

Audit, Finance & Risk Committee Meeting

Thu 03 February 2022, 09:30 - 12:30

Microsoft Teams



Agenda

09:30 - 09:45
15 min

1. Preliminary Matters

1.1. Apologies for Absence

Verbal Chair

1.2. Declarations of Interest

Verbal Chair

1.3. Draft Minutes of meeting held on 2nd December 2021

Attachment Chair

1.3 Approved AFR Committee minutes 02_December_2021.pdf (10 pages)

1.4. Committee Action Log

Attachment Chair

1.4 Audit Committee Action Sheet .pdf (6 pages)

09:45 - 10:00
15 min

2. Counter Fraud

2.1. Bi-annual Counter Fraud Progress Report

Attachment Head of Counter Fraud

2.1 Counter Fraud Audit Committee report 3 February 2022 (1).pdf (13 pages)

10:00 - 11:00
60 min

3. Efficient and Effective Use of Resources

3.1. Muskulo Skeletal Pathway Redesign Programme 2021/22- (Finance remit- Outcomes)

Attachment Director of Therapies & Health Sciences/Physiotherapy Senior Manager

3.1 Audit Committee MSK Update.pdf (6 pages)

3.1a Appendix 1 Benefits - AC Feb22 MSK Update Draft.pdf (4 pages)

3.1b Appendix 2 MSK KPIs - AC Feb22 MSK Update Draft.pdf (1 pages)

3.1c Appendix 3 Implementation Plan - AC Feb22 MSK Update Draft.pdf (1 pages)

3.2. Digital Systems, Efficiencies and and Benefits Realisation

Attachment Director of Planning, Performance, Digital & IT/Interim Assistant Director of Digital programmes

3.2 REP_Audit Committee Digital Update_20220203_v1.0.pdf (10 pages)




3.2a Appendix 1_Digital Benefits Report_AFR Committee_20220203_v1.1.pdf (16 pages)

11:00 - 11:10
10 min

4. Financial Governance and Assurance

4.1. Update on Governance, Financial Control Procedures and Technical accounting Issues

Attachment *Assistant Director of Finance*

-  4.1 Governance Report -03 February 2022.pdf (7 pages)
-  4.1a ABUHB_Finance_0894 Overseas Patients_Issue 2 - January 2022.pdf (17 pages)
-  4.1b Appendix 2 - Audit Committee Summary Nov - Jan 2022.pdf (1 pages)

4.2. Losses and Special Payments Report

Attachment *Assistant Director of Finance*

-  4.2 Losses Report Dec 21 (002).pdf (5 pages)

11:10 - 11:30
20 min

5. Financial Planning and Performance

5.1. Finance Update

Attachment *Interim Director of Finance*

-  5.1 AFRC Finance Report February 2022.pdf (21 pages)



5.2. 11:20-11:30 Comfort Break

11:30 - 11:45
15 min

6. Corporate Governance, Risk and Assurance




6.1. Internal and External Audit Recommendation Tracking Process

Attachment *Board Secretary*

-  6.1 AFR Committee Cover Audit Reccs Feb2022.pdf (2 pages)
-  6.1a DRAFT-Audit Recommendation Tracking Procedure_Feb22.pdf (8 pages)

6.2. Committee Risk report

Attachment *Head of Risk & Assurance*

-  6.2 AFR Committee Cover Risk Report Feb2022 V1.pdf (6 pages)
-  6.2a Appendix 1 - Corporate Risk Register OverviewFeb2022.pdf (7 pages)
-  6.2b Appendix 2 - MASTER AFR Committee Feb 2022.pdf (15 pages)

11:45 - 12:00
15 min

7. NWSSP Audit & Assurance- Internal Audit & Specialist Service Unit

7.1. Internal Audit Plan Progress

Attachment *Head of Internal Audit and Director of Audit & Assurance, NWSSP*

-  7.1 AB Internal Audit Assurance Progress Report February 2022 Audit Committee for Board Secretary v2.pdf (10 pages)

7.2. Internal Audit Review, Reasonable Assurance: Welsh Radiology Information System

Attachment *Head of Internal Audit and Director of Audit & Assurance, NWSSP*

-  7.2 AB 2122-20 WRIS final Internal Audit Report.pdf (22 pages)
-

12:00 - 12:30
30 min

8. External Audit

8.1. Performance Update Report

Attachment

Audit Wales

 8.1 Audit Finance Risk Committee Update_February 2022.pdf (10 pages)

8.2. 'Taking Care of the Carers? How NHS bodies supported staff wellbeing during the COVID-19 pandemic'- ABUHB Management Response

Attachment

Director of Workforce & OD

 8.2 Audit Wales Taking Care of the Carers.pdf (3 pages)

 8.2a Appendix 1_Taking-Care-of-the-Carers-October-2021-English.pdf (29 pages)

 8.2b Appendix 2_Mangement Response - Taking Care of the Carers.pdf (8 pages)

8.3. Structured Assessment 2021 & ABUHB Management Response

Attachment

Audit Wales/Interim Chief Executive

 8.3 ABUHB Structured Assessment 2021_final report.pdf (30 pages)

 8.3a SA 2021 - ABUHB Management Response.pdf (9 pages)

8.4. Annual Audit Report 2021

Attachment

Audit Wales

 8.4 ABUHB 2021 AAR_final .pdf (28 pages)

12:30 - 12:30
0 min

9. Date of Next meeting is Thursday 7th April 2022- Business Meeting

Verbal

Chair

ANEURIN BEVAN UNIVERSITY HEALTH BOARD

Minutes of the Finance, Audit & Risk Committee held on Thursday, 2nd December 2021 at 9.30 am via Teams

Present:

Shelley Bosson
Richard Clarke
Paul Dineen
Katija Dew

Independent Member (Chair)
Independent Member (Vice-Chair)
Independent Member
Independent Member

In attendance:

Rani Mallison
Rob Holcombe
Gwen Kohler

Board Secretary
Interim Director of Finance
Assistant Finance Director (Financial Systems & Services)
Head of Corporate Services, Risk and Assurance
Head of Internal Audit
Deputy Head of Internal Audit
Audit Manager (Performance), Audit Wales
Audit Wales
Audit Manager (Finance), Audit Wales
Audit and Assurance Services
Head of Legal
Committee Secretariat

Danielle O'Leary
James Quance
Stephen Chaney
Darren Griffiths
Nathan Couch
Tracy Veale
Felicity Quance
Garvin Jones
Lucy Windsor

Apologies:

Glyn Jones

Interim Chief Executive

	Preliminary Matters
AC 0212/02	<p>Apologies for Absence The Chair welcomed everyone to the meeting.</p> <p>Apologies for absence were noted.</p>
AC 0212/03	<p>Declarations of Interest There were no Declarations of Interest to record.</p>
AC 0212/04	<p>Draft Minutes of the Meeting held on 7th October 2021</p> <p>The Committee approved the minutes of 7th October 2021.</p> <p>Item 8.1 - Governance arrangements of the Welsh Health Specialised Services Committee (WHSSC). The Chair requested the Committee receive oversight of progress against the recommendations arising from Audit Wales' review. The Board Secretary was intending to review the reporting routes</p>

	<p>into the Health Board from WHSSC to ensure that the Health Board was adequately assured on the governance arrangements of the Joint Committee.</p> <p>It was noted that a Board Briefing session with WHSSC had been scheduled for February 2022.</p>
AC 0212/05	<p>Action Sheet The Committee received a copy of the action sheet, and the following updates were recorded:</p> <p>AC 1208/05- Update on Governance, Financial Control Procedures and Technical Accounting Katija Dew, Independent Member, requested a more detailed list of deductions from pay to ensure employees weren't being paid less than the minimum wage as a result of deductions. Rob Holcombe, Interim Finance Director, agreed to review and report the findings back to the Committee. Action: Rob Holcombe</p> <p>AC 0710/01 – The update was noted and a more detailed discussion was held in agenda item 1.5 (committee workplan).</p> <p>AC 0710/02 2.3 – Secretariat to amend the target date to February/April.</p> <p>AC 0710/06 6.1 - Evidence of monitoring external reports and to what Committee they are reported. The Chair provided further detail for the action, noting that the Committee would like oversight of which Committees External Audit and Inspection Reports were being monitored. The Board Secretary agreed to provide an overview of arrangements once reports were received into the organisation.</p> <p>AC 0710/06 6.2 – Discussed as part of agenda item 1.5 (Committee work plan)</p>
AC 0212/06	<p>Committee Work Plan The Committee received a copy of the work plan as provided and agreed work was required to develop a more structured approach and a revised format to improve fluency of business.</p> <p>KD-IM suggested that the workplan sit with the Committees' Terms of Reference (ToRs) to demonstrate alignment of the frameworks. This would provide assurance that the annual cycle of business is influenced by the Committee's purpose and remit.</p> <p>Rani Mallison, Board Secretary (RM-BS), commented that the revised workplan would be developed linked to the Committee's TOR, Risk Profiles, and Board Assurance Framework (BAF). This work would be shared at the next meeting.</p> <p>The Forward Work Programme to be added as a standard item on the agenda. Action: Secretariat</p>
	Best Use of Resources

Estates Efficiency Framework

Rob Holcombe (RH), Interim Director of Finance, provided an update on the Estates Efficiency Framework, noting that the Framework was developed at the request of the Strategic Capital Group. The Framework would enable the organisation to determine the best use of capital resources to improve the efficiency of how the Health Board operates. In addition, it would enable consideration of which decisions should be part of the decision-making process when looking at premises, aligned to the current capital portfolio and future strategic service plans.

The Framework would provide a structured approach to decision making, support the delivery and desired outcome of the long-term strategy by replacing the various competing strategies. The Framework would also transfer the work of various local capital decision-making and premises groups into one group; this would ensure goals are congruent with the wider Estates strategy. Furthermore, the framework would support the Health Board's direction of travel and would be a conduit to improving the Health Board's financial position. RH explained that depreciation and interest costs are funded by Welsh Government and the cost of capital on revenue running costs does not impact the Health Boards affordability portfolio, however leases do.

RH informed the Committee that the Framework had been signed off by the Strategic Estates Capital Group and it was currently progressing through the process of dissemination and training. Consideration was also being given to the establishment of a pre-investment panel or group to evaluate the decisions made and to ensure all decisions are consistent with the wider strategy.

The Committee endorsed the paper noting a simplified system, would allow more structured decision making based on criteria.

Paul Deneen, Independent Member, requested that the Wellbeing of Future Generations Act (WBoFGA) be evidenced, and the Equality and Diversity Impact assessment be amended from N/A in the report as the Framework would have an impact on local communities. RH agreed to review and amend the report to reflect the comments.

KD-IM requested that the Socio-economic Duty for Wales be referenced and also that detail regarding partnership working and how 'collective thinking' was fed up to the Gwent Public Service Board to inform a Gwent wide approach to strategic planning and future-proofing of services.

The Chair requested a progress report on implementation of the Framework, together with the governance arrangements to be received in February/April 2022 along with a progress report on implementation of the Agile Working Framework.

Action: Rob Holcombe / Secretariat

The Committee endorsed the report and thanked RH and respective teams for the work in developing the Framework and its implementation.

	Governance and Assurance
AC 0212/08	<p>Update on Governance, Financial Control Procedures and Technical Accounting</p> <p>Gwen Kohler (GK), Assistant Finance Director (Financial Systems & Services) provided an update noting the intended key focus of the report was private patients, but due to changes within the finance team and subsequent review of the information, a report on private patients would come to the February meeting.</p> <p>Action: Rob Holcombe / Secretariat</p> <p>GK informed the Committee that Single Tenders Actions (STAs) are subject to a stringent process in terms of how they are approved. However, it was noted that there were older STAs within the report, which had not been previously reported. This was explained as an issue in terms of process but had since been amended. Going forward all STAs would be presented to the Committee in a timely way to support effective scrutiny.</p> <p>The Committee queried the wording of two STAs and asked if the narrative could be strengthened to demonstrate why they were indeed STAs and to clearly demonstrate why the contract should be awarded to a particular organisation. GK agreed to take this forward.</p> <p>Action: Gwen Kohler</p> <p>KD raised a further point in relation to third sector commissioning and asked whether there was a specific approach or framework used when awarding STAs. Rob Holcombe agreed to take this action forward and review the current process in place.</p> <p>Action: Rob Holcombe</p> <p>The Committee noted the report.</p>
AC 0212/09	<p>Losses and Special Payments</p> <p>Gwen Kohler, Assistant Finance Director (Financial Systems & Services), presented a report on Losses and Special Payments noting the majority of payments are recoverable from the Welsh Risk Pool.</p> <p>The Committee noted the position as set out within the report.</p>
AC 0212/10	<p>Overview of Legal Services processes related to Losses and Special Payments</p> <p>Garvin Jones (GJ) Head of Legal Services provided an overview of the Legal Services role in clinical negligence processes and its links to the Health Board's overall governance.</p> <p>The Committee was informed that the role of ABUHB's Legal Services Team was to oversee and investigate the management of all clinical negligence and personal injury claims, whilst operating via an agreed process of briefing reports, authorised signatories, and within delegated financial limits. The Legal Services Team has delegated authority to settle the aforementioned claims up to £1m. Claims exceeding £1m would be taken through the Health Board's Litigation Group, and then approval sought from Welsh Government. The Committee was advised of the process for financial outlay and reimbursement and noted that the Health Board would initially pay out</p>

damages, and seek reimbursement from the Welsh Risk Pool, which is the indemnity provider for clinical negligence and personal injury in Wales. It was however noted that there is no automatic entitlement to reimbursement; each claim would undergo significant scrutiny before approval may be granted. As part of the scrutiny process, the Health Board would need to evidence learning improvements.

The Committee noted that the Health Board had not been declined reimbursement of any claims submitted to-date.

GJ explained that there had been an increase in clinical negligence provisions because of external factors, notably the increase in solicitors' hourly rates. Secondly, a change to a reduction in the discount rate, which prevented courts from applying a discount to the amount the Health Board was required to pay out. Furthermore, this prevented claimants earning the interest that they may have done previously. It was also noted that the 'type' of case would be a factor in terms of level of provision required.

The Committee was informed that over the past 3 years, the Health Board had settled 5 claims that exceeded £1m.

The Committee was pleased to note that clinicians actively engaged with the legal team and that there were strong working relationships embedded, with clear and effective escalation processes in place.

PD-IM asked a number of questions as follows;

1. Had there been a raise in the number of COVID related claims?
2. Is the Board sighted on the issues, outcomes and lessons learned of cases and how the feedback is received back into the organisation?
3. Had there been a rise in the number of complaints in relation to record keeping?

GJ responded and provided assurance to the Committee that whilst there had been some complaints/ concerns relating to COVID-19 received, which had been managed through the Putting Things Right Team, no legal claims had been received.

GJ confirmed that in terms of lessons learned, the Chair and Chief Executive receive a briefing report for all case results and a bi-annual litigation report is shared with the Board and Litigation Group.

GJ advised that record keeping features in all cases but had never been the key focus of a claim. As the Health Board moves towards electronic record keeping, it is anticipated this would improve record keeping standards and reduce related issues as a factor in claims.

KD-IM questioned whether there was a formalised link to the upholding of professional standards process. GJ assured KD that Legal Services work closely with the Medical and Nurse Director's office to ensure learning is key to driving personal and organisational improvement, and where necessary the relevant Professional Director would consider referral to Professional Bodies.

	<p>The Committee noted the partnership and governance arrangements in place with the Welsh Risk Pool, which provided assurance that a robust scrutiny process was in place.</p> <p>The Committee was encouraged to hear that the inception of the RL-Datix system would enable the Health Board to benchmark itself against other Health Boards across Wales. Furthermore, the opportunities to extrapolate learning that could be shared with Health Boards to prevent the reoccurrence of events.</p> <p>The Committee thanked GJ for the comprehensive report and the extensive work of the Legal Services Team.</p>
	<p>Finance Update</p>
AC 0212/11	<p>Rob Holcombe, Interim Director of Finance, provided an update on the Health Board's financial position at end October 2021, (month 7).</p> <p>The following was reported:</p> <ul style="list-style-type: none"> • Reporting a forecast break-even position for the year to date and for the end of the financial year. • Welsh Government (WG) additional £74m non-recurrent funding, £64m for sustainability and £10m for recovery had provided a significant degree of confidence and reduced risk in forecasting the financial balance this financial year. • Pay spend remains static and level with previous years. • Savings remain in line with expectations - £16 million for the year. • A small risk remains with receiving funding from WG for the national COVID schemes but noted that WG is holding monies in central reserves and would fund on need and on a quarterly basis. • Variable pay remains high, reflecting the exceptional pressures that services are experiencing currently, running at circa £5m a month. Future planning and management of variable pay would be significantly affected by the implications of the pandemic in the coming months. <p>RH highlighted that to ensure long-term sustainability and to reduce the Health Board's underlying deficit, improvements to the recurrent levels of savings and efficiency programs would be needed. However, that would be predicated on significant COVID non-recurring funding from the Welsh Government. This would be a key factor when producing financial and service plans for next financial year.</p> <p>The Chair noted the current assessment of the revised underlying position and requested a briefing on digital investments to come to the next meeting, this would include the net recurrent impact of decisions linked to the digital solutions as an enabler for financial improvement.</p> <p>Action: Rob Holcombe</p> <p>The Committee was appraised of the £32m recurrent funding for Planned and Unscheduled Care Sustainability for 2022/23 onwards but noted there was criteria to access the funding.</p>

	<p>The four key strategic priorities were noted as</p> <ul style="list-style-type: none"> • MSK Pathway • Eye Care • Outpatient Transformation • Digital Transformation <p>KD-IM queried in respect of elective procedures if there was a process in place to capture the financial and resource implications of procedures cancelled at short notice. RH responded to advise that avoided costs were not being tracked as the costs were reconfigured to what was considered the service plan for the year but noted there were mechanisms to obtaining this information.</p> <p>The Chair requested assurance in relation to cost over and above what the Health Board would normally be spending for the commissioning of step-down capacity. The chair agreed to follow this up with RH outside of the meeting. RH would provide clarity on the governance and financial accountabilities of the Health Board and partner organisations to Committee Members via email.</p> <p>Action: Rob Holcombe</p> <p>The Committee noted the update and thanked the Interim Finance Director and wider team for the comprehensive report and their work in achieving the potential forecast position.</p>
	<p>Risk and Assurance</p>
<p>AC 0212/12</p>	<p>Audit Tracker</p> <p>Rani Mallison (RM), Board Secretary gave an update on the status of the Audit Tracker as follows;</p> <ul style="list-style-type: none"> • The Executive Team had reviewed all low, medium, high, advisory and observation recommendations and agreed to review all legacy recommendations. • The Executive Team agreed for the Tracker to be reported to it bi-annually, with recommendations escalated to it if they are not on course for completion, or there is a significant change. • All high-level recommendations had been updated and 3 closed. 15 high level recommendations remain on the Tracker with varying deadlines ranging from 2019- to 2022, some of those overdue had revised deadlines. <p>RM-BS made a request to defer discussions regarding the full Tracker to the next meeting, in order for a comprehensive assessment of audit recommendations and an outline of the management process for tracking those through, to be prepared.</p> <p>Action: Rani Mallison</p> <p>Richard Clark (RC), Independent Member, had concerns relating to the WbFGA report recommendation not progressing and not embedded in the organisation and noted compliance with the legislation remains a high risk. This was a shared concern of the Committee along with compliance with the Socio-economic Duty and Equality Act. Members requested that the Equality Impact Assessments supporting reports be reviewed.</p>

	<p>The Chair sought assurance that the recommendations from the last meeting in respect of adopting the practice note and the inclusion of Audit colleagues in discussions prior to sign off or audit recommendations as closed by the Committee had been enacted. The Head of Internal Audit advised that this had not happened. The Chair also requested that Committee be asked to approve any revisions to deadlines.</p> <p>RM-BS offered advice to the Committee, notably, that the focus of each meeting should be on overdue actions and where necessary seek assurance from responsible leads on the measures being taken to address the action. In addition, RM-BS advised that early discussions regarding the use of information received from audit to inform the risk management process had been held with the Head of Risk & Assurance.</p> <p>The Committee noted the update and was encouraged to see action being taken to improve the status of the Tracker.</p>
AC 0212/13	<p>Strategic Risk Report</p> <p>Danielle O’Leary (DO’L), Head of Risk & Assurance, presented the previously circulated paper which asked the Committee: to note the further developments in relation to the Health Board’s continuing commitment to embed the revised Enterprise Risk Management Approach; Note the reframed risk descriptors for three (3) risk profiles; and endorse the additional risk profile related to civil contingencies as a risk rating of 20.</p> <p>DO’L explained that additional organisational risk profiles had been attributed to the Audit, Finance, and Risk Committee due to the Strategy, Planning, Partnership & Wellbeing Group no longer being an Assurance Committee of the Board. The Committee endorsed ownership of these risks but noted responsibility may be given to other Committees to discuss specific risks in greater detail.</p> <p>Members noted the increase in the risk score for Health Board Estate but noted it had reached its target score. Linked to Health Board Estates the Chair requested CR008 to be reviewed to include back log maintenance. DO’L would discuss this with the Director of Operations.</p> <p>Action: Dani O’Leary</p> <p>The Committee was encouraged to hear that a Risk Management Community of Practice had been established and was supportive of its purpose.</p> <p>A discussion was had on the establishment of a reporting mechanism to provide greater assurance to this Committee and the Board that current and emerging risks are being considered. It was agreed a summary of discussions that had happened in the reporting period would be presented to the Board routinely.</p> <p>Action: Dani O’Leary</p> <p>It was agreed that the Committee would receive an overview of all strategic risks with clear representation of where detailed assurances are being sought through the Board and Committee infrastructure. In addition, an overview with specific detail for risks owned by the Audit, Finance, and Risk Committee. This approach would link in with the annual cycle of business and</p>

	<p>would see Risk Management as a key driver for informing the Committees agenda.</p> <p>Action: Rani Mallison / Dani O’Leary</p>
	<p>NWSSP Audit and Assurance - Internal Audit and Specialist Service Unit</p>
<p>AC 0212/14 & AC 0212/15</p>	<p>Internal Audit Plan Progress & Internal Audit Reviews (supplementary papers)</p> <p>James Quance, Head of Internal Audit, provided an update on the Internal Audit Assurance Progress report.</p> <p>In respect of the annual programme, several audits were being deferred to the end of the year, potentially into the new financial year to ensure the audits deemed more critical could be progressed. JQ explained that this was a common position across Wales but noted plans were still on track to produce a full Head of Internal Audit Opinion at the end of the year. The Chair requested that the Continuing Health Care Audit be received at the February meeting.</p> <p>The Committee asked for the following additions to be made to the front page of the cover report: -</p> <ol style="list-style-type: none"> 1. A table outlining what the 4 levels of assurance 2. Additional columns indicating the receiving date of draft reports to the lead Executive and the response date for any audits received as supplementary papers <p>The Committee had particular concerns in relation to the Mental capacity Act Audit and was clear that they would like to see more action in relation to ensure accurate record keeping as a key focus. In addition, requested that there was a link to the Patient Quality, Safety & Outcomes Committee (PQSO) and the Mental Health Act Committee. The Chair requested KD-IM, discuss this with the Chair of the Committees and the Board Secretary.</p> <p>Action: Katija Dew / Board Secretary</p> <p>The Chair requested assurance that all audits were going to other committees of the Board. DO’L on behalf of the Board Secretary advised that the report would be taken to the PQSO Committee and would discuss ‘Record Keeping’ as a part of the agenda setting.</p> <p>The Committee requested clarification in relation to overspend of £330k for the Tredegar Health and Wellbeing Centre. Assurance was provided that overspend was as a result of groundwork costs to stabilise the ground. Discussions were being held with WG with the intention of securing funding for the additional cost.</p> <p>The Committee received the update and thanked the Head of Internal Audit and the team for the work to date.</p> <p>The Committee endorsed the recommendations and noted management responses included.</p>

	External Audit
AC 0212/16	<p>Audit Wales Update</p> <p>Darren Griffiths, Audit Wales Manager (Performance), provided an update on the current and planned work.</p> <p>The Radiology Services follow up Audit had been completed in full with 1 recommendation in relation to patient experience to remain on the tracker until complete.</p> <p>It was highlighted that the following reports were expected to be reported to the Committee in February 2022:</p> <ul style="list-style-type: none"> • Taking Care of the Carers Report • Review of Arrangements for Securing Efficiencies. • Structured Assessment Report 2021. • Orthopaedic Review <p>The Auditor General has requested all public bodies provide information to support the decarbonisation baseline review by 3rd January 2022.</p> <p>The Chair had concerns in the delay to the efficiencies review given the report would be a factor in influencing the IMTP process. Darren Griffiths advised that it was intended for the draft report would be shared before Christmas.</p> <p>The Committee received and noted the update provided.</p>
AC 0212/17	<p>Feedback from the Annual Audit of Accounts 2020-2021</p> <p>Tracey Veale, Audit Wales Manager (Finance), noted that the draft Charitable Funds Audit Report would be circulated around 21st December 2021.</p> <p>Since circulation of the Annual Audit of Accounts implementation dates had been confirmed and some management responses have been received.</p> <p>A discussion around Matters arising C took place and in particular the concern surrounding 23 servers still operating on the Windows 2008 system. The Committee had specific questions which required more detailed responses. The Board Secretary requested the discussion be rescheduled for the next meeting in order for the appropriate representation from Audit Wales and Health Board Management to attend to support the discussion.</p> <p>It was agreed that the Audit of Accounts Addendum would be updated to reflect the updates noted above and reissued.</p> <p>Action: Tracey Veale</p>
AC 0212/18	<p>Date of Next Meeting</p> <p>The date of the next business meeting was noted as:- 3rd February 2021 via Microsoft Teams.</p>

**Audit, Finance & Risk Committee
3rd February 2022
Action Sheet**

Key:

Outstanding		In Progress	Not Due	Completed	Transferred to Board or another Committee
Committee Meeting	Minute Reference	Agreed Action	Lead	Target Date	Progress/ Completed
August 2021	AC 1208/05	<p>Update on Governance, Financial Control Procedures and Technical Accounting</p> <p>Salary Sacrifice – it was confirmed that the policy specifically related to approved schemes where there was an HMRC element that would provide a tax benefit. Non-HMRC salary deductions should be covered by the payroll procedures, but this will be clarified.</p> <p>Updated action 0212/05</p> <p>A more detailed list of deductions from pay to ensure employees weren't being paid less than the minimum wage as a result of deductions to be shared.</p>	<p>Assistant Finance Director (Financial Systems & Services)</p> <p>Director of Finance</p>	February 2022	Payroll have confirmed that there is a flag that stops payments being made for deductions when it would result in an employee dipping below the minimum wage.

Outstanding	In Progress	Not Due	Completed	Referred to another Committee
-------------	-------------	---------	-----------	-------------------------------

August 2021		Risk Management Strategy and Framework The Committee welcomed the approach and for assurance requested staff feedback on the mechanisms being put in place. A review of how best to measure and capture staff feedback to be considered.	Head of Risk and Assurance	March 2022	This will be undertaken as part of the review of the implementation of the Strategy and Framework and be included in a Risk Implementation Plan (March 2022)
October 2021	AC 0710/01 1.5	Committee Work Plan Circulate to members the revised work plan with the inclusion of the following <ul style="list-style-type: none"> • Risk and BAF • Action log to be transposed into regular reporting • Provide clear visibility for the full year • Reporting of FOIs to be added 	Board Secretary	February 2022	The Board and its Committees will undertake an assessment of its effectiveness during Feb/March 2021. In doing so, the Board will review its Committee structure, roles and responsibilities and priorities. Board and Committee workplans will therefore be developed to take effect from 1 st April 2022, informed by strategic risk/board assurance framework, emerging issues and assurance needs based on regulatory and compliance requirements. The Board and Committee workplans will be aligned to ensure the Board, via its Committee, is focussed on ensuring the delivery of Strategic Objectives.
		Review the work programme and indentify items that could be consolidated into single agenda items.			
		Share the Forward Work Programme with internal and external auditors			
		A standardised form capturing risks and assurances to be developed and shared with Committee Chairs for reporting to the AFR Committee.			

Outstanding	In Progress	Not Due	Completed	Referred to another Committee
-------------	-------------	---------	-----------	-------------------------------

October 2021	AC 0710/02 2.1	Follow-up Outpatient Transformation A progress report on the outpatient transformation (effective and efficient use of resources and risk) to be received April 2022	Director of Operations, Outpatient Transformation Lead Outpatient Clinical Lead Secretariat	April 2022	Not due. To be included in the Committee's 2022/23 annual workplan.
October 2021	AC 0710/02 2.2	Agile Working: The Committee requested an environmental impact assessment take place, linking with the Green Health Group Agile Working A further update to come back to the Finance Audit and risk Committee, alongside the Estates Strategy.	Assistant Workforce Director	April 2022	Not due. To be included in the Committee's 2022/23 annual workplan.
December 2021	AC 0212/12	Audit Tracker Undertake a comprehensive assessment of audit recommendations and outline the management process for tracking those through, in preparation for February meeting.	Board Secretary	February 2022	Revised audit recommendation tracking approach to be implanted from April 2022 and included as a standing agenda item in the Committee's 2022/23 annual workplan. An outlined approach is included on the Committee's agenda for February 2022.
October 2021	AC 0710/06 6.1	Audit Tracker Items for Audit Committee sign-off, should have sufficient information on service improvement, patient safety and efficiencies included (reference the practice note adopted by the HB) Future reports to include a short paragraph on the management of low and medium level risks that were reported at corporate level.	Board Secretary	February 2022	

Outstanding	In Progress	Not Due	Completed	Referred to another Committee
-------------	-------------	---------	-----------	-------------------------------

		Evidence of monitoring external reports and to what Committee they are reported.			
October 2021	AC 0710/06 6.2	The Chair requested further detail about the actions to reduce perceived gaps of assurance and reporting	Board Secretary	February 2022	It is proposed that this is explicitly built in to future reporting against the Board Assurance Framework, with a clearly defined action plan for strengthened internal control.
December 2021	AC 0212/07	Estates Efficiency Framework A progress report on implementation of the Framework, together with the governance arrangements to be received in February/April 2022 along with a progress report on implementation of the Agile Working Framework.	Secretariat	April 2022	Not due. To be included in the Committee's 2022/23 annual workplan. Also linked to action above: AC 0710/02 2.2
December 2021	AC 0212/08	Update on Governance, Financial Control Procedures and Technical Accounting A report on private patients to come to the February meeting.	Assistant Finance Director (Financial Systems & Services)	February 2022	21.01.22. Report received
December 2021	AC 0212/11	Finance Update A briefing on digital investments to come to the next meeting, this would include the net recurrent impact of decisions linked to the digital solutions as an enabler for financial improvement.	Director of Finance	February 2022	29.12.21 RH requested the information from Mike Ogonovsky. 21.01.22 Included in the report.

Outstanding	In Progress	Not Due	Completed	Referred to another Committee
-------------	-------------	---------	-----------	-------------------------------

		RH would provide clarity on the governance and financial accountabilities of the Health Board and partner organisations to Committee Members via email.			29.12.21 Completed. Secretariat circulated the information.
December 2021	AC 0212/13	Strategic Risk Report Linked to Health Board Estates the Chair requested CR008 to be reviewed to include back log maintenance.	Head of Risk & Assurance	February 2022	20.01.22 The Exec Team has agreed £820k recurrent funding for preventative measures to be put in place in an attempt to slow the Health Board estate deteriorating any further. Progress will be monitored and reviewed as part of the management of this risk.
		Establish a reporting mechanism to provide greater assurance to the Audit Committee and the Board that current and emerging risks are being considered during reporting periods.			05.01.22 To be included in the cover report for Feb AFR Committee (and probably the Board report for January 2022).
		To be included in the Risk Report. An overview of all strategic risks with clear representation of where detailed assurances are being sought through the Board and Committee infrastructure. Specific detail for risks owned by the Audit, Finance, and Risk Committee.			05.01.22 The Board will receive an overview of all strategic, corporate risks held by the Health Board within its strategic risk report. This table will be shared across all Committees with additional detail of risk profiles which are monitored by each respective Committee being routinely reported at each meeting.

Outstanding	In Progress	Not Due	Completed	Referred to another Committee
-------------	-------------	---------	-----------	-------------------------------

December 2021	AC 0212/15	Internal Audit Reviews A discussion to take place with the Board Secretary and Chair of the PQSOC and Mental Health Act Committee to ensure there is a link between all Forums in respect of key areas of focus.	Katija Dew	February 2022	The Board and its Committees will undertake an assessment of its effectiveness during Feb/March 2021. In doing so, the Board will review its Committee structure, roles and responsibilities and priorities. Board and Committee workplans will therefore be developed to take effect from 1 st April 2022, informed by strategic risk/board assurance framework, emerging issues and assurance needs based on regulatory and compliance requirements. The Board and Committee workplans will be aligned to ensure the Board, via its Committee, is focussed on ensuring the delivery of Strategic Objectives
December 2021	AC 0212/17	Feedback from the Annual Audit of Accounts 2020-2021 Audit of Accounts Addendum to be updated to reflect the updates and reissued.	Tracy Veale	February 2022	13.12.2021 Completed Secretariat circulated the updated version.



GIG
CYMRU
NHS
WALES

Bwrdd Iechyd Prifysgol
Aneurin Bevan
University Health Board

Aneurin Bevan University Health Board
Thursday 3rd February 2022
Agenda Item: 2.1

Aneurin Bevan University Health Board

Counter Fraud progress report to Audit Committee 3rd February 2022

Executive Summary

An executive overview has been prepared for the Aneurin Bevan University Health Board (ABUHB) Audit Committee. It highlights the Counter Fraud work which has been undertaken by the Local Counter Fraud Specialist (LCFS) to date during financial year 2021/22.

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: Robert Holcombe – Interim Director of Finance & Procurement

Report Author: Martyn Edwards – Head of Counter Fraud

Report Received consideration and supported by : DoF

Executive Team

**Committee of the Board
[Committee Name]**

Audit Committee

Date of the Report: 21st January 2022

Supplementary Papers Attached: No

Purpose of the Report

To update the Audit, Finance and Risk Committee of work progress of the Counter Fraud Team.

Background and Context

This document has been prepared by the Aneurin Bevan University Health Board Counter Fraud Team in order to comply with legal directions and the NHS requirements of Government Functional Standard 013: Counter Fraud.

Assessment and Conclusion

This report will contribute towards the annual Quality Assurance Self-Review as evidence that ABUHB has complied with the aforementioned Functional Standards.

Recommendation

This report is intended for Audit, Finance and Risk Committee information and views.

1 Background

In 1998 the NHS Counter Fraud Service (NHS CFS) was created as part of the Department of Health. The NHS CFS evolved into NHS Counter Fraud and Security Management Service (NHS CFSMS) and subsequently NHS Protect – an executive agency of the NHS Business Services Authority.

In July 2001, the National Assembly for Wales directed that all Health Bodies in Wales must nominate at least one person as a Local Counter Fraud Specialist (LCFS) to tackle Fraud within the NHS.

Each NHS Health Body was issued with an NHS Counter Fraud Manual. The Director of Finance (DoF) and the LCFS have access to the manual. In September 2001, the Assembly published their Fraud Strategy entitled, "Countering Fraud in the NHS in Wales". The strategy aims are:

- To reduce fraud to an absolute minimum
- To hold it permanently at that level
- To free up resources for improved patient care

The aforementioned strategy outlines the collaboration between the Counter Fraud Service and the WG and refers to NHS Counter Fraud Service Wales – CFS (Wales).

The NHS CFS Wales team are funded by the WG to carry out investigations into complex, high value fraud, cross boundary cases and allegations that involve corruption by a public official.

On 1st November 2017, NHS Protect ceased to exist and under amendment from the Secretary of state for Health (UK Government) this date saw the implementation in England of an independent Special Health Authority entitled the NHS Counter Fraud Authority (NHSCFA).

NHSCFA is charged with identifying, investigating and preventing fraud within the NHS and the wider health group. The NHSCFA is independent from other NHS bodies and is directly accountable to the Department of Health and Social Care.

As part of its role, NHSCFA is required to provide annual assurance to Cabinet Office of how the NHS is identifying and mitigating the risk of fraud, bribery and corruption.

Effective from 1st April 2021, all NHS funded services are required to provide assurance against the NHSCFA Requirements of the Government Functional Standard GovS 013: Counter Fraud. This should be overseen by the organisation's Director of Finance and Audit Committee and in line with the organisation's existing approach to assurance against counter fraud requirements.

The NHSCFA strategy and business purpose is as follows:

Objectives:

- Lead and influence.
- Reduce fraud loss.
- Support and empower its people.
- Effective use of resources.

Mission: To lead the fight against crime affecting the NHS and the wider health group, protecting vital resources intended for patient care.

Vision: To lead and proactively support the NHS, find, prevent and respond to fraud.

Purpose:

- Provide leadership and expertise in counter fraud as a valued NHS partner.
- Collaborate nationally and locally with the NHS to understand fraud threats, vulnerabilities and enablers.
- Deliver intelligence-led counter fraud services to find, respond to and prevent fraud.
- Reduce the impact of fraud on the NHS.
- Work in partnership to deliver financial savings that can be reinvested in patient care.

2 Issues

The following update shows work undertaken in the key strategic areas of Counter Fraud work:

3 Strategic Governance

Since April 2011, the LCFS has acted in a consultation role to the Workforce and OD Policy Group and has received notification of all policies, terms of reference guidance notes that are subject of review by the group.

This ensures that the policies are robust and 'Fraud Proofed' at concept stage. The LCFS continues to actively review such policies to ensure they are fit for purpose. A full inventory of the specific policies in question will feature in the Counter Fraud annual report. All Counter Fraud policies are current, up-to-date and fit for purpose.

The investigation case management system *Clue-3* has been fully adopted by the LCFS and is being exclusively utilised not only as an investigation management system but also to facilitate local proactive exercise (LPE's) and risk assessments. The LCFS's have undertaken the RLDatix Cloud IQ Training Programme for transition to the new Datix system to enable replicating the risk assessments on the Datix system so that identified risks can be allocated ownership at the appropriate senior level to enable remedial measures to be implemented.

The historical case management system formerly used by the LCFS i.e. 'First' (Fraud Information Reporting System Toolkit) has been effectively managed by the LCFS and that system at present only contains 5 open legacy cases, all of which are awaiting the outcome of sanctions. Once those legacy cases are completed, 'First' will be closed.

The Audit Commission is responsible for running the National Fraud Initiative (NFI). This commenced in 1996 and runs every two years. The NFI is an exercise that matches electronic data both within and between some 1,200 public sector bodies and participating private sector bodies to prevent and detect fraud. This includes the NHS, DWP, HMR&C, Police Authorities, Local Probation Boards, Fire and Rescue Authorities as well as Local Councils and number of private sector bodies. Since the NFI commenced, the initiative has helped to identify £1.93 billion of fraud, overpayment and error across UK public bodies. The NFI data collection operated in 2020/21.

The ABUHB LCFS continues work on these NFI data matches totaling circa 6,616 in number, of which, 6,121 relate to trade creditors standing data. The work into trade creditors standing data matches has been hindered by unavoidable staffing deficiency within NWSSP Procurement Services Account Payable Section and this aspect has been reported back to the Cabinet Office by the LCFS.

The LCFS has worked in collaboration with Procurement Services as participation of a national exercise initiated by the NHSCFA:

- **Fraud Prevention Guidance Impact Assessment**

This exercise related to Fraud Prevention Notices (FPN's) issued by NHSCFA which had been previously actioned by the LCFS. The assessment was submitted prior to its deadline date of 24th December 2021. The FPN's subject of the assessment were:

- Cyber enabled salary diversion fraud (issued 29/09/20)
- Timesheet overpayments (issued 30/11/20)
- Mandate fraud reminder (issued 14/12/20)
- Credit cards management (issued 15/12/20)
- The private purchase of Covid vaccines (issued 20/01/21)
- Mandate fraud – request to change phone numbers (issued 29/03/21)
- Mandate fraud – email interceptions (issued 09/06/21)
- NPE Contingence services (issued 14/06/21)

The aforementioned FPN's have been actioned as Local Proactive Exercises on the *Clue-3* system.

The separate NHSCFA national 2-part exercise, previously reported to Audit Committee on 12/08/2021, which pertained to PO V's non-PO spend and Cabinet Office Procurement Policy Notes (PPN's) was submitted prior to its deadline date of 23rd August 2021. This exercise required a significant data uplift by Procurement Services and the analysis report is awaited from NHSCFA.

4 Inform & Involve

The fraud awareness programme undertaken by the LCFS is reaching its target audience and all mediums are being promoted and exploited in order to actively encourage fraud referrals.

In ABUHB, for PADR purposes, Counter Fraud awareness input at Corporate Induction and the fraud awareness e-learning programmes remain mandatory requirements.

The LCFS has made a video film to Career Wales which is being used as a public awareness information film. This video film is unrelated and distinct from the fraud awareness video film currently utilised by ABUHB on the mandatory Corporate Induction programme.

ABUHB staff most current annual fraud awareness uptake figures are 732 staff (Corporate Induction) 345 staff live presentations plus a culminative uptake figure of 3,001 staff for the Counter Fraud e-learning module.

Fraud awareness notices have been displayed on the carousel on the ABUHB intranet site and incorporated in Health Board newsletters.

During January 2022, a fraud e-survey was published on the carousel on the ABUHB intranet site homepage, which has been broadcast and made available to the entire ABUHB workforce. The existence of the survey has been reinforced in a bulletin to all managers from the

Head of Communications with a requirement for the managers to promote and encourage completion of the survey by their personnel. Early indications from the survey are that the pandemic has not impeded staff from making fraud referrals, should they have occasion or are mindful of doing so.

The LCFS promoted fraud awareness week in November 2021, information on which, was included in that months ABUHB newsletter.

A bulletin was published which reminded managers of the need for prompt and expeditious submission of staff change and staff termination forms, to avoid overpayments of salaries, which is covered in greater detail later in this report under the prevent & deter strand.

In January 2022, a counter fraud newsletter was promoted to GMS contractors in ABUHB and was disseminated to all GP Practices within the Health Board.

The LCFS has also commissioned a fraud awareness information bulletin on the carousel on the ABUHB ESR homepage.

Covid Impact:

The Corporate Induction programme in ABUHB was suspended upon Covid lockdown in the form of classroom sessions. This Corporate Induction programme is now delivered in the form of online mandatory training.

The LCFS delivers live fraud awareness presentations via MS Teams and this has become a standing agenda item on the 'Taking the Lead' programme, which is a forum for staff members who are aspiring Senior Managers within the NHS.

5 Prevent and Deter

Risk assessments

The government Functional Standards – Counter Fraud, are heavily focussed on Local Proactive Exercises (LPE) and risk assessments. The LCFS is currently undertaking an LPE/risk assessment in collaboration with Payroll Services into overpayment of salaries. This is as a consequence of a recent increase in such events. By month 7 of the financial year, the overpayment figure in ABUHB exceeded £562k and invoicing for the overpayments arguably accounted for the highest percentage of invoices raised by the Corporate Finance team.

The finalised risk assessment is yet to be completed; however, an initial review has indicated the primary contributing factor for such overpayments is an ongoing failure on the part of Managers to action staff termination and staff change forms in a prompt and expeditious

manner. This has resulted in events such as salary overpayments on inaccurate pay banding supplements and overpayments to former employees who were no longer employed by ABUHB.

It also appears there is a reluctance on behalf of Payroll Services to action employment termination of staff other than those received via the ESR Manager Self Service System. This; however, would not cater for bank staff or staff with more than one employment assignment (as many ABUHB staff have).

As pre-emptive action to the risk assessment, the LCFS has published bulletins to Managers to remind them of the need for prompt and expeditious submission of staff termination and staff change forms.

These bulletins have been reinforced with information from the ABUHB Recovery of Overpayments to Employees Policy, which in a directive to Managers at Section 6.2 cites:

'Untimely submission of payroll documentation/MSS update can cause significant inconvenience and anxiety for staff and unnecessary additional administration for the organisation. If managers repeatedly fail to comply with the requirement to submit information in a timely manner, they may be subject to formal processes'.

The LCFS commissioned a 'deep dive' into ESR data with a view to identifying null system logon by staff and instances whereby there was null access of payslips. The rationale behind this review is it could potentially be an outlier for staff who no longer work for ABUHB, yet are still in receipt of salary. Follow up enquiries with specific managers could then indicate whether individuals were still actively employed by the Health Board. The findings of this review was it identified significant numbers of staff who never accessed ESR or their payslips despite the fact they remained gainfully employed by the Health Board.

Additionally, the LCFS recommended format changes to the generic letters which are disseminated to the recipients of salary overpayments. These letters are apologetic by nature and essentially concede responsibility at the outset, on the part of the Health Board. It was considered that this may prejudice subsequent legal action and financial recovery. The recommendations met with disapproval.

Monthly, expenditure reports are provided at Senior Management level in Divisions/Directorates, which contain such data as staff names, assignment numbers, pay bands and salaries paid. The LCFS will suggest that these expenditure reports are also disseminated to Junior Managers and Supervisors who would be better placed to identify any names which feature thereon, of staff who no longer work for the organisation. This could allow for remedial action to be implemented at an earlier stage.

A system weakness which has been identified to date, is the current working practice with regard to internal staff moves is fundamentally flawed in the event that the employee fails to take up the new post. This is as a direct result of the onus being on the new manager to request the changes on ESR without any corroboration from the previous manager. Therefore, if a member of staff fails to take up their new post, they can inadvertently continue to be paid salary, and this has in fact occurred.

On completion of the risk assessment, the LCFS would seek to convene a multi-department input and agreement for a unified and standardised response towards tackling this issue, which would include Payroll Services, Corporate Finance, Counter Fraud and any other interested party.

The LCFS is in engagement with the office of Medical Director with a view to establishing directives regarding displacement of job plan contracted SPA sessions by Consultant Doctors in order to uptake additional productivity sessions elsewhere. Further directives are also under consideration regarding the appropriateness of self-pay private patients receiving a private consultation in the first instance then receiving diagnostic scans as an NHS patient, following which, the patient reverts back to private patient status for follow up consultations.

Following consultation with the Head of Procurement Services, the LCFS has confirmed that best practice is being adopted in relation to single tender wavers and a one-page DOI section forms part of the full form.

Covid impact:

In light of the COVID-19 crisis, all the indicators from the WG, the Government Counter Fraud Function and the NHS Counter Fraud Authority is that fraud risks are currently high and the economic attack against the NHS and other public sector bodies will increase.

6 Hold to Account

A list of current investigations is detailed in Appendix (1). Financial recoveries are evident in this Appendix as are the outcomes of disciplinary proceedings.

The NHSCFA are currently driven to identifying fraud prevention savings and this is demonstrated in case No:1 on the appendix.

Cases listed as No's 7, 8, & 13 received declined charging decisions by the CPS. This currently appears to be an emerging theme with contested cases.

Appendix 1

INDEX OF LCFS INVESTIGATIONS AS AT 21 st JANUARY 2022					
Case	FIRST Ref	Health Body	Area	Subject	Status
1.	WARO/18/00048	ABUHB	Community Pharmacist	Falsely claiming pharmacy fees.	NFA on criminal aspect. Fraud prevention saving of £300K. Case closed 24/09/2021.
2.	WARO/18/00084	ABUHB	NHS Staff	Failure to complete contracted hospital sessions.	NFA on criminal aspect. No disciplinary issue identified. Case closed 24/09/2021.
3.	WARO/18/00106	ABUHB	NHS Staff	Working elsewhere whilst on sick leave and falsification of NMC revalidation paperwork.	At Merthyr Crown Court on 29/11/2019, defendant was convicted of fraud and sentenced to 8-month imprisonment. Defendant resigned from employment with ABUHB prior to disciplinary outcome. NMC sanction on 06/06/2021, striking off nursing register. Case closed 11/06/2021.
4.	WARO/18/00122	ABUHB	NHS Staff	Working elsewhere whilst on sick leave.	Recovery of £3,996.43. At Newport Magistrates Court on 26/04/2019, defendant was convicted of fraud. Sentenced to Community Order for 12-months, 100

INDEX OF LCFS INVESTIGATIONS AS AT 21st JANUARY 2022

Case	FIRST Ref	Health Body	Area	Subject	Status
					hours unpaid work. Pay £85.00 costs and £85.00 victim surcharge. Disciplinary and professional action has also been implemented by ABUHB and GMC. Striking off order implemented by GMC 01/09/2021. Case closed 24/09/2021.
5.	WARO/18/00136	ABUHB	NHS Staff	Timesheet fraud.	NFA on criminal aspect. No disciplinary issue identified. Case closed 01/12/2021.
6.	WARO/19/00034	ABUHB	NHS Staff	Irregularities with job application form as well as professional issues.	Employee dismissed from employment for gross misconduct following disciplinary action. NFA on criminal aspect. Case closed 18/10/2021.
7.	WARO/19/00145	ABUHB	NHS Staff	Falsify WLI claims.	CPS declined charging decision.
8.	WARO/19/00122	ABUHB	General Practitioner	Falsify information on application for Welsh G.P. performers list.	Subject has been interviewed under caution. CPS declined to charge. Subject has been suspended from practising by GMC pending fitness to practice hearing.
9.	WARO/20/00020	ABUHB	NHS Staff	Working elsewhere whilst on sick leave.	NFA on criminal aspect. Dismissed from employment on 21/10/2020 following disciplinary action. NMC sanction impending.
10.	WARO/20/00046	ABUHB	Agency Nurse	Timesheet fraud.	NFA on criminal aspect. NMC issued a suspension order July 2021. Case closed 04/11/2021.
11.	WARO/20/00051	ABUHB	NHS Staff	Contract fraud.	NFA on criminal aspect. No disciplinary issue identified. Case closed 24/11/2021.
12.	WARO/20/00066	ABUHB	G P Practice Staff	Prescription fraud.	NFA on criminal aspect. Case closed 29/10/2021.

INDEX OF LCFS INVESTIGATIONS AS AT 21st JANUARY 2022

Case	FIRST Ref	Health Body	Area	Subject	Status
13.	WARO/20/00070	ABUHB	G P Practice Manager	Theft of income at G.P. Practice.	CPS declined to charge. Subject resigned ahead of disciplinary hearing July 2020. Case closed 18/01/2022.
14.	WARO/20/00099	ABUHB	NHS Staff	Working elsewhere whilst on sick leave.	NFA on criminal aspect. No disciplinary issue identified. Case closed 15/07/2021.
15.	WARO/20/00101	ABUHB	NHS Staff	Working elsewhere whilst on sick leave.	NFA on criminal aspect. No disciplinary issue identified. Case closed 15/07/2021.
16.	WARO/20/00108	ABUHB	Dental Contractor	Prescription misuse.	NFA on criminal aspect. Case closed 24/09/2021.
17.	WARO/20/00110	ABUHB	NHS Staff	Theft of NHS equipment.	NFA on criminal aspect. Written warning issued. Case closed 23/12/2021.
18.	WARO/20/00111	ABUHB	NHS Staff	Falsely obtain compassionate leave.	NFA on criminal aspect. Dismissed for gross misconduct Aug 2021. following disciplinary action. Case closed 21/08/2021.
19.	WARO/21/00001	ABUHB	NHS Staff	Timesheet fraud.	Investigation ongoing.
20.	WARO/21/00003	ABUHB	NHS Staff	Theft of medication.	Dismissed for gross misconduct on 10/08/2021 following disciplinary action. Police sanction Women's pathway. NMC sanction impending.
21.	WARO/21/00039	ABUHB	NHS Staff	Timesheet fraud.	NFA on criminal aspect. Written warning given as disciplinary sanction. Case closed 05/07/2021.
22.	INV/21/00021	ABUHB	NHS contractor	Continence products fraud.	NFA on criminal aspect. Recovery of £1,827.31 made plus further loss of £676.78 prevented during 2021. Case closed 01/06/2021.
23.	INV/21/00030	ABUHB	NHS Staff	Timesheet fraud.	NFA on criminal aspect. No disciplinary issue identified. Case closed 19/08/2021.

INDEX OF LCFS INVESTIGATIONS AS AT 21st JANUARY 2022

Case	FIRST Ref	Health Body	Area	Subject	Status
24.	INV/21/00050	ABUHB	Community Pharmacist	CAS claim irregularities.	NFA on criminal aspect. Case closed 26/07/2021.
25.	INV/21/00052	ABUHB	Member of public	Prescription fraud.	NFA on criminal aspect. Case closed 10/01/2022.
26.	INV/21/00053	ABUHB	NHS Staff	Conduct private work in NHS time.	NFA on criminal aspect. Words of advice given as disciplinary sanction. Case closed 01/06/2021.
27.	INV/21/00089	ABUHB	NHS Staff	Timesheet Fraud.	NFA on criminal aspect. Dismissed from employment for gross misconduct following disciplinary action. Case closed 08/12/2021.
28.	INV/21/00102	ABUHB	G.P. Staff	Prescription fraud.	Resigned following suspension. NFA criminal aspect. Case closed 09/09/2021.
29.	INV/21/00109	ABUHB	NHS Staff	Irregularities with job application form.	NFA on criminal aspect. No disciplinary issue identified. Case closed 26/07/2021.
30.	INV/21/00130	ABUHB	NHS Staff	Falsify Covid result to obtain sick leave.	NFA on criminal aspect. No disciplinary issue identified. Case closed 23/08/2021.
31.	INV/21/00066	ABUHB	NHS Staff	Timesheet fraud.	NFA criminal aspect. 12 members of staff received disciplinary sanctions. Case closed 01/08/2021.
32.	INV/21/00161	ABUHB	GP Surgery	Prescribing concerns.	NFA on criminal aspect. Case closed 23/08/2021.
33.	INV/21/00194	ABUHB	NHS staff	Working elsewhere whilst on sick leave.	NFA on criminal aspect. No disciplinary issue identified. Case closed 24/09/2021.
34.	INV/21/00228	ABUHB	Nursing Agency Staff	False declarations on agency timesheets.	NFA on criminal aspect. Robust HB systems in place prevented loss. Case closed 01/10/2021.
35.	INV/21/00229	ABUHB	Patient	Prescribing concerns.	Strategy meeting to progress. NFA on criminal aspect. Case closed 15/10/2021.

INDEX OF LCFS INVESTIGATIONS AS AT 21st JANUARY 2022

Case	FIRST Ref	Health Body	Area	Subject	Status
36.	INV/21/00267	ABUHB	NHS staff	Dishonest retention of salary overpayment	Investigation ongoing.
37.	INV/21/00276	ABUHB	NHS staff	Dishonest retention of salary overpayment	Investigation ongoing.
38.	INV/21/00286	ABUHB	NHS staff	Working elsewhere whilst on sick leave.	NFA on criminal aspect. No disciplinary issue identified. Case closed 20/10/2021.
39.	INV/21/00294	ABUHB	NHS Staff	Falsification of hospital appointments.	Investigation ongoing.
40.	INV/21/00346	ABUHB	Patient	Prescribing concerns.	NFA on criminal aspect. Case closed 10/01/2021.
41.	INV/21/00348	ABUHB	NHS staff	Working elsewhere whilst on sick leave.	NFA on criminal aspect. No disciplinary issue identified. Case closed 19/11/2021.
42.	INV/21/00367	ABUHB	Patient	Prescribing concerns	Case passed to Gwent Police. Case closed 09/12/2021.
43.	INV/21/00372	ABUHB	NHS staff	Timesheet fraud.	Investigation ongoing.
44.	INV/22/00060	ABUHB	Member of public	NHS compensation claim.	Investigation ongoing.



GIG
CYMRU
NHS
WALES

Bwrdd Iechyd Prifysgol
Aneurin Bevan
University Health Board

Aneurin Bevan University Health Board
Thursday 3rd February 2022
Agenda Item: 3.1

Aneurin Bevan University Health Board

MSK Transformation Programme, Phase 1

Executive Summary

Musculoskeletal (MSK) Transformation was identified as an IMTP key priority in 2019/20. An Executive led Programme Board was established to review the end-to-end MSK pathway and the initial community based 'Phase 1' tranche of work was agreed by the Executive Team and Board (Audit Committee) in April 2021.

Progress to date on Phase 1 of the Programme concluded in a £1.8m investment agreed by the Executive Team on 9th December 2021, focussing on an **evidenced based upstream self-referral, self-management and community therapy support**. The investment is being made against Health Board reserves as part of the IMTP process, and implementation of Phase 1 has commenced.

The purpose of this paper is to provide the Audit, Finance and Risk Committee with an update on **progress to date on implementation** and more detail and clarity **on deliverables, metrics and benefits**.

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: Peter Carr, Executive Director of Therapies and Health Science

Report Author: Peter Carr, Executive Director of Therapies and Health Science

Report Received consideration and supported by:

Executive Team		Committee of the Board [Committee Name]	Audit, Risk & Finance
-----------------------	--	---	----------------------------------

Date of the Report: 21st January 2022

Supplementary Papers Attached: Appendix 1- A summary of these opportunities and benefits; Appendix 2 - MSK Scorecard for KPIs; Appendix 3 - Implementation plan

Purpose of the Report

Musculoskeletal (MSK) Transformation was identified as an IMTP key priority in 2019/20. An Executive led Programme Board was established to review the end-to-end MSK pathway and the initial community based 'Phase 1' tranche of work was agreed by the Executive Team and Board (Audit Committee) in April 2021.

Progress to date on Phase 1 of the Programme concluded in a £1.8m investment agreed by the Executive Team on 9th December 2021, focussing on an **evidenced based**

upstream self-referral, self-management and community therapy support. The investment is being made against Health Board reserves as part of the IMTP process, and implementation of Phase 1 has commenced.

The purpose of this paper is to provide the Audit, Finance and Risk Committee with an update on **progress to date on implementation** and more detail and clarity on **deliverables, metrics and benefits.**

Background and Context

With the aim of addressing the increasing challenge of high-volume waiting times and waiting lists for MSK assessment and treatment, the pathway remodelling group used a value and clinical evidence base to redesign the MSK pathway to one of upstream management to improve outcomes, equity of access, waiting times for assessment and efficiency in service delivery. It is important to note that as of November 2021, for orthopaedic 1st outpatient appointment:

- waiting times in the AB area are at 88 weeks for a non-urgent appointment.
- the waiting list is 18,249 as at w/c 22 November 2021.
- In 2018/19 the HB spent £480k on outpatient WLI reduction strategies, rising each year to a **spend of £595k** in 2019/20.

In 2017 Public Health England (PHE) looked at high-volume MSK conditions in working age adults and compared the cost effectiveness of several therapy interventions. PHE concluded that the greatest return on investment was from:

Patient self-referral assessment and telephone advice by physiotherapists for MSK conditions, saving £19.30 per patient, or £2.08 for every £1 spent.

And,

When any gains in Quality Adjusted Life Years are included, the return on investment is **£47.32 for every £1 spent.**

Assessment and Conclusion

Informed by this, other similar national and international evidence, and the findings of the AB MSK Resource Group, it is anticipated that the redesigned pathway will provide the following benefits:

Primary Care:

- Reduction in waiting times for MSK specialist advice and provide faster, equitable access to MSK services across ABUHB through self-referral to a therapy clinical triage hub, and access to a supporting patient information website,
- Support GPs by reducing their workload by redirecting MSK related demand of approximately 186,000 annual contacts across Gwent, (**at a calculated worth of the direct cost of a GP appointment of about £2.9m**), to the therapy triage hub.
- Evidence has shown that approximately 40% of people self-referring or being referred by a GP to a clinical triage hub are successfully managed into self-care and self-management, without requiring specialist interventions.

Orthopaedic 1st Outpatient:

- A reduction in inappropriate referrals for secondary orthopaedic care being added to the waiting list – this will address the current rate of:

- Only 29% (20019/20 data) of patients being 'listed for treatment' following 1st Orthopaedic Outpatient appointment. By increasing the % of patients converting to treatment without need of additional appointments and investigations, will provide a calculated benefit of worth of **approximately £391k**.
- Minimising the risk of deterioration and chronicity for patients inappropriately referred onto a long orthopaedic waiting list.

Therapies:

- Avoiding inappropriate referrals to MSK therapy services through utilisation of 'what matters' approach, by promoting self-management and self-care - signposting people to community, local authority and third sector services, where appropriate, to support self-management of their MSK conditions.
- Avoiding inappropriate over prescribing diagnostic scan requests from GPs (calculated benefit worth of **minimum £88k**) - through the expansion of the integrated ultrasound delivery model.
- Research also shows the role of point of care diagnostic MSK ultrasound is a key feature of clinical triage and early diagnosis through **a shift in the delivery of care** from the acute setting into the community setting.

Patient Outcomes:

- Improving:
 - equity of access pan Gwent,
 - ease of access to MSK specific information and self-help support, and
 - access to self-referral option at persons' convenience.
- Improve patient experience (PREMs) by using the hub to manage the 'Your NHS Experience' questionnaire, to inform service improvements.
- Improve collation and measurement a baseline set of PROMs for all persons accessing the MSK hub – to facilitate full Value mapping of the system and support service development.

