agendas, papers, minutes or action logs meant we were unable to corroborate project progress or status reported to the respective oversight boards.	Risk that activities key to the timely progress of the project are overlooked or not completed.
Recommendation 4	**Priority level**
We recommend that fully documented project team meetings should resume as a matter of priority and should include meeting agendas, papers, minutes and action logs.	**Low**

Management Response 4	Responsible Officer/ Deadline
Agreed. During the Covid pandemic all non-essential activity was stood down although progress was maintained on a number of key projects virtually. As an example the Shared Lives Extension business case was developed and progressed through divisional senior management team meetings and submitted and approved through the Health Board's Pre-Investment Panel and Executive Team. Similarly the Sanctuary Bid for transformation funding was successfully developed and approve through the Regional Partnership Board over this period. 'Business as usual' is now being re-established and a new Transformation Programme structure is being put in place, as previously outlined. In the interim all previous project support arrangements will be put into place	Divisional Director, Chris O'Connor. Immediate.

Audit Assurance Ratings

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

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

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

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

Prioritisation of Recommendations

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

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

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

Confidentiality

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

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

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

Audit

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

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

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

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

Responsibilities

Responsibilities of management and internal auditors:

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

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

Office details:

MAMHILAD Office
Audit and Assurance
Cwmbran House (First Floor)
Mamhilad Park Estate
Pontypool, Gwent
NP4 0XS

Contact details

James Quance (Head of Internal Audit) – 01495 300841
Steve Chaney (Deputy Head of Internal Audit) – 01495 300844
Chris Scott (Internal Audit Manager) – 01495 300842

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

Bwrdd Iechyd Prifysgol Aneurin Bevan University Health Board

Health & Care Standards

Final Internal Audit Report 2020/21

Aneurin Bevan University Health Board

NHS Wales Shared Services Partnership

Audit and Assurance Services

CONTENTS

	Page
1. Introduction and Background	4
2. Scope and Objectives	4
3. Associated Risks	5

OPINION AND KEY FINDINGS

4. Overall Assurance Opinion	5
5. Assurance Summary	6
6. Detailed Audit Findings	6

Appendix A	Assurance opinion and action plan risk rating
Appendix B	Responsibility Statement

Review reference:	AB2021-05
Report status:	Final
Fieldwork commencement:	7th May 2021
Fieldwork completion:	18th May 2021
Draft report issued:	21st May 2021
Management response received:	25th May 2021
Final report issued:	2nd June 2021
Auditor/s:	James Quance, Head of Internal Audit Steve Chaney, Deputy Head of Internal Audit, Ross Hughes, Senior Auditor
Executive sign off	Rhiannon Jones, Director of Nursing James Calvert, Medical Director Peter Carr, Director of Therapies and Health Science
Distribution	Alexandra Scott, Assistant Director, Patient Quality and Safety
Committee	Audit Committee

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

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

Please note:

This audit report has been prepared for internal use only. Audit & Assurance Services reports are prepared, in accordance with the Service Strategy and Terms of Reference, approved by the Audit Committee.

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

1. Introduction and Background

The review of Health and Care Standards was completed in line with the 2020/21 Internal Audit Plan. The review sought to provide the Health Board with assurance that planned internal changes to the Health and Care Standards (the 'Standards') governance framework is appropriate.

The Standards set out the Welsh Government's common framework of standards to support the NHS and partner organisations in providing effective, timely and quality services across all healthcare settings. They set out what the people of Wales can expect when they access health services and what part they themselves can play in promoting their own health and wellbeing. They set out the expectations for services and organisations, whether they provide or commission services for their local citizens.

The Health and Care Standards came into force from 1 April 2015 and incorporate a revision of the 'Doing Well, Doing Better: Standards for Health Services in Wales (2010)' and the 'Fundamentals of Care Standards (2003)'.

The Standards provide a consistent framework that enables health services to look across the range of their services in an integrated way to ensure that all that they do is of the highest quality and that they are doing the right thing, in the right way, in the right place at the right time and with the right staff.

Since the introduction of the Standards, the Health Board has provided assurance to the Quality and Patient Safety Operational Group via the Health and Care Standards Group (the 'Group'). This Group operates in addition to other assurance mechanisms already in place within the Health Board including sub-committees of the Board. Therefore, the Health Board is potentially receiving assurance over the Standards via multiple routes. To avoid duplication the Health Board has commenced a review over these routes, to confirm that assurance coverage over the Standards is complete, but also to minimise duplication. This is still at the planning stage, but the Health Board is expecting to make progress over the next 12 months.

2. Scope and Objectives

The internal audit assessed the planned exercise to identify the degree of assurance in place for each Standard. Weaknesses have been brought to the attention of management and advice issued on how particular problems may be resolved and control improved.

The overall objective of this audit was to ensure that the planned process revisions are suitably designed to provide sufficient assurance over each Standard.

Our approach to this audit was to assess the proposed changes communicated to us and to examine any evidence available of this in operation. We undertook discussions with senior managers and reviewed the latest Quality and Patient Safety Performance Report presented to the Quality, Patient Safety and Performance Committee during April 2021 (replaced by the Patient Quality, Safety and Outcomes Committee).

We have not tested the embeddedness or completeness of the revised assurance arrangements for the Standards, as this process has only just commenced.

3. Associated Risks

The main risk considered in this review is that the existing assurance mechanisms will not provide sufficient assurance against each Standard.

OPINION AND KEY FINDINGS

4. Overall Assurance Opinion

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

The level of assurance given as to the effectiveness of the system of internal control in place to manage the risks associated with Health & Care Standards is **Substantial** Assurance.

We are not providing assurance over the Health Board's adherence to or the embedding of the Standards. Instead, we have assessed the planned approach by the Health Board to provide assurance over the Standards in the future. As this process has recently commenced, the effectiveness of it is yet to be proved and our testing was limited.

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

5. Assurance Summary

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

Assurance Summary					
1	Planned assurance review over each Standard				✓

The findings from the review have highlighted no issues that are classified as a weakness in the system operation or control / design.

6. Detailed Audit Findings

Assurance Framework

Since the previous internal audit of Health and Care Standards (2019/20, rated reasonable assurance), the Board approved a new ABUHB Quality Assurance Framework (the 'Framework') during March 2020. The Framework comprises of a range of groups, each of which focuses on an aspect of quality and safety, with each group reporting to the Patient Quality, Safety and Outcomes Committee (formerly the Quality and Patient Safety Committee) via the Quality and Patient Safety Operational Group (QPSOG). The Framework incorporates themes of patient safety, clinical effectiveness, dignified care, and individual care as detailed within the Standards.

The overall objective of the Framework is to ensure robust monitoring of the quality and safety associated with each Standard. To achieve this, the Health Board will complete:

- a review of the terms of reference of each Health Board group / committee that oversees any element of the Standards;
- a review of the policies, procedures and guidance that underpins each Standard;
- a review of evidence / information considered in each Group with the purpose of providing assurance; and
- a review of the reporting and escalation process of each group to the Board via the Patient Quality, Safety and Outcomes Committee.

The Health Board is expected to have completed the review phase of each Standard by September 2021. Once complete, the Standards will be mapped to each group or committee providing assurance over them, which will contribute to an annual assurance report. The assurance report will be reported to the Patient Quality, Safety and Outcomes Committee, which will provide details of performance against each Standard for each division and any action required.

Once the assurance review has been completed, the Health Board is planning to undertake internal reviews, as part of the Clinical Audit Plan, to ensure compliance with the Standards. This phase is expected to be completed by mid-2022.

Finally, to support the above process, we were informed that corporate leads will be assigned, to oversee progress against each Standard. In particular, the role will require each individual to review evidence / information that is considered within each group and ensure that it continues to provide assurance in relation to a specific standard.

Whilst the Health Board is still implementing the above arrangements, we consider the process to be appropriate.

Quality and Patient Safety Report

During the audit we reviewed the report that was presented to the Patient Quality, Safety and Outcomes Committee, which set out key areas of risk and performance.

We reviewed the report to ensure that key performance indicators / management information was included, with planned action documented. We also ensured that patient experience information, through customer complaints / concerns and incident reporting was included. As above, we confirmed that planned action was documented to address emerging risks.

We also confirmed that the report identifies areas of concern, with supporting performance information. Where further action is required this is detailed, with key actions described.

The report also includes an 'at glance' summary of key metrics, which is scored using a red, amber, green (RAG) rating. The position for January to March 2021 is shown in the table below.

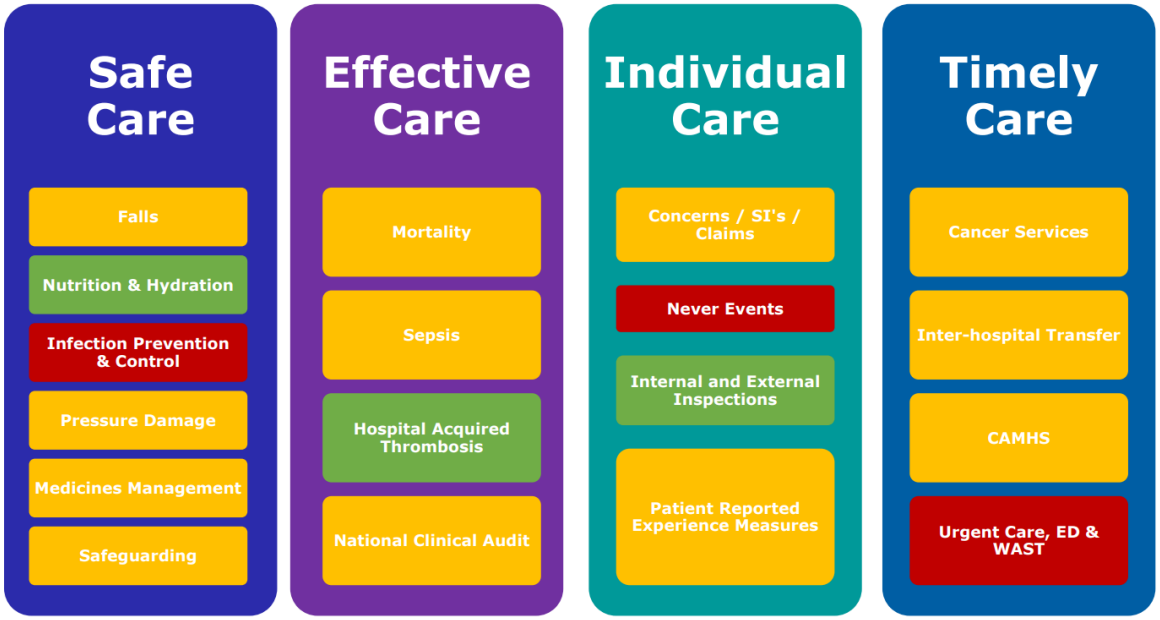


Table One: Health and Care Standard Theme Performance (Jan – Mar 2021)

Whilst we did not test any further reports, we consider the RAG reporting against key Standards themes, performance monitoring and subsequent actions required to be an appropriate approach to tracking performance against each Standard.

Audit Assurance Ratings

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

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

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

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

Prioritisation of Recommendations

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

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

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

Confidentiality

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

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

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

Audit

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

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

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

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

Responsibilities

Responsibilities of management and internal auditors:

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

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

Office details:

MAMHILAD Office
Audit and Assurance
Cwmbran House (First Floor)
Mamhilad Park Estate
Pontypool, Gwent
NP4 0XS

Contact details

James Quance (Head of Internal Audit) – 01495 300841
Steve Chaney (Deputy Head of Internal Audit) – 01495 300844
Ross Hughes (Senior Auditor) – 01792 860588

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

Bwrdd Iechyd Prifysgol Aneurin Bevan
University Health Board

Aneurin Bevan University Health Board

IM&T Control and Risk Assessment

Final Internal Audit Report

2020/21

NHS Wales Shared Services Partnership

Audit and Assurance Service

Contents **Page**

1. Introduction and Background 4
2. Scope and Objectives 4
3. Associated Risks 5
4. Conclusion 5
5. Summary of Audit Findings 7

Appendix A Management Action Plan
Appendix B Management opinion and action plan risk rating

Review reference:	ABUHB2021.20
Report status:	Final
Fieldwork commencement:	1st September 2020
Fieldwork completion:	4th December 2020
Draft report issued:	16th December 2020
Management response received:	6th April 2021
Final report issued:	13th April 2021
Auditors:	Martyn Lewis, IT Audit Manager

Executive sign off:	Nicola Prygodzicz, Director of Planning, Digital and IT
Distribution:	Mike Ogonovsky, Chief Digital Officer
Committee:	Audit Committee

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

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

Please note:

This audit report has been prepared for internal use only. Audit & Assurance Services reports are prepared, in accordance with the Service Strategy and Terms of Reference, approved by the Audit Committee.

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

1. Introduction and Background

The baseline review of the arrangements in place for the management and control of Information Governance (IG) and Information Communications Technology (ICT) at Aneurin Bevan University Health Board (the organisation) has been completed in line with the 2020/2021 Internal Audit Plan. The review seeks to provide a baseline picture to the Audit Committee of the processes in place to manage the risks associated with the provision of Informatics and digital services across the organisation as a whole.

As this is a baseline review, the assignment will not be allocated an assurance rating, but advice and recommendations will be provided to facilitate change and improvement and to focus audit work in the future.

2. Scope and Objectives

The objective of the audit is to establish the processes and mechanisms in place for management of Informatics and digital services within the organisation. The review sought to provide a baseline picture of the organisation's status and provides suggestions for areas of improvement or future development.

The areas considered within the review are:

Information Governance

- The information governance process in place.
- IG policies and procedures in place.

ICT and Security

- ICT responsibilities are clear.
- ICT strategy, linked to organisational strategy.
- The ICT governance process in place.
- The funding / resource available for ICT and its sustainability.
- IT security policies and procedures.
- ICT provision and support arrangements across the organisation.
- IT continuity and disaster recovery processes.
- Compliance against obligations (e.g. GDPR, NIST, PCI DSS etc.)
- The process to track ICT assets.
- IG / ICT risk identification and management.

3. Associated Risks

The potential risks considered in this review are as follows:

- the IM&T strategy does not effectively support the organisation in delivery of its objectives and not supported by effective governance and/or delivery arrangements;
- un-coordinated IM&T related financial activities in both the business and IT functions, covering budget, cost and benefit management and prioritisation of spending;
- the IM&T services provided do not fully meet the needs of the organisation;
- IM&T services are subject to loss of service;
- inappropriate access to systems and data; and
- breach of legal compliance requirements

4. Conclusion

We used the expected controls derived from the Control Objectives for Information and Related Technologies (COBIT) 2019 framework for this review and we have reported using the subheadings of these control processes for governing organisational IT.

COBIT is an IT management framework developed by the Information Systems Audit and Control Association (ISACA) to help organisations develop, organise, and implement strategies around information management and governance.

As part of our assessment we scored the individual controls in place at the organisation against the controls we would expect to be in place under each of the headings of the framework. These scores have been represented graphically below to illustrate the strengths and potential for improvement in the organisation's management of Informatics and digital services.

The scoring reflects the level of compliance with the controls set out within the COBIT framework, and the extent to which they apply across the entire organisation.

The organisation scored well under many of the headings, in particular against: Information Governance; Managed Continuity; Managed Operations; Managed Budget; Managed Projects; Managed Risk and Ensured Risk Optimization.

However, there are opportunities for improvement across a number of areas. The key areas requiring management attention are identified from the scoring. These were: the management of compliance with external requirements; and managed strategy. More detail can be found on these opportunities in section 4 below, and in Appendix A.

The percentage score for each objective is set out in the table below.

Control area	Percentage	No. of observations/ Recommendations
Information Governance	100%	-
Ensured Governance Framework Setting and Maintenance	61%	1
Managed Compliance with External Requirements	50%	1
Ensured Risk Optimization	100%	0
Managed Risk	83%	2
Managed I&T Management Framework	72%	2
Managed Strategy	44%	3
Managed Budget and Cost	74%	1
Managed Human Resources	62%	1
Managed Security	50%	-
Managed Security Services	77%	1
Managed Assets	67%	2
Managed Operations	83%	-
Managed Continuity	79%	-
Managed Projects	79%	-
Total	**-**	**14**

5. Summary of Audit Findings

Objective 1: Information Governance

Control Area: Information Governance (100%)

There is an established process for Information Governance (IG) at the Health Board with key strategic responsibilities such as Senior Information Risk Owner (SIRO) and Caldicott guardian assigned to appropriate officers.

There is an IG team to support the organisation, and a suite of IG control documents to support the IG agenda, these are available on the intranet, and form part of induction and organisational training.

IG issues are monitored via the Information Governance Committee, and there are divisional IG groups underneath this, with divisional leads for IG which ensures IG is embedded within the organisation.

The Health Board has a publication scheme in place, along with a disclosure log and an Information Asset Register.

There are no recommendations under this objective.

Objective 2: ICT and Security

Control area: Ensured Governance Framework Setting and Maintenance (61%)

There is a formal governance structure in place for informatics and digital services with a defined Committee (Information Governance Committee (IGC)) which has a committee work plan. The work plan includes an annual review of committee effectiveness.

However, the structured framework for management and governance of informatics is not properly functional. This was noted within a recent review of strategy and governance by Channel 3. The IGC has formally delegated responsibility for informatics for the organisation. However, departments with devolved control over their informatics do not attend and are not part of this Committee. There is also the Transformation to Digital (T2D) Board which takes responsibility for some informatics delivery, but again stakeholder representation is poor and there is no direct feed from this to Committee.

The lack of clarity over responsibilities, and lack of key stakeholder involvement means that the Health Board may not have full visibility of the informatics provision across the organisation as a whole and the delegated Committee may not be able to fully deliver on its remit.

See Observation/Recommendation 1 at Appendix A.

Our internal audit work includes informatics. Our reports and outcomes from our work is monitored both by the IGC and the Audit Committee.

Control Area: Managed Compliance with External Requirements (50%)

The policies in place are aligned to compliance requirements as they refer to relevant legislation and standards, and are reviewed periodically or when there is a significant compliance change.

The IGC has a remit to gain assurance for the Board over compliance against relevant legislation, which is set out in its terms of reference. There is identification and monitoring of some of these compliance requirements, in particular the information governance related items through the Committee.

However, although there are processes at Informatics departmental level there is no structure for the organisation as a whole to ensure compliance with all external requirements relating to information assets across the whole health board. There is no register or record of the existing compliance requirements or the consequences of non-compliance available to the IGC to allow full oversight of compliance for areas within its remit.

Linked to this, there is no process to fully assess the status of compliance and report upwards to committee for items such as the payment card industry data security standard (PCI/DSS), or the directive on the security of networks and information systems (NISD). Consequently, the Committee may not be fully aware of the assurance it needs to seek over compliance with external requirements, or indeed how well the Health Board is complying.

See Observation/Recommendation 2 at Appendix A.

Control Area: Ensured Risk Optimization (100%)

There is an organisational Risk Management Strategy in place. The strategy is supported by a formally defined active risk management process which includes a structure for escalation via the Audit Committee.

Informatics risks are monitored with a clear escalation from the informatics department to the IGC and Audit Committee, with the greatest risks included on the organisational risk register.

There were no recommendations under this objective.

Control Area: Managed Risk (83%)

As noted above, the risk management process works to ensure that executives and independent members are informed of the risks with the highest score. However, there is no process to formally notify senior management of risks being managed at a lower level which contain a severe or catastrophic worst-case scenario.

See Observation/Recommendation 3 at Appendix A.

There is a process for including risks within business cases, and the identification and collation of informatics related risks within a consistent risk register format. The impacts of risks are assessed and actions are defined to manage the risk within accepted tolerance levels.

However, although there are processes in place to manage issues and incidents as they occur, these processes are not fully linked to the risk management process. This means that any underlying risks may not always be identified and recorded within the risk register immediately.

See Observation/Recommendation 4 at Appendix A.

Control Area: IM&T Management Framework (72%)

As noted above, there is some devolved responsibility for informatics and digital services with departments able to source their own IT without reference to Informatics. This leads to a lack of overarching control and oversight over informatics and digital services within the organisation as a whole. The autonomy afforded to divisions may result in conflicting decisions or decisions that do not fit with the Digital Strategy of the organisation. It can also lead to unforeseen demands placed on the Informatics Department in the event that additional support is needed for these systems.

See Observation/Recommendation 5 at Appendix A.

As also noted above, the governance framework is not fully structured and this feeds into the management level. There is no functioning steering group to act as a link between strategy, informatics and the operations of the organisation. We note that the T2D Board sometimes take this role. However, this isn't explicitly defined and stakeholder representation is sometimes poor.

The positioning and role of the Informatics Directorate is historical and organic, as is the support provision across the organisation. Although there has been consideration of the support model within the Informatics Directorate there has not been any formal consideration of the options within the organisation as a whole. This means that the positioning of the Informatics Directorate and the level of support provided within the Informatics Directorate and that devolved to divisions may not fully suit the needs of the organisation.

See Observation/Recommendation 6 at Appendix A.

There is a formal structure in place within the Informatics Directorate. This is currently being reviewed and restructured to better fit the organisation and better enable delivery of the strategy. A target operating framework has been developed and we note that as part of this the roles and mandates of the departments within the Informatics Directorate are being re-defined, and this should be formalised.

There is a management framework in the Informatics Directorate with regular heads of department meetings occurring.

Roles and responsibilities for Informatics Directorate functions are made clear via job descriptions and there is consideration of cover needs and succession planning in the operation of the departments in order to minimise the potential disruption in the event of staff loss.

There are regular senior team meetings for the Informatics Directorate that allow for tracking and management of performance and progress tasks.

Policies, procedures and guidelines are in place for informatics related items, which are subject to regular review and there is a webpage for these.

Control Area: Managed Strategy (44%)

There is a Digital Strategy in place, with an update position having been produced in March 2020. This is explicitly linked to the organisational strategy and sets out the high-level objectives for delivery. In addition, the Health Board's IMTP includes a digital section that defines the strategic priorities for informatics.

The Digital Strategy and update includes some baselining of the current strategic position, but this is incomplete. It does not specify services supplied by external suppliers versus internal provision separately, and there is no assessment of wider organisational IT skills.

The Health Board has commissioned a review of the Digital Strategy by Channel 3 and this included consideration of factors that may impact on delivery. However there has been no strategic assessment of maturity for the organisation as a whole against key areas such as the 'ability of leadership to leverage technology', the 'level of accepted technology risk', or the 'approach to innovation', 'culture' and 'knowledge level of users'.

The lack of a full baseline and maturity assessment means that the organisation is not fully aware of its starting position, and so cannot properly plan a 'roadmap' to full strategic implementation.

See Observation/Recommendation 7 at Appendix A.

The Digital Strategy explains the need for change and includes a high level indication of the changes needed in terms of service, processes, governance and structure.

However, the final position is not fully defined and there is no full assessment of the changes needed in order to implement the Digital Strategy, the value of the change action and implications of the gaps. This may mean that the Health Board is not fully aware of the changes needed and has not articulated the value in the change or the cost of not enacting these. We do note that the Covid pandemic has impacted on the progress in this area.

The Digital Strategy is grouped into programmes and the specific projects and infrastructure items have been identified to deliver the Digital Strategy.

More detailed work plans are in place for departments within Informatics and work is underway on a mid-level ICT Strategy. However, there is no single overarching roadmap that defines how the Digital Strategy will be implemented across the whole organisation. We note that this issue was also identified within the recent Channel 3 review.

See Observation/Recommendation 8 at Appendix A.

There are champions for the Digital Strategy, namely the Assistant Director for Informatics and the Clinical Lead for Information. We note that the mechanisms for driving forward the Digital Strategy are undeveloped. The

current position is that the strategy is pushed by the Informatics Directorate and there is no network of champions within the organisation that can act as a pull and take a lead within their area.

In addition, there has been no recent communication of the Digital Strategy and its aims and there is no link or page on the intranet to include it. again we note that the Covid pandemic has impacted on this area with the Strategy being finalised before the pandemic, and the pandemic then impacted on the communication of this.

These issues mean that departments are not fully realising the benefits of technology and this acts as a drag on implementation.

See Observation/Recommendation 9 at Appendix A.

Control Area: Managed Budget and Cost (74%)

A prioritised register is maintained for capital expenditure to ensure the appropriate benefits and strategic fit and there is a record of projects and finding requirements linked to the Digital Strategy

Funding is in place for informatics, both revenue and capital. However, due to the devolved nature of some systems the total expenditure on IM&T for the organisation is difficult to establish. As such the organisation cannot fully contextualise its IM&T expenditure and benchmark against good practice.

There is a defined Informatics Directorate budget and performance monitoring process. However, the Informatics Directorate budget is based on the previous year, with changes factored in. The budget does not appear to fully link to the Digital Strategy or work plan and so does not fully reflect the organisation's requirements. This means that the Health Board may not be sighted on the financial resource needed to achieve the Digital Health Strategy, and that overspending may happen against budgets.

The funding for Informatics is unstable, with the total capital funding available for Informatics unclear throughout the year and a significant proportion provided towards the end of the year. This lack of a consistent, agreed and funded budget for both capital and revenue funding leads to difficulties in planning Informatics works and delivery of the Digital Strategy.

See Observation/Recommendation 10 at Appendix A.

Control Area: Managed Human Resources (62%)

As noted previously the Informatics Directorate is currently being reviewed, with the intent to restructure to better fit the needs of the organisation and new roles have been identified as part of this process. There has been an assessment of the resource levels required to support the organisation and Informatics Directorate workforce planning has been undertaken, for example, for Clinical Futures. We re-iterate however, the level of

departmental control over their IM&T may mean that the full requirements for Informatics Directorate resource may not be identified and the Directorate may be impacted with unforeseen and increasing demand.

The Informatics Directorate contains staff who are qualified in various IT skills. Training is provided for Informatics Directorate staff, and training needs are identified via the PADR process and provided within funding limits.

There has been some assessment of the skills held within the Informatics Directorate, what skills are required in order to support IM&T across the organisation and to deliver the Digital Strategy and the associated skills gap. However, there is no single record of training requirements across the Directorate which would allow for a coordinated approach. This means that the workforce planning process is disjointed without a single plan for the Informatics Directorate that brings together the resolution for both resource gaps identified via departmental planning and the skills gap identified via the PADR process.

See Observation/Recommendation 11 at Appendix A.

Control Area: Managed Security (50%)

The organisation has invested in cyber security, with resource provided and a cyber security team was established that was working to improve the organisation's position. This team has since been reduced due to staff leaving and as such the work on improving cyber security has paused and there is no full reporting of cyber security KPIs.

The organisation is currently recruiting to re-fil the positions and once complete the intent is to re-invigorate the cyber security strategy and plan.

There is guidance and training available for cyber security, with alerts and communications issued periodically. Cyber security training is included within the corporate induction process and the organisation has also run "phishing exercises" to assess staff compliance and improve awareness.

There is a Security Information and Event Management System (SIEM) in place. This enables active monitoring of cyber security within the organisation and provides alerts and warnings.

The overall score for this control area reflects the fact that although the underlying controls are generally in place, they are not fully operational due to the lowered resource following staff turnover.

There were no recommendations under this objective.

Control Area: Managed Security Services (77%)

Systems for antivirus protection, web and mail filtering have been deployed at the Health Board. There has been increased collaboration with national cyber groups including the NHS Wales Operational Security Service

Management Board (OSSMB). Regular alerts are provided as part of this group which are then assessed and acted upon locally.

The network is governed by a standard NHS Wales code of connection. The Code of Connection (CoCo) process is designed to ensure that appropriate levels of assurance are provided for organisations requiring a connection to the NHS Wales Network. In order to provide this assurance the NWIS Cyber Security Team requires documentation to be completed by any organisation wishing to connect.

The network is secured using firewalls and segmentation and there is some device level authentication in place. As part of the Grange University Hospital opening the 1.x security protocol has been enacted which provides greater security.

Vulnerability scanning and management, together with intrusion detection, is work in progress, in particular due to the current lack of resource within the cyber security team. In addition, the processes in place for regular review of the firewall reviews and the development of a resource security incident response plan are not fully operational due to the lack of resource following staff turnover. We do note however that these items do not significantly increase the expose of the organisations with the key protective measures being in place.

See Observation/Recommendation 12 at Appendix A.

Control Area: Managed Assets (67%)

The risk associated with older equipment failing is recorded on the risk register and there is a programme of replacement for IT assets. There is a register that records ICT assets within the service point configuration management database (CMDB). We note that the asset recording and management process is being improved, with the imminent roll out of a new asset management system that will identify all assets. The process is also being improved with an asset management policy, configuration management policy and plan being developed.

Although assets are recorded, and critical services are identified separately, there is no clear identification within the asset management and configuration system of those assets that are critical to the provision of informatics services for the organisation.

See Observation/Recommendation 13 at Appendix A

The asset management process operating within the Informatics Directorate includes a process for the disposal of IT equipment that ensures data is kept secure and allows assets to be tracked to disposal. Due to the devolved nature of the management of some IT systems and services, the Informatics Directorate does not have full visibility of all IT equipment. There is no full assurance, therefore, that departments will always follow the asset lifecycle management structures being developed, or comply with

the secure disposal process. This means that key assets may not be recorded, managed or disposed of appropriately for departments outside of Informatics.

See Observation/Recommendation 14 at Appendix A

There is a process in place for patching IT equipment, and this process allows for sensitive servers to be patched later to avoid update faults.

Control Area: Managed Operations (83%)

Risks to the operation of informatics services are considered, with mitigations in place for the key risks such as fire and loss of power to servers.

Previous audit work has noted from visits that server rooms are kept secure and clear of waste. The main server rooms have air conditioning and there is a process in place for monitoring the environment of the server rooms using equipment that ensures warnings are produced in the event of abnormal temperature, humidity or smoke conditions.

The designed architecture is resilient with mirroring and high availability in operation, which minimises the risks associated with the loss of individual servers.

The main rooms have dual power supplies to ensure continuity, with the exception of the Mamhilad site which has a single feed owing to the limitations of the site. There is Uninterruptible Power Supply (UPS) in place for the servers with enough capacity to ensure a full load. Emergency generators are operational on each site and there are annual tests of these.

There were no recommendations under this objective.

We note that the reason for the drop in the overall score from 100% is the impact of the devolved control over some systems which mean that the framework for control in the Health Board as a whole is disjointed.

Control Area: Managed Continuity (79%)

There is an organisational continuity policy, and a process in place for ensuring departments have their own continuity plans.

There is a continuity document that is focussed on service disaster recovery (DR), with services ranked according to priority to the organisation and this is based on a business impact analysis and in discussion with departments. This is currently being updated, with agreement of recovery time objective / recovery point objective (RTO / RPO) being undertaken with user departments

The Informatics Directorate has enacted a highly resilient architecture using virtualisation and multisite locations so threats to service loss have been managed down as much as possible.

There are a suite of DR plans, linked to service levels and responsibilities and actions are clear in the event of an outage. The DR plans are available offline in the event of a disaster with memory sticks being used, and passwords are controlled / shared using "passwordstate" which allows for access in emergencies.

There is some business continuity exercising / testing within the organisation. However, we note that the informatics continuity has not been fully tested to a 100% failover due to the potential for service disruption.

There is a full data back up program in place, and as the service provider has recently been changed the requirements have recently been fully assessed. The backups are regularly tested for integrity and a record of these tests is kept.

There were no recommendations under this objective.

We note that the basis for the drop in the overall score is that actions that would complete the control framework are currently underway, but have not yet been completed.

Control Area: Managed Projects (79%)

Programme Managers are in place and have adopted Managing Successful Programmes. A Programme Office is in the early stages of development which will provide easier oversight of performance of projects and programmes.

Benefit realisation frameworks have been developed but are not yet fully in use. The Health Board does not have an organisational framework for benefit realisation or adopted consistent methodologies for business change and reporting, however digital projects do incorporate benefit realisation processes and change managers where possible.

There is a record of all Informatics projects underway. IT projects are run in accordance with PRINCE2 methodology and procedures / guidance for project management are place. The Informatics Directorate includes project managers with the appropriate certification. Training is provided on project management to Informatics Directorate staff.

There were no recommendations under this objective.

We note that the reason for the drop in the overall score from 100% is the impact of the devolved control over some systems which mean that the framework for control in the Health Board as a whole is disjointed.

Observation 1 – Governance Framework (Operation)

The structured framework for management and governance of IM&T is not properly functional. There is a Committee with formally delegated responsibility for IM&T for the organisation. However, departments with devolved control over their IM&T do not attend and are not part of this Committee. There is also the Transformation to Digital (T2D) Board which takes responsibility, but again stakeholder representation is poor.

The lack of clarity over responsibilities, and lack of key stakeholder involvement means that the Health Board may not have full visibility of the IM&T provision across the organisation as a whole and the delegated Committee may not be able to deliver on its remit.

Recommendation

The governance framework for IM&T / digital should be clarified and where control over aspects of IM&T has devolved to departments, there should be a process for these to feed into the relevant Committee to ensure oversight. Underneath the Committee the steering group remit and membership should be defined.

Management Response, Responsible Officer and Deadline

Agreed.
The Health Board is establishing a new governance framework. Currently Informatics is reporting to the Audit Committee, the first report is scheduled for 8th April. A Health Board governance framework is in development for informatics including exec oversight, investment and delivery. The management of the global pandemic has disrupted the planning work by 12 months but this is now re initiated. Recommendations are scheduled to be presented to Exec Team Q1 , and Board in Q2;
RO Nicola Prygodzicz Q1 2021.

Observation 2 – Monitoring Compliance (Operation)
There is no register of compliance requirements for IM&T available for the IGC and there is no structured process for the organisation as a whole to identify all the compliance requirements relating to IM&T across the organisation, assessing the compliance status and feeding the position in relation to requirements, status and consequences upwards to committee for items such as PCI/DSS, or NISD. Consequently, the Committee may not be fully aware of the assurance it needs to seek over compliance with external requirements, or indeed how well the Health Board is complying.
Recommendation
A register of compliance requirements for all IM&T related legislation and standards across the whole organisation should be developed for the IGC along with a process for assessing status and reporting upwards to Committee.
Management Response, Responsible Officer and Deadline
Agreed. Currently the establishment, processes and mandate of informatics in ABUHB does not extend (with the exception of IG) beyond the directorate. In terms of accountability where devolved responsibility exists for information assets the same level of scrutiny and compliance should be applied. A corporate risk will be submitted with the recommendation of a strategic options appraisal for Board consideration and within this the role of Informatics as a Directorate will be considered along with other corporate and clinical divisions. RO Nicola Prygodzicz Deadline- Q3 2021.

Observation 3- Communicating Managed Risks (Operation)
While the Informatics Directorate risk register is monitored via the standard Health Board process and within the Directorate, with escalated risks and reported via Committee and Board, there is no process to formally notify executives of risks being managed at a lower level which contain a severe or catastrophic worst-case scenario.
Recommendation
Management should consider enhancing the risk management process in place within the Health Board by providing an annual report that identifies risks that have a low likelihood, have a severe worst-case scenario. This would ensure that executives are aware of the risks and worst cases that are being managed at a lower level, but hold the potential for severe adverse effects should they materialise.
Management Response, Responsible Officer and Deadline
Accepted. Part of the new governance will focus on the objectives of the CDO as SIRO for the Health Board. Following the review and adoption of the Target Operating Framework and HB exec oversight a programme will commence to adopt new policies, training and performance management of ICT and Information Asset including training for Information Asset Owners. RO Nicola Prygodzicz Deadline- Q4 2021

Observation 4 – Link of Risks to Events (Operation)
The link from the risk management process to the event / issue / problem management process is not fully defined, with no automatic identification of underlying risks that are causing issues and addition of these onto the risk register. This means that any underlying risks may not always be recorded in good time.
Recommendation
The risk identification process should be formally linked to the issue / event / problem management process in order to ensure that underlying risks are identified.
Management Response, Responsible Officer and Deadline
A review of risk management processes has commenced. The Health Board has appointed a Chief Nursing Information Officer/Clinical Safety Officer who will lead the project to align risk management processes from Programmes, design, Service Delivery, Health Records and Information Governance and Cyber Security to inform the new governance structure. RO Cynthia Henderson ADI Governance and Assurance. Deadline- Q3 2021

Observation 5 - Management – (Operation)
There is a lack of overarching control and oversight over informatics within the organisation as a whole with divisions having ability to make their own decisions and source informatics (in particular for software). This may result in conflicting decisions or decisions that do not holistically fit the organisation.
Recommendation
The Health Board should ensure greater links with divisions and the Informatics Directorate. The Informatics Directorate should be involved in the decision making process for all IM&T items.
Management Response, Responsible Officer and Deadline
Accepted. The CDO will present the recommended Target Operating Model to the HB which will include governance over Informatics as a Division and also departmental systems. Part of the framework will include decisions to procure and assurance processes not only for informatics division but informatics services owned outside. Part of adoption will help appraise strategic options in how the HB wishes to take this forward. Part of the SIRO objectives will set out the responsibilities for devolved asset owners and a performance management framework to identify risk and provide oversight. There is likely to be a resource impact in achieving this which will be subject to a business case. RO Mike Ogonovsky CDO Q4 2021

Observation 6 – (Operation)
The positioning and role of the Informatics Directorate is historical and organic, as is the support provision across the organisation. Although there has been consideration of the support model within the Informatics Directorate there has not been any formal consideration of the options within the organisation as a whole. This means that the positioning of the Informatics Directorate and the level of support provided within the Informatics Directorate and that devolved to divisions may not fully suit the needs of the organisation.
Recommendation
Consideration should be given to the placement of all informatics provision and support across the Health Board. As part of this the current partially decentralised model should be re-assessed in terms of its suitability for the modern use of technology.
Management Response, Responsible Officer and Deadline
Accepted. Following the exec review of the Target Operating Framework and overarching governance will appraise the hybrid environment of departmental asset ownership, responsibility, risk management. As the report sets out this is a largely historical and organic model which will be complex to resolve in itself. A risk based approach will be adopted and an options paper will be developed for consideration by the Board. RO Nicola Prygodzicz Q3 2022.

Observation 7 - Baseline – (Operation)
The strategy and update includes some baselining of the current strategic position, but this is incomplete. It does not specify services supplied by external suppliers versus internal provision separately, and there is no assessment of wider organisational IT skills. In addition, there has been no assessment of maturity for the organisation as a whole against key areas such as the 'ability of leadership to leverage technology', the 'level of accepted technology risk', or the 'approach to innovation', 'culture' and 'knowledge level of users'. The lack of a full baseline and maturity assessment means that the Health Board is not fully aware of its starting position, and so cannot properly plan a 'roadmap' to full strategic implementation.
Recommendation
A review of the current strategic position of the Health Board in relation to its digital provision and maturity across all domains should be undertaken.
Management Response, Responsible Officer and Deadline
Partially accepted. The Health Board commissioned a review of the Health Boards capacity and capability to deliver the strategy with recommendations for the Board to consider. This was scheduled for Q1 2020/21 but supporting the Health Board through the pandemic became the priority. Whilst this was not a self assessment against a maturity model as in NHS England or HIMMS it provides a comprehensive framework. The report also makes recommendations about the principle of "Once for ABUHB" which if accepted will lead to a baselining of assets, processes and convention outside of the current Informatics Directorate footprint. The recommendations from the planning of the new operating framework are planned to be delivered to Exec Team Q1 and Board Q2 2021. RO Nicola Prygodzicz.

Observation 8 - Benefits – (Operation)
There is no full assessment of the changes needed to deliver the Digital Strategy and no assessment of the current gaps. As such there is no definition of the benefits of each change and the implications of no change. Linked to this there is no single full roadmap for the implementation of the Digital Strategy that sets out all the projects into a prioritised programme that identifies resource requirements, overlaps and synergies between projects. In addition, there is no consideration of using external providers to deliver the strategy in terms of partnerships with suppliers
Recommendation
An assessment of the changes needed to implement the Digital Strategy should be undertaken, and the benefits of the changes articulated, along with the consequences of no change. The Health Board should develop a single roadmap to help deliver the Digital Strategy.
Management Response, Responsible Officer and Deadline
As part of the review Informatics has accepted the need for P3O Portfolio management. This work is ongoing and with an initial focus to core Informatics Division activity but provides a framework for Health Board oversight and transparency. The portfolio approach will extend subject to Board approval to all information assets in a planned programme of work. This forms part of the recommendations to Execs in Q1 2021. RO Mike Ogonovsky CDO Q1 first phase.