Workforce – retention and recruitment

- Improve opportunity for career progression and workforce succession planning, to meet future progressive needs of the MSK pathways.
- Allow further development of therapy posts, for example, assistant practitioner, minor injury practitioner.
- Development of innovative roles, for example, MSK clinical sonographer.

Urgent Primary Care (UPC)/ Minor Injuries Unit (MIU):

As part of the scoping work undertaken for the MSK pathway redesign, the developing Urgent Care work stream lead clinicians also approached the Therapy service to help manage the demand into UPC and MIU units for MSK pain and disorders (not related to accident or injury). The inclusion of this service provision fits within the end to end MSK pathway redesign, and is suitable for inclusion within the community/primary care section of the pathway. Management of this activity away from the front door clinical staff has a calculated benefit worth of **circa £250k**.

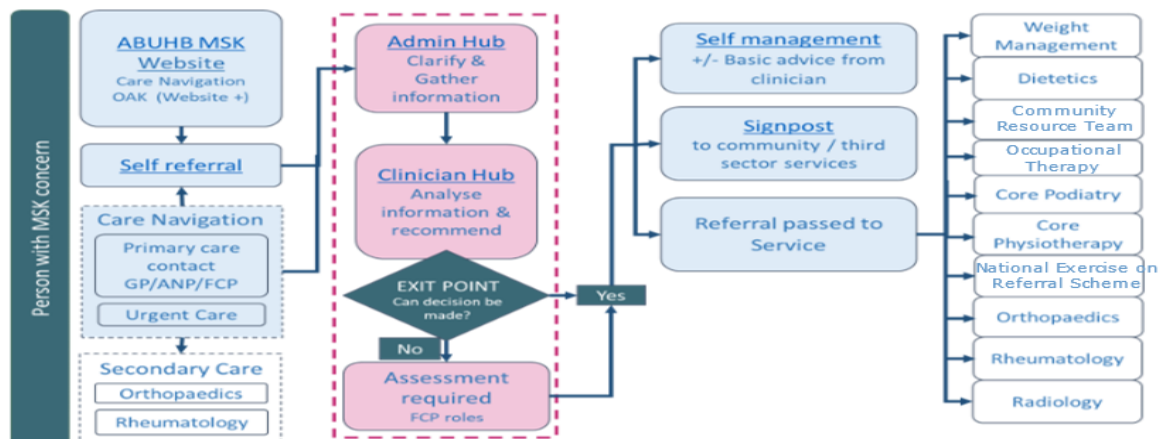
A summary of these opportunities and benefits is set out in **Appendix 1**.

In April 2021 the Audit Committee was presented with a MSK Scorecard for KPIs (**see Appendix 2**). In considering the final pathway redesign and the anticipated benefits set out above, these KPIs will be refined and presented as part of the next update.

Proposal

The redesigned pathway is shown below. It should be noted that the MSK Programme design group has liaised with and listened to GPs, NCNs, and the LMC. It has also ensured that the new model does not preclude GPs from referring directly to an orthopaedic surgeon, should there be a clinical need to.

Modelling Group – Proposed High Level Pathway



Right Person - Right Place - Right Time

Recognising that much of the above improved value/ opportunities will not result in cash releasing funding, additional resources were required to facilitate the upstream redesign in PC and Community. A bid of £1.8m (summary below), was approved to support this transformational change, noting that although the mathematical workforce calculators developed for the business case used tested activity data sets, the calculator applied several untested demand and capacity assumptions. It is recognised that these assumptions will need to be reviewed at the end of Year 1.

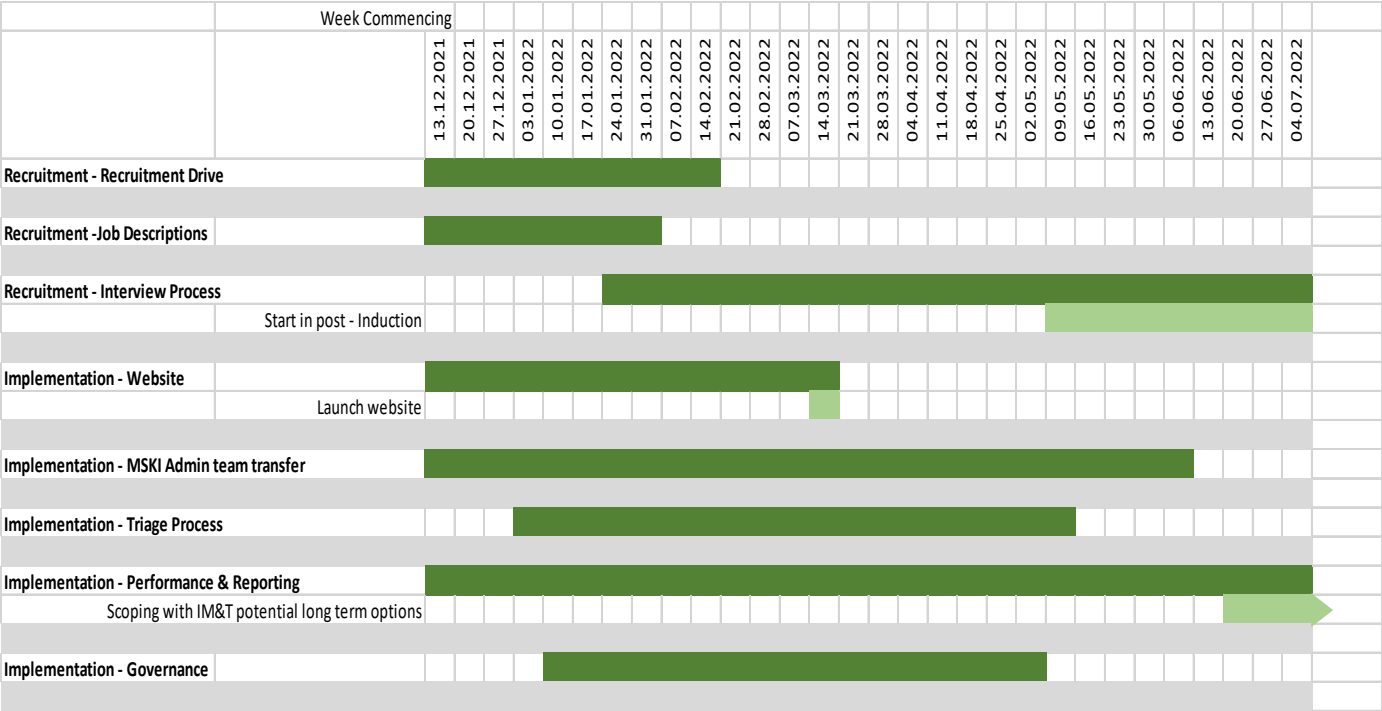
Summary Table – Resource requirements for MSK upstream redesign: Phase 1

	Year 1	Year 1 FYE	Year 2	Year 2 FYE	Year 3	Year 3 FYE
	WTE	£m	WTE	£m	WTE	£m
Sub Total Revenue - MSK Hub clinic staff	29.00	1.191	Test modelling assumption - how 12% of current GP MSK contacts (364,000) would translate into patient numbers - to be reviewed post Year 1			
Sub Total Revenue - Integrated ultrasound delivery model	2.00	0.112				
Sub Total Revenue - support staff	2.50	0.143				
Sub Total Revenue - MIU/ UPC	6.00	0.329				
TOTAL REVENUE - STAFF		1.775				
Total Revenue - non staff		0.080	Based on 364,000 GP MSK contacts - national average of 12% of total workload			
Total Revenue		1.855				
Capital - Ultrasound Machine		0.094	Based on 186,000 GP MSK contacts - 6% of current GP workload			

Dependent on timing of recruitment

Activity	
Modelled Annual Volume of patient contacts that would have been seen by a GP, assuming contacts convert into number of patients accessing early intervention & signposting (Est annual MSK related GP contacts = 364,648)	185,617
	509 per day
Modelled Annual Volume of additional patients that will also require Telehealth*	18,562
Modelled Annual Volume of additional patients that will also require Clinical 'Triaged' (f2f)	371
Estimated Maximum Annual Volume of patients managed out of UPC/ MIU*	13,477
Maximum number of patients seen each shift:	37 per shift/day

As stated above, implementation of the recruitment process has already commenced, with a national recruitment drive aiming to secure new staff to commence in post incrementally across May and June 2022 (See appendix 3 for Implementation plan). A summary of the Project plan is set out below:



Summary

The Executives approved a bid of £1.8m for the implementation of an evidenced based upstream self-referral, self-management and community therapy support, in order to improve outcomes, create greater equity of access, reduce waiting times for assessment and to improve efficiency in service delivery.

Implementation has started and the 'go live date' will be incremental from May 2022, depending on the number of staff recruited.

- It is proposed that at the end of Year 1, a comprehensive review is undertaken of:
- Modelled activity assumptions vs actual,
 - Benefits to patients, GPs and HB related services – supported by patient outcomes, (where possible) and KPI achievements.

Supporting Assessment and Additional Information

Risk Assessment (including links to Risk Register)

- The risks identified include:
- Areas identified would either improve patient care or should not worsen outcomes for patients
 - The benefits of new systems should outweigh the costs incurred

Financial Assessment, including Value for Money	The costs of MSK services are analysed in the report
Quality, Safety and Patient Experience Assessment	Compliance with national guidelines.
Equality and Diversity Impact Assessment (including child impact assessment)	E&DIA will be performed where appropriate.
Health and Care Standards	This paper links to Standard for Health Services One – Governance & Assurance. Compliance with national guidelines.
Link to Integrated Medium Term Plan/Corporate Objectives	The IMTP identifies MSK pathway redesign as a strategic priority.
The Well-being of Future Generations (Wales) Act 2015 – 5 ways of working	Long Term – Yes
	Integration –Yes
	Involvement – Yes
	Collaboration – Yes
	Prevention – Yes
Glossary of New Terms	NA
Public Interest	<i>Changes to services will be consulted upon as required</i>

Benefit	Baseline	Division where improvement expressed	2019/20 Performance	Expected Target Improvement/ Benefit	Improvement Value – Calculated worth £
Value: 1. Improved Patient experience	PREMs	Therapies		Utilisation of 'Your NHS Experience' questionnaire – Measurements: <ul style="list-style-type: none"> • Feeling of being listened to • Ability to use Welsh • Perception of waiting time • Feeling of being well cared for • Receipt of assistance when asked • Understanding of what was happening in care • Care explanation in a way a person can understand • Being involved in decisions about care • NAS of overall experience • Free text to note areas of good experience • Free text to note areas for improvement • Equality monitoring Utilise information regarding experience to identify service development opportunities for	N/A

2. Improved Patient outcomes	PROMs	Therapies		<p>A baseline standard set PROM (patient/person reported outcome measure) will be requested of all persons who access the MSK Hub. It will include;</p> <ul style="list-style-type: none"> • relevant demographic, social and comorbidity factors • MSK HQ (Musculoskeletal Health Questionnaire) – A 15-item UK validated measure relevant to patients across a range of musculoskeletal conditions and settings • EQ-5D (EuroQol) – An established and validated 5 domain health-related quality of life measure that can support cost-utility analysis in terms of Quality Adjusted Life Years (QALYs). <p>This will enable full Value mapping of the system and support service development to improve understanding of options for patients to support informed decision making and therefore patient care.</p>	N/A
3. More Self-Care – evidenced it improves health outcomes and more appropriate use of medical and surgical interventions.	Website hits/ survey	Therapies	Website 'live' Autumn 2021	Approx. 40% of all website contacts proceed to self-management, avoiding unnecessary GP appointments and Therapy/ Orthopaedic referrals.	N/A – included in GP avoided appointments below.
4. Reduced WT for MSK specialist advice where required – faster access	Waiting Time to 1 st Contact	Therapies	MSK specific advice not currently offered until appointment. Physio/	Approx. 186k triage assessments per annum will be undertaken within 24 hr of contact	N/A.

to more appropriate treatment.			Podiatry (Routine) - 16/13 weeks max (Therapies RTT 14/52)	via clinical hub; max 48 hours to Telehealth or Clinical f2f for up to 20k of these patients.	
5. More equitable access to therapies pan Gwent	WTE / pop'n per borough	Therapies	Range from 0 to 2wte	Range will have zero difference	
Primary Care setting: 6. GP contacts avoided - releasing GP capacity to improve access to patients.	No. of MSK related contacts per annum (single morbidity appointment) – use national evidence re: 12% of total workload.	Primary care - GMS	Approx. 366,000 contacts per annum across Gwent.	<p>Investment of £1.447m per annum will help AB GPs avoid circa. 186,000 contacts per annum (6% of MSK workload).</p> <p>On average per practice per annum = 2,500 contacts / 48 contacts per week/ 10 per day.</p> <p>Based on assumptions in model, these patients will be signposted by the clinical hub to either:</p> <ul style="list-style-type: none"> • Self-management = 40% • Referral to physio = 40% • Referral to Podiatry = 10% • Referral to T&O = 5% • Referral to Weight management = 2% • Referral to CRT = 2% • Referral to Falls = 1% 	£2.9m = Calculated worth of GP contacts/ appointments avoided, at an assumed direct cost of a GP appointment value
7. Therapy management of Urgent Primary care/ MIU attendances – 7 days a week in all ABUHB hospitals. Releasing medical/ nursing capacity at 'front door'.	No. of MSK related presentations to UPC/ MIU across Gwent hospitals.	Primary Care	Approx. 33,692 attendances per annum.	Investment of £0.329m per annum will facilitate therapy management of approximately 13,477 UPC/MIU attendees per annum or 37 per day (7 days a week).	£250k = calculated worth of released clinical capacity (@2 wte)
8. Reduction in duplicated/inappropriate	No. of MSK related diagnostic requested	Radiology	Annual no. of diagnostic requests by GPs = 49,600	There is an expectation of a reduction in number of scans requested . Research shows	£88k = value of estimated 10%

Diagnostic requests from GPs.	by PC based practitioners.		scans @ £889k; 52% of total MSK related requests.	evidence of levels of inappropriate radiological MSK investigations by GP's.	inappropriate scan requests avoided
Acute Setting: 9. Reduction in 'Referral redirection – other than listed for treatment - from 1 st Orthopaedic OP appointment'	1 st contact outcomes – (from Orthopaedic Department OP Outcome of Attendance analysis)	Orthopaedics	71% (10,757 patients) require further investigation/redirected/ not listed for treatment at 1 st contact.	Streamlining of referrals by the clinical hub (excl GP direct referrals) to facilitate patients being directed to the most appropriate treatment setting earlier in the pathway. Approx. 40% of those currently seen as OP do not proceed to treatment by orthopod	40% of 15,049 (1 st OP attendance 2019/20) = 6020 * £65 = Calculated worth of £391k
10. Increase in surgical conversion rates (listed for treatment) from 1 st Orthopaedic OP appointment.	1 st contact outcomes – (from Orthopaedic Department OP Outcome of Attendance analysis)	Orthopaedics	29% (4,292 patients) listed for treatment following 1 st contact	Streamlining of referrals by the clinical hub (excl GP direct referrals) to facilitate increase in conversion rate to 'listed for treatment' from Orthopaedic 1st OP appointment	
Workforce: 11. Staff sustainability plan:	Headcount Vacancy rate Absence rates Productivity – review and establish triage rate Staff experience measures – Pulse survey	Physiotherapy & Podiatry		<ul style="list-style-type: none"> Improve opportunity for career progression and workforce succession planning, to meet future progressive needs of the MSK pathways. Allow further development of therapy posts, for example, assistant practitioner, minor injury practitioner. Development of innovative roles, for example, MSK clinical sonographer. 	

Appendix 2

MSK SCORECARD

'Value' Measure - Patient Experience

Aims& Measure	Baseline		Expected Change	2019/20 Performance	Target Performance	Current trend
Patient Experience	PROMs	-	↑	WIP		↔
Website	Hit rate/ survey	-				↔
Waiting Times	To 1st contact					
		Physiotherapy	↓	16 Weeks max; 8 weeks med	8/52 Routine	
		Podiatry	↓	13 Weeks max; 13 weeks med	8/52 Routine	
		Acute (Routine OP)	↓	? weeks	14/52 Routine	
Adult Weight Management	75% of patients lose weight, with 30% of participants who complete the intervention losing 5% of their initial weight			WIP		↔
new PH interventions :				WIP	Impact of the PH intervention on people with MSK conditions will result from testing of pilot 2021/2	↔
Commercial Weight Management				WIP		↔

Primary Care Setting

Aims& Measure	Baseline		Expected Change	2019/20 Performance	Target Performance	Current trend
Short term : GP to Therapy Referrals	Referrals	MSK Triage	↑	33%	60%	
Medium to long term: Therapy assessment - 1st	Referrals	Self referrals	↑	25%	80%	
Diagnostic requesting compliance	Non Compliant requests	Rejected Requests	↓	%	5%	

Acute Care Setting

Aims& Measure	Baseline		Expected Change	2019/20 Performance	Target Performance	Current trend
Referral Redirection (other than listed for treatment from 1st appointment)	1st contact referrals	Orthopaedics	↓	71%	40%	
Surgical conversion rates (Listed for treatment)	From 1st appointment	Orthopaedics	↑	29%	60%	
Follow up Patterns -convert to nurse/ therapy management	FUp appointments	Orthopaedics	↓	1.78:1 FUP:N ratios	1.35:FUP:N ratios	
	Shifting from Consultant FUPs	Nurse/ Therapy	↑	WIP	FUP:N ratios	

Community Care Setting

Aims& Measure	Baseline		Expected Change	2019/20 Performance	Target Performance	Current trend
MSK Service Development of direct access to therapies (based on DACs)	Equity across boroughs - physio	wte/pop'n per borough	↓	Range from 0 to 2 wte	Range will have zero difference	Right sizing as per new modelling; consider weighted population targets
		slots/pop'n per borough	↓	Range of 0 to 3,780 slots	Range will have zero difference	
Associated Therapy MSK service activity	Assessments/ attendances	Activity per population	↑	115, 615 news/ Fups	Right sizing as per new modelling	
Therapy ROTT (removed other than treatment) rate	Physio	Mainstream	↓	18% (4,809)		
	Podiatry	Mainstream	↓	14.3% (612)		
	MSKI	MSKI	↓	53% (3,100)		

MSK Implementation Plan

		Week Commencing	13.12.2021	20.12.2021	27.12.2021	03.01.2022	10.01.2022	17.01.2022	24.01.2022	31.01.2022	07.02.2022	14.02.2022	21.02.2022	28.02.2022	07.03.2022	14.03.2022	21.03.2022	28.03.2022	04.04.2022	11.04.2022	18.04.2022	25.04.2022	02.05.2022	09.05.2022	16.05.2022	23.05.2022	30.05.2022	06.06.2022	13.06.2022	20.06.2022	27.06.2022	04.07.2022
		Linked to																														
A	Recruitment - Recruitment Drive																															
1	Identify potential video production teams																															
2	Discuss format and obtain quotes	A1																														
3	Identify recruitment pages in ABUHB internet																															
4	Draft recruitment page for phase 1 MSK Transform	A3																														
5	Decide on successful quote	A2																														
6	Book filming days																															
7	Quote for advertising video on TV																															
8	Quote for advertising Radio & 'Outdoor'																															
9	Purchase advertising	A5/6																														
10	Identify team to support recruitment ideas	A2/4																														
11	Develop Story board																															
12	Complete 'script'																															
13	Quote for still image																															
14	Complete still image for poster																															
15	Filming	A10																														
16	Draft video complete for review																															
17	Updating																															
18	Complete video																															
19	Go live advertising with video																															
20	Complete MSK specific page on ABUHB website with video	A4																														
B	Recruitment - Job Descriptions																															
1	Completion of draft JD's																															
2	Agreement of JD's with Prof Teams	B1																														
3	Job matching process for new posts																															
4	Posts uploaded onto TRAC	B2/3																														
C	Recruitment - Interview Process																															
1	Identify teams for interview process - A&C																															
2	Identify teams for interview process - physio																															
3	Identify teams for interview process - podiatry																															
4	Book dates for interview process	C1/2/3																														
5	Offer posts																															
6	Shared Services checks																															
7	Working out notice	C6																														
8	Start in post - Induction																															
D	Implementation - Website																															
1	Develop sub domain for children																															
2	Complete Childrens MSK Information																															
3	Complete Childrens sub-domain information																															
4	Send childrens info off for translation	D1																														
5	Launch website																															
E	Implementation - MSKI Admin team transfer																															
1	Identify MSKI Admin team members affected by OCP																															
2	Initial meeting with Trades Union colleagues about OCP																															
3	Formal meeting with admin staff & managers	B2/3																														
4	Notify CHC / NCN etc re MSKI closure																															
5	OCP process if required	E1																														
6	Individual meetings with staff to look at options	E3/4																														
7	Closure of OCP & final document completed																															
8	Closure of MSKI service	E4																														
F	Implementation - Triage Process																															
1	Clarity from physiotherapy service on triage process																															
2	Confirm admin and clinical accommodation needs	F1																														
3	Identify appropriate IT requirements	F1																														
4	Identify potential accommodation	F1																														
5	Confirm future accommodation																															
6	Move team to new location	F4																														
G	Implementation - Performance & Reporting																															
1	Identify minimal viable product																															
2	Complete requests to IT for MSK Hub systems in MVP	F1/2																														
3	Confirm KPIs from resource group																															
4	Measures for therapies / radiology / MIU / UPC / T&O																															
5	Confirm reporting process for MSK Hub requirements	G3																														
6	Confirm comms process for associated teams	G4																														
7	Confirm PROM & PREM with Value Team																															
8	Scoping with IM&T potential long term options	G1																														
H	Implementation - Governance																															
1	Review process with ABUHB IG team																															
2	Complete EQUIA and policies on:																															
3	Self referral, registration & clean down																															
3a	Process e-triage and associated actions																															
3b	Booking processes id 'DNA' 'CNA'																															
3c	Rota organisation for UPC & MIU																															
3d	PROM PREM registration and actions																															



GIG
CYMRU
NHS
WALES

Bwrdd Iechyd Prifysgol
Aneurin Bevan
University Health Board

Audit Committee
Date: February 2022
Agenda Item: 3.2

Aneurin Bevan University Health Board

Delivery Against the Digital Strategy

Executive Summary

The Digital Strategy sets out the vision and core themes for digital as a key enabler to the transformation agenda set out in the ambitions of A Healthier Wales, the Local Clinical Futures Strategy and Informatics IMTP.

Informatics strives to ensure that the Health Board's digital investment is aligned to the needs of the operational service, delivering maximum value whilst ensuring the Directorate also meets its core responsibilities for providing and maintaining safe, secure, reliable & compliant services.

Current digital investment is unlikely to meet the existing demand-capacity gap. Due to the often non-recurrent nature in which funding is received, both locally and nationally, and the current revenue investment in digital running at only about 1% of the Health Board budget, building a sustainable future plan is incredibly challenging.

The Informatics Directorate has over 80 identified projects that are live or planned across its ICT and application programme portfolio. Over 50% of these projects have no generated additional funding source with an expectation that they will be delivered within existing resource.

Digital spend over the period 2018 to 2021 totals £32.6m (£22.4 capital, £10.2 revenue) and can be broken down as follows:

- 54% on Infrastructure works such as Wi-Fi replacements, upgrades, network refreshes, cyber security, licensing and ensuring safe, secure, reliable services are implemented and maintained
- 18% on the opening of the Grange University Hospital (GUH)
- 28% on Health Board prioritised transformational programmes and projects such as CareFlow and WCCIS

The attached appendix provides an update on the progress made over the last three years in relation to benefits realisation of specific digital transformation projects and proposed benefits for future system implementations.

There is also a substantial list of projects and programmes requesting or requiring Informatics support and with the development of a portfolio prioritisation and optimisation framework the department hopes to ensure that the informatics portfolio

moving forwards is balanced in terms of scheduling, aligning to strategic objectives, assessing impact and benefit across the business, level of return and resource capacity.

The ongoing challenge will be keeping up with demand.

The Committee 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: Nicola Prygodzicz

Report Author: Janice Jenkins

Report Received consideration and supported by :

Executive Team		Committee of the Board [Public Partnerships & Wellbeing Committee]	
-----------------------	--	---	--

Date of the Report: January 2022

Supplementary Papers Attached:

Appendix: Investment in key digital systems over the last 3 years and an assessment of realised and proposed benefits.

Purpose of the Report

This report and supporting appendix provides an outline of the investment in key digital systems over the last 3 years and an assessment of the quantitative and qualitative benefits proposed and achieved to date for each system where available, and proposed benefits for future system implementations.

Background and Context

Health Board Digital Strategy

The Digital Strategy sets out the vision and core themes for digital as a key enabler to the transformation agenda set out in the ambitions of A Healthier Wales, the Local Clinical Futures Strategy and Informatics IMTP:



In 2020-21, two major episodes of intense and rapid business change, namely the Health Board's response to COVID19 and the early opening of the Grange University Hospital, were greatly enabled by digital. The scale and speed of the pandemic's impact on the Health Board necessitated the Informatics team to rapidly adapt by ceasing much work in flight, reconfiguring services, and expediting delivery in priority areas.

The COVID19 pandemic has both demonstrated the critical role that digital technology plays in 21st century health care and provoked increasing demand for digital transformation. Consequently, the planning imperative for the Informatics Directorate is to make sense of a hugely expanded demand for services and to prioritise those requests within the context of the capacity and development needs of the Directorate.

Informatics strives to ensure that the Health Board's digital investment is aligned to the needs of the operational service, delivering maximum value whilst ensuring the Directorate also meets its core responsibilities for providing and maintaining safe, secure, reliable & compliant services.

Current digital investment is unlikely to meet the existing demand-capacity gap. Due to the often non-recurrent nature in which funding is received, both locally and nationally, and the current revenue investment in digital running at only about 1% of the Health Board budget, building a sustainable future plan is incredibly challenging.

The 2020-23 IMTP for Informatics identified a significant funding requirement pre-covid against the existing actual and planned portfolio of projects. The Wanless Report in 2003 recommended 4% expenditure on ICT. This recommendation was made before the development of the iPhone and iPad and recognition of the opportunities of digital transformation associated with mobile devices.

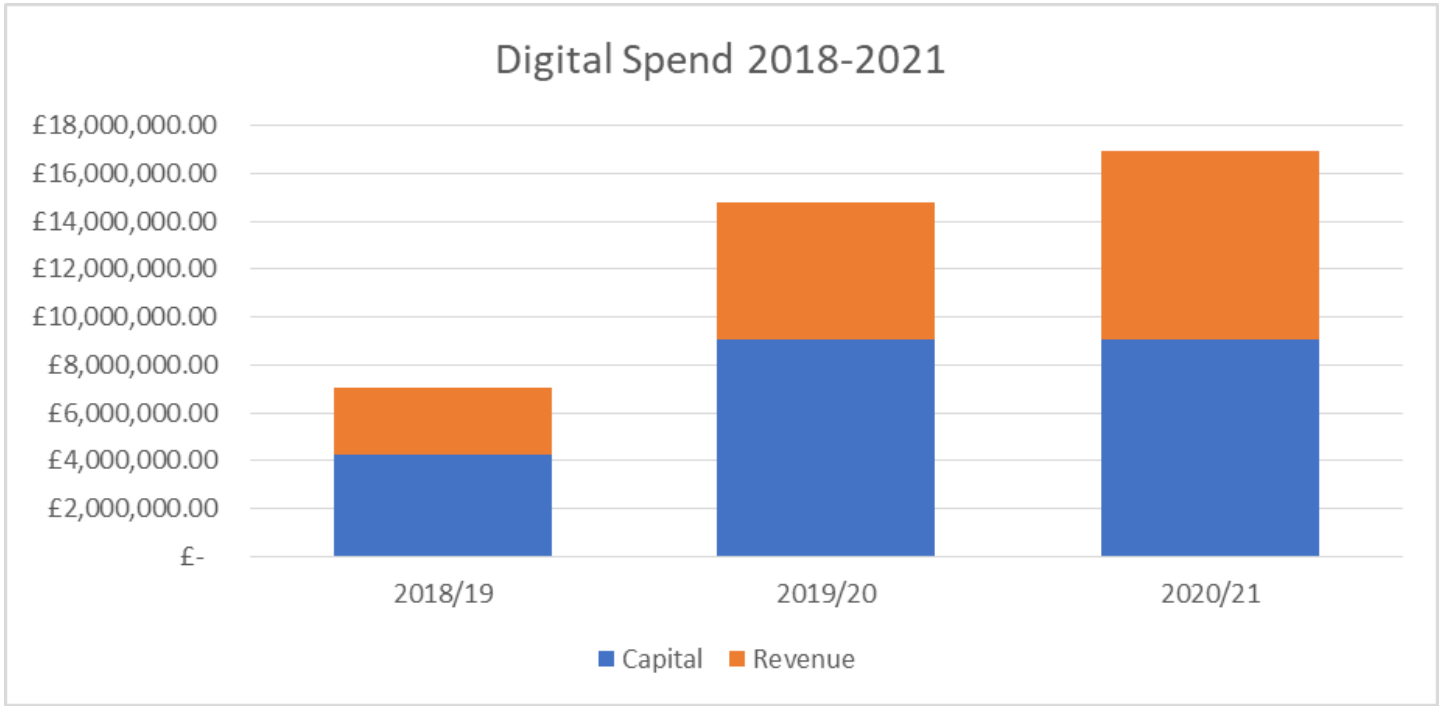
A detailed update on progress against the digital strategy was produced and considered at the Audit, Finance and Risk Committee in March 2021 and so this report builds on that in terms of quantifying benefits or improving metrics where available.

Assessment

The rapid growth in the dependency on digital services has put pressure on all of the teams. The chart below represents organisational spend on digital and demonstrates a significant increase in spend from 18/19 to 20/21.

The Informatics Directorate has over 80 identified projects that are live or planned across its ICT and application programme portfolio. Over 50% of these projects are have no generated additional funding source with an expectation that they will be delivered within existing resource.

Digital spend over the last three years is shown below:



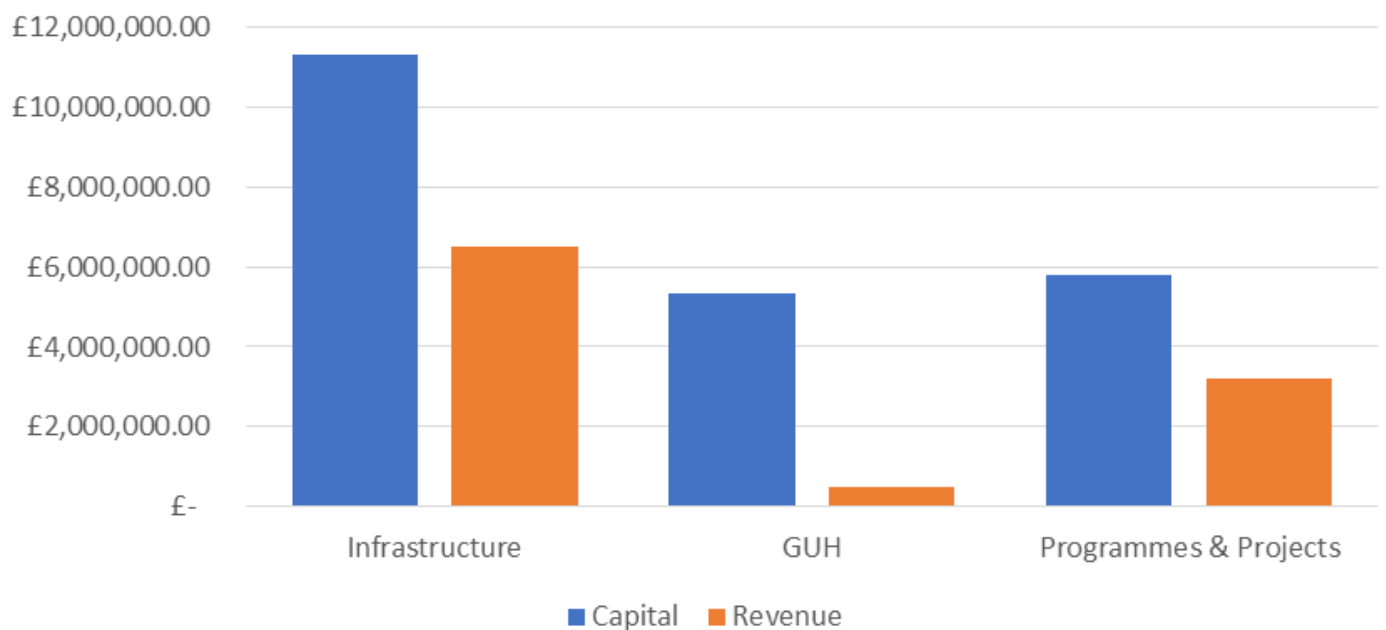
This can be further broken down:

54% of total investment (£11.3m capital & £6.5k revenue) was spent on Infrastructure works such as O365, Wi-Fi replacements, upgrades, network refreshes, cyber security, licensing and ensuring safe, secure, reliable services are implemented and maintained. This forms the basis for the Digital Foundations theme of the Digital Strategy.

18% of total investment (£5.3m capital & £514k revenue) was focused on the opening of the Grange University Hospital (GUH).

Other key and Health Board prioritised transformation programmes and projects, listed below and detailed in the attached appendix, make up 28% of digital investment (£5.8m capital & £3.2m revenue) in the last 3 years.

Digital Spend by Category (2018 - 2021)



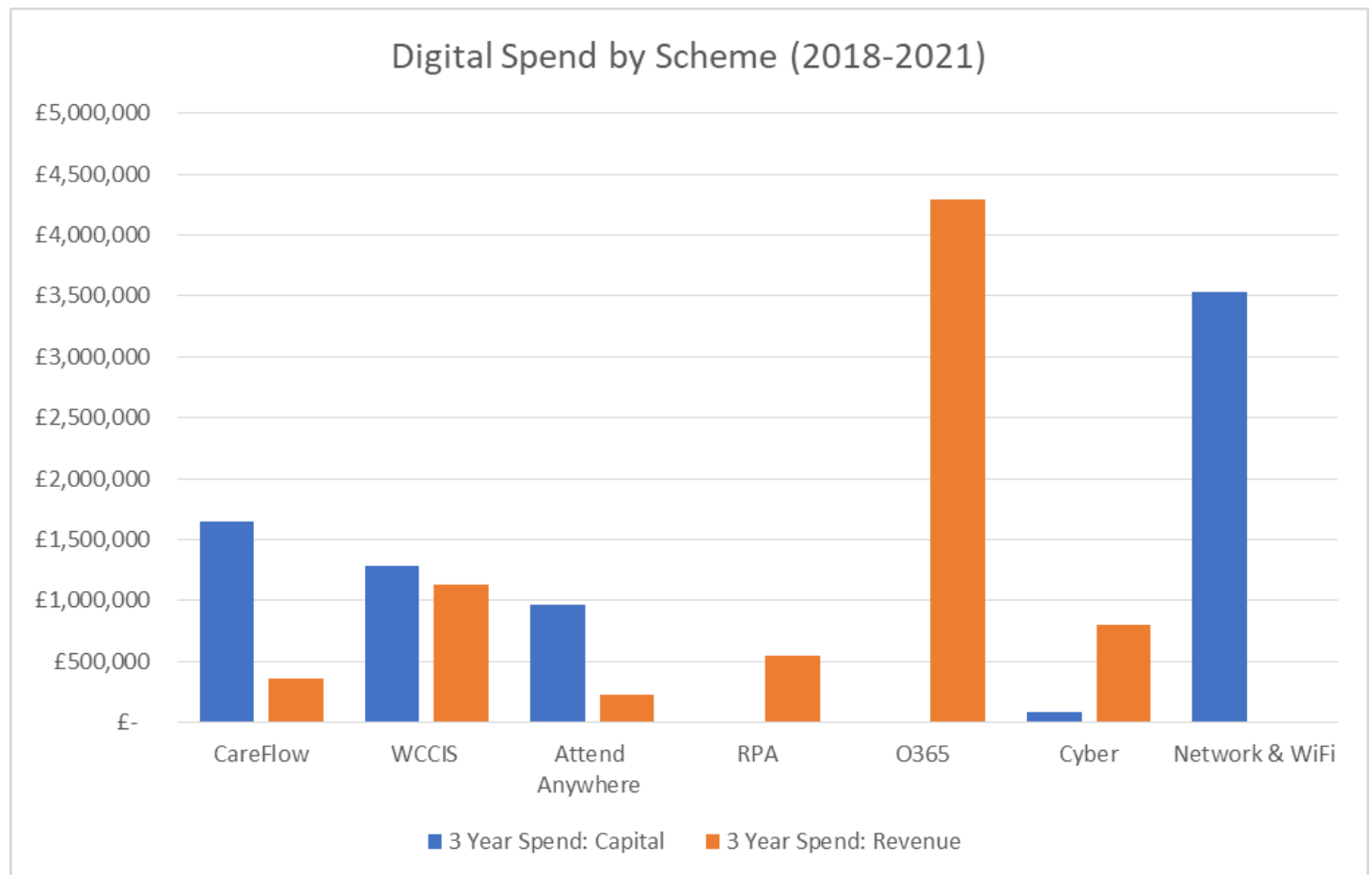
The Digital Foundations theme within the Digital Strategy recognises the need for fundamental investment in digital to maintain infrastructure and ensure that our core digital platform that supports our clinical services is in good health as the basis for safe, secure, reliable, and compliant services. Equally, the service itself needs to be fit for purpose to ensure that it meets the growing demand challenge from services and the public for digital solutions to deliver and manage health care and keep the information that we capture and curate both safe and secure.

There are four key foundational areas of work in progress:

1. Infrastructure Refresh – the capital focussed programme of work to replace and where necessary upgrade infrastructure. The Informatics Directorate maintains a five-year hardware refresh programme as part of core work that is both predictable and capital dependent. In light of growing demand for ICT services the ability to manage refresh safely, within a funded scheduled plan is increasingly important if resources are to be deployed in a timely and effective manner to avoid service failure and to enable those same resources to plan to support for new programmes and projects as the Health Board’s digital transformation matures.
2. The Digital Platform – the Health Board’s clinical portal ‘Clinical WorkStation’ (CWS) is 25 years old in 2022. A radical refactoring of the platform that this sits upon is urgently needed to secure this service and to develop functionality to keep the Health Board’s clinical applications operating within the context of the NHS Wales Digital Architecture Review recommendations, the rapidly evolving national open architecture.
3. The Informatics Directorate Target Operating Framework (TOF) - implementation of a new Target Operating Model to develop its operating processes within a secure structure in order to meet the digital transformation challenge.

4. Information security - implementing policies and processes to maintain information security across the business functions of the Health Board. Further to a review of the information security arrangements of the Health Board and recommendations made by Templar Consultancy, an action plan will be delivered including the implementation of the Office of the Senior Information Risk Owner (SIRO) and work to improve the Health Board's Information Assets Register at a divisional and Directorate level.

Some of the key schemes over the last 3 years are shown in the graph below:



The following projects have been included in the benefits report appendix, which have secured investment over the last 3 years. The benefits report outlines those benefits achieved as well as proposed benefits for key projects that have already secured investment but have not yet completed.

ETR / GPTR	The implementation of electronic test requesting and improvement of requesting processes across primary and secondary care services
Digital Dictation	The procurement and roll out of digital dictation equipment and development of integration with CWS and MedSecs to enable acute care clinicians to dictate clinic letters directly from CWS clinic lists, for secretaries to transcribe electronic voice files in MedSecs and subsequently for clinicians to authorise their letters in CWS.
Digitised Health Record	The implementation of a centralised library combined with a scan on demand service enabling the patient record to be made electronically available in CWS, reduce the need for paper notes and reduce paper libraries and paper storage requirements.

0365	The roll out of 0365 expedited by the pandemic and national programme to support home working.
CareFlow Vitals	The implementation of a system to provide bedside observations, patient flow management, vital signs and medical task management functionality.
Virtual Consultations	The roll out of devices and implementation of Attend Anywhere software to support virtual consultations across primary and secondary care.
WCCIS	The implementation of a Health and Social Care Information System including the procurement and roll out of ipads to enable community working and the development of a Regional Gwent security model to support a shared record.
RPA	The procurement and implementation of Robotic Process Automation to avoid additional staff recruitment where manual processes can be replicated with the use of robots.
Service Desk Accreditation	Achieving Service Desk Accreditation which will apply global best practice standards to certify service desk quality.
Infrastructure Projects	Providing safe, secure, reliable digital services and digital foundations to the Health Board and ensuring equipment is supported and not vulnerable to cyber security exploits.
PSA Self-Management Platform	Leading a discovery project to establish an integrated platform that will provide patients living with prostate cancer access to a self-management platform.
Eye Care Digitisation	The implementation of Open Eyes to enable Ophthalmology services to move away from paper to electronic health records, enable referral from optometrists to secondary care and provide enhanced management information.
WNCR	To enable our hospital nurses to go digital for much of their key record keeping.
Maternity	The implementation of a new Maternity Care System to replace an existing end of life product.
LINC	Pathology readiness for the replacement of Masterlab, the blood transfusion system & LINC the replacement laboratory information management system.
WICIS	Scheduled to go live at the end of 2023 at Grange University Hospital (GUH), the first to implement a critical care system.
Clinical Communications	The development of pan Gwent hospital clinical and operational communications solution to provide a co-ordinated approach to the use of digital technology to support and improve clinical and operational communication for voice, video and text, including emergency alerting and notification.

There is also a substantial list of projects and programmes requesting or requiring Informatics support. These include:

ePrescribing - A Welsh Government Programme to deliver a fully digital, multi-sectoral ePrescribing platform for Wales which will include primary and secondary care ePrescribing capability, patient access and a national medicines repository.

Theatres - Patient Level Costing that will support the expansion of Health Edge to complete end to end pathway instrument tracking and tying together of data from Health

Edge, Omnicell, ORMIS and mapping capital equipment used for individual patients to enable service improvement from patient level costing data paving the way for Scan for Safety.

WEDS - National implementation of Symphony system in ED providing functionality to support robust and live patient tracking, triage monitoring and triage management; a clinical overview of patient triage status; effective audit for triage and patient pathway management and improved clinical information flows.

RISP - Radiology Information System (RADIS) / Picture Archiving & Communication System (PACS) Replacement – further to the Outline Business Case presented to the Health Board in November 2021, a Full Business Case will be presented in 2022 further to a national procurement exercise.

DHR for Community Services - Digitisation of the Health Records for Community Services - implementation of a digital scanning solution for mental health, learning disabilities and community services linked to the roll out of WCCIS and to release estate from physical record storage.

RPA - Implementation of a Robotic Process Automation service further to the successful pilot undertaken in 2020/21 to support any service to replace data keying between systems with digital workers freeing staff time for value added work

Regional Working projects - commencing with vascular services – to support the implementation of the newly developed regional service.

National Digital Cellular Pathology Project - further to the initial Business Justification Case (BJC) presented to Chief Executives in November 2021, a final BJC will be presented in 2022 further to a national procurement exercise. The health board can anticipate preparatory work on this major programme to commence in 2022/23.

National Endoscopy Programme (NEP) – NEP has asked the Health Board to undertake work to share results from its endoscopy management system to the national Welsh Results & Reporting Service (WRRS).

A portfolio prioritisation and optimisation framework has recently been developed that will support the Health Board to determine where investment and resource should be directed as the portfolio is delivered. This will assist the department to move away from attempting to deliver everything at the same time, using the same resource. The key benefit of this framework is to support senior management decision-making and ensure the projects we do deliver, align with the strategic objectives of the Health Board.

The framework covers a number of steps and will ensure that the informatics portfolio is balanced in terms of scheduling, aligning to strategic objectives, assessing impact and benefits across the business, level of return and resource capacity. A benefits management framework and toolkit has also been developed and implemented to ensure programme benefits are planned, monitored and evaluated.

The challenge for the Informatics department will be keeping up with demand.

Recommendation

The Audit, Finance and Risk committee is asked to note and discuss the progress made across the four themes of the digital strategy and the benefits achieved to date through digital investment and continue to support the implementation of the Digital Strategy.

Supporting Assessment and Additional Information

Risk Assessment (including links to Risk Register)	The coordination and reporting of organisational risks are a key element of the Health Board's overall assurance framework.
Financial Assessment, including Value for Money	Regular budget reviews are undertaken in conjunction with the finance department. Benefit identification and realisation plans continue to be an active product within Informatics.
Quality, Safety and Patient Experience Assessment	The Office of the CCIO & CNIO provide a more formal approach to the clinical safety of digital services and encompasses the management and investigation of clinical incidents. A National Welsh Clinical Information Council provides multi-disciplinary oversight.
Equality and Diversity Impact Assessment (including child impact assessment)	The strategy was subject to an equality and diversity impact assessment which covers all patient and staff groups in ABUHB.
Health and Care Standards	3.4 – Information Governance and Communications Technology 3.5 – Record Keeping
Link to Integrated Medium Term Plan/Corporate Objectives	The Digital Strategy has been approved and is referenced in the informatics IMTP.
The Well-being of Future Generations (Wales) Act 2015 – 5 ways of working	Long Term – Patients will be enabled to coproduce their health care using technology to support well-being management, long-term health management and short-term episodes of illness or injury. A digitised framework will be provided within which Practitioners are able to interact with and empower their patients using a wider range of consulting, coaching and informatics skills. Practitioners will have access in real time to all the information they need to treat and care for their patients releasing time to care from non-value adding work.
	Integration – Computing infrastructure will be ubiquitous and information collected joined up and available at each level of the organisation through to population health

	<p>Patients will enjoy the benefits of integrated information and communication systems operating across primary, secondary and tertiary health care in Wales and across Health and Social Care public sector bodies, third sector and other health care settings.</p>
	<p>Involvement – ABUHB will have engaged leaders who are deeply knowledgeable about the clinical and technological systems in place with Chief Information and Chief Clinical Information Officers in place ensuring a digitally mature approach to service transformation.</p>
	<p>Collaboration – Informatics Directorate will have established long term relationships with academia, technology vendors and suppliers including consortia and small and medium enterprises, social care, third sector and other health organisations, patient representatives and other stakeholders delivering and demonstrating the benefits of innovative uses of informatics to enhance health care.</p>
	<p>Prevention – Informatics Directorate Service Management will provide a sustainable service that prevents and minimises the risk of service disruption and outages to clinical and operational environments through a service and appropriately qualified staff operating within best practice assurance frameworks.</p>

REPORT TO THE AUDIT, FINANCE & RISK COMMITTEE

Agenda Item: Digital Systems, Efficiencies and Benefits Realisation Update Report

Purpose: To outline the investment in key digital systems over the last 3 years and an assessment of the quantitative (*and patient outcome*) benefits proposed and achieved to date for each system.

Benefits Realised:

Title of Investment	Key Aims/ Objectives	Spend Profile £k	Current Benefit Achievement Position	
			Organisation – metrics (where actually delivered)	Patient benefits – metrics & qualitative
ETR / GPTR & Radiology Requesting	To deliver electronic test requesting and improve requesting processes across primary and secondary care services	Existing Resource	Improved operational performance: <ul style="list-style-type: none"> Reduction in errors from 6% to 2% Reduction in use of paper forms Improved availability of information – GP access to import blood results into GP Record through roll out of WRRS 78% of electronic tests for blood sciences requests now undertaken electronically Over 90,000 requests per month are electronic across Primary & Secondary Care Radiology requests processed via CWS increased by 25% in 2 years 	Increased Patient Safety and Patient Experience: <ul style="list-style-type: none"> Reduction in errors from 6% to 2% 71% of users surveyed confirmed test processing is quicker
Digital Dictation	Procurement and Roll out of Digital Dictation equipment and development and implementation of direct integration with CWS & MedSecs	£168k capital £42k revenue	Improved operational performance: <ul style="list-style-type: none"> Improved clinical workflow Fewer lost dictations Fewer lost tapes & notes Reduced need to purchase tapes and transcribing machines Reduction in staff time distributing / picking up tapes 	Increased patient safety & Patient Experience: <ul style="list-style-type: none"> Reduction in patient telephone queries, re-referrals & readmissions as dictated letters display in CWS Reduction in clinical letters taking >48hrs to be available to GPs Reduction in number of missing tapes

Title of Investment	Key Aims/ Objectives	Spend Profile £k	Current Benefit Achievement Position	
			Organisation – metrics (where actually delivered)	Patient benefits – metrics & qualitative
			<ul style="list-style-type: none">• Reduction in printing of draft letters for authorisation• Reduction in battery cost for Dictaphones• Improvement to the quality of voice recording• Reduction in number of corrupted voice files due to damaged tapes	<ul style="list-style-type: none">• Improved patient safety due to up-to-date communications and availability of information

Title of Investment	Key Aims/ Objectives	Spend Profile £k	Current Benefit Achievement Position	
			Organisation – metrics (where actually delivered)	Patient benefits – metrics & qualitative
Digitised Health Record	Digitisation of Acute paper records	Existing Resource	<p>Emergency admissions % with a DHR:</p> <ul style="list-style-type: none"> Increased from 50% (March 20) to 96% (Nov 2021) <p>Elective admissions % with a DHR:</p> <ul style="list-style-type: none"> Increased from 50% (March 20) to 92% (Nov 2021) <p>Patients with a digitised record has increased by 45% in the last 3 years - 479,189 patients with a scanned record, 723,584 physical records scanned which equates to 73,459,666 documents back scanned. Total images on servers for patients 118,601,071</p> <p>No of documents scanned has increased by 67% in the last 3 years.</p> <ul style="list-style-type: none"> Reduction in cost of record retrieval and distribution – reduction in costs and use of taxis to support record retrieval Reduction in cost of retention of records – Physical storage requirement has been reduced significantly with a reduction from 23 libraries to 3 to date Decrease in secretarial coding and clerical workload – Improved flow of patient information and streamlining of clerical processes Ability to view record at any time, at multiple locations – Reduced need for photocopying records for inter-hospital view Increase in availability of records – Removal of evening work and late night shifts in Health Records due to availability of information in CWS Increased speed of access to record – Supports quicker diagnosis of non-elective patients, supports more effective clinical pathways including reduction in length of stay and quicker access to information in ED Increased security of record storage and access – Controls now in place for access to digital records which wasn't available for paper-based records therefore access to sensitive information is better controlled and audited Reduction in manual handling of records and staff sickness from back injuries and musculoskeletal complaints Increased patient access to health records Reduced risk of damage to notes, missing documentation and reduced litigation risk 	

Title of Investment	Key Aims/ Objectives	Spend Profile £k	Current Benefit Achievement Position	
			Organisation – metrics (where actually delivered)	Patient benefits – metrics & qualitative

Title of Investment	Key Aims/ Objectives	Spend Profile £k	Current Benefit Achievement Position	
			Organisation – metrics (where actually delivered)	Patient benefits – metrics & qualitative
0365 & Mobile Working (National / Local)	Implementation of Office 365	£4.3m (19 –21)	<p>Following a survey of staff across the Health Board, it was found that the use of O365 and MS Teams has provided:</p> <ul style="list-style-type: none"> • greater collaboration • supported flexible working • improved patient care • reduction in travel and travel expenses claimed - in excess of £0.5m pa • enabled the organisation to continue functioning during the pandemic <p>The survey also showed the uptake of MS forms development which has been transformed by O365 providing:</p> <ul style="list-style-type: none"> • increased accuracy • better user experience • increased functionality 	
CareFlow Vitals (Local)	Implement the CareFlow system to provide bedside observations functionality, patient flow management, vital signs and medical task management.	£2m of which >£1m revenue unfunded over 3 years	<p>Improving Patient Flow & Patient Safety:</p> <ul style="list-style-type: none"> • 2915 active users across ABUHB using CareFlow Vitals providing electronic capture of clinical observations • Over 800 devices configured and rolled out to provide a platform to access other CareFlow and clinical applications • 110,000 standard digital ‘vital signs’ observations taken per month • Live bed status available and overview of Sepsis risk for each patient on 90 wards implemented • Clinicians off the ward can view patients vital signs on mobile devices and in CWS • Safe and accurate computation of NEWS outputs – you don’t have to add it up • Vitals supports staff with standardised messages where they have NEWS > 3 or more and are believed to be in sepsis to support timely escalation to clinical staff • Provides real time data to senior clinical on call staff off site to inform clinical decision making to manage patient deterioration based on NEWS output and vital signs • NEWS data is live on all patients in medical & surgical beds allowing Outreach teams to intervene in a timely manner on critically ill patients, prevent unnecessary 	

Title of Investment	Key Aims/ Objectives	Spend Profile £k	Current Benefit Achievement Position	
			Organisation – metrics (where actually delivered)	Patient benefits – metrics & qualitative
			admission to ITU & support wards in effective local management to prevent further deterioration <ul style="list-style-type: none"> Improved business intelligence to support clinical service improvement 	
Virtual Consultations - Attend Anywhere (AA) (National)	Roll out of devices and implement virtual consultation software & training across primary and secondary care services	£968k capital £232k revenue	Improved Resource Management: <ul style="list-style-type: none"> 69.1% of clinician survey responses said that VC was beneficial or very beneficial for allowing more efficient use of time and space 82.3% of responses stated that they saved time on travel and parking as a result of offering VC Enhanced knowledge of citizens: <ul style="list-style-type: none"> 85.2% of patients that responded confirmed that they were confident in using VC 14.8% said that they lacked confidence in the use of VC 97.4% of the clinician responses confirmed that they were confident to use VC 2.7% highlighted that they lacked some confidence Overall, 90.2% of the people surveyed stated they would use VC again in the future 	At the end of 2021: <ul style="list-style-type: none"> 67,977 virtual consultations had taken place 2137 members of staff set up and trained to use AA 34 specialities using VC Improved Patient Experience: Of 3658 patients surveyed; <ul style="list-style-type: none"> 106262.5 minutes travel time saved An average of 58.1 minutes travelling time saved per person, per appointment. Of 1,659 clinicians surveyed; <ul style="list-style-type: none"> 66.5% confirmed that a Virtual appointment was either beneficial or very beneficial for saving time, therefore reducing overall consultation waiting times Better Coordinated Care: <ul style="list-style-type: none"> 69.7% of survey responses felt that a virtual visit prevented the need for a face to face appointment which resulted in fewer unnecessary attendances to hospital 67.2% of clinicians surveyed stated that VC helped increase access to care

Title of Investment	Key Aims/ Objectives	Spend Profile £k	Current Benefit Achievement Position	
			Organisation – metrics (where actually delivered)	Patient benefits – metrics & qualitative
				<ul style="list-style-type: none">88% of the patients surveyed stated that they felt that a virtual offering improved their access to care and specialist advice

Title of Investment	Key Aims/ Objectives	Spend Profile £k	Current Benefit Achievement Position	
			Organisation – metrics (where actually delivered)	Patient benefits – metrics & qualitative
WCCIS (National)	<p>Procure, configure and roll out mobile devices to staff across the first 3 phases of WCCIS services (MH&LD, Frailty & District Nursing)</p> <p>Develop and Implement Regional Security model to enable information sharing across Gwent LAs</p> <p>Reduce duplicates in readiness for ABUHB onboarding</p>	£2.4m	<p>Mobilisation of community staff:</p> <ul style="list-style-type: none"> 90% of iPads rolled out to MH&LD services 70% to Community Nursing 80% of users use their devices 3-4 times per week with access to eExpenses, ESR, Health Roster & other clinical applications <p>Users surveyed in 2020:</p> <ul style="list-style-type: none"> 62% felt they had improved access to email and diaries when they were away from the workplace 30% commented on how the devices had enabled home working 50% of users found they had improved ability to access and update clinical information remotely & 40% felt it enabled timely record keeping 45% of users stated that there was a reduced need to return to the office to update or review records 38% of users felt the use of devices had improved communication with the MDT and 57% of users had improved access to a computer 44% of users felt it had improved their productivity <p>During Jan to June 2021, 7396 citizens had a referral with more than one Gwent LA. With the introduction of a Gwent security model there was;</p> <ul style="list-style-type: none"> A reduction in travel to other LA sites to access information An increase in availability of information A reduction in delays to care Increased patient safety with improved access to information <p>As of January 2022, 16,248 individual person records have been deactivated to resolve duplicates in WCCIS matching the ABUHB patients who will be migrated into the system, which will increase patient safety (reduced risk of information being missed).</p>	
Robotic Process	Procurement and implementation of RPA initially	£545k revenue	<ul style="list-style-type: none"> Increased accuracy of data transfer Reduction in transcription errors Improved quality of information 	<ul style="list-style-type: none"> Increased availability of the right information to support clinical decision making

Title of Investment	Key Aims/ Objectives	Spend Profile £k	Current Benefit Achievement Position	
			Organisation – metrics (where actually delivered)	Patient benefits – metrics & qualitative
Automation (RPA) (Local)	<p>targeted at a pilot project in Health Records to automatically transfer information between CWS & WPAS. Followed by the automation of COVID vaccination data into CWS.</p> <p>Migration of finance processes to provide a fully supported, available platform.</p>		<ul style="list-style-type: none"> Increased timeliness of information Increased staff satisfaction Reduction in a demand for rework Release of staff time on repetitive tasks Avoidance of additional staff recruitment as staff recruitment replaced by digital workers <p>Benefits Value Assumption:</p> <ul style="list-style-type: none"> Health Records = £537k (Avoidance of 22 wte staff recruitment) Finance - £32k (1.5 wte) staff time released in the management accounting transactional team allowing more time to spend on value added tasks and improve monthly reporting processes and timeframes 	
Service Desk Institute (SDI) Accreditation Project	Achieve SDI Accreditation	Existing Resource	<p>Service Desk Inbound Calls:</p> <ul style="list-style-type: none"> Average wait time reduced from 14 mins in Jan 21 to under 3 mins in Dec 21 % of abandoned calls reduced from 47% in Jan 21 to 19% in Dec 21 68% of calls answered within 3 minutes 13% of customers wait between 5-10 minutes for a call to be answered Average 96% SLA compliance in 2021 Of 340 Customers surveyed in 2021, 88% said they were completely or mostly satisfied with the service they had received <p>Cyber Security:</p>	

Title of Investment	Key Aims/ Objectives	Spend Profile £k	Current Benefit Achievement Position	
			Organisation – metrics (where actually delivered)	Patient benefits – metrics & qualitative
			<ul style="list-style-type: none"> ABUHB are the leading Health Board in Wales with 99.7% of workstations upgraded and running Windows 10 ABUHB is the leading Health Board in terms of reducing its reliance on unsupported server operating systems Server patching compliance is 98.28% Desktop Patching compliance is 93.1% Improved protection against cyber exploits 	
Wi-Fi & Infrastructure Projects	<p>Providing safe, secure, and reliable digital services and digital foundations.</p> <p>Ensuring that equipment is supported by manufacturers and not vulnerable to cyber security exploits.</p> <p>Delivering value for money and ease of infrastructure management to the health board.</p>	£6.7m 2021-22	<p>This is an ongoing rolling refresh programme of work that is funded from capital programme and Welsh Government Digital Priority Investment Fund (DPIF). During 2021-22 the following refresh work took place</p> <ul style="list-style-type: none"> Wi-Fi and network replacement and service improvement at LGH Wi-Fi and network replacement and service improvement at STC Replacement and maintenance of computer room environments across the health board to ensure network availability during regular power testing Network replacement at NHH Replacement of over 1000 desktop and laptop devices ensuring staff have the latest equipment and are productive Extension of Anti-Virus software to ensure health board computers are protected against the latest cyber security threats Replacement of old operating systems – such as Windows 7 and Windows 2008 as well as SQL 2008 server – to provide the most up to date operating systems and ensure staff are protected against cyber security vulnerabilities. ABUHB is the leading health board in Wales in this respect. Development of remote management capability to allow laptops and other devices to be more effectively managed whilst staff continue to work from home. Providing assurance for Cyber Security and stability of equipment. Planning and preparation for move of Mamhilad Data Centre from leased accommodation to owned accommodation. Replacement of telephony handsets at YAB – these are over 10 years old, and this provides staff with the latest telephony solution and helps to reduce complexity of management for the team. 	