Observation 9 – Strategy Communication (Operation)
The mechanisms for driving forward the Digital Strategy are undeveloped. The current position is that the strategy is promoted by the Informatics Directorate. However, there is no network of champions within the organisation that can act as a pull and take a lead within their area. In addition there has been no recent communication of the Digital Strategy and its aims and there is no link or page on the intranet to include it. These issues mean that departments are not fully realising the benefits of technology and this acts as a drag on implementation.
Recommendation
A network of champions across the organisation should be established. The Digital Strategy should be re-issued alongside the roadmap. This should form the basis for engaging the network of champions to drive the Strategy forward.
Management Response, Responsible Officer and Deadline
Accepted- The Channel 3 report also identified a need for more emphasis on Clinical Leadership, Design and Business Partnering. This is subject to additional investment although recently the appointment of a full time CNIO/CSO has been a significant step forward. Outwith the Directorate recommendations will be presented to Execs on overarching exec level oversight which is intended to both strengthen accountability but also to ensure Informatics capacity is used to best effect. Benefits realisation training has commenced in Informatics and will form part of reporting. It is in principle agreed that the Health Board adopts a single methodology and framework that should be co produced to manage all priority investments. RO Mike Ogonovsky Q2 2021.

Observation 10 – Budgets (Operation)
The funded budget for the Informatics Directorate does not fully reflect the organisation's requirements. This means that the Health Board may not be sighted on the financial resource needed to achieve the Digital Strategy, planning for Informatics work may be difficult and that overspending may happen against budgets.
Recommendation
The Informatics Directorate budget should be set to reflect the actual need of the organisation. Where funding cannot be fully granted, the impact on the underfunded position of Informatics work and Digital Strategy delivery should be clearly stated and agreed with Executives.
Management Response, Responsible Officer and Deadline
Agreed. The Portfolio approach and executive oversight governance will provide the framework in which difficult prioritisation decisions must be taken to avoid historical best endevours approaches. Part of the recommendations from the review of informatics in ABUHB is to establish a dedicated Digital Investment Panel which will provide performance management and oversight to investments in digital. The Health Board recognises the need to prioritise and invest in order to deliver benefits and supports the principle of a benefits management realisation framework and strategy. Budget setting is taking place for next financial year with the aim to agree a growth commensurate with strategic objectives. The Target Operating model is designed to ensure capacity and capability of Informatics is fit for purpose and is currently being costed to inform a case for consideration. RO Nicola Prygodzicz Deadline Q2 2021

Observation 11 – Workforce (Operation)
The workforce planning process is disjointed without a single plan for the Informatics Directorate that brings together the resolution for both resource gaps identified via departmental planning and the skills gap identified via the PADR process.
Recommendation
The Informatics Directorate should develop an overarching workforce plan that sets out the resource gaps together with the skills gaps and how they are to be resolved. The plan should consider apprenticeships, coordinated departmental development and partnerships in order to maximise the use of limited financial resource.
Management Response, Responsible Officer and Deadline
Planning despite COVID continued on the Operating Framework based on existing mandate and footprint of Informatics portfolio. This addresses key areas of competencies and capacity. This has been supported activity with HR & OD and Finance. The new structure proposal reflects the Digital Strategy and Operating Framework but will require scrutiny challenge and approval. RO Nicola Prygodzicz Deadline Q2 2021

Observation 12– Security Services (Operation)
Due to the lack of resource within the Cyber Security team some items security related items are not being progressed: • firewall rules review; • coordinated use of a variety of tools for vulnerability scanning and intrusion detection; and • development of a resourced response plan.
Recommendation
Once the team has been re-established, the key security tasks should be in place: • regular review of firewall rules; • regular vulnerability testing; and • development of a security incident response plan.
Management Response, Responsible Officer and Deadline
Accepted. Active recruitment has been taking place with a Cyber Security Team leader successfully recruited. Emergency Planning colleagues have been collaborating with the cyber team and the Health Board has contracted with specialist consultancy to accelerate the development of a Information Risk and Cyber Security operating model. Work will commence Q1 including cyber resilience and response plans. RO Mike Ogonovsky CDO Deadline Q3 2021 (Partially met with recruitment)

Observation 13 – Critical Assets (Operation)
Although IT assets are recorded and tracked, there is no identification within the configuration management system of those assets that are critical to the provision of informatics services for the organisation.
Recommendation
Critical assets should be identified within the asset and configuration management systems.
Management Response, Responsible Officer and Deadline
Agreed. This in part is due to the devolved nature of informatics. The first step will be presenting the new operating framework's overarching governance recommendations will provide oversight. A strategy, policy and resultant business case will be developed following the Health Board adoption of the reviews recommendations. RO Mike Ogonovsky Q3 2021

Observation 14 – Departmental Assets (Operation)
Due to the devolved nature of the management of some IT systems and services, the Informatics Directorate does not have full visibility of all IT equipment. There is no assurance, therefore, that departments will follow the asset lifecycle management structures being developed, or comply with the secure disposal process. This means that key assets may not be recorded, managed or disposed of appropriately
Recommendation
The asset and configuration management processes developed within the Informatics Directorate should be adopted as Health Board wide documents and departments with devolved control required to comply with the requirements.
Management Response, Responsible Officer and Deadline
Accepted. The HB governance, policy and processes will be reviewed as part of the SIROs objectives with resultant recommendations to Board. Informatics will need to review internal processes and capacity to ensure it can scale to meet the challenge. RO Mike Ogonovsky CDO Q4 2021/22.

Audit Assurance Ratings

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

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

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

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

Prioritisation of Recommendations

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

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

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

Confidentiality

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

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

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

Audit

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

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

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

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

Responsibilities

Responsibilities of management and internal auditors:

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

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

Office details:

MAMHILAD Office
Audit and Assurance Services
Cwmbran House (First Floor)
Mamhilad Park Estate
Pontypool, Gwent
NP4 0XS

Contact details

James Quance (Head of Internal Audit) – 01495 300841
Martyn Lewis (IT Audit Manager) – 02920 905365

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

Bwrdd Iechyd Prifysgol Aneurin Bevan University Health Board

Clinical Futures - Transport

Final Internal Audit Report 2020/21

Aneurin Bevan University Health Board

NHS Wales Shared Services Partnership

Audit and Assurance Services

CONTENTS Page

1. Introduction and Background 4
2. Scope and Objectives 5
3. Associated Risks 6

Opinion and Key Findings

4. Overall Assurance Opinion 6
5. Assurance Summary 7
6. Summary of Audit Findings 8
7. Summary of Recommendations 13

Appendix A Management Action Plan
Appendix B Assurance opinion and action plan risk rating
Appendix C Responsibility Statement

Review reference:	ABU-2021-40
Report status:	Final
Fieldwork commencement:	9th March 2021
Fieldwork completion:	26th April 2021
Draft report issued:	4th May 2021
Management response received:	4th June 2021
Final report issued:	4th June 2021
Auditor/s:	James Quance, Head of Internal Audit Steve Chaney, Deputy Head of Internal Audit,
Executive sign off	Leanne Watkins, Interim Director of Operations
Distribution	Cari Randall, Service Lead – Unscheduled Care Kate Fitzgerald, Service Improvement Manager Liam Skyrme, Clinical Service Manager
Committee	Audit Committee

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

ACKNOWLEDGEMENT

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

Please note:

This audit report has been prepared for internal use only. Audit & Assurance Services reports are prepared, in accordance with the Service Strategy and Terms of Reference, approved by the Audit Committee.

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

1. Introduction and Background

The review of Clinical Futures – Transport was completed in line with the 2020/21 Internal Audit Plan.

Clinical Futures is the key strategic direction within Aneurin Bevan University Health Board (the 'Health Board'). It is the Health Board's plan for a sustainable health care system across the Gwent area. The plan comprises of a number of key pathways which are critical to ensure successful delivery of health care throughout Gwent, following the opening of the Grange University Hospital (GUH).

This audit specifically focused on the system that is implemented throughout the Health Board to transfer patients between the GUH and other hospital sites, but also the screening of patients prior to admission, to ensure admission to an appropriate hospital site.

To manage this process, the Health Board has created a new team and supporting infrastructure called the ABUHB Flow Centre (the 'Flow Centre'). The majority of patients will be transferred via this process, with clinical authorisation for a transfer required in some instances. This transfer process is not appropriate for women in labour, the discharging of patients, patients experiencing a mental health crisis or where an immediate emergency response is required. Alternative procedures are in place for patients that fall into those categories.

The objectives of the Flow Centre are to:

- ensure patients are cared for in the right place at the right time;
- design an end to end process to enable local co-ordination;
- introduce a more simplified system with additional capacity; and
- implement one point of contact for stepping patients up or down between hospital sites and selecting appropriate sites for certain types of patient admissions.

Each of the above will support the overall core aim of ensuring transfers between hospital sites are timely, safe and efficient.

The responsibility for identifying appropriate resource to complete the transfer, the transfer paperwork and the completion of inter-site liaison will be completed by the Flow Centre Flight Marshalls.

Welsh Ambulance Service NHS Trust (WAST) maintain a corresponding team, called the WAST Flow Desk team, who receive requests from the Health Board's Flow Centre and dispatch ambulances and other appropriate

vehicles to transfer patients. To assist with this process, the Health Board has procured 11 additional vehicles for transferring patients.

Since October 2020 and as part of winter planning arrangements, enhanced leadership triumvirate arrangements have been implemented across each hospital site. Within these arrangements the Director of Planning, Digital and IT is the executive lead for the management of the Grange University Hospital, including the Flow Centre. However, the responsibility for the service transferred to the Urgent Care Team from the end of March 2021.

2. Scope and Objectives

The overall objective of the review was to evaluate and determine the adequacy of the systems and controls in place over the management of the Flow Centre transport pathway.

We sought to provide reasonable assurance over the following areas:

- to ensure that the operational management is operating as intended and in particular:
  - patients are fully logged into the system promptly and marked as 'closed' when processed;
  - the prioritisation process is completed for each patient request;
  - appropriate clinical authorisation is in place for each patient;
  - patient details from transfer requests are uploaded into the respective Clinical Workstation (CWS) record;
  - patients receive appropriate clinical care during their transfer to another hospital site;
  - decisions are sufficiently recorded;
- to ensure that monitoring and appropriate action is undertaken, when required, regarding:
  - the Flow Centre performance and partnership arrangements;
  - the Flow Centre resources, including the development of business continuity arrangements;
  - training and induction for all staff; and
  - the management of complaints / incidents.

This audit did not review the actual transfer of patients, which is outside of the remit of the Flow Centre.

3. Associated Risks

The risks considered in the review were as follows:

- patient harm as a result of the delayed transfer of care or inappropriate care during transfer;
- increased financial cost due to delays in the transfer of patients;
- an increased demand for beds within the Grange University Hospital, as patients are not transferred between sites promptly;
- lack of awareness over the revised transport arrangements;
- patient details are not sufficiently recorded, including decision making, clinical authorisation and the uploading of details into CWS;
- insufficient resilience within the Flow Centre team, resulting in delayed transfers of patients between hospital sites;
- patients are located at an incorrect site for the level of care required;
- poor performance of the Flow Centre, resulting in delayed call answering, transfer of patients and a lack of available transfer vehicles;
- patient transfers operating outside of the approved Flow Centre process;
- insufficient transfer capacity, within the Flow Centre team and / or supporting infrastructure;
- patient transfers are omitted resulting in outstanding requests to process;
- cancelled or delayed operations / procedures due to the lack of bed availability; and
- reputational damage as a result of the ineffective transfer of patients between sites.

OPINION AND KEY FINDINGS

4. Overall Assurance Opinion

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

The level of assurance given as to the effectiveness of the system of internal control in place to manage the risks associated with Clinical Futures - Transport is **Reasonable** Assurance.

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

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

We saw good arrangements and processes established throughout the Flow Centre. However, some of the key objective areas are still in progress and not yet fully complete, but rather, part of ongoing development and improvement. There has been significant progress with these arrangements, with the Flow Centre Team continually evolving and adapting to provide the most effective service possible.

5. Assurance Summary

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

Assurance Summary					
1	Operational management			✓	
2	Performance and partnership			✓	
3	Business continuity arrangements			✓	
4	Training and induction				✓
5	Complaints and incidents				✓

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

Design of Systems/Controls

The findings from the review have highlighted two issues classified as weaknesses in the system/control design for Clinical Futures - Transport.

Operation of System/Controls

The findings from the review have highlighted two issues that are classified as weaknesses in the operation of the designed system/control for Clinical Futures - Transport.

6. Summary of Audit Findings

The Flow Centre was implemented much sooner than planned, with the operation commencing during November 2020, in response to the rising patient numbers during the latest pandemic surge.

The Flow Centre Team and the corresponding processes operate in an area of high inherent risk, where each decision to admit a patient or otherwise can be critical. Due to ongoing development of the service and the high level of risk we will also undertake another audit as part of the 2021/22 Internal Audit Plan to assess the progress of controls being implemented.

However, we recommend that the Health Board undertake a cost / benefit analysis to ensure that the Flow Centre is delivering the expected benefits e.g. reduced number of bed days.

Ultimately, the Flow Centre is in place to facilitate the transfer of patient as safely and swiftly as possible over 24 hours each day. To support this process there is a team of

- **14.21 WTE** registered nurses (Band 6)
- **1 WTE** clinical lead (Band 7)
- **10.39 WTE** unregistered staff (Band 3)
- **3.18 WTE** medical

The total staff cost for this service is c. £860k.

Each call to the Flow Centre takes approximately 15 to 20 minutes to process, to enable a thorough triage of each patient through a series of standard questions. In the case of more complex situations, a qualified nurse is available and the support of a consultant, if required.

There are multiple pathways by which the Centre may be contacted, but these predominantly include:

- a health care professional (e.g. family GP or paramedic) seeking to admit a patient to a hospital setting. This is called pre-hospital streaming; or
- a patient (existing inpatient or a new patient) to be stepped-up (more specialised / critical care required) or stepped-down (less specialised / critical care required) between hospital sites. This is also referred to as inter-site transport.

There are certain criteria where the screening process would not be engaged, particularly for emergencies e.g. red calls, cardiac events, major trauma etc.

During the period December 2020 to the end of March 2021, the screening / triage process from health care professionals directed patients (>14k calls) to the following hospital sites.

Table One: Destination of HCP Referred Patients

Hospital	Portion (%)
Grange University Hospital	51.51
Royal Gwent Hospital	18.02
Ysbyty Ystrad Fawr	14.18
Nevill Hall Hospital	13.39
No hospital (primarily not admitted)	2.75
Other	0.13
St Woolos	0.01
Ysbyty Aneurin Bevan	0.01

The outcome from most pre-hospital screening results in a patient being directed to the Grange University Hospital.

Operational Management

The Flow Centre Team developed a detailed Standard Operating Procedure for the ABUHB Flow Centre (the 'SOP') to support staff in the operation of their responsibilities. Alongside this, the triage nurse is responsible for monitoring in real-time the call volume and bed availability to identify any potential problems. We observed this in operation.

We assessed whether key elements of the SOP were being adhered to. In particular, we selected a sample of 25 calls for inter-hospital transfers and a sample of 20 patients processed via the pre-hospital screening process.

We found that:

- patients are directed to a hospital site and there is clear evidence of screening taking place;
- there is a great variety in the completeness of questions / answers within the samples tested, with some sections not fully completed or just partially completed. However, this does not affect the destination of the patient;
- not all records in our sample had been uploaded onto Clinical Workstation (CWS), as required by the process. We found three examples during the inter-site transfer process where screening questions were not present on CWS. However, two had copies of an SBAR uploaded (as required under the new process for step-downs). The third patient was being stepped-across and there was no SBAR or screening checklist evident;
- there was a Welsh Ambulance Services Trust (WAST) incident number missing from one patient admitted (from 10 WAST incidents within our sample of 20). These is a requirement set out in the SOP to record this;
- within the population data, we found 395 patients where the hospital site was marked as blank / empty. We selected an additional sample of five patients to test the detail behind these. We found that in three cases, there were no screening forms on CWS, two cases there were, but in one case the patient was treated at their nursing home. For at least some of the 395 patients, they would not have been admitted to hospital, but it is not easy to determine this;
- a patient's date of birth was not recorded within the screening questions; and
- there were examples where the GP's name was recorded as 'not on list', but a patient was still processed.

The above points have been raised as a recommendation to ensure the necessary sections of the SOP are adhered to consistently.

Performance and Partnership

The Flow Centre Team are still establishing regular performance metrics, but do review the performance of the overall team and the management of calls on an ongoing basis. The plan is to commence reporting on key

performance indicators in the short term, once the service is fully established.

We reviewed call handling performance, but this is not yet fully implemented.

The Team are based at WAST's South Wales headquarters and frequently hold meetings to discuss issues as they arise. In addition to this, the Team has access to C3 Radius (call handling system), alongside WAST to help manage patients on the system.

Clinical and operational issues that arise are managed in partnership with WAST. We have raised a recommendation to continue with the implementation of key metrics.

Flow Centre Resources

The Flow Centre Team compile monthly rotas to provide a 24 hour service. To support this, the service comprises of Flight Controllers and registered nurses (Flight Marshalls). Initially, some staff were redeployed, as they were shielding from front line services or worked on fixed term contracts.

Since November 2020, the level of resource has been continually assessed to meet the level of demand required. It was expected that large call volumes to transfer patients would take place, but for the step-down of patients (where it is not as urgent) an email process containing an SBAR form (Situation, Background, Assessment, Recommendation) has recently been introduced. This has reduced the number of calls for stepping patients down.

We reviewed the staff rotas to identify any significant gaps for the months of November 2020 to February 2021 inclusive. Whilst there were many shifts marked as unfilled, we did not find any examples where there was a complete absence of registered nurses. Typically, a shift had less staff than would be required, which may impact resilience in the event of staff absence.

A summary of unfilled shifts is shown below:

Month	Registered Nurses	Other	Total
November	85	16	101
December	87	24	111
January	96	26	122
February	44	11	55

This has been continually monitored by the Flow Centre Team and a recent business case for a revised staffing model was approved by the Executive Team (paper dated 22 February 2021).

To assess whether sufficient resource was available, we examined the call data to determine how many calls are in excess of the target time of two minutes to answer. We found 2,029 (18.7%) calls (from 10,850 calls between 23rd February to 7th April 2021) took longer than two minutes to answer. There were 1,023 (9.4%) calls that were in excess of five minutes to answer and 306 (2.8%) in excess of ten minutes to answer.

Furthermore, we found that 8.3% of calls (between 23rd February to 7th April 2021) took more than 10 minutes to resolve.

To support the above we recommend that the Health Board continue to refine the reporting dashboards, to review real time data and flex resource when it is required.

As the Flow Centre is a pivotal service throughout the Health Board, we examined the business continuity arrangements in place. Despite the team being newly established, there is a good draft business continuity plan (BCP) in place. Whilst this is still being developed, we saw a range of action cards for likely continuity events. As the Flow Centre Team continue to refine and update the BCP we recommend that practice runs are regularly undertaken and more specific actions are developed in response to these. For example, which hot desks staff will be sat at in the event of the premises being lost / not operational.

Training and Induction

We reviewed the induction programme and accompanying training materials to ensure that it is appropriate for the Flow Centre operation. As the service is critical for the transfer of patients there is a very comprehensive training package in place. This includes:

- an induction programme;
- scenario testing;
- pathway training e.g. abdominal pain;
- video training of C3 Radius (WAST call handling software);
- testing of common scenarios and process requirements;
- numerous presentations covering topics including active listening through to which CWS forms to use; and
- shadowing a more experienced member of staff.

There are no recommendations to raise.

Complaints and Incidents

The Flow Centre Team maintain a separate clinical and operation issue log, to manage complaints and improvement required. Between the 1st October 2020 and 17th February 2021 there were 17 clinical issues arising.

We confirmed that each of these were investigated, with appropriate personnel (e.g. medical staff where required) and actions / learning required. There are no recommendations to raise.

7. Summary of Recommendations

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

A summary of these recommendations by priority is outlined below.

Priority	H	M	L	Total
Number of recommendations	**-**	**2**	**2**	**4**

Finding 1 Review of Flow Centre Benefits (Operation)	Risk
The Flow Centre is an integral part of an overall patient centred system of care. The objective is to direct patients to an appropriate hospital site for their care requirements. By operating a centralised critical care hospital, patients are 'stepped-up' and 'stepped-down' as and when required. This enables critical care beds to become free sooner and to maximise patient throughflow. One benefit of this is the maintenance of less critical care beds, as patients are transferred to more appropriate environments as they recover. This leads to reduced staffing requirements and other associated costs. Whilst the Flow Centre Team is still establishing itself, it is important that the original objectives and projected benefits of the service are continually assessed against the costs incurred. This is to ensure that the benefits are still being achieved.	The Flow Centre is not achieving the expected benefits, impacting the Clinical Futures model of care. There is an increased risk to patient care. There is an increased financial cost.
Recommendation 1	**Priority level**
The Health Board should periodically review feedback from WAST / staff and patients, incidents, ongoing and expected future costs, overall performance and volume of patients etc. to ensure the expected benefits versus costs are still being achieved.	**Medium**

Management Response 1	Responsible Officer/ Deadline
Agreed. The cost benefit analysis was reviewed against the original model and flagged as part of the Clinical Futures Readiness Assessment on 23rd June. There will be ongoing monitoring of key KPIs.	Service Improvement Manager / Service Lead / General Manager - ongoing

Finding 2 Compliance with SOP (Operation)	Risk
We reviewed over 50 patients processed through the Flow Centre, including pre-hospital screening and inter-site transfers. Whilst we found evidence that patients were screened and processed, there were inconsistencies in the completion of the record that is stored on Clinical Workstation (CWS). We did not see any evidence that a patient had been screened incorrectly, but there were discrepancies in the completeness of records. We also found some records not uploaded onto CWS, but we did identify other evidence available on CWS e.g. SBAR forms.	A patient may not be processed correctly, resulting in patient harm. There may be a delay in admitting or transferring a patient. A patient may be transferred to an incorrect hospital site. Lack of accurate patient records.
Recommendation 2	**Priority level**
The Flow Centre Team should: • review the current completion of the screening / transfer process documentation and establish a standard expectation of completeness; • provide refresher training to the team members, if required; • undertake periodic checks of all staff members, to ensure consistency and feedback any positive performances and improvements to individuals. This should also link into the PADR process;	**Medium**

• remind staff that the WAST incident number should be recorded to provide traceability; and • all screening questions should be uploaded to CWS, where required.	
Management Response 2	**Responsible Officer/ Deadline**
Agreed. We will do this by: • implementing a staff review process, including an audit of referral information (this aspect is already implemented); • monitoring staff performance e.g. logging in times and periodically listening to calls and to feedback on performance; • addressing any training needs that arise and link this to one-to-ones and the PADR process; • continuing to emphasise the importance of accurately recording information e.g. WAST incident numbers, GP surgery etc.; • providing regular refresher training; and • hosting team meetings to share case studies / best practice and address any issues / concerns that arise.	Service Improvement Manager – end of September 2021.

Finding 3 KPIs (Design)	Risk
We saw performance information being utilised to match resource to demand, but this was still in development. Whilst we viewed call data, with supporting graphs for the period 23rd February to 7th April 2021, this was produced as an ad-hoc report. We also saw evidence of the rota planning process being matched to call volume, but there was no regular reporting over key risks to the process. As the processes mature, information should be used to monitor operational performance and compliance, but also to provide assurance to the Executive Team and the Quality, Patient Safety and Performance Committee on a regular basis.	A lack of reporting may not identify emerging risks. There may be insufficient resource scheduled to meet demand. Lack of personal development
Recommendation 3	**Priority level**
We recommend that the Flow Centre Team produce and monitor regular performance information over key risks within the process. For example, call waiting times. As this process is already underway, the Team should continue to identify other key performance indicators. This information should also link into individual performance within the Team, for training and improvement.	**Low**

Management Response 3	Responsible Officer/ Deadline
Agreed. We will: • clarify the audience and reporting requirements; • monitor performance information / KPIs on a regular basis; • identify the top five indicators; • develop a reporting dashboard; and • further refine performance reporting.	Service Improvement Manager – end of September 2021

Finding 4 Business Continuity Plan (Design)	Risk
We reviewed an initial draft of the business continuity plan. This was comprehensive and contained action cards for multiple continuity events, with high level instructions in place. However, the plan is still incomplete and whilst it details key attributes of an appropriate continuity plan it would benefit from more specific / step-by-step instructions to utilise in the event of a continuity event. For example, the Flow Centre Team has identified a location to operate from in the event of a loss of premises, but identifying who would occupy which seat in advance would reduce the decision making required during an emergency. Periodic test runs against different continuity events would help identify improvements, familiarity and additional detail in the plan required.	There may be delays in recovering from a continuity event. Staff may not be aware of what is required during a continuity event.
Recommendation 4	**Priority level**
We recommend the Flow Centre Team undertake periodic test runs of the business continuity plan against different continuity events. Any learnings or improvements should be detailed specifically in the plan.	**Low**

Management Response 4	Responsible Officer/ Deadline
Agreed. We will finalise the business continuity plan (BCP) and undertake a test run, including a relocation plan to the Grange University Hospital, if required. Any learning or improvements will be incorporated into the BCP.	Service Improvement Manager – end of September 2021 for the Plan and end of December 2021 for the test run and every 12 months thereafter

Audit Assurance Ratings

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

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

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

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

Prioritisation of Recommendations

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

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

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

Confidentiality

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

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

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

Audit

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

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

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

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

Responsibilities

Responsibilities of management and internal auditors:

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

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

Office details:

MAMHILAD Office
Audit and Assurance
Cwmbran House (First Floor)
Mamhilad Park Estate
Pontypool, Gwent
NP4 0XS

Contact details

James Quance (Head of Internal Audit) – 01495 300841
Steve Chaney (Deputy Head of Internal Audit) – 01495 300844

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

Bwrdd Iechyd Prifysgol Aneurin Bevan University Health Board

Mass Vaccination Programme

Internal Audit Report
2020/21

Aneurin Bevan University Health Board

NHS Wales Shared Services Partnership

Audit and Assurance Services

CONTENTS Page

1. Introduction and Background 4
2. Scope and Objectives 6
3. Associated Risks 7

OPINION AND KEY FINDINGS

4. Overall Assurance Opinion 8
5. Assurance Summary 8
6. Summary of Audit Findings 9
7. Summary of Recommendations 13

Appendix A Management Action Plan
Appendix B Assurance opinion and action plan risk rating
Appendix C Responsibility Statement

Review reference:	ABU-2021-39
Report status:	Final
Fieldwork commencement:	1st April 2021
Fieldwork completion:	30th April 2021
Draft report issued:	6th May and 21st May 2021
Management response received:	3rd June 2021
Final report issued:	3rd June 2021
Auditor/s:	James Quance, Head of Internal Audit Steve Chaney, Deputy Head of Internal Audit, Laura Howells, Principal Auditor
Executive sign off	Dr Sarah Aitken, Director of Public Health & Strategic Partnerships
Distribution	Mererid Bowley, Deputy Director of Public Health Liam Taylor, Deputy Medical Director
Committee	Audit Committee

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

ACKNOWLEDGEMENT

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

Please note:

This audit report has been prepared for internal use only. Audit & Assurance Services reports are prepared, in accordance with the Service Strategy and Terms of Reference, approved by the Audit Committee.

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

1. Introduction and Background

The review of the Mass Vaccination Programme was completed in line with the 2020/21 Internal Audit Plan. The review assessed the effectiveness of Aneurin Bevan University Health Board's (the 'Health Board') plan to manage the key risks associated with the roll out and implementation of the Mass Vaccination Programme (the 'Programme').

Since the summer of 2020, the Health Board has been preparing the delivery of vaccination services for health and social care frontline staff and the population based on a priority rating. An experienced multi-disciplinary team was established with the Interim Executive Director of Public Health as the Senior Responsible Officer and the Deputy Medical Director as the clinical lead.

On 2nd December 2020, the Medicines and Healthcare products Regulatory Agency (MHRA) granted the Pfizer / BioNTech vaccine temporary authorisation for use based on evidence of safety and effectiveness. On 30th December 2020, the Oxford/AstraZeneca vaccine was also approved for use and on the 8th January 2021, the Moderna vaccine was approved for roll-out. The Health Board started rolling out its mass vaccination programme on 8th December 2020.

The Health Board's Covid-19 mass vaccination delivery programme is now delivered through a combination of mass vaccination centres, Primary Care General Practice and mobile units. The latter ensures that the most vulnerable harder to reach patients who may be housebound, live in care homes and similar settings receive their vaccine as soon as it is due. The Health Board currently has five operational Mass Vaccination Centres which are based at:

- Newport Centre;
- Cwmbran Stadium;
- Newbridge Leisure Centre;
- the General Office, Ebbw Vale; and
- the Christchurch Centre.

A Covid-19 vaccination programme plan is in place which supports planning, reporting, control and assurance that eligible people are vaccinated as quickly and safely as possible. The Health Board is following the Joint Committee of Vaccination and Immunisation (JCVI) priority groups, which are detailed below:

1. residents in a care home for older adults and their carers;

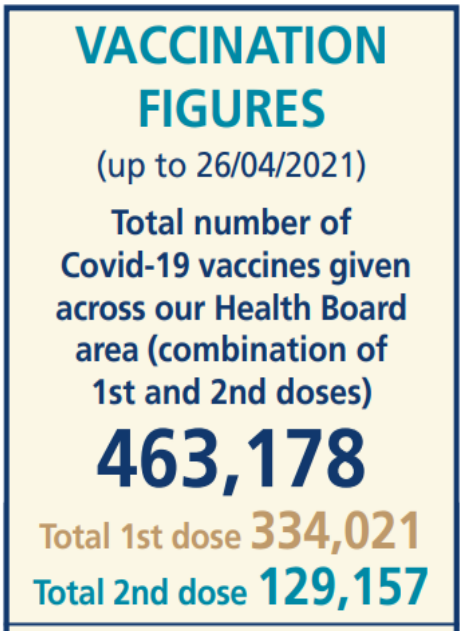
2. all those 80 years of age and over and frontline health and social care workers;
3. all those 75 years of age and over;
4. all those 70 years of age and over and clinically extremely vulnerable individuals;
5. all those 65 years of age and over;
6. all individuals aged 16 years to 64 years with underlying health conditions which put them at higher risk of serious disease and mortality;
7. all those 60 years of age and over;
8. all those 55 years of age and over; and
9. all those 50 years of age and over.

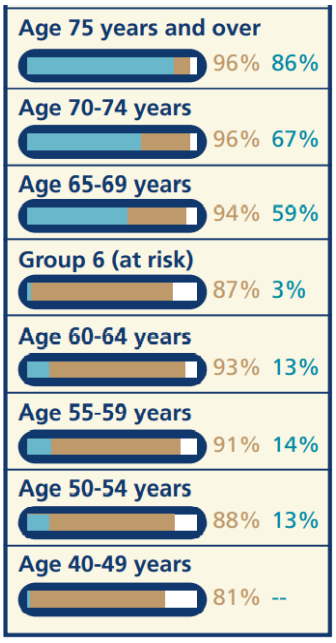
A digital infrastructure for scheduling appointments, recording, and reporting on vaccination activity is in place. All vaccinations in Wales are recorded directly into the Welsh Immunisation System (WIS). This is bespoke software developed by NHS Wales Informatics Service (now Digital Health and Care Wales, 'DHCW') to meet the needs of the vaccination programme.

To identify each patient in each priority group, this information is extracted from primary care records and uploaded by DHCW into WIS. The system is set up to accommodate all age changes throughout the duration of the mass vaccination programme.

Following the upload into WIS, appointments are allocated to patients in line with planning and progress through the cohorts set out by JCVI requirements. It is designed to enable each Health Board to automatically send out appointment letters to the public when they become the priority group to get vaccinated. We did not test the WIS system during this audit.

As at the 26th April the Health Board had given a total of 463,178 vaccines (a combination of 1st and 2nd doses) across the Health Board area. The vaccination of those aged 35-39 has now commenced, with eight out of 10 adults aged between 40-49 having already received their first dose. The progress through the age groups is detailed below.





2. Scope and Objectives

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

The specific objectives reviewed were:

- to ensure that an effective plan is in place detailing the delivery of vaccinations for each priority group and in particular:
  - sufficient trained resource to support delivery;
  - all potential patients are identified within each priority group, including individuals not registered with the Health Board;
  - arrangements to ensure patients are offered a vaccination and follow-ups where appointments are missed;
  - the selection of an appropriate vaccine, taking into consideration storage facilities, patient factors (e.g. allergies) and availability;
  - the management and scheduling of second doses, where required;

  - ongoing communication with the population of the Gwent area, to provide assurance over the vaccinations and to answer frequently asked questions;
  - communication with relevant staff to keep them updated of changes that occur (external and internal to the Health Board);
  - key milestones are documented;
- to confirm that appropriate governance / oversight over the delivery of the plan is in place, including:
  - the progress of delivery in line with the JCVI priority list, through regular reporting;
  - lessons learnt and continual improvement; and
  - appropriate approval and monitoring of the plan, including action taken to address shortfalls in delivery or where milestones are not met.

Whilst we did not test the transfer of the data files from the primary care records to WIS, we did test the controls for ensuring all residents were offered an appointment at the appropriate time.

3. Associated Risks

The risks considered in the review were as follows:

- the plan in place for mass vaccination is not efficient leading to wastage of the vaccine and delays to the delivery of the vaccination programme;
- insufficient training for staff, resulting in delays to vaccinations being delivered and / or an increased risk of patient harm;
- reputational damage as a result of a delayed delivery of vaccinations or insufficient information provided;
- risk of the public not being vaccinated in a timely manner;
- members of the population are omitted from the vaccination programme;
- insufficient monitoring of the vaccination programme, resulting in an inefficient delivery; and
- a lack of accountability for the implementation of the mass vaccination programme.

OPINION AND KEY FINDINGS

4. Overall Assurance Opinion

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

The level of assurance given as to the effectiveness of the system of internal control in place to manage the risks associated with Mass Vaccination Programme is **Substantial** Assurance.

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

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

5. Assurance Summary

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

Assurance Summary					
1	Effective delivery plan				✓
2	Appropriate governance oversight				✓

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

Design of Systems/Controls

The findings from the review have highlighted one issue classified as a weakness in the system/control design for the Mass Vaccination Programme.

Operation of System/Controls

The findings from the review have highlighted no issues that are classified as weaknesses in the operation of the designed system/control for the Mass Vaccination Programme.

6. Summary of Audit Findings

There is evidence of strong governance arrangements and robust internal controls in place to ensure the planning, monitoring and delivery of the mass vaccination programme is aligned to JCVI requirements. However, there is an area for improvement regarding how the Health Board engages with members of the public who do not have access to the internet.

In comparison to other Health Boards in Wales, using data to 25th April, the Health Board has given out more first dose vaccines in relation to population percentage (56.1%) than Cardiff and Vale (54.3%), Hywel Dda (55.9%), and Betsi Cadwaladr (55%) Health Boards.

The Health Board has also given more second doses relative to the population at 21.4%, compared to Cardiff and Vale (18.9%), Cwm Taf Morgannwg (20.5%), Swansea Bay (20%) and Hywel Dda (20.5%) health boards.

Objective 1: An effective plan is in place detailing the delivery of vaccinations for each priority group

There is a dedicated mass vaccination workforce team who are responsible for the recruitment of mass vaccination programme staff. Recruitment is ongoing and monitored at weekly planning meetings to ensure there is sufficient workforce provision going forward.

There is a specific process in place for the vaccination of care home residents which has been adopted nationally and is used to risk assess homes. There has been a partnership approach between the Health Board and other stakeholders including care home providers to enable the delivery of the vaccine to residents and staff within care homes.

To ensure the harder to reach groups are also included in the vaccination plan, the Health Board has set up individual teams to help those in the

socially vulnerable and socially at-risk population. An example of such was the provision of a vaccination clinic from a Newport mosque.

We confirmed the Health Board has introduced a notice to residents to complete a form if they have missed their vaccination appointment or believe they should have been vaccinated, but have not been sent a vaccination letter. This is promoted several ways including within a weekly newsletter on the Health Board's website. However, for members of the public without access to the internet, they may find it difficult to get in touch with the Health Board.

We noted that the number to ring the Booking Centre Team, which is on every appointment letter, is not advertised elsewhere. Therefore, members of the public who have not received a vaccination appointment, when they believe they should have done so, may not be aware of how to query this. We have raised a recommendation in Appendix A.

Patients are able to contact the dedicated mass vaccination Booking Centre Team to rearrange vaccination appointments by calling the number on their vaccination appointment letter. Where a patient cannot attend, an alternative appointment is offered as soon as possible by the Booking Centre Team. We were informed that each patient is invited to a vaccination appointment at least three times, although we were not provided with evidence to support this statement.

We were informed that to ensure patients are offered appointments when required, reconciliations are undertaken, and outstanding appointments are issued. For second doses, weekly reports are produced which identify patients approaching 84 days (12 weeks) that have not yet been issued an appointment for any reason. The patient's details are passed onto the booking centre for them to manually contact each individual, where appropriate to do so.

For patients who do not attend (DNA) their appointment, this information is monitored via WIS by staff at each mass vaccination centre (MVC) on a two-hourly basis. Staff manage DNAs by contacting the patient by telephone to ascertain the reason why they have not attended the MVC for their appointment Additionally, staff complete reviews of eligible patients that have yet to receive a vaccine appointment and offer one that is sooner than originally scheduled.

If a particular vaccine is running low, we confirmed there are standard operating procedures (SOPs) for switching vaccines to ensure minimal disruption to the rollout of the Programme. The Programme does not offer a choice of vaccine, other than if a certain vaccine must be given for clinical reasons. If the patient has an allergy, which would prevent them from accessing a particular vaccine, these cases are dealt with on an individual basis during a weekly meeting led by the Primary Care Clinical Director.

It is the responsibility of the Welsh Assembly Government to ensure that there is adequate allocation of second doses for each first dose given. The WIS system is designed to automatically allocate the second dose vaccine appointment. The number of second doses due in the week is discussed at the weekly planning meeting to ensure all appointment requirements can be met.

The Health Board's Communication Team provide regular updates to the general public in the Gwent region. This is done in a variety of ways, with examples including:

- a letter issued to all households in Gwent making them aware of the vaccination programme;
- social media notifications;
- a dedicated Covid-19 page on their website; and
- weekly briefings on the Health Board's website.

The Communication Team is also responsible for making staff aware of any Covid-19 updates which include regular emails sent out to staff with important notices, weekly stakeholder meetings and weekly staff briefing emails with output from the Executive Team.

Objective 2: To confirm that appropriate governance / oversight over the delivery of the plan is in place

A Programme is in place setting out the accountability structure, with each individual aware of their roles and escalation pathways. The structure adapts to reflect the operational delivery phase of the programme, with the latest version being agreed by the Executive Team in March 2021.

Weekly planning meetings take place to maintain oversight of all aspects of operational management and delivery plans. An action log from each meeting is maintained and monitored at the following meeting.

Weekly Programme Board meetings also take place to enable staff to manage the Programme risks. The meeting is designed to provide oversight of the delivery of the Programme and to deliver assurance to the Executive Team that design, and implementation plans across the Health Board are appropriate. An action log from each meeting is maintained and monitored in the following meeting.

The Programme is discussed, including key milestones, at Executive and Gold (when in use) meetings. and Board meetings. Information regarding the progress of the Programme is also published on the Health Board's website.

In addition to monitoring overall milestones, ongoing attendance at MVCs is also monitored on a two-hourly basis. Activity reports for each MVC (Sitrep) are formulated and shared every morning with the appropriate staff members of the Programme.

We noted during the audit that the Health Board had chosen not to create a reserve vaccination list unlike a number of other Health Boards. We confirmed that instead of a reserve list MVCs are overbooked to accommodate for DNAs. This practice meant that the Health Board would only ever vaccinate those in the correct JCVI priority group and no members of the public could 'jump the queue' to obtain a vaccine. In terms of adhering to the JCVI guidelines, we believe this to be good practice.

We queried whether this process would lead to a higher wastage of vaccine if the DNAs were not accurately predicted. The Deputy Director of Public Health informed us that there is a procedure in place at each MVC which ensures that vaccine wastage is negligible. This process includes using one vial of vaccine at a time between vaccinators at the end of each day to ensure if there is any vaccine remaining, it is only the amount carried in that one vial. For the Pfizer vaccine this could be up to six doses and for the AstraZeneca vaccine this could be up to either eight or eleven doses. The Health Board monitors wastage, but this primarily arises as a result of particulates within vials supplied to the Health Board and / or broken syringes during vaccine administration. Due to the measures above, the number of vaccines unused, where the Health Board is responsible is negligible.

We were informed when there is an incident which involves either a patient or staff member, these are logged onto DATIX and reviewed within seven days by the person who logged the incident. We noted in the Planning meeting minutes there is a standard agenda item to discuss risks and incidents. The Health & Safety Team Manager provides a report of all incidents that occurred in the last seven days. Any remedial actions are noted and included within the weekly action log from each meeting.

The Programme has a dedicated team that deal with all concerns received by the Health Board from patients regarding their vaccination. Each concern/complaint is discussed during the weekly planning meeting and again any remedial actions are noted and included within the weekly action log from each meeting. The Programme Risk Register is discussed at the week Programme meetings where each risk owner is expected to provide updates including any required mitigating actions. Any necessary actions are then recorded in each weekly action log and monitored.