Title of Investment	Key Aims/ Objectives	Spend Profile £k	Current Benefit Achievement Position	
			Organisation – metrics (where actually delivered)	Patient benefits – metrics & qualitative
			<ul style="list-style-type: none"> Improvements in Wi-Fi deployment at GUH to delivery “medical grade” deployment. Replacement of server hardware to avoid support contract lapse and ensure platform stability 	

Benefits planned for projects that have started but not yet completed:

Title of Investment	Key Aims/ Objectives	Spend Profile £k	Benefits Planned	
			Organisation – metrics (where should be delivered)	Patient benefits – metrics & qualitative
PSA Self-Management Platform (National)	Lead a discovery project to establish an integrated platform that will provide patients living with prostate cancer access to a supported self-management platform	£682k WG Funding	<ul style="list-style-type: none"> 40% released outpatient capacity as a result of take up of self-managed care Improved follow up pathway - increase in patients seen at 32 weeks for follow up Improved GP interface More informed GP Reduced need for GPs to manage patient appointments Improved communications 	<ul style="list-style-type: none"> Improved patient experience in relation to managing their care, reduced waiting time for results and timely response to patient communication Reduction in time and expenses for the patient related to travel and appointments (Reduce carbon footprint) Increase in new patients seen and started treatment in 62 days or less of referral - Single cancer pathway (100%) Increased outpatient capacity to enable clinical staff to spend time on more complex patients Reduction in avoidable visits: Follow Up appointments to reduce from 7 visits to 2 visits over 5 year period for patients. Increased patient safety – Timely review of blood test/PSA test results,

				<p>timely follow up of Health MOT reported “red flag” symptoms, timely recall to clinic</p> <ul style="list-style-type: none"> • Patient care based on individual assessment • Improved access to care closer to home
WCCIS (National)	Implement a Community Care Information System (WCCIS) across Health and Social Care	TBC	<ul style="list-style-type: none"> • Improved access to clinical information to support decision making • Increased in information available for operational management and service planning • Reduction in duplication - sharing information between systems • Increased integrated working across health and social care • Reduction in costs related to paper records after a 5-year period • Reduction in travel time and costs • Reduction in time to respond to complaints (within WG framework) • Reduction in missed appointments / visits 	<ul style="list-style-type: none"> • Increase in time available for direct patient care • 10% increase in Mental Health Service Users having a current Care and Treatment plan • Improved patient safety through access to risk information being available in the community • Improved patient confidence in services - not being asked to provide the same information multiple times • Reduction in delays associated with the referral process
RPA (Local)	Subject to Business Case Approval	TBC	<p>Deliver planned and quantified pipeline benefits – Difference in time and efficiency between as is & to be processes i.e. Number of patients ATD (Admission> Transfer> Discharge) processes completed within 24 hours & time taken to complete clinic list printing process and hours released back to clinic preparation</p> <p>Benefits Value Assumption for existing pipeline (subject to BC approval) = £551k</p> <p>Enable digital transformation by providing short to medium alternative solution to technical integration</p> <p>Enable delivery of COVID 19 enquiry – Time and cost data collection</p>	

Eye Care Digitisation (National / Regional)	Implement Open Eyes, procure new hardware, test national integration & solution and provide system training to end users	TBC	<p>Efficiency:</p> <ul style="list-style-type: none"> • Improved availability of information through single system • Timely and efficient patient flow through the Eye Care (Ophthalmology) Service • A reduction in clinicians' administrative time, avoiding duplication of information from manual paper-based data capture • Cost saving from reduced paper consumption and storage of the physical paper record • Ability to triage a patient prior to appointment allowing Clinicians to signpost more accurately • Improved performance and enhanced quality and timeliness of care with the ability to undertake virtual clinics in Primary Care including ODTs • A more efficient and more timely e-referral solution from community optometrists to Hospital Ophthalmology Services via OpenEyes <p>Patient Care / Safety:</p> <ul style="list-style-type: none"> • Faster access to patient clinical data allowing for quicker decision making • Low Risk Eye Pathology will be moved from the Acute Sector into Primary Care closer to patient homes • Improved patient safety with improved access to information
WNCR (National)	Rollout of the National WNCR including API integration with CWS, standardisation of nursing documentation, testing and training of the solution	£450k capital over 21/22 & 22/23	<ul style="list-style-type: none"> • Improve the legibility and clarity of the inpatient record • Reduce the risk of patient misidentification currently present in paper documents • Support the standardisation of nursing documentation across the Health Board • Support the investigation of clinical / PTR related incidents • Support the availability of records for subject access requests • Improve communication with record completeness • Reduce the resource load of audits • Reduce the loss of records in transit • Improve MDT communications • Reduce the need for document scanning therefore reducing the cost, environmental impact and resource impact for scanning services

Maternity (Local)	Procurement and implementation of a new maternity system	TBC	<ul style="list-style-type: none"> • Patient Safety – All clinical information captured in one record, improved availability of information both locally and nationally in real-time; a complete patient record to support clinical decision making • Effectiveness – A reduction in clinical risk due to the efficient planning of a woman's care through accurate information derived from real-time operational activity • Efficiency – Timely and efficient patient flow through the maternity service; a reduction in clinicians' administrative time, avoiding duplication of information; cost saving from reduced paper consumption and storage; reduction in legal settlement/fees due to loss of documentation • Person Centred – Women will have greater visibility, control and understanding of their health and related information; Women can be reminded electronically of key appointments; Women can contribute to their record; Women's mental health and wellbeing will be supported by using a diary application 	
LINC (National)	National LIMS Replacement Programme	TBC	<ul style="list-style-type: none"> • Decrease in test turnaround times by reducing breaches in targets. e.g. ED/ ICU waiting times • Clarity and consistency for service users interpreting results from different laboratories. • Increase in service capacity in line with demand due to increased cross-site working and standardised configuration across labs • Increase in reception process turnaround times through increased ETR and paperless reporting • Increased take-up of ETR and GPTR across Health Boards • New LIMS environments should no longer be manually synchronised, reducing errors. • Improved clinical responses to results and reports • Better Business Intelligence reports and dashboards • Reduced cost of repeat tests 	<ul style="list-style-type: none"> • Increased patient safety - Reduction in number of clinical incidents arising from transcription errors, manual environment management and variation in practice • Increase in patient care quality and safety via standardised test names, test ranges and comparability of tests and results across Wales. • Reduction in number of repeated tests arising from transcription errors, manual environment management and variation in practice, resulting in a better patient experience and cost saving • Will mean equitable access to laboratory services and tests for the population of ABUHB

			<ul style="list-style-type: none"> • Increased revenue from requests outside Wales • Improved MHRA compliance • Improvement user interaction and experience • Reduced time for "clinical validation" (e.g. in Clinical Biochemistry) 	
WEDS (National)	National implementation of Symphony system in ED	TBC	<ul style="list-style-type: none"> • Functionality to support robust and live patient tracking, triage monitoring and triage management; a clinical overview of patient triage status; effective audit for triage and patient pathway management; improved clinical information flows, reduce duplicated collection of information and release clinical time for patient care • Support paperless processes where appropriate using wireless applications and patient location tracking - integration with PAS to remove manual transfer on admission • Improves efficiency in provision of Health Board-wide management information to meet NHS Wales's needs • Improves efficiency around financial reporting • Improved patient experience through the management of waiting times • Reduction in serious incidents and complaints by use of consistent clinical protocols • Improved information available to support managerial and clinical practice / decision making 	
WICIS (National)	Implementation of national Critical Care System	TBC	<ul style="list-style-type: none"> • Reduction in overall drug spend through improved antibiotic stewardship • Reduction in nursing time spent recording observations • Increased nursing time spent providing patient care • Reduction in consultant ward round time • Reduction in average length of stay • Reduction in data clerk requirements • Improved quality of care – increased compliance with care bundles improving mortality/morbidity rate; reduction in re-admissions; Reduction of post critical care primary care follow ups • Improved Patient safety – Reduction in number of untoward/adverse incidents; Reduction in Hospital Acquired Infections 	

			<ul style="list-style-type: none"> • Improved data and reporting quality – Reduction in lead times for reporting; Reduction in production of CCMDs; Improved Business Intelligence • Reduction in variation of clinical practice across Wales – Compliance with care bundles; Reduction in variation in practice
CareFlow (Local)	Embed Flo and implement CareFlow Connect (patient care planning, task management, handover, messaging, internal referral)	TBC	<ul style="list-style-type: none"> • Reduction in Sepsis related treatment costs • Released critical care bed hours • Improvement in average length of stay • Reduction in waiting list initiatives • Reduction in document management costs – supports digitisation of the health record • Clinical coordination of multidisciplinary care plans across acute and step-down in-patient areas – a ‘plan for every patient’ • Patient status data can be fed to Business intelligence to support patient flow management
Clinical Comms (Local)	Development of pan Gwent hospital clinical and operational communications solution	TBC	<ul style="list-style-type: none"> • Improved timeliness of care • Reduction in clinical incidents and complaints • Reduction in time to respond to emergency alerts • Improved patient experience • Improved agile working for clinical staff • Reduced risk of information governance breach (improved confidentiality)



GIG
CYMRU
NHS
WALES

Bwrdd Iechyd Prifysgol
Aneurin Bevan
University Health Board

Audit, Finance and Risk Committee
Thursday 03rd February 2022
Agenda Item: 4.1

Audit, Finance & Risk Committee

Update on Governance, Financial Control Procedures and policies, Technical Accounting Issues, Public Sector Payment Policy Compliance, Single Tender Actions & Payments in excess of £100K

Executive Summary

This report gives the Audit, Finance and Risk Committee an update in relation to several standing items which are reviewed in line with the committee's terms of reference and work plan:

- Governance Issues including Standing Orders (SOs) & Standing Financial Instructions (SFI's)
- Financial Control Procedures and Policies
- Technical accounting issues
- Public Sector Payment Policy compliance
- Single Tender Actions
- Payments Exceeding £100K

The Audit Committee is requested to

- Note the contents of this report.
- Approve the amendments to the Overseas Visitors Policy

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: Robert Holcombe, Interim Director of Finance, Procurement and Value Based HealthCare

Report Author: Estelle Evans, Head of Financial Services and Accounting

Report Received consideration and supported by:

Executive Team		Committee of the Board	
		[Committee Name]	

Date of the Report: 17th January 2022

Supplementary Papers Attached:

Appendix 1 – Changes made to the Overseas Visitors policy

Appendix 2 - Single Tender Action

Purpose of the Report
<i>To provide the Audit, Finance and Risk Committee with an update on the standing items listed in the Executive summary.</i>
Background and Context
See Executive summary above.

Assessment and Conclusion

1. Review of Standing Orders, SFI’s and Scheme of Delegation.

There is no further update in relation to this issue.

2. Financial Control Procedures & policies

The Overseas Visitors policy has been updated to reflect changes in legislation and guidance. This includes the new immigration Act, regulations and the associated resources supporting these changes.

2.1 Key Issues

The policy has been reviewed in line with the review dates as stated within the policy. The changes to the policy are set out below.

Paragraph	Summary of change
5.1	Change to the date of the Immigration Act from 2014 to 2020.
5.4	Update to the names of the Guidance documentation.
6.3.2	Additional text to reference that the Accounts Receivable FCP will be followed in the income recovery process.
7	Update to the names of the Guidance documentation which is to be used alongside the policy.

A copy of the revised policy is attached for reference.

3. Technical Accounting Issues

3.1 Annual Accounts 2021/22

The following table shows a summary of some of the main accounting policies of the board where measurement has a degree of interpretation:

Accounting Area	Brief Summary of Policy
Property, Plant & Equipment (fixed assets)	<p>Expenditure is capitalised if greater than £5K and expected to be used for more than 1 year. Depreciated over expected life of asset.</p> <p>Valuation at initial cost and subject to revaluation – land & buildings. The District Valuer revaluation of the estate every 5 years was carried out in 2017/18. Indexation will be applied to the assets in 2021/22 in line with the indices issued by Welsh Government.</p>
Non-current assets held for sale	Shown as 'held for sale' at the point when the asset sale is highly probable.
Leases	<p>Classified as finance leases when substantially all risks and rewards of ownership are transferred to lessees. Finance leases are accounted as though the asset is owned by the organisation and is shown 'on balance sheet'. There are currently no finance leases.</p> <p>Other leases are classified as 'operating leases' and charged to revenue when costs incurred. Often referred as being 'off balance sheet'.</p>
PFI Schemes	These are disclosed separately from leases in the accounts and include PFI schemes at Chepstow, NHH day surgery unit, Monnow Vale Health and Social care facility and two energy schemes. From an accounting perspective the Chepstow, NHH and Monnow Vale schemes are treated as finance leases and are 'on balance sheet' with both energy schemes in the Royal Gwent and Nevill Hall deemed to be 'off balance sheet'.
Inventories (stock)	<p>The main store supplying ABUHB based in Cwmbran, is now accounted on the balance sheet of NHS Wales Shared Services (NWSSP) hosted by Velindre NHS Trust.</p> <p>Hospital pharmacy stock is measured on 'average price' basis and valued on a continual inventory system basis. Other stocks are counted at year end and valued following stock takes using a first in first out basis and valued at lower of cost and net realisable value.</p>

Provisions	<p>A provision is an estimated financial liability that exists as at the balance sheet date. Provisions are measured as the best estimate of expenditure required to settle the obligation taking account of risks and uncertainties.</p> <p>Continuing Healthcare Claims</p> <p>Claims for reimbursement of costs incurred by some individuals for the cost of continuing health care are subject to claims across Wales on the basis that they should have been funded by the NHS. There will still be a level of unsettled claims and estimate of the outstanding liability will be included in the 2021/22 accounts.</p> <p>Funded Nursing Care Costs</p> <p>A provision was made in last year's accounts to recognise the Supreme Court judgment regarding health board's contributions for FNC payments to local authorities. Payments are being processed and this liability has largely been discharged during the year with a small remaining balance accrued for outstanding payments where we are awaiting probate.</p> <p>Medical Negligence and Personal Injury Provisions</p> <p>Accounting estimates are based on an assessment by NWSSP Legal Services of the likely outcome and financial liability of litigation cases together with legal defence fee estimates.</p> <p>Early Retirement and Personal Injury Benefit Provisions</p> <p>This is a financial estimate of future liabilities for former staff who retired early many years ago who are in receipt of early retirement or personal injury benefit payments. Payments are made on a quarterly basis to the Pensions Agency and the provision is a calculation of future liability. Provisions are based on life expectancy estimates and current payments are discounted to present values. There has been a change in 2021/22 to the discount rate to be applied to these provisions advised by HM Treasury from (0.95%) in 2020/21 to (1.30%) in 2021/22.</p>	
------------	---	--

3.2 Key Dates for Annual Accounts 2021/22

The main deadlines, proposed Audit Committee review and Board approval dates are shown in the following table:

Annual Reports 2021/22 - Key Dates	2022	
First draft Performance Report and Accountability Report for consideration by Exec Team	Thurs	28-Apr
Unaudited accounts and associated returns to WG	Fri	29-Apr noon
Draft Performance Report Overview, Accountability Report and Remuneration Report to WG	Fri	06-May
Draft Reports to Audit Committee Members	Tue	10-May
Audit Committee meeting to Consider Draft Accounts and Draft Accountability Report	Tue	17-May
Final Accounts & Accountability Report to Audit Committee Members	Mon	06-Jun
Audit Committee meeting to Consider Final Accounts, and Accountability Report	Mon	13-Jun
Board meeting to approve Final Accounts and Accountability Report	Tues	14-Jun
Final Annual Report Deadline for Submission to WG – Annual Report and Accounts as a single unified document	Wed	15-Jun noon
Annual General Meeting – to receive the Annual Report and Accounts	Wed	27-Jul

The Audit Committee is asked to note the dates for review of draft and final accounts.

4. Public Sector Payment Policy

The following table shows the Public Sector Payment Policy performance for the month of December. The target of 95% has been achieved on a year-to-date basis.

Category	Invoices	In Month %	Year to date %
Non-NHS	Value	96.8	95.5
	Number	95.5	95.3

5. Single Quotation and Tender Actions – 20th November to 19th January 2022

The new SFI's set out some of the exceptional circumstances which are needed to secure goods from a single supplier (as opposed to the usual competitive process). They are set out below:

- Follow up work where the provider has already undertaken initial work in the same area.
- A technical compatibility/compliance issue.
- Genuine business continuity reasons.
- Joining collaborative all Wales agreements where there is no formal agreement in place.

Although these are not new, they are now clearly set out in the all Wales SFI's and the schedule prepared by procurement (appendix 1) now explicitly refers to these reasons which was not always the case previously.

As can be seen from the appendix, all requests for a Single Tender Action or a Single Quotation action are submitted to the Chief Executive for approval and also reported to the Audit, Finance and Risk Committee.

There have been 16 requests submitted and approved during the period with a total value of £1,317,601.12 Ex VAT. Appendix 1 provides the full detail.

The procurement processes have now been amended with the requirement for all future orders to be sent to the central procurement team. This will ensure that all Single Quotation and Tender Actions are recorded centrally and reported to the Audit, Finance and Risk Committee as they occur.

6. Payments In Excess of £100K

There were no exceptional issues to report.

Recommendation

The Audit, Finance and Risk Committee is requested to approve the amendments to the Overseas Visitors Policy. The Audit, Finance and Risk Committee are asked to note the other areas included within this report.

Supporting Assessment and Additional Information

Risk Assessment (including links to Risk Register)	<i>SFI's, SO's, Financial controls and accounting systems and processes form the basis of many organisational controls without which the organisation would be exposed to significant financial and reputational risk.</i>
Financial Assessment	<i>No direct financial implications but the financial governance issues covered in this standard Audit Committee paper set a framework of key financial controls for the organisation.</i>
Quality, Safety and Patient Experience Assessment	<i>Not applicable to this summary report</i>
Equality and Diversity Impact Assessment (including child impact assessment)	<i>Not applicable to this summary report</i>
Health and Care Standards	<i>Not applicable to this summary report</i>
Link to Integrated Medium Term Plan/Corporate Objectives	<i>SFIs, SOs, Financial controls and accounting systems and processes form the basis of many organisational controls which form part of the delivery of financial targets and good governance.</i>
The Well-being of Future Generations (Wales) Act 2015 – 5 ways of working	<i>Not applicable to this summary report</i>
Glossary of New Terms	<i>FCP – Financial Control Procedure SFIs - Standing Financial Instructions SOs - Standing Orders NWSSP - NHS Wales Shared Services Partnership</i>



Aneurin Bevan University Health Board

Overseas Visitors Policy

N.B. Staff should be discouraged from printing this document. This is to avoid the risk of out of date printed versions of the document. The Intranet should be referred to for the current version of the document.

Contents:

1. Introduction/Overview3

2. Policy Statement3

3. Aim/Purpose3

4. Objectives3

5. Scope4

6. Main Policy7

7. Resources.....15

8. Training16

9. Equality16

10. Audit17

11. Review17

Appendix 118

1. Introduction/Overview

Aneurin Bevan Health Board (ABUHB) has a legal obligation to levy charges to overseas visitors (OSV) who have received healthcare services with ABUHB.

This policy sets out the processes to be followed for identifying and charging overseas visitors where charges are applicable.

2. Policy Statement

Not everyone is entitled to free NHS hospital treatment in Wales. Overseas visitors must be identified and assessed for eligibility for free NHS treatment and those not entitled must be charged for services received. This document provides a framework within which staff can identify patients from overseas who may be chargeable for the treatment they receive in the NHS.

3. Aim/Purpose

The aim of the policy is to provide guidelines to ABUHB staff on the identification and treatment of overseas patients in order for the Health Board to meet its legal obligations. The policy provides guiding principles for staff to ensure that all overseas visitors are identified and that income relating to overseas visitors is maximised and collected from the individual or body liable.

4. Objectives

The objectives of this policy are to:

- Set out which departments and frontline staff are covered by this policy.
- Set out the process for staff to identify overseas visitors by specifying a series of questions that should be asked of all patients.
- Make it clear that a treatment which is considered by clinicians to be immediately necessary must never be withheld from an overseas visitor, even when that overseas visitor has indicated that they cannot pay.
- Set out the role of the Overseas Patient Manager in determining the applicability and value of charges depending on the country of origin of the patient.
- Provide a basis for charging to ensure that the Health Board is reimbursed for the full cost of treatment.

-
- Once identified as a chargeable overseas episode, the process to ensure payment is collected.

5. Scope

This policy relates to the process of overseas visitor identification, determination of the applicability and level of charges and the recovery of charges from a chargeable overseas episode of care with ABUHB. As such it affects:

All staff that admit patients through the following departments:

- Emergency
- Wards including surgical assessment unit and medical assessment unit
- Outpatient
- Antenatal clinic
- Maternity

Staff that determine the applicability and level of charges:

- Overseas Visitors Manager and their staff

Staff that recover charges:

- Finance Department

5.1. Statutory Framework

The statutory provisions which enable NHS Wales to charge for overseas visitors are found in Section 124 of the National Health Service Act (Wales) Act 2006 (the 2006 Act). Authority to make regulations and charges is devolved to National Assembly for Wales by virtue of the National Assembly for Wales (Transfer of Function) Order 1999. These also give the Assembly powers to calculate such charges on any appropriate commercial basis.

The Immigration Act 2020 defines the meaning of 'ordinary residence' and allows the Home Secretary to introduce an immigration health charge (known as the Health Surcharge) to be paid by non-EEA residents, who apply to reside temporarily in the UK for 6 months or longer.

Department of Health 'NHS (Charges to Overseas Visitors) Regulations 2015 and (Amendment) Regulations 2017'- obliges relevant NHS bodies to make reasonable enquiries regarding the residence of and liability for charges in order to make and recover charges when it determines that a patient is not entitled to free NHS hospital care.

5.2. Other Statutory Obligations that apply

This policy must be implemented within the Health Board's statutory obligations in relation to the statutory framework as detailed above. In addition, NHS bodies are subject to other legal duties when exercising their functions to levy charges.

Below is a list of key legal duties relative to the identification and charging of OSVs, with which the Health Board must comply. The list is not exhaustive:

Human Rights Act 1998

This prohibits discrimination on any grounds such as sex, race, colour, language, religion, political or other opinion, national or social origin, association with a national minority, property, birth or other status.

The Equality Act 2010

Under the Equality Act 2010, relevant NHS bodies, as public authorities, have a general equality duty in the exercise of their functions.

5.3. Overlap with other legal provisions

There are occasions where patients may be affected by other legal provisions:

- Injuries as a result of criminal actions – patients may be eligible to claim compensation from the Criminal Injuries Compensation Authority. It is for the patient to pursue such a claim and the recovery of charges should not be suspended pending the outcome of a claim.
- Injuries as a result of road traffic accident and personal injury – the amount that insurers are required to pay to NHS bodies, where charges have been made to an overseas visitor are zero.

If there is any doubt whether charges should be levied, then legal services should be contacted to seek legal advice as soon as possible.

5.4. Interpretation of charging regulations

Guidance on implementing hospital charges for overseas visitors can be found in the 'The National Health Service (Charges to Overseas Visitors) (Amendment) (Wales) Regulations 2020. Guidance relating to Biometric Residency Permits can be found in The National Health Service (Charges to Overseas Visitors) (Amendment) (Wales) (EU Exit) Regulations 2020

6. Main Policy

6.1. Main Principles of the Policy

The charging and applicability criteria for overseas visitors is complex and therefore it is unrealistic to expect frontline staff who admit patients to be fully conversant with all rules. The main principle of this policy is to make frontline staff aware of how to identify an overseas visitor or possible overseas visitor and log them onto the Administration Systems for Patients (Myrddin, Clinical Work Station (CWS) and Symphony) with an overseas postcode, and charging status unknown. The Overseas Visitors Manager or their staff will then follow up all patients identified as overseas visitors or possible overseas visitors in order to determine the final assessment of whether the patients should be charged or whether an exemption applies.

In addition the Overseas Visitors Manager will ensure that a comprehensive programme of awareness training is undertaken with the relevant frontline staff groups that are charged with the responsibility of identifying potential overseas visitors.

6.2. Process for identification of Overseas Visitors

A key principle of this policy is that all patients are treated consistently and asked the same series of questions to determine whether or not a patient is identified as an overseas visitor. Discriminatory measures such as racial profiling must not be used.

The rules for charging vary according to which country the patient is resident in and therefore the rules are complex. As such it will be for frontline staff to identify whether or not a patient is an overseas visitor or possible overseas visitor and for the Overseas Visitors Manager or their staff to determine charges. It is for the Overseas Visitors Manager to determine the final status and charges for potential overseas visitors initially identified by frontline staff.

6.2.1. Operational guidelines

In order to avoid discrimination, all patients must be asked how long they have lived in the UK. Emergency Department (ED) treatment is free for all, but if the patient is admitted, or requires further treatment or outpatient appointment, charges must be made. To ensure that any chargeable treatment is identifiable, the following steps must be followed in all cases:

Emergency Department (ED)

ED treatment is free for all regardless of whether they are resident in the UK. Once a patient has been admitted to a ward or has been given an outpatient appointment, charges must be made. Therefore a patient's residence status must be established at the earliest opportunity.

When registering patients for treatment ask all patients:

- How long have you lived in the UK?
- If the answer is less than 6 months or you are unsure about the answer, tell the patient:
 - All treatment in ED is free for everyone, but if you require further treatment in hospital, this may be chargeable.
 - You will be contacted by the overseas visitor department to check your NHS eligibility status.
- Record the patient on Myrddin with an overseas post code and charging status unknown.
- Record the patient's home address if provided.
- If the patient offers any documentation regarding their eligibility, immigration or visitor status (Passport, Visa, EHIC, National ID Card, Biometric Residency Permit, NI or NHS number), scan these to CWS and Myrddin.
- Inform the overseas visitor department
OverseasVisitors.ABB@wales.nhs.uk
- Triage and treat the patient as usual.

All other admissions and outpatients

When registering patients for clinic appointment or admitting a patient to for treatment, ask all patients:

- How long have you lived in the UK?
- If the answer is less than 6 months or you are unsure about the answer tell the patient:
 - You will be contacted by the overseas visitors department to check your NHS eligibility.
- Record the patient on Myrddin with an overseas postcode and charging status unknown.
- Record the patient's home address if provided
- If the patient offers any documentation regarding their eligibility, immigration or visitor status (Passport, Visa, EHIC, National ID Card, Biometric Residency Permit, NI or NHS number), scan these to CWS and Myrddin.

-
- Inform the overseas visitor department
OverseasVisitors.ABB@wales.nhs.uk

6.2.2. Determining the Applicability and Value of Charges for Identified Overseas Visitors

The Overseas Visitors Manager (OVM) is the designated person to oversee the implementation of the Charging Regulations.

Once it is established that a patient is an overseas visitor, or their status is uncertain, the Overseas Visitors Department (OVD) must be informed by entering an overseas postcode and charging status unknown on Myrddin. The Overseas Visitors Department will view a download of this information each day (Monday to Friday) to identify patients requiring a follow up interview. The Overseas Visitors Department will follow up within 3 working days where possible

The OVD will then determine the patient's status in the UK following the steps below:

Step 1

Determine if the patient is insured by another member state

The UK is able to recover the cost of treatment provided to any patient who is insured by another EEA state or Switzerland, including those patients who are ordinarily resident in the UK or covered under another exemption category. All patients should be asked if they have an EHIC, S1 or S2. It is possible that a patient may be ordinarily resident in the UK but continue to be insured by another state (and costs can still be recovered).

If the patient is not insured by another member state proceed to step 2.

Step 2

Determine if the patient is ordinarily resident in the UK

All patients must be assessed against the test for ordinary residence in the UK.

The OVD must determine whether a patient is ordinarily resident in the UK. Ordinary residence is essentially a three-fold test (four-fold for non EEA residents), assessing whether the individual:

- Is lawfully in the UK.
- Is here voluntarily.
- Is properly settled for the time being; and
- In the case of non-EEA nationals subject to immigration control, has indefinite leave to remain (ILR) in the UK.

If the patient is ordinarily resident in the UK they must not be charged.
If the patient is not ordinarily resident in the UK, proceed to step 3.

Step 3

Determine if the patient is covered by an exemption in the Charging Regulations or if the patient is liable for charges

Patients who are not ordinarily resident in the UK and are not insured by other European Economic Area (EEA) or Switzerland need to be assessed against exemptions in the charging regulations (Resource Number 1, see sections 7.3.6 – 7.3.7).

Step 4

Make and recover charges from chargeable overseas visitors

Where treatment is non-urgent or elective, the Health Board should obtain payment or collect a deposit in advance of providing treatment.

ABUHB must comply with their legal duties when asking questions of patients. In particular, they must avoid discriminatory measures or practicing racial profiling to identify chargeable patients or cherry-picking which patients to question.

6.2.3. When not to withhold hospital treatment from those not entitled to free treatment

Immediately necessary treatment must be provided to a person even if they have not paid either in full or a deposit or have indicated that they cannot pay. Only clinicians can make an assessment as to whether a patient's treatment is immediately necessary.

Immediately necessary treatment is that which a patient needs promptly:

- To save their life; or
- To prevent a condition from becoming immediately life threatening; or
- To prevent permanent serious damage from occurring

Due to the severe health risks associated with conditions such as eclampsia and pre-eclampsia and in order to protect the lives of both mother and unborn baby, all maternity services, including routine antenatal treatment must be treated as immediately necessary.

Treatment which is not immediately necessary, but is nevertheless classed as urgent by clinicians, as it cannot wait until the overseas visitor can return home, should also be provided regardless of the patient's ability to pay.

Patients should be made aware that their treatment is chargeable at the earliest opportunity. Every effort should be made to obtain payment or a deposit in the period before treatment starts.

Whilst urgency of treatment is a matter for clinical judgement, this does not mean that treatment should be unlimited. In many cases a patient may be stabilised allowing them to be safely discharged. This should be done where possible unless ceasing or limiting treatment would precipitate deterioration of the patient's treatment.

Non-urgent treatment is routine, elective treatment that could wait until the patient leaves the UK. Such treatment does not have to be provided if the patient does not pay in advance.

Non-urgent, or elective, treatment should not begin until full payment has been received.

6.2.4. Exempt services and the individual

This section summarises services which are free of charge to patients, and to groups of individuals who are entitled to receive healthcare on the same basis as an otherwise ordinarily resident person.

Exempt Treatment

Except where the overseas visitor has travelled to the UK for the purpose of seeking that treatment, the following services are free at the point of use for all patients.

A charge cannot be made or recovered from any overseas visitor for:

- Accident and emergency (A&E) services, this includes all A&E services provided at an NHS hospital, e.g. those provided at a walk-in centre or urgent healthcare centre. This does not include those services provided after the overseas visitor has been accepted as an inpatient, or at a follow-up outpatient appointment, for which charges must be levied unless the overseas visitor is exempt from charge in their own right;
- Services provided outside an NHS hospital, unless the staff providing the services are employed by, or working under the

-
- direction of, an NHS hospital;
- Family planning services (does not include termination of pregnancy);
 - Diagnosis and treatment of specified infectious diseases, (refer to guidance);
 - Diagnosis and treatment of sexually transmitted infections; (refer to guidance);
 - Treatment required for a physical or mental condition caused by:
 - torture;
 - domestic violence; or
 - sexual violence.

6.2.5. Exempt categories of person

The categories of overseas visitors listed below are exempt from NHS charges.

Exempt categories of person are listed below:

- Those who have paid the health surcharge or are covered by transitional arrangements.
- Those with an enforceable EU right to free healthcare.
- Vulnerable patients and those detained.
- Government employees and war pensioners.
- Those covered by reciprocal healthcare agreements, other international obligations and employees on UK registered ships.

The Health Board may recover costs from the Department for Works and Pensions (DWP) for patients with an enforceable EU right to free health care.

6.2.6. Health Surcharge

From April 2015, an immigration health charge (referred to in this policy as the health surcharge) is payable by non-EEA nationals who apply for a visa to enter or remain in the UK for more than six months. People with indefinite leave to remain in the UK and those not subject to immigration control (e.g. diplomats posted to the UK) are not liable to pay the surcharge, but may be ordinarily resident and entitled to free NHS healthcare on that basis.

Payment of the health surcharge entitles the payer to NHS-funded healthcare on the same basis as someone who is ordinarily resident. On paying the health surcharge, patients will be issued with a Biometric Residency Permit (BRP) and this should be shown when accessing healthcare. Holders of a BRP are entitled to free NHS services,

including NHS hospital care, **except** for services for which an ordinary resident must also pay, such as dentistry.

There are some circumstances under which individuals will be exempt from the surcharge. The exemption applies to the period of leave to enter or remain in the UK.

6.2.7. Countries with reciprocal arrangements

The UK has reciprocal healthcare agreements with some non-EEA countries. Overseas visitors who can present evidence that they are nationals, citizens or lawful residents of one of these countries should be treated as exempt from charges in respect of treatment that the relevant agreement entitles them to.

Within the reciprocal agreements there are a number of variations in the level of free treatment afforded to visitors travelling to the UK. Generally, only immediate medical treatment is to be provided free of charge, to allow the overseas visitor to return home for other needs. Also, the agreements do not usually apply when the person has travelled to the UK for the purpose of obtaining healthcare.

6.3. Charging Patients and Recovering Payment

6.3.1. Basis for Charging

In the absence of Welsh guidance on the basis for charging, the English approach provides a degree of consistency. Charges should be based on costing, by specialty x 150%.

No further charges should be made even where they relate to costs incurred as a result of the fact that the patient is an overseas visitor (e.g. translation etc). The only exception to this is when an inpatient episode lasts more than 17 days in which case a daily charge, in line with the Non Contracted Activity (NCA) daily charge should be made.

6.3.2. The Process to Ensure Payment is made

Once an overseas visitor has been identified and/or has received a chargeable treatment, the OVD should request a 100% deposit for treatment from the patient. The patient should be given letter OSV 4.1 (100% deposit for OSV treatment, APPENDIX 2) and the OVD must send a copy to Finance Department.

Where monies cannot be recovered at this time the OSV should sign an undertaking to pay and provide their home address. A billing request

must be sent to the Accounts Receivable section to allow an invoice to be raised. The chargeable patient remains liable for charges for their (chargeable) treatment even if they do not sign an undertaking to pay.

The Finance Department – Accounts Receivable section must raise invoices for overseas patients promptly and often at short notice in order to ensure wherever possible that an invoice can be presented before the patient is discharged. The Accounts Receivable department will act in line with the Health Board's Accounts Receivable Financial Control Procedure in their processes to recover income. This FCP can be found on the Health Board's intranet site.

Any charges made to overseas visitors must be recorded in the accounts to separately identify income from overseas patients.

Chargeable patients are liable to pay for their treatment even where an undertaking to pay by a third party or sponsor has been received (e.g. the patient has travel or health insurance or is sponsored by an employer or government). Before billing a third party (e.g. insurer or sponsor) rather than the individual, the risk that the third party will not pay must be considered.

A decision must be made by the Overseas Visitors Department as to whether to accept such a risk.

The contracting department must provide DWP with the relevant EHIC information in all cases where EEA/Swiss patients are treated even if the treatment is exempt.

7. Resources

This policy is not exhaustive and must be implemented within the Welsh Government (and Department of Health for information on Biometric Residence Permit) Guidelines.

Below is a list of resources to help those dealing with identifying and collecting payment from Overseas Visitors.

1. Implementing the Overseas Hospital Charging Regulations (Guidance for Hospitals in Wales) 2009'

<http://howis.wales.nhs.uk/sites3/documents/743/wag%20guidance.pdf>

2. NHS (Charges to Overseas Visitors) Regulations 2015 and (Amendment) Regulations 2017'

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/771515/Guidance_on_implementing_the_overseas_visitor_charging_regulations.pdf

3. The National Health Service (Charges to Overseas Visitors) (Amendment) (Wales) Regulations 2020 (SI No 2020/113) adds Coronavirus to the list of diseases listed in Schedule 1.

<https://gov.wales/sites/default/files/publications/2020-05/the-national-health-service-charges-to-overseas-visitors-amendment-wales-regulations-2020.pdf>

4. The National Health Service (Charges to Overseas Visitors) (Amendment) (Wales) (EU Exit) Regulations 2020 (No. 2020/1607) preparing the UK to leave the EU.

<https://www.legislation.gov.uk/wsi/2020/1607/introduction/made>

For advice and further information relating to Aneurin Bevan Health Board overseas visitors, please contact the overseas visitors department by email on overseasvisitors.abb@wales.nhs.uk

8. Training

The OSM will establish a training program to facilitate the training of all those involved in the identification, assessment and income recovery relating to OSVs. This training will promote awareness of:

- OSV legislation.
- OSV Policy.
- Individual staff roles and responsibilities.
- The importance of OSV management within ABUHB.

Training for frontline staff involved in initially identifying overseas visitors will be provided by the OVD. This will concentrate on the main points of entry to NHS care (i.e. Emergency Department, Outpatient Departments, Maternity and Wards).

The OVM will keep a record of all staff for whom training has been provided and will provide training material for new staff (involved in identifying OSVs).

An online resource will be provided for staff wishing to obtain further information.

9. Equality

The department of health has carried out an equality analysis on the overseas visitors charging regulations and guidance. It summarises that:

"There are some differences within the charging regulations for some of the protected groups within the overseas visitor population. For the most part these are minor and justifiable based on international obligations or safeguarding welfare. The greatest differential is probably based on residence status, but this is inherent in a residency based healthcare system of entitlement".

The full assessment can be found by clicking the link below:

[DOH Equality analysis: the NHS \(Charges to Overseas Visitors\) Regulations 2015](#)

10. Audit

The policy be subject to periodic compliance review as part of the internal audit programme of the Health Board.

11. Review

Generally 3 years unless legislation requires differently.

Appendix 1



OSV 4.1

PP Office
St Woolos Hospital
Stow Hill
Newport
NP20 4SZ

T 07817 102503

E [overseasvisitors](mailto:overseasvisitors@abuhb.wales)

[Overseas Visitors Webpage](http://overseasvisitors.abuhb.wales)

[Recipient's Name]
[Position, Company]
[First address line]
[Second address line]
[Town/city Postcode]

[Date]

Dear [Name] ,

Your NHS treatment costs

As an Overseas Visitor to the UK the Health Board has determined that your treatment under the NHS is chargeable.

The cost of the treatment you have received / are to receive is **£[Price]** . This is the standard charge for your treatment.

This sum is a deposit in respect of your charges, which is non-refundable, regardless of early discharge, and is based on the cost of your treatment. It includes your inpatient stay on the specialist NHS ward (up to 17 days, after which a daily charge will be made), all medical and nursing care, drugs and dressings, diagnostics and any therapy required.

Credit/debit card payments can be made by telephone on **01495 765422** or by cheque made payable to "Aneurin Bevan University Health Board" and sent to PO Box 10, Income Recovery Section, Mamhilad House, Pontypool, NP4 0XG.

If you would like to discuss this or arrange to share any relevant information please contact the Overseas Visitors Department on 07817 102503.

Yours sincerely,

Overseas Visitors Manager

Appendix 2 - Summary of Single Tender/Quotation Actions											
Date of Request	Type of Request	Reference No	Description	Anticipated Annual Value (ex VAT)	Supplier	Type	Reason for request	Advice from Procurement	Approved / Rejected	CEO Approval Date (if Applicable)	Chair's Approval Date (if Applicable)
20/09/2021	Single Tender	ABU-STA-48312	Capital Purchase of 5 x SealSafe Units for Histology	£144,250.00	A Menarini Diagnostics	Goods	Formaldehyde reclassified as Class 1 Carcinogen. Formaldehyde has been reclassified by the IARC (International Agency for research on Cancer) as a Class 1 Carcinogen. In order to keep staff from avoidable exposure, surgical, portering, external drivers and pathology staff, we need to look for innovative ways to reduce exposure to formalin which is necessary for Histopathology samples.	Approved as genuinely the only supplier in the market.	Approved	22/12/2021	
30/09/2021	Single Tender	ABU-STA-48431	Capital Purchase of ThinPrep Genesis Processor and Slide Printer	£37,400.00	Hologic	Goods	Hologic are a company that have supplied thinprep technology to the cytology department since 1998. They are reliable and have excellent customer service. The technology is easy to use and there will be no major training required to swap to the genesis processor. Validation and verification will be a simple comparison as the consumables for the genesis are identical to those in use for our current machine.	Required to ensure real business continuity	Approved	22/11/2021	
17/11/2021	Single Tender	ABU-STA-129332	In Sourcing of Echos (TTE)	£195,000.00	IMC Health Care Services	Services	The Cardiology directorate is facing significant challenges in meeting waiting times for diagnostics. These challenges relate to backlog from COVID and also growing service demand. There is an urgent need to supplement the cardiology diagnostic service capacity by the use of further insourcing. The backlog continues to grow and without solutions it will continue to do so. (MC are able to provide approx. 3000 echos between 06/12/2021 to 31/03/2022. We need to start this urgently in order to reduce backlog. We are at risk of losing the services to other neighbouring Health Boards if we do not act quickly. As of 11/11/2021 the number of patients waiting for a new ECHO test stood at 1718, and the number of patients waiting follow up ECHO (past target) stood at circa 1500. On top of the backlog the Directorate also has a capacity deficit of 5,546 for new ECHO Pts per year. Waiting times for new ECHO patients currently running at 25 weeks. Therefore the Directorate is requesting approval to insource the above ECHOs at approx 750 per month for 4 months, with an estimated cost of £195,000 (based on £65 per ECHO) We currently use other Locum Agency's already on the All Wales Framework. The agencies we use are unable to provide us with any additional fully RSC accredited qualified staff. There is a National shortage of Echo Physiologists. Currently, ABUHB Echo Physiologists are unable to work on a Locum basis for their own Health Board. We currently have 1.45 WTE vacancy (87 Echo Physiologist) and at the end of the year, this will increase further to 2.9 WTE	Approved as full market has been approached via Insourcing Framework however no suppliers have capacity to meet HB needs	Approved	22/11/2021	
18/11/2021	Single Tender	ABU-STA-48925	Capital Purchase of 3 x Microbiology Safety Cabinets	£28,112.92	Avidity Science	Goods	Our current safety cabinets were supplied by the same supplier and therefore staff have knowledge of the equipment and can troubleshoot most issues which arise. There will be no requirement for additional training or validation and the maintenance can be incorporated into the current contract. All covid samples need to be handled within a Microbiology safety cabinet, the department will be increasing workload and there will be insufficient cabinet capacity to maintain the additional workload if not procured.	Required to ensure real business continuity	Approved	22/11/2021	
02/12/2021	Single Tender	ABU-STA-49054	ePlex 7 Year Maintenance Contract	£82,775.00	AB Molecular	Services	Maintenance for Genmark Eplex analyser for detection of respiratory viruses including covid 19. Only AB Molecular can provide service and parts for the eplex analyser. Provision of rapid Covid 19 testing on RGH site.	Approved as genuinely the only supplier in the market.	Approved	13/12/2021	
08/12/2021	Single Tender	ABU-STA-49118	Installation of a temporary carpark for emergency department at GUH	£190,000.00	Noel Fitzpatrick Ltd	Services	This requirement has arisen at the direction of ABUHB Executives who have instructed a contractor to be commissioned to undertake the necessary works before calendar year end. The Grange University Hospital Emergency Department is experiencing some significant clinical pressures that are forecasted to deteriorate further with the addition of the forthcoming winter pressures on the system. This construction works forms part of the Health Board's response to these pressures by forming a new 45 space car park facility that mirrors the existing provision for the children's assessment unit. This space will then be utilised by temporary clinical portacabins complete with a sequential COVID testing flow facility and emergency department waiting facility. The civil work contractor (Noel Fitzpatrick Limited) is currently a local contractor that has years of trust and experience built up with the Health Board and is the only organisation mobilised to respond immediately to the construction work required under short timeframes. Given the acuity of the current situation, this work is required immediately and therefore the aforementioned contractor have confirmed their capability to undertake this work. The contractor has been used for numerous projects spanning several decades, always delivering a high standard of supply and installation of works and given the immediate timeframe for these requirements. The contractors offer value for money and an immediate response.	The urgency of the requirement, due to the Health Board's on-going pandemic response and increasing seasonal pressures mean that only this contractor have the capability and capacity to undertake the works in the time frame required.	Approved	13/12/2021	
13/12/2021	Single Tender	ABU-STA-49165	Rapid POCT Flu Tests	£288,000.00	Abbott Diagnostics	Goods	The kits can only be supplied by Abbott as the equipment that the tests are performed on, Abbott ID NOW devices, have already been purchased by DfSC, UK and allocated to the HB for use. The HB have also been allocated 150 boxes of covid test kits from DfSC, UK that are used on the Abbott ID NOW devices. There is a requirement to also test for Flu A/B on the cohort of patients who are being tested for covid on these devices. DfSC are only funding the covid testing, not the Flu A/B testing. The Abbott ID Now devices and test kits have been brought in, nationally, to replace the currently used Roche Liats as Roche are unable to provide sufficient numbers of test kits required nationally. The Abbott ID NOW device is the only alternative Point of care system that can provide both Flu and covid testing on the same device. This system is also connected to the All Wales point of Care IT set up so requires no additional resource to achieve the essential connectivity to CWS.	Approved as genuinely the only supplier in the market.	Approved	07/01/2022	
16/12/2021	Single Tender	ABU-STA-129643	Bodyworks Eve simulator for ultrasound	£50,100.00	Medaphor	Goods	Meaphor is the single supplier for this training equipment. Other equipment has been considered however does not meet the service requirements within the same costing brackets of this equipment. The alternate machines were higher prices for less useable devices and technology. Alternate companies were contacted however were unable to supply the training simulators needed to carry out the appropriate training. Training for pleural ultrasound procedures is extremely complex and simulator training has only been available for approx. 3 years.	Approved as genuinely only one supplier to offer level of spec required for service.	Approved	10/01/2022	
16/12/2021	Single Tender	ABU-STA-49201	LabCentre Sunsetting System and Clinisys Hardware for Blood Transfusion	£101,550.03	Clinisys	Goods	Clinisys are providing us with a 'Sunset' system for our current Blood Transfusion LIMS – Labcentre. Labcentre will become end of life on 31.03.2023, in order to comply with transfusion guidelines & legal requirements set out by the MHRA, we need to be able to access all patient data held within the system. The Sunset system will allow us to adhere to these requirements. The server that Labcentre sits on needs replacing and this quote also incorporates the provision of a new server which will be used for Labcentre live until March 2023 and the Sunset system.	There is a compatibility issue which needs to be met and specific equipment required.	Approved	07/01/2022	
16/12/2021	Single Tender	ABU-STA-49268	Additional Body Storage Retainer Services	£70,800.00	A2H Live	Services	This is a events management company who have previously worked with the health board to pull this project together. The chillers needed are in great demand during the winter period for Christmas Wonderland events so this retainer cost will secure the equipment should it be needed. There are no other companies who can offer this expertise to convert the allocated space at LGH into a temporary mortuary facility within 4 days, it requires bringing together the marquee, scaffold, chiller, boarding and portacabin facilities together to respond to the emerging needs for temporary body storage. Alternative quotes were sought but no companies can provide this facility or guarantee placement within the required short term. This company have responded twice before during the pandemics and so are confident in our requirements	Approved as genuinely only one supplier to offer level of spec required for service.	Approved	23/12/2021	
12/01/2021	Single Tender	ABU-STA-49374	Remote Osmosis Water Treatment Plant	£33,409.56	Llantrisant Fire Stop Systems Limited	Services	Given the events of Grenfell and the subsequent change in regulations as a result, the GUH was built with a state of the art fire partitioning that ensures that the building fire strategy model is able to meet the high standards of patient safety in the event of a fire outbreak. The Grange University Hospital was opened 6 months earlier than previously anticipated as a HB response to the pressures of the pandemic. Consequently, a significant amount of minor works was required in order to ensure the building became fully operational that sat outside of the GUH project build. Some of these works include (but not exhaustive); cabling works for pager system, cabling works for TV's in wards, cabling works for mobile telephony, etc. To be able to install and repair fire-stopping partitions, the installer needs to be UCAS accredited and had significant specialist training in its application. Unfortunately, the HB measured term and specialist contractors that undertook these minor works during the operational commissioning period were not qualified to undertake this work once they breached fire stopping barriers with cables/pipes, therefore were required to note on drawings where fire-stopping penetrations were made, with the view to remediation once a suitable contractor was engaged. Llantrisant FireStop Systems LTD were one of the specialist subcontractors working for Lang O'Rourke who undertook the main install of a significant portion of the hospital's fire stopping partitions. Their services come highly recommended and their workmanship is present in the building and testament their ability and quality, as well as possessing the site drawings and having an intimate knowledge of the building as they were part of the main build construction team. Furthermore, the use of a third party contractor to undertake the fire-stopping remediation of minor works jobs is a new initiative that hasn't been adopted before and represents a new way of working. Llantrisant FireStop Systems LTD were the only specialist fire-stopping company approached that was willing to begin this working relationship for our minor works jobs (that can vary in size, complexity and frequency) as many only focus solely on larger construction projects.	The works is follow-up work where a provider has already undertaken initial work in the same area. Urgent requirement to due to fire safety needs.	Approved	13/01/2022	
13/10/2021	Single Quotation	ABU-SQA-48557	ERBE Diathermy Unit	£23,369.08	ERBE Medical UK Ltd	Services	Already have ERBE diathermy unit within endoscopy YF ancillary equipment interchangeable. Other endoscopy units within ABUHB use ERBE units means cross site familiarity amongst users therefore less risk of errors when used. 1/ Endocut is a mode specifically for endoscopy which has been designed with safety in mind. 2/ Reliability and familiarisation. Erbe diathermy are extremely reliable and are used in 100% of endoscopy departments in Wales, staff and DNs attending endoscopy courses are always trained using Erbe diathermy's. 3/ The machines come with pre-set recommended settings and endoscopy recommended settings built into the units.	Required to ensure real business continuity	Approved	16/11/2021	
03/11/2021	Single Quotation	ABU-SQA-48775	Cinema Advertisement	£23,000.00	DCM	Services	Costs for cinema screen advertising in 3 x local cinemas (Cineworld Newport, Vue Cwmbran and Maxime Blackwood). DCM is the sole supplier of this service. The cost of advertising to reach a captive audience of nearly 175,000 people – a quarter of Gwent residents – offers value for money compared to other high cost advertising methods such as billboards or TV advertising.	Approved as genuinely the only supplier in the market.	Approved	10/01/2022	
14/12/2021	Single Quotation	ABU-SQA-129674	Scrub suit dispenser NHH	£19,980.00	O'Flynn Medical	Goods	The only UK supplier who supplies and supports scrub suit dispensing machines designed solely for healthcare. There are two other world wide companies who supply work wear dispensing machines, but these are not designed for a healthcare setting and are comparatively slow as unable to cope with the morning 'rush' for scrub suits in a busy clinical Theatre Department.	Approved as genuinely the only supplier in the market.	Approved	22/12/2021	
20/12/2021	Single Quotation	ABU-SQA-49235	Flammable Storage Unit for Cellular Pathology	£10,851.00	Ant Handling	Services	The walk in flammable storage unit has been bespoke designed, and comes with an installation package from Ant Handling. Other designs to the same specification from an alternative supplier, (Slingsby) were much more expensive. The department has used Ant Handling on many occasions to provide and maintain equipment, and the company has always provided high quality products at a competitive price. Ant handling is a local trusted supplier, and always works closely with us to identify the correct product/course of action required for the issue at hand	Appropriate as alternatives in the market have been assessed and do not meet the Health Board's specification - product offers value for money	Approved	12/01/2022	
10/01/2022	Single Quotation	ABU-STA-129891	RB Medical Hysteroscopes	£15,003.53	RB Medical	Goods	Investment in this equipment is required to sustain and deliver hysteroscopies in both the PMB clinics and the day surgery units across all sites. The equipment is essential to deliver the 31 day single cancer pathway and reduce diagnostic waits for USC pathways. This equipment will enable the diagnostic procedure to be carried out either in an Ambulatory or theatre setting dependent on the women's preference. The current hysteroscopes in theatres are 5mm which can hinder the procedure and increase theatre time. The hysteroscopes are widely used across the health board within the service and would improve Theatre and PMB clinic efficiency and capacity.	Approved due to compatibility with other current equipment	Approved	14/01/2022	



GIG
CYMRU
NHS
WALES

Bwrdd Iechyd Prifysgol
Aneurin Bevan
University Health Board

Audit, Finance and Risk Committee
3rd February 2022
Agenda Item 4.2

Audit, Finance & Risk Committee

Losses and Special Payments Report

Executive Summary

- **Purpose**

To provide the Audit, Finance and Risk Committee with information in relation to financial losses and special payments made by the Health Board between 1st April 2021 and 31st December 2021.

- **Background and context**

Losses and Special payments are reported in the financial position monthly and reported to the Audit, Finance and Risk Committee in line with the Committee's terms of reference.

The main content of the report is in the Losses and Special Payments table and sets out the recorded "loss" for the year to date alongside where this category of expense is considered and scrutinised within the Health Board.

The report also provides details of the provision held by the Health Board in relation to all outstanding Medical Negligence, Personal injury and redress claims which are currently under review. This provision is, in effect, a view into the future potential cost to the NHS in Wales of current cases.

- **Key Issues**

The losses and special payments recorded during the period 1st April 2021 to 31st December 2021 totalled £9.6m of which £7.9m is recoverable from the Welsh Risk Pool (WRP), this means the actual loss to the Health Board is £1.8m.

In addition to the cost recorded above, a provision for clinical negligence and personal injury cases is recorded on the balance sheet and is based on the estimated potential liability as advised by Welsh Health Legal Services of the maximum possible future cost for all known cases. It has increased by £21.8m since 31st October 2021 to an overall provision of £238.7m of which it is expected that £232.9m is recoverable from WRP leaving a potential future loss to the Health Board of £5.8m.

- **Recommendation**

Audit, Finance and Risk Committee is asked to note the content of this report.

The Audit Committee 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: Rob Holcombe, Interim Director of Finance, Performance and Value Based Healthcare

Report Author: Estelle Evans, Head of Financial Services and Accounting			
Report Received consideration and supported by :			
Executive Team	n/a	Committee of the Board [Committee Name]	n/a
Date of the Report: 11th January 2022			
Supplementary Papers Attached:			

Purpose of the Report
<p>To provide the Audit, Finance and Risk Committee with information in relation to financial losses and special payments made by the Health Board between 1st April 2021 and 31st December 2021.</p>

Financial Implications

1 Financial Analysis of Losses

LOSSES AND SPECIAL PAYMENTS 01.04.21-31.12.21

	No. of Cases	Amount of Loss or Payment			Type of loss/payment	Where reported/reviewed	Notes
		ABUHB £'000	Welsh Risk Pool £'000	TOTAL £'000			
LOSSES:							
Bad Debts	0	0	0	0	Various	Write offs approved in line with the Accounts receivable procedure and reported to Audit, Finance and Risk Committee	
SPECIAL PAYMENTS:							
Loss of personal effects	41	20	0	20	Minor Losses	Losses form completed - Authorised by Division and Putting Things Right team	Lost dentures, glasses etc.
Clinical negligence with advice	193	1,143	7,239	8,382	Clinical Negligence	Clinical negligence and personal injury - payment verified and lessons learnt addressed by the litigation committee for claims over £25K. Feedback into the quality and patient safety committee re Lessons Learnt. Reimbursement of payment made not processed by WRP until satisfied that lessons learnt have been clearly documented and implemented. Annual Report to Quality & Patient Safety Committee by the Litigation Department. Includes case type, numbers, financial information and historic comparisons.	Completed cases
Personal injury with advice (includes Permanent Injury Benefit)	93	493	309	803	Personal Injury	As above	Completed cases
Other clinical negligence and personal injury	37	28	309	338	Clinical Negligence and Personal Injury - claims under £25K	Redress committee for payments under £25K. Lessons learnt fed back to division	Completed cases
Other	16	25	0	25	Various	Ombudsman cases - confirmed by putting things right team, other losses reports completed as appropriate	
TOTAL LOSSES AND SPECIAL PAYMENTS	380	1,709	7,858	9,567			
Of which, cases of £250,000 or more: Clinical negligence with advice	4	0	4,890	4,890			

2 Clinical Negligence and Personal Injury Provisions

The table below shows the analysis of the estimated liability for losses as at 31st December 2021 compared to the position reported at 31st October 2021. It reflects the estimated liability in relation to cases advised by Welsh Health Legal Services for both clinical negligence, personal injury and redress with the provision updated to reflect new or changed cases.

After the expected recoveries from the Welsh Risk Pool are taken in to account the estimated liability to the Health Board at the end of December 2021 is £5.8m.

Losses & Special Payments Provisions	31-Oct-21		31-Dec-21	
	No. of Cases	£000	No. of Cases	£000
Clinical Negligence	250	212,635	259	234,296
Personal Injury	61	766	72	941
Permanent Injury Benefit	21	3,161	21	3,161
Redress	29	259	29	262
Sub Total	361	216,821	381	238,660
Less WRP Recoverable: Clinical Negligence	(124)	(210,478)	(129)	(231,987)
Less WRP Recoverable: Personal Injury	(6)	(488)	(7)	(627)
Less WRP Recoverable: Redress	(29)	(241)	(29)	(247)
Net Liability	202	5,614	216	5,799

Recommendation

The Audit, Finance and Risk Committee is asked to note the contents of the report.

Supporting Assessment and Additional Information

Risk Assessment (including links to Risk Register)

The monitoring and reporting of losses and special payments is part of the Health Board's governance framework.

Financial Assessment	<i>The financial impact of losses and special payments detailed in this paper are included in the reported financial position of the Health Board.</i>
Quality, Safety and Patient Experience Assessment	<i>This report has no direct impact on Quality, Safety and Patient Experience Assessment.</i>
Equality and Diversity Impact Assessment (including child impact assessment)	<i>Not relevant to this summary paper</i>
Health and Care Standards	<i>This paper provides governance and assurance to the committee.</i>
Link to Integrated Medium Term Plan/Corporate Objectives	<i>The financial impact of losses and special payments are included in the Health Board's reported financial position. This links into the underlying financial position that supports the Health Board's 3 year plan.</i>
The Well-being of Future Generations (Wales) Act 2015 – 5 ways of working	<i>Not relevant to this summary paper</i>
Glossary of New Terms	<i>WRP – Welsh Risk Pool</i>
Public Interest	<i>Report to be published in the public domain.</i>



**GIG
CYMRU
NHS
WALES**

Bwrdd Iechyd Prifysgol
Aneurin Bevan
University Health Board

Aneurin Bevan University Health Board
Audit, Finance & Risk Committee
3rd February 2022
Agenda Item: 5.1

Aneurin Bevan University Health Board

Audit Finance & Risk Committee Finance Report – December (Month 09) 2021/22

Executive Summary

This report sets out the financial performance of Aneurin Bevan University Health Board, for December 2021.

The 2021/22 financial performance is measured by comparing the expenditure with the budgets as delegated in the Budget Delegation papers agreed at the March, July and September 2021 Board meetings, this will be updated further for quarter 4. The Health Board has statutory financial duties and other financial targets which must be met. The table below summarises these and the Health Board's performance against them.

Dec-21

Performance against key financial targets 2021/22

+Adverse / () Favourable

Target	Unit	Current Month	Year to Date	Trend	Year-end Forecast
Revenue financial target To secure that the HB's expenditure does not exceed the aggregate of its funding in each financial year. <i>This confirms the YTD and forecast variance.</i>	£'000	(83)	(103)	↔	0
Capital financial target To ensure net Capital Spend does not exceed the Capital Resource Limit. <i>This confirms the current month and YTD expenditure levels along with the % this is of total forecast spend.</i>	£'000 £51,294	5,829 11.4%	27,103 52.8%	↔	0
Public Sector Payment Policy To pay a minimum of 95% of all non NHS creditors within 30 days of receipt of goods / invoice (by Number)	%	95.5%	95.3%	↔	>95%

Performance against requirements 20/21		18/19	19/20	20/21	3 Year Aggregate
Ensure the aggregate of the HB's expenditure does not exceed the aggregate of its funding in a 3 year period - Revenue	✓	(235)	(32)	(245)	(512)
Ensure the aggregate of the HB's expenditure does not exceed the aggregate of its funding in a 3 year period - Capital	✓	(41)	(28)	(13)	(82)
Prepare & Submit a Medium Term Plan that is signed off by Welsh Ministers	✓				

Underlying Financial Position (Brought Forward ULP)	18/19	19/20	20/21	21/22
This represents the recurrent expenditure commitments and the recurrent income assumptions that underpin the financial position of the HB moving into future years.	£19.763m Deficit	£11.405m Deficit	£16.261m Deficit	£20.914m Deficit

Note: The Health Board is in its 3rd year of the approved IMTP, the HB has submitted a refreshed Annual Plan for 21/22 in place of a revised 3 year IMTP, as directed by WG.

Key points to note for month 9 and year to date position include:

- A year to date underspend of £0.1m against delegated budgets (in-month movement of £0.08m underspend),
- Income - includes anticipated and confirmed Covid-19 funding,
- Pay Spend – has increased by c.£0.8m (excluding bonus payments adjustment in October), primarily due to medical and nursing agency costs,

- Non-Pay Spend (excluding capital adjustments) - has increased by £3.4m, due to increased GMS costs and Mental Health CHC costs offset by reduced & funded WHSSC and ICF payments,
- Savings – expected achievement remains on plan & at the same levels as previously reported in year.

Significant issues for the Health Board's forecast financial plan include;

- Improving and achieving the level of savings and efficiency programmes on a recurrent basis to support long term financial sustainability, and
- Ensuring that service and workforce solutions, in response to the challenging demands being faced, are achieved in the most cost-effective way.