7. Summary of Recommendations

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

A summary of these recommendations by priority is outlined below.

Priority	H	M	L	Total
Number of recommendations	**-**	**1**	**-**	**1**

Finding 1 Communication with the Public (Design)	Risk
The Health Board has issued regular communication to residents detailing steps to complete for missed vaccinations (for whatever reason). This is promoted primarily over the internet, e.g. social media newsletters. However, for members of the public without access to the internet, they may not be aware of or be unable to complete the process to arrange an appointment. We also identified that the telephone number to ring the Booking Centre Team is not advertised and only provided to residents when offered a vaccination appointment. Therefore, individuals who have not received an appointment, but believe they should have may have difficulty making contact with the appropriate team.	There is a risk that the members of the public who do not receive their vaccination letter do not receive a vaccination as they are unaware how to engage with the Health Board to book an appointment.
Recommendation 1	**Priority level**
The Health Board should review: • how it engages with members of the public who do not have access to the internet; and • advertising the telephone number for the appropriate appointment booking team.	**Medium**

Management Response 1	Responsible Officer/ Deadline
The need to review how the Health Board engages with members of the public who do not have access to the internet is accepted. As part of that review, the Health Board will consider advertising the telephone number and whether the significant operational implications of doing so can be overcome. If advertising the number continues to be too big a risk to the pace of delivery of the programme, alternative options will be provided.	Mererid Bowley, Deputy Director of Public Health – end of June 2021

Audit Assurance Ratings

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

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

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

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

Prioritisation of Recommendations

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

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

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

Confidentiality

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

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

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

Audit

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

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

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

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

Responsibilities

Responsibilities of management and internal auditors:

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

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

Office details:

MAMHILAD Office
Audit and Assurance
Cwmbran House (First Floor)
Mamhilad Park Estate
Pontypool, Gwent
NP4 0XS

Contact details

James Quance (Head of Internal Audit) – 01495 300841
Steve Chaney (Deputy Head of Internal Audit) – 01495 300844
Laura Howells (Principal Auditor) – 017553 038038

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

Bwrdd Iechyd Prifysgol Aneurin Bevan University Health Board

Partnership Financial Governance – Trace and Protect

Final Internal Audit Report
2020/21

Aneurin Bevan University Health Board

NHS Wales Shared Services Partnership

Audit and Assurance Services

CONTENTS

	Page
1. Introduction and Background	4
2. Scope and Objectives	6
3. Associated Risks	6
Opinion and Key Findings	
4. Overall Assurance Opinion	6
5. Assurance Summary	7
6. Summary of Audit Findings	8
7. Summary of Recommendations	10

Appendix A	Assurance opinion and action plan risk rating
Appendix B	Responsibility Statement

Review reference:	AB2021-41
Report status:	Final
Fieldwork commencement:	3rd February 2021
Fieldwork completion:	10th May 2021
Draft report issued:	14th & 17th May 2021
Management response received:	N/A
Final report issued:	17th May 2021
Auditor/s:	James Quance, Head of Internal Audit Steve Chaney, Deputy Head of Internal Audit, Adam Davies, Principal Auditor
Executive sign off	Dr Sarah Aitken, Director of Public Health and Strategic Partnerships
Distribution	Eryl Powell, Consultant in Public Health, SIRO regional cell GTTPS Mererid Bowley, Deputy Director of Public Health Alex Thomas, Finance Business Partner
Committee	Audit Committee

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

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

Please note:

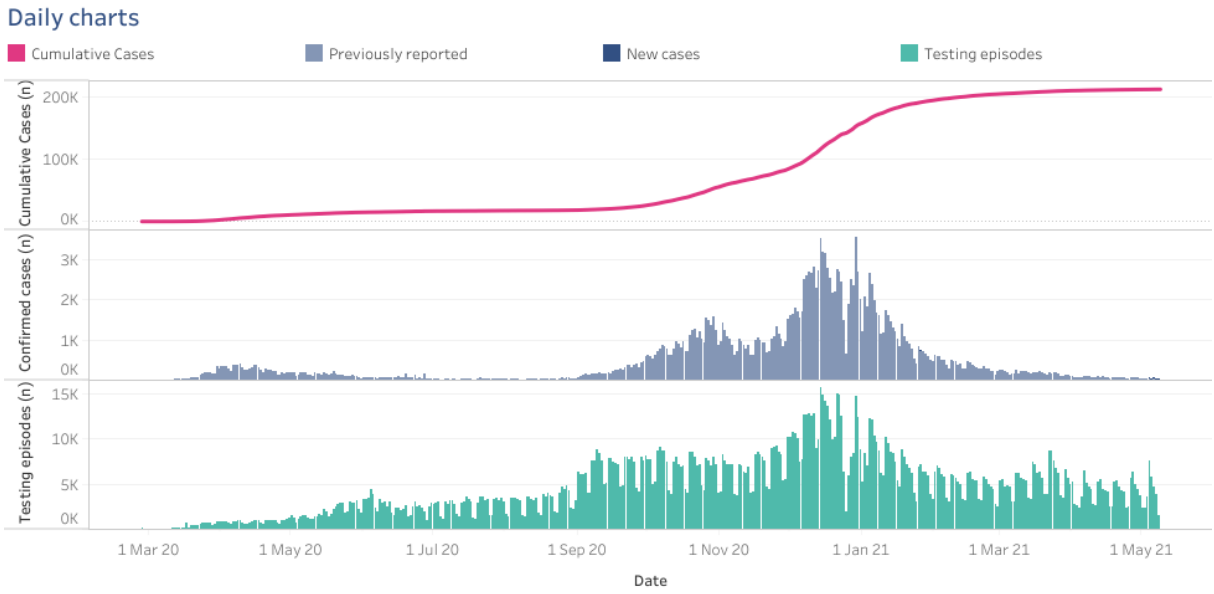
This audit report has been prepared for internal use only. Audit & Assurance Services reports are prepared, in accordance with the Service Strategy and Terms of Reference, approved by the Audit Committee.

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

1. Introduction and Background

The review of Partnership Financial Governance – Trace and Protect (TP) was completed in line with the 2020/21 Internal Audit Plan.

During March 2020, evidence of community transmission of the SARS-CoV-2 virus within the Gwent region was first identified. Over a period of a few weeks (13th March to 4th April 2020) a rapid escalation of the pandemic impacted Aneurin Bevan University Health Board (the 'Health Board'). The graphs below illustrate the acceleration of the cases of Covid-19 within the Health Board's region.



Source: [Rapid COVID-19 virology - Public - Public Health Wales Health Protection | Tableau Public]

Following a national lockdown across the UK, infection rates decreased and continued to do so throughout the summer months.

During October 2020, the seven-day rolling incidence rate for Wales was more than 130 cases per 100k population. To save lives and prevent the NHS from being overwhelmed the Welsh Government initiated a 'firebreak' lockdown between the 23rd October and 9th November.

However, following the 'firebreak', the number of confirmed cases of Covid-19 within the Health Board's region rapidly rose to 750.80 per 100k of population as at 20th December 2020, with the highest local authority area being Blaenau Gwent with 911.80 per 100k of population. The same day,

Wales entered a Tier 4 national lockdown, to reduce infection rates and the impact on the health services.

Since the recent peak, during December and January 2021, the number of Covid-19 cases has continued to decrease, with the all-Wales rolling seven-day rate for 6th to 12th May 2021 at 10.24 per 100k of population.

Trace and Protect

In early June, the Health Board and the five Gwent local authorities established the Gwent Test, Trace, Protect Service (GTTPS). The pan Gwent service was based on a partnership model. Individual local authorities took responsibility for recruiting and employing the local tracing teams, with the Health Board responsible for the Regional Cell, the Staff Wellbeing & Support Cell for contact tracing work-place contacts and for acting as the GTTPS Financial Lead Organisation. The Original Business Case (the 'Business Case') for this new service was agreed by the then Contact Tracing sub-group and Gwent group of public service leaders and chief officers (also known as 'G10') in July 2020.

Since the approval of the original Business Case, the GTTPS has evolved and changed to reflect both Welsh Government requirements and how best to respond to Covid-19 in Gwent. Therefore, to ensure that the Business Case remained relevant and reflected the current governance and approaches, the GTTPS – Coordination Unit has led the work, with contributions from the Health Board, to update the Business Case. Given the established nature of the service it was felt that the term Business Case was no longer appropriate and therefore the name has been changed to the GTTPS Governance and Delivery Framework (G&DF). The updated G&DF (V9) was approved by the G10 on the 2nd of March 2021. Funding from the Welsh Government has been extended until the end of June 2021.

The Health Board serves as the conduit for reporting the consolidated expenditure position. This is processed as part of the Monthly Monitoring Return (MMR) to the Welsh Government.

Each local authority within Gwent is responsible for providing accurate monthly expenditure information to the Health Board. Once received, the Health Board compiles a consolidated position of total expenditure and reports this within the MMR.

The Welsh Government provides a funding allocation to the Health Board, which is used to reimburse each local authority. To assist with the management of the process, a monthly Leadership Group takes place, with

all parties represented. Future allocations, workforce plans and deviations are discussed at each meeting.

2. Scope and Objectives

The overall objective of the review was to evaluate the controls in place over the financial consolidation process within the trace and protect element of the GTTPS.

To achieve this, we sought to provide reasonable assurance over the following areas:

Trace and Protect

- to ensure that the accurate consolidation of each local authorities' expenditure is reported to Welsh Government and consistent with the funding allocation;
- to determine if the Leadership Group is operating effectively ensuring that the Trace and Protect service is delivered as cost effectively as possible;
- to ensure that the MMRs are consistent with the financial position and reflective of key risks discussed at the Leadership Group; and
- to confirm that sufficient planning has been completed to reduce the Trace and Protect service as the end of the pandemic approaches.

3. Associated Risks

The risks considered in the review were as follows:

- incorrect funding allocations are calculated;
- insufficient planning takes place resulting in increased costs; and
- incorrect or insufficient information is provided to the Welsh Government regarding funding requirements for Trace and Protect.

OPINION AND KEY FINDINGS

4. Overall Assurance Opinion

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

system of internal control in place to manage the identified risks associated with the objectives covered in this review.

The level of assurance given as to the effectiveness of the system of internal control in place to manage the risks associated with Partnership Financial Governance – Trace and Protect is **Substantial** Assurance.

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

5. Assurance Summary

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

Assurance Summary					
1	Reporting of consolidated expenditure				✓
2	Leadership Group				✓
3	Monthly monitoring returns				✓
4	Reducing the Trace and Protect service when required				✓

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

The findings from the review have highlighted no issues that are classified as a weakness in the operation or system/control design for Partnership Financial Governance – Trace and Protect.

6. Summary of Audit Findings

We found robust governance arrangements in place, with regular overview of the trace and protect arrangements within the Gwent region. There was strong control over the financial arrangements, with regular reporting and management of the financial matters and workforce requirements.

The target workforce for the GTTPS is 552.72 whole time equivalents (WTEs). The cost of this has been estimated at c. £1.86m per month. However, redeployed staff (costs not chargeable against the Welsh Government Contact Tracing allocation) have been utilised where possible and as such, not all of the funding was being utilised. The staff costs charged against the contact tracing allocation in February 2021 were £1.28m.

The GTTPS took a prudent approach to staffing, with additional staff recruited where there were concerns over workforce numbers or increased demand on the service. However, even with increased recruitment, the full funding allocation has not been required, with the forecast expenditure total decreasing from February 2021 onwards.

A summary of our findings against each audit objective is detailed below.

Consolidation of Local Authorities' Expenditure

We reviewed the funding allocation available for Trace and Protect and confirmed that expenditure profiling until the year end incorporated this figure.

We also reviewed the allocation for each individual local authority and ensured that this was replicated within the monthly returns reported to the Welsh Government. They were consolidated automatically through multiple reports. We ensured the figures were correctly replicated for the sample reviewed. As at February 2021, the funding allocation was as follows until the end of March 2021.

GTTPS Partner Organisation	Forecasted Funding Requirements £'000
Caerphilly local authority	1,418
Monmouthshire local authority	741
Torfaen local authority	1,161
Newport local authority	1,393
Blaenau Gwent local authority	1,220
Programme Manager's Office	224
Health Board	1,330
Total	7,487

We confirmed that the above figures were consistent with the ledger reports within Oracle too. Whilst there was a timing difference present during January (month 10), we ascertained that this was due to the enhanced allocation being received from the Welsh Government. All forecast changes had been incorporated into the appropriate reports in the following month.

Leadership Group

Within Gwent, Trace and Protect (T&P) is part of the GTTPS. The T&P governance arrangements fall within the G10 and more specifically, the G10 Strategic Board. To support these arrangements, the Leadership Group (the 'Group') is the main forum responsible for:

- monitoring and scrutinising the implementation of the Action Plan (also known as the Covid-19 GTTPS Management Action Plan);
- monitoring and ensuring all risks are mitigated and addressed; and
- ensure their organisations participate fully in the partnership.

We reviewed minutes of the Group to determine if each of the above responsibilities ensured the T&P service was being delivered effectively.

We found that workforce plans and associated costs were discussed at each meeting. We also saw evidence of discussions over key financial decisions and assessments of the risks involved.

Alongside this, G10 reports were prepared relaying the Health Board's current position regarding T&P, including performance indicators. For example, workforce gaps and progress were highlighted across each local authority area. Furthermore, expected risks were identified, with appropriate mitigation included.

We also confirmed that an appropriate membership of Health Board staff were involved with the Group, with finance and performance standing agenda items.

Monthly Monitoring Returns

Each month the Health Board provides an update to the Welsh Government on T&P, via its monthly monitoring returns (MMRs). We reviewed a sample of the MMRs to ensure that they were consistent with the financial position agreed within the funding allocation from Welsh Government and aligned to the discussions within the Group.

The funding allocation was increased from £9.6m to £12.7m to help with the expected requirement to increase the number of contact tracing staff. In addition to this funding, the Welsh Government allocated a further £2.1m for quarter one of 2021/22. At the time of testing, the forecast year end expenditure position was £7.49m.

We confirmed that the budget recorded within Oracle is consistent with the reported position within the MMRs (except for the timing difference referred to above, which was subsequently updated).

One of the key risks discussed at the Group was the number of contact tracers required versus the funding available. Ultimately, the costs were within the funding allocation available and consistent with the paper to the Executive Team on 6th January 2021 and minutes of the Group. Within the Health Board 84.88 WTE staff were utilised within contact tracing. As many as 20% of staff have been redeployed from existing posts, which provides additional headroom in creating further posts if the need arises.

Reduction of Trace and Protect Service

The Welsh Government stipulated that the service would continue until the end of June 2021 and provided additional funding (£2.1m) to meet this requirement.

The financial implications to the Health Board were reviewed by the Executive Team during January 2021 – with a risk of unfunded costs of c.£681k. However, at the beginning of March 2021, the Welsh Government confirmed additional funding for contact tracing and the financial risk to the Health Board was removed. Alongside this, all local authority partners considered the proposals for quarter one 2021/22, with tracing resource being in place until the end of that quarter.

Where additional funding has been required to maintain the service for further months, planning has been completed to calculate the potential implications to the Health Board and GTTPS (for instances where the funding is available and not available). However, as detailed above the Welsh Government has so far provided full funding to continue the delivery of the service until the end delivery point.

7. Summary of Recommendations

There are no findings or recommendations raised.

Audit Assurance Ratings

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

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

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

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

Prioritisation of Recommendations

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

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

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

Confidentiality

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

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

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

Audit

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

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

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

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

Responsibilities

Responsibilities of management and internal auditors:

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

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

Office details:

MAMHILAD Office
Audit and Assurance
Cwmbran House (First Floor)
Mamhilad Park Estate
Pontypool, Gwent
NP4 0XS

Contact details

James Quance (Head of Internal Audit) – 01495 300841
Steve Chaney (Deputy Head of Internal Audit) – 01495 300844
Adam Davies (Principal Auditor) – 01495 300844

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

Bwrdd Iechyd Prifysgol Aneurin Bevan University Health Board

Brexit Preparations

FINAL ADVISORY REVIEW REPORT
2020/21

Aneurin Bevan University Health Board

Private and Confidential

NHS Wales Shared Services Partnership
Audit and Assurance Services

CONTENTS Page

1. Introduction 3
1.1 Context 3
1.2 Advisory review 3
2. Scope and Objectives 4
2.1 Associated Risks 4
3. Executive summary 5
4. Detailed findings 7
4.1 Governance Arrangements 7
4.2 Conclusion 8

Review reference:	ABUHB-2021-42
Report status:	Final
Fieldwork commencement:	12th May 2021
Fieldwork completion:	21st May 2021
Draft report issued:	24th May 2021
Debrief meeting:	27th May 2021
Final report issued:	27th May 2021
Auditors:	James Quance, Head of Internal Audit Stephen Chaney, Deputy Head of Internal Audit Laura Howells, Principal Auditor
Executive Sign-off:	Nicola Prygodzicz, Director of Planning, Digital & IT
Distribution:	Nicola Prygodzicz, Director of Planning, Digital & IT Deb Wood-Lawson, Chief of Staff Wendy Warren, Head of Planning – Civil Contingencies
Committee:	Audit Committee

We conform to all Public Sector Internal Audit Standards.

Validated through an external quality assessment undertaken by the Institute of Internal Auditors.

Please note:

This advisory review report has been prepared for internal use only. Audit & Assurance Services reports are prepared, in accordance with the Service Strategy and Terms of Reference, approved by the Audit Committee. Advisory review 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 Aneurin Bevan University Health Board 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

1.1 Context

The review of Brexit Preparations was completed in line with the Aneurin Bevan University Health Board ('the Health Board') Internal Audit Plan for 2020/21.

The United Kingdom (UK) left the European Union (EU) on the 31st January 2020 following a referendum held in June 2016. A transition period had been in place until 31st December 2020 that allowed the negotiation and agreement of the new Trade and Cooperation Agreement on 24th December 2020 between the UK and the EU. The deal addressed many of the concerns raised by the NHS Confederation and the Brexit Health Alliance over the last four years. However, there were some significant gaps compared with the arrangements that applied until the end of the post-Brexit transition period on 31st December 2020. The impact on the NHS was multifaceted, including:

- delays in importing medicines due to new border arrangements, requiring stock piling and good supply chain management;

- possible weakening of the UKs response to pandemics and an increase in the chances of diseases spreading as we lose partnerships with key EU bodies, including membership of the European Centre for Disease Prevention & Control; and

- new immigration rules potentially affecting the ability of the NHS to recruit doctors and other medical staff from the rest of the EU.

1.2 Advisory review

The overarching objective of this advisory review, completed during May 2021, was to assess the adequacy and effectiveness of the arrangements in place to prepare the organisation for the end of the Brexit transition period on 31 December 2020 and therefore identifying any ongoing significant unmitigated risks.

This is an advisory review therefore we have **not provided an assurance rating**.

2. Scope and Objectives

The review assessed the adequacy and effectiveness of the arrangements in place to prepare the organisation for the end of the Brexit transition period on 31 December 2020.

The review focused on completed and planned actions in respect of the Welsh NHS Confederation guidance document EU Transition Preparedness Toolkit for the Welsh NHS.

2.1 Associated Risks

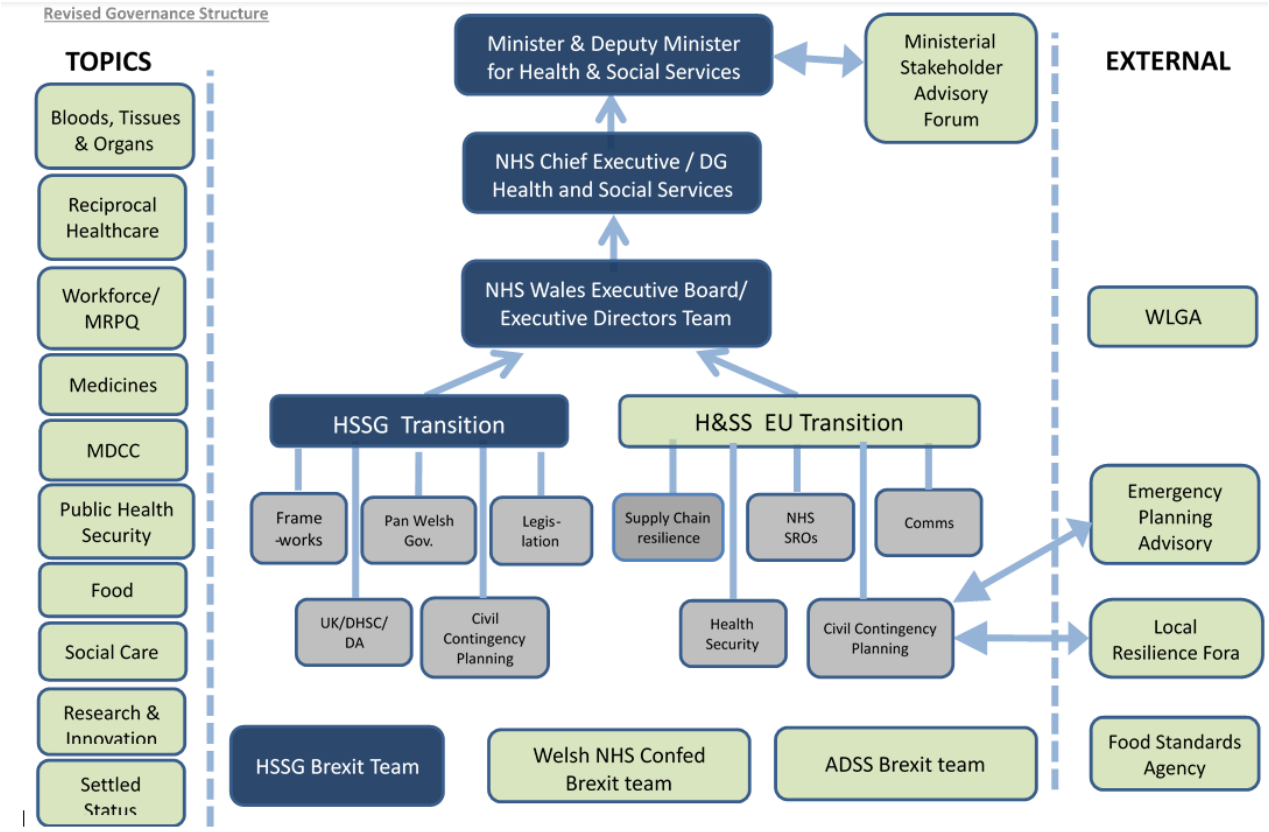
The key risk considered in this review is disruption to supplies/services impacting on the ability of health boards and trusts to deliver safe and timely services to patients.

3. Executive summary

Since 2018, the Health Board has participated in a range of National and Regional fora which include the Ministerial Stakeholder Advisory Forum, Senior Regional Officer's (SRO), the Health and Social Services Brexit Contingency Group, the Gwent Local Resilience Forum (LRF) and LRF Risk meetings.

The Health Board worked with multiple groups including the NHS Confederation, where the Health Board contributed and commented on a range of documents. It also reported Brexit risks specific to the Health Board via the Welsh Government portal (a requirement of all Health Boards). This enabled a national assessment of approach and risks across all Health Boards/Trusts.

The overall governance structure for all Groups reporting into Welsh Government is set out below:



The Health Board put in place business continuity processes, with leads identified in each Division to identify Brexit risks that could impact on service delivery and plans for management and mitigation where possible. To prepare for Brexit an EU Transition Group was established with business continuity representation from Divisions and corporate Directorates. Each area assessed the risks in their area against agreed themes.

Within the Health Board the themes were identified as Workforce, Procurement, Medicines, Equipment and Machinery, Research, ICT and Communication. A central database was created to include the risks identified, which was updated as information was received either from internal or external meetings and progress made across Wales or UK wide.

The EU Transition Group was responsible for managing the operational challenges facing the Health Board regarding Brexit. Additionally, all relevant Brexit information from external meetings attended by the Health Board was discussed at these meetings, with the required updates or issues being reported to the Executive Team.

4. Detailed findings

4.1 Governance Arrangements

The Health Board participates in a range of National and Regional Groups which include the Health & Social Services Brexit SRO Group, and Gwent Local Resilience Forum (LRF) meetings. This is in addition to the internal Governance structure whereby Brexit preparations are discussed at the EU Transition Group, Executive Team and Board meetings.

The Health Board identified the risks associated with Brexit and this was placed on the Health Board's Risk Register in September 2018. We confirmed the Brexit risks had been discussed regularly by the Executive Team, Committees and the Board.

Throughout the Brexit process the Health Board reassessed the risks associated with the worst-case scenario of no-deal being agreed at the end of the transitionary period and whether any new risks had arisen compared to previous assessments.

The Health Board established its EU Transition Group in November 2018. However, all national fora, and the internal EU Transition Group arrangements were dormant from October 2019 to September 2020. The Health Board's EU Transition Group was re-established in October 2020 in line with other regional and national meetings.

The Health Board's EU Transition Group included staff from across operational Divisions and Corporate Directorates, to consider the risks of a no-deal Brexit and the mitigation that could be put in place to minimise any impact. The Group also included Social Services personnel from the Local Authorities, which enabled good communication channels.

The EU Transition Group has currently been stood down, again in line with national SRO meetings. During the Health Board's Brexit preparations, it was this designated Group within the Health Board to receive updates from external meetings attended by Health Board representatives and any other national Brexit information. When active, the Group discusses any implications of new information received and identifies any local responses this may impact upon. The Group is re-established as and when required.

Each Division that attends the EU Transition Group meetings was required to risk assess their area against agreed themes. Each risk area was then RAG rated, with mitigating actions and the responsible Division(s) noted. The EU Transition Group undertook specific work across the following range of agreed theme risk headings:

- Workforce;
- Procurement;
- Medicines;
- Equipment and Machinery;
- Research and Collaboration;
- ICT;
- Finance;
- Public Health; and
- Capacity.

Minutes of the EU Transition Group illustrated detailed analysis had been undertaken of each of the agreed themes. In particular, the potential impact of the Health and Social Care workforce who may be impacted by the need to apply for settled status was discussed in detail. We confirmed guidance regarding Brexit and settled status was published on the Health Board's Intranet.

The Chief of Staff attends monthly Health & Social Services Brexit SRO Meetings, which includes membership from external organisations such as the Welsh NHS Confederation, Welsh Government, Public Health Wales, Social Care Wales as well as other Health Boards. Notes are taken at each meeting and reported back to the EU Transition Group where any significant issues or information is discussed. The EU Transition Group reports to the Executive Team via the SRO and therefore this information is also delivered to the Executive Team when required.

The Board received detailed Brexit reports at key points, which includes all relevant Brexit information that may affect the Health Board, whilst providing assurance the necessary arrangements are in place to ensure all risks are being effectively managed. An End of EU Transition Period –Assessment of Risks document was presented at the December 2020 Board meeting. This detailed the most up to date Brexit risks facing the Health Board and the necessary steps being taken to mitigate those risks.

4.2 Conclusion

There are mature reporting arrangements in place which allow the appropriate staff to be informed of, and act on, Brexit updates/consequences. The Health Board has taken on board the points raised in the EU Transition Preparedness Toolkit for the Welsh NHS, which is designed to provide a high-level summary of readiness preparations in place at the end of the Brexit Transition Period. The Health Board can take confidence that the governance arrangements in place are robust and should be able to respond to risks that emerge from Britain leaving the EU. This is evidenced within the Corporate Risk Register whereby the inherent risk score for Brexit was 16 which has reduced

due to the work carried out by the Health Board to currently have a risk score of eight.

The Health Board continues to work locally, regionally and nationally and plans on contributing to these meetings for the foreseeable future as and when necessary. This will enable the Health Board to be fully appraised of new and emerging themes, information and directives as they arise, and be able to translate these into local application for the Health Board. In turn, this will also allow for continued assurance that the transition period is being managed appropriately.

Office details:

MAMHILAD Office
Audit and Assurance Services
Cwmbran House (First Floor)
Mamhilad Park Estate
Pontypool, Gwent
NP4 0XS

Contact details:

James Quance, Head of Internal Audit – 01495 300841
Stephen Chaney, Deputy Head of Internal Audit – 01495 300844
Laura Howells, Principal Auditor – 01495 300845

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

Bwrdd Iechyd Prifysgol Aneurin Bevan University Health Board

Covid-19: Reducing Nosocomial Transmission

ADVISORY REVIEW REPORT
2020/21

Aneurin Bevan University Health Board

Private and Confidential

NHS Wales Shared Services Partnership
Audit and Assurance Services

CONTENTS Page

1. Introduction 4
1.1 Context 4
1.2 Advisory review 4
2. Executive summary 5
2.1 Current position 5
2.2 Overview of findings 5
2.3 Learning to strengthen future governance arrangements 6
3. Detailed findings 7
3.1 Covid Implementation Plan 7
3.2 Governance and accountability arrangements 7
3.3 Monitoring and scrutiny 8
3.4 Action taken to address identified lack of progress 9
APPENDIX ONE: Terms of Reference 10
Scope and Objectives 10
Limitations of Scope 10
Associated Risks 10
APPENDIX TWO: What we did 11
APPENDIX THREE: Recommendations and benefits 12

Review reference:	ABUHB-2021-43
Report status:	Final
Fieldwork commencement:	7th April 2021
Fieldwork completion:	28th April 2021
Draft report issued:	4th May 2021
Debrief meeting:	7th May 2021
Final report issued:	18th May 2021
Auditors:	James Quance, Head of Internal Audit Stephen Chaney, Deputy Head of Internal Audit Emma Rees, Audit Manager
Executive Sign-off:	Rhiannon Jones, Director of Nursing
Distribution:	Executive Team Reducing Nosocomial Transmission Group
Committee:	Audit Committee

ACKNOWLEDGEMENTS

We would like to acknowledge the time and co-operation given by staff during this review and to thank Executive Directors for their engagement during this challenging period.

We conform to all Public Sector Internal Audit Standards.

Validated through an external quality assessment undertaken by the Institute of Internal Auditors.

Please note:

This advisory review report has been prepared for internal use only. Audit & Assurance Services reports are prepared, in accordance with the Service Strategy and Terms of Reference, approved by the Audit Committee. Advisory review 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 Aneurin Bevan University Health Board 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

1.1 Context

At the end of September 2020, Aneurin Bevan University Health Board (the Health Board) entered a second surge of Covid-19. Evident and sustained community spread and significantly increased nosocomial (healthcare acquired) transmission occurred from mid-October, with a steady decrease in nosocomial transmission from mid-December 2020.

In direct response, the Clinical Executive Directors (Director of Nursing, Medical Director and Director of Therapies & Health Sciences) led the development of an evidence-based strategic plan – the Covid-19 Pathway Implementation Plan (the CIP) – with the aim of reducing nosocomial infections. Approved at Strategic (Gold) Command at the end of October 2020, the CIP covered the essentials of good practice to control Covid-19 in hospitals.

1.2 Advisory review

The overarching objective of this advisory review, completed during April 2021, was to assess the effectiveness of the governance and accountability arrangements over implementation of the CIP, acknowledging the Health Board's agile governance and paper-lite approaches during the pandemic.

The review involved interviewing three Health Board Executive Directors and other key stakeholders, and a high-level review of the CIP and other relevant documentation. Further detail regarding the scope of the review and the work undertaken are included in Appendices One and Two.

This is an advisory review therefore we have **not provided an assurance rating**. We have identified learning and provided recommendations to strengthen and improve future governance and accountability mechanisms. These recommendations and related benefits are set out in Appendix Three.

2. Executive summary

2.1 Current position

Across the Health Board, Covid-19 nosocomial transmission (probable and definite) rose during October 2020, peaking at the end of November with a steady decline from mid-December 2020. Slight upticks in mid-February and mid-March 2021 correlate with ward outbreaks. The Health Board has experienced lower, more stable levels of healthcare acquired transmission from February to April 2021 (see figure 1).

Nosocomial spread within the Health Board followed a similar pattern to other health boards in Wales and closely aligns to levels of community transmission. During this period and up to the time of our report, Covid Alert levels across the Health Board footprint were at level 4 (the highest level).

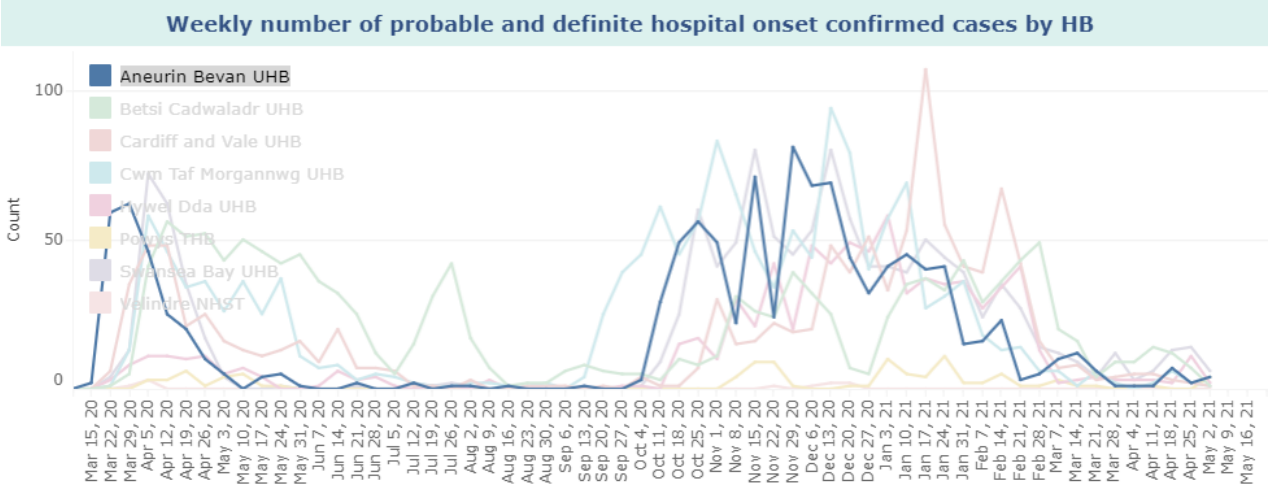


Figure 1: Weekly number of probable and definite hospital onset confirmed cases by health board (to 2nd May 2021)
Source: Rapid COVID-19 virology - Public - Public Health Wales Health Protection | Tableau Public

2.2 Overview of findings

Due to the Covid-19 pandemic, the Health Board was operating in an agile governance, paper-lite manner. Governance and accountability structures were in place over the CIP, as set out in figure 2 (section 3). These structures evolved over the period under review (October 2020 to April 2021) due to the Health Board's wider learning and adaptation from the challenges faced.

We acknowledge that a significant level of work has been undertaken to implement the CIP and monitor progress / compliance. Executive Directors and key stakeholders interviewed confirmed that regular scrutiny was undertaken. This was not always demonstrable from the relevant meeting minutes. This is similar to the findings of our earlier review – 'Governance Arrangements during the Covid-19 Pandemic' – where we identified a lack of clarity over audit trails, particularly regarding non-financial decisions.

Additionally, changes to the governance structures and pressures faced by the Health Board resulted in challenges to developing a more formal CIP reporting process.

Over the longer term, there is a risk the Health Board may not be able to clearly evidence the scrutiny and monitoring it has undertaken. Whilst there is a balance between expedience and evidence, it is important that all elements of this process are sufficiently documented. This may vary in detail between different plans and actions, but it should be clearly demonstrable post-event.

We acknowledge nosocomial transmission rates declined from the peak in November, at the height of the Health Boards second surge, with a more steady state from January 2021. The Director of Nursing confirmed most of the CIP has been implemented as at April 2021 but, based upon our review (set out in Appendix Two), it is difficult to evidence the extent to which the CIP has actually contributed to this position.

2.3 Learning to strengthen future governance arrangements

Whilst we have not assigned priority ratings to our recommendations, we consider the following to be key to strengthening future governance and accountability structures:

Area	Learning
Evidencing monitoring, scrutiny and assurance	Ensuring a robust audit trail that appropriately demonstrates monitoring, scrutiny, decision-making and assurance, particularly if reporting is informal / verbal.
Protocol pack	Developing a protocol pack for any future surges of the pandemic, to allow efficient and effective enacting of measures required.
Robust action plans	Ensuring action plans contain clear timescales and milestones to enhance monitoring and accountability and ensure desired outcomes are achieved on a timely basis.
Reporting requirements	Ensuring reporting requirements are clearly communicated at each level of the organisation.

Our full recommendations and the related benefits are detailed in Appendix Three.

3. Detailed findings

3.1 Covid Implementation Plan

Approved at Strategic (Gold) Command at the end of October 2020, the CIP was created to control Covid-19 in hospitals. It was developed by the Clinical Executive Directors, supported by engagement and consultation with clinical teams and divisional directors.

An evidence-based strategic plan, we understand the CIP was, in essence, a 'checklist' which covered the essentials of good practice to control nosocomial transmission. It identified several good practice principles and covered a range of areas across five categories: governance, infection prevention and control (IPAC), patients, staff and demand and capacity.

In March 2021, the Health Board's Reducing Nosocomial Transmission Group (RNTG) further developed the CIP, producing operational plans for each division and site (OCIP). We were informed that other plans were also developed to support several themes within the CIP, including a Staffing Plan and Right Patient Right Place Plan. We understand that these plans were reported directly to the Strategic Group and Executive Team. *Note: the OCIPs and other additional plans were excluded from the scope of our review.*

Whilst the CIP contains responsible individuals at a Strategic and Tactical level, responsible individuals at a Bronze level were not formally identified until the OCIPs were developed. Our discussions with the Bronze teams confirmed that they were aware of their responsibilities regarding CIP implementation.

The Director of Nursing confirmed that most of the CIP has been implemented as at April 2021. The Health Board is now in the process of reviewing and closing the CIP, with a view to identifying lessons learnt and ensuring any areas that require ongoing work are taken forward appropriately.

The CIP was managed as a separate process which, in recognition of the second Covid surge, was necessary for implementation and embedding of the principles. In the longer term, it would be beneficial to integrate assurance mechanisms and compliance with the ongoing aspects of the CIP (for example, around swabbing, ward zoning, Covid safety measures, etc) into existing governance structures and processes.

3.2 Governance and accountability arrangements

The CIP governance and accountability arrangements have evolved over the period under review, as set out in figure 2. Learning and adaptation occurred as the Health Board navigated the challenges of the Covid-19 second wave, the early opening of the new Grange University Hospital (GUH) and winter pressures. The Health Board implemented a revised Covid command structure in January 2021 due to this learning.

The Health Board's Strategic (Gold) Command had ultimate responsibility for ensuring the CIP was robustly implemented.

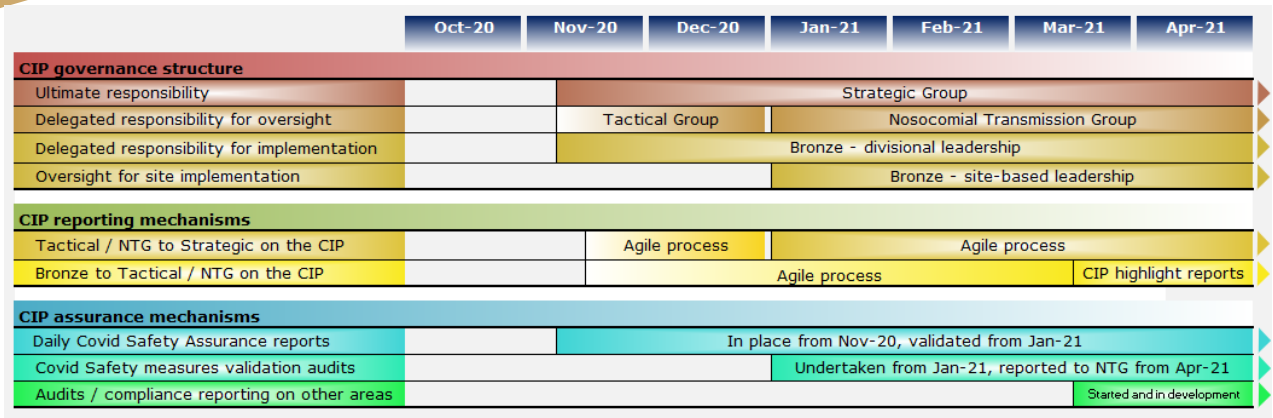


Figure 2: Evolution of the CIP governance structures from November 2020 to April 2021

The Tactical Group (Silver Command) was allocated responsibility for oversight of implementation from November 2020 until it was stood down at the end of December 2020. Under the revised command structure, responsibility for the CIP transferred to the RNTG in January 2021.

In mid-January 2021, as part of the Covid Winter response, the Health Board introduced an interim triumvirate site-based leadership (SBL) model (operational, medical and nursing leads). The SBL teams were responsible for site oversight of the CIP, with divisions remaining responsible for operationalisation.

Whilst Executive Directors and key stakeholders interviewed were clear regarding the CIP governance structures, we have noted the lines of accountability for the CIP were not clearly documented, except for the Lead Director.