At Month 9, the forecast revenue and capital positions are break-even for the 2021/22 financial year.

The latest financial assessment of income levels, service and workforce costed plans is that the Health Board should be able to deliver these plans within anticipated available funding. There may be a risk to delivery of recovery plans due to the impact of the Omicron variant and the resultant service responses which may result in expenditure slippage, mitigation options are being considered.

The underlying financial deficit (£20.9m) will need to be addressed to support financial sustainability and recurrent balance in future years.

The Committee 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: Rob Holcombe – Interim Director of Finance, Procurement & VBHC

Report Author: Suzanne Jones – Interim Assistant Director of Finance

Report Received consideration and supported by:

Executive Team	X	Committee of the Board	
-----------------------	----------	-------------------------------	--

Date of the Report: 12th January 2022

Supplementary Papers Attached:

1. Glossary

Purpose of the Report

This report sets out the following:

- The financial performance at the end of December 2021 and forecast for 2021/22 – against the statutory revenue and capital resource limits,
- The revenue reserve position on the 31st of December 2021,
- The Health Board's underlying financial position,
- The Health Board's cash position and compliance with the public sector payment policy, and
- A financial assessment of the risks and opportunities which may impact on delivering the financial forecast for 2021/22.
- Attachment of the Monthly Monitoring Returns to WG for Month 9.

Assessment & Conclusion

• Revenue Performance

The month 9 position is reported as £0.1m underspend year to date (in-month movement of £0.08m underspend) with a forecast year-end out-turn break-even position. A summary of the financial performance is provided in the following table.

Summary Reported position - December 2021 (M09)	Full Year Budget £000s	YTD Reported Variance £000s	Prior month reported variance £000s	Movement from prior month £000s
Operational Divisions:-				
Primary Care and Community	274,964	(1,327)	(1,274)	(53)
Prescribing	106,494	1,030	1,274	(244)
Community CHC & FNC	66,740	(263)	(137)	(126)
Mental Health	113,218	151	124	27
Director of Primary Community and Mental Health	565	(64)	(59)	(5)
Total Primary Care, Community and Mental Health	561,982	(473)	(72)	(401)
Scheduled Care	236,582	544	888	(344)
Medicine	120,295	786	537	249
Urgent Care	40,518	1,674	1,196	479
Family & Therapies	119,008	(368)	(78)	(290)
Estates and Facilities	82,838	423	(100)	523
Director of Operations	6,417	980	826	154
Total Director of Operations	605,659	4,039	3,270	769
Total Operational Divisions	1,167,641	3,566	3,198	369
Corporate Divisions	123,109	(2,739)	(2,264)	(475)
Specialist Services	171,690	(2,707)	(2,563)	(144)
External Contracts	77,051	2,212	1,796	416
Capital Charges	30,971	(187)	(187)	(0)
Total Delegated Position	1,570,462	146	(20)	166
Total Reserves	11,535	(249)	0	(249)
Total Income	(1,581,997)	(0)	0	(0)
Total Reported Position	0	(103)	(20)	(83)

Financial impact of service and workforce pressures

- During December 2021, pay expenditure increased due to substantive HCSW costs as well as facilities agency costs. Non-pay expenditure increased due to funded GMS pay uplift costs as well as additional Mental Health CHC costs.
- The number of Covid-19 positive patients in hospital is significantly lower than the levels being cared for during the 1st and 2nd waves of the pandemic. The number of patients being treated for and recovering from Covid-19 have decreased compared to the increasing numbers in October and November, however the new variant has resulted in a marked increase in late December. ICU patient numbers relating to Covid-19 are at similar levels to November, the temporary staffing costs in this area remain significant. All services still need to operate in a Covid-19 safe environment leading to a workforce and financial pressure.
- Unlike the previous waves of the pandemic, demand for emergency and urgent care across all services – including primary care, mental health and acute/community hospitals – has increased significantly and in many cases is above the levels seen pre-pandemic. Winter plans have been approved which are designed to mitigate further operational pressures across all areas of the UHB.
- Delays in patient discharges are adding to the flow challenges being experienced resulting in greater bed demand and workforce and financial pressures.

- The operational factors above result in significant financial pressures however these are off-set by a reduction in elective activity in December linked to the new variant. In addition, many staff have been redeployed in order to ensure the progress of mass vaccination to the ABUHB population is continued. As a result, there is forecast slippage against a number of recovery and winter plan schemes.

Additional costs are being incurred due to the following:

- Additional workforce capacity to support the significant pressure on the Emergency Department and other urgent care services,
- Workforce costs for covering increased sickness absence and self-isolation periods,
- Maintaining 'green' patient pathways to minimise infection,
- Additional hospital bed capacity to ensure the safe and timely flow of patients,
- Increased acuity of patients presenting and demand for enhanced care, and
- Commissioning step-down capacity to support patients in their discharge back home or to a longer-term care home placement.

To mitigate, key areas of focus for the Health Board are:

- System level working to expedite patients to the most appropriate care setting,
- Enhancing same day emergency care and flow,
- Securing additional capacity,
- Increasing Nurse staffing levels,
- Other actions to underpin the operational management and leadership to support clinical teams, and
- Prioritising utilisation of workforce.

Workforce

Workforce costs (allowing for the wage award) have maintained a consistent average level of spend of c.£57m for months 1-9 of 2021/22.

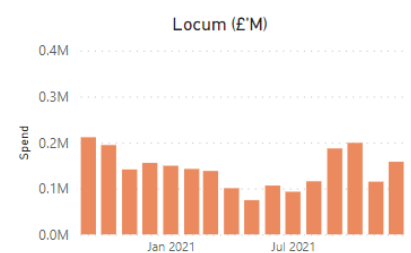
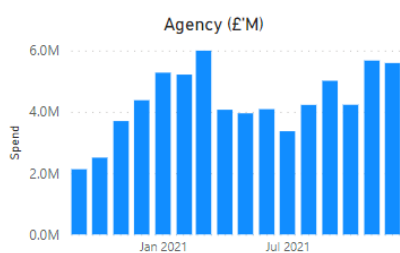
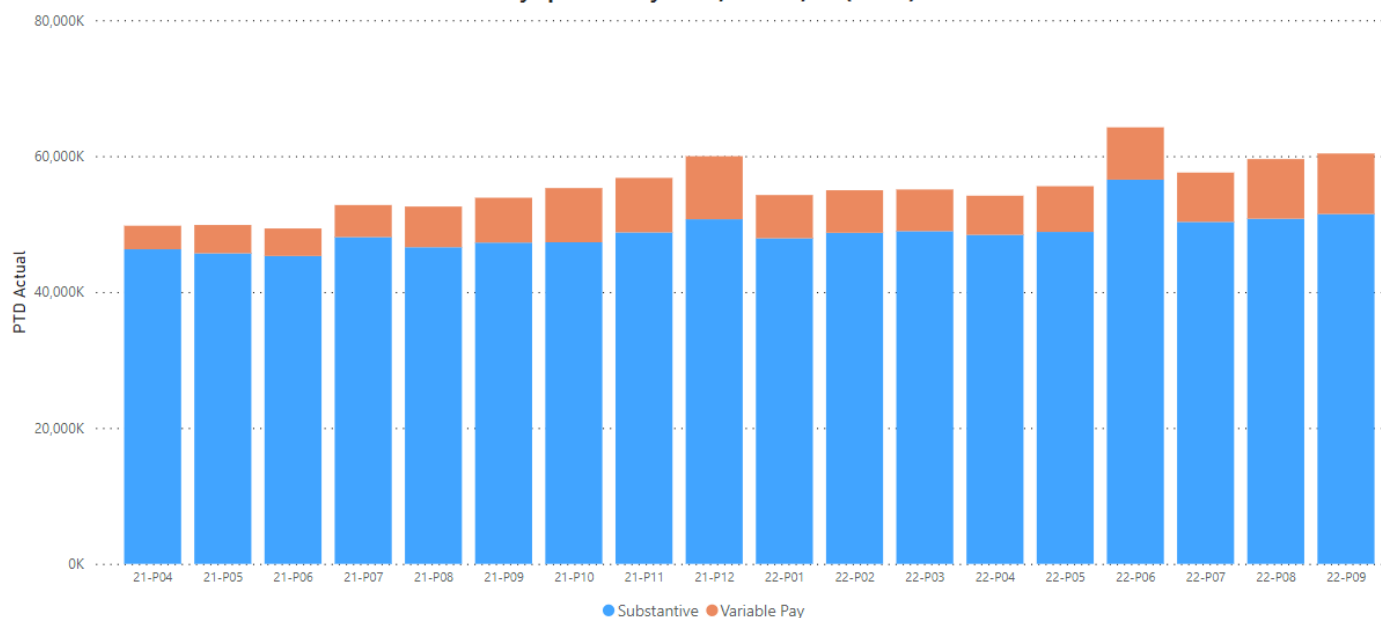
Substantive staffing costs have increased by £0.7m (1.4%), the increased substantive nursing costs are as a result of additional appointments across the UHB. Bank costs have increased by £0.17m (5.7%). Agency costs have decreased by £0.08m (-1.4%) compared to month 8. This is linked to reduced availability of agency staff for a range of reasons rather than reduced demand.

It is expected that the expenditure run-rates for agency staffing will remain and potentially increase for the remainder of the financial year given the new variant and the requirement to deliver agreed recovery, winter and Covid-19 plans. The re-introduction of flexible rewards payments and the increase in specialist nursing rates of pay have also increased costs and subject to board agreement will likely continue throughout the rest of the financial year. There is still a continued and significant reliance on the use of agency and bank staff.

Workforce expenditure is shown below differentiating between substantive and variable pay¹:

¹ To enable useful comparisons and trends all references to 20/21 pay expenditure exclude the month 12 expenditure for: Covid-19 annual leave provision (£17m), Covid-19 bonus payments (£14.7m), and Additional employer pension contributions (6.3%/£25m).

Pay spend analysis 20/21 - 21/22 (£'000)



Substantive staff

Substantive pay was £51.48m in December – an increase of £0.69m compared to November. Substantive pay has increased by £0.46m for registered nursing and £0.19m for HCSW. These increases were spread across most areas of the UHB.

Variable pay

Variable pay (agency, bank and locum) was £8.91m in December – an increase of £0.13m compared to November.

The Executive Team have agreed the block booking of registered nurse (RN) agency and over recruitment of health care support workers (HCSW) to ensure safety of service provision.

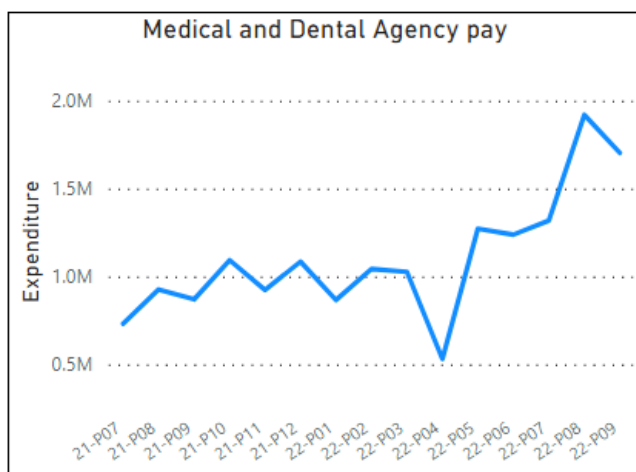
It should be noted that the number of unfilled registered nursing shifts remains at a high level throughout the UHB. If all of these shifts were filled through variable pay the cost impact would be significant.

Bank staff

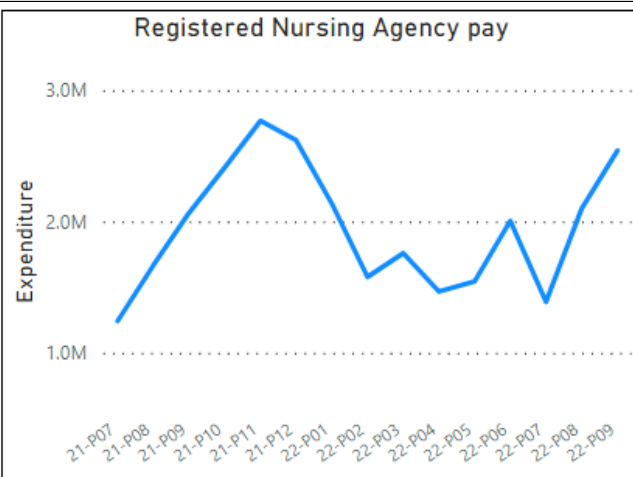
Total bank spend in December was £3.2m - an increase of £0.2m compared with November 2021, this is mainly due to the effect of increased flexible rewards. Areas where bank usage continues to increase are ICU and GUH ED due to on-going Covid-19 additional support requirements.

Agency

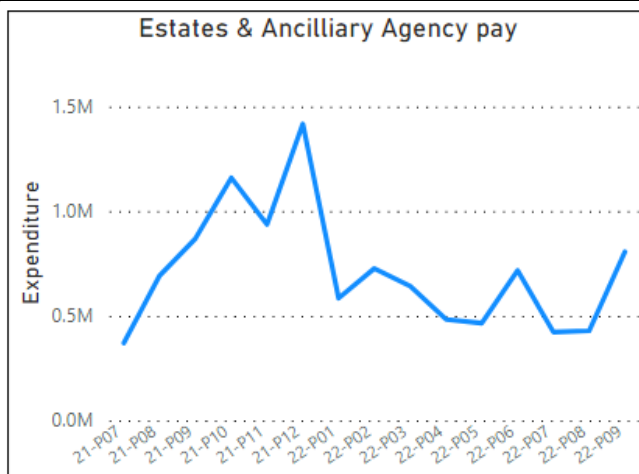
Total agency spend in December was £5.6m – a decrease of £0.1m compared to November. Agency costs reduced for both medical and nursing elements and highlights a lack of availability rather than solely the requirement for these shifts. Reduced elective activity has also resulted in reduced agency costs. It should be noted however that December costs still remain higher than all other months in the 21/22 financial year except for November.



- Decrease in month £0.2m due to
 - £150k increase Medicine – Pressures continue in COTE and YYF medical staffing backfilling a number of staff who are non-patient facing and numerous vacancies.
 - Ophthalmology and Pathology reduction in costs linked to cover of vacancies.
 - Reduced costs linked to activity although continued pressures across Scheduled Care and Urgent Care.
- Medical agency spend is averaging c.£1.2m per month.



- In-month spend of £2.5m, an increase of £0.4m from November.
- Reasons for use of registered nurse agency include:
 - Increased Mental Health ward cover costs.
 - Additional service demand including opening additional hospital beds,
 - Enhanced care and increased acuity of patients,
 - Increased sickness,
 - vacancies, and
 - enhanced pay rates.
- Registered Nursing agency spend is averaging c.£1.7m per month.



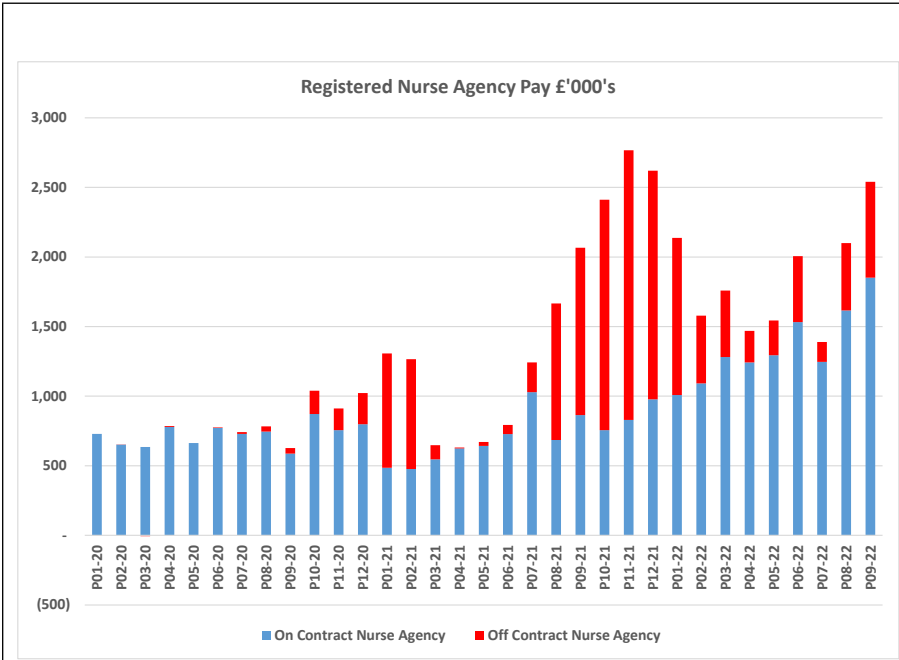
- In month spend of £0.8m on Estates & Ancillary, which is primarily within GUH and related to Covid.
- Reasons for use of agency include:
 - Meeting enhanced cleaning standards,
 - Enhanced care and increased acuity of patients,
 - Increased sickness,
 - Vacancies,
 - Recruitment difficulties, and
 - Supporting the Mass Vaccination Programme.
- Estates and Ancillary agency spend is averaging c.£0.6m per month.

Registered Nurse Agency

Registered nurse agency spend totalled £18.1m in 2020/21 and £10.2m in 2019/20.

If spend continues at the current rate, the Health Board will spend £22m on nurse agency in 2021/22, an 18% increase from 2020/21.

The use of “off-contract” agency – not via a supplier on an approved procurement framework – usually incurs higher rates of pay.



The Health Board spent £0.69m on ‘off’ contract RN agency in December an increase over November. The main reasons for its usage are:

- Enhanced care,
- Additional capacity,
- Nursing vacancies,
- Patient safety,
- Covid-19 responses, and
- Increased sickness and cover for staff in isolation,

A Registered Nurse Agency Reduction Plan was approved by the Executive Team in May 2021, there is considerable pressure on this plan because of the on-going service and workforce pressures.

Medical locum staff

Total locum spend in December was £158k an increase compared with November 2021 of £43k, of this increase £30k was in Pathology and £18k in Anaesthetics (off-set by reductions in specialities such as Cardiology) relating to on-going operational pressures and substantive vacancies.

Enhanced Care

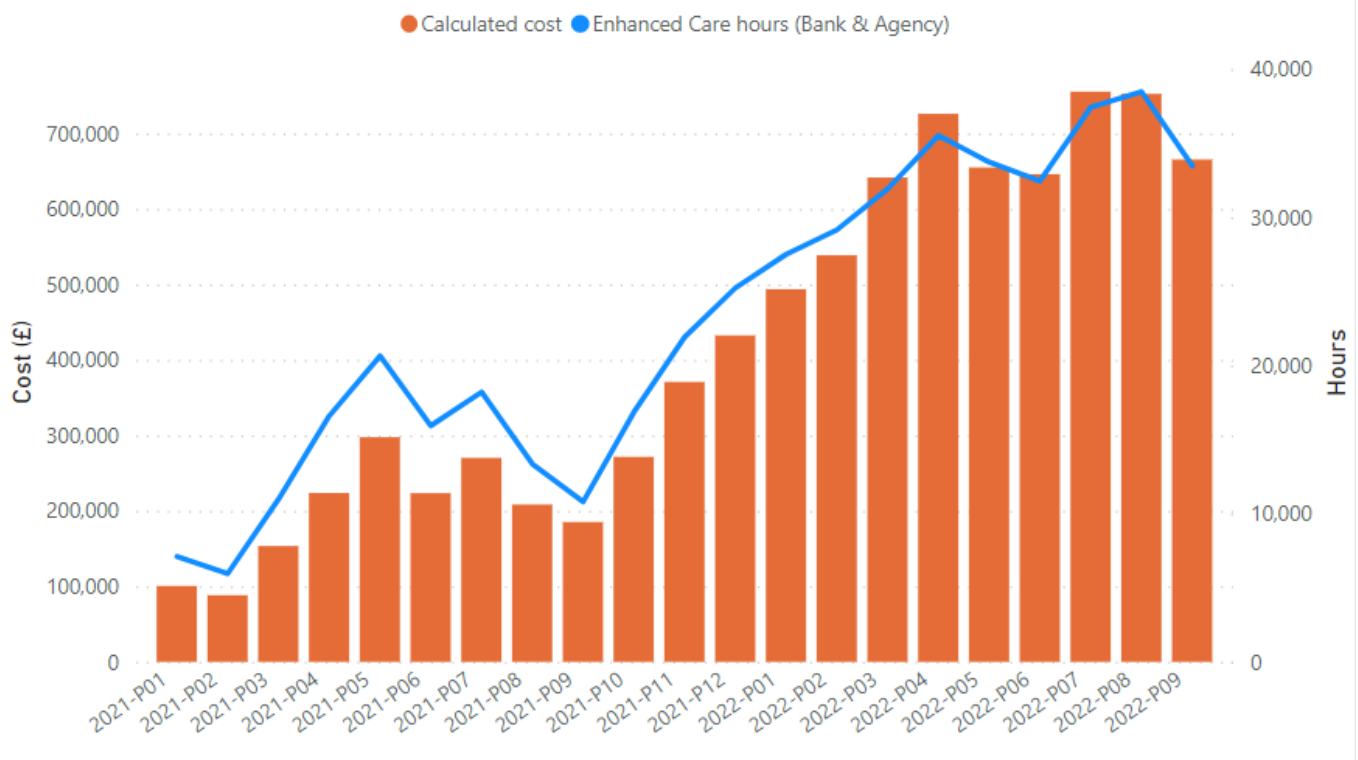
Enhanced Care, also known as ‘specialling’, can include a spectrum of interventions ranging from the provision of assistance to help a patient mobilise, through to one-to-one patient monitoring. Enhanced care is designed to ensure a patient centred safe approach for patients with additional care needs whilst also managing any associated impact on established staffing levels.

An initial review of the financial impact of ‘enhanced care’ – including the use of bank and agency staff – has identified the following use of nursing staff:

	2020/21	2021/22	Increase
Average number of hours used per month	15,305	33,357	118%
Increase in average cost per month compared to prior year			£0.4m
Estimated increase in the calculated annual cost based on current trend			£5.0m

The following graph highlights the increase in hours attributed to enhanced care for the period April 2020 (P01-2021) to December 2021 (P09-2022) using bank and agency registered nurse and health care support workers. In December (P09-2022), enhanced care hours and associated costs decreased mainly within the Scheduled Care Division mainly linked to availability rather than a reduction in demand.

Calculated costs and hours booked



Non-Pay

Non-Pay spend (excluding capital) increased by £3.4m in December compared to November due to additional funded GMS pay and expenses costs, increased Mental Health CHC costs off-set by adjusted and reduced costs for Advanced Therapeutics Medicinal Products (ATMP drugs).

Other areas of increase to note are:

- CHC Mental Health – there has been a net increase of 3 patients in MH and 1 LD patient in month with high cost packages. The newer packages increase the overall average cost per package compared to the previous financial year.
- CHC Adult / Complex Care - 654 active CHC and D2A placements, with an increase coming from an additional 15 D2A patients. There is also an additional 4 placements on the 'Step Closer to Home' pathway (27 total) in December, a cost of £0.6m is included in the forecast spend.
- For FNC - currently 862 active placements, which is an increase of 10 from November.
- Primary Care medicines - the full year forecast is an over-spend of £0.1m. The year to date growth on items is 1.92% and the forecast is based on continued growth of 1.5%. In addition there has been a significant decrease across a wide range of Category M drugs prices resulting in a forecast decrease of c.£0.8m.

Service Pressures & Activity Performance

Bed Capacity

Additional medical beds have been opened as part of responding to the system pressures described previously. Additional capacity beds in Medicine were 153 in December as described in the table below:

No. of Additional Beds							
Site	Ward	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Description
RGH	B3 Winter Ward	28	28	28	28	28	28 Additional Capacity
	C5E	4	4	0	0	0	28 (flexed up from 24)
NHH	3rd Floor	4	4	10	10	11	28 (flexed up from 24)
	4th Floor	4	4	11	7	5	28 (flexed up from 24)
	4/1 winter					32	Winter ward from 27th Dec (flexed up from 28)
GUH	C4	8	12	16	16	8	8 Covid beds in December
	A4			2	2	2	Using Ringfenced beds
YYF	Risca	30	30	30	30	30	30 Covid Ward (funded ward)
	Bargoed		30	30	15	0	30 Covid Ward (funded ward)
	Oakdale			15	0	0	50% Covid Ward (funded ward)
	Rhymney				14	14	Supporting 50% of SC ward (post-covid patients)
RGH AMU	D1W		15	15	17	23	15 Beds 2 additional RN 24/7
Total		78	127	157	139	153	

It should be noted that ward D1W is now assumed to be open for the remainder of the 2021/22 financial year.

There was also a continued use of surge beds throughout the Community hospitals. These are described as follows:-

No. of Additional Beds					
Site	Ward	Sep-21	Oct-21	Nov-21	Dec-21
STW	Ruperra	12	20	20	24
YAB	Tyleri	10	15	15	15
Total		22	35	35	39

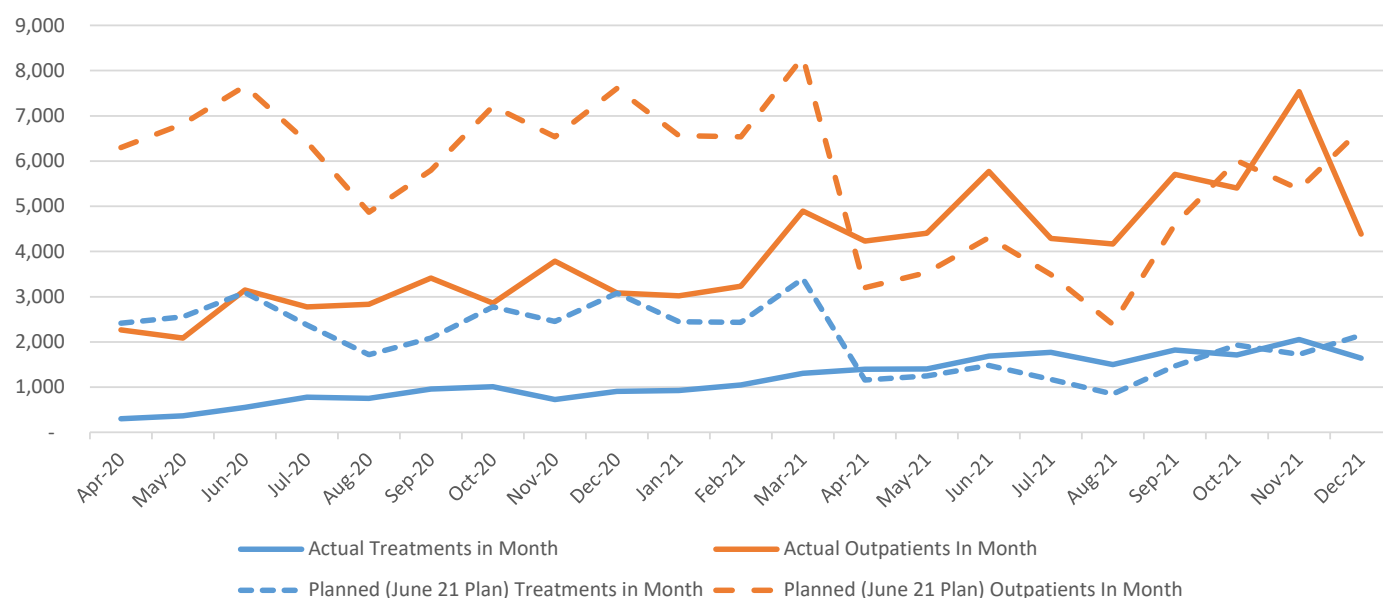
Scheduled Care treatments and outpatients

Elective activity has significantly reduced as part of the Health Board's Covid-19 planned response. Whilst some routine elective services have resumed, elective activity is still lower than pre-Covid-19 levels. In December elective activity has again reduced compared to previous months given the Christmas period and the effect of the new Covid-19 variant.

Scheduled Care elective activity for new outpatients has significantly decreased in December. There were decreases in all specialities particularly in General Surgery (-785), T&O (-439), Ophthalmology (-422) and Dermatology (-578). New outpatients were overall below plan by 2,331 appointments in month again due to the T&O, General Surgery, Ophthalmology and Dermatology specialities.

Treatments are also lower in all areas compared to last month. Key movements include Ophthalmology (-93), Urology (-104), Max Fax (-87) and T&O (-55). The decrease in treatments is through core time with a slight increase in WLI and backfill sessions.

Scheduled Care Treatments & Outpatients (RTT)



- Elective Treatments for December '21 were 1,641 with year-to-date treatments of 14,990.
- Outpatient appointments for December '21 were 4,382 with year-to-date activity of 45,881.

Medicine Outpatient Activity

Medicine Outpatient activity for December '21 were 1,199 attendances with year-to-date activity of 11,945 this is presented by specialty below:

YTD December 21	Assumed monthly activity	Actual activity	Variance	Variance
Gastroenterology	4,590	2,151	- 2,439	53%
Cardiology	4,977	2,282	- 2,695	54%
Respiratory (inc Sleep)	5,454	2,378	- 3,076	56%
Neurology	2,331	2,059	- 272	12%
Endocrinology	2,178	1,376	- 802	37%
Geriatric Medicine	2,079	1,699	- 380	18%
Total	21,609	11,945	- 9,664	45%

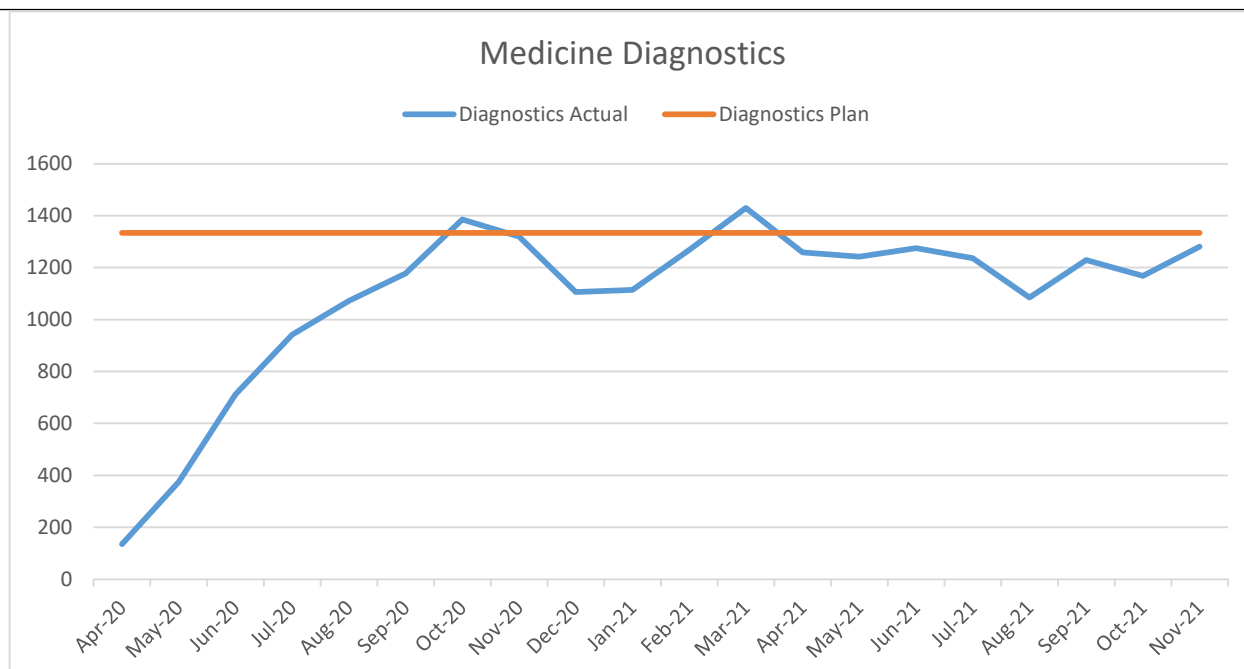
A year to date underperformance of 45% is presented.

Medicine Diagnostics (Endoscopy) Activity

Medicine endoscopy activity for December '21 was 1,214 procedures with year-to-date activity of 10,989 which is 1,017 cases less than planned for the year to date. *Endoscopy insourcing plans started on 25th October.* There remain significant staffing constraints at RGH, there have been occasions where the service has only been able to run 1 Theatre. In addition the new Covid-19 variant has resulted in a reduction in activity which is likely to continue in January. The expectation remains activity will increase in the remaining months of the financial year.

The Health Board has commissioned St Joseph's Hospital to support further endoscopy delivery and committed £1.3m for an additional 14 sessions per week, via an insourcing provider, to reduce waiting times.

The activity undertaken since April '20 is shown below;



Service Recovery Plans 2021/22

The Health Board received recovery funding allocations as part of recovering the backlogs in routine elective services because of the Covid-19 pandemic. The Health Board has assessed the forecast spend associated with recovery bids as £24m and agreed this level of funding with WG. The plans are achieving their goals to date but they are expected to increase substantially. Performance will need to be closely monitored.

Slippage was identified by Divisions and has been taken back into reserves so further recovery plan options can be developed. The revised reserves position is £1.362m for any further schemes. The Divisional summary of these delegations are shown below:-

Recovery funding delegated - Division	£'000		
	As at Month 8	Clawback (M9)	Revised @ M9
Scheduled Care	11,258	(323)	10,935
Family & Therapies	2,035	(291)	1,744
Mental Health	1,840	(67)	1,773
Primary Care & Community	3,185	(436)	2,749
Medicine	2,154	(142)	2,012
Estates & Facilities	131		131
CHC	502		502
Corporate	151		151
Outsourcing	2,200		2,200
Sub-total	23,456	(1,259)	22,197
Reserves	103	1,259	1,362
Total	23,559	0	23,559

Any recurrent proposals will need to be considered alongside other IMTP priorities.

Covid-19 – Revenue Financial Assessment

Covid-19 reporting can be broken down into the following categories.

- Covid-19 costs: £168.46m
- WG Funding: £177.03m (as at Month 9)

The Health Board is assuming funding of £177m for Covid-19 service responses and Covid-19 recovery for the 2021/22 financial year.

Confirmed and received funding has been a mixture of reimbursement for actual costs and forecast costs and formula shares.

At this stage the Health Board is including expenditure for the whole year for all areas of Covid-19. This is in line with the guidance provided by Welsh Government finance colleagues.

The table below summarises the funding assumed, delegated, and held in reserve relating to Covid-19.

Type	Covid-19 Specific Allocations - As at December 2021	£m	Covid Funding Delegated v Held in Reserves @ Month 09	Period covered	Delegated as at Month 9
HCHS	Initial Recovery Plan Covid19	17.00			
HCHS	Covid19 response April-September 2021	32.02			
HCHS	Testing (inc Community Testing) Qtr 1	1.63			
HCHS	Tracing Qtr 1	3.47			
HCHS	PPE Qtr 1	1.04			
HCHS	Mass COVID-19 Vaccination QTR 1	1.98			
GMS	Mass COVID-19 Vaccination QTR 1	1.58			
HCHS	Tracing - Q2 (M1-6 less June funding)	3.00			
HCHS	Covid 19 Mass Vaccination costs Q2	2.20			
GMS	Covid 19 Mass Vaccination costs Q2	0.09			
HCHS	Covid 19 Impact on b/f underlying position	8.57			
HCHS	Covid 19 Cleaning standards Q1 + Q2	0.95			
HCHS	Covid 19 Testing Q2	2.03			
HCHS	Covid 19 Adferiad Programme	0.94			
HCHS	Covid 19 response funding Oct 21 to Mar 22	53.91			
HCHS	Covid 19 support - Tranche 2 Revenue Recovery	9.94			
HCHS	Covid 19 - PPE Q2	1.50			
HCHS	Covid 19 - Additional Flu programme yrs 7-11	0.78			
HCHS	Community Infrastructure Programme (UEC-C19)	0.18			
HCHS	Additional Covid Response funding	7.38			
HCHS	C19-Adult Social Care Package	2.01			
HCHS	C19 Support for PACU	0.53			
HCHS	C19 Support for Comm Health Checks	0.19			
HCHS	C19 Recovery funding - Planned Care Recovery Fund	1.10			
HCHS	C19 Cluster funding	0.38			
HCHS	C19 Recovery - Healthchecks Learning Disability	0.11			
HCHS	MCA Funding-Gwent Consortium-C19 recovery-DoLS	0.17			
HCHS	Recovery of balance of NHS Bonus accrual	(1.44)			
HCHS	C19 - Tracing Funding balance	7.07			
HCHS	C19 - Winter Pressures - ICF (RPBs)	1.85			
HCHS	C19 - Testing Qtr 3 and 4	5.37			
HCHS	C19 - PPE Q3 and Q4	2.98			
HCHS	C19 - Cleaning Standards Q3 and Q4	1.16			
HCHS	C19 - Mass Vaccinations Q3 and Q4	4.25			
HCHS	CHC NHS Commissioned Packages Qtr 3&4 (remaining)	1.12			
	Total Confirmed Covid-19 Allocations	177.03			
			Covid Funding Delegated v Held in Reserves @ Month 09	Period covered	Delegated as at Month 9
			Covid Funding Delegated		
			Testing	M1-09	5,761
			Tracing	M1-12	13,548
			Mass Vaccs	M1-09	7,869
			Cleaning Standards	M1-06	1,407
			PPE	M1-06	3,891
			CHC Provider payments	M1-06	3,125
			Recovery funding (tranche 1 & 2)	M1-12	22,052
			Recovery funding - Planned Care Recovery Fund	M9-12	144
			Urgent Primary Care Centre Pathfinder	M1-12	1,982
			Adferiad Programme	M1-12	942
			Covid response funding	M1-12	102,322
			Additional Flu Programme	M7-12	784
			Recovery of balance of NHS Bonus accrual	M7-12	(1,440)
			Winter Pressures (ICF)	M9-12	1,846
			LD and Community health checks	M9-12	302
			MCA Funding-Gwent Consortium-C19 recovery-DoLS	M9-12	173
			Community Infrastructure Prog (UEC-C19)	M9-12	180
			Total Covid funding delegated		164,889
			Retained in reserves		
			Testing		3,275
			Mass Vaccs		2,231
			Cleaning Standards		698
			PPE		1,626
			Recovery funding (tranche 1 & 2)		1,362
			Covid response funding		1,688
			Covid element of 21-22 Pay award (Anticipated)		884
			Cluster funding		377
			Total Covid funding held in reserves		12,141
			Total reported Covid funding		177,030

• Revenue Reserves

Health Board reserves are held by the Board, until such time as they agree their use or delegate this responsibility to the Chief Executive as Accountable Officer. Some funding allocations are held in reserves, where their use is directed by Welsh Government or funding is allocated for a specific purpose.

The following reserves, relating to WG Funding, were approved for delegation by the CEO;

£1k Protected Learning Pilot	£1k Primary Care Contractors bonus payment adjustment
£445k Dementia Action Plan – Advocacy project	£2.2m GMS agreed pay and expenses uplift

£2.2m (2022/23) Dementia Action Plan – Gwent RPB	£40k Overtime on Annual leave funding
£131k Microprocessor controlled prosthetic knees	£156k Employee Well-being Centre of excellence
£114k Learning Disability Health-checks	£54k Care After Death team (2022/23)
£5.5k Optometric advisor post	£1.5m clawback of slippage on recovery funding to reserves
£131k WHSSC Specialist CAMHS improvements	
£1.171m Prevention and Early years (2022/23)	
£114k PSA Self-management programme (phase 1&2)	
£139k IRP Provision	
£247k Rapid Diagnostic Clinic (2022/23)	
£45k National Imaging Academy	

The Health Board has received the majority of Covid monies with an additional £8.2m anticipated mainly for National priorities held in reserves and the balance of recovery monies which will be delegated as plans are approved by the Executive Team.

- **Underlying Financial Position (ULP)**

As at month 9 the underlying financial position is a **deficit of £20.9m**.

This is based on the current assessment of available recurrent funding and the recurrent financial impact of existing service and workforce commitments. **It excludes areas that are regarded as “choices” as well as any potential recurrent impact of Covid-19 decisions.**

The Health Board’s Annual Plan identifies a number of key priorities where the application of Value-Based Health Care principles – improving patient outcomes along with better use of resources – should result in delivering greater service, workforce and financial sustainability whilst improving the health of the population. The actions being taken to improve financial sustainability are integral to this approach.

On the 21st December ‘21 the Health Board received the 2022/23 Allocation letter which includes a discretionary funding uplift of 2.8% (a separate briefing has been issued to the Board).

This funding provides the Health Board with some certainty in helping to address its underlying financial position and prioritising commitments as part of the 2022/23 IMTP.

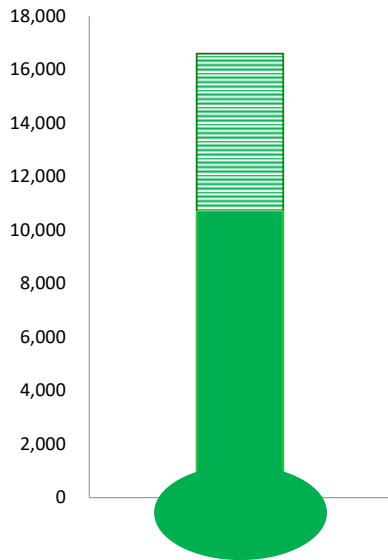
The 2022/23 financial plan will need to be aligned with the IMTP service and workforce plans, including both recurrent and non-recurrent challenges and choices that the UHB need to consider.

Further recurrent savings schemes for 2022/23 are currently being developed as part of the IMTP financial plan but are considered at this point to be required to manage future cost pressures rather than beneficially impact on the underlying position, this position will be reviewed along with further intelligence on the IMTP process and WG allocation uplifts.

Savings delivery

As part of the Annual Plan submitted by the Board to Welsh Government (June 2021), the financial plan for 2021/22 identified a savings requirement of £16.6m for 2021/22. Recurrent full year effect of savings are identified as £13.6m.

Actual savings delivered to December '21 amounted to £10.7m, which is ahead of the plan profile. The following tables present the progress against the full year target.



Month 09 Savings Plans

Green Savings schemes	Forecast	Non Recurrent	Recurrent	Full year effect of Recurring savings
CHC and Funded Nursing Care	3,496	500	2,996	3,322
Commissioned Services	126	4	122	122
Medicines Management (Primary and Secondary Care)	2,710	71	2,639	3,052
Pay	5,374	946	4,428	6,785
Non Pay	4,890	4,102	788	305
Total	16,596	5,623	10,973	13,586

Month 03 Savings Plans

M03 Green Savings schemes	Forecast	Non Recurrent	Recurrent	Full year effect of Recurring savings
CHC and Funded Nursing Care	3,500	500	3,000	3,002
Commissioned Services	122	0	122	122
Medicines Management (Primary and Secondary Care)	2,446	44	2,402	2,406
Pay	6,191	10	6,181	7,428
Non Pay	4,336	3,865	471	627
Total	16,596	4,419	12,177	13,586

Total savings plans remain in line with the AOF agreed earlier in the financial year, however, recurrent schemes have slipped and have been replaced with non-recurring schemes, this has particularly impacted Pay savings plans. At this stage the full year recurring impact has remained unchanged, however, this movement from recurrent to non-recurrent does put the underlying savings position at risk of not being achieved.

To deliver greater levels of savings and to achieve better use of resources, which improves health outcomes – and doesn't adversely impact on safety and quality – a greater focus is required on savings and efficiency improvement related to:

- Eliminating unwarranted clinical variation - e.g. in the use of medicines where there have been some savings, medical devices and consumables,
- Transformational service change – e.g. savings and efficiency improvement resulting from changes in service models which reduce use of hospital beds (admission, timely discharge, reduce length of hospital stay), reduce the requirement for workforce (particularly agency / locum), reduce spend on clinical interventions which have no positive effect on health outcomes.

The Health Board can no longer just rely on transactional efficiency savings and future plans also need to focus on shifting resources to improve health outcomes, support reinvestment and deliver recurrent savings. This will require transformational change in the way the Health Board delivers services so that it is more effective for patients and more financially sustainable.

Opportunities exist within the Annual Plan priorities agreed by the Health Board, including the following areas:

- MSK pathway redesign,
- Eye Care integration,
- Outpatients' transformation, and
- Digital solutions as an enabler to service change and financial improvement.

These programmes have been affected by unprecedented systems pressures over the last 18 months but given the likely challenging funding settlements in future years, progress in delivering some of these changes is required to improve the underlying financial position in 2022/23 and onwards.

Risks & Opportunities

There remain significant risks and opportunities to managing the financial position during 2021/22, which include:

- Responding to the ongoing impact of Covid-19 – both direct and indirect consequences of the pandemic,
- Responding to any specific Covid-19 impacts e.g. current and further new variants, outbreaks,
- Workforce absence / self-isolation, availability of staff for priority areas alongside re-deployment and reduction in elective recovery activity,
- Risks associated with anticipating the remaining Covid-19 funding,
- Addressing backlogs in waiting times for some services, due to the Covid-19 pandemic – restart and recovery,
- Continued and potential increasing use of additional capacity,
- Addressing any surge in Covid-19,
- There may be a risk to delivery of recovery plans due to the impact of the Omicron variant and service responses which may result in expenditure slippage,
- Maximising the opportunity to change services resulting in improved health outcomes for the population, and,
- Addressing the underlying financial deficit, through reducing costs and increasing recurrent savings.

Capital

The approved Capital Resource Limit as at Month 9 totals £49.904m. In addition, the Health Board has confirmed asset disposals generating further funding of £1.390m. The Capital Resource Limit was agreed and fixed with Welsh Government at the end of October. The Health Board is now required to manage any subsequent variations from the fixed resource limits via brokerage with the Discretionary Capital Programme. The current forecast is an overall forecast outturn is breakeven.

The forecast outturn for the HSDU scheme is now anticipated to be an overspend of £700k. As additional funding cannot be secured from Welsh Government for the scheme, the overspend will

be met from the Discretionary Capital Programme. Practical completion on the scheme has been delayed due to issues that have arisen during the commissioning testing of the facility.

Slippage totalling £277k has been reported against the NHH Satellite Radiotherapy (£50k) and Mental Health SISU (£227k) as the completion of these cases has slipped to 2022/23. These amounts will need to be brokered via the Discretionary Capital Programme.

The Full Business Case for Newport East Health and Well-being Centre is now complete and is planned to be taken to Board for approval in January 2022. The Full Business Case for the Unified Breast Unit at YYF is awaiting final approval from Welsh Government.

A saving of £540k has been achieved against the National Imaging Programme scheme following the completion of the equipment procurements. It is currently assumed the saving will need to be returned to Welsh Government but the Health Board is looking into alternative options.

The Health Board has received additional All Wales Capital Programme allocations during the month in relation to:

- Digital Priorities Investment Funding - £1.693m
- 2021/22 End of Year Additional Funding - £0.738m (funding secured to mitigate the impact of the HDSU Overspend on planned Discretionary Schemes).
- 2021/22 LINC Programme Funding - £0.306m

The majority of the Discretionary Capital Programme (DCP) funding has been released to approved schemes. A contingency budget of £163k remains unallocated for urgent approvals. All divisions have submitted updated end of year priority schemes which will be used to allocate the remaining discretionary funding and to address any further slippage against approved schemes that may occur.

Asset Tagging System Implementation Progress Update

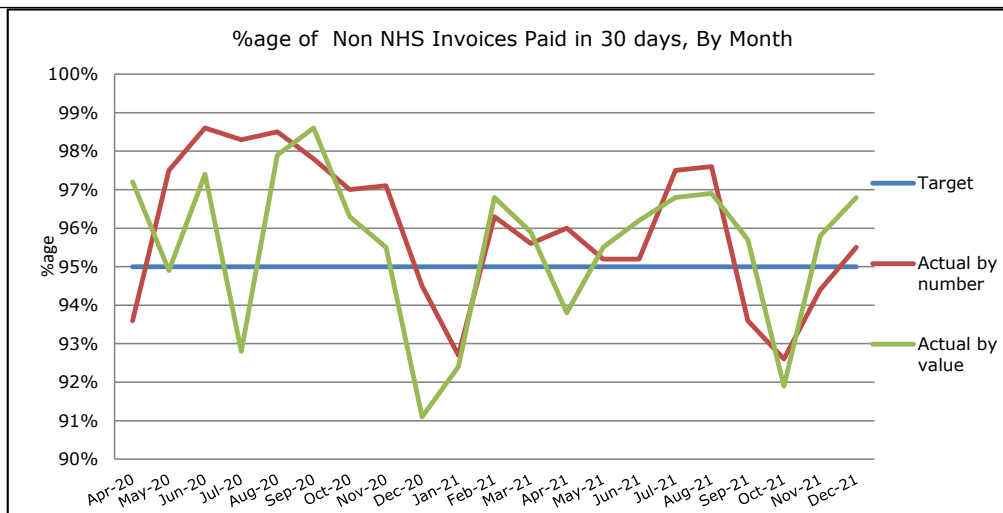
The Paragon RFID System has been procured and training and awareness sessions provided to ABUHB Finance teams, the implementation is in the final stages. Delays have been experienced with IT issues causing a challenge due to the integration of 3 different systems, (RAM, Medusa and Paragon), to operate the new tagging system effectively and efficiently. Tagging has commenced for several assets in readiness for go live.

Cash

The cash balance on the 31st of December is £1.024m, which is below the advisory figure set by Welsh Government of £6m.

PSPP

The Health Board has achieved the target to pay 95% of the number of non-NHS creditors within 30 days of delivery of goods on a cumulative basis. In month the target was above the required 95% with a continued improvement on previous months. We are continuing to work with those departments where invoices are being processed outside of the 30 day payment terms.



Recommendation

The Committee is asked to note:

- The financial performance at the end of December 2021 and forecast for 2021/22 – against the statutory revenue and capital resource limits,
- The revenue reserve position on the 31st of December 2021,
- The Health Board’s underlying financial position,
- The Health Board’s cash position and compliance with the public sector payment policy, and
- A financial assessment of the risks and opportunities which may impact on delivering the financial forecast for 2021/22.
- Attachment of the Monthly Monitoring Returns to WG for Month 9, commentary & tables.



ABUHB MMR
Commentary-Month



ABUHB%202021_22
%20MMR%20Decem

Supporting Assessment and Additional Information

Risk Assessment (including links to Risk Register)	Risks of achieving the Health Board’s statutory financial duties and other financial targets are detailed within this paper.
Financial Assessment, including Value for Money	This paper provides details of the year to date and forecast financial position of the Health Board for the 2021/22 financial year.

Quality, Safety and Patient Experience Assessment	This paper links to AQF target 9 – to operate within available resources and maintain financial balance. This paper provides a financial assessment of the Health Board’s delivery of its AOF/IMTP priorities and opportunities to improve efficiency and effectiveness.
Equality and Diversity Impact Assessment (including child impact assessment)	The Assessment forms part of the AOF service plan.
Health and Care Standards	This paper links to Standard for Health services One – Governance and Assurance.
Link to Integrated Medium Term Plan/Corporate Objectives	This paper provides details of the financial position that supports the Health Board’s 3 year plan. The Health Board has a statutory requirement to achieve financial balance over a rolling 3 year period.
The Well-being of Future Generations (Wales) Act 2015 – 5 ways of working	<p>Long Term – Long-term financial linked to IMTP completion</p> <p>Integration – Regional partnership and integration with other NHS Wales organisations</p> <p>Involvement – use of environmental fund and specific investment as well as on-going links with services for engagement</p> <p>Collaboration – collaboration with external partners</p> <p>Prevention – long-term strategy in order to provide investment and savings through preventative measures across the UHB.</p> <p>The Health Board Financial Plan has been developed based on the approved AOF/IMTP, which includes an assessment of how the plan complies with the Act.</p>
Glossary of New Terms	See Below
Public Interest	Circulated to board members and available as a public document.

Glossary

A		
A&C – Administration & Clerical	A&E – Accident & Emergency	A4C - Agenda for Change
AME – (WG) Annually Managed Expenditure	AQF – Annual Quality Framework	AWCP – All Wales Capital Programme
AP – Accounts Payable	AOF – Annual Operating Framework	ATMP – Advanced Therapeutic Medicinal Products
B		
B/F – Brought Forward	BH – Bank Holiday	
C		
C&V – Cardiff and Vale	CAMHS – Child & Adolescent Mental Health Services	CCG – Clinical Commissioning Group
C/F – Carried Forward	CHC – Continuing Health Care	Commissioned Services – Services purchased external to ABUHB both within and outside Wales
COTE – Care of the Elderly	CRL – Capital Resource Limit	Category M – category of drugs
CEO – Chief Executive Officer		
D		
DHR – Digital Health Record	DNA – Did Not Attend	DOSA – Day of Surgery Admission
D2A – Discharge to Assess	DoLS – Deprivation of Liberty Safeguards	DoH – Department of Health
E		
EASC – Emergency Ambulance Services Committee	EDCIMS – Emergency Department Clinical Information Management System	eLGH – Enhanced Local general Hospital
ENT – Ear, Nose and Throat specialty	EoY – End of Year	ETTF – Enabling Through Technology Fund
F		
F&T – Family & Therapies (Division)	FBC – Full Business Case	FNC – Funded Nursing Care
G		

GMS – General Medical Services	GP – General Practitioner	GWICES – Gwent Wide Integrated Community Equipment Service
GUH – Grange University Hospital	GIRFT – Getting it Right First Time	
H		
HCHS – Health Care & Hospital Services	HCSW – Health Care Support Worker	HIV – Human Immunodeficiency Virus
HSDU – Hospital Sterilisation and Disinfection Unit	H&WBC – Health and Well-Being Centre	
I	IMTP – Integrated Medium Term Plan	INNU – Interventions not normally undertaken
IPTR – Individual Patient Treatment Referral	I&E – Income & Expenditure	ICF – Integrated Care Fund
L		
LoS – Length of Stay	LTA – Long Term Agreement	LD – Learning Disabilities
M		
MH – Mental Health	MSK - Musculoskeletal	Med – Medicine (Division)
MCA – Mental Capacity Act		
N		
NCN – Neighbourhood Care Network	NCSO – No Cheaper Stock Obtainable	NICE – National Institute for Clinical Excellence
NHH – Neville Hall Hospital	NWSSP – NHS Wales Shared Services Partnership	
O		
ODTC – Optometric Diagnostic and Treatment Centre		
P		
PAR – Prescribing Audit Report	PCN – Primary Care Networks (Primary Care Division)	PER – Prescribing Incentive Scheme
PICU – Psychiatric Intensive Care Unit	PrEP – Pre-exposure prophylaxis	PSNC –Pharmaceutical Services Negotiating Committee
PSPP – Public Sector Payment Policy	PCR – Patient Charges Revenue	PPE – Personal Protective Equipment
R		
RGH – Royal Gwent Hospital	RN – Registered Nursing	RRL – Revenue Resource Limit

RTT – Referral to Treatment	RPB – Regional Partnership Board	
S		
SCCC – Specialist Critical Care Centre	SCH – Scheduled Care Division	SCP – Service Change Plan (reference IMTP)
SLF – Straight Line Forecast	SpR – Specialist Registrar	
T		
TCS – Transforming Cancer Services (Velindre programme)	T&O – Trauma & Orthopaedics	
U		
UHB / HB – University Health Board / Health Board	USC – Unscheduled Care (Division)	UC – Urgent Care (Division)
ULP – Underlying Financial Position		
V		
VCCC – Velindre Cancer Care Centre		
W		
WET AMD – Wet age-related macular degeneration	WG – Welsh Government	WHC – Welsh Health Circular
WHSSC – Welsh Health Specialised Services Committee	WLI – Waiting List Initiative	WLIMS – Welsh Laboratory Information Management System
WRP – Welsh Risk Pool		
Y		
YAB – Ysbyty Aneurin Bevan	YTD – Year to date	YYF – Ysbyty Ystrad Fawr



GIG
CYMRU
NHS
WALES

Bwrdd Iechyd Prifysgol
Aneurin Bevan
University Health Board

Audit, Finance and Risk Committee
3rd February 2022
Agenda Item: xx

Aneurin Bevan University Health Board

Audit, Finance and Risk Committee – Audit Recommendations Report

Executive Summary

Recognising the requirement to effectively track and monitor audit recommendations made by Internal and External Audit, the Health Board is proposing a mechanism to enable this to become effective and robust with reporting to the Audit, Finance and Risk Committee.

The Audit, Finance and Risk Committee is requested to consider and provide views on this proposed approach noting that this will be subject to further discussion and comment at Executive Team. It is anticipated that a final version and initial revised report on audit recommendations will be presented to the April 2022 Audit, Finance and Risk Committee meeting.

The Committee 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: Rani Mallison, Board Secretary

Report Author: Rani Mallison, Board Secretary

Report Received consideration and supported by :

Executive Team	N/A	Committee of the Board:	<ul style="list-style-type: none"> Audit, Finance and Risk Committee
-----------------------	------------	--------------------------------	--

Date of the Report: February 2022

Supplementary Papers Attached:

Appendix 1 – Outline procedure for management of Audit Recommendations

Purpose of the Report

The purpose of this report is to propose a procedure for the review, management and monitoring of Internal and External recommendations, received in to the Health Board.

Background and Context

The Health Board is required to receive, record and report progress on recommendations made by internal audit, Audit Wales, HIW and CHC. A database of all high level recommendations received from Internal Audit and Audit Wales reports has been established within the Health Board for a number of years.

Recently, a request from the Audit, Finance and Risk Committee to capture all recommendations (high, medium and low) and track progress against each of these was made. In order to do this, a robust procedure is proposed to the Committee to enable

this request to be realised and serve as a benefit to the Health Board and further strengthen risk management arrangements. This report and attached procedure attempts to outline the proposed arrangements to undertake this systematically and effectively.

The Health Board recognises that further development and enhanced tracking mechanisms need to be established in order to fully implement and realise the benefits of agreed and endorsed audit recommendations.

A detailed and comprehensive overview of the proposed procedure and associated flow charts is included as part of this paper in **Appendix 1**.

Recommendation & Conclusion

The Committee is requested to comment on the first draft procedure and subject to further comment from Executive Team, receive the initial revised report on Audit recommendations at the April 2022 meeting along with a final version of the Internal/External Audit Recommendations procedure.

Supporting Assessment & Additional Information

Risk Assessment (including links to Risk Register)	The monitoring and reporting of organisational risks are a key element of the Health Boards assurance framework.
Financial Assessment (including value for money)	This report has no financial consequence although the mitigation of risks or impact of realised risks may do so.
Quality, Safety & Patient Experience Assessment	This report has no QPS consequence although the mitigation of risks or impact of realised risks may do so.
Equality & Diversity Impact Assessment (including child impact assessment)	This report has no Equality and Diversity impact.
Health & Care Standards	This report contributes to the good governance elements of the H & CS.
Linked to Integrated Medium Terms Plan & Corporate Objectives	Not applicable to the report, however, good governance is implicit within the IMTP
The Wellbeing of Future Generations (Wales) Act 2015 – 5 ways of working	Not applicable to the report, however, considerations will be included in considering the objectives to which the risks are aligned.
Glossary of Terms	None
Public Interest	Report to be published

PROCEDURE FOR THE MANAGEMENT OF AUDIT RECOMMENDATIONS February 2022

Purpose

The purpose of this Procedure is to set out the:

- requirement to have a comprehensive and considered management response and action plan in response to Internal and External Audit Reviews (signed off by the lead Executive Director);
- requirement for management responses and action plans to facilitate scrutiny and provide assurance that actions have been implemented in a robust and timely way;
- the role of the Audit, Finance and Risk Committee in:
 - receiving final Internal and External reports, alongside management responses and action plans;
 - being assured of the adequacy of the management response to issues identified by internal and external audit and the arrangements for monitoring respective actions going forward;
 - challenging the pace of delivery of actions and approving any changes to the agreed timescales of actions;
 - agreeing the frequency of monitoring based on the level of risk and priority of actions;
 - approving the closure of action plans;
- requirement to have one central point for the receipt, logging, tracking, monitoring and reporting of progress against internal and external audit reports.

The Role of the Board

As set out within Standing Orders, the Board is expected to set out explicitly, within a Risk and Assurance Framework, how it will be assured on the conduct of Health Board business, its governance and the effective management of the organisation's risks in pursuance of its aims and objectives. The Board shall set out clearly the various sources of assurance, and where and when that assurance will be provided, in accordance with any requirements determined by the Welsh Ministers.

In doing so, the Board shall ensure that its assurance arrangements are operating effectively, advised by its Audit Committee (established as the Audit, Finance and Risk [AFR] Committee).

The Board shall ensure the effective provision of an independent internal audit function as a key source of its internal assurance arrangements, in accordance with NHS Wales Internal Auditing Standards.

The Board will also seek assurance from the work carried out by external audit on the adequacy of the Health Board's assurance framework. However, that external assurance activity shall not form part of, or replace its own internal assurance arrangements, except in relation to any additional work that the Board itself may commission specifically for that purpose.