April 2021 update to governance structure

The Health Board has again reviewed its Covid command structure, to ensure it remains appropriate to the stage of the pandemic.

Under the newly revised approach, the RNTG will remain accountable to the Executive Team (ET), with monthly reporting on its activity. Should significant matters arise in between monthly reporting, these will be reported to the ET (by exception) via the Director of Nursing.

3.3 Monitoring and scrutiny

Strategic Group

The Strategic Group received regular updates on nosocomial transmission throughout the period under review.

Reporting on the CIP was part of the Tactical Group / RNTG updates to Strategic Group. Executive Directors and key stakeholders interviewed confirmed that this reporting was undertaken. However, due to the agile governance and paper-lite arrangements, this was not always demonstrable from the Strategic Group meeting minutes reviewed.

Tactical Group / Reducing Nosocomial Transmission Group

From November 2020 and January 2021, the Tactical Group and RNTG (respectively) monitored implementation of the CIP. Executive Directors and key stakeholders interviewed confirmed that this monitoring was undertaken. However, due to the agile governance and paper-lite arrangements, until March 2021 this was not always demonstrable from the Tactical Group and RNTG meeting minutes reviewed.

Due to the pressures and structural changes noted in section 3.2, the Health Board found it challenging to formalise oversight, monitoring and reporting for the CIP. A formal approach for Bronze reporting against the CIP to the RNTG was developed in February 2021, including fortnightly CIP highlight reports providing a high-level overview of site/divisional nosocomial transmission and compliance with the ongoing actions in the OCIP.

From mid-March 2021, we could see clear evidence of CIP reporting from Bronze level to the RNTG along with RNTG minutes demonstrating monitoring of these reports.

Bronze SBL teams

The SBL teams met twice weekly from January 2021, although most have reduced to once per week with the exiting of the second surge. Whilst approaches to monitoring the CIP have differed slightly from site to site, we understand monitoring took place largely through regular review of nosocomial transmission and outbreaks, handling operational site matters relating to nosocomial transmission, monitoring of ward self-assessments of compliance with Covid safety measures (hand hygiene, social distancing and PPE) and, from March 2021, the OCIP highlight reports. *Note: review of the Bronze level minutes was excluded from the scope of our review.*

Discussions with the SBL team leaders highlighted some concerns over the accuracy of the data used within the CIP highlight reports. In some instances (for example, swabbing data), significant work was required to cleanse the data before use. Additionally, these individuals identified potential inconsistencies between how the performance measures are calculated (for example, whether patients who refused swabs should be included in the swabbing compliance figures).

Our review of the CIP highlight reports presented during April 2021 highlighted significant variation in the level of detail between the sites / divisions, despite a standard template being provided. Detail ranging from very high-level overviews to large volumes of data.

3.4 Action taken to address identified lack of progress

Progress against the CIP was discussed at the Tactical Group and then at the Reducing Nosocomial Transmission Group. Executive Directors and key stakeholders interviewed confirmed that this monitoring was undertaken. However, due to the agile governance and paper-lite arrangements, this was not always demonstrable from the Tactical Group and RNTG meeting minutes reviewed.

Where this monitoring was evidenced in meeting minutes, we could see that both Groups were focused on discussing progress against red-rated actions.

APPENDIX ONE: Terms of Reference

Scope and Objectives

The review assessed the effectiveness of the governance and accountability arrangements over implementation of the Plan. Weaknesses identified have been brought to the attention of management and advice issued on how particular problems may be resolved and control improved to minimise future occurrence.

The areas considered were:

- ownership, responsibility and accountability for implementation of the Plan at all levels within the Health Board;
- monitoring and scrutiny of progress against identified actions; and
- action taken to address any identified lack of progress.

We also undertook a high-level review of progress against the implementation plans for a sample of sites.

Limitations of Scope

We did not:

- consider the process for developing the Plan; or
- undertake detailed testing on progress against implementing the Plan.

Associated Risks

The key risk considered in the review was high levels of nosocomial transmission of Covid-19, potentially resulting in:

- poor patient outcomes or experience;
- poor staff experience and rates of infection;
- patient harm;
- increased staff fatigue and decreased morale; and
- reputational damage.

APPENDIX TWO: What we did

We undertook the following review activity:

- Interviews with:
  - Director of Nursing
  - Director of Therapies & Health Sciences
  - Director of Operations
  - Tactical Commander (March – October 2020): Assistant Director of Therapies & Health Sciences
  - Triumvirate lead for Tactical Group (October – December 2020): Assistant Director of Planning
  - RNTG Chair: Consultant Vascular Surgeon
  - RNTG Deputy Chair: Assistant Director of Nursing IPAC
  - Triumvirate SBL leads for the Grange University Hospital, Royal Gwent Hospital and Nevill Hall Hospital
- High level review of the following documentation:
  - CIP
  - OCIP highlight reports presented to RNTG in April 2021
- High level review of a sample of papers and meeting minutes for:
  - Strategic Group
  - Tactical Group
  - Reducing Nosocomial Transmission Group
- Analysis of publicly available data on hospital onset (source: Rapid COVID-19 virology - Public - Public Health Wales Health Protection | Tableau Public)

APPENDIX THREE: Recommendations and benefits

Area	Recommendation	Benefit
Governance and reporting	1. The Health Board should ensure it clearly documents roles and responsibilities in its governance structures and plans. 2. Where possible, the Health Board should endeavour to incorporate accountability, reporting and assurance into existing structures, rather than as additional processes which are not sustainable in the longer term. Using the example of the CIP, going forward this could include: i. accountability, reporting and assurance through the existing quality and patient safety governance mechanisms; ii. reporting integrated into existing divisional/site-based reports; and iii. CIP compliance assurance integrated into the divisional/site-based clinical audit plans. 3. The Health Board should clearly document reporting requirements within its governance structures and plans, at each level of the organisation. This should include: i. expected frequency of reporting; ii. level of detail / assurances expected; iii. type of reporting expected, for example, tracking progress, reporting by exception, monitoring key metrics or performance indicators (KPIs), etc; iv. nature of the reports expected, for example, verbal, formal, set template, etc; and 4. Where KPIs or data-driven reporting is used, the Health Board should ensure: i. the data is accurate and can be efficiently accessed; and ii. KPIs are presented consistently between the divisions, for example, by clearly defining how KPIs are calculated.	Clarity in accountability and reporting structures Clarity in roles and responsibilities Greater levels of accountability Greater efficiency in the process Clarity over reporting requirements Evidence of consideration of the levels of assurance required at each level of the organisation Ability to clearly demonstrate monitoring and scrutiny undertaken Greater ability to benchmark performance

Area	Recommendation	Benefit
Protocol pack	5. The Health Board should consider developing a protocol pack for any future surges of the pandemic. This could be implicit within the Health Board's pandemic framework and include, for example: i. Formally identifying governance structures for different surge levels; ii. For each governance structure, identifying groups that are required to meet, with clearly documented terms of reference identifying: a. roles and responsibilities; b. anticipated membership, including leadership of the group; c. frequency of meetings; d. reporting requirements (see recommendation 6 below); and e. records required to demonstrate monitoring, scrutiny and decision-making, for example, minutes, action log, decision log, etc (see recommendation 4 below). This should take into account recommendation 2 above.	Ability to move between appropriate governance structures swiftly and effectively in response to further surges
Evidencing monitoring, scrutiny and assurance	6. The Health Board should ensure meeting minutes appropriately demonstrate monitoring, scrutiny, decision-making and assurance, particularly if reporting is informal / verbal.	Greater ability to demonstrate appropriate monitoring and scrutiny is undertaken More robust audit trails
Robust action plans	7. When developing action plans, the Health Board should ensure: iii. the plans contain clear timescales and milestones; iv. clarity is provided on demonstrating progress, for example, RAG rating definitions and requirements for validating progress; and v. benefits and key metrics are defined within the plan.	Clarity over deadlines and benefits Ability to clearly monitor progress and compliance Greater ability to achieve desired outcomes on a timely basis Greater ability to hold responsible individuals to account

Office details:

MAMHILAD Office
Audit and Assurance Services
Cwmbran House (First Floor)
Mamhilad Park Estate
Pontypool, Gwent
NP4 0XS

Contact details:

James Quance, Head of Internal Audit – 01495 300841
Stephen Chaney, Deputy Head of Internal Audit – 01495 300844
Emma Rees, Audit Manager – 01495 300845 / Microsoft Teams

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

Bwrdd Iechyd Prifysgol Aneurin Bevan
University Health Board

Staff Experience

Final Advisory Review

Aneurin Bevan University Health Board

2020/21

NHS Wales Shared Services Partnership

Audit and Assurance Services

CONTENTS

		Page
1.	**INTRODUCTION AND BACKGROUND**	
1.1	Scope and Objectives	3
1.2	Associated Risks	3
2.	**CONCLUSION**	
2.1	Advisory Review	3
2.2	Overall Summary	3
3.	**RECOMMENDATIONS**	
3.1	Detailed Recommendations	14

Appendix A Responsibility Statement

Review reference:	NWSSP-2021-29
Report status:	Final
Fieldwork commencement:	11th February 2021
Fieldwork completion:	10th May 2021
Draft report issued:	18th May 2021
Management response received:	2nd June 2021
Final report issued:	2nd June 2021
Auditors:	James Quance, Head of Internal Audit Stephen Chaney, Deputy Head of Internal Audit Mair Evans, Principal Auditor
Executive sign off:	Geraint Evans, Director of Workforce and Organisational Development
Distribution:	Sue Ball, Assistant Director of Workforce and Organisational Development Adrian Neal, Head of Employee Wellbeing
Committee:	Audit Committee

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

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 advisory review report has been prepared for internal use only. Audit & Assurance Services reports are prepared, in accordance with the Service Strategy and Terms of Reference, approved by the Audit Committee. Advisory review 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 Aneurin Bevan University Health Board and no responsibility is taken by the Audit and Assurance Services Internal Auditors to any director or officer in their individual capacity, or to any third party.

1. INTRODUCTION AND BACKGROUND

A review of staff experience within Aneurin Bevan University Health Board has been completed in line with the 2020/21 Internal Audit Plan.

During March 2020, the UK experienced a rapid onset of the Covid-19 pandemic, which resulted in numerous national lockdowns and increased pressure on hospital services. As at 22nd April 2021, there have been approximately 41,000 confirmed cases of Covid-19 within the Aneurin Bevan University Health Board (the 'Health Board') area, with the cumulative number of positive cases doubling between the end of November 2020 and the beginning of January 2021.

During the week ending 8th January 2021 at the peak of the second surge, approximately 40% of in-patients at the hospital sites within the Health Board had tested positive for Covid-19.

In addition to the high demands placed on the Health Board, at the height of the first wave of the pandemic sickness absence reached an all-time high of 17% and staff sickness absences exceeded 10% during December 2020.

To assist with Covid-19 and winter pressures within the Health Board, the Grange University Hospital (GUH) was opened approximately six months earlier than scheduled. This resulted in the re-basing of many staff throughout the Health Board.

The Health Board employs over 14,000 staff, two thirds of whom are involved in direct patient care.

To assist staff during the pandemic a Wellbeing Spoke Team (divided into 14 spokes / service areas across the Health Board) was established, comprising of clinical experts to readily assist staff. To complement this service, the Health Board offers staff a range of employee wellbeing tools, including the following examples:

- staff counselling;
- well-being videos;
- peer support service;
- volunteer listening service; and
- a range of wellbeing apps.

During 2020, the Health Board received funding to develop a Wellbeing internet site to extend access to staff outside of the workplace.

The Employee Wellbeing Service also put in place the following interventions:

- Wellbeing surveys completed throughout the Health Board conducted in May, November and February. These were designed to understand how staff are feeling and what support may assist them. These are now completed quarterly.
- The development of a Wellbeing Peer Support Network and phone line.
- Wellbeing drop in sessions across different sites.
- Specific group sessions around particular topics, for example sleep and dealing with traumatic experiences.
- Additional investment in the Employee Wellbeing Service and enhanced plans for the development of a Wellbeing Centre of Excellence, which has been submitted to the Welsh Government.
- The provision of accommodation during the first wave of the pandemic for staff who needed to isolate from vulnerable family members.
- Supporting staff to be re-deployed on a temporary basis to areas that were classified as lower risk to maintain safety and wellbeing.
- The early development of a staff testing hub for staff reporting symptoms of Covid-19, led by the Organisational Development and Occupational Health teams. At the hub symptoms were assessed, and where the criteria was met a decision to test was given and provided staff with wellbeing, health and isolation advice.
- During the first and second pandemic waves guidance on shielding was provided by the Welsh Government. This was complimented by the "buddying" of staff to provide wellbeing support.
- During the first wave of the pandemic the Health Board developed a risk assessment tool for staff with underlying conditions to provide advice and guidance on safety and wellbeing in the workplace. As evidence emerged of the disproportionate, negative impact of Covid-19 on our Black, Asian and minority ethnic communities this risk assessment tool was further developed to take this into account. This was shared across Wales and further modified by an all-Wales expert group.
- The development and implementation of an evidence-based Trauma Pathway for staff.
- The provision of wellbeing support outside the Health Board's geographical region through:
    - webinars for Powys Teaching Health Board, all Wales Workforce Directors, Public Health Wales and the National Academy for Educational Leadership Wales;
    - in house peer support training and ongoing clinical supervisory support to the Emergency Medical Retrieval and

Transfer Service;
- developing a scoping document "Leadership, Sustainability and Wellbeing" and a subsequent leadership development course (modelled on the Health Board's, Leading People course) for Heads and Senior Teachers in Wales; and
- Health for Health Professionals – contributing to their current and future models of service delivery.

1.1 Scope and Objectives

The objectives of this advisory review were to review staff wellbeing support and initiatives utilised by the Health Board during the pandemic, to determine if improvements can be made when compared to examples of best practice.

1.2 Associated Risks

The risks considered in the review were as follows:

- increased staff sickness absence levels due to high stress levels;
- increased financial costs to maintain staffing levels;
- increased risk of patient harm due to insufficient staffing levels; and
- staff retention levels decrease.

2 CONCLUSION

2.1 Advisory review

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

2.2 Overall Summary

The Covid-19 pandemic has underlined the challenges that face the health and social care workforce, and the pandemic has brought into focus the key role NHS Wales organisations play in supporting the health and wellbeing of the population as well as their staff.

The Health Board has invested in the principle of a healthy, motivated, supported and engaged workforce leads to better outcomes and experiences for service users. This approach has been supported by the Board, with an embedded well-being culture helping to achieve service objectives.

During the second surge in December, the Health Board continued to face workforce challenges in delivering key services. We found that variable pay usage detailed in the December 2020 Workforce Surge Plan was 51% (c.242) of the 473.84 whole time equivalent (WTE) required, compared to 37% (c.116) of the 116.08 WTE required during December 2019. This is due to the increased pandemic demand, opening of the Grange University Hospital (GUH) and sickness levels.

Staff throughout the Health Board may be feeling exhausted and fatigued, not just from rising Covid-19 cases, but from increasing demand on other healthcare services.

We found from one wellbeing staff survey completed by the Health Board that 12% of responders identify as 'struggling'. This was further analysed and the groups affected were nurses at Royal Gwent Hospital (non Covid wards), SAS doctors, those self-isolating /shielding, redeployed staff and those identified as being from a BAME community.

To support the wellbeing of the staff, the Health Board has introduced a new employee wellbeing website (https://aneurinbevanwellbeing.co.uk/) to enable all employees to access wellbeing support information. This was in addition to the regularly maintained existing intranet wellbeing site.

Initially, this was hosted on the intranet, but recognising that many staff do not have regular access to those pages, an external facing website was implemented that is accessible on any device both inside and outside the Health Board. We found a range of advice and resources available, with continuing enhancement of other services, including drop-in sessions and virtual support meetings through to listening and supporting events across 13 hospital venues during February and March 2021.

We found the resources encompassed a wide range of wellbeing factors, including stress, bereavement and anger management. However, the resources were often bundled together with the user seeking to review and determine which tool would be best for them. We recommend that careful targeting of resources to match the individual's requirements is considered. For example, if counselling was better suited to a staff member, then they would be directed to that resource immediately. Whereas, another individual may require further information or stress management techniques.

With the launch of the new wellbeing website, we have seen steps initiated to help direct the reader to an appropriate resource and we recommend this approach continues. In particular, through determination of what may work well for some individuals, for example through a rating system or other forms of feedback. Through this approach, staff can quickly utilise appropriate resources and tools for their specific needs.

Alongside the online resources, we confirmed that the Employee Wellbeing Psychological Therapy Service (EWPTS) offers face to face, video and phone based therapeutic support. With the expansion of the Psychology Team there are plans to offer a rapid access and evidence-based trauma pathway, in addition to the well-established counselling pathway. As with the above, we recommend a regular review is undertaken to ensure that appropriate resources are assigned to assist with staff wellbeing issues / concerns. To assist with the process, regular monitoring of usage figures, attempts to secure an appointment, unique users of the service etc. should be completed.

Furthermore, the Health Board provides an organisational wellbeing consultancy to managers, teams and departments across the Health Board, with support currently provided to several teams, wards and departments.

We found good arrangements in place over the staff wellbeing service within the Health Board, with some improvements suggested. We engaged with other NHS organisations and determined approaches in use elsewhere, but overall, found that these principles have already been adopted.

We approached this advisory review by setting out the key objectives for:

- reviewing the Employee Wellbeing Support Service (the 'Wellbeing Service');
- determining what is in place and whether there are additional examples of best practice to incorporate; and
- suggestions of how reporting to the Board may be improved.

There are, however, recommendations to develop the staff wellbeing service further. These are detailed below, together with examples of good practice identified.

Good Practice and Considerations for Improvement

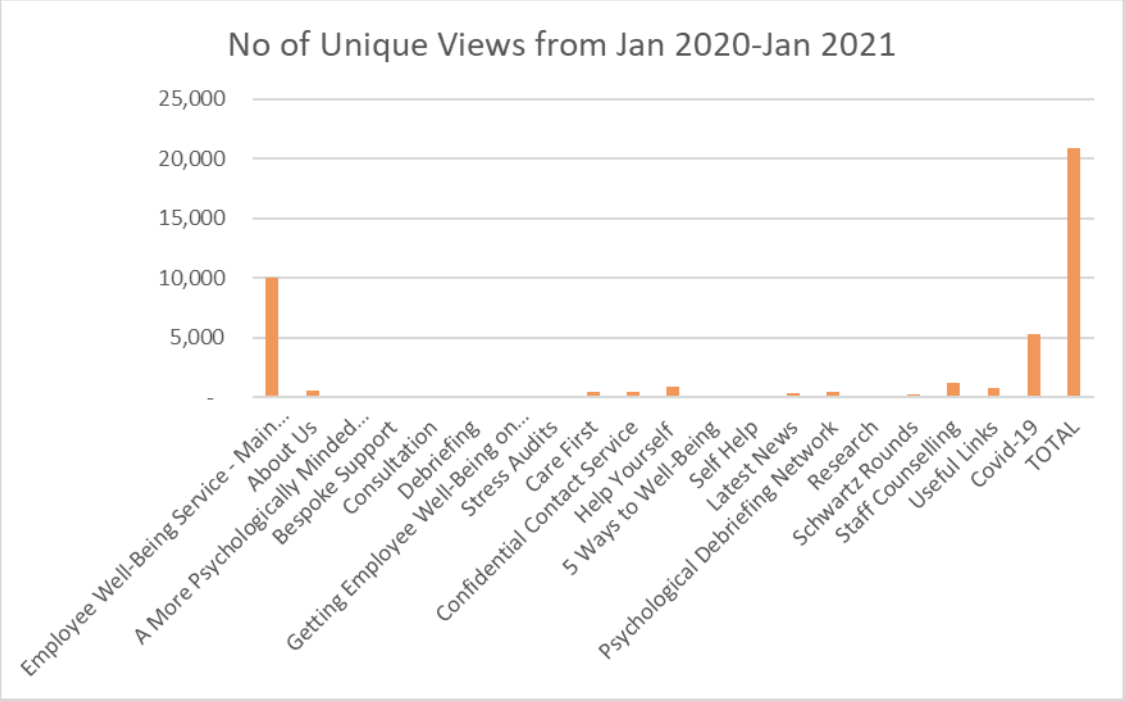
Good Practice	Considerations for improvement	Recommendation No.
Objective One		
Good awareness of the wellbeing service	Improved targeting of wellbeing initiatives, to help staff locate suitable resources. For example, a traffic light system to direct staff	1
Good range of resources available	User reviews of wellbeing initiatives to help direct other potential users	2
Seeking feedback from staff to enable continual improvement	Cost / benefit analysis of initiatives available to help direct the limited resources to best assist staff	3
Awareness of wellbeing service within staff induction	N/a	N/a

Objective Two		
Some monitoring information available	Further detail and analysis to identify trends and correlation through to individual needs analysis, including individual waiting times	4
Regular forum for sharing of information and best practice	Reviewing wellbeing data alongside other key indicators (financial and non-financial), to determine the success of individual initiatives launched	4
	Review the success of wellbeing initiatives against sickness absence levels	4
	Consider establishing wellbeing KPIs to measure the success of the strategy and specific initiatives	5
Objective Three		
Good embedding of wellbeing culture at a Board level	N/a	N/a

Objective 1: Employee Wellbeing Support Service

The Wellbeing Service received reports of staff experiencing difficulty in accessing online resources. In particular, staff that were patient facing and experiencing the daily challenges of the pandemic were unable to reach the resources available, due to a lack of intranet access. To assist with this the Health Board has created an employee wellbeing service website which staff can also access via mobile devices and tablets (EWBS website created October 2020).

We found that during the period January 2020 to January 2021 the Wellbeing Service intranet site received at least c. 10k visits. The graph below depicts the overall number of unique views made by employees (for the same period) for the type of resource available.

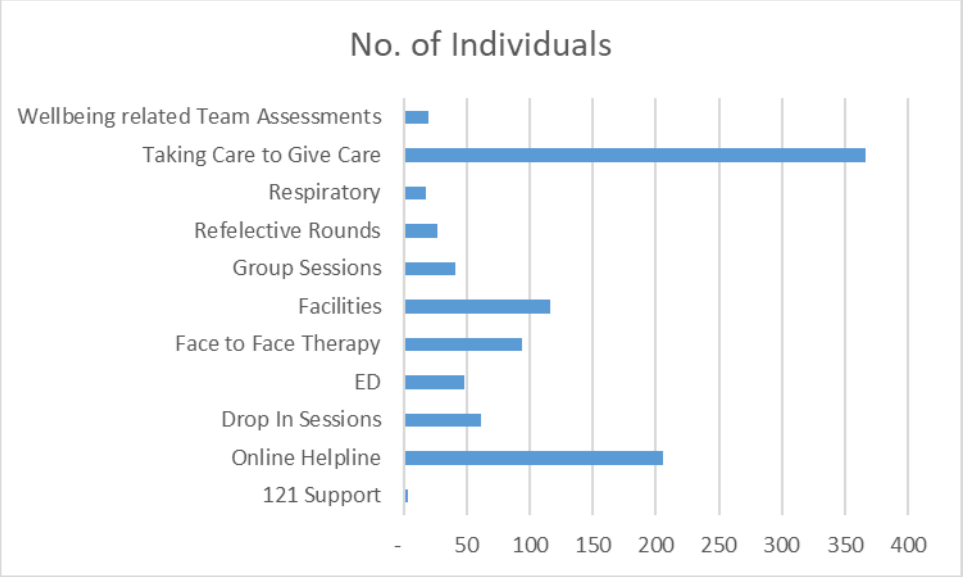


Whilst visits to the Covid-19 section were the most popular (in excess of 5k views), there was also significant viewing of the staff counselling pages (>1k views), Help Yourself (830 views) and the Confidential Contact Service (427 views) sections.

The new Employee Wellbeing Service website which was created in October 2020 had over 2,000 unique visits in the period to January 2021. This is largely due to the requirement to view the wellbeing video hosted under the Corporate Induction section, for all new employees to the Health Board. There were over 1,000 views to this section of the website.

The Health Board has undertaken various promotions to make staff aware of support available to them, including flyers, notices on the digital monitors, regular news updates on the hub, staff wellbeing surveys, drop-in sessions and as referred to above, during induction. With the usage figures detailed above, we consider that there is good awareness of the service.

The awareness of wellbeing initiatives available has translated into an uptake of services by staff, including team awareness sessions through to face to face therapy. This has been provided by 'spoke' teams throughout the Health Board during the first wave of the pandemic, specifically to provide crisis support across all hospital sites. Up to the end of January 2021, around 1,000 individuals have been supported throughout the service. A split by activity is detailed below.



The most accessed resource was 'Taking Care Giving Care' rounds, which supported 366 staff. The round is a facilitated hour-long session and is an opportunity for staff to revisit their values and to spend time thinking about how they can take better care of themselves and in turn how they can care for others. They are based on the Compassion Circles principles, with safe spaces created for staff. This is used as part of the wider organisational employee wellbeing strategy.

We found that the Health Board has been proactive in seeking feedback information on employee wellbeing and has carried out regular reviews by completing three staff surveys; the first in May 2020, second in November 2020 and recently, the third in February 2021 – each had a response rate of 2,199, 2,662 and 2,036, respectively. These wellbeing staff surveys only provide a guide, so the Health Board has completed further analysis of employee's wellbeing within critical care sections. Deep dives are currently planned in Respiratory, Stroke and Mental Health and Learning Disabilities to gain a greater understanding of needs and plan appropriate interventions.

The Health Board is seeking an embedded culture of employee wellbeing and has delivered several presentations to work towards this. An embedded wellbeing culture was further supported by the Executive Team during March 2021 when they made a significant investment in the wellbeing service as part of the Wellbeing Centre of Excellence bid.

We have reviewed practices in place within other health organisations. Overall, this is comparable to initiatives and processes in place within the Health Board, but we do recommend the following:

- directing staff to appropriate resources for their level of wellbeing needs e.g. enabling staff to locate resources relating to stress management more easily;
- provide some further detail within the induction video to provide awareness of resources available, if required. For example, a detailed summary of support available or alternatively, a guide;
- consider including within the newsletter details on past, current and future initiatives, together with output from the All Wales forum; and
- identify which resources work well and provide a scoring system for staff to locate the best resource for them more easily. Consider a cost benefit analysis for each resource available, to enable the Health Board to maximise the use of appropriate resources.

We have assessed the level of progress against a number of key areas within the objective reviewed, incorporating the recommendations listed above, which is summarised below.

Objective One – Assessment of Key Areas
Support available to employees The Health Board has developed a framework for ensuring that only evidenced based and informed supportive employee wellbeing initiatives are funded and are available to staff. They have also provided a host of links for employee well-being support that is available from other providers such as 'Melo'.
Access to employee wellbeing support The main access to the employee wellbeing support is via the intranet and Employee Wellbeing Support Services Website. There are many staff in patient facing roles that do not have access to the intranet during their shift.
Raising awareness to employee wellbeing support The Health Board has raised the prominence of the employee wellbeing support through reporting to a sub-committee of the Board (People and Culture Committee) and promoting a wellbeing culture in the Health Board. However, need to raise awareness of what support is available to meet individual needs/requirements.

Objective 2: Effectives Data of Wellbeing Initiatives

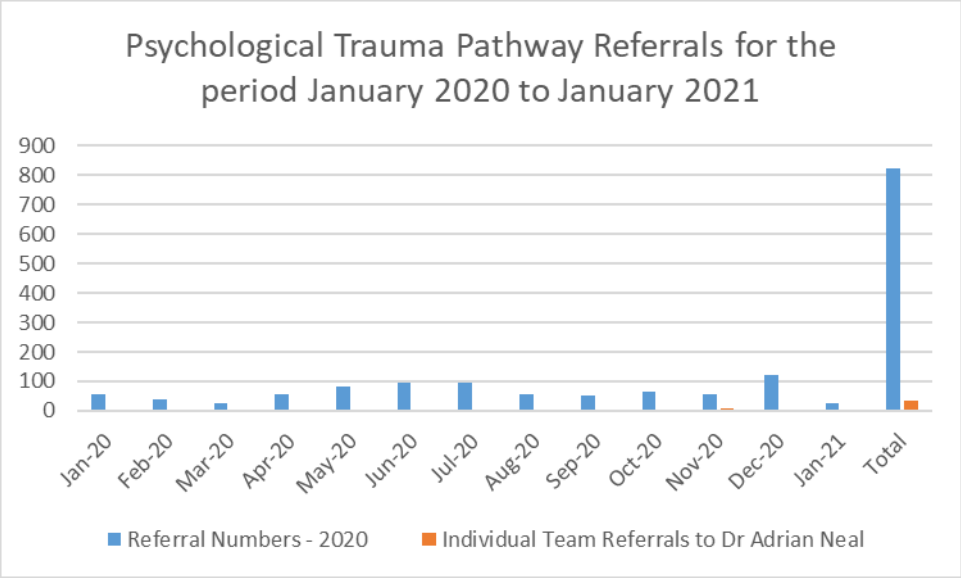
The Health Board is still in the initial stages of developing an employee wellbeing reporting structure and has put in the foundations of a database for the collection of data (the 'database').

During the period January 2020 to January 2021 there were three employee summaries prepared for the Board (October, December 2020 & January 2021). During February 2021 the first reports, direct from the self-referral

system were reported to highlight key activity. These reports are now presented monthly via the Workforce Dashboard.

This is the only database utilised to analyse access to support. Initially, it was not possible to do so, but an upgrade during June 2020 rectified this position.

We have seen wide ranging information, but it is not easily interpreted. For example, the database calculates the change from pre assessment, assessment to post assessment on average referral forms, and does hold the information to track an individual's progress, but does not easily translate into a combined monitoring report.



The above graph shows that 823 referrals and 33 team referrals were received during the period January 2020 to January 2021. However, the information for showing the number of individuals that accessed the service and the effect that it had on the initial assessment through to the final assessment could not be readily provided. However, it does provide a summary of the busiest periods of demand, which was during May, June, July and December 2020 (as expected, during the peaks of the pandemic).

We also reviewed information that showed there were higher weekly waiting lists at certain times (e.g. the start of the pandemic), but we were not able to determine the length of time an individual was waiting.

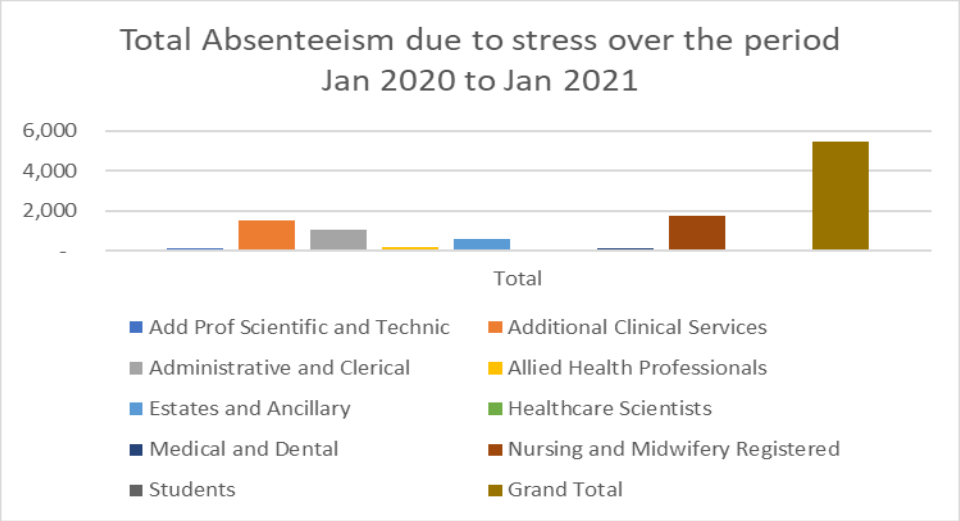
We found other data for demand and usage is collected through staff surveys, including pulse surveys. Compared to some other health organisations where only an annual staff survey has been completed, the Health Board has carried out three surveys within a nine-month period (May 2020, November 2020 and February 2021).

Although the same information was collected over the three periods (with the exception of the addition of a question on fatigue in November and February) and the summary of results included summary captions of the main themes, it was difficult to interpret the changes from comparing the graphs, for example the same colours were used to represent years and grades, some graphs showed the three periods and other graphs compared two periods. We recommend the refinement of data collection to assist in understanding staff requirements and waiting times.

The intranet and website pages record 'hits' on unique viewing. The Employee Wellbeing Support Service website showed over 10,000 unique views (average employee numbers 14,000, but the Health Board did expand its workforce during the pandemic with bank and agency). It is also possible that staff within other NHS organisations accessed the intranet and members of the public for the website. The Employee Wellbeing Service website, which came online during October 2020, has already exceeded 2,000 unique viewings.

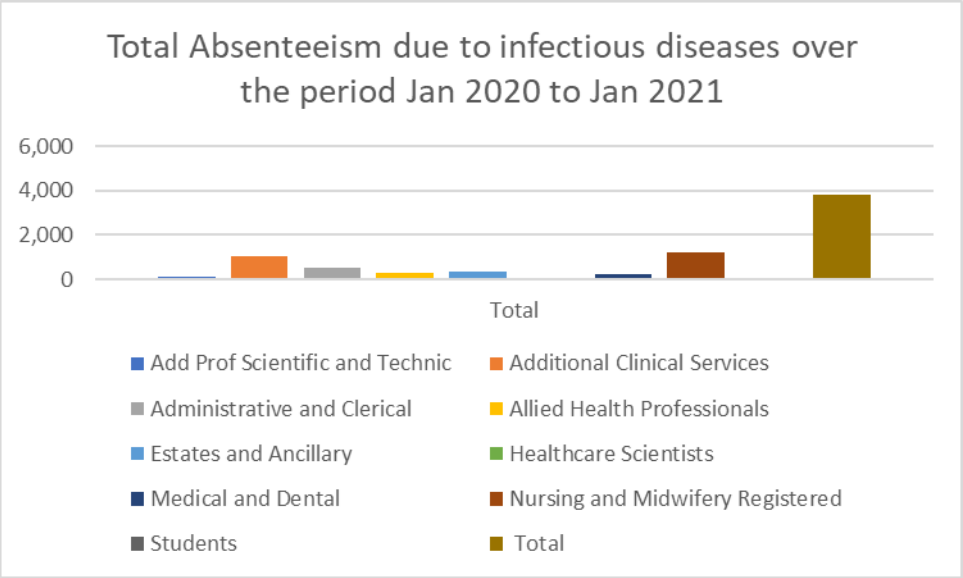
We noted that reports from workforce and finance systems were not regularly reviewed in conjunction with wellbeing data. This may provide certain indicative patterns if it were completed. For example, accessing certain wellbeing initiatives may reduce sickness absence levels or team focussed wellbeing initiatives may improve attendance at work (these issues are triangulated in the Workforce Dashboard). Furthermore, the same benefit may be obtained from an initiative that costs thousands of pounds versus a free alternative. We recommend continuing developing information available, but also analysing usage figures alongside other critical data.

As expected, we found the nursing workforce to be hardest hit with stress related sickness absence. This is illustrated below for the period January 2020 to January 2021.



.

We also examined the sickness absence levels due to infectious diseases (which includes Covid-19). This is detailed below.



A monthly review showed three significant peaks during March, April and December 2020 and January 2021 – with nursing staff the worst affected.

The Health Board should utilise management information and cross-reference it to existing reporting within the Health Board. For example, investigate the usage of wellbeing initiatives with reference to sickness absence levels, to determine if some approaches are more successful than others.

An all-Wales wellbeing forum meets every six weeks, with representatives from each health organisation within Wales (the forum has been in operation since 2016). At the forum each organisation shares best practice, although no formal minutes are maintained. We spoke to other health boards and the Chair of the forum, where they described initiatives that were adopted across the forum, including 'Chat for Change', dedicated wellbeing champions, annual surveys and the setting of key performance indicators.

We have assessed against a number of key areas within the objective reviewed, incorporating the recommendations listed above, which is summarised below.

Objective Two – Assessment of Key Areas
Categorisation of data The Health Board is still developing a reporting system that categorises data for reporting. For example, the self- referral system could provide data on the numbers of individuals accessing the support and the progress made. The Health Board has not yet developed a framework detailing each category of data to be collected and reported.
Collection of data The Health Board has various sources of data including the self-referral system, the 'deep mine' project, the wellbeing intranet and website, staff surveys, access to other support services, workforce, finance and other reports. We did not see a comprehensive list of data collected which is in turn used for decision making. Within other health organisations, we were informed that key performance indicators are be developed for the wellbeing service.

Objective 3: Wellbeing Governance

The People and Culture Committee is responsible for employee wellbeing, alongside the Public Partnerships and Wellbeing Committee. Prior to this, employee wellbeing was the responsibility of the Finance and Performance Committee. A review of the minutes identified that there was a mix of items covering wellbeing for patients and the community rather than a specific topic on the agenda for employee wellbeing support. However, during the pandemic we did see good coverage of wellbeing matters by the Board.

We have assessed the level of progress against a number of key areas within the objective reviewed, incorporating the recommendations listed above, which is summarised below.

Objective Three – Assessment of Key Areas
Prominence of ownership of the Staff Wellbeing Initiative Programme There is evidence that the Health Board is fully supportive of a wellbeing culture with the Board supporting a wellbeing culture.

3. Recommendations

We identified the following recommendations as areas of opportunity for improvement:

Finding 1 – Specific Wellbeing Initiatives
There is a wealth of information available on the intranet and staff wellbeing website. It may be difficult for staff to find the most appropriate resources for their requirements or be unaware of the most suitable tools available.
Recommendation
The Health Board should assist staff in locating the most appropriate resources for their wellbeing needs. For example, a categorisation of the range of wellbeing concerns or requirements through to automated questioning on the website to direct staff promptly.
Management Response
A review of categories of well-being support will be undertaken to ensure staff can readily locate the support that best fits their need.

Finding 2 – User Review of Wellbeing Initiatives
The Health Board has good engagement with its staff over wellbeing initiatives. During the pandemic, in particular, there was an uptake in the number of staff requiring wellbeing support.
Recommendation
To assist other staff members, the Health Board should consider introducing a review functionality with each of the wellbeing initiatives available. Real-time user feedback will help direct other users to a tool that may be of more appropriate use for them.
Management Response
This would not be an appropriate response to a clinical intervention from a specialist as each intervention is preceded by a clinical assessment to ascertain the most appropriate intervention for that individual based on their particular circumstances. What is suitable for one client may not be suitable for another (despite their reason for referral appearing the same). However, the team will review a system of describing what others found helpful. This will enhance the current offer of feedback and satisfaction questionnaires completed by staff following an intervention.

The development of an evaluation framework that has commenced with Cardiff Metropolitan University to evaluate the implementation of the Well-being Centre of Excellence will also support this recommendation.

Finding 3 – Performance Information
We found high level information available which provides basic usage data, for example, the number of visits to the wellbeing intranet site. However, the Health Board has not yet interrogated this information further alongside other relevant reports (e.g. workforce and financial). For example, whether the level of sign-up to a particular wellbeing initiative is positively impacting sickness absence levels. Another example may include, an individual's journey through the process from start to finish, including waiting times from the first point of contact. We also found that there are no high level performance indicators to help assess and provide assurance to the Executive Team over the performance of the wellbeing service within the Health Board. Furthermore, as staff wellbeing initiatives incur considerable costs (financial and non-financial), there is a restriction on the level of resource available to implement initiatives. For example, counselling sessions are restricted by the number of appropriately qualified staff available. The Health Board should consider assessing individual initiatives.
Recommendation
The Health Board should: • Review each initiative versus the time and financial cost to provide the service against the staff uptake and value / benefit of the initiative. • Consider additional analysis to help assess and target wellbeing initiatives to staff requirements. • Consider establishing wellbeing KPIs or other performance metrics to measure the success of the strategy and specific initiatives.
Management Response
• Calculating the relationship between financial investment and value is a complex process due to the range of clinical and individual variables. Outcome data is regularly collected and evidence based practice followed, the evidence base is evolving and ABUHB is at the forefront of developing this evidence and outcome data.

- The additional analysis recommended will be provided via the quarterly well-being surveys and deep dive work within divisions. The next well-being survey has enhanced questions that link back to the 6 pillars of the Employee Experience Framework.
- The Employee Well-being team will take the recommendation around KPI's under consideration and further explore the additional functionality of the new version of the clinical recording system (CORE) now in use.

Confidentiality

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

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

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

Advisory Review

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

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

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

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

Responsibilities

Responsibilities of management and internal auditors:

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

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

Office details:

MAMHILAD Office
Audit and Assurance Services
Cwmbran House (First Floor)
Mamhilad Park Estate
Pontypool, Gwent
NP4 0XS

Contact details:

James Quance, Head of Internal Audit – 01495 300 841
Stephen Chaney, Deputy Head of Internal Audit – 01495 300 044
Mair Evans, Principal Auditor – 01495 300 840