The Role of the Audit, Finance and Risk (AFR) Committee

The Codes of Conduct and Accountability for NHS Boards and the Code of Conduct for NHS Managers Directions 2006 [WHC (2006) 090] establishes the requirement for every NHS Board to establish an Audit Committee, and this has been incorporated into Standing Orders for Local Health Boards.

The Committee supports the Board by critically reviewing governance and assurance processes on which the Board places reliance. At the corporate level these will include a risk management system and a performance management system underpinned by an effective system of assurance.

The Committee's primary role is to ensure the system of assurance is valid and suitable for the Board's requirements. The Committee will review whether:

- The system of assurance is appropriate for the organisation;
- Processes to seek and provide assurance are robust and relevant;
- The controls in place are sound and complete;
- Assurances are reliable and of good quality; and
- Assurances are based on reliable, accurate and timely information and data.

In fulfilling its role, the Committee will rely on the organisation's internal arrangements and take into account audit work.

The role of Internal Audit

Internal Audit is a key source of independent internal assurance to the Board and Accountable Officer (Chief Executive Officer). The Internal Audit Standards for the NHS in Wales describe internal audit as an

independent, objective assurance and consulting activity designed to add value and improve an organisation's operations.

As such, its role embraces two key areas:

1. The provision of an independent and objective opinion to the Accountable Officer, the Board, and the Audit Committee on the degree to which risk management, control and governance support the achievement of the organisations agreed objectives; and
2. The provision of an independent and objective consultancy service specifically to help line management improve the organisation's risk management, control and governance arrangements.

The NHS Wales Internal Audit Standards provide an essential reference source for the Audit Committee in understanding what it can expect from internal audit and also when assessing the service provided.

To support the system of assurance, Internal Audit will develop a risk based annual internal audit plan which details all the audit reviews to be undertaken in the coming financial year.

The Role of External Audit

The Auditor General for Wales (the Auditor General) is the external auditor of NHS Wales. The statutory duties of the Auditor General in respect of individual NHS bodies fall under two broad headings – to review and report on:

- The audited body's financial statements, and on its Annual Governance Statement; and
- Whether the audited body has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

The external audit role is exercised in accordance with statutory provisions and the work of external auditors is subject to 'the Auditor General's Code of Audit Practice' and 'the Statement of the responsibilities of the Auditor General for Wales and of the bodies that he or she audits'.

The Auditor General's representatives (the External Audit Team) will develop an annual audit plan designed to deliver a safe opinion on the accounts and to enable the Auditor General to draw conclusions on whether the NHS body has made proper arrangements for securing economy, efficient and effectiveness in its use of resources. In developing the annual audit plan the Auditor General's representatives will take into account the audit needs of the organisation, using a risk-based approach.

Audit Reports and Management Responses/Action Plan

For each review in both the internal and external audit plans, an audit report will be issued which includes an assurance opinion on how effective the internal controls are in the scope of that review.

Draft reports are issued to management to support discussion and a review for factual accuracy. Management responses and responding action plans are then developed, particularly in response to any recommendations that may have been made.

When developing the management response and action plan, management must ensure consideration is given to the capacity and costs required to deliver the actions and any associated risks. Where actions require capital investment, consideration also must be given to managing the risk in the interim as capital funding to enable progress may not be available within the timescales committed to in the management response. In these circumstances, other action should be taken to manage the risk which must also be detailed in the action plan and, where appropriate, be added to operational risk registers.

There may also be occasions where recommendations fall outside the gift of the division/service/team audited to implement and therefore other functions within the Health Board, for example corporate teams such as IT or Estates, will be required to develop appropriate actions for management responses, and be responsible for the delivery of these.

Management responses must:-

- Respond directly to the finding and its recommendation(s);
- Provide specific actions that the Health Board commits to take to correct the finding;
- Exclude information that is not pertinent to the finding or its corrective action plan;
- Identify a specific individual for the implementation of an action;
- Provide a specific and realistic timetable for implementation; and
- Be SMART (Specific, Measurable, Achievable, Realistic, with a clear timeframe);
- Approved by the relevant Executive Director prior to finalising with internal or external audit.

Once the management response and action plan has been approved by the relevant Director and has been accepted by the respective audit team as addressing the risks and the timescales are acceptable, the report is issued as final.

A copy or summary of each report is then presented to the Audit Committee at its next available meeting. The Committee will be required to know the level of assurance that has been given, the recommendations for improvement that have been made to management, and the

management response. In this way the Committee will receive prompt notification of internal audit findings and assurances.

A flowchart setting out the process for the management of audit reports when issued is set out at **Appendix A**.

Monitoring Implementation of Audit Recommendations

An important responsibility of the Audit Committee is to monitor the implementation of agreed audit recommendations. The Audit Committee should ensure the organisation adopts a robust process for monitoring the implementation of agreed audit recommendations and that regular progress reports are provided to the Committee identifying any that have not been implemented within agreed timescales.

The process for monitoring and reporting progress against the implementation of internal and external audit recommendations within the Health Board will be led by the Board Secretary.

The key principles associated with the monitoring of audit recommendations include:

- Audit Recommendations will be added to the Audit Recommendations Tracker, once the final Audit Report has been received by the Audit Committee;
- Executive Directors will be responsible for respective audit recommendations and ensure oversight of progress within respective teams;
- The Audit Committee will monitor progress against the implementation of all audit recommendations, regardless of priority rating (high, medium and low), as set out in **Appendix B**;
- Executive Directors, with their teams, will be asked to update on progress against the implementation of audit recommendations as the completion date arises and an update will be reported to the next meeting of the Audit Committee;
- Executive Directors will be responsible for approving the closure of audit recommendations, which will be subject to the ratification of the Audit Committee;
- The Audit Committee will focus its attention at each meeting on those recommendations that are overdue past the original agreed timeframe for completion, those that have been closed during the last reporting period which require ratification and the number of audit recommendations that are not yet due for completion;
- Both the Executive Team and the Audit Committee will undertake an in-depth review of the Audit Recommendation Tracker twice-yearly;
- The Audit Committee will be asked to approve the revision of any previously agreed dates within action plans, on the advice of internal or external audit;

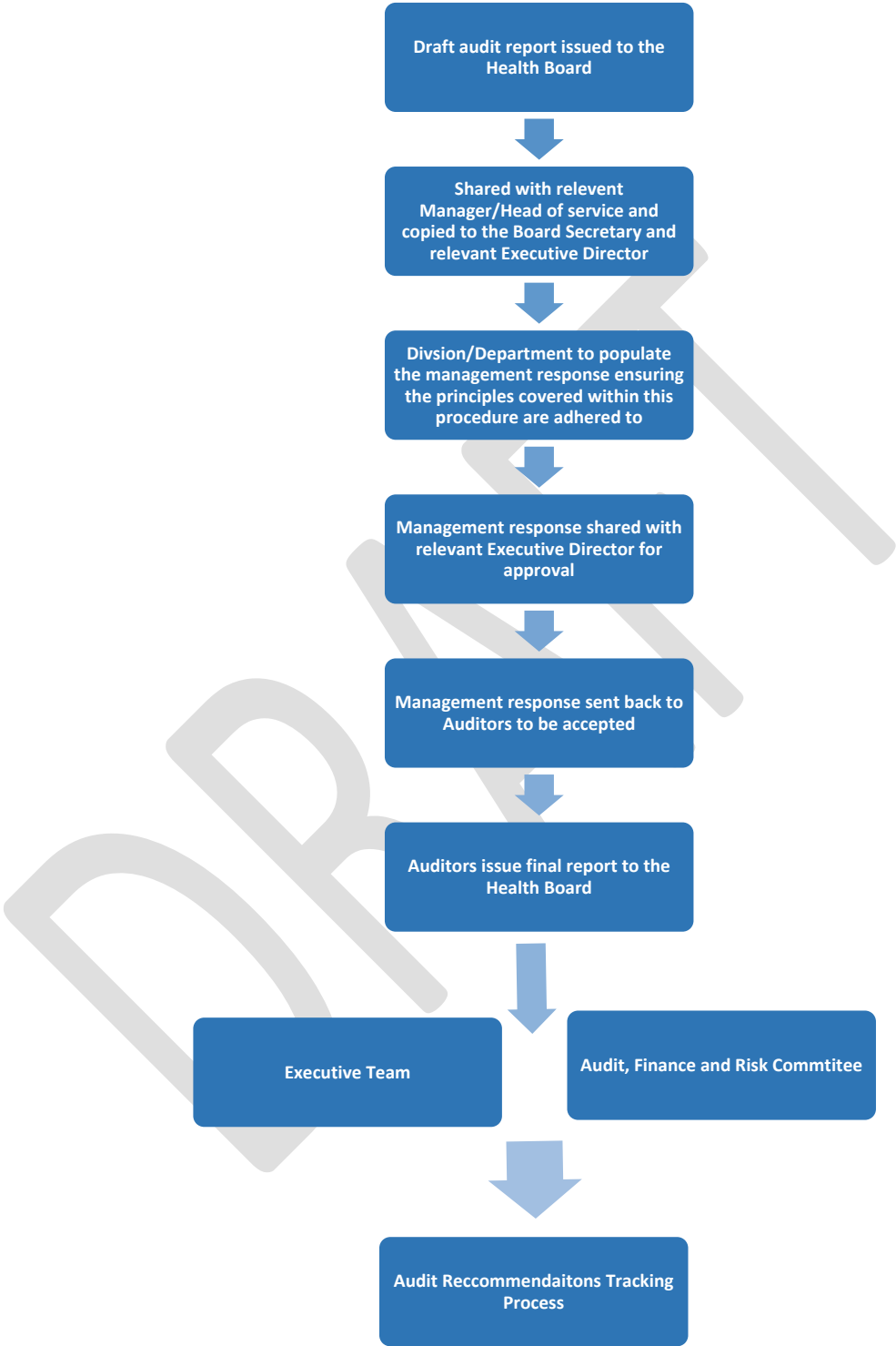
- Internal and External Audit Teams will assess the position against previous audit recommendations as part of any relevant follow-up audit work.

Where the Audit Committee or Head of Internal Audit/External Auditor are concerned about the lack of implementation of audit recommendations in a particular area, the Committee has the authority to invite the respective Director to attend and provide an update. This will be with a view to ensuring risks and identified weaknesses in internal control are mitigated, recognising that the initial action plan will have been approved by management.

DRAFT

Appendix A

Audit Report Management Response and Actions Plans



Prioritisation of Audit Recommendations

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



GIG
CYMRU
NHS
WALES

Bwrdd Iechyd Prifysgol
Aneurin Bevan
University Health Board

Audit, Finance and Risk Committee
3rd February 2022
Agenda Item: xx

Aneurin Bevan University Health Board

Audit, Finance and Risk Committee - Strategic Risk Report

Executive Summary

This report provides an overview of the profile of the current most significant risks to be reported to the Audit, Finance and Risk Committee (AFRC). The risks reflect the continuing challenges of the COVID pandemic along with restart and recovery of previously paused operational services and ongoing uncertainties related to Variants of Concern (VoC).

The report also provides an update in respect of:

- National Once for Wales (OfW) development of a risk management specific module;
- Continued embedding of the Risk Management Strategy and associated delivery framework within operational and Divisional teams;
- Current, high level, status of all strategic risks; and,
- Update position of previous internal and external audit recommendations.

The AFR Committee is asked to note this report for assurance.

The Committee 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: Rani Mallison, Board Secretary

Report Author: Danielle O'Leary, Head of Corporate Services, Risk and Assurance

Report Received consideration and supported by :

Executive Team

N/A

Committee of the Board:

- **Audit, Finance and Risk Committee**

Date of the Report: 15th January 2022

Supplementary Papers Attached:

Appendix 1 – Summary of Risk Profiles Routinely Reported to AFR Committee.

Purpose of the Report

This report is provided for assurance purposes and seeks to provide a summary of the current key risks which encompass the Corporate Risk Register and form the strategic risk profiles for the Health Board.

Background and Context

In conjunction with the revised Board Assurance Framework (BAF) and the revised Risk Management Approach, the Health Board is able to review and assess its strategic risks against achievement of objectives as set out in the Annual Plan 2021/22.

This report provides the Audit, Finance and Risk Committee with an opportunity to review the organisational strategic risks which receive oversight across all Committees and the Board.

The Health Board utilises the All Wales Risk Matrix to assess the potential impact and likelihood of occurrence of all predicted risks to form an overall risk score. Risks may then be tolerated, treated, transferred or terminated in line with the Health Board Risk Management Strategy.

Assessment & Overview of Current Status

Revised Risk Management Approach and Update on National OfW Risk Module

The revised risk management approach remains in the embedding phase throughout the organisation. Continued engagement throughout the organisation has taken place to strengthen the utilisation of the Health Board’s internal electronic risk management system (DATIX). This is being driven, informed and underpinned by the National work being undertaken by Once For Wales to develop a dedicated and specific Risk Management module. It is anticipated that the electronic risk management system will form one of the key sources of business intelligence in respect of identification and escalation of operational risk, in conjunction with Executive level horizon scanning led risk identification. The ‘go live’ date for implementation for the OfW risk module remains as April 2022 however some other Health Boards in Wales have recommended an extension to this time frame to understand further the amount of work and impact this may have to existing reporting structures and risk reporting. A comprehensive implementation plan is being developed to be tracked, monitored and evaluated at the Health Board’s OfW project implementation group meeting and will report, by exception, to the Committee.

Divisional and Operational Risk Management Development

Further development work alongside Divisions continues to be undertaken to ensure risks are being captured on the system appropriately and consistently in terms of scoring, risk assessment and descriptors. This work is underpinned and supported by Executive Team which provides an overarching position in relation to each risk area. In parallel to horizon scanning, strategic risk identification, the Health Board’s risk management approach and infrastructure, is continually improving.

Current Status

There are currently **23** Organisational Risk Profiles, of which **15** form Principal Risks due to the scoring being 15 or greater and are included within the Board Assurance Framework. The following table provides a breakdown of the risks and level of severity:

High	15
Moderate	6
Low	2

A high-level breakdown dashboard of all strategic risks including, current score, target score, risk appetite level, risk treatment and trend since last reporting period is included at **Appendix 1**. The overview of the Corporate Risk Register was considered and reviewed by the Board at its meeting on 26th January 2022. De-escalations, removals and re-framing of risk profiles, recommended within the Board report was endorsed and the current overview reflects these changes.

Detailed risk profiles for which the Committee provides oversight (**6 profiles in total**), are appended to this report at **Appendix 2**.

We will be actively working to review risk targets to ensure realistic and as far as possible; set within the context of the Board's appetite for risk.

Progress Against Previous Internal and External Recommendations

In the financial year 2018/19 the Health Board received a **Reasonable Assurance** Internal Report which was received by the Committee in **July 2019**. The Health Board also received the **2019 Structure Assessment** at the **February 2020 Audit Committee** meeting. The following table extracts the recommendations previously suggested from Internal Audit in 2019 and Audit Wales Structure Assessment 2019 (*specifically, recommendations on Board Assurance and Risk*) to further enhance the risk management function within the Health Board and provides a position against each:

Internal/External Audit Recommendation	Recommendation and Implementation Status	Action Undertaken and Current Position
<p>(IA 2019) We recommend that the areas where audit testing has identified an apparent lesser level of management review of risk ensure that discussions regarding the review of risk at divisional management meetings are both taking place and are recorded.</p> <p>In addition, the Health Board should review the level of scrutiny applied to risk in Board sub-committees in order to ensure greater consistency.</p>	Medium – Partially Implemented	<p>The Head of Risk and Assurance forms a core member of the Quality, Patient Safety Operational Group where all Divisional risks and concerns are reported on a bi-annual basis and also attends the Healthcare Systems Leadership Group to encourage engagement with Divisional Directors.</p> <p>Good practice has been promoted and a revised divisional template was developed and circulated in 2021 to all divisions to encourage a consistent approach. In addition to this continued liaison with Divisions at QPS and Divisional Management Team meetings has been undertaking specifically on the revised risk management approach and</p>

		<p>to offer support and guidance in respect of corporate risk management practice.</p> <p>Six monthly reviews are undertaken on Divisional risk registers and the Head of Risk and Assurance has a dashboard overview on DATIX of all Divisional risk registers and is able to dissect this by theme or Health and Care Standard.</p> <p>A Health Board wide, internal training programme with key milestones to delivery, will be led and developed by the Head of Risk and Assurance.</p>
<p>(IA 2019) We recommend that prescribed divisional risk register formats and key content requirements are re-iterated to Executive leads and that divisional and directorate registers are brought into line with corporate requirements.</p> <p>The specific points identified in the finding above should be taken in to account and addressed as part of the continuing development work being undertaken by the Health Board.</p>	<p>Medium – Completed with further development work planned</p>	<p>This message has consistently been communicated with Divisions and further development of the DATIX fields on the current DATIX system has been undertaken to strengthen alignment with corporate templates e.g. organisational/divisional objectives/priorities has been added to DATIX to encourage staff inputting risks on registers to consider the achievement of local objectives when framing mitigating action.</p> <p>The risk managers community of practice includes consistency of reporting as part of its work-plan for 2022.</p>
<p>(R1 Structured Assessment 2019)The risks to delivering the IMTP service change plans (SCPs) and the high impact priorities extrapolated from the IMTP strategic priorities have not been clearly articulated in a board assurance framework (BAF). The Health Board should:</p> <ul style="list-style-type: none"> a) Complete the development of a BAF by March 2020 and in doing so look to see how other NHS organisations in Wales construct theirs and consider whether the approach can be adapted; and b) Clearly articulate and document risks to delivering the SCPs and high impact priorities as part of the IMTP refresh for 2020/21 in a BAF. 	<p>Partially Implemented with further development work planned</p>	<p>All risks within the Corporate Risk Register have been mapped to a strategic priority (ies) including Clinical Futures priorities and priorities outlined within the Health Board annual plan 2021/22. This Health Board principle has been encouraged across all Divisions, specifically when the Head of Risk and Assurance has been delivering presentations and updates on the OfW programme work and the revised Risk Management Strategy and approach.</p> <p>Significant work was undertaken to review and revise the BAF in 2021 to align all principal risks (scoring >15) to strategic priorities. An assessment of assurance levels (internal, external and gaps in assurance) has been included as part of the latest iteration of the BAF (Nov 2021).</p> <p>A recent shift at Committee agenda setting meetings to focus on risks which receive oversight from the Committee has occurred. This will ensure that the BAF is used to drive the business of the Board and the Committees in future and will ensure the Committees are fully appraised of pivotal risks to delivery of Health Board objectives as identified in the IMTP. This will also be reflected in Board and Committee work plans.</p> <p>Further risk stratification work for the revised IMTP 2022/23 has been initiated and will be reflected in the revised BAF for submission to March 2022 Board.</p>

<p>(R2 Structured Assessment 2019) There is scope to improve the quality of the CRR. The Health Board should review the CRR by end of March 2020 to ensure it clearly articulates cause and effect, reduces overlap between controls and mitigating actions, specifies controls such as policies and procedures, aligns assurances to controls, indicates whether mitigating action is effective and includes timescales to monitor progress.</p>	<p>Partially Implemented with further development work planned</p>	<p>The CRR is regularly reviewed and updated when updates are submitted. Ongoing challenge and support with risk owners and operational colleagues who inform the detail of the risk updates, has taken place when risk profiles have been updated. Further developments such as Divisional templates for submission to QPSOG to ask for specific policies and procedures to inform internal controls and alignment to local objectives have also been distributed.</p>
<p>(R3 Structured Assessment 2019) The Health Board should include information on the effectiveness of risk mitigation in its Board updates.</p>	<p>Partially Implemented with further development work planned</p>	<p>A 'proof of concept' report was presented to the Board as part of the mid-year review of the BAF. The report outlined the efficacy of internal controls in relation to in-patient falls data and was supported by performance data from across all acute Health board sites. The Board endorsed this approach and it was agreed that further work around an outcomes framework to demonstrate control and mitigation efficacy would be developed. This discussion remains ongoing within the Health Board.</p> <p>This requirement of effectiveness of controls is also clear on the revised divisional risk template for submission at QPSOG, asking Divisions to link to performance data wherever possible.</p>

Development Plan and Next Steps

In line with the work plan for the Risk Managers Community of Practice; probable recommendations from Internal Audit and Audit Wales Structured Assessment, the Health Board proposes the development of a plan to strengthen and fully realise the Risk Management Strategy. This will be a separate paper and will be presented to the Audit, Finance and Risk Committee at its April 2022 meeting following internal clearance and endorsement.

Recommendation & Conclusion



The Committee is asked to note the content of this report for assurance purposes, recognising that there will be further iterative development work to embed the revised risk management approach across the organisation.

The Committee is also requested to note progress made to date on previous internal and external recommendations.





Supporting Assessment & Additional Information

<p>Risk Assessment (including links to Risk Register)</p>	<p>The monitoring and reporting of organisational risks are a key element of the Health Boards assurance framework.</p>
---	---


Financial Assessment (including value for money)	This report has no financial consequence although the mitigation of risks or impact of realised risks may do so.
Quality, Safety & Patient Experience Assessment	This report has no QPS consequence although the mitigation of risks or impact of realised risks may do so.
Equality & Diversity Impact Assessment (including child impact assessment)	This report has no Equality and Diversity impact but the assessments will form part of the objective setting and mitigation processes.
Health & Care Standards	This report contributes to the good governance elements of the H & CS.
Linked to Integrated Medium Terms Plan & Corporate Objectives	The objectives will be referenced to the IMTP
The Wellbeing of Future Generations (Wales) Act 2015 – 5 ways of working	Not applicable to the report, however, considerations will be included in considering the objectives to which the risks are aligned.
Glossary of Terms	None
Public Interest	Report to be published

Risk ref and Descriptor	Current Score	Target Score (informed by Appetite level)	Risk Appetite Level	Managed to Agreed Level Y/N?	Risk Treatment	Date and Trend Since Last Reporting Period	Assurance/ Oversight Committee	Risk Owner
CRR019 Failure to meet the needs of the population who require high levels of emergency supportive care and inability to release ambulances promptly to respond to unmanaged community demand. (re-framed Dec 2021)	20	15	<p>Low level of risk appetite in relation to patient safety risks.</p> <p>Moderate levels of risk with regard to innovation around mitigations to prevent demand and better manage the demand.</p>	No	<p>Treat the potential impacts of the risk by using internal controls.</p> <p>Tolerate the impacts of some mitigations and acknowledge that some may not work.</p>	<p>(Jan 2022 Board)</p> 	PQSO	Director of Operations
CRR002 Failure to recruit and retain staff across all disciplines and specialties leading to adverse impacts on delivery of care to patients across acute and non-acute settings and non-compliance with safe staffing principles and standards (re-	20	10	<p>Low level of risk appetite in relation to potential patient safety risks.</p> <p>Moderate levels of risk with regard to innovation and changing roles to attract more staff and deliver services in different ways through new roles.</p>	No	<p>Treat the impact of the risk by using internal controls.</p>	<p>(Jan 2022 Board)</p> 	P&C	Director of Workforce and OD

Appendix 1 – Audit Finance and Risk Committee, Strategic Risk Report

framed Jan 2022)								
CRR013 Failure to prevent and control hospital and community acquired infections to include COVID-19	15	10	Zero or low due to patient safety and quality of service.	No	Treat the potential impacts of the risk by using internal controls.	(Jan 2022 Board) 	PQSO	Director of Nursing
CRR020 Failure to implement WCCIS leading to inaccessibility of essential patient information.	20	15	High level of appetite for risk on this areas to innovate in the area of digital technologies. Low level risk appetite for the realisation of this risk and to maintain patient safety.	No	Treat the potential impacts of the risk by using internal controls.	(Jan 2022 Board) 	AFR	Director of Planning, Digital and ICT
CRR023 Potential risk to population health in relation to avoidable harm due to priority being given to management of the COVID pandemic.	20	20	Zero or low level of risk appetite in terms of protecting patient safety and the quality of services. Moderate level of risk appetite in relation to different ways of working to address backlog. This would include the use of technologies and innovations.	Yes	Treat the potential impacts of the risk by using internal controls. Tolerate the impacts of some mitigations and acknowledge that some may not work.	(Jan 2022 Board) 	PQSO	Director of Operations
CRR007 Inability to reflect demands of an increasingly aging population.	16	12	Zero or low level of risk appetite in terms of protecting patient safety and the quality of services. Moderate level of risk appetite in relation to some risk controls and mitigations is required due to interdependencies with partner organisations.	No	Treat the potential impacts of the risk by using internal controls. Tolerate the impacts of some mitigations and acknowledge that some may not work and some are out of the Health Board's control.	(Jan 2022 Board) 	PQSO	Director of Primary, Community and Mental Health Services & Director of Public Health and Strategic Partnerships





Appendix 1 – Audit Finance and Risk Committee, Strategic Risk Report

CRR010 Inpatients may fall and cause injury to themselves.	15	10	Zero or low in the interests of patient safety.	No	Treat the potential impacts of the risk by using internal controls.	(Jan 2022 Board) 	PQSO	Director of Therapies and Health Science
CRR027 Effectiveness of COVID vaccination and booster programme compromised leading to a Variant of Concern	25	20	Moderate risk appetite level will need to be applied to this risk profile, given the unpredictability of the potential of variants of concern. The Health Board will ensure that it can behave appropriately to address the risk, should it materialise however, emergence of a variant of concern is beyond the Health Board's control.	No	Treat the potential impact of the risk with mitigations. Tolerate the unpredictable element of the VoC and other mutations.	(Jan 2022 Board) 	PQSO	Director of Public Health and Strategic Partnerships
CRR028 Continued inappropriate admissions of Children and Young People to adult mental health in-patient beds.	20	10	Low risk appetite level in relation to patient safety and experience. Moderate level risk appetite would be encouraged in order to explore more innovative ways of managing this risk alongside Health Board partners.	No	Treat the potential impacts of the risk by using internal controls.	(Jan 2022 Board) 	PQSO	Director of Primary, Community and Mental Health Services
CRR030 Limited contact with public and NHS services in addition to clinical deployment to support Public	16	5	Low risk appetite in this area due to potential impact on quality, experience and patient outcomes.	No	Treat the potential impacts of the risk by using internal controls.	(Jan 2022 Board) 	PQSO	Director of Nursing



Appendix 1 – Audit Finance and Risk Committee, Strategic Risk Report

Health Mass Vaccination programme contributing to a compromised Safeguarding position (re-framed to reflect DoLs position) *links to Workforce risk – CRR002								
CRR001 High levels of seasonal influenza	8	8	<p>Low level of risk appetite in relation to patient experience.</p> <p>Moderate levels of risk appetite can be applied to pursue innovative models and technologies to encourage uptake.</p>	Yes	<p>Treat the potential impacts of the risk by using internal controls.</p> <p>Tolerate the impacts of some mitigations and acknowledge that some may not work.</p> <p><i>Managed within agreed risk appetite level, therefore proposed to remove as a strategic risk and continue to be managed locally.</i></p>	(Jan 2022 Board)	PQSO	Director of Public Health and Strategic Partnerships
CRR003 Mental Health services will fail to meet the anticipated increased demand of the Health Board population, for Mental Health support, in light of the COVID 19 pandemic.	12	8	<p>Low risk appetite level in the interests of patient safety.</p> <p>Moderate risk appetite levels will need to be taken to explore further innovations and appropriately reconfigure services and implement new arrangements.</p>	No	<p>Treat the potential impacts of the risk by using internal controls.</p> <p>Tolerate the impacts of some mitigations and acknowledge that some may not work.</p>	(Jan 2022 Board)	PQSO	Director of Primary, Community and Mental Health Services





Appendix 1 – Audit Finance and Risk Committee, Strategic Risk Report

CRR026 Risk to the general population and patients already within our services, due to less than adequate surge capacity to address any further exponential increase in pandemic response. *links to Workforce risk – CRR002	20	5	Low risk appetite level will be applied.	No	Treat the potential impacts of the risk by using internal controls.	(Jan 2022 Board) 	PQSO	Director of Operations
CRR004 Failure to comply with WBoFG Act and Socio-Economic Duty	4	4	Low to Moderate - Risk appetite in this area is low in terms of compliance with the Legislation. However, further innovation is required to develop new approaches and ways of working therefore, risk appetite in this area is defined at a moderate level.	Yes	Treat the potential impacts of the risk by using internal controls. Take Opportunities and use positive risk management to realise efficiencies, better ways of working and realise our long-term strategic aims.	(Jan 2022 Board) 	AFR	Director of Public Health and Strategic Partnerships and Board Secretary
CRR017 Partial or full failure of ICT infrastructure and cyber security	15	12	Low appetite in relation to adverse impact on Quality, Safety. Moderate to High level risk appetite for innovating to identify digital ICT system solutions.		Treat the potential impacts of the risk by using internal controls.	(Jan 2022 Board) 	AFR	Director of Planning, Digital and ICT
CRR016 Achievement of Financial Balance	4	4	Low level of risk appetite in relation to the Health Board's financial statutory requirements. However responding to COVID 19	Yes	Treat the potential impacts of the risk by using internal controls.	(Jan 2022 Board) 	AFR	Director of Finance and Procurement


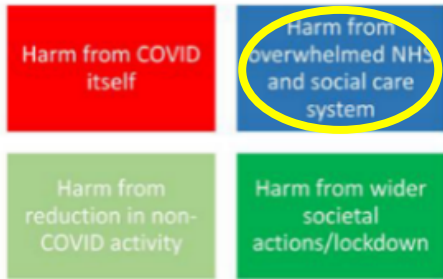
Appendix 1 – Audit Finance and Risk Committee, Strategic Risk Report

			implications and maintaining safe services take precedence.					
CRR012 Inability to address health inequalities across the population leading to increased dependency on Health Board services in the longer term and impacts ability of achievement of strategic aims/objectives. (re-framed Dec 2021)	12	4	<p>Low risk appetite in terms of patient safety and services.</p> <p>Moderate risk appetite with regard to innovation and developments in primary care and public health initiatives.</p>	No	Treat the potential impacts of the risk by using internal controls.	(Jan 2022 Board)	AFR	Director of Public Health and Strategic Partnerships
								
CRR008 Health Board Estate not fit for purpose (Re-framed Dec 2021)	15	15	<p>Low risk appetite in relation to adverse staff and patient experience due to poor Health Board estate.</p> <p>Moderate risk appetite with regard to innovation and developments across the Health Board estate.</p>	Yes	<p>Treat the potential impacts of the risk by using internal controls and continue to maintain the current position with ongoing monitoring and review.</p> <p><i>Although this has reached its target score, it is recommended that this risk continues to be monitored strategically as the impact/consequence should the risk be realised, is significant.</i></p>	(Jan 2022 Board)	AFR	Director of Operations
								
CRR032 Failure to achieve underlying	16	12	Low level of risk appetite in relation to the Health Board's financial statutory requirements.	No	Treat the potential impacts of the risk by using internal controls.	(Jan 2022 Board)	AFR	Director of Finance and Procurement

Appendix 1 – Audit Finance and Risk Committee, Strategic Risk Report

recurrent financial balance								
CRR033 (NEW RISK Dec 2021) Civil Contingencies Act Compliance	20	9	Low risk appetite in this area is low in terms of compliance with the Legislation.	No	Treat the potential impacts of the risk by using internal controls.	(Jan 2022 Board) 	AFR	Director of Planning, Digital and ICT
CRR021 Welsh Language Act Compliance	12	8	Low risk appetite in this area is low in terms of compliance with the Legislation.	No	Treat the potential impacts of the risk by using internal controls.	(Jan 2022 Board) 	P&C	Director of Workforce and OD
CRR025 Well Being of Staff and normalisation of risk	12	8	Low risk appetite in relation to adverse staff experience due to current and ongoing significant operational pressures.	No	Treat the potential impacts of the risk by using internal controls.	(Jan 2022 Board) 	P&C	Director of Workforce and OD

Applicable Strategic Priorities – Clinical Futures and Annual Plan 2021/22		Risk Description, Appetite and Decision		
This is an enabler risk which would impact on the Health Board’s ability to delivery against all of its strategic priorities.		<p>CRR033 (NEW RISK) – Threat Event: Widespread harm to Health Board staff and patients Threat Cause: Failure to comply with the full set of civil protection duties;</p> <ul style="list-style-type: none">Assess the risk of Emergencies occurring and use this to inform contingency planningPut in place Emergency plansPut in place Business Continuity Management arrangementsPut in place arrangements to make information available to the public about civil protection matters and maintain arrangements to warn, inform and advise the public in the event of an emergencyShare information with other local responders to enhance coordinationCooperate with other local responders to enhance coordination and efficiency <div>TREAT</div>		
High Level Themes	<ul style="list-style-type: none">ReputationalPublic & staff confidencePartnership workingPatient, Quality and Outcomes	Risk Appetite	LOW	
Committee Assurance	Internal Controls – Policies/Procedures	Risk Score		
Audit, Finance and Risk Committee.	<ul style="list-style-type: none">Plans & Policies that cover Pandemics, Major Incidents & Business Continuity Incidents.	Inherent <i>Risk level before any controls/mitigations implemented, in its initial state.</i>	Current <i>Risk level after initial controls/mitigations have been implemented.</i>	Target <i>Risk level after all controls/mitigations have been implemented and taking into consideration the risk appetite/attitude level for the risk.</i>


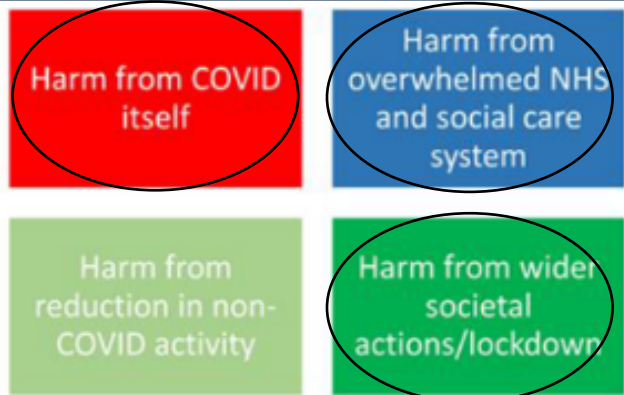
Action Plan <i>SMART actions that will positively impact on the risk and help achieve the target risk score or maintain it.</i>		Due Date	Likelihood	Consequence	Likelihood	Consequence	Likelihood	Consequence
			4	5	4	5		
<p>Further engagement with Divisions, Directorates and service areas to conduct BIA’s develop plans, exercise and review to mitigate the risks and threats to service delivery. This has progressed although due to service pressures, further activity is ongoing.</p> <p>Engagement commenced in July/August 2021 with Specialities, Departments and Wards to start the BIA process to record principle service activities or functions to assess the risk of not being able to provide the activity or service. This will be scored against impact and likelihood to provide a rational for score and RAG rate. Progress in some areas but some still in development.</p> <p>When Divisions, Directorates and Departments have completed this process, we will start to develop individual Business Continuity Plans to mitigate vulnerabilities or single points of failure. The high level plans will take into account, loss of; building/department, Staff, IT, Utilities and Procurement. Some of these plans are in place however others are yet to commence.</p>		April 2022	20		20		9	
		April 2022						
		April 2022						
Trend				Executive Owner: Director of Planning, Digital and ICT				
Mapping Against 4 Harms of COVID				Update				
				<p>January 2022: The COVID pandemic has highlighted the need for contingency plans to address business impact analysis assessments for high level risk to buildings, staff, ICT and services resulting from pandemic. The emergency planning team working with leads across the health board have progressed BIAs.</p> <p>Divisions have been requested to provide Business Continuity Management leads some returns have been received. Avenues will be explored to further capitalise on the risk manager community of practice forum and the interface between this and business continuity.</p> <p>Emergency Planning continually monitors any service impact leading from Brexit and COIVD.</p>				

Applicable Strategic Priorities – Clinical Futures and Annual Plan 2021/22		Risk Description, Appetite and Decision		
<ul style="list-style-type: none">Getting it right for children and young adultsSupporting adults in Gwent to live healthy and age wellProvide high quality care and support for older adultsStaying healthyCare closer to homeLess serious illness which require hospital care		<p>CRR008 (Nov 2021) – (Reframed)</p> <p>Threat Cause: The current Health Board estate is not fit for purpose</p> <p>Threat Event: Service delivery and patient experience is compromised</p> <div><div>TREAT</div></div>		
High Level Themes	<ul style="list-style-type: none">PartnershipResearch, Innovation Improvement ValueQuality and Patient SafetyPatient Outcomes and ExperienceFinancePublic Confidence	Risk Appetite	Moderate risk appetite with regard to innovation and developments across the Health Board estate. Low risk appetite in relation to adverse staff and patient experience due to poor Health Board estate.	
Committee Assurance	Internal Controls – Policies/Procedures	Risk Score		
Audit, Finance and Risk Committee	<ul style="list-style-type: none">6 Facet survey completed in 2019 and the Division is currently updating this to reflect the present position.The divisional risk register reviewed quarterly at SMB this is reported to QPSOG and risks escalated via this route.Multiple policies and SOPs published and communicated to staff.Stat and Mand training to include FIT testing on commencement of employment with the Division.Estates strategy completed in 2019/20 to align with the Clinical Futures program.Recently appointed an external authorising engineer for Water Management providing independent external audits.Robust internal training program in place covering all aspects of Estates management including food hygiene.Regular annual audits across all services conducted by NWSSP.	Inherent <i>Risk level before any controls/mitigations implemented, in its initial state.</i>	Current <i>Risk level after initial controls/mitigations have been implemented.</i>	Target <i>Risk level after all controls/mitigations have been implemented and taking into consideration the risk appetite/attitude level for the risk.</i>


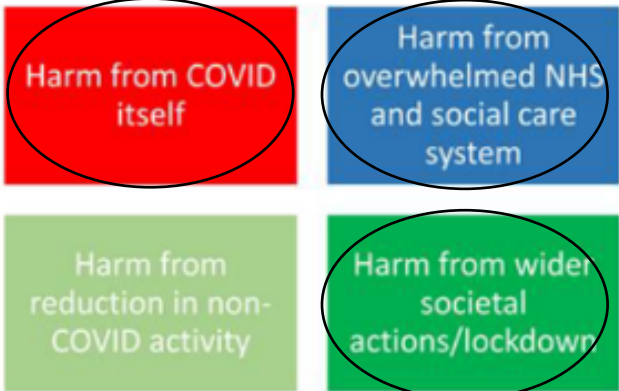
Action Plan <i>SMART actions that will positively impact on the risk and help achieve the target risk score or maintain it.</i>		Due Date	Likelihood	Consequence	Likelihood	Consequence	Likelihood	Consequence
			5	5	3	5	3	5
<p>Estates Prioritisation takes place annually to focus available investment.</p> <p>Plan for replacement Nurse Call Systems which is an additional Capital Requirement. PPD submitted but due to high cost will need to be costed and set up in priority order. Capital bid has been submitted for consideration of the replacement of obsolete Nurse Call systems throughout the Health Board.</p> <p>Additional services arranged to mitigate risk – external company introduced to complete flushing programme on infrequently used outlets. Additional sampling undertaken. Water Risk assessment brought forward for RGH. New contract set up for Water Risk Assessments – spec is now more specific and detailed than previous contracts. Alert to all divisions RE communication/notification with Estates on closures/re-opening of wards to ensure appropriate steps can be taken such as additional flushing and sampling prior to re-opening and during closures.</p> <p>External AE water currently being set up including further auditing by external organisation. The external AE now been appointed formally and has commenced.</p>		<p>Annual</p> <p>Capital bids reviewed monthly awaiting outcome</p> <p>This is carried out 3 x weekly</p> <p>Completed</p>	25		15		15	
Trend				Executive Owner: Director of Operations				
Mapping Against 4 Harms of COVID			Update					
			<p>Jan 2022:</p> <p>A recent paper was presented to Exec Team to request £820k per annum recurring to provide preventative measures to attempt to slow the Health Board estate deteriorating any further. The request was agreed and progress will be monitored and reviewed as part of the management of this risk, going forward.</p> <p>A paper to exec Team in Feb 2022 proposing solution to include a water safety team to strengthen current mitigations.</p> <p>Over the last 4 years the department has expanded the Health, Safety and Compliance Team to provide expert training and guidance on issues such as Legionella, asbestos and deliver statutory and mandatory training to all staff at all levels. The Division now has included statutory and mandatory training as part of the induction process, for all new starters, this includes FIT testing for masks. This will inevitably increase compliance in this area.</p> <p>A high emphasis is placed on food safety training. We recently employed an Environmental Health Officer to ensure compliance at a very high standard.</p>					

	<p>External training has been provided for high risk engineering areas i.e. Authorised person High Voltage, Medical Gas, Water Management, Ventilation and decontamination services. In addition to this specialist estate shared services have appointed all personnel to carry out these duties in writing; and also audit annually, each of these specialities.</p> <p>An upgrade of the liquid oxygen systems at NHH and RGH following the first wave of COVID which has effectively doubled our capacity to meet the increased demand.</p> <p>During the planning stage for GUH the site has 100% back up in respect of oxygen supplies.</p> <p>The current risk score reflects all actions undertaken in order to mitigate the critical risks. So the target for the Division will be to maintain this position, continuing to assess the opportunities to reduce the risk further with the progression and implementation of the Estates Strategy.</p>
--	---



Applicable Strategic Priorities – Clinical Futures and Annual Plan 2021/22		Risk Description, Appetite and Decision		
This is an enabler risk and therefore applies to all Health Board priorities		<div>CRR016 (Dec-2020) – Threat Event: Failure to achieve financial balance at end of 2021/2022. Threat Cause: Due to the COVID-19 Pandemic and the uncertainties and potential significant cost of the organisational response above IMTP/AOF planned levels.</div> <div>TREAT</div>		
High Level Themes	<ul style="list-style-type: none">• Reputational• Public confidence• Financial• Patient Outcomes	Risk Appetite	Low level of risk appetite in relation to the Health Board's financial statutory requirements. However responding to COVID 19 implications and maintaining safe services take precedence.	
Committee Assurance	Internal Controls – Policies/Procedures	Risk Score		
Audit, Finance and Risk Committee	<ul style="list-style-type: none">• Health Board Annual Plan 2021/22• Standing Financial Instructions (SFIs)• Health Board Standing Orders• Recurrent savings plans.• Regular monitoring at Executive Team reviewing level of deliverable recurrent savings along with assessing cost avoidance and deferred investments.• Health Board financial escalation processes.• Health Board Pre-Investment Panel (PIP) process.• IMTP/AOF Delivery Framework and Divisional Assurance meetings in place which will incorporate implementation of savings plans and delivery of service and workforce plans within available resources.• Financial assessment and review (as agreed at Board, regular monthly COVID and financial reports to Board and Welsh	Inherent <i>Risk level before any controls/mitigations implemented, in its initial state.</i>	Current <i>Risk level after initial controls/mitigations have been implemented.</i>	Target <i>Risk level after all controls/mitigations have been implemented and taking into consideration the risk appetite/attitude level for the risk.</i>

	Government) to incorporate financial impact of COVID-19. <ul style="list-style-type: none">Quarterly financial plan approach agreed.						
Action Plan <i>SMART actions that will positively impact on the risk and help achieve the target risk score or maintain it.</i>	Due Date	Likelihood	Consequence	Likelihood	Consequence	Likelihood	Consequence
<ul style="list-style-type: none">Plans submitted to Welsh Government include financial consequences of COVID-19 response as part of ongoing discussions to secure additional funding to meet Covid-19 spend.Ongoing discussion with Welsh Government with regard to clarifying Covid-19 allocations and 'recovery' funding allocations for this financial year.As new priorities emerge service, workforce and financial plans developed to identify financial risks and support funding discussions with Welsh Government (e.g. mass vaccination programme).		5	4	1	4	1	4
		20		4		4	
Trend			Executive Owner: Director of Finance and Procurement				
Mapping Against 4 Harms of COVID			Update				
			<p>January 2022 update:</p> <p>Additional Non–recurrent funding has been provided to ABUHB as part of the Sustainability funding issued by WG to support operating in a ‘COVID safe environment’. Additionally there are several other COVID-19 related funding streams supporting recovery and system pressures that have provided sufficient funding to support a forecast financial balance for 2021/22. There remains a risk that responding to uncertain pandemic implications may influence the financial costs to the end of the year.</p> <p>The implications of Omicron variant Covid-19 may impact on the spend patterns for ABUHB for quarter 4 – monthly financial reviews will monitor this and appropriate action considered.</p> <p>This risk profile has achieved the target score.</p>				


Applicable Strategic Priorities – Clinical Futures and Annual Plan 2021/22			Risk Description, Appetite and Decision							
This is an enabler risk and therefore applies to all Health Board priorities			CRR032 – Threat Event: Non-achievement of the Health Boards long term strategy. Threat Cause: Failure to achieve underlying recurrent financial balance. <div>TREAT</div>							
High Level Themes	<ul style="list-style-type: none">• Reputational• Public confidence• Financial• Patient Outcomes		Risk Appetite		Low level of risk appetite in relation to the Health Board's financial statutory requirements.					
Committee Assurance	Internal Controls – Policies/Procedures		Risk Score							
Audit, Finance and Risk Committee	<ul style="list-style-type: none">• Health Board Annual Plan 2021/22• Standing Financial Instructions (SFIs)• Health Board Standing Orders• Recurrent savings plans.• Regular monitoring at Executive Team reviewing level of deliverable recurrent savings along with assessing cost avoidance and deferred investments.• Health Board financial escalation processes.• Health Board Pre-Investment Panel (PIP) process.• Focus in IMTP planning process		Inherent <i>Risk level before any controls/mitigations implemented, in its initial state.</i>		Current <i>Risk level after initial controls/mitigations have been implemented.</i>		Target <i>Risk level after all controls/mitigations have been implemented and taking into consideration the risk appetite/attitude level for the risk.</i>			
Action Plan <i>SMART actions that will positively impact on the risk and help achieve the target risk score or maintain it.</i>			Due Date		Likelihood	Consequence	Likelihood	Consequence	Likelihood	Consequence
<ul style="list-style-type: none">• Using the new Health system Improvement framework for 2021/22 - to focus on the strategic priorities for sustainable system change, annual plan priorities should be delivered through this arrangement and will need to achieve service, workforce changes which improve the underlying financial position. E.g. Eye Care Pathway redesign, Outpatients redesign, MSK model redesign. Up-stream public health			Ongoing monthly review		20		16		12	

<p>and Mental Health schemes and leveraging GUH & Digital opportunities benefits. Use the Pre-Investment Panel to test major investment proposals. Only invest recurrently where recurrent funding is confirmed. Ongoing review of deliverable savings and opportunities for 2021/22 and for the 2022/23 IMTP.</p> <ul style="list-style-type: none">New approach established for 2021/22 with a 'Health Systems Leadership Group', AB Connect - a reconfigured Value/Innovation/ABCI/Research transformation group and investment in a Project Management Office to support system change at scale to deliver recurrent sustainable improvement and improve resource utilisation through service, workforce and financial planning for the health board.		Ongoing monthly review			
Trend			Executive Owner: Director of Finance and Procurement		
Mapping Against 4 Harms of COVID			Update		
			<p>January 2022 update:</p> <p>Additional funding from Welsh Government identified for 2022/23 for ABUHB of £32m recurrently to support recovery and other service pressures, subject to WG approval of proposals. As part of the agreed principles of the IMTP this funding needs to consider the unfunded service plans established to date as well as other high priorities identified by ABUHB as part of the IMTP.</p> <p>There should also be further recurrent savings and efficiencies developed and delivered. There should be a reasonable expectation of reducing the recurrent underlying deficit as we enter 2022/23 as part of OMTP planning.</p> <p>The 2022/23 IMTP is under development and the allocation letter for 2022/23 has been received from WG, current assessments identify a continuing underlying deficit, which will require a greater focus on recurrent savings, cost avoidance and prioritisation of service proposals.</p>		


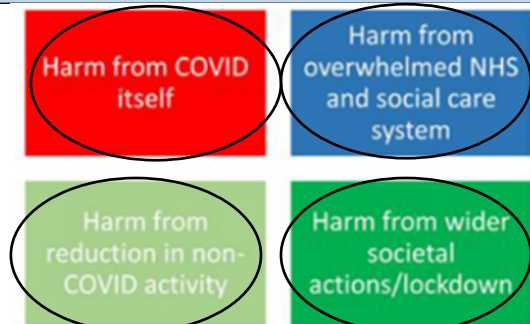
Applicable Strategic Priorities – Clinical Futures and Annual Plan 2021/22		Risk Description, Appetite and Decision		
<ul style="list-style-type: none">Enabler risk and links to all priorities		<p>CRR017 (Dec-2018)</p> <p>Threat Cause: Complete or partial failure of ICT systems to protect patient information (malware attack) across the Health Board (including independent contractors and partners) incorporating system outages, provided nationally by third parties or locally provided systems.</p> <p>Threat Event: Security of Patient, Staff or Health Board information is compromised leading to harm or damages.</p> <div><div>TREAT</div></div>		
High Level Themes	<ul style="list-style-type: none">PartnershipPatient Outcomes and ExperienceQuality and SafetyReputationalPublic confidenceFinance	Risk Appetite	Low appetite in relation to adverse impact on Quality, Safety, Outcomes and Experience however, moderate to high level risk appetite for innovating to identify digital ICT system solutions.	
Committee Assurance	Internal Controls – Policies/Procedures	Risk Score		
Audit, Finance and Risk Committee	<ul style="list-style-type: none">The Cyber Resilience NIS/CAF has superseded the local risk reviewCWS is being redesigned to be resilient to patching and allow for business continuity tests to be carried out without interrupting live service.Implementing relevant Capital schemes on the critical replacement programme.Regular vulnerability scans are undertaken.Anti-Virus, Firewall, Web filtering and other up to date threat management technologies.Operating system replacement plan	Inherent <i>Risk level before any controls/mitigations implemented, in its initial state.</i>	Current <i>Risk level after initial controls/mitigations have been implemented.</i>	Target <i>Risk level after all controls/mitigations have been implemented and taking into consideration the risk appetite/attitude level for the risk.</i>

Action Plan <i>SMART actions that will positively impact on the risk and help achieve the target risk score or maintain it.</i>		Due Date	Likelihood	Consequence	Likelihood	Consequence	Likelihood	Consequence
			4	5	3	5	2	5
<ul style="list-style-type: none">The team is waiting for the WG CRU to provide the baseline report for comment. This is expected Q4 21-22.The business continuity and disaster recovery plan is under review and expected to be completed in March 2022.Continue working with vendors for Log 4j patchesTemplar execs report received and considered by Executive team. Agreed immediate next steps and priority actions which will be shared at a Board briefing session (Nicola)		31 st March 22 31 st March 22 Ongoing 31 st May 2022	20		15		10	
Trend			Executive Owner: Director of Planning, Digital and ICT					
			<p>January 2022</p> <ul style="list-style-type: none">The WG Cyber Resilience Unit (CRU) has completed their assessment. ABUHB is waiting for the report to be received from WG CRUThe Cyber Resilience consultants have concluded their report and presented to an executive session. Next steps agreed with clear actions for next six months . The report and action plan will be shared via a Board briefing session.CWS high availability work is nearing completion with a target of Q4 21-22As part of our own Cyber Security team’s target operating model, internal vulnerability scanning is regularly undertaken to identify vulnerabilities in the estate and identify mitigating actions.A considerable effort was undertaken to identify and address the Log4j vulnerability when realised. 22/475 servers are affected by the vulnerability – 2 of these have solutions. The team are working with third party software vendors for patches to resolve the remaining issues. This will be monitored until completed.Inspection in weblinks in email has been implemented to enhance protection for staff from malicious email. <p>Mitigations are consistent with the previous update</p>					

Applicable Strategic Priorities – Clinical Futures and Annual Plan 2021/22			Risk Description, Appetite and Decision					
<ul style="list-style-type: none">Enabler risk and links to all priorities			<p>CRR020 – (May-2019) Threat Cause: Failure to implement Welsh Community Care Information System (WCCIS) Threat Event: Inability to access patient clinical information across all services, departments and partner organisations (such as Local Authority).</p> <div><div>TREAT</div></div>					
High Level Themes	<ul style="list-style-type: none">Patient Outcomes and ExperienceQuality and SafetyReputationalFinancialPublic confidence	Risk Appetite	There is a high level of appetite for risk on this areas to innovate in the area of digital technologies however, low level risk appetite to maintain patient safety. Therefore the Health Board will Treat this risk.					
Committee Assurance	Internal Controls – Policies/Procedures	Risk Score						
Audit, Finance and Risk Committee	<ul style="list-style-type: none">Risks managed at Local ABUHB & Regional Programme BoardsEscalation routes in place to ABUHB exec team, Regional Partnership Board and National Leadership BoardInternal audit carried out by NWSSP gave substantial assurance that arrangements to secure governance, risk management and internal control are applied effectively	Inherent <i>Risk level before any controls/mitigations implemented, in its initial state.</i>	Current <i>Risk level after initial controls/mitigations have been implemented.</i>		Target <i>Risk level after all controls/mitigations have been implemented and taking into consideration the risk appetite/attitude level for the risk.</i>			
Action Plan <i>SMART actions that will positively impact on the risk and help achieve the target risk score or maintain it.</i>	Due Date	Likelihood	Consequence	Likelihood	Consequence	Likelihood	Consequence	
<ul style="list-style-type: none">In conjunction with the national programme team and supplier, develop correction plan and secure a go LIVE date for MH&LD ServicesDiscuss contract extension with current ePEX supplier	February 2022	2	5	4	5	3	5	
		10		20		15		

<ul style="list-style-type: none">Review impact on later phases of the programme and realign implementation plan				
Trend since last reporting period			Executive Owner: Director of Planning, Digital and IT	
Mapping Against 4 Harms of COVID			Update	
<div><div>Harm from COVID itself</div><div>Harm from overwhelmed NHS and social care system</div><div>Harm from reduction in non-COVID activity</div><div>Harm from wider societal actions/lockdown</div></div>			<p>Jan 2021:</p> <p>Following a number of performance fixes, the national WCCIS platform has stabilised and therefore re-planning is underway for a March go LIVE for MH&LD services. Contract discussions are continuing with the current ePEX supplier with regards to an extension beyond March 2022 to support migration and sunset activities – this will ensure the ePEX system remains available for clinical use until WCCIS goes LIVE. A refresher training programme has been developed which will commence in February.</p>	

Applicable Strategic Priorities – Clinical Futures and Annual Plan 2021/22			Risk Description, Appetite and Decision					
<ul style="list-style-type: none">Getting it right for children and young adultsSupporting adults in Gwent to live healthy and age wellProvide high quality care and support for older adultsStaying healthyCare closer to homeLess serious illness which require hospital care			<p>CRR004 (Nov 2021) – (Reframed) Threat Event: The Health Board does not meet its statutory duty under the Well-Being of Future Generations (Wales) Act 2015 or the Socio-Economic Duty. Threat Cause: Non-compliance with relevant Legislative requirements.</p> <div><div>TAKE OPPORTUNITIES</div><div>TREAT</div></div>					
High Level Themes	<ul style="list-style-type: none">PartnershipResearch, Innovation Improvement ValueQuality and Patient SafetyPatient Outcomes and ExperienceHealth InequalitiesFinancialPublic Confidence	Risk Appetite		LOW/MODERATE - Risk appetite in this area is low in terms of compliance with the Legislation. However, further innovation is required to develop new approaches and ways of working therefore, risk appetite in this area is defined at a moderate level.				
Committee Assurance	Internal Controls – Policies/Procedures	Risk Score						
Audit Finance and Risk Committee	Programme Board in place to ensure the duties in the WBFA are applied across the organisation. Each Division has developed and agreed wellbeing objectives which have been signed off by Board and published. Organisational wellbeing objectives and PSB(s) wellbeing objectives reflected within the IMTP and Divisional Plans.	Inherent <i>Risk level before any controls/mitigations implemented, in its initial state.</i>		Current <i>Risk level after initial controls/mitigations have been implemented.</i>		Target <i>Risk level after all controls/mitigations have been implemented and taking into consideration the risk appetite/attitude level for the risk.</i>		
Action Plan <i>SMART actions that will positively impact on the risk and help achieve the target risk score or maintain it.</i>	Due Date	Likelihood	Consequence	Likelihood	Consequence	Likelihood	Consequence	
		3	4	1	4	1	4	
Internal Audit Report was completed in 2019 and reasonable assurance given, but a number of key recommendations are being taken forward including a refresh of the Programme Board governance arrangements.	Jan – 21	12		4		4		
	Dec-21							

Development work is underway to incorporate the statutory obligations of the Socio-economic Duty to the corporate reporting templates of the Health Board to emphasise the importance of the Duty across the organisation.					
Trend			Executive Owner: Director of Public Health and Strategic Partnerships and Board Secretary		
Mapping Against 4 Harms of COVID			Update		
			<p>Jan 2021: The Health Board is cognisant of its obligation to comply with the WBoFG act and the Socio-Economic Duty. There are plans to incorporate the single point of assessment against this Legislation into the Board and Committee reporting templates. Further development work is now required to appropriately evidence the compliance.</p> <p>Work to align organisational objectives to meet the WBoFG Act requirements and the Socio-Economic Duty has again been stopped due to the latest Omicron wave of COVID-19 and will recommence once normal business resumes.</p> <p>As this is a strategic compliance risk to the Health Board, opportunities exist to optimise compliance and create more effective ways of delivering our services and address population health inequalities through compliance with the Act and Duty.</p>		

Internal Audit Progress Report

Audit, Finance and Risk Committee

February 2022

Aneurin Bevan University Health Board

NWSSP Audit and Assurance Services



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



Bwrdd Iechyd Prifysgol
Aneurin Bevan
University Health Board



Contents

1. Introduction	3
2. Progress against the 2021/22 Internal Audit Plan	3
3. Summary of Findings	3
4. Other Activity	4
5. Proposed Changes to the Audit Plan	5
6. Delayed Audits	5
7. Recommendation	6
Appendix A: Progress against 2021/22 Internal Audit Plan	7
Appendix B: Audit Assurance Ratings	10

1. Introduction

The purpose of this report is to:

- highlight progress of the 2021/22 Internal Audit Plan for Aneurin Bevan University Health Board (the 'Health Board') to the February 2022 Audit, Finance and Risk Committee;
- provide an overview of other activity undertaken since the previous meeting;
- note that we have continued to risk assess the remaining audits to be delivered in order to provide a full Head of Internal Audit Opinion and the impact on the programme of internal audit work for the year (see sections 5 and 6 below);
- seek approval for the deferral of five audits (see section 5 below); and
- seek approval for the addition of an advisory review of the Continuing Healthcare (CHC) of Children.

2. Progress against the 2021/22 Internal Audit Plan

There are 37 individual reviews in the 2021/22 Internal Audit Plan including three GUH reviews, provision for follow-up work and a further three audits which are undertaken at NWSSP.

The table below details progress against the 2021/22 Internal Audit Plan.

Number of audits in plan:	37
Number of audits reported as final	12
Number of audits reported in draft	2
Number of audits in progress	13
Number of audits at planning stage	3
Number of audits not started	6
Number of audits deferred	1

The following report has been issued since the meeting of the Audit, Finance and Risk Committee on 2 December 2021:

AUDIT ASSIGNMENT	ASSURANCE RATING
Welsh Radiology Information System	Reasonable

Further information over the assurance ratings detailed above is included with Appendix B.

3. Summary of Findings

Limited assurance reports are considered by the Audit, Finance and Risk Committee in detail. The following summary provides the Committee with the main messages from the reasonable assurance report issued since the last meeting on 2 December 2021.

Welsh Radiology Information System (WRIS) (reasonable assurance)

We provided reasonable assurance that data held within the Welsh Radiology Information System (WRIS) is accurate, secure from unauthorised access and loss, and that the system is fully used and fits the needs of the service.

Whilst WRIS is provided by Digital Health and Care Wales (DHCW) we found governance arrangements in place, with representation from the Health Board. In addition, as the system is hosted within the Health Board, this has enabled changes to match any requirements. However, due to these arrangements the process for requesting changes is not efficient, with responsibilities and the flow of work requests not clear.

We also found WRIS is not currently meeting the needs of the Radiology service, with the manual inputting of requests and additional workarounds required. The Health Board has undertaken development to enable WRIS to better meet its needs, but there is still a lack of a full electronic request process.

We tested the database to ensure that it is securely hosted and found this to be the case, with access restricted appropriately. However, the current database version is SQL Server 2008, which is out of support and contains security vulnerabilities.

Furthermore, we confirmed that good controls over data entry are available in WRIS, with drop down lists to minimise the potential for user error and data quality reports to enable the retrospective identification of any errors. However, due to the level of manual inputting required we would expect to see a control to test the completeness of requests – i.e. that all patient requests have been inputted onto the system.

Finally, we found good continuity arrangements in place and work underway to ensure leavers from the Health Board no longer retain access to WRIS, with a couple of recommendations provided to enhance this further.

4. Other Activity

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

- monthly meetings between the Head of Internal Audit and Board Secretary;
- monthly meetings with the Director of Finance and Performance;
- Audit, Finance and Risk Committee pre-meeting with the Audit, Finance and Risk Committee Chair;
- meetings with the Chair and Chief Executive;
- review of action by the Health Board over the reimbursement of high cost medicines prescribed;
- review and advice over financial control procedures;
- audit scoping meetings; and
- liaison with senior management.

5. Proposed Changes to the Audit Plan

As we progress with the delivery of the 2021/22 Internal Audit Plan we continually assess which audits are critical to the provision of the annual Head of Internal Audit Opinion.

We have previously highlighted the difficulties in continuing to operate remotely and against the backdrop of the pressures experienced by the Health Board. We have therefore undertaken a further review of our remaining 2021/22 plan, in order to ensure that we continue to utilise managements' time and resources in the most appropriate way, whilst still being able to provide a flow of risk based assurance that culminates in a full Head of Internal Audit Opinion.

We had previously identified four audits that may not be appropriate for delivery as part of this year's Internal Audit Plan. As the operational pressures experienced by the Health Board increased towards the end of 2021, the challenge to deliver the existing work in progress intensified.

Since our initial assessment, we have identified one further audit (Catering) that is no longer appropriate to report on within this audit year.

We have grouped each of these audits towards the end of Appendix A and referenced the anticipated Audit, Finance and Risk Committee date as 'proposed deferral'.

We would like to formally request deferral of the following audits:

1. Catering;
2. Agile Working;
3. Monitoring Action Plans;
4. Clinical Futures – Care Closer to Home; and
5. Quality Framework.

In addition, an advisory report has been requested by the Executive Director of Nursing over a current area of concern. If approved by the Audit, Finance and Risk Committee we will commence an assessment of Continuing Healthcare (CHC) for Children during quarter four.

6. Delayed Audits

Due to operational pressures within the Health Board in response to the Omicron variant, delivering the booster programme and at the request of management, we have temporarily paused work on the following audits listed below. We still anticipate the delivery of these audits for inclusion within the Head of Internal Audit Opinion.

Audit	Current Status
Continuing Healthcare – MH & LD	Draft report issued 3 rd December 2021 and awaiting agreement of the report content. A follow-up meeting is scheduled for February 2022.
Falls Management	Formal debrief postponed until February 2022.
Operational Resumption of Services	Non-service meetings deferred until February 2022. Awaiting the provision of further information.
Flu Immunisation	Fieldwork delayed until March 2022.

7. Recommendation

The Audit, Finance and Risk Committee is invited to note the above and approve the deferral of the five audits and the commencement of Continuing Healthcare for Children.

Appendix A: Progress against 2021/22 Internal Audit Plan

Review	Status	Draft report date	Management Responses received	Rating	Summary of recommendations	Actual / Anticipated AFR Committee ¹
Corporate Governance	Planning					May
Risk Management	Work in progress					April
Financial Sustainability	Planning					April
Continuing Healthcare	Draft report	3 rd December		Limited		April
Flu Immunisation	Delayed					May
Mental Capacity Act	Final report	10 th September & 19 th October	25 th October	Reasonable	1 High, 3 Medium, 1 Low Priority	December
Gifts, Hospitality and Declarations of Interest	Final report	28 th July	30 th July	Reasonable	2 Medium Priority	August
Clinical Negligence Costs	Final report	8 th & 17 th November	22 nd November	Substantial	1 Medium, 1 Low Priority	December
Putting Things Right	Final report	3 rd & 20 th September	27 th September	Reasonable	2 Medium Priority	October
Charitable Funds	Final report	2 nd November	19 th November	Substantial	1 Medium Priority	December
Medical Equipment and Devices	Work in progress					April
Medicines Management (including Controlled Drugs)	Work in progress					April






Falls Management	Work in progress					April
Datix	Work in progress					May
NIS Directive	Work in progress					April
IT System Controls (WRIS)	Final report	8 th November	15 th December	Reasonable	1 High, 9 Medium Priority	February
Operational Plan for Resumption of Services	Work in progress					April
Flow Centre	Planning					May
Pathology	Final report	9 th November	24 th November	Reasonable	4 Medium, 6 Low Priority	December
Facilities Directorate Review	Work in progress					May
Occupational Health	Final report	27 th October	10 th November	Substantial	2 Low Priority	December
Tredegar Health and Well Being Centre	Final report	7 th October	21 st October	Reasonable	4 High, 6 Medium, 2 Low Priority	December
Waste Management	Work in progress					April
Decarbonisation	Deferred					N/A
GUH: Financial Assurance (Follow-up)	Final report	3 rd November	9 th November	Substantial	No findings	December
GUH: Technical Assurance	Final report	8 th November	10 th November	Substantial	1 Low Priority	December
GUH: Follow-up	Final	15 th October	18 th November	Reasonable	2 Medium Priority	December

	report				
GUH: Quality	Draft report	1 st & 20 th December	Reasonable	2 Medium Priority	April
Follow-up on Previous Recommendations	Work in progress				May
Catering	Not started				Proposed deferral
Agile Working	Not started				Proposed deferral
Monitoring Action Plans	Not started				Proposed deferral
Clinical Futures – Care Closer to Home	Not started				Proposed deferral
Quality Framework	Not started				Proposed deferral
Reviews at other bodies (undertaken within NWSSP Plan)					
Purchase to Pay	Work in Progress				TBC
Payroll	Work in Progress				TBC
PCS Contractor Payments	Work in Progress				TBC

¹ May be subject to change

Appendix B: Audit Assurance Ratings

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

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

Welsh Radiology Information System (WRIS)

Final Internal Audit Report

January 2022

Aneurin Bevan University Health Board

NWSSP Audit and Assurance



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



Bwrdd Iechyd Prifysgol
Aneurin Bevan
University Health Board



Contents

Executive Summary 3


1. Introduction..... 5

2. Detailed Audit Findings 5

Appendix A: Management Action Plan..... 11

Appendix B: Assurance opinion and action plan risk rating 21

Review reference:	AB-2122-20
Report status:	Final
Fieldwork commencement:	1 st August 2021
Fieldwork completion:	30 th October 2021
Draft report issued:	8 th November & 21 st December 2021
Debrief meeting:	3 rd November 2021
Management response received:	15 th December 2021
Final report issued:	17 th January 2022
Auditors:	James Quance, Head of Internal Audit Martyn Lewis, ICT Audit Manager Mair Evans, Principal Auditor
Executive sign-off:	Leanne Watkins, Director of Operations
Distribution:	Arvind Kumar, AGM Scheduled Care Caroline Parker, WRIS Manager
Committee:	Audit, Finance and Risk Committee



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

Acknowledgement

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

Disclaimer notice - please note

This audit report has been prepared for internal use only. Audit & Assurance Services reports are prepared, in accordance with the Service Strategy and Terms of Reference, approved by the Audit, Finance & Risk 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.

Executive Summary

Purpose

To provide assurance that data held within the Welsh Radiology Information System is accurate, secure from unauthorised access and loss, and that the system is fully used and fits the needs of the service.

Overview of findings

Key matters arising concerned:

- The system does not fully meet the Health Board needs.
- The database version is old, out of support and contains vulnerabilities.
- There is no process to ensure that all received requests are entered onto WRIS.
- There is no audit log of patient record access.
- There is no formal WRIS specific Disaster Recovery Plan.
- Backups are not being tested for validity.

Whilst we note the findings the Board has responded promptly to mitigate the risk and as a result we can provide reasonable assurance that the Board has adequate controls in place to support the WRIS system.

Report Classification



Reasonable assurance

Some matters require management attention in control design or compliance.
Low to moderate impact on residual risk exposure until resolved.

Assurance summary¹

Assurance objectives		Assurance
1	An appropriate governance process is in place for the system and changes	Reasonable
2	The system is fully utilised with all modules in use and fits the needs of the service	Limited
3	Appropriate control is maintained over the database	Limited
4	Input is authorised, complete, accurate, timely and input once only	Reasonable
5	Proper control is exercised over access to application systems	Reasonable
6	Controls ensure the accuracy, completeness, confidentiality and timeliness of output, alerts, reports and interfaces	Substantial
7	An audit log is maintained which enables data points to be tracked to source	Reasonable
8	Appropriate business continuity arrangements are in place.	Reasonable

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

Matters arising

		Assurance Objectives	Control Design or Operation	Recommendation Priority
1	Lack of clarity over governance parties	1	Operation	Medium
2	System not fully meeting needs	2,4	Design	Medium
3	Database version	3	Operation	High
5	Request completeness	4	Operation	Medium
8	Audit log and security	7	Operation	Medium
10	WRIS backups are not regularly tested	8	Operation	Medium

1. Introduction

- 1.1 The Welsh Radiology Information system is a national system and performs functions such as patient scheduling and clinical reporting involving medical images such as X-Rays, CT and MRI scans and ultrasound. WRIS works in conjunction with the Picture Archiving and Communications System (PACS) to manage the storage, retrieval, distribution and presentation of images and allows the sharing of these images nationally.
- 1.2 The potential risks considered in the review are as follows:
- inappropriate access to system / data;
 - inaccurate data held in system;
 - inaccurate data reported from system;
 - loss of processing / data; and
 - the Health Board may not maximise the benefits from the system.

2. Detailed Audit Findings

Audit objective 1: An appropriate governance process is in place for the system and changes.

- 2.1 WRIS is provided by Digital Health & Care Wales (DHCW) and there is a governance structure at the national level which includes a Service Management Board (SMB) and Change Advisory Board (CAB). These provide a forum for discussions for improvements to the system and its management.
- 2.2 There is representation from the Health Board on both the SMB and CAB which enables Health Board views and change requests to be put forward.
- 2.3 Although the system is provided by DHCW it is hosted within the Health Board and the Health Board has developed some aspects of the system to suit its needs, in particular in relation to reporting.
- 2.4 The management of the system comprises three parties: DHCW for the application; Health Board IT for the server and database; and Radiology IT management for local management. Although there is a service schedule for the system, we note that the Radiology IT manager has not seen this. In addition, the process for requesting work on the database is not streamlined. These factors mean that the responsibilities, boundaries and flow of work requests is sometimes not clear and can lead to delays. (Matter Arising 1)
- 2.5 Management of the local aspects of WIRS is undertaken by a team within Radiology and we note that the resourcing of this team has been increased recently. The administrative role is defined and the system administrator is knowledgeable on the requirements of the role.

Conclusion:

- 2.6 There are governance structures in place for WRIS, although we note some loss of clarity within the Health Board. Accordingly, we have provided reasonable assurance over this objective.

Audit objective 2: The system is fully utilised with all modules in use and fits the needs of the service.

- 2.7 The WRIS system modules available are printing of referrals, appointments, vetting, signoff and validation. There is also a voice recognition product, a portering module and a platform imaging viewing module.
- 2.8 The majority of the available modules are used by the Health Board, although we note that the portering module is not in use, as it does not fit the way that the Health Board works.
- 2.9 Discussion with key members of staff has indicated that WRIS as originally delivered did not meet the needs of the Radiology department in relation to reporting. Due to this the Health Board has undertaken its own developments and fixes, including the introduction of a local database for reporting. This means the Aneurin Bevan Health Board is in a different position to other Health Boards and some other functionality does not fully work.
- 2.10 WRIS is not currently meeting the needs of a modern Radiology system and is not providing an end to end electronic process for requesting and providing Radiology services. Requests are received electronically via the Welsh Clinical Portal (WCP) (for hospital requests) or by email or post into the booking office for Primary Care requests. These are then printed out and manually entered into WRIS. This is inefficient and introduces the risk of error into the process. (Matter Arising 2)
- 2.11 We do note that requests have been made to the WRIS SMB and CAB for development of WRIS to enable an electronic request process to enable interfacing from WCP to WRIS. However, these have not been accepted and no such development is underway.

Conclusion:

- 2.12 Although the majority of the modules are in use, and the Health Board has undertaken development to enable WRIS to better meet its needs, the lack of a full electronic request process means that WRIS is not providing a modern Radiology IT system. Accordingly, we have provided limited assurance over this objective.

Audit objective 3: Appropriate control is maintained over the database.

- 2.13 The database is hosted and managed by Health Board IT staff. It is held on a virtual server within the Health Board datacentre and access to the database being controlled and restricted via active directory domains.
- 2.14 The current version of the database is SQL Server 2008. This is an old version and is out of support and contains security vulnerabilities. We do note that there are

currently plans underway to move to a newer version of the application. However, there is no timescale to move to a supported version of SQL Server (2016). (Matter Arising 3)

- 2.15 Access within the database is restricted by username and passwords with the default administrator password being changed.
- 2.16 The SLA with DHCW states that DHCW should "Define and setup application backup regime and database maintenance tasks, handover to local support infrastructure teams". However, no such communication has been received and as such there are no standard maintenance processes in place for the database, such as integrity checks. (Matter Arising 4)

Conclusion:

- 2.17 The database is securely hosted and access is restricted appropriately. We noted that there are no formal maintenance tasks undertaken and the database itself is an old version. As there is no definite timescale for updating the database we have provided limited assurance over this objective.

Audit objective 4: Input is authorised, complete, accurate, timely and input once only.

- 2.18 WRIS user input is a combination of free text, data, and entry by the use of drop down lists. There are input controls in place to manage data quality within both the application and the database.
- 2.19 There is a check in place on data entry for duplicate patients.
- 2.20 Data entry controls over key items are in place for WRIS, with the specifics being tailorable by local administrators. These controls include ranges and limits, format checks and mandated fields.
- 2.21 As we noted in a previous section, requests have to be manually input into WRIS and this introduces the risk of human error and that requests may be missed or processed incorrectly. There is currently no completeness check to ensure that all referrals made manually or via the Clinical Work Station portal have been entered into the WRIS system (Matter Arising 5).
- 2.22 There are data quality reports in place, with the administrators receiving regular Radis Data Cleansing Lists which lists inconsistencies or missing information for the administrators to investigate and resolve.
- 2.23 Standing data, such as site locations, rooms, X-ray modality, wards, clinician, doctors, GPs and GP surgeries finance codes are maintained by the system administrators. We note that these are kept up to date, with the most recent main change to the standing data being for the introduction of the Grange Hospital location.
- 2.24 Requests have to be recorded against the requesting doctor within WRIS, and this field is entered using a drop down list. The data providing this list is managed by the system administrators and we note that they are reliant on other departments

informing them of new doctors. In the event that the requesting doctor is not within WRIS the request is returned to the requesting department. Whilst this ensures the accuracy of data within the system it can delay the processing of requests.

- 2.25 There are user and training guides in place for WRIS and training is provided to users in required.

Conclusion:

- 2.26 There are good controls over data entry available in WRIS. Drop down lists are used to minimise the potential for user error and data quality reports are also available to enable retrospective identification and correction of errors. However, we do note the requirement for manual entry of requests. Accordingly, we have provided reasonable assurance over this objective.

Audit objective 5: Proper control is exercised over access to application systems.

- 2.27 Requests for user access are processed through a dedicated Radiology email or via line manager authorisation. The Health Board ensures that appropriate access to the WRIS system is only provided by supported approval and confirmation of reason for access and there is a General Medical Certificate.
- 2.28 The access permissions within the system are based on clinical roles.
- 2.29 Access to the system is controlled by user names and passwords. Passwords are set at the minimum of five characters with lockout after ten unsuccessful attempts at entering a password and are required to be changed after 90 days . During the audit we noted that one account had the number of attempts set to the maximum of 6,024 unsuccessful attempts before the account is locked. We recognise the Board has responded quickly by ensuring that this account now allows five attempts before the account is locked (Matters Arising 6).
- 2.30 Our testing identified a number of staff who have left the Health Board who were still active on WRIS. Discussion with the system administrator noted that the management of leavers has been challenging, with there being no link to the Active Directory. We note that the system administrators have recently started receiving a list of leavers in order to try and resolve this issue. (Matter Arising 7)

Conclusion:

- 2.31 There is control over access to the system, with a formal registration process in place and work is ongoing to ensure that leavers are removed on a timely basis. Password controls are in place but these could be improved. Accordingly, we have provided reasonable assurance over this objective.

Audit objective 6: Controls ensure the accuracy, completeness, confidentiality and timeliness of output, alerts, reports and interfaces.

- 2.32 The requests for radiology procedures (X-ray, scan etc) are printed out on a designated printer which is situated within the Secretariat so access is limited to authorised staff.

- 2.33 The reporting module is interfaced so that a report is attached to the patient's record. Notification of reports is processed through Clinical Work Station and directed to the requesting doctor.
- 2.34 From our testing we found no issues in the accuracy of data within the reports held on WRIS.

Conclusion:

- 2.35 There are appropriate controls over reporting and outputs. Accordingly, we have provided substantial assurance over this objective.

Audit objective 7: An audit log is maintained which enables data points to be tracked to source.

- 2.36 WRIS creates a log of data creation and editing. This ensures that all data items can be traced from source to end within a patient's record.
- 2.37 Queries can be made on the basis of patient information such as Patient ID reference or NHS National Health number to track changes made to specific patient records.
- 2.38 Although details of editing are recorded, there is no ability for WRIS to record staff who view or access a patient record as exists within the Welsh Patient Portal, neither is there any facility to review a specific user's activity within the system. We note that there have been allegations of inappropriate access that could not be properly investigated due to the absence of this facility. (Matter Arising 8)
- 2.39 We also note that there is no specific WRIS security monitoring conducted such as unsuccessful access attempts and no link to the Security Information and Event Management (SIEM) system (Matter Arising 8).

Conclusion:

- 2.40 There is an audit trail for the creation and amendments of data points within WRIS, although we note the lack of security auditing in place. Accordingly, we have provided reasonable assurance over this objective.

Audit objective 8: Appropriate business continuity arrangements are in place which include backing up copies of data and programs, storing and retaining them securely, and recovering applications in the event of failure.

- 2.41 The Health Board has ensured that the architecture of the WRIS hosting is resilient.
- 2.42 There are continuity arrangements in place to enable operations to continue in the event of a loss of the WRIS system. This includes the use of user packs to enable data to be captured for scanning once the system is recovered.
- 2.43 There is no formal disaster recovery plan for WRIS which sets out the steps to stake to recover the system. We note that there is an overall plan for Digital which is being developed, but nothing currently for WIRS (Matter Arising 9)
- 2.44 The Health Board has a robust back up processes in place, and backups of WRIS are taken as part of this standard process.

- 2.45 There is no regular testing of the back ups to ensure validity of the data. We note that there was an issue in another Health Board where the WRIS back ups had not actually been working, despite the log stating that the process was successful. (Matter Arising 10)

Conclusion:

- 2.46 There are good continuity arrangements in place and backups are taken, although we note that these are not routinely tested. Accordingly, we can provide reasonable assurance over this objective.

Appendix A: Management Action Plan

Matter arising 1: Service Level Agreement (Operation)		Impact
<p>The management of the system comprises three parties: DHCW for the application; Health Board IT for the server and database; and Radiology IT management for local management. Although there is a service schedule for the system, we note that the Radiology IT manager has not seen this.</p> <p>In addition, the process for requesting work on the database is not streamlined. These factors mean that the responsibilities, boundaries and flow of work requests is sometimes not clear and can lead to delays.</p>		<p>Potential risk of:</p> <ul style="list-style-type: none">• System loss• Lack of governance
Recommendations		Priority
<p>1.1 Clarity should be sought over the roles and responsibilities of each party and a governance process established within Radiology that ensures the easy flow of work requests across team boundaries.</p>		Medium
Management response	Target Date	Responsible Officer
<p>1.1 We have had a recent upgrade and the boundaries were clearer. The SLA sits with I.T and Radiology are the application owner.</p> <p>ABUHB Radiology internally request on service point if the department knows the server team need to undertake work. We will continue to do this.</p>	Complete	n/a

Matter arising 2: Fit for Purpose (Design)		Impact
<p>WRIS is not currently meeting the needs of a modern Radiology system and is not providing an end to end electronic process for requesting and providing Radiology services.</p> <p>Requests are received electronically via the Welsh Clinical Portal (for hospital requests) or by email or post into the booking office for Primary Care requests. These are then printed out and manually entered into WRIS.</p> <p>This is inefficient and introduces the risk of error into the process.</p>		<p>Potential risk of:</p> <ul style="list-style-type: none">Inaccurate data and errors.
Recommendations		Priority
<p>2.1 The Health Board should seek clarity over why the requests made to DHCW and the SMB for an integrated electronic process cannot be delivered.</p> <p>The Health Board should carry out an analysis to fully identify its needs for a Radiology system and seek to include these within WRIS or any future system.</p>		Medium
Management response	Target Date	Responsible Officer
<p>2.1 We have tried to seek clarity and not had a full response.</p> <p>A request for CWS to include WCP for radiology reporting in the platform has been formally raised. We have raised the need for end to end requesting as a health board to the collaborative board for RISP project.</p>	Next WRIS SMB	PACS & RADIS Manager

Matter arising 3: Database Version (Operation)		Impact
The current database version is SQL Server 2008 which is out of support and contains security vulnerabilities.		Potential risk of: <ul style="list-style-type: none"> Inappropriate access to system / data
Recommendations		Priority
3.1	Whilst we understand the Health Board is in the process of planning to upgrade to the 2016 version we highly recommend that the Health Board expedites the upgrade.	High
Management response		Target Date
3.1	This upgrade took place on 14 th November however only application server was upgraded. DHCW and ABUHB are working closely to plan the rest of the upgrade. However DHCW will not touch the RadIS local database which stores all of our crystal reports and letters. This is a risk and we have gone to our server team internally to plan an backup solution for the RadIS local database.	April 2022
		PACS & RADIS Manager

Matter arising 4: Database Management (Operation)	Impact
<p>There are no standard maintenance processes in place for the database, such as integrity checks.</p> <p>The SLA with DHCW states that DHCW should "Define and setup application backup regime and database maintenance tasks, handover to local support infrastructure teams". However, no such communication has been received.</p>	<p>Potential risk of:</p> <ul style="list-style-type: none">• Inappropriate access to system / data

Recommendations	Priority
4.1 The Health Board should seek clarity over what maintenance tasks are expected and establish a process to ensure that these are completed.	Medium

Management response	Target Date	Responsible Officer
4.1 There is a backup regimen in place, and DHCW has been notified of how this works. The point will be raised and the next WRIS SMB, and a request made for clarity over the expected database maintenance tasks and the frequency of these.	Next WRIS SMB	PACS & RADIS Manager

Matter arising 5: Request Completeness (Operation)**Impact**

The manual interfaces of entering the requests into WRIS are subject to human error and there is no completeness check to ensure that all requests made manually or via the Clinical Work Station portal have been entered into the WRIS system.

Potential risk of:

- Incomplete data

Recommendations**Priority**

- 5.1 a. The Board should investigate an electronic solution to uploading requests into WRIS.
b. The Board should introduce a completeness check to ensure that all requests received have been entered into WRIS.

Medium

Management response**Target Date****Responsible Officer**

- | | | | |
|--------|--|------------|----------------------|
| 5.1 a. | Radiology have requested CWS to work with WCP for fully electronic requesting. | March 2022 | PACS & RADIS Manager |
| b. | Staff have SOP's and checks when putting forms on however human errors do occur without fully electronic requesting. | Complete | n/a |

Matter arising 6: Password Controls (Operation)		Impact
There were some weaknesses over passwords: <ul style="list-style-type: none">The minimum length is set to five charactersThe default maximum attempts at entering a password available is 6,024		Potential risk of: <ul style="list-style-type: none">Unauthorised access
Recommendations		Priority
6.1 Password controls should be improved with an increased minimum length and the Board should reduce the default maximum attempts available.		Medium
Management response	Target Date	Responsible Officer
6.1 Since this audit, this has now been altered and note it was only one user with this many attempts all Administrators now have 5 attempts.	Complete	n/a

Matter arising 7: Leavers (Operation)		Impact
<p>Our testing identified a number of staff who have left the Health Board who were still active on WRIS.</p> <p>We note that the system administrators have recently started receiving a list of leavers in order to try and resolve this issue</p>		<p>Potential risk of:</p> <ul style="list-style-type: none"> Unauthorised access
Recommendations		Priority
7.1 The success of the use of the leavers list should be monitored to ensure that it works as anticipated and that all leaver accounts are removed on a timely basis.		Medium
Management response	Target Date	Responsible Officer
7.1 We monitor this as much possible in Radiology. We have recently started receiving consultant leaver's lists from the Health Board and action these also. The success of the process will be tracked and evaluated to ensure it is working.	April 2022	PACS & RADIS Manager

Matter arising 8: Audit Log & Security (Operation)		Impact	
There is no ability for WRIS to record staff who view or access a patient record, neither is there any facility to review a specific user's activity within the system.		Potential risk of:	
We note that there have been allegations of inappropriate access that could not be properly investigated due to the absence of this facility.		<ul style="list-style-type: none">Unauthorised access	
We also note that there are is no specific WRIS security monitoring conducted such as unsuccessful access attempts and no link to the Security Information and Event Management (SIEM) system.			
Recommendations		Priority	
8.1 The Health Board should request that this logging function be developed. The Health Board should consider feeding WRIS events into the SIEM.		Medium	
Management response		Target Date	Responsible Officer
8.1	The health board have raised this at DHCW CAB along with other health boards. This is with DHCW to develop it is not in any Live RadIS version currently.	Next WRIS CAB	PACS & RADIS Manager

Matter arising 9: Disaster Recovery Plan (Operation)**Impact**

There is no formal disaster recovery plan for WRIS which sets out the steps to take to recover the system. Potential risk of:

- Loss of processing / data

Recommendations**Priority**

9.1 A formal disaster recovery plan for WRIS should be developed.

Medium

Management response**Target Date****Responsible Officer**

9.1 The Disaster recovery plan is to fail over to a mirrored system however, since the upgrade this needs to be re-visited and formally set out. ABUHB have a VMware environment where this is hosted.

April 2022

PACS & RADIS Manager

The Radiology departments have disaster recovery by using emergency packs in each department and a policy that explains how to use these emergency packs in a Radis downtime scenario.

Matter arising 10: Back Up Testing (Operation)**Impact**

Backups are taken. However, these are not subject to regular testing to ensure validity. We note that there was an issue in another health board where the backup had not actually been working, despite the successful log.

Potential risk of:

- Loss of processing / data

Recommendations**Priority**

10.1 The WRIS backups should be subject to regular testing / restore to ensure validity.

Medium

Management response**Target Date****Responsible Officer**

10.1 A request to ensure that a process for regular testing of the back up to ensure their validity will be made.

April 2022

PACS & RADIS Manager

Appendix B: Assurance opinion and action plan risk rating

Audit Assurance Ratings

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

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

Prioritisation of Recommendations

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

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

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



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

Website: <https://nwssp.nhs.wales/>

Audit, Finance and Risk Committee Update – **Aneurin Bevan University Health Board**

Date issued: January 25, 2022

Document reference: 2813A2022

This document has been prepared for the internal use of Aneurin Bevan University Health Board as part of work performed/to be performed in accordance with statutory functions.

The Auditor General has a wide range of audit and related functions, including auditing the accounts of Welsh NHS bodies, and reporting on the economy, efficiency and effectiveness with which those organisations have used their resources. The Auditor General undertakes his work using staff and other resources provided by the Wales Audit Office, which is a statutory board established for that purpose and to monitor and advise the Auditor General.

Audit Wales is the non-statutory collective name for the Auditor General for Wales and the Wales Audit Office, which are separate legal entities each with their own legal functions as described above. Audit Wales is not a legal entity and itself does not have any functions.

© Auditor General for Wales 2022. No liability is accepted by the Auditor General or staff of the Wales Audit Office in relation to any member, director, officer or other employee in their individual capacity, or to any third party, in respect of this report.

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, the Wales Audit Office and, where applicable, the appointed auditor are relevant third parties. Any enquiries regarding disclosure or re-use of this document should be sent to Audit Wales at infoofficer@audit.wales.

Contents

Audit, Finance and Risk Committee Update

About this document	4
Accounts audit update	4
Performance audit update	5
Good practice events and products	8
NHS-related national studies and related products	8
Appendix 1 - Key messages from recent publications	9

About this document

- 1 This document provides the Audit, Finance and Risk Committee with an update on current and planned Audit Wales work. Accounts and performance audit work are considered, and information is also provided on the Auditor General’s wider programme of national value for money examinations and the work of our Good Practice Exchange (GPX).

Accounts audit update

- 2 **Exhibit 1** summarises the status of our key accounts audit work to be reported during 2021-22.

Exhibit 1 – Accounts audit work

Area of work	Current status
2021 Audit Plan	Completed; presented to the April Committee meeting.
Audit of Accounts Report	Completed and ISA 260 report presented to the June Committee meeting.
Charitable Funds: <ul style="list-style-type: none">• 2021 Audit Plan• Audit of Charitable Funds financial statements	Presented to the Charitable Fund Committee on 11 January and to the Board on 26 January 2022
2022 Audit Plan	We plan to present the 2022 Audit Plan to the Committee by April 2022.

- 3 We presented a draft version of our Audit of Accounts Addendum Report to the December Audit, Finance and Risk Committee, and have since issued the final version with updated management responses to our recommendations and action implementation dates.

Performance audit update

4 The following tables set out the performance audit work included in our current and previous Audit Plans, summarising:

- work completed (**Exhibit 2**);
- work that is currently underway (**Exhibit 3**); and
- planned work not yet started or revised (**Exhibit 4**).

Exhibit 2 – Work completed

Area of work	Considered by Finance, Audit and Risk Audit Committee
Test, Trace and Protect	Completed and findings presented to the Committee in April 2021.
Welsh Health Specialised Services Committee Governance Arrangements	Completed and findings presented to the Committee in May 2021. WHSSC and Welsh Government Management Responses presented to the Committee in October 2021.
Radiology Services follow-up	Completed and findings presented to the Committee in November 2021.
Structured Assessment 2021	Completed and findings to be presented to the Committee in February 2022.
Annual Audit Report 2021	Completed and to be presented to the Committee in February 2022.

Exhibit 3 – work currently underway

Topic and relevant Executive Lead	Focus of the work	Current status and Finance, Audit and Risk Committee consideration
<p>Orthopaedic Follow up review</p> <p>Executive Lead: Leanne Watkins</p>	<p>This review examined the progress made in response to our 2015 recommendations. The findings from this work will inform the recovery planning discussions that are starting to take place locally and help identify where there are opportunities to do things differently as the service looks to tackle the significant elective backlog challenges. Our findings will be summarised into a single national report with supplementary outputs setting out the local position for each health board.</p>	<p>Report being drafted.</p> <p>Planned date for consideration - April 2022</p>
<p>Review of arrangements for securing efficiencies</p> <p>Executive Lead: Glyn Jones</p>	<p>This work will consider whether the Health Board's arrangements for securing efficiencies are robust, including the impact of new ways of working on planned efficiencies.</p>	<p>Draft report to be issued for clearance.</p> <p>Planned date for consideration – April 2022</p>
<p>Quality Governance</p> <p>Executive Leads: Rhiannon Jones and Peter Carr</p>	<p>This work will examine both the operational and corporate approach to quality governance, looking at issues such as organisational culture and behaviours, strategy, structures and processes, information flows and reporting.</p>	<p>Report being drafted.</p> <p>Planned date for consideration – April 2022</p>

Exhibit 4 – Planned work not yet started or revised

Topic and relevant Executive Lead	Focus of the work	Current status and Finance, Audit and Risk Committee consideration
<p>Unscheduled care arrangements</p> <p>Executive Lead: TBC</p>	<p>This work has been carried forward from the 2020 Audit Plan and will initially look to provide a high-level whole system overview of the unscheduled care. The overview will be informed by the development of an interactive database covering all aspects of the unscheduled care pathway. Further work will then be undertaken on specific elements of unscheduled care pathway, with a likely focus on activities to signpost patients to the most to appropriate care setting, and to manage patient flow through the system.</p>	<p>Data analysis currently being completed with a national commentary scheduled for publication later in the year.</p> <p>More detailed work not yet started.</p> <p>Date for consideration to be confirmed.</p>
<p>Locally focused audit project</p>	<p>The precise focus of this work is still to be agreed.</p>	<p>Date for consideration to be confirmed</p>

Good Practice events and products

- 5 In addition to the audit work set out above, we continue to seek opportunities for finding and sharing good practice from all-Wales audit work through our forward planning, programme design and good practice research.
- 6 There have been no Good Practice Exchange (GPX) events since we last reported to the Committee on 2nd December. Details of future events are available on the [GPX website](#).
- 7 In response to the COVID-19 pandemic, we have established a **COVID-19 Learning Project** to support public sector efforts by sharing learning through the pandemic. This is not an audit project; it is intended to prompt some thinking and support the exchange of practice. As part of the project, we held a COVID-19 Learning Week in March 2021. The material from the COVID-19 Learning Week, and other related material, is available [here](#).

NHS-related national studies and related products

- 8
- The Audit, Finance and Risk Committee may also be interested in the Auditor General’s wider programme of national value for money studies, some of which focus on the NHS and pan-public-sector topics. These studies are typically funded through the Welsh Consolidated Fund and are presented to the Public Accounts and Public Administration Committee at the Senedd to support its scrutiny of public expenditure.
- 9
- Exhibit 5** provides information on the NHS-related or relevant national studies published since we last reported to the Committee on 2nd December.

Exhibit 5 – NHS-related or relevant national studies reports

Title	Publication Date
<u>Joint Working Between Emergency Services</u> (A summary of the key messages is provided in Appendix 1)	January 2022

Appendix 1 – Key messages from recent publications

Joint Working Between Emergency Services (January 2022)

- 10 This report examines whether emergency services in Wales are working more closely together to make better use of resources. Our review was completed between March 2020 and October 2021.
- 11 Overall, we found blue light emergency service collaboration is slowly growing but requires a step change in activity to maximise impact and make best use of resources:
- Emergency services have been working closely together to provide a better service to the public for many years. Innovative partnership initiatives have saved money, reduced local response times, and contributed to protecting the public.
 - There are growing expectations from government policy and legislation that collaboration needs to happen more deeply and quickly to ensure front line services can meet the challenges facing 21st century Wales. Different lines of accountability and other practical issues can also influence the extent and pace of joint working.
 - The Joint Emergency Services Group is leading the collaboration agenda. However, better collaboration is acknowledged as essential.
 - There are examples of collaboration in key areas such as estates and co-location of services, fleet management and workforce, but the overall scale of activity has been limited. In addition, while emergency services effectively share and use data to improve response times and vehicle utilisation, they do not have an effective approach to managing vulnerable people.
 - The Joint Emergency Services Group has established a Strategic Collaboration Board to identify and deliver future joint working opportunities, giving a clear signal that a step change is required. Plans for collaboration are developing but some of these are limited in coverage and not supported by consistent project management arrangements. Clear priorities are still to be identified and project work has not yet been fully costed. The Group have also yet to agree how they will judge the impact and value for money of collaboration.
 - As the Strategic Collaboration Board arrangements develop, there are opportunities to learn from some of the critical factors that support examples of emergency service collaboration elsewhere in Great Britain. Nevertheless, integrated services are not widespread elsewhere and no 'blue light' collaboration board appears to have fully cracked the secret of collaboration.



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.



GIG
CYMRU
NHS
WALES

Bwrdd Iechyd Prifysgol
Aneurin Bevan
University Health Board

Audit, Finance and Risk Committee
Thursday 3rd February 2022
Agenda Item: 8.2

Audit, Finance and Risk Committee

'Taking Care of the Carers' - How NHS bodies supported staff wellbeing during the COVID-19 pandemic – Management Response

Executive Summary

This paper provides the Audit, Finance and Risk Committee with the management responses to the recommendations contained within the Audit Wales report 'Taking Care of the Carers'.

The Committee are asked to discuss and provide views on these management responses.

The Committee 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: Sarah Simmonds, Director of Workforce and OD

Report Author: Debra Wood-Lawson, Deputy Director of Workforce & OD

Report Received consideration and supported by:

Executive Team

Committee of the Board
[Committee Name]

Date of the Report: 18 January 2022

Supplementary Papers Attached:

Appendix 1 – Audit Wales report

Appendix 2 - Management response to recommendations

Purpose of the Report

This paper provides the Audit Committee with the management response to the recommendations contained within the Audit Wales report 'Taking Care of the Carers'.

Background and Context

At the end of November 2021, Audit Wales published '*Taking Care of the Carers*' which was a national report **Appendix 1** summarising its findings on the actions NHS bodies in Wales have taken to support staff wellbeing during the pandemic. To accompany the report, a checklist of questions was provided to support Health Boards to assure themselves of their progress for this important area of work.

The report contained recommendations for both NHS bodies and the Welsh Government. As with other Audit Wales reports, the Health Board were asked to consider the recommendations and prepare a management response, to be shared with Audit Wales and Board Committees and included in the audit recommendation tracking processes.

The recommendations arising from the report are:

- Retaining a strong focus on staff wellbeing
- Considering workforce issues in recovery plans
- Evaluating the effectiveness and impact of the staff wellbeing offer
- Enhancing collaborative approaches to supporting staff wellbeing
- Providing continued assurance to boards and committees
- Building on local and national staff engagement arrangements
- Evaluating the national staff wellbeing offer
- Evaluating the All-Wales COVID-19 Workforce Risk Assessment Tool

The Health Board's management responses to the recommendations are provided in **Appendix 2**.

Assessment and Conclusion

Health Board staff at all levels have shown and continue to show tremendous resilience, adaptability, and dedication throughout the pandemic. However, they have also experienced significant physical and mental pressures due to the unprecedented challenges caused by the crisis.

The NHS in Wales was already facing a number of challenges relating to staff wellbeing prior to the pandemic. However, the unprecedented scale and impact of the COVID-19 pandemic brought the importance of supporting staff wellbeing into even sharper focus.

The Health Board along with all other NHS bodies in Wales have placed a strong focus on staff wellbeing throughout the COVID-19 pandemic. At the outset of the crisis, the organisation moved quickly to enhance their existing employee assistance arrangements and to put additional measures in place to support the physical health and mental wellbeing of their staff, as much as possible, during the pandemic.

The wellbeing of our staff continues to be our top priority. The consequences of the pandemic on our staff are evidenced through an increase in fatigue, occupational burnout and psychological health issues. The Health Board will continue to develop its evidence based medium to long term strategy by continuing to:

- Identify and respond to the psychological health needs of our staff by strengthening our current reactive well-being service.
- Developing systematic and proactive ways of supporting teams to identify and address symptomatic causes of poor wellbeing.
- Investing in innovation to both support recovery and creating workplaces where positive employee experience is prioritised.

We will review our current approach through responding to the needs of staff expressed through our regular wellbeing surveys and deep dives. In addition, we will work with services to implement new integrated psychological wellbeing roles, peer support networks as well as evaluating our innovative psychological trauma therapy pathway and strengthening staff networks such as our Menopause Cafes and providing additional support for long covid and those experiencing stress, anxiety and depression, including those absent from work due to poor psychological health.

Recommendation

The Audit, Finance and Risk Committee are asked to discuss and provide views on the management response to the recommendations, noting that this will also be monitored via the People and Culture Committee.

Supporting Assessment and Additional Information

Risk Assessment (including links to Risk Register)	The risk of insufficiently supporting and investing in the well-being of our workforce will compromise the delivery of the University Health Boards IMTP and Clinical Future Programme.
Financial Assessment	Linked to the Workforce and Financial Framework in the Integrated Medium-Term Plan and the overarching workforce and efficiency agenda.
Quality, Safety and Patient Experience Assessment	The paper recognises the evidence that employee experience shapes patient experience and therefore employee well-being initiatives support the quality, safety and patient experience agenda.
Equality and Diversity Impact Assessment (including child impact assessment)	Any actions are and will be Equality Impact assessed.
Health and Care Standards	Positive employee well-being is linked to Standard 7 Staff & Resources
Link to Integrated Medium Term Plan/Corporate Objectives	Employee engagement and well-being is an explicit priority in the Health Board's IMTP.
The Well-being of Future Generations (Wales) Act 2015 – 5 ways of working	Long Term – Employee engagement and well-being is an investment in the future ways of working for a sustainable workforce.
	Integration – Working closely with internal partners and staff
	Involvement – As above
	Collaboration – As above
	Prevention – The effective support to improve the experience of our staff and therefore our patient experience
Glossary of New Terms	N/A
Public Interest	There is no reason why the report cannot be published.

Taking Care of the Carers?

How NHS bodies supported staff wellbeing
during the COVID-19 pandemic

October 2021



This report has been prepared for presentation to the Senedd under section 145A of the Government of Wales Act 1998 and section 61(3) (b) of the Public Audit Wales Act 2004.

Audit Wales is the non-statutory collective name for the Auditor General for Wales and the Wales Audit Office, which are separate legal entities with their own legal functions. Audit Wales is not a legal entity. Consequently, in this Report, we make specific reference to the Auditor General or Wales Audit Office in sections where legal precision is needed.

If you require this publication in an alternative format and/or language, or have any questions about its content, please contact us using the details below. We welcome correspondence in Welsh and English and we will respond in the language you have used. Corresponding in Welsh will not lead to a delay.

Audit Wales
24 Cathedral Road
Cardiff
CF11 9LJ

Telephone 02920 320 500
Email info@audit.wales
Website www.audit.wales
Twitter [@WalesAudit](https://twitter.com/WalesAudit)

Mae'r ddogfen hon hefyd ar gael yn Gymraeg

Contents

Summary report

Background	4
Key messages	4
Recommendations	7

Detailed report

Introduction	11
Importance of supporting staff wellbeing	12
How health bodies supported staff wellbeing during the pandemic	14
Key challenges and opportunities for the future	26

Background

- 1 This report describes how NHS bodies have supported the wellbeing of their staff during the COVID-19 pandemic, with a particular focus on their arrangements for safeguarding staff at higher risk from COVID-19.
- 2 It is the second of two publications which draw on the findings of our local structured assessment work with the aim of highlighting key themes, identifying future opportunities, and sharing learning. The first report [Doing it differently, doing it right?](#) - describes how NHS bodies revised their arrangements to enable them to govern in a lean, agile, and rigorous manner during the pandemic.

Key messages

- 3 NHS staff at all levels have shown tremendous resilience, adaptability, and dedication throughout the pandemic. However, they have also experienced significant physical and mental pressures due to the unprecedented challenges caused by the crisis.
- 4 The NHS in Wales was already facing a number of challenges relating to staff wellbeing prior to the pandemic. However, the unprecedented scale and impact of the COVID-19 pandemic brought the importance of supporting staff wellbeing into even sharper focus.
- 5 As a result, all NHS bodies in Wales placed a strong focus on staff wellbeing throughout the COVID-19 pandemic. At the outset of the crisis, each NHS body moved quickly to enhance their existing employee assistance arrangements and to put additional measures in place to support the physical health and mental wellbeing of their staff, as much as possible, during the pandemic. Key actions taken by NHS bodies to protect staff and support their wellbeing included:
 - enhancing infection prevention and control measures;
 - reconfiguring healthcare settings;
 - facilitating access to COVID-19 tests and, more recently, COVID-19 vaccinations;
 - creating dedicated rest spaces;
 - increasing mental health and psychological wellbeing provision;
 - strengthening staff communication and engagement; and
 - enabling remote working.

- 6 All NHS bodies put arrangements in place to roll out the All-Wales COVID-19 Workforce Risk Assessment Tool (the Risk Assessment Tool) as part of their wider efforts to safeguard members of staff at higher risk from COVID-19. Each NHS body promoted the Risk Assessment Tool in a number of ways. However, Risk Assessment Tool completion rates via the Electronic Staff Record (ESR) have varied considerably between individual NHS bodies. All NHS bodies utilised measures from their wider suite of wellbeing arrangements to meet the individual needs of staff at higher risk from COVID-19 as identified by the Risk Assessment Tool.
- 7 The boards and committees of most NHS bodies maintained good oversight and ensured effective scrutiny of all relevant staff wellbeing risks and issues during the pandemic. However, arrangements for reporting Risk Assessment Tool completion rates and providing assurance on the quality of completed risk assessments could have been strengthened in most NHS bodies.
- 8 Whilst the crisis has undoubtedly had a considerable impact on the wellbeing of staff in the short-term, the longer-term impacts cannot and should not be ignored or underestimated. Surveys and work undertaken by a range of professional bodies highlight the increased stress, exhaustion and burnout experienced by staff, and point to the growing risk to staff of developing longer term physical and psychological problems without ongoing support.
- 9 A continued focus on providing accessible wellbeing support and maintaining staff engagement, therefore, is going to be needed in the short-term to ensure NHS bodies address the ongoing impact of the pandemic on the physical health and mental wellbeing on their staff.
- 10 However, the COVID-19 pandemic has also created an opportunity to rethink and transform staff wellbeing for the medium to longer term. Whilst supporting the wellbeing of the NHS workforce is more necessary than ever when the service needs to respond to a crisis, investing appropriately in staff wellbeing on an ongoing basis is equally as important as a healthy, engaged, and motivated workforce is essential to the delivery of safe, high-quality, effective, and efficient health and care services.



The resilience and dedication shown by NHS staff at all levels in the face of the unprecedented challenges and pressures presented by the pandemic has been truly remarkable. It is inevitable, however, that this will have taken a considerable toll on the wellbeing of NHS staff, who now also face the challenges of dealing with the pent-up demand in the system caused by COVID-19. It is assuring to see that NHS bodies have maintained a clear focus on staff wellbeing throughout the pandemic and have implemented a wide range of measures to support the physical health and mental wellbeing of their staff during the crisis. It is vital that these activities are built upon and that staff wellbeing remains a central priority for NHS bodies as they deal with the combined challenges of recovering services, continuing to respond to the COVID-19 pandemic, and also managing seasonal pressures which are expected to be greater this winter than they were last year. Taking care of those who care for others is probably more important now than it has ever been before.

Adrian Crompton
Auditor General for Wales



Recommendations

11 Recommendations arising from this work are detailed in **Exhibits 1** and **2**.

Exhibit 1: recommendations for NHS bodies

Recommendations

Retaining a strong focus on staff wellbeing

R1 NHS bodies should continue to maintain a strong focus on staff wellbeing as they begin to emerge from the pandemic and start to focus on recovering their services. This includes maintaining a strong focus on staff at higher risk from COVID-19. Despite the success of the vaccination programme in Wales, the virus (and variations thereof) continues to circulate in the general population. All NHS bodies, therefore, should continue to roll-out the Risk Assessment Tool to ensure all staff have been risk assessed, and appropriate action is taken to safeguard and support staff identified as being at higher risk from COVID-19.

Considering workforce issues in recovery plans

R2 NHS bodies should ensure their recovery plans are based on a full and thorough consideration of all relevant workforce implications to ensure there is adequate capacity and capability in place to address the challenges and opportunities associated with recovering services. NHS bodies should also ensure they consider the wider legacy issues around staff wellbeing associated with the pandemic response to ensure they have sufficient capacity and capability to maintain safe, effective, and high-quality healthcare in the medium to long term.

Recommendations

Evaluating the effectiveness and impact of the staff wellbeing offer

- R3 NHS bodies should seek to reflect on their experiences of supporting staff wellbeing during the pandemic by evaluating fully the effectiveness and impact of their local packages of support in order to: (a) consider what worked well and what did not work so well; (b) understand its impact on staff wellbeing; (c) identify what they would do differently during another crisis; and, (d) establish which services, programmes, initiatives, and approaches introduced during the pandemic should be retained or reshaped to ensure staff continue to be supported throughout the recovery period and beyond. NHS bodies should ensure that staff are fully engaged and involved in the evaluation process.

Enhancing collaborative approaches to supporting staff wellbeing

- R4 NHS bodies should, through the National Health and Wellbeing Network and/or other relevant national groups and fora, continue to collaborate to ensure there is adequate capacity and expertise to support specific staff wellbeing requirements in specialist areas, such as psychotherapy, as well as to maximise opportunities to share learning and resources in respect of more general approaches to staff wellbeing.

Recommendations

Providing continued assurance to boards and committees

- R5 NHS bodies should continue to provide regular and ongoing assurance to their Boards and relevant committees on all applicable matters relating to staff wellbeing. In doing so, NHS bodies should avoid only providing a general description of the programmes, services, initiatives, and approaches they have in place to support staff wellbeing. They should also provide assurance that these programmes, services, initiatives, and approaches are having the desired effect on staff wellbeing and deliver value for money. Furthermore, all NHS bodies should ensure their Boards maintain effective oversight of key workforce performance indicators – this does not happen in all organisations at present.

Building on local and national staff engagement arrangements

- R6 NHS bodies should seek to build on existing local and national workforce engagement arrangements to ensure staff have continued opportunities to highlight their needs and share their views, particularly on issues relating to recovering, restarting, and resetting services. NHS bodies should ensure these arrangements support meaningful engagement with underrepresented staff groups, such as ethnic minority staff.

Exhibit 2: recommendations for the Welsh Government**Recommendations**

Evaluating the national staff wellbeing offer

- R7 The Welsh Government should undertake an evaluation of the national staff wellbeing services and programmes it commissioned during the pandemic in order to assess their impact and cost-effectiveness. In doing so, the Welsh Government should consider which other national services and programmes should be commissioned (either separately or jointly with NHS bodies) to ensure staff continue to be supported throughout the recovery period and beyond.

Evaluating the All-Wales COVID-19 Workforce Risk Assessment Tool

- R8 The Welsh Government should undertake a full evaluation of the All-Wales COVID-19 Workforce Risk Assessment Tool to identify the key lessons that can be learnt in terms of its development, roll-out, and effectiveness. In doing so, the Welsh Government should engage with staff at higher risk from COVID-19 to understand their experiences of using the Risk Assessment Tool, particularly in terms of the extent to which it helped them understand their level of risk and to facilitate a conversation with their managers about the steps that should be taken to support and safeguard them during the pandemic.

Introduction

- 12 NHS bodies in Wales have faced unprecedented challenges and considerable pressures during the COVID-19 pandemic. Throughout this crisis, NHS bodies have had to balance several different, yet important, needs – the need to ensure sufficient capacity to care for people affected by the virus; the need to maintain essential services safely; the need to safeguard the health and wellbeing of their staff; and the need to maintain good governance. In order to respond to these needs effectively, NHS bodies have been required to plan differently, operate differently, manage their resources differently, and govern differently.
- 13 Our structured assessment work¹ in 2020 was designed and undertaken in the context of the ongoing pandemic. As a result, we were given a unique opportunity to see how NHS bodies have been adapting and responding to the numerous challenges and pressures presented by the COVID-19 crisis.
- 14 This report is the second of two publications which draw on the findings of our structured assessment work, and more recent evidence gathering to highlight key themes, identify future opportunities, and share learning both within the NHS and across the public sector in Wales more widely.
- 15 In our first report – Doing it differently, doing it right? – we discussed the importance of maintaining good governance during a crisis and describe how revised arrangements enabled NHS bodies to govern in a lean, agile, and rigorous manner during the pandemic. We also highlighted the key opportunities for embedding learning and new ways of working in a post-pandemic world.
- 16 In this report, we discuss the importance of supporting staff wellbeing and describe how NHS bodies have supported the wellbeing of their staff during the pandemic, with a particular focus on their arrangements for safeguarding staff at higher risk from COVID-19. We consider the key lessons that can be drawn from the experiences of NHS bodies of supporting staff wellbeing during the COVID-19 crisis and conclude by highlighting the key challenges and opportunities for the future.
- 17 Whilst this report draws on the findings of our structured assessment work, it has also been informed by additional evidence gathered from each NHS body as well as information received from the Welsh Government, the British Medical Association (BMA), and the Royal College of Nursing (RCN) in Wales. Furthermore, as this report draws largely on the findings of our structured assessment work, we haven't engaged directly with NHS staff. Instead, we have referenced the findings from surveys undertaken by BMA Wales and others to provide insights into staff experiences during the pandemic.

¹ A structured assessment is undertaken in each NHS body to help discharge the Auditor General's statutory requirement, under section 61 of the Public Audit (Wales) Act 2004, to be satisfied they have made proper arrangements to secure economy, efficiency, and effectiveness in their use of resources. Individual reports are produced for each NHS body, which are available on our [website](#).

Importance of supporting staff wellbeing

18 The workforce is an essential component of the Welsh healthcare system. The NHS in Wales employs around 88,000 full-time equivalent staff (**Exhibit 3**) and staff costs accounted for 50% of total NHS spending in 2020-21².

Exhibit 3: NHS staff by staff group (March 2021)³

Staff Group	FTE
Medical and dental staff	7,294
Nursing, midwifery, and health visiting staff	36,027
Administration and estates staff	21,380
Scientific, therapeutic, and technical staff	14,947
Health care assistants and other support staff	5,806
Ambulance staff	2,709
Other non-medical staff	96

Source: [StatsWales](#)

2 Total NHS spending in 2020-21 was £9.6 billion, of which £4.8 billion was spent on staff costs. (Source: [Audit Wales](#))

3 General Medical and Dental Practitioners are excluded as they are independent NHS contractors.

19 All NHS bodies in Wales have a statutory duty of care to protect the health and safety of their staff and provide a safe and supportive environment in which to work. However, supporting staff wellbeing is also important for several other reasons:

- **patient outcomes** – there is a strong link between negative staff wellbeing and poor patient outcomes. Research shows that negative staff wellbeing and moderate to high levels of burnout are associated with poor patient safety outcomes⁴. The Francis Inquiry Report into the Mid Staffordshire NHS Foundation Trust also highlighted the association between poor staff wellbeing and lower quality of care⁵. Supporting positive wellbeing at work, therefore, enables NHS bodies to maintain higher levels of patient safety, provide better quality of care, and ensure higher patient satisfaction.
- **organisational outcomes** – there are considerable financial costs associated with poor staff wellbeing. According to Health Education England, the cost of poor mental health in the NHS workforce equates to £1,794 - £2,174 per employee per year⁶. Furthermore, the costs associated with staff absenteeism are significant. The Boorman Review calculated the direct cost of reported absence in the NHS across the UK was around £1.7 billion a year and the indirect cost of employing temporary staff to provide cover was estimated to be £1.45 billion a year⁷. Supporting positive wellbeing at work, therefore, enables NHS bodies to reduce the number of working days lost as a result of poor staff wellbeing and achieve greater cost savings.
- **employee outcomes** – a poor experience at work is associated with negative wellbeing which, in turn, leads to lower staff engagement and motivation, greater workplace stress, higher staff turnover, and poorer patient outcomes. Research shows that staff wellbeing is impacted negatively by a workforce that is overstretched due to absences and vacancies and supplemented by temporary staff^{8,9}. Wellbeing is also negatively affected when staff feel undervalued and unsupported in their roles, feel overwhelmed by their workloads, and feel as though they have little control over their work lives¹⁰. Supporting positive wellbeing at work, therefore, enables NHS bodies to enhance staff engagement and motivation, minimise workplace stress, and retain more of their employees.

4 [Hall et al \(2016\) Healthcare Staff Wellbeing, Burnout, and Patient Safety: A Systematic Review](#)

5 [Report of the Mid Staffordshire NHS Foundation Trust Public Inquiry \(2013\)](#)

6 [Health Education England \(2019\) NHS Staff and Learners' Mental Wellbeing Commission](#)

7 [NHS Health and Wellbeing Review \(2009\) Interim Report](#)

8 [Rafferty et al \(2007\) Outcomes of variation in hospital nurse staffing in English hospitals: cross-sectional analysis of survey data and discharge records](#)

9 [Picker \(2018\) The risks to care quality and staff wellbeing of an NHS system under pressure](#)

10 [West and Coia \(2018\) Caring for doctors, Caring for patients](#)

How health bodies supported staff wellbeing during the pandemic

- 20 The NHS in Wales was already facing a number of challenges relating to staff wellbeing prior to the pandemic. The results of the 2018 [NHS Staff Survey](#) show that 64% of respondents stated they had come to work despite not feeling well enough to perform their duties (compared to 57% in 2016), and 34% stated they had been injured or felt unwell as a result of work-related stress (compared to 28% in 2016). Furthermore, the sickness absence 12-month moving average for the 12 months ending March 2020 was the highest since data started to be collected in 2008.
- 21 However, the unprecedented scale and impact of the COVID-19 pandemic brought the importance of supporting staff wellbeing into even sharper focus at both a national and local level in order to:
- protect the health of staff by reducing the prevalence of COVID-19 in healthcare settings and minimising their exposure to the virus;
 - reduce the risk of staff transmitting the virus to colleagues, patients, family members, and other members of the wider community;
 - safeguard vulnerable groups of staff at higher risk from the virus, such as older people, people with underlying health conditions, pregnant women, and people from certain ethnic minority groups;
 - support staff to adapt to new ways of working and adjust to different work settings;
 - help staff to cope with the challenges, pressures, uncertainties, and stresses associated with the pandemic;
 - ensure NHS bodies maintain sufficient staffing levels to sustain essential services and care safely for patients affected by the virus; and
 - enable NHS bodies to restart, recover and rebuild services safely, effectively, and efficiently.
- 22 As a result, all NHS bodies in Wales placed a strong focus on staff wellbeing throughout the crisis in line with their operational plans and Welsh Government guidance¹¹.

11 [WHC/2020/019: Expectations for NHS Health Boards and Trusts to ensure the health and wellbeing of the workforce during the Covid-19 pandemic](#)

- 23 At the outset of the pandemic, each NHS body moved quickly to plan and deliver local packages of support as part of a wider multi-layered wellbeing offer to staff. The multi-layered offer, which grew and evolved over time, gave staff free access to a range of pan-Wales services and resources, including:
- **SilverCloud** – a digital mental health platform designed to help NHS staff manage feelings of stress, anxiety, and depression.
 - **Health for Health Professionals Wales** – a free, confidential service that provides NHS staff, students, and volunteers in Wales with access to various levels of mental health support including self-help, guided self-help, peer support, and virtual face-to-face therapies with accredited specialists.
 - **Samaritans Support Line** – a confidential bilingual wellbeing support line for health and social care workers and volunteers in Wales.
 - **online wellbeing resources for NHS staff** – Health Education and Improvement Wales (HEIW) worked with key colleagues on the Health and Wellbeing Sub-Group of the national COVID-19 Workforce Cell to curate and make resources and access to specific specialist services available through its Covid-19 Playlist – [NHS Wales Staff Wellbeing Covid-19 Resource](#). The Playlist also signposted staff to the wellbeing resources of their respective Health Boards and Trusts. The Health and Wellbeing Sub-Group has now transitioned into the National Health and Wellbeing Network which receives leadership and programme management support from HEIW.
- 24 In this section, we briefly describe the measures put in place by NHS bodies in Wales to support staff wellbeing at a local level, including their arrangements for safeguarding staff at higher risk from COVID-19.

Supporting physical and mental wellbeing

- 25 We found that all NHS bodies enhanced their existing employee assistance programmes and services (such as Occupational Health) and put additional arrangements in place to support the physical health and mental wellbeing of their staff, as much as possible, during the pandemic. For example:
- **enhancing infection prevention and control measures** – all NHS bodies, particularly the Health Boards and relevant Trusts, introduced enhanced infection prevention and control measures such as providing more hand hygiene facilities, supplying personal protective equipment (PPE) in line with national guidance¹², and increasing the frequency of cleaning and decontaminating surfaces, areas, and equipment.

¹² The Auditor General for Wales has reported on the provision of PPE in a separate report titled [Procuring and Supplying PPE for the COVID-19 Pandemic](#) (April 2021).

- **reconfiguring healthcare settings** – all of the Health Boards and relevant Trusts reconfigured as much of their healthcare settings as possible to segregate COVID-19 and non-COVID-19 care pathways and minimise patient, staff, and visitor movements between areas. However, the design of older buildings made this more challenging in some NHS bodies.
- **facilitating access to COVID-19 tests and COVID-19 vaccinations** – all of the Health Boards and relevant Trusts put arrangements in place to enable frontline staff to access tests for COVID-19 and, more recently, COVID-19 vaccinations in line with JCVI (Joint Committee on Vaccination and Immunisation) guidance¹³. Although some NHS bodies encountered a few challenges facilitating access to COVID-19 testing at the outset of the pandemic due to limited lab capacity, the situation improved gradually over time as lab capacity increased and new rapid-testing technology became more widely available. In terms of vaccinations, overall uptake amongst healthcare workers is extremely high. As of 17 July 2021, 96.3% had received their first dose and 93.2% had received their second dose¹⁴.
- **creating dedicated rest spaces** – most of the Health Boards and relevant Trusts established designated spaces for front-line staff to rest, recuperate, and focus on their welfare. These spaces, which were predominantly based on acute sites, were referred to as ‘wellbeing rooms’ or ‘recharge rooms’ in most areas.
- **increasing mental health and psychological wellbeing provision** – all NHS bodies increased the range, availability, and accessibility of their mental health and psychological wellbeing offer to staff. Examples include:
 - providing information and resources to promote self-care, enhance personal resilience, and support staff to adjust to new ways of working;
 - delivering therapeutic programmes, such as mindfulness and arts in health;
 - facilitating access to counselling and talking services to provide support for staff with mental health concerns such as anxiety, stress, and low mood; and
 - investing in specialised provision for members of staff experiencing the adverse effects of trauma and bereavement.

13 The Auditor General for Wales has reported on the provision of COVID-19 testing and the roll-out of COVID-19 vaccinations in two separate reports titled [Test, Trace, Protect in Wales: An Overview of Progress to Date](#) (March 2021) and [Rollout of the COVID-19 vaccination programme in Wales](#) (June 2021).

14 Source: [Public Health Wales Rapid COVID-19 Surveillance](#)

- **strengthening staff communication and engagement** – all NHS bodies strengthened their internal communication arrangements and used a broad range of channels and platforms to convey information and updates to their staff on a regular basis. In addition, all NHS bodies strengthened their staff engagement arrangements during the pandemic. As well as maintaining ongoing engagement with established employment partnerships and staff networks and groups, all NHS bodies surveyed their staff on a regular basis to better understand their needs and experiences as well as to capture their views on various matters, including the effectiveness of the local wellbeing provision.
- **enabling remote working** – all NHS bodies put arrangements in place to support remote working as part of their wider efforts to ensure and maintain physical distancing, for those staff for whom home working was appropriate. Although some NHS bodies encountered a few challenges rolling-out the necessary technology and software required to support remote working at the outset of the pandemic, these were overcome relatively quickly.
- **providing other forms of support** – a range of other support measures were implemented by NHS bodies, such as:
 - rolling out risk assessment tools, such as Stress Risk Assessment Tools and the All-Wales COVID-19 Workforce Risk Assessment Tool (this is discussed in more detail in the next section);
 - providing additional information and support to leaders and managers to enable them to engage, motivate, and support their teams effectively during the pandemic;
 - providing temporary accommodation for front-line staff living with individuals at higher risk from COVID-19; and
 - enhancing Chaplaincy services to ensure staff have access to pastoral support.

Detailed examples of health and wellbeing initiatives introduced by each NHS body during the pandemic are provided in the briefing produced by Welsh NHS Confederation titled [Supporting Welsh NHS staff wellbeing throughout COVID-19](#).

- 26 The BMA has surveyed its members extensively during the pandemic. Whilst the results are not representative of the NHS workforce as a whole, they do provide useful insights into the experiences of medical staff during the crisis:
- BMA members responding to the surveys felt better protected from coronavirus in their place of work as the pandemic progressed. The proportion of members stating they felt fully protected was 27% (113 of 417) and 37% (100 of 274) in December 2020 and April 2021 respectively. The proportion of members stating they didn't feel protected at all was 11% (47 of 417) and 6% (16 of 274) in December 2020 and April 2021 respectively.
 - A considerable number of BMA members responding to the surveys accessed wellbeing support services (provided by either their employer or a third party) during the pandemic – 43% (117 of 407) in May 2020, 38% (120 of 314) in July, and 38% (95 of 253) in August 2020. However, when asked if they knew how to access wellbeing/occupational health support if they required them, 45% (126 of 279) stated in April 2021 they either didn't know how to access these services or weren't aware what services exist.
- 27 Whilst it has been positive to see so many initiatives being developed and rolled-out during the pandemic, there is evidence to suggest that some staff experienced difficulties navigating their way around the plethora of initiatives to identify the ones that would best meet their needs. In light of this, the Welsh Government recently announced it would be launching a prototype Workforce Wellbeing Conversation Framework Tool to support NHS staff to pro-actively talk openly and honestly with their managers about their ongoing wellbeing needs and to sign-post them to the support available where appropriate¹⁵. Whilst this is a positive development, NHS bodies should also continue to engage with their staff to better understand their experiences of seeking and accessing support and adapt and improve their arrangements as necessary.

Safeguarding staff at higher risk from COVID-19

- 28 All NHS bodies put arrangements in place to roll out the All-Wales COVID-19 Workforce Risk Assessment Tool (the Risk Assessment Tool) as part of their wider efforts to safeguard members of staff at higher risk of developing more serious symptoms if they come into contact with the COVID-19 virus¹⁶.

15 [Written Statement - Minister for Health and Social Services](#) (21 July 2021)

16 The Risk Assessment Tool, which was launched in May 2020, was developed by a multi-disciplinary sub-group reporting to an Expert Advisory Group established by Welsh Government. All NHS bodies were using other risk assessments tools prior to the roll-out of the national tool.

- 29 The Risk Assessment Tool is based on a large and growing body of data and research which shows that an individual is at higher risk from COVID-19 if they have a combination of the following risk factors:
- they are over the age of 50 (the risk is further increased for those aged over 60 and 70 years old);
 - they were born male at birth;
 - they are from certain ethnic minority groups;
 - they have certain underlying health conditions (the risk very high for the clinically extremely vulnerable);
 - they are overweight; and
 - their family history makes them more susceptible to COVID-19.
- 30 The risk assessment process is completed in a number of stages with the aim of encouraging a supportive and honest conversation between a member of staff and their line-manager/employer around the measures that should be put in place to ensure they are adequately safeguarded and supported. The process is summarised in **Exhibit 4**.
- 31 We found that NHS bodies promoted the Risk Assessment Tool in a number of ways and put a range of measures in place to encourage and support their staff to complete it. The following arrangements and approaches were considered particularly important by NHS bodies:
- **senior management support** – strong and visible support for the Risk Assessment Tool by senior managers was considered important in terms of reassuring staff that the organisation was committed to the risk assessment process and supporting staff at higher risk from COVID-19.
 - **utilising workforce data** – analysing and utilising workforce data was considered important in terms of identifying staff potentially at higher risk from COVID-19, planning appropriate packages of support, and facilitating targeted messaging around the importance of completing the risk assessment process. However, several NHS bodies told us they had concerns about the robustness of Electronic Staff Record (ESR) data.
 - **support for line-managers** – ongoing information, advice, and support for line-managers, particularly from HR Officers/Business Partners, was considered important not only to help them fully understand their role in the risk assessment process but also to enable them to support their direct reports in a compassionate and supportive manner.

Exhibit 4: COVID-19 workforce risk assessment process

Step 1 – Checking risk	Member of staff completes the Risk Assessment Tool to check which risks apply to them.
Step 2 – Understanding the score	Member of staff calculates their score in order to understand the likely level of risk to them personally (low, high, or very high).
Step 3 – Identifying the right action	Member of staff discusses their score and other relevant factors with their line-manager (especially if they are in the high or very high-risk category) in order to identify the actions they can take personally and/or the support their employer can provide to ensure they are adequately protected.
Step 4 –Taking the right action	Agreed actions are implemented by the member of staff and/or their employer and reviewed on an ongoing basis to ensure they remain relevant and appropriate.

Source: All Wales COVID-19 Workforce Risk Assessment Tool Guidance for Managers and Staff (February 2021)

- **occupational health input** – information, advice, and support from occupational health practitioners was considered important for both line-managers and staff alike. Occupational health input was considered particularly important for members of staff with underlying health conditions who were not required to shield or who were returning to work after a period of shielding to ensure their needs were assessed and addressed appropriately.
- **joint working with staff networks and employment partnerships** – ongoing communication and joint working with established networks, employment partnerships, and individual Trades Unions was considered important for several reasons. Firstly, they were able to use their insights to advise NHS bodies on local approaches to rolling-out the Risk Assessment Tool and supporting staff wellbeing. Secondly, they played an important role in encouraging their members to complete the Risk Assessment Tool. Thirdly, they supported individual members of staff to complete the Risk Assessment Tool and, in some cases, provided advocacy and mediation for and on behalf of their members.

- **identifying staff champions** – identifying and utilising staff champions was considered important to provide encouragement, support, and reassurance to particular groups of staff at higher risk. Indeed, staff champions proved to be particularly important in NHS bodies that did not have the relevant staff networks in place. In these bodies, staff champions were used to reach-out and support individuals and groups of staff that were unaware they were potentially at higher risk as they didn't or couldn't access the relevant information and/or they were sceptical and/or anxious about engaging with the risk assessment process.

32 Over 62,000 risk assessments were completed via ESR and the Learning@Wales platform across the NHS in Wales between June 2020 and April 2021¹⁷. Staff had to complete paper versions of the Risk Assessment Tool prior to its roll-out via ESR in June 2020. In October 2020, the Welsh Government asked NHS bodies to request all staff to complete the Risk Assessment Tool via ESR. Completion rates via ESR in individual NHS bodies are shown in **Exhibit 5**.

33 As **Exhibit 5** shows, there is considerable variation in completion rates via ESR. There are several reasons for this:

- completing the Risk Assessment Tool via ESR has not been mandated by all NHS bodies such as Cardiff & Vale and Swansea Bay University Health Boards;
- staff in some NHS bodies that completed the paper-based Risk Assessment Tool when it was first rolled-out in May were not asked to repeat the assessment when it became available in ESR in June 2020;
- some staff are unable to access their ESR as they either work in roles that do not require the use of a computer or they do not have general access to a computer at their place of work;
- most NHS bodies have placed a greater focus on encouraging staff at higher risk to complete the Risk Assessment Tool rather than the workforce as a whole; and
- evidence from the member surveys undertaken by the BMA suggests that some staff were unaware of any risk assessment at their place of work or had been told explicitly they did not need to be assessed¹⁸.

17 58,552 risk assessments have been completed via ESR and 3,770 have been completed via Learning@Wales between 15 June 2020 and 8 April 2021. Individuals that have completed the Risk Assessment Tool more than once via the ESR are counted more than once in the data. (Source: NHS Wales Shared Services Partnership)

18 The BMA asked its members: 'Have you been risk assessed in your place of work to test if you might be at increased risk from contact with Coronavirus patients in your current role?' The proportion that stated they were not aware of any risk assessment in their place of work was 33% (70 of 211) and 35% (61 of 175) in July and August 2020 respectively. The proportion that stated they had been told explicitly they did not need to be assessed was 7% (15 of 211) and 6% (11 of 175) in July and August 2020 respectively.

Exhibit 5: completion rates as recorded in ESR by NHS body

NHS Body	Number of recorded assessments	% of staff with a completed assessment
Aneurin Bevan University Health Board	3,071	24%
Betsi Cadwaladr University Health Board	19,195	52%
Cardiff & Vale University Health Board	857	5%
Cwm Taf Morgannwg University Health Board	15,487	58%
Health Education and Improvement Wales	134	29%
Hywel Dda University Health Board	6,965	48%
Powys Teaching Health Board	1,789	48%
Public Health Wales	1,019	73%
Swansea Bay University Health Board	174	2%
Velindre NHS Trust	6,716	81%
Welsh Ambulance Services Trust	3,145	67%

Source: NHS Wales Shared Services Partnership (15 June 2020 - 8 April 2021)

- 34
- Whilst low completion rates via ESR does not necessarily equate to low use of the tool, it is difficult to know how many staff across the NHS in Wales have actually completed the Risk Assessment Tool due to the variable data collection and monitoring arrangements introduced by NHS bodies when it was launched.
- 35
- We found that all NHS bodies adopted the ‘hierarchy of control’ approach to protect and support staff at higher risk from COVID-19. Under this approach, NHS bodies identified and utilised the most suitable measures from their wider suite of wellbeing arrangements to meet the individual needs of members of staff as identified through the Risk Assessment Tool.

These measures included:

- **engineering and administrative controls** – all NHS bodies put a range of engineering and administrative controls in place to safeguard staff at higher risk who were unable to work from home because of their role, and to support staff at higher risk returning to the workplace after a period of shielding. These included creating ‘COVID-19 secure settings’ (areas that posed a lower level of risk) by segregating COVID-19 and non-COVID-19 care pathways; staggering shift start and end times to reduce congestion; recalling staff on a rotational basis to limit the number of people in the workplace; and offering a phased return to the workplace.
- **personal protective equipment (PPE)** – PPE was provided in line with agreed guidelines to reduce or remove any residual risk to staff not eliminated by other measures. As stated in the Auditor General’s report titled Procuring and Supplying PPE for the COVID-19 Pandemic, Shared Services, in collaboration with other public services, overcame early challenges to provide health and care bodies with the PPE required by guidance without running out of stock at a national level. However, the report also acknowledges that some frontline staff have reported that they experienced shortages of PPE and some felt they should have had a higher grade of PPE than required by guidance.
- **substitution measures** – working from home was not considered a viable option for all members of staff at higher risk. For some members of staff, such as those living with an abusive partner, working from home could potentially have had a greater negative impact on their overall health and wellbeing. As a result, NHS bodies put arrangements in place to enable and support staff in these situations to work in ‘COVID-19 secure settings’. For members of staff unable to perform their normal duties from home due to the nature of the work, NHS bodies put arrangements in place to enable them to work in ‘COVID-19 secure settings’ or to be redeployed to other suitable roles which they could undertake either from home or in ‘COVID-19 secure settings’ with additional support, such as retraining.
- **elimination measures** – all NHS bodies put arrangements in place to enable and support the majority of staff at higher risk to work from home, particularly during official periods of shielding. Most staff at higher risk were also supported to continue working from home when shielding periods ended if this was considered appropriate and safe to do so, and if the arrangement worked effectively for both the employer and employee.

- 36 All NHS bodies also encouraged and supported staff at higher risk to access mental health and psychological wellbeing services to help them adjust to new ways of working and/or manage any anxieties or worries they experienced. Detailed guidance was also provided to line-managers on how to provide effective support to staff at higher risk during the pandemic. As NHS bodies move towards the recovery period, they should continue to engage with staff at higher risk to evaluate the impact of the support and interventions they are providing and amend or improve their arrangements as necessary.
- 37 We found that there are a number of advantages and disadvantages to the Risk Assessment Tool, as follows:

Advantages of the Risk Assessment Tool

- the tool has ensured consistency, reduced variability, and facilitated the sharing of learning across the NHS;
- the format of the tool is simple, easy to use, and enables staff to focus on the main factors which may place them at greater risk;
- the tool helps managers appreciate the importance of addressing risks to staff in a timely and sensitive manner as well as the importance of being a compassionate and supportive manager;
- the process, if done correctly, provides reassurance to staff and gives assurance to managers and leaders that staff risks are being managed appropriately;
- the tool has galvanised organisations into adopting holistic approaches to managing staff risks; and
- the tool has generated a greater awareness and understanding of the needs of certain groups of staff, particularly those underrepresented within existing organisational structures.

Disadvantages of the Risk Assessment Tool

- the tool has made some staff feel ‘targeted’ or ‘singled out’ for special treatment;
- there have been some concerns about the use of the acronym BAME (Black, Asian, and Minority Ethnic) in the tool because it places a greater emphasis on certain ethnic minority groups (Asian and Black) and exclude others (Mixed, Other and White ethnic minority groups);
- there have been some concerns that the tool’s scoring matrix does not give sufficient weighting to certain risk factors, such as ethnicity and Type 1 diabetes;
- the tool and process have been seen and treated as a ‘tick box exercise’ by a small number of managers and members of staff; that is, the tool was completed to maintain compliance, but no real action was taken in response to the score;

- the tool does not pick-up the whole picture in one place for all staff, particularly those required to complete other risk assessments (eg stress risk assessment); and
- the ongoing development and evolution of the tool has led to a sense of 'risk assessment fatigue' amongst some members of staff.

Maintaining oversight of staff wellbeing arrangements

- 38 At an operational level, we found that all NHS bodies had staff wellbeing planning cells/groups in place as part of their emergency command and control structures with responsibility for planning and overseeing the delivery of local staff wellbeing provision. These planning cells/groups were tasked with working with other relevant cells/groups, such as those with responsibility for PPE and staff communication and engagement, to ensure a co-ordinated approach to supporting staff wellbeing.
- 39 These planning cells/groups were also responsible for monitoring COVID-19 workforce related risks and indicators and escalating key concerns and issues to the relevant group(s) within the emergency command structure as appropriate. Whilst the majority of these planning cells/groups monitored similar indicators, such as absence rates due to illness or shielding, we found that only a small number were actively monitoring risk assessment completion rates. Furthermore, we found that only NHS body had arrangements in place at an operational level to assess and monitor the quality of completed risk assessments.
- 40 At a corporate level, we saw evidence in most NHS bodies of good flows of information to boards and committees to provide assurance and enable effective oversight and scrutiny of all relevant staff wellbeing risks and issues during the pandemic. However, we found there was scope across most NHS bodies to strengthen the arrangements for reporting risk assessment completion rates and providing greater assurances to boards and committees around the quality of completed risk assessments.
- 41 We found that the crisis generated a greater awareness at board-level in all NHS bodies around the importance of supporting staff wellbeing and, in particular, the importance of understanding and addressing the needs of particular groups of staff. In some NHS bodies, this led to the creation of new staff networks and advisory groups for specific groups of staff which have traditionally been underrepresented within existing corporate structures. However, one Health Board has taken this further by establishing an Advisory Group for staff from ethnic minority groups as a formal sub-group of the board to ensure a stronger voice and involvement within the organisation for black, Asian, and minority ethnic staff. Although the Advisory Group reports formally via the Health Board's Chair, the Advisory Group's Chair and Vice-Chair are invited to attend all board meetings.

Key challenges and opportunities for the future

- 42 NHS staff at all levels have shown tremendous resilience, adaptability, and dedication throughout the pandemic. However, they have also experienced significant physical and mental pressures due to the unprecedented challenges presented by the crisis, including:
- working longer hours and managing greater workloads;
 - operating in rapidly changing, demanding, and intensive environments;
 - managing fears, concerns, and anxieties about the risks to their own health as well as the risks to the health of their loved ones;
 - seeing patients, colleagues and/or family and friends falling seriously ill or even dying with COVID-19;
 - contracting COVID-19, and, for some, managing the longer-term effects of the virus (long-COVID);
 - adjusting to new ways of working and, in some cases, adjusting to different roles;
 - dealing with the resulting impact of shielding or working from home in terms of feeling isolated and alone and/or feeling guilty about not being able to support colleagues on the front-line; and
 - adapting to wider social restrictions and managing their associated impacts, such as delivering home schooling, and providing enhanced care for elderly or vulnerable relatives.
- 43 The crisis has undoubtedly had a considerable impact on the wellbeing of staff. For example, surveys undertaken by RCN Wales, whilst not representative of the NHS workforce as a whole, highlight the impact of the pandemic on staff wellbeing. The results of the survey undertaken in June 2020, which received 2,011 responses, found:
- 75.9% stated their stress levels had increased since the beginning of the pandemic;
 - 58.4% stated that staff morale had worsened since the beginning of the pandemic; and
 - 52% stated they either strongly agreed or agreed with the statement 'I am worried about my mental health'.
- 44 However, the longer-term impacts cannot and should not be ignored or underestimated. Indeed, the surveys undertaken by the BMA, whilst not representative of the NHS workforce as a whole, point to some of the challenges that remain in relation to staff wellbeing:
- in April 2021, 45% (126 of 279) of members stated they were suffering from depression, anxiety, stress, burnout, emotional distress, or other mental health conditions relating to or made worse by their place of work or study compared with 40% (298 of 735) in April 2020.

- in April 2021, 33% (92 of 279) of members stated their symptoms were worse than before the start of the pandemic compared with 25% (185 of 735) in April 2020.
 - in April 2021, 36% (72 of 281) of members stated their current levels of health and wellbeing were slightly worse or much worse compared with that during the first wave between March and May 2020. However, it should be noted that this is an improvement when compared with the results in October and December 2020, namely 43% (205 of 480) and 48% (224 of 467) respectively.
 - on a scale of one to five (where 1 equalled very low/negative, and 5 equalled very high/positive), 32% (74 of 229) of members scored their morale as either a 1 or 2 in April 2021. However, it should be noted that this is an improvement when compared with the results in October and December 2020, namely 45% (203 of 454) and 47% (195 of 402) respectively.
 - in April 2021, 56% (157 of 282) of members stated their current level of fatigue or exhaustion was higher than normal from working or studying during the pandemic. However, it should be noted that this is an improvement when compared with the results in October and December 2020, namely 60% (286 of 480) and 64% (297 of 467) respectively.
- 45 Surveys and work undertaken by other professional bodies also highlight the increased stress, exhaustion, and burnout experienced by staff. They also point to the increased risk to staff of developing longer term physical and psychological problems without ongoing support and opportunities for proper rest and recuperation.
- 46 Trends in sickness absence rates also point to some of the challenges that NHS bodies have faced during the crisis. After a gradual fall during 2015 to 2017, the sickness absence 12-month moving average has been rising and was 6.0% over the last year, mainly due to an increase from the April to June 2020 quarter during the pandemic. For the quarter ending 31 December 2020¹⁹:
- the sickness absence rate was 6.4%, up 1.3 percentage points compared to the quarter ending 30 September 2020.
 - the NHS bodies with the highest sickness rates were Cwm Taf Morgannwg University Health Board at 8.5%, Welsh Ambulance Services NHS Trust at 8.4%, and Swansea Bay University Health Board at 8.3% (compared with 5.6%, 5.9%, and 6.2% respectively for the quarter ending 30 September 2020).

¹⁹ Source: [StatsWales](#)

- the staff groups with the highest sickness absence rates were the Ambulance staff group at 9.6%, the Healthcare Assistants and Support Workers staff group at 9.2%, and the Nursing, Midwifery and Health Visiting staff group at 8.1% (compared with 6.2%, 7.4%, and 6.5% respectively for the quarter ending 30 September 2020).
- 47 In the short-term, NHS bodies will face challenges in terms of managing seasonable absences which tend to be higher in the winter months as well as dealing with absences caused by staff requiring to self-isolate by the Test, Trace, Protect Service. However, they will also potentially face future challenges in terms of managing absence rates attributed to the longer-term physical and mental conditions caused by the pandemic unless they maintain and build upon their staff wellbeing arrangements.
- 48 The COVID-19 pandemic has undoubtedly brought staff wellbeing into sharper focus at both a national and local level. It has also shown that NHS bodies can respond rapidly and effectively to the challenges and pressures presented by a crisis. However, there is no doubt that the NHS workforce in Wales, which was already under pressure prior to the pandemic, is more emotionally and physically exhausted than ever before after the significant and unprecedented efforts of the last 18 months.
- 49 A continued focus on providing accessible wellbeing support and services and maintaining staff engagement, therefore, is going to be needed in the short-term to ensure NHS bodies address the ongoing impact of the pandemic on the physical health and mental wellbeing on their staff. Without such a focus, there is a risk the impact of the pandemic on the physical and mental health of staff will grow which could, in turn, compromise the ability of NHS bodies to deal effectively with the combined challenges of recovering and restarting services, continuing to respond to the COVID-19 pandemic, and also managing seasonal pressures which are expected to be greater this winter than they were last year.
- 50 However, the COVID-19 pandemic has also created an opportunity to rethink and transform staff wellbeing for the medium to longer term. Whilst supporting the wellbeing of the NHS workforce is more necessary than ever when the service needs to respond to a crisis, investing appropriately in staff wellbeing on an ongoing basis is equally as important as a healthy, engaged, and motivated workforce is essential to the delivery of safe, high-quality, effective, and efficient health and care services.
- 51 We have prepared a checklist to accompany this report which sets out some of the questions NHS Board Members should be asking to obtain assurance that their respective health bodies have effective, efficient, and robust arrangements in place to support the wellbeing of their staff.



Audit Wales

24 Cathedral Road

Cardiff

CF11 9LJ

Tel: 029 2032 0500

Fax: 029 2032 0600

Textphone: 029 2032 0660

We welcome telephone calls in
Welsh and English.

E-mail: info@audit.wales

Website: www.audit.wales

Management Response – Taking Care of the Carers?

Health Body: Aneurin Bevan University Health Board

Completion Date: January 2022

Ref	Recommendation	Management Response / Action	Target Completion Date	Responsible Officer
R1	Retaining a strong focus on staff wellbeing NHS bodies should continue to maintain a strong focus on staff wellbeing as they begin to emerge from the pandemic and start to focus on recovering their services. This includes maintaining a strong focus on staff at higher risk from COVID-19. Despite the success of the vaccination programme in Wales, the virus (and variations thereof) continues to circulate in the general population. All NHS bodies, therefore, should continue to roll-out the Risk Assessment Tool to ensure all staff have been risk assessed, and appropriate action is taken to safeguard and support staff identified as being at higher risk from COVID-19.	Physical and mental wellbeing is an organisational priority and identified within the Integrated Medium-Term Plan. The Health Board have taken steps to strengthen employee wellbeing capacity and resources to provide a systematic way to support the needs of individuals and teams. Employee Wellbeing requirements are regularly reviewed through quarterly staff surveys which informs our wellbeing provision.	Completed with ongoing review	Sarah Simmonds
		The Covid Risk assessment tool continues to be promoted and encouraged widely and is a mandatory requirement within ESR training. Current compliance at 79.88% as at 19.01.2021. Opportunities to increase compliance have been taken with staff who have limited access to online	Ongoing priority	Executive Directors

		<p>devices and support positively engaged through TU and LNC colleagues. Any staff who have not completed the risk assessment or whose circumstances have changed continue to be encouraged to do so.</p> <p>Occupational Health are piloting an Occupational Therapy Service until the end of March 2022 to support staff with post covid syndrome. The work has been supported and funded by the Post COVID Recovery Service and work is ongoing to formalise the service pathway to ensure equitable provision for the whole workforce. A review of this pilot will be conducted in March to identify whether there is scope to expand this service to support our workforce with other underlying ill health conditions.</p>	March 2022	Peter Carr
R2	<p>Considering workforce issues in recovery plans</p> <p>NHS bodies should ensure their recovery plans are based on a full and thorough consideration of all relevant workforce implications to ensure there is adequate capacity and capability in place to address the challenges and opportunities associated with recovering services. NHS bodies should also ensure they consider the wider legacy issues around staff wellbeing associated with the pandemic response to ensure they have sufficient capacity and capability to maintain safe, effective, and high-quality healthcare in the medium to long term.</p>	<p>Our recovery workforce plans have been developed and completed based on a realistic approach to assessing workforce availability and supply. The organisation has factored in workforce supply assumptions including high levels of absence rates, taking into account the impact of COVID isolation requirements, including predicted seasonal variations. We continue to assess capacity and supply demands and restraints within our service recovery plans through monitoring vacancies, recruitment, turnover, and anticipated requirements for variable pay. Recovery plans and investment in additional workforce required has been reviewed and assessed at a service level through a series of demand and capacity meetings</p>	Completed with ongoing review	Sarah Simmonds

		<p>and supported by the Recovery Group Chaired by the Assistant Director of Finance.</p> <p>We monitor staff wellbeing through additional metrics such as a regular series of Wellbeing Surveys which are reported to Executive Team and People and Culture Committee. From a psychosocial wellbeing perspective there is no agreed NHS wide definition of 'recovery', as such the Health Board will need to develop its own considering its own unique needs. In addition, we regularly monitor Working Time Directive and support flexible working options for staff as well as advocating agile/hybrid which support staff wellbeing.</p> <p>Our performance issues are an important factor in the Workforce & OD Integrated Medium Term Plan, at a time of acute recruitment challenges for all staff groups.</p> <p>Continuing to respond to the pandemic continues to be a day-to-day reality for our workforce and the services they support, which continues to have a direct impact on recovery plans as we respond to surge and the various requirements such as the Mass Vaccination Programme.</p>	Ongoing priority	Sarah Simmonds
--	--	--	------------------	----------------

R3	<p>Evaluating the effectiveness and impact of the staff wellbeing offer</p> <p>NHS bodies should seek to reflect on their experiences of supporting staff wellbeing during the pandemic by evaluating fully the effectiveness and impact of their local packages of support in order to: (a) consider what worked well and what did not work so well; (b) understand its impact on staff wellbeing; (c) identify what they would do differently during another crisis; and, (d) establish which services, programmes, initiatives, and approaches introduced during the pandemic should be retained or reshaped to ensure staff continue to be supported throughout the recovery period and beyond. NHS bodies should ensure that staff are fully engaged and involved in the evaluation process.</p>	<p>Evaluation of wellbeing initiatives is carried out as part of routine good practice where practicable. The Employee Psychological Therapy Service outcome data is evaluated as are group interventions such as Schwartz Rounds. ‘Deep dive’ assessments of wellbeing within teams / wards / departments are becoming increasingly common place. These assessments provide rich baseline data to use to evaluate subsequent interventions though we must be very careful in making assumptions around causality in a complex and highly stressed clinical services where problems will be multifaceted, intertwined and there will always be multiple, equally coherent potential interventions which could be used.</p> <p>Recently developed Trauma Pathway (within the Psychological Therapy Service) has now been evaluated and found to have very positive outcomes and compares well with comparable services in NHS England.</p> <p>The team regularly engage in reviews where what others found helpful is discussed and shared. To support this process a new electronic satisfaction survey has been developed and launched. This survey is for all staff who have receive support from our Psychological Therapy Service - regardless of the specific pathway. Return rates for the satisfaction survey have increased from 19% (old paper-based survey) to over 50% allowing us a much more detailed understanding of the initiatives they have experienced.</p>	Completed with ongoing review	Sarah Simmonds
----	--	--	-------------------------------	----------------

		<p>A quality assurance framework tool has been developed and piloted with HEIW and will be incorporated into a larger tool as part of an M.Phil. project in collaboration with Cardiff Metropolitan University. In the event of Welsh Government supporting our service development bid there are also plans for Cardiff Metropolitan University to provide external expertise in the system wide evaluation of the Well-being Centre of Excellence.</p> <p>A series of staff well-being surveys are undertaken to assess current need and inform system wide interventions now and in the future.</p>		
R4	<p>Enhancing collaborative approaches to supporting staff wellbeing</p> <p>NHS bodies should, through the National Health and Wellbeing Network and/or other relevant national groups and fora, continue to collaborate to ensure there is adequate capacity and expertise to support specific staff wellbeing requirements in specialist areas, such as psychotherapy, as well as to maximise opportunities to share learning and resources in respect of more general approaches to staff wellbeing.</p>	<p>We continue to be very active in working collaboratively regionally and nationally. The Head of Well-being has chaired the Task & Finish group of the Welsh Government sponsored and recently launched the ESR located 'Wellbeing Conversation Guide'.</p> <p>Employee wellbeing staff are involved in a number of national initiatives, bodies, and work programmes including the 'All Wales Wellbeing Network' and 'Better working relationships Task and Finish group' (as well as the evaluation subgroup).</p> <p>The Head of the Employee Wellbeing service is also involved in the 'One Voice' a NHS (UK) professionals collaborative focused on improved working conditions and wellbeing. This group has</p>	Completed	Sarah Simmonds

		<p>representation from all major professional bodies, including NHS England.</p> <p>The wellbeing service is also involved in national research projects / work streams in collaboration with local academic partners (Cardiff University and Cardiff Metropolitan University). One example of a collaborative work stream is the 'Avoidance of worker harm' programme that has been developed over the past 12 months.</p> <p>The proposed Wellbeing Centre of Excellence has collaborative approaches as an integral component. The Health Board continues to develop this model within current resources and seeks recurring funding opportunities.</p>		
R5	<p>Providing continued assurance to boards and committees</p> <p>NHS bodies should continue to provide regular and ongoing assurance to their Boards and relevant committees on all applicable matters relating to staff wellbeing. In doing so, NHS bodies should avoid only providing a general description of the programmes, services, initiatives, and approaches they have in place to support staff wellbeing. They should also provide assurance that these programmes, services, initiatives, and approaches are having the desired effect on staff wellbeing and deliver value for money. Furthermore, all NHS bodies should ensure their Boards maintain effective oversight of key workforce performance</p>	<p>Wellbeing and OD plans, outcomes and reviews are regularly reported to Executive Team, People and Culture Committee and Board as required. Existing and proposed initiatives are regularly and openly shared with senior leadership, Trade Unions and professional leads as are evaluations of said initiatives e.g., the newly established trauma pathway, and results of the quarterly wellbeing survey. In addition, see below R6 which describes the #PeopleFirst project.</p> <p>The Board is updated on workforce performance indicators and initiatives through the People & Culture Committee and through an Employee</p>	Completed	Sarah Simmonds

	<p>indicators – this does not happen in all organisations at present.</p>	<p>Wellbeing Dashboard which is regularly shared with performance data.</p> <p>Regular two-way engagement with the Trade Unions and the Local Negotiating Committee which has been an intrinsic part of the Health Board’s approach throughout the pandemic to support staff and enabled any concerns raised to be resolved quickly.</p>		
R6	<p>Building on local and national staff engagement arrangements</p> <p>NHS bodies should seek to build on existing local and national workforce engagement arrangements to ensure staff have continued opportunities to highlight their needs and share their views, particularly on issues relating to recovering, restarting, and resetting services. NHS bodies should ensure these arrangements support meaningful engagement with underrepresented staff groups, such as ethnic minority staff.</p>	<p>The Health Board has initiated an innovative 12-month engagement programme called “#PeopleFirst, #CynnalCynefin, reconnecting our workforce”.</p> <p>The origins are within the values of the Health Board and is a collaborative programme delivered by Wellbeing, OD and the Executive Board. The programme aims to re-connect staff to each other, to managers and senior leaders to empower them to raise and solve local problems locally, raise concerns to a higher level and offer the experience of feeling heard. As of December 2021, the project team have run 6 hospital site-based events, interacted with over 50 staff who have raised over 90 issues which we are working on. The project continues into the new year with cross-executive support. There is an external website in development and a social media comms strategy. https://aneurinbevanwellbeing.co.uk/peoplefirst</p>	December 2022	Sarah Simmonds

		<p><u>From January 2022, equality-based staff networks will run every month acting as a permanent support system. These groups will feed into the current Advisory Groups on Race and LGBTQ+ with the addition of Disability and Neurodiversity. The aim is that membership of these networks will provide a further safe space for under-represented and marginalised staff to raise concerns.</u></p> <p>As per the response to R5, the ongoing engagement with Trade Unions and the Local Negotiating Committee supports the Health Board commitment to meaningful engagement with all staff groups.</p>	Completed	Sarah Simmonds
--	--	---	-----------	----------------

Please indicate below how the Board Members Checklist will be used to inform debate within your organisation

Structured Assessment 2021 – Aneurin Bevan University Health Board

Audit year: 2021

Date issued: January 2022

Document reference: 2811A2022

This document has been prepared for the internal use of Aneurin Bevan University Health Board as part of work performed/to be performed in accordance with statutory functions.

The Auditor General has a wide range of audit and related functions, including auditing the accounts of Welsh NHS bodies, and reporting to the Senedd on the economy, efficiency, and effectiveness with which those organisations have used their resources. The Auditor General undertakes his work using staff and other resources provided by the Wales Audit Office, which is a statutory board established for that purpose and to monitor and advise the Auditor General.

Audit Wales is the non-statutory collective name for the Auditor General for Wales and the Wales Audit Office, which are separate legal entities each with their own legal functions as described above. Audit Wales is not a legal entity and itself does not have any functions.

© Auditor General for Wales 2021

No liability is accepted by the Auditor General or the staff of the Wales Audit Office in relation to any member, director, officer, or other employee in their individual capacity, or to any third party in respect of this report.

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 Wales Audit Office are relevant third parties. Any enquiries regarding disclosure or re-use of this document should be sent to Audit Wales at infoofficer@audit.wales.

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

Contents

Summary report	
About this report	4
Key messages	4
Recommendations	6
Detailed report	
Governance arrangements	8
Managing financial resources	20
Planning arrangements	24
Appendices	
Appendix 1 – management response to the audit recommendations	

Summary report

About this report

- 1 This report sets out the findings from the Auditor General's 2021 Structured Assessment at Aneurin Bevan University Health Board (the Health Board). Our Structured Assessment is designed to help discharge the Auditor General's statutory requirement to be satisfied that NHS bodies have made proper arrangements to secure economy, efficiency, and effectiveness in their use of resources under section 61 of the Public Audit (Wales) Act 2004.
- 2 The COVID-19 pandemic required NHS bodies to quickly adapt their arrangements in respect of governance, planning and decision making to ensure timely action was taken to respond to the predicted surge in emergency COVID-19 demand and ensure the safety of staff and patients. Our [2020 structured assessment report](#) considered the Health Board's revised governance arrangements and was published in November 2020.
- 3 NHS bodies have continued to respond to the ongoing challenges presented by COVID-19, whilst also starting to take forward plans for resetting and recovering services affected by the pandemic. Our 2021 structured assessment work considered how arrangements for corporate governance, financial management and strategic planning have continued to adapt since the initial response stage of the pandemic. We also considered how business deferred in 2020 has been reinstated and how learning from the pandemic is shaping future arrangements for good governance and delivering value for money.
- 4 Our work was designed in the context of the ongoing response to the pandemic, by ensuring a suitably pragmatic approach to help the Auditor General discharge his statutory responsibilities whilst minimising the impact on NHS bodies as they continued to respond to the COVID-19 pandemic.
- 5 Where appropriate, we have provided updates on progress against any issues and recommendations identified in previous structured assessment reports, where these related to important aspects of governance, financial management, and operational planning.

Key messages

- 6 Overall, we found **the Health Board maintains adequate Board and Committee arrangements and is embedding its new governance structure alongside its assurance mechanisms, but there are opportunities to assess the effectiveness of these arrangements. The Health Board has gone through a period of high turnover amongst its senior leaders at Board-level whilst also holding a number of Independent Member vacancies. The Health Board has effective financial management arrangements enabling it to meet its financial duties over the last three years. However, its underlying deficit presents a risk to financial sustainability going forward. Arrangements for developing**

and submitting the Annual Plan are effective. Whilst the Annual Plan provides clarity on strategic objectives and has informed Board and Committee business, there has been limited oversight and scrutiny on overall delivery of the Annual Plan at Board-level.

- 7 The Health Board has adequate Board and Committee arrangements but needs to address issues around its website content and capacity and resilience in its Corporate Governance Support Team. It is embedding its new governance structure and intends to review its effectiveness by April 2022. The Health Board has gone through a period of high turnover amongst its senior leaders at Board-level whilst also holding a number of Independent Member vacancies. The Health Board will need to manage the risks associated with this turnover; particularly given the significant operational challenges it is facing. It has further revised its Board Assurance Framework, and risk management strategy and approach. However, embedding the new approach will take time. The Health Board is strengthening its arrangements for employee wellbeing, However, there are opportunities to strengthen quality and patient safety reporting around services the Health Board commissions and arrangements for tracking internal and external audit recommendations.
- 8 The Health Board has successfully met its financial duties over the past three years and achieved its revised savings target despite the pandemic. It is also predicting to break-even during 2021-22. The Health Board has effective financial planning arrangements and the 2021-22 plan reflects the exceptional nature of the pandemic and the uncertainties in response and recovery. The continuing impact of the COVID-19 pandemic has led the Health Board to revise its initial savings target of £33 million to £16.6 million. As a result, the underlying financial deficit brought forward from 2020-21 of £20.8 million remains and will not improve during 2021-22 due to in-year cost pressures and continuing financial pressure. This represents a risk to the financial sustainability of the Health Board as savings will need to be achieved in future years to reduce the underlying deficit. The Health Board has generally effective financial controls, monitoring and reporting arrangements.
- 9 The Health Board's arrangements for developing and submitting its annual plan are reasonable. The plan incorporates learning from the pandemic and outlines a strategic approach to providing healthcare in the region. There are clear strategic objectives underpinned by a set of outcomes and measures to achieve them. However, it lacks target / dates and milestones to enable the Health Board to monitor and track progress against the various measures and ensure intended priorities and outcomes are achieved. The Health Board is developing a monitoring and outcomes framework; however, this work has not been finalised, due to the impact of the pandemic, resulting in limited oversight and scrutiny on overall delivery against priorities outlined in its Annual Plan at Board-level. However, the Annual Plan has been used to inform Board and Committee business, with assurance on individual strategic objectives provided at different points of the year.

Recommendations

- 10 Recommendations arising from this audit are detailed in **Exhibit 1**. The Health Board's management response to these recommendations is summarised in **Appendix 1**.

Exhibit 1: 2021 recommendations

Recommendations

Website Content and Information

- R1 The Health Board's website contains some outdated information relating to its governance arrangements and incomplete performance data which is not supported by appropriate explanatory information. The Health Board, therefore, should take immediate action to ensure:
- Content is well-organised, easy to navigate, clear and concise, and
 - Key information / data is up-to-date and in a format that the public and stakeholders can interpret and understand.

Reviewing the new Governance Structure

- R2 Some Board members have expressed concerns about the volume of work now undertaken by some of the committees and the robustness of the arrangements for ensuring flows of assurance. The Health Board, therefore, should complete its review of the new governance structure by its intended deadline of April 2022 to be assured that it is operating as intended.

Corporate Governance Support Team resilience and capacity

- R3 Recent staff turnover within the Corporate Governance Support Team has impacted on the quality of service it is able to provide to the Board and its Committees. The Health Board, therefore, should review the effectiveness of its Corporate Governance Support Team as soon as possible to ensure that it has sufficient resilience and capacity to support all governance functions. Arrangements should also be put in place to ensure staff are able to access suitable training / learning opportunities to develop their knowledge and skills within their respective roles.

Stability of the Board

- R4 The Health Board has experienced significant changes in its Executive Team and cadre of Independent Members resulting in several interim Executive

Recommendations

Director appointments and is currently recruiting to two independent member vacancies. However, maintaining these temporary arrangements indefinitely alongside the turnover of Independent Members present risks at a time of significant operational pressures. The Health Board, therefore, should seek to make permanent appointments to these key Executive Director roles at the earliest possible opportunity. In addition, there remains a need for the Health Board to strengthen its induction and training for new Independent Members in line with our recommendation in 2019.

Monitoring delivery of Strategic Priorities

- R5 The Health Board has not finalised its monitoring framework due to the pandemic, subsequently there continues to be limited oversight and scrutiny at Board-level on overall delivery against priorities outlined in the 2021/22 Annual Plan. The Health Board, therefore, should complete the development of its monitoring framework as soon as possible to allow the Board to review and if necessary, challenge delivery of its strategic priorities and progress against the Annual Plan and future Integrated Medium-Term Plans.

Governance arrangements

- 11 Our work considered the Health Board's governance arrangements while continuing to respond to the challenges presented by the pandemic.
- 12 We found that the **Health Board has adequate arrangements in place to conduct Board and Committee business, however there are opportunities to assess the effectiveness of these arrangements. The Health Board is embedding its new governance structure and strengthening its assurance mechanisms, but it will need to continually monitor and review them to ensure they are functioning as intended. The Health Board has gone through a period of high turnover amongst its senior leaders at Board-level whilst also holding a number of Independent Member vacancies. It will need to manage the risks associated with this turnover, particularly given the significant operational challenges it is facing**

Conducting business effectively

- 13 We found that **the Health Board has adequate arrangements in place to conduct Board and Committee business. There are opportunities for improvement including reviewing the effectiveness of the new governance structure and ensuring that there is continuity of executive and independent member leadership during this period of board member change. This is critical at a time when the Health Board is facing significant operational pressures.**

Public transparency of Board business

- 14 Board and Committee meetings continue to be held virtually, with some members attending remotely and some attending from socially distanced meeting rooms. The use of technology and the etiquette around virtual meetings is well embedded. Some Board members have indicated that they would like to see the current arrangements continue as the Health Board moves into recovery.
- 15 Board meetings are livestreamed with recordings made available on the Health Board's YouTube channel. Signposting to upcoming Board meetings is provided via the Health Board's social media channels and website homepage. Weblinks for previous meetings are accessible through its website. However, they direct the public to the Health Board's YouTube channel homepage as opposed to specific meetings.
- 16 The Health Board does not livestream any Committee meetings. The Health Board has indicated it does not have the resources to provide this service. However, meetings are recorded for minuting purposes. The Health Board, therefore, may wish to consider making these recordings available on its YouTube channel to further enhance public transparency of Board business.

- 17 The Health Board aims to publish meeting agendas and papers on its website a week in advance. However, the impact of the pandemic has placed significant and sustained pressure on the Corporate Governance Support Team resulting in delays in issuing some Committee papers. Some Board members have indicated to us that this has affected their ability to review these papers in detail to enable effective scrutiny and challenge. The Health Board does not have arrangements in place to monitor timescales for submitting and publishing Board and Committee papers. It may, therefore, want to consider establishing a breaches log to monitor and improve compliance with timescales for submitting and publishing papers.
- 18 Our review of the Health Board's website between September and November 2021 identified:
- outdated information relating to the Health Board's new Committee structure;
 - outdated information on Executive Team membership;
 - incorrect meeting dates; and
 - incomplete meeting packs for some Committee meetings¹.
- 19 Furthermore, some of the performance data published on the website is incomplete and not supported by appropriate explanatory information². The Health Board, therefore, should take steps to ensure the content relating to its governance arrangements is well-organised, easy to navigate, clear and concise, and performance data is up-to-date and presented in a format that the public and stakeholders can interpret and understand (**Recommendation R1**).
- 20 The Health Board continues to invite Community Health Council (CHC) representatives to participate in virtual Board meetings. The Health Board also makes extensive use of social media to engage with the public by, for example, providing information on service provision and changes, and its ongoing response to the pandemic. It is also expanding the way it communicates to the public and stakeholders by developing a WhatsApp messaging service which will provide subscribers with frequent Health Board updates on a variety of topics.

Board and committee arrangements

- 21 At its December 2020 meeting, the Board agreed to introduce and implement a leaner governance structure in April 2021 to reflect learning from its revised governance arrangements introduced at the outset of the pandemic and to recognise the need for a more proportionate governance model going forward. The aim of the new governance structure is to allow the Board to maintain greater strategic oversight of the organisation and to strengthen the role of the Committees

¹ Some papers were unavailable for the Patient, Quality, Safety and Outcomes Committee meeting in September 2021, and the People and Culture Committee meeting in November 2021.

² Data published in relation to mortality figures across the Health Board's hospital sites during the pandemic and more recently hospital handovers at the Grange University Hospital (GUH) have either been incomplete or not supported by appropriate explanatory information.

in terms of providing more detailed scrutiny and assurance on Health Board business.

- 22 Some of the Committees in the new structure have taken responsibility for wider elements of Health Board business, with some functions spanning several committees, for example:
- The Finance and Performance Committee has been disbanded, with oversight of finance allocated to the new Audit, Finance and Risk Committee ('AFR Committee').
 - Performance is now overseen by two Committees - the new AFR Committee, and the Patient, Quality, Safety, and Outcomes Committee ('PQSO Committee').
 - The Information Governance Committee has been disbanded with the AFR Committee, the PQSO Committee, and the Strategy, Planning, Partnerships, and Wellbeing Committee (SPPW Committee) now responsible for overseeing different aspects of information governance and ICT programmes.
 - The SPPW Committee now includes partnership working which was previously covered by the Partnerships and Wellbeing Committee. However, this is not an assurance committee of the Board.
- 23 Whilst Board members are supportive of the new governance structure, some have expressed concerns about the volume of work now undertaken by some of the committees (such as the AFR Committee), and the robustness of the arrangements for ensuring flows of assurance. The Health Board, therefore, needs to assess the effectiveness of its new governance structure to ensure it is operating as intended. **(Recommendation R2).**
- 24 There is a degree of variability in the way agendas for Board and Committee meetings are configured. Some Board members have expressed concern that the length and configuration of some agendas limit their ability to provide detailed scrutiny and questioning. The Health Board, therefore, may want to consider adopting a consistent approach to agenda setting to provide focus and enable scrutiny where it is needed most by placing items for review and assurance first, followed by items for consideration, and finally items for noting and information. This would also help manage time and energy levels across all meetings.
- 25 Our observations of Board and Committee meetings found them to be generally well managed, with Chairs ensuring focussed discussions on key issues and encouraging contributions from all. Board members engage and participate fully in meetings with good scrutiny and questioning of the information presented. Chairs still invite Independent Members to submit questions in advance, which is continuing to increase the breadth and depth of scrutiny.
- 26 The Corporate Governance Support Team continues to provide administrative support to the Board and its Committees. However, our work identified some concerns amongst Board Members regarding the capacity and resilience of the

Corporate Governance Support Team, indicating that recent staff turnover is impacting on the level of knowledge and experience within the team. With the appointment of a new permanent Board Secretary, there are opportunities for the Health Board to review the capacity and resilience of the Corporate Governance Support Team to ensure the Board and its Committees are supported effectively (**Recommendation R3**).

Board and committee information

- 27 We found evidence of positive practice, with some Board and Committee papers becoming more succinct, clearer, and outcomes focussed, for example:
- Information included in the Patient, Quality, Safety and Outcomes Report has reduced significantly and is beginning to provide more clarity around emerging themes, areas of concern, mitigation, and good practice.
 - Independent Members have also commented positively on the quality of the update paper on National Clinical Audit which give clearer assessments of the Health Board's position against several national clinical audit actions.
- 28 Whilst all cover reports follow a SBAR³ format, our work found slight differences in their use, for example:
- Executive summaries are either not completed or include information that is more appropriate in a different section of the report.
 - Some cover reports are unclear on the overall purpose of the report with multiple options selected rather than one (approve the report, discuss, and provide views, or receive the report for assurance / compliance); and
 - The quality of information contained within cover reports are variable, with some cover reports containing limited information and others containing too much detail rather than focussing on the key issues set out in the main report.
 - We have also identified instances where broadly similar reports were presented to Committees and the Board, thus missing opportunities to summarise and synthesise the information to provide focus on key matters.
- 29 Overall, we found that information provided to the Board and its committees is improving and there is evidence of good practice. However, there are opportunities to improve the quality and use of cover reports through training, guidance and also regularly reviewing the quality of agenda content.
- 30 In addition, in 2018, we highlighted improvements needed in the areas relating to information governance and informatics. Progress against the recommendations is outlined in **Exhibit 2**.

³ Situation, Background, Assessment, and Recommendation.

Exhibit 2: progress made on previous year recommendations

Recommendation	Description of progress
<p>Information Governance Arrangements 2018 R3</p> <p>The Health Board should improve its information governance arrangements by:</p> <ol style="list-style-type: none"> Improving compliance with the information governance training programme to reach the national rate of 85%; Improving performance against information access targets for the Freedom of Information Act to reach the statutory targets. 	<p>In Progress</p> <p>The pandemic has hindered progress against achieving the national rate of 85% with compliance for the organisation currently reported at 74%. The Information Governance (IG) Unit has extended the range of learning options available:</p> <ul style="list-style-type: none"> - The E-Learning package available via the intranet for staff. - Working with the National ESR team to add the Health Boards IG E learning on to ESR for ease of access (work in progress). - A YouTube video is now available for staff for easier access to the information by staff e.g. Facilities /bank/ agency staff - Bespoke training sessions provided on request - Information Governance Development Groups held with Divisions to report and inform of their compliance rates. <p>A reduction in compliance for FOI requests has been noted from 100% in May 2021 to 67% in September 2021. This occurred due to workforce absences, along with a significant increase in requests which has impacted the ability to respond in a timely manner. A review of capacity requirements is underway.</p>
<p>Informatics 2018 R4</p> <p>The Health Board should address areas for improvement in relation to informatics, specifically updating ICT disaster recovery plans and test these to ensure they worked as intended.</p>	<p>In Progress</p> <p>Progress has continued across the informatics agenda throughout 2021 with a new interim management structure in place to help drive progress and focus on key priorities. A new Digital Delivery Oversight</p>

Recommendation	Description of progress
	<p>Board has been established to improve the decision making, risk management and accountability of progress at Executive level. This will be strengthened further into 2022. Progress has also been made with ICT business continuity plans with many services, albeit further work is still required in some areas due to the staffing pressures of some clinical teams. This will be a priority to be completed in 2022.</p>

Arrangements to improve the Board and its committees

- 31 The Health Board has continued to hold development and briefing sessions for Board Members, which cover a range of topics such as risk management and measuring and reporting outcomes, and Board Members have indicated to us that the sessions are helpful in terms of raising awareness of key issues prior to discussion at Committee or Board meetings.
- 32 Last year, we reported that the Committees did not review their effectiveness or prepare annual reports for the Board. The Health Board's intention was to reinstate annual reports from early 2021 using a more consistent approach for self-assessment. However, the ongoing impact of the pandemic and the introduction of the new governance structure has delayed this work. The Board intends to undertake a review of its effectiveness in February 2022 and also review the effectiveness of its new governance structure in April 2022.
- 33 Our work found that the impact of the pandemic has delayed the delivery of a local induction for new Independent Members. Given the recent and upcoming changes within the Health Board's cadre of Independent Members (see **paragraph 37**), the Health Board should ensure it has appropriate arrangements in place for providing an effective local induction for new Independent Members as soon as possible into their tenure (see **Exhibit 3 2018 R1**).

Ensuring organisational design and leadership capacity supports effective governance

- 34 Last year, we reported that the Health Board established emergency command and control structures across all levels of the organisation and adjusted its governance framework to respond to the pandemic. These arrangements were reviewed by the Board in December 2020 where it was agreed that they continue

until March 2021. The command-and-control structures established in February 2020 were also adjusted with the strategic (gold) and tactical (silver) command groups stood down, with reporting reverting to the Executive Team. The operational (bronze) groups continued to operate and report to the Executive Team until the end of March 2021.

- 35 The Health Board has seen significant changes within the Executive Team. A new Medical Director, Executive Director of Workforce and Organisational Development, and Board Secretary joined the Health Board in the last year. However, the Director of Operations, Chief Executive Officer, and Director of Primary, Community, and Mental Health have departed. Whilst the Health Board moved swiftly to appoint interim replacements to these key roles, maintaining these temporary arrangements indefinitely may present risks during a time where the organisation is facing significant operational pressures (**Recommendation R4**).
- 36 There are also recent, current and expected changes to Independent Members including:
- The new Independent Member (University) joined the Board in January 2021.
 - The Vice Chair began a temporary role as Chair of Cwm Taf Morgannwg University Health Board in October 2021. Whilst interim arrangements have been put in place, the Health Board has been advised by Welsh Government not to appoint a permanent replacement for 18 months.
 - The Health Board is currently seeking to recruit a new Independent Member (Finance) and a new Independent Member (Digital), with interviews due to be held during December 2021 and January 2022 respectively.
 - A fourth vacancy will become available in March 2022 when the tenure of the Independent Member (Third Sector) comes to an end.
- 37 This turnover will need to be managed carefully supported by an induction and development programme. We highlighted this requirement in 2019, but action against the recommendation remains incomplete (**Exhibit 3**).

Exhibit 3: progress made on previous year recommendations

Recommendation	Description of progress
Board Member Induction and Training 2018 R1 The Health Board should ensure Board member induction and training meets the needs of independent members.	Incomplete The Health Board does not have local induction arrangements for Independent Members.

Systems of assurance

- 38 We found that the **Health Board has further revised its risk management approach but embedding the new arrangements and developing an organisational risk culture will take time. Whilst the Health Board has enhanced its staff wellbeing arrangements, the Board should seek regular assurance around their effectiveness, particularly in relation to the Grange University Hospital. Opportunities to further strengthen the Health Board's arrangements for tracking recommendation remain.**

Managing risk

- 39 We found that **the Health Board has further revised its Board Assurance Framework, and risk management strategy and approach, however it will take time to embed the new arrangements.**
- 40 Last year, we reported that the Health Board finalised and approved its Board Assurance Framework (BAF) in March 2020 along with a revised risk management strategy. At the time, the BAF captured a small number of principal risks, predating the pandemic. Principal risks were updated to reflect the impact of the pandemic and the adjustments to the Health Board's governance framework.
- 41 The Health Board has further developed its risk management strategy, approach, and BAF during 2021. The Health Board's revised risk approach provides a greater focus on the risk escalation process and how it assists in achieving the Health Board's strategic objectives. It also places responsibility on operational areas to take more ownership for managing and escalating risks to the delivery of local objectives (see **Exhibit 4 2019 R1**).
- 42 The Health Board maintains a corporate risk register which clearly articulates cause and effect along with timescales to deliver mitigating action. However, there is scope to enhance the register further by:
- reducing overlaps between actions and controls,
 - clearly aligning assurances to controls, and
 - providing more information around the effectiveness of mitigating actions. (see **Exhibit 4 2019 R2**).
- 43 The Health Board's intention is to transition to a new approach of completing a thematic analysis of escalated risks and using this information to generate risk profiles for the organisation. The Executive Team are also considering proposals for bi-monthly risk management development sessions to enable them to receive assurance and endorse progress from divisions on the management of their risks, facilitate horizon scanning of new risks, and consider risk profiles (**see Exhibit 4 2017 R3**)
- 44 Our overall assessment of the risks on the BAF and corporate risk register reflects our understanding of the Health Board's key issues and the actions that it is taking to resolve them.

- 45 The Health Board has established a delivery framework to embed the new arrangements across the organisation and ensure organisational buy-in and commitment. The introduction of a Risk Managers Community of Practice, which held its first meeting during November 2021, is a positive development and will support efforts to improve knowledge and understanding of risk management across the organisation by creating opportunities to share learning and good practice. Whilst the Health Board has appointed a Head of Corporate Services, Risk and Assurance to lead this work, there has been no further investment in this function. The Health Board, therefore, may want to consider investing further in its risk management function to provide the necessary expertise and support to the Head of Corporate Services, Risk and Assurance and ensure the new arrangements are rolled-out and embedded at pace.

Exhibit 4: progress made on previous year recommendations

Recommendation	Description of progress
<p>Board Assurance and Risk 2019 R1</p> <p>The Risks to delivering the IMTP service change plans (SCPs) and the high impact priorities have not been clearly articulated in a board assurance framework (BAF). The Health Board should:</p> <ol style="list-style-type: none"> Complete the development of a BAF by March 2020 and in doing so look to see how other NHS Organisations in Wales construct theirs and consider whether the approach can be adapted. Clearly articulate and document risks to delivering SCPs and high-impact priorities as part of the IMTP refresh for 2020-21 in a BAF. 	<p>Complete</p> <p>The Health Board has revised its BAF which now clearly articulates the organisation's principal risks and strategic priorities outlined in its Annual Plan. Whilst the Board reviews the BAF bi-annually, the arrangements should be kept under constant review to ensure they remain fit for purpose and support effective governance.</p>
<p>Board Assurance and Risk 2019 R2</p> <p>There is scope to improve the quality of the corporate risk register (CRR). The Health Board should review the CRR by the end of March 2020 to ensure it clearly articulates cause and effect, reduced overlap between controls and mitigating actions, specifies controls</p>	<p>In Progress</p> <p>The corporate risk register clearly articulates cause and effect along with timescales to deliver mitigating action. However, there is scope to enhance the register further (see paragraph 43). The Health Board is</p>

Recommendation	Description of progress
such as policies and procedures, aligns assurances to controls, indicates whether mitigating action is effective and includes timescales to monitor progress.	transitioning to a new 'risk profile approach' but will need to maintain a corporate risk register until the new arrangements are embedded.
Risk Management 2017 R3 The Health Board should review risk management arrangements to ensure that corporate risks are appropriately escalated and managed by: <ul style="list-style-type: none"> a. Developing upon its current risk reports to ensure that the context of the risk and progress in managing it are clearly set out; and b. revising the risk rating based on the mitigating actions. 	In Progress The Health Board has reviewed its risk management arrangements and is currently introducing a new approach for escalating risks across the organisation and onto the BAF.

Quality and safety assurance⁴

- 46 We found that **whilst Health Board is taking steps to strength its employee wellbeing arrangements, it will need to continually monitor their impact, particularly in the Grange University Hospital. Reporting on patient experience has continued, but further work is required to develop quality and safety reporting in relation to services the Health Board commissions.**
- 47 The Health Board has identified employee wellbeing as an organisational priority in its Annual Plan, recognising the continuing impact of the pandemic and the changes brought about through the early opening of the Grange University Hospital on its staff. In response to these challenges, the Health Board has taken a range of actions, including:
- developing a wellbeing strategy and workplan focussing on strengthening its current wellbeing service and providing support to operational areas in identifying and addressing causes of poor wellbeing.

⁴ We have limited the work we have undertaken on quality governance arrangements as part of our 2021 structured assessment as we are undertaking a separate review of quality governance arrangements at the Health Board. The review will consider whether the organisation's governance arrangements support delivery of high quality, safe and effective services. We will report our findings in 2022.

- developing plans for a Wellbeing Centre of Excellence that will encourage research and development.
 - prioritising wellbeing support for individuals and teams moving to the Grange University Hospital.
 - issuing quarterly wellbeing surveys to staff that will help focus support in the correct areas.
 - increasing the capacity of its occupational health and psychological wellbeing teams.
 - introducing its 'People First Programme' to engage with staff across the organisation enabling them to share their feelings and concerns.
- 48 Staff safety and wellbeing is reported to the Health Board's People and Culture Committee. Key messages around workforce performance and activity are communicated through the COVID-19 workforce wellbeing and occupational health dashboards. The Board gains some assurance on 'wellbeing' from the People and Culture Committee's assurance report and other papers, such as the nurse staffing assurance and winter planning reports. There isn't however a regular dedicated update on this key area of risk at the Board, this could leave some members less than fully sighted on pressures currently being faced by staff and any potential consequence to service delivery.
- 49 Despite the Health Board's efforts to improve employee wellbeing and the quality and safety of services it provides patients; we note the serious concerns raised by the Royal College of Physicians (RCP) following a visit to the Grange University Hospital. The RCP received positive views from medical staff regarding opportunities for medical education and support, the strong working relationships between professional colleagues, the model of care for single specialty conditions, and the wellbeing and mental health support services provided during the pandemic. However, they identified serious concerns around excessive workloads and chronic understaffing, lack of support from Health Board managers, inappropriate responsibilities of the medical registrar role, and lack of clinical engagement and action from the Health Board. The Health Board has worked in partnership with the RCP and Health Education and Improvement Wales (HEIW) to develop an action plan to address these findings and wider wellbeing actions. The Health Board is making good progress in implementing the actions. We also note that the Medical Director is currently meeting with the RCP on a monthly basis to identify solutions and provide a framework going forward.
- 50 The QPSO Committee continues to receive quarterly patient experience reports and updates on patient experience. The latest report, provided in June 2021, outlined the Health Board's efforts to gain patient feedback during the pandemic using various methods in the absence of an electronic system. The Health Board is working closely with the Community Health Council in progressing a range of alternative methods for gaining patient feedback such as virtual FaceTime appointments. The report indicated that results are analysed and considered by

divisions who prepare action plans to address any weaknesses identified through patient experience feedback.

- 51 In **paragraph 27** we comment on the improvements made to the Health Board's Patient Quality, Safety, and Outcomes Report. The report aligns to Healthcare Standards and includes performance information on a range of quality metrics, including healthcare associated infections, COVID-19, pressure damage, and inpatient falls. Whilst the report is predominantly secondary care focussed, the report does include performance information on wider areas of the Health Board's business such as Child and Adult Mental Health Services (CAMHS) and Primary Care Mental Health. The Health Board is also strengthening its reporting on the Welsh Health Specialised Services Committee (WHSSC); however, opportunities exist to strengthen reporting on the services the Health Board directly commissions.
- 52 Last year we found opportunities for the Health Board to better identify which COVID-19 issues should be routinely reported to the Board or its Committees for assurance. This year, we found that COVID-19 updates were a standing item on Board and Committee agendas up to March 2021. The four harms associated with COVID-19⁵ were routinely reported via a Safety Dashboard report to the new Patient Quality, Safety and Outcomes Committee and the predecessor committee until June 2021. Since then, all issues are escalated through the Quality and Safety Outcomes Report. Whilst COVID-19 issues are included in various reports and papers for the Board, the removal of COVID-19 updates as a standing item on the Board agenda has limited opportunities to provide assurance. However, we note that Committee Chairs are able to escalate and raise specific concerns and issues at Board meetings as required.
- 53 In previous years' structured assessment reports, we issued recommendations relating to Putting Things Right (**2018, recommendation 1**) and Clinical Audit (**2017, recommendation 4**). We will assess progress against those recommendations as part of the quality governance review which will be published in 2022.

Tracking progress against audit recommendations

- 54 We found that **the Health Board has taken steps to further develop its arrangements for tracking internal and external audit recommendations, but opportunities to strengthen these arrangements remain.**
- 55 The Executive Team regularly reviews progress against internal and external audit recommendations. The AFR Committee receives information from the Executive Team on the status of each high priority recommendation as well as requests to extend implementation deadlines or to close high priority recommendations and

⁵ The four harms are – (i) harm from COVID-19 itself; (ii) harm from overwhelmed NHS and social care system; (iii) harm from reduction in non-COVID-19 activity; and (iv) harm from wider societal actions / lockdown.

remove them from the tracker upon completion. The Committee continues to scrutinise and challenge the Executive Team's assessment, particularly where deadlines are overdue, or actions are taking too long to complete.

- 56 Whilst the AFR Committee receives summary information on the status of all outstanding recommendations, these are monitored by divisions with issues escalated to the Executive Team as necessary, such as when recommendations are not on course for completion, or when there is a significant change. The Health Board, therefore, may want to consider sharing the full tracker with the AFR Committee to enhance transparency and enable detailed analysis and scrutiny.

Managing financial resources

- 57 Our work considered the Health Board's financial performance, financial controls and arrangements for monitoring and reporting financial performance.
- 58 We found that **the Health Board has achieved its financial objectives and has generally effective financial controls and monitoring and reporting arrangements in place. However, it will need to manage its underlying deficit to ensure its financial sustainability going forward.**

Achieving key financial objectives

- 59 We found that **the Health Board has successfully met its financial duties over the past three years and has achieved its revised savings targets despite the pandemic. It also has a prudent approach to respond to future challenges, although savings deferred during the pandemic may be a significant challenge to implement later.**

Financial performance 2020-21

- 60 The Health Board met its financial duty to break even over the three-year period 2018-21, with a cumulative surplus of £0.512 million for revenue expenditure. In 2020-21, the Health Board recorded a surplus of £0.245 million and spent £1.551 billion in revenue expenditure providing and commissioning services. It received £1.495 billion from the Welsh Government and £105.020 million in miscellaneous income from local authorities, dental fees, or other NHS bodies.
- 61 The Health Board also met its duty to break-even in relation to capital expenditure with a surplus of £0.082 million over the same three-year period. For 2020-21, the surplus on capital expenditure was £0.013 million. The Health Board spent £110.958 million on capital expenditure in 2020-21, including funding to accelerate the opening of the Grange University Hospital, the Hospital Sterilisation and Decontamination Unit, and other construction work.
- 62 The Health Board also met the duty to have its three-year integrated medium-term plan (ITMP) for 2019-22 approved by the Minister for Health and Social Services.

However, IMTPs were suspended in 2020 due to the pandemic and replaced with quarterly plans during 2020-21 and an annual plan for 2021-22.

- 63 The Health Board's 2020-21 budget was approved by the Board in March 2020. As the budget was prepared prior to the pandemic, the assumptions and targets were set on a 'business as usual' basis. Total income was budgeted to be £1.311 billion, and the total delegated expenditure was budgeted to be £1.305 billion. To achieve financial balance in 2020-21, the Health Board identified the need to use additional funding allocations of £37 million and deliver savings totalling £33.4 million.
- 64 The impact of the COVID-19 pandemic prompted the Health Board to revise its savings target to £9.229 million. By March 2021, it had delivered £9.468 million savings (2.6% above its target) consisting of £8.281 million recurring and £1.187 million non-recurring savings. Whilst savings in some areas were above target, such as non-pay expenditure (£1.315 million above target), pay related expenditure was significantly below target. Only £1.516 million of pay-related savings were achieved compared to a target of £3.732 million.
- 65 During 2020-21, the Health Board spent £142.428 million (net) responding to the pandemic. This additional funding was provided by the Welsh Government to support the response on areas such as test, trace and protect, the vaccination programme, field hospitals and personal protective equipment (PPE).
- 66 As a result of delayed or cancelled procedures, the Health Board did not spend £39.370 million of intended expenditure, and this offset additional expenditure arising from the pandemic.

Financial planning 2021-22

- 67 The financial plan for 2021-22 was presented to the Board in March 2021. Reflecting the exceptional nature of the pandemic and the uncertainties in response and recovery, the Health Board has agreed to utilise a quarterly budget planning process to manage and mitigate the challenges.
- 68 The plan anticipates income of £1.383 billion and proposes delegated budgets of £1.346 billion in expenditure. Given the unpredictable nature of the pandemic, the Health Board's officers have informed us that there is uncertainty around the financial plan and there is constant dialogue with the Welsh Government on any changes in forecasted expenditure.
- 69 The financial plan accounts for the continuing impact of the pandemic. It does not assume any additional allocation funding from the Welsh Government in response to COVID-19 or service recovery. Recovery plan funding was subject to discussions with Welsh Government and initial recovery cost estimates were circa £19 million 2021-22 as reported in the Health Boards annual plan.
- 70 In November 2021, the Board was notified that the Health Board is predicted to break-even for the year based on performance within the first six months of the financial year. The financial report concludes that there is sufficient funding in place to provide the services planned in-year and the Health Board has received

confirmation from Welsh Government that it will receive previous, unconfirmed funding of £65m relating to COVID-19.

- 71 The financial plan initially identified a recurrent savings target of £33 million in order to achieve a break-even position. This savings target is significantly greater than the amount of savings achieved in 2019-20 or 2020-21. To help achieve this ambitious target, the Health Board has established a savings delivery programme which was presented to the AFR Committee in April 2021. However, like in 2020-21, the continuing impact of the COVID-19 pandemic resulted in the Health Board revising its savings target to £16.596 million of which £13.586 million relates to recurring and £3.010 million to non-recurring savings levels. Subsequently, the underlying financial deficit brought forward from 2020-21 of £20.830 million remains. The Health Board is anticipating that its underlying financial position will not improve during 2021-22 due to in-year cost pressures and the continuing financial pressure it is facing. This represents a significant risk as the savings will need to be achieved in future years. At, September 2021, the Health Board has achieved £5.757 million of its savings which is slightly above its planned delivery. However recurrent schemes have slipped and have been replaced by non-recurrent schemes.
- 72 Finance reports provided to the AFR Committee, and the Board include a section on savings delivery. This provides an overview of Health Board savings progress to date and performance of its high level 'green' savings schemes. Whilst this information is sufficient to oversee the impact of financial savings, it is not sufficient to enable Board members to scrutinise or recommend action of individual savings schemes.

Financial controls

- 73 We found that **the Health Board has generally effective financial controls and counter-fraud arrangements.**
- 74 As noted in our 2020 Structured Assessment, the Board made some temporary adjustments to the Scheme of Delegation. These temporary arrangements ceased in March 2021.
- 75 During 2020-21, the Internal Audit Service examined financial controls and governance in other areas of the Health Board. In June 2020, Internal Audit provided reasonable assurance over the financial controls relating to the Grange University Hospital, concluding that costs were adequately substantiated and accorded with the contract in place. In June 2020, Internal Audit provided reasonable assurance over financial planning and budgetary control, and in May 2021, the service provided substantial assurance on the financial governance and controls in the consolidation process relating to Test, Trace and Protect. During November 2021 the Internal Audit Service completed a follow-up review on financial assurance at the Grange University Hospital and provided substantial assurance.

- 76 Our review of counter-fraud arrangements in August 2020 found that the Health Board demonstrates a commitment to counter-fraud, has suitable arrangements to support the prevention and detection of fraud, and is able to respond appropriately where fraud occurs. The report highlighted one area of improvement around local counter-fraud specialist capacity. Information recently received from the Head of Counter Fraud Services Wales indicates that the Health Board's Counter Fraud Team is currently well resourced with experienced investigators and is one of the high-performing teams in Wales NHS services.

Monitoring and reporting

- 77 We found that **the Health Board provides sufficient, clear information to enable effective financial monitoring by the Board. However, there is scope to further develop the knowledge of Independent Members on financial matters to support effective scrutiny and challenge.**
- 78 Financial performance is reported to the Board and the AFR Committee. Both receive a report detailing financial performance against the most recent completed month against targets. The report breaks down performance in each area, such as income, pay expenditure, and non-pay expenditure. It also includes a breakdown of COVID-19 additional expenditure. The report also provides an update on savings delivery and financial risks and opportunities. However, opportunities to provide more detail in respect of progress against savings schemes remain (see **Exhibit 5 2017 R1**). The information is publicly accessible via the papers for Board and AFR Committee meetings.
- 79 The Health Board continues to submit monthly monitoring returns to Welsh Government detailing its financial performance compared to forecasted performance. The Board and AFR Committee receive copies of the monthly returns to scrutinise.
- 80 In **paragraph 37** we comment on the Health Board's Independent Member (Finance) vacancy. To provide coverage for finance, the Health Board temporarily appointed a special advisor who supported the AFR Committee and Board on financial matters until July 2021. Since July however, this has left a knowledge and capacity gap amongst the current Independent Member cadre. We understand the interviews to fill this vacancy took place in December 2021.

Exhibit 5: progress made on previous year recommendations

Recommendation	Description of progress
Savings Schemes Monitoring and Reporting 2017 R1 The Health Board should provide more detail to Executives and Independent Members in respect of progress against savings schemes. This should help them to provide sufficient scrutiny and challenge to schemes which are off target.	Incomplete Finance reports provide an overview of Health Board savings progress to date and performance of its high level 'green' savings schemes. Whilst this information is sufficient to oversee the impact of financial savings, it is not sufficient to enable Board members to scrutinise or recommend action of individual savings schemes.

Planning Arrangements

- 81 Our work considered the Health Board's approach to preparing an Annual Plan for 2021-22 as well as the arrangements it has in place for monitoring and reporting on plan delivery.
- 82 We found that **the Health Board has reasonable planning arrangements which align to wider corporate and regional strategy. The Annual Plan while providing clarity around the Health Board's strategic objectives, lacks the target milestones needed to enable effective monitoring. The Health Board intends to introduce a monitoring and outcomes framework; however, this work has been delayed due to the pandemic. As a result, the Health Board has been unable to provide assurance on overall delivery against the priorities outlined in the Annual Plan.**

Arrangements for developing plans

- 83 The Health Board has adopted a new approach to planning, which focusses on a life course approach with the aim of reducing inequalities across communities through improving population health. Whereas quarterly plans primarily focussed on the Health Board's COVID-19 response and winter planning, the Annual Plan incorporates learning from the pandemic and outlines a strategic approach to providing healthcare in the region.
- 84 The Annual Plan is aligned to Building a Healthier Gwent⁶ and the Health Board's Clinical Futures Strategy⁷. The Health Board's long-term ambition is to contribute to

⁶ [Building a Healthier Gwent](#)

⁷ <https://abuhb.nhs.wales/clinical-futures/caring-for-you-and-your-future/>

reducing the 18-year gap in healthy life expectancy by 2030. The plan acknowledges the early opening of the Grange University Hospital and the work around embedding a new model of care across the hospital system during the pandemic. However, it recognises the need to develop and accelerate plans to provide care closer to home.

- 85 In developing the Annual Plan, the Health Board used its quarterly plans and previous IMTPs as a baseline to understand progress made against its immediate and longer-term priorities. Priorities not achieved during 2020-21 were incorporated in the Annual Plan where possible.
- 86 The Health Board's change in approach has led it to agree five new clear, understandable, and flexible strategic objectives underpinned by a set of outcomes and measures to achieve them. Whilst the content and clarity of the plan appears to be sufficient, it lacks target dates / milestones to enable the Health Board to monitor and track progress against the various measures and ensure intended priorities and outcomes are achieved.
- 87 Our discussions with staff suggest the Health Board's use of data for planning purposes is maturing. It has engaged Lightfoot Solutions who are using its 'signals from noise'⁸ data tool to support and build resilience in the Health Board's planning approach and provide robust evidence to support decision making.
- 88 The Health Board's Planning Team also adopted a 'light touch' approach to engagement, developing a framework for discussion with operational areas to identify service priorities, deliverables, and challenges. The Health Board's Executive Team tested planning assumptions as part of its Health Systems Leadership Group meetings. The Health Board also engaged with its partners as part of the planning process recognising partnership working as a key enabler for delivering services across the region. But there is also acknowledgement that arrangements have varying levels of maturity and integration although opportunities exist for partnerships to adapt to changing needs.

Planning for recovery

- 89 The Health Board's approach to recovery and longer-term planning needs to be seen in the context of the unprecedented service pressures it is currently dealing with. The latest performance report, presented to Board in November 2021, highlighted the continuing impact of the pandemic across the Health Board's services:
- Attendance at the Health Board's emergency departments have been increasing since the start of February 2021, with the number of walk-in patients exceeding predictions, particularly at the Grange University Hospital.

⁸ <https://www.lightfootsolutions.com/approach/signalsfromnoise/>

- Pressures facing the Welsh Ambulance Service in terms of staffing and handover delays have resulted in a reduction in ambulance conveyances and contributed to the increase in the number of walk-in patients.
 - Performance against the 4-hour and 12-hour emergency department waiting times targets is deteriorating, particularly at the Grange University Hospital. This is mainly due to acuity of patients, the pace they flow through the hospital system, and the high number of patients who could be seen in other health settings.
 - There is currently a high level of bed occupancy across the Health Board's Enhanced Local General Hospitals and community hospital network due to patients awaiting further intervention from both health and social care services. This directly impacts patient flow and capacity available within the Health Board's emergency departments and assessment units to support new presentations.
 - The community health and social care system is experiencing significant pressure to meet demand for domiciliary care provision and rehabilitation placements alongside the continuing impact of the pandemic within nursing and residential homes resulting in closure to admissions.
 - Sickness absence at the Health Board is currently at 7% compared to a pre-Covid-19 average of 5.5%. The Health Board is planning for an additional 3% for the winter period and is planning to open an additional 180 beds during this period, however its analysis indicates that workforce availability will not meet the expected demand. The Health Board is considering a range of actions to optimise its workforce and ensure these are targeted to priority areas.
- 90 The Health Board recognises the need to reset its urgent and emergency care system. This is a key element of its Clinical Futures programme and one of its Annual Plan priorities. It proposes a new system to simplify access to its urgent care services, with three workstreams to develop and embed the new model, encompassing:
- Further development of the Health Board's Flow Centre, to offer a more comprehensive model;
 - Launch of the Clinical Review Hub (Contact First) model building on phase 1 of 'Contact First' launched in December 2020; and
 - Further development of the Urgent Primary Care Centres at the Royal Gwent and Nevill Hall Hospital sites.
- 91 It is also working to address the increasing demand within the urgent and emergency care system by establishing an Urgent and Emergency Care Transformation Board and an associated work programme focussing on improvements across the whole system to secure long-term improvement in patient experience and outcomes. However, the continuing service pressures the Health Board is experiencing across its services particularly at the Grange University

Hospital presents significant risks in terms of pace of recovery and the achievement of its strategic priorities.

- 92 The Health Board is also developing separate recovery plans to address immediate issues arising from the pandemic. This was the focus of a Board Development Session during August 2021. The session's aim was to update Board members on the consequences of the pandemic, provide an up-to-date position on waiting lists, risk prioritisation and an overview of its restart and recovery plans across primary, secondary care, and externally commissioned services. However, whilst the Health Board is clearly planning for its recovery from the pandemic, we found limited evidence of the availability of these plans in the public domain.

Submission of plans

- 93 The draft 2021-22 Annual Plan and accompanying Minimum Data Set ('MDS') were discussed and approved by the Board in March 2021. They were submitted to Welsh Government within the required timeframe. The Health Board involved Independent Members in the development of the plan prior to approval and submission.
- 94 The Health Board submitted the final version of its Annual Plan to Welsh Government by the end of June 2021. The plan was retrospectively approved by the Board in July 2021. No changes were made to the plan between the draft and final versions, but the Health Board did take the opportunity to update the MDS based on activity in quarter 1 2021-22 and refreshed COVID-19 modelling.

Arrangements for monitoring delivery of plans

- 95 In our 2020 Structured Assessment, we reported that there was an opportunity for the Health Board to provide a clearer indication of its intended actions, milestones, and outcomes in its operational plans to support the Board to monitor progress and delivery.
- 96 This year, the Health Board has started to develop a monitoring and outcomes framework. The initial proposal was presented to the SPPW Committee in April 2021. Planned developments include introducing an annual plan reporting dashboard using the 'signals from noise' data tool, and a clear reporting framework to allow the Board and SPPW Committee to monitor, scrutinise, and challenge performance of the Health Board's strategic priorities on a quarterly basis.
- 97 The Health Board has not yet finalised its monitoring and reporting framework, with the work taking longer than anticipated due to the pandemic. As a result, the Health Board has been unable to provide assurance to the Board on overall delivery against the priorities outlined in its Annual Plan. We understand that the monitoring and outcomes framework is due to be considered by the Board at one of its upcoming development sessions (**Recommendation R5**). However, we note that the Annual Plan has been used to inform Board and Committee business, with assurance on individual strategic objectives provided at different points of the year.

Exhibit 6: progress made on previous year recommendations

Recommendation	Description of progress
<p>Reporting on delivery of the IMTP and Clinical Futures 2019 R3</p> <p>Board updates on Clinical Futures do not include information on whether planned actions / mitigation are effective, and it is unclear whether risks no longer reported have been eliminated. The Health Board should include information on the effectiveness of risk mitigation in its board updates.</p>	<p>Incomplete</p> <p>The Health Board's last dedicated Clinical Futures Update was presented at its Board meeting in March 2020. Our review of this progress report found limited information relating to the effectiveness of actions / mitigations to risks and it was unclear whether any of the risks no longer reported were closed.</p> <p>There have been no dedicated update reports since due to the pressures of the pandemic. However, the early opening of the Grange University Hospital and Clinical Futures have been referenced in different Board and Committee reports and other papers.</p> <p>As the Health Board moves into the recovery phase of the pandemic, it should consider how progress on the Clinical Futures programme is reported to Board going forward.</p>
<p>Reporting on delivery of the IMTP and Clinical Futures 2019 R4</p> <p>The recent report to the Finance and Performance (F&P) Committee on progress against the IMTP SCPs did not include progress against the relevant high-impact priorities aligned to them. The Health Board should ensure that committee reports on SCP progress clearly link relevant high-impact priorities with the achievements set out.</p>	<p>In Progress</p> <p>The Health Board is developing a monitoring and outcomes framework that will enable the Board to monitor, scrutinise and challenge performance against its strategic priorities. However, the work is still not finalised and is taking longer than anticipated.</p>

Recommendation	Description of progress
<p>Information Technology and Information Management 2017 R5</p> <p>The Health Board should ensure resources allocated to information technology and information management provide sufficient capacity to meet the Health Board's plans.</p>	<p>In Progress</p> <p>There has continued to be increased investment in informatics both in terms of capital and revenue to help progress the digital strategy and infrastructure priorities. However, the non-recurrent nature of some of the local and national funding impacts on the ability to recruit to some posts and establish sustainable workforce to take the agenda forward at pace. The Health Board works closely with Welsh Government digital team to ensure all opportunities for investment are maximised aligned to national priorities. Strengthening a benefits led approach to investment and programmes is also a key priority to support further investment to take forward the strategy.</p>
<p>Engagement 2017 R7</p> <p>The Health Board should review, refresh and update the Engagement Strategy – 'Hearing and acting upon the voice of our staff and citizens'.</p>	<p>In Progress</p> <p>With the merger of the communications and engagement functions, the Health Board, will review and refresh both the Engagement and the Communications Strategies for the Health Board in 2022.</p>



Audit Wales

24 Cathedral Road

Cardiff CF11 9LJ

Tel: 029 2032 0500

Fax: 029 2032 0600

Textphone: 029 2032 0660

E-mail:

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.

Management response

Report title: Structured Assessment 2021: Aneurin Bevan University Health Board

Completion date: 24th January 2022

Document reference: 2811A2022

Ref	Recommendation	Intended outcome/benefit	High priority (yes/no)	Accepted (yes/no)	Management response	Completion date	Responsible officer
R1	Website Content and Information The Health Board's website contains some outdated information relating to its governance arrangements and incomplete performance data which is not supported by appropriate explanatory information. The Health Board, therefore, should	Enhanced public transparency of Health Board business. .	No	Yes	The Health Board accepts this recommendation. The website is in the process of being reviewed and updated to reflect suggestions made including, ensuring all fundamental Health Board information (related to Board, Committees, and governance arrangements) is accurate and up to date for the public and stakeholders.	March 2023	Associate Director of Communications and Engagement

Ref	Recommendation	Intended outcome/benefit	High priority (yes/no)	Accepted (yes/no)	Management response	Completion date	Responsible officer
	<p>take immediate action to ensure:</p> <ul style="list-style-type: none"> Content is well-organised, easy to navigate, clear and concise, and Key information / data is up-to-date and in a format that the public and stakeholders can interpret and understand. 				Further developmental work will be required to ensure Divisional engagement around local pages on the website are kept up to date with useful and meaningful information. However, it should be acknowledged that the resource required in order to conduct such a substantial review is not inconsequential.		
R2	<p>Reviewing the new Governance Structure</p> <p>Some Board members have expressed concerns about the volume of work</p>	Assurance on the effectiveness of the Health Board's revised	Yes	Yes	The Health Board accepts this recommendation. A complete and robust Committee and Board effectiveness exercise will be undertaken by April 2022.	April 2022	Board Secretary

Ref	Recommendation	Intended outcome/benefit	High priority (yes/no)	Accepted (yes/no)	Management response	Completion date	Responsible officer
	now undertaken by some of the committees and the robustness of the arrangements for ensuring flows of assurance. The Health Board, therefore, should complete its review of the new governance structure by its intended deadline of April 2022 to be assured that it is operating as intended.	governance arrangements.			The results of which will inform an assessment of strengths and opportunities and will provide a baseline for Board and Committee development programmes in the future.		

Ref	Recommendation	Intended outcome/benefit	High priority (yes/no)	Accepted (yes/no)	Management response	Completion date	Responsible officer
R3	<p>Corporate Governance Support Team resilience and capacity</p> <p>Recent staff turnover within the Corporate Governance Support Team has impacted on the quality of service it is able to provide to the Board and its Committees. The Health Board, therefore, should review the effectiveness of its Corporate Governance Support Team as soon as possible to ensure that it has sufficient resilience and capacity to support all governance functions. Arrangements should also</p>	Sufficient resilience and capacity within the Corporate Governance Support Team to support all governance functions.	Yes	Yes	<p>The Health Board accepts this recommendation.</p> <p>The Health Board will undertake a review and endeavour to ensure adequate and appropriate corporate governance capacity to fulfil the statutory functions of the Board and the Committees, enabling it to discharge its functions.</p> <p>It should be noted that external training in specific corporate governance, information governance and accredited risk management has been undertaken over the last two years, despite the pressures of the pandemic. This demonstrates the Health Board's commitment to</p>	<p>April 2022</p> <p>September 2022</p>	Board Secretary

Ref	Recommendation	Intended outcome/benefit	High priority (yes/no)	Accepted (yes/no)	Management response	Completion date	Responsible officer
	be put in place to ensure staff are able to access suitable training / learning opportunities to develop their knowledge and skills within their respective roles.				develop and enhance skills within its governance team. However, it is also recognised that further mentorship and training programmes could be developed in order to 'future proof' the department and provide a robust corporate governance function.		
R4	Stability of the Board The Health Board has experienced significant changes in its Executive Team and cadre of Independent Members resulting in several interim Executive Director	Stable Executive and Independent Member leadership.	Yes	Yes	The Health Board accepts this recommendation. <u>Independent Members</u> Interviews have now been undertaken for Independent Members for Finance and Digital and the recruitment process for this continues to progress.	April 2022	Chair

Ref	Recommendation	Intended outcome/benefit	High priority (yes/no)	Accepted (yes/no)	Management response	Completion date	Responsible officer
	appointments and is currently recruiting to two independent member vacancies. However, maintaining these temporary arrangements indefinitely alongside the turnover of Independent Members present risks at a time of significant operational pressures. The Health Board, therefore, should seek to make permanent appointments to these key Executive Director roles at the earliest possible opportunity. In addition, there remains a need for the Health Board to strengthen its induction				<p>Continued liaison with the Public Appointments Team to progress the substantive recruitment of the Vice Chair and an Independent Member for Community is anticipated to progress from February 2022.</p> <p><u>Executive Team:</u></p> <p>Chief Executive Officer (CEO) – interim arrangement to be continued during 2022.</p> <p>Director of Primary Care, Community & Mental Health – recruitment in process.</p> <p>Director of Finance & Procurement – interim appointment to be extended in line with Interim CEO arrangement.</p>	<p>In place</p> <p>February 2022</p> <p>In place</p>	<p>Chair</p> <p>Interim CEO</p> <p>Interim CEO</p>

Ref	Recommendation	Intended outcome/benefit	High priority (yes/no)	Accepted (yes/no)	Management response	Completion date	Responsible officer
	and training for new Independent Members in line with our recommendation in 2019.				Deputy CEO – interim appointment to be continued in line with Interim CEO arrangement. Interim Director of Operations – current interim appointment until April 2022. Recruitment process to commence shortly.	In place April 2022	Interim CEO Interim CEO
R5	Monitoring delivery of Strategic Priorities The Health Board has not finalised its monitoring framework due to the pandemic, subsequently there continues to be limited oversight and scrutiny at Board-level on	Improved ability to monitor progress against the Annual Plan and future Integrated Medium-Term Plans.	Yes	Yes	The Health Board accepts this recommendation. The delivery framework of the 3 year IMTP process did include a quarterly monitoring report structure which has not been completed this year against the annual plan due to the challenges of the Health Board's response to	June 2022	Director of Planning, Digital and ICT

Ref	Recommendation	Intended outcome/benefit	High priority (yes/no)	Accepted (yes/no)	Management response	Completion date	Responsible officer
	overall delivery against priorities outlined in the 2021/22 Annual Plan. The Health Board, therefore, should complete the development of its monitoring framework as soon as possible to allow the Board to review and if necessary, challenge delivery of its strategic priorities and progress against the Annual Plan and future Integrated Medium-Term Plans.				<p>the pandemic and other priorities.</p> <p>The shared objective of developing a comprehensive outcomes based framework for the organisation is a developmental one and progress has been limited in this area due to the challenges associated with the pandemic, a change in leadership of the performance function (due to the Exec team changes referenced in the report) and due to Welsh Government developing an All Wales outcomes framework that would enable the Health Board to align a local framework to. The Health Board will therefore</p>		

Ref	Recommendation	Intended outcome/benefit	High priority (yes/no)	Accepted (yes/no)	Management response	Completion date	Responsible officer
					develop the first iteration of an outcomes framework for 2022/23 to support the 3 year IMTP and align to the Welsh Government framework. The new outcomes framework is intended to enhance and enrich the information provided to the Board but will not be the only basis for scrutiny and assurance at a Board level.		

Annual Audit Report 2021 – Aneurin Bevan University Health Board

Audit year: 2020-21

Date issued: January 2022

Document reference: 2812A2022

This document has been prepared for the internal use of Aneurin Bevan University Health Board as part of work performed/to be performed in accordance with statutory functions.

The Auditor General has a wide range of audit and related functions, including auditing the accounts of Welsh NHS bodies, and reporting to the Senedd on the economy, efficiency, and effectiveness with which those organisations have used their resources. The Auditor General undertakes his work using staff and other resources provided by the Wales Audit Office, which is a statutory board established for that purpose and to monitor and advise the Auditor General.

Audit Wales is the non-statutory collective name for the Auditor General for Wales and the Wales Audit Office, which are separate legal entities each with their own legal functions as described above. Audit Wales is not a legal entity and itself does not have any functions.

© Auditor General for Wales 2021

No liability is accepted by the Auditor General or the staff of the Wales Audit Office in relation to any member, director, officer or other employee in their individual capacity, or to any third party in respect of this report.

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 Wales Audit Office are relevant third parties. Any enquiries regarding disclosure or re-use of this document should be sent to Audit Wales at infoofficer@audit.wales.

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.

Mae'r ddogfen hon hefyd ar gael yn Gymraeg. This document is also available in Welsh.

Contents

Summary report	
About this report	4
Key messages	5
Detailed report	
Audit of accounts	8
Arrangements for securing efficiency, effectiveness, and economy in the use of resources	10
Appendices	
Appendix 1 – reports issued since my last annual audit report	17
Appendix 2 – audit fee	20
Appendix 3 – financial audit risks	21

Summary report

About this report

- 1 This report summarises the findings from my 2021 audit work at Aneurin Bevan University Health Board (the Health Board) undertaken to fulfil my responsibilities under the Public Audit (Wales) Act 2004. That Act requires me to:
 - examine and certify the accounts submitted to me by the Health Board, and to lay them before the Senedd;
 - satisfy myself that expenditure and income have been applied to the purposes intended and are in accordance with authorities; and
 - satisfy myself that the Health Board has made proper arrangements for securing economy, efficiency, and effectiveness in its use of resources.
- 2 I report my overall findings under the following headings:
 - Audit of accounts
 - Arrangements for securing economy, efficiency, and effectiveness in the use of resources
- 3 This year's audit work took place at a time when public bodies continued responding to the unprecedented challenges presented by the COVID-19 pandemic, whilst at the same time recovering services. My work programme was designed to best assure the people of Wales that public funds are well managed. I have considered the impact of the current crisis on both resilience and the future shape of public services. I aimed to ensure my work did not hamper public bodies in tackling the crisis, whilst ensuring it continued to support both scrutiny and learning. On-site audit work continues to be restricted, and we continued to work and engage remotely where possible through the use of technology. This inevitably had an impact on how we deliver audit work but has also helped to embed positive changes in our ways of working.
- 4 As was the case in 2020, the delivery of my audit of accounts work was not without its challenges, not only in how and where we undertook the work, but also in taking account of considerations for financial statements arising directly from the pandemic. The success in delivering it reflects a great collective effort by both my staff and the Health Board's officers to embrace and enable new ways of working and remain flexible to and considerate of the many issues arising.
- 5 I have adjusted the focus and approach of my performance audit work to ensure its relevance in the context of the crisis and to enable remote working. My programme of work has provided focus on themes, lessons and opportunities relating to NHS governance and NHS staff wellbeing. I have reviewed the Test, Trace, Protect programme and the rollout of the COVID-19 vaccine. My local audit teams have commented on how governance arrangements have adapted to respond to the pandemic, and the impact the crisis has had on service delivery. I have also reviewed the governance arrangements of the Welsh Health Specialised Services Committee.

- 6 This report is a summary of the issues presented in more detailed reports to the Health Board this year (see **Appendix 1**). I also include a summary of the status of planned work currently being re-scoped.
- 7 **Appendix 2** presents the latest estimate of the audit fee that I will need to charge to cover the costs of undertaking my work, compared to the original fee set out in the 2021 Audit Plan.
- 8 **Appendix 3** sets out the financial audit risks set out in my 2021 Audit Plan and how they were addressed through the audit.
- 9 The Chief Executive and the Director of Finance have agreed the factual accuracy of this report. My team are presenting it to the Audit, Finance and Risk Committee on 3rd February 2022. The Board will receive the report at a later Board meeting and every member will receive a copy. We strongly encourage the Health Board to arrange its wider publication. We will make the report available to the public on the [Audit Wales website](#) after the Board have considered it.
- 10 I would like to thank the Health Board's staff and members for their help and co-operation throughout my audit.

Key messages

Audit of accounts

- 11 I concluded that the Health Board's accounts were properly prepared and materially accurate and issued an unqualified audit opinion on them. My work did not identify any material weaknesses in the Health Board's internal controls (as relevant to my audit. However, I placed an Emphasis of Matter paragraph in my report to draw attention to disclosures in the accounts in note 21 relating to the impact of a Ministerial Direction issued on 18 December 2019 to the Permanent Secretary of the Welsh Government.
- 12 The Health Board achieved financial balance for the three-year period ending 31 March 2021 and had no other material financial transactions that were not in accordance with authorities nor used for the purposes intended, so I have issued an unqualified opinion on the regularity of the financial transactions within the Health Board's 2020-21 accounts.
- 13 Alongside my audit opinion, I placed a substantive report on the Health Board's financial statements to set out further detail on the Emphasis of Matter paragraph that I included in my audit opinion.

Arrangements for securing efficiency, effectiveness, and economy in the use of resources

14 My programme of Performance Audit work has led me to draw the following conclusions:

- the Test, Trace, Protect programme is making an important contribution to the management of COVID-19 in Wales. Whilst the programme struggled to cope with earlier peaks in virus transmission, it has demonstrated an ability to rapidly learn and evolve in response to the challenges it has faced.
- in relation to the Welsh Health Specialised Services Committee Governance Arrangements: since the previous reviews in 2015, governance, management and planning arrangements have improved, but the impact of COVID-19 will now require a clear strategy to recover services and there would still be benefits in reviewing the wider governance arrangements for specialised services in line with the commitments within 'A Healthier Wales'.
- the COVID-19 vaccination programme in Wales has been delivered at significant pace with local, national and UK partners working together to vaccinate a significant proportion of the Welsh population. A clear plan is now needed for the challenges which lie ahead.
- all NHS bodies have maintained a clear focus on staff wellbeing throughout the pandemic and implemented a wide range of measures to support the physical health and mental wellbeing of their staff during the crisis. It is vital that these activities are built upon, and that staff wellbeing remains a central priority for NHS bodies as they deal with the combined challenges of recovering services, continuing to respond to the COVID-19 pandemic, and managing seasonal pressures.
- The Health Board has gone through a period of high turnover amongst its senior leaders at Board-level whilst also holding a number of Independent Member vacancies. The Health Board needs to manage the risks associated with this turnover, particularly given the significant operational challenges it is facing
- the Health Board has adequate arrangements in place to conduct Board and Committee business, however, there are opportunities to improve these arrangements
- The Health Board is embedding its new governance structure and strengthening its assurance mechanisms, but it will need to continually monitor and review them to ensure they are functioning as intended.
- the Health Board has achieved its financial objectives and has generally effective financial controls and monitoring and reporting arrangements in place. However, it will need to manage its underlying deficit to ensure its financial sustainability going forward.

- the Health Board has reasonable planning arrangements in place which align to wider corporate and regional strategies. The Annual Plan, while providing clarity around the Health Board's strategic objectives, lacks the target milestones needed to enable effective monitoring. Plans to introduce a monitoring and outcomes framework have been delayed due to the pandemic. As a result, the Health Board has been unable to provide assurance on overall delivery against the priorities outlined in the Annual Plan.
- the Health Board has significantly improved the way it plans and delivers radiology services through strong leadership and using demand and capacity modelling to identify and implement solutions to respond to increasing demand and changes to service delivery and patient pathways.

15 These findings are considered further in the following sections.

Detailed report

Audit of accounts

- 16 This section of the report summarises the findings from my audit of the Health Board's financial statements for 2020-21. These statements are how the organisation shows its financial performance and sets out its net assets, net operating costs, recognised gains and losses, and cash flows. Preparing the statements is an essential element in demonstrating the appropriate stewardship of public money.
- 17 My 2021 Audit Plan set out the financial audit risks for the audit of the Health Board's 2020-21 financial statements. **Exhibit 4** in **Appendix 3** lists these risks and sets out how they were addressed as part of the audit.
- 18 My responsibilities in auditing the Health Board's financial statements are described in my [Statement of Responsibilities](#) publications, which are available on the [Audit Wales website](#).

Accuracy and preparation of the 2020-21 financial statements

- 19 I concluded that the Health Board's accounts were properly prepared and materially accurate and issued an unqualified audit opinion on them. My work did not identify any material weaknesses in the Health Board's internal controls (as relevant to my audit). However, I placed an Emphasis of Matter paragraph in my report to draw attention to disclosures in the accounts relating to a Ministerial Direction to fund NHS clinicians' pension tax liabilities in respect of the 2019-20 financial year.
- 20 We acknowledge the significant achievement of the Finance team in preparing the financial statements to a good standard, in the face of the challenges posed by the pandemic.
- 21 I must report issues arising from my work to those charged with governance before I issue my audit opinion on the accounts. My Financial Audit Engagement Lead reported these issues to the Health Board's Audit Committee on 8 June 2021. **Exhibit 1** summarises the key issues set out in that report.

Exhibit 1: issues identified in the Audit of Financial Statements Report

Issue	Auditors' comments
Uncorrected misstatements	There were no uncorrected misstatements.
Corrected misstatements	There were several corrected misstatements which corrected classification errors or provided additional narrative disclosure.
Other significant issues	We 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.

- 22 I will also review the Whole of Government Accounts return once the National Audit Office has issued relevant guidance for auditing this return.
- 23 My separate audit of the Charitable Funds financial statements is currently ongoing, and I anticipate that the accounts will be approved by the Charitable Funds Committee on 12 January 2021 and signed, following consideration of my report on the financial statements, by the Trustees following the Board meeting on 26 January 2021. The audit opinion will be issued shortly afterwards.

Regularity of financial transactions

- 24 The Health Board achieved financial balance for the three-year period ending 31 March 2021 and had no other material financial transactions that were not in accordance with authorities nor used for the purposes intended, so I have issued an unqualified opinion on the regularity of the financial transactions within the Health Board's 2020-21 accounts.
- 25 The Health Board's financial transactions must be in accordance with authorities that govern them. The Health Board must have the powers to receive the income and incur the expenditure. Our work reviews these powers and tests that there are no material elements of income or expenditure which the Health Board does not have the powers to receive or incur.

- 26 Where a Health Board does not achieve financial balance, its expenditure exceeds its powers to spend and so I must qualify my regularity opinion. For the three-year period ending 31 March 2021, the Health Board achieved financial balance with a cumulative surplus of £0.512 million for revenue expenditure. The Health Board also met its duty to break-even in relation to capital expenditure with a surplus of £0.082 million over the same three-year period.
- 27 I have the power to place a substantive report on the Health Board's accounts alongside my opinions where I want to highlight issues. I placed a substantive report on the Health Board's financial statements to set out further detail on the Emphasis of Matter paragraph that I included in my audit opinion. The Emphasis of Matter paragraph drew attention to disclosures in the accounts in note 21.1 relating to the impact of a Ministerial Direction issued on 18 December 2019 to the Permanent Secretary of the Welsh Government.

Arrangements for securing efficiency, effectiveness, and economy in the use of resources

- 28 I have a statutory requirement to satisfy myself that the Health Board has proper arrangements in place to secure efficiency, effectiveness, and economy in the use of resources. I have undertaken a range of performance audit work at the Health Board over the last 12 months to help me discharge that responsibility. This work has involved:
- examining how NHS bodies have responded to the challenges of delivering the Test, Trace, Protect programme.
 - reviewing the governance arrangements of the Welsh Health Specialised Services Committee.
 - reviewing how well the rollout of the COVID-19 vaccination programme was progressing.
 - reviewing how NHS bodies supported staff wellbeing during the COVID-19 pandemic.
 - undertaking a structured assessment of the Health Board's corporate arrangements for ensuring that resources are used efficiently, effectively, and economically.
 - reviewing the Health Board's Radiology Services and the progress made to address recommendations from our 2017 local and 2018 national reports on radiology services.
- 29 My conclusions based on this work are set out below.

Test, Trace, Protect programme

- 30 My work examined how public services responded to the challenges of delivering the Welsh Government's Test, Trace, Protect Programme (TTP). As well as commenting on the delivery of TTP up to and including December 2020, my report set out some key challenges and opportunities that will present themselves as part of the ongoing battle to control COVID-19.
- 31 I found that the different parts of the Welsh public and third sector had worked together well together to rapidly build the TTP programme. The configuration of the system blended national oversight and technical expertise with local and regional ownership of the programme, and the ability to use local intelligence and knowledge to shape responses.
- 32 Arrangements for testing and contact tracing have evolved as the pandemic has progressed. But maintaining the required performance in these arrangements proved challenging in the face of increasing demand.
- 33 Despite increased testing and tracing activity, the virus continued to spread, and as in other parts of the UK and internationally, testing and tracing have needed to be supplemented with local and national lockdown restrictions in an attempt to reduce transmission rates.
- 34 While a range of support mechanisms exist, it remains difficult to know how well the 'protect' element of TTP has been working in supporting people to self-isolate.

Welsh Health Specialised Services Committee governance arrangements

- 35 In May 2021, I published my review on the governance arrangements of the Welsh Health Specialised Services Committee (WHSSC). WHSSC is a joint committee made up of, and funded by, the seven local health boards in Wales. On a day-to-day basis, the Joint Committee delegates operational responsibility for commissioning to Welsh Health Specialised Services officers, through the management team. WHSSC, which is hosted by Cwm Taf Morgannwg University Health Board, has an annual budget of £680 million and makes collective decisions on the review, planning, procurement, and performance monitoring of specialised services for the population of Wales on behalf of health boards.
- 36 In 2015, two separate reviews highlighted issues with WHSSC's governance arrangements. Considering the time passed since the two reviews, together with increasing service and financial pressures and the changing landscape of collaborative commissioning, I felt it was timely to review WHSSC's governance arrangements.
- 37 My review found a number of improvements have been made to the overall governance arrangements in WHSCC since 2015. Good progress has been made to strengthen arrangements for quality assurance of specialised services, although scope still exists to increase the attention given to finance, performance, and

quality reporting at Joint Committee. There is also a need to review the arrangements for recruiting and remunerating independent members that sit on the Joint Committee given some of the challenges in filling these roles. Current Joint Committee members have a healthy working relationship and operate well together. However, the current model creates potential conflicts of interest due to the fact some Joint Committee members are also the Chief Officers of the health bodies commissioned to provide specialised services.

- 38 My review found that arrangements for planning commissioned services are generally good and there is an improving focus on value. However, some key new services such as new service models for major trauma and thoracic surgery have taken a long time to agree and implement. My review also found that the COVID-19 pandemic has significantly affected the delivery of specialised services, and that the development of a plan for the recovery of specialised services should now be a priority. The Welsh Government's long-term plan for health and social care, A Healthier Wales, signals the intention to review a number of hosted national functions, including WHSSC, with the aim of 'consolidating national activity and clarifying governance and accountability'.
- 39 Whilst the governance arrangements for WHSSC have continued to improve, my report shows that there are still a number of facets of the WHSSC model that merit further attention.

Vaccination programme

- 40 My audit focused on the rollout of the COVID-19 programme in Wales up to June 2021, the factors that affected the rollout and future challenges and opportunities.
- 41 The vaccine programme has delivered at significant pace. At the time of reporting, vaccination rates in Wales were the highest of the four UK nations, and some of the highest in the world. The milestones in the Welsh Government's vaccination strategy provided a strong impetus to drive the programme and up to the time of reporting, the key milestones had been met.
- 42 The UK's Joint Committee on Vaccination and Immunisation guidance on priority groups was adopted but the process of identifying people within some of those groups has been challenging.
- 43 The organisations involved in the rollout have worked well to set up a range of vaccination models which make the best use of the vaccines available, while also providing opportunities to deliver vaccines close to the communities they serve.
- 44 Overall vaccine uptake to the time of reporting was high, but there was a lower uptake for some ethnic groups and in the most deprived communities. At the time of the audit, vaccine wastage was minimal, but concerns were emerging about non-attendance at booked appointments.
- 45 The international supply chain is the most significant factor affecting the rollout, with limited vaccine stock held in Wales. However, increasing awareness of future supply levels was allowing health boards to manage the vaccine rollout effectively.

- 46 As the programme moved into the second half of 2021, challenges presented themselves around encouraging take-up amongst some groups, vaccine workforce resilience and venue availability. A longer-term plan is needed to address these and other elements of the ongoing vaccination programme.

How NHS bodies supported staff wellbeing during the COVID-19 pandemic

- 47 My review considered how NHS bodies have supported the wellbeing of their staff during the pandemic, with a particular focus on their arrangements for safeguarding staff at higher risk from COVID-19.
- 48 NHS staff have shown tremendous resilience and dedication throughout the pandemic, despite facing huge strains to their mental and physical health.
- 49 The NHS in Wales was already facing a number of challenges relating to staff wellbeing prior to the pandemic, and the crisis has highlighted the importance of supporting the mental and physical health of the NHS workforce. Through my Structured Assessment work, I found that NHS bodies moved quickly at the beginning of the pandemic to enhance wellbeing initiatives to support staff through unprecedented times. As the pandemic unfolded, I found that NHS bodies in Wales implemented a range of measures to improve staff wellbeing, such as creating dedicated rest spaces, increasing mental health and psychological wellbeing provision, enhancing infection and prevention control measures, and enabling remote working.
- 50 My work also looked at how NHS bodies in Wales protected staff at higher risk from COVID-19. Amongst other safeguarding initiatives, I found that all bodies rolled out the All-Wales COVID-19 Workforce Risk Assessment Tool which identifies those at a higher risk and encourages a conversation about additional measures to be put in place to ensure staff are adequately protected. Although NHS bodies promoted and encouraged staff to complete the assessment tool, completion rates varied between NHS bodies.
- 51 While the crisis has undoubtedly had a considerable impact on the wellbeing of staff in the short term, the longer-term impacts cannot be underestimated.
- 52 With a more emotionally and physically exhausted workforce than ever, NHS bodies in Wales must maintain a focus on staff wellbeing and staff engagement to navigate through the longer-term impacts of the crisis. My report, therefore, is accompanied by a checklist which sets out some of the questions NHS Board members should be asking to ensure their health bodies have good arrangements in place to support staff wellbeing.

Structured assessment

- 53 My structured assessment work was designed in the context of the ongoing response to the pandemic. I ensured a suitably pragmatic and relevant approach to help me discharge my statutory responsibilities, whilst minimising the impact on NHS bodies as they continue to respond to the pandemic.
- 54 My team considered how corporate governance and financial management arrangements adapted over the year, as well as the operational planning arrangements underpinning the development and delivery of the Annual Plan for 2021-22. Auditors also paid attention to progress made to address previous recommendations.

Governance arrangements

- 55 My work considered the Health Board's ability to maintain sound governance arrangements while having to respond to the unprecedented challenges presented by the pandemic. The key focus of the work has been the corporate arrangements for ensuring that resources are used efficiently, effectively, and economically. We also considered how business deferred in 2020 was reinstated and how learning from the pandemic is shaping future arrangements for ensuring continued good governance and recovery.
- 56 My work found that **the Health Board has adequate arrangements in place to conduct Board and Committee business, however there are opportunities to assess the effectiveness of these arrangements. It is embedding its new governance structure and strengthening its assurance mechanisms, but it will need to continually monitor and review them to ensure they are functioning as intended.**
- The Health Board has gone through a period of high turnover amongst its senior leaders at Board-level whilst also holding a number of Independent Member vacancies. It will need to manage the risks associated with this turnover; particularly given the significant operational challenges it is facing.**
- 57 The Health Board has experienced significant changes to Board membership during the year, which will need to be managed carefully to provide leadership stability and ensure Board cohesion at a time when the Health Board is facing significant operational pressures.
- 58 The Health Board has adequate Board and Committee arrangements in place but needs to address issues around its website content, and the capacity and resilience of its Corporate Governance Support Team. It is embedding its new governance structure and intends to review its effectiveness by April 2022. The Health Board has further revised its Board Assurance Framework, and risk management strategy and approach. However, embedding the new approach will take time. The Health Board is strengthening its arrangements for supporting employee wellbeing, However, there are opportunities to strengthen quality and patient safety reporting and tracking internal and external audit recommendations.

Managing financial resources

- 59 I considered the Health Board's financial performance, financial controls and arrangements for monitoring and reporting financial performance. I found that **the Health Board has achieved its financial objectives and has generally effective financial controls and monitoring and reporting arrangements in place. However, it will need to manage its underlying deficit to ensure its financial sustainability going forward.**
- 60 The Health Board has successfully met its financial duties over the past three years and achieved its revised savings target despite the pandemic. It is also predicting to break-even during 2021-22. The Health Board has effective financial planning arrangements, and the 2021-22 financial plan reflects the exceptional nature of the pandemic and the uncertainties in response and recovery.
- 61 The continuing impact of the COVID-19 pandemic has led the Health Board to revise its initial savings target of £33 million to £16.6 million. As a result, the underlying financial deficit brought forward from 2020-21 of £20.8 million remains and will not improve during 2021-22 due to in-year cost pressures and continuing financial pressure. This represents a risk to the financial sustainability of the Health Board as savings will need to be achieved in future years to reduce the underlying deficit.
- 62 The Health Board has generally effective financial controls, monitoring, and reporting arrangements.

Planning arrangements

- 63 My work considered the Health Board's planning arrangements underpinning the Annual Plan for 2021-22.
- 64 I found that **the Health Board has reasonable planning arrangements in place which align to wider corporate and regional strategies. The Annual Plan, while providing clarity around the Health Board's strategic objectives, lacks the target milestones needed to enable effective monitoring. Plans to introduce a monitoring and outcomes framework have been delayed due to the pandemic. As a result, the Health Board has been unable to provide assurance on overall delivery against the priorities outlined in the Annual Plan.**
- 65 The Health Board has reasonably effective arrangements for developing and submitting its Annual Plan. The Annual Plan for 2021-22 incorporates learning from the pandemic and outlines a strategic approach to providing healthcare in the

region. It contains clear strategic objectives underpinned by a set of outcomes and measures to achieve them.

- 66 However, it lacks target / dates and milestones to enable the Health Board to monitor and track progress against the various measures and ensure intended priorities and outcomes are achieved. Whilst the Health Board is developing a monitoring and outcomes framework, this work has not been finalised due to the pandemic. As a result, the Health Board has been unable to provide assurance to the Board on overall delivery against the priorities outlined in its Annual Plan. However, we note that the Annual Plan has been used to inform Board and Committee business, with assurance on individual strategic objectives provided at different points of the year.

Radiology Services: Update on Progress

- 67 As part of my local audit programme, I have reported on the Health Board's Radiology Services and the progress made to address recommendations from our 2017 local and 2018 national reports on radiology services.
- 68 I found that **the Health Board has significantly improved the way it plans and delivers radiology services through strong leadership and using demand and capacity modelling to identify and implement solutions to respond to increasing demand and changes to service delivery and patient pathways.**
- 69 I judged the Health Board to have made good progress in addressing my previous recommendations because:
- the new Grange University Hospital has resulted in increased radiology equipment and imaging capacity. Prior to the opening of the hospital, the Health Board reduced waiting times by making use of additional capacity provided by outsourced services and continues to make use of these services in response to increased waiting times caused by COVID-19.
 - the service has developed supporting plans to implement the changes to service delivery and patient pathways resulting from the opening of the Grange University Hospital.
 - there is a strong leadership team within the radiology directorate with a clear vision to drive forward innovative solutions and improvements.
 - the radiology directorate has been successful in recruiting to radiographer posts, and changes to staff working patterns and increased radiology operating hours have improved the sustainability of imaging services.
 - where challenges remain in recruiting radiologists, the Health Board has sought to partly close the resource gap with advanced radiographer practitioner roles.
 - the radiology directorate has good relationships and regular communication with other directorates to inform demand and capacity, and to ensure appropriate prioritisation of patient referrals for diagnostic imaging.

- there are appropriate arrangements to ensure operational monitoring of performance.

However, as wider services now start to recover from the pandemic, suppressed demand as a result of delayed access to treatment has the potential to create challenges in radiology services. The Health Board, therefore, will need to make sure that it maintains oversight of this risk and that its radiology services are able to make the necessary contribution to service recovery and meeting demand.

Appendix 1

Reports issued since my last annual audit report

Exhibit 2: reports issued since my last annual audit report

The following table lists the reports issued to the Health Board in 2021.

Report	Date
Financial audit reports	
Audit of Financial Statements Report	June 2021
Opinion on the Financial Statements	June 2021
Audit of Accounts Report Addendum	December 2021
Charitable Funds Audit of Financial Statements Report	January 2022
Performance audit reports	
Doing it Differently, Doing it Right? (Structured Assessment 2020 All-Wales themes, lessons and opportunities relating to NHS governance during COVID-19)	January 2021
Test, Trace, Protect in Wales: An Overview of Progress to Date	March 2021
Welsh Health Specialised Services Committee Governance Arrangements	May 2021
Rollout of the COVID-19 vaccination programme in Wales	June 2021

Report	Date
Radiology Services: Update on Progress	October 2021
Taking care of the carers? (Structured Assessment 2020 All-Wales themes, lessons and opportunities relating to NHS staff wellbeing during COVID-19)	October 2021
Structured Assessment 2021	January 2022
Other	
2021 Audit Plan	March 2021
2021 Charitable Funds Audit Plan	January 2022

My wider programme of national value for money studies in 2021 included reviews that focused on the NHS and pan-public-sector topics. These studies are typically funded through the Welsh Consolidated Fund and are presented to the Public Accounts Committee to support its scrutiny of public expenditure. Reports are available on the [Audit Wales website](#).

Exhibit 3: performance audit work still underway

There are a number of performance audits that are still underway at the Health Board. These are shown in the following table, with the estimated dates for completion of the work.

Report	Estimated completion date
Unscheduled care	Phase 1 – February 2022 Timing of further work included as part of the 2022 plan still to be confirmed.
Orthopaedics	March 2022
Quality Governance	February 2022
Review of Efficiency Arrangements	April 2022

Appendix 2

Audit fee

The 2021 Audit Plan set out the proposed audit fee of £373,146 (excluding VAT). My latest estimate of the actual fee, on the basis that some work remains in progress, is in keeping with the fee set out in the outline.

Appendix 3

Financial audit risks

Exhibit 4: financial audit risks

My 2021 Audit Plan set out the financial audit risks for the audit of the Health Board's 2020-21 financial statements. The table below lists these risks and sets out how they were addressed as part of the audit.

Audit risk	Proposed audit response	Work done and outcome
The risk of management override of controls is present in all entities. Due to the unpredictable way in which such override could occur, it is viewed as a significant risk [ISA 240.31-33].	The audit team will: <ul style="list-style-type: none">• test the appropriateness of journal entries and other adjustments made in preparing the financial statements;• review accounting estimates for biases; and• evaluate the rationale for any significant transactions outside the normal course of business;	On a sample basis we tested both journal entries and accounting estimates and found no evidence of the management override of controls. We were satisfied that the accounts were free from material error.
There is a significant risk that you will fail to meet your first financial duty to break even over a three- year period. Following a core 'Financial Stability' funding allocation for COVID-19 from Welsh Government of £70m and further COVID-19 allocations of £52m, coupled with the	The audit team will focus its testing on areas of the financial statements which could contain reporting bias.	We undertook a range of audit work to provide assurance over the risk of bias to ensure that the actual year end position was true and fair. This included: <ul style="list-style-type: none">• detailed sample testing of transactions either side of the year-end to ensure that they were recorded in the correct accounting period. This was

Audit risk	Proposed audit response	Work done and outcome
<p>avoidance of certain costs due to COVID-19, the position at month 11 shows a year-to-date surplus of £0.176 million and a forecast break-even yearend position. This combined with the outturns for 2018-19 and 2019-20, predicts a three-year surplus of £0.267 million. Where you were to fail this financial duty, we will place a substantive report on the financial statements highlighting the failure and qualify your regularity opinion. Your current financial pressures increase the risk that management judgements and estimates could be biased in an effort to achieve the financial duty</p>		<p>focussed on the areas of greatest risk.</p> <ul style="list-style-type: none"> ensuring that accounting estimates were prepared on a reasonable basis and were supported by appropriate accounting judgements. <p>We were satisfied that the accounts were free from material error.</p>
<p>The COVID-19 national emergency continues and the pressures on staff resource and of remote working may impact on the preparation and audit of accounts. There is a risk that the quality of the accounts and supporting working papers may be compromised leading to an increased incidence of errors.</p>	<p>We will discuss your closedown process and quality monitoring arrangements with the accounts preparation team and monitor the accounts preparation process. We will help to identify areas where there may be gaps in arrangements.</p>	<p>We maintained constant contact with the Finance Team so to understand the accounts preparation process, and any changes made to this process due to the COVID-19 Pandemic.</p> <p>We satisfied ourselves that the Finance Team had made good arrangements in order to provide an accurate and high-quality set of financial statements.</p>

Audit risk	Proposed audit response	Work done and outcome
<p>Quality monitoring arrangements may be compromised due to timing issues and/or resource availability.</p>		
<p>The increased funding streams and expenditure in 2020-21 to deal with the COVID-19 pandemic will have a significant impact on the risks of material misstatement and the shape and approach to our audit. Examples of issues include accounting for the early opening of the Grange University Hospital; regularity risks of additional spend; valuation of year-end inventory including PPE; and estimation of annual leave balances.</p>	<p>We will identify the key issues and associated risks and plan our work to obtain the assurance needed for our audit.</p>	<p>We carried out a range of audit work to identify all additional funding and expenditure streams expected within the accounts through liaison with the Finance Team and Welsh Government. Central guidance was provided to assist in the audit of this complex area. We satisfied ourselves that the additional income and expenditure was free from material error and correctly classified in the accounts.</p>
<p>Where year-end stock balances are material to the financial statements, ISA501 – Audit Evidence – Specific considerations for selected items, requires auditors to attend the physical year-end stock count. Due to Audit Wales’ policy in response to the pandemic, audit staff are unable to work at client sites and</p>	<p>We will maintain ongoing discussions with the finance team to monitor the forecast year- end stock balances and plan our work to obtain the assurance needed for our audit. Where the year-end stock balance is material and we are unable to comply with the requirements of ISA501, we will determine the impact on the audit report and</p>	<p>We obtained appropriate audit evidence to confirm the year-end stock balances and satisfied ourselves that the year-end stock balances were not material.</p>

Audit risk	Proposed audit response	Work done and outcome
<p>therefore are unable to attend physical stock takes. As a result, where year-end stock balances are material and auditors are unable to attend the physical year-end stock count, the auditor shall modify the opinion in the auditor's report in accordance with ISA701– Communicating key matters in the independent auditor's report.</p>	<p>discuss our proposed modified audit opinion with officers/management.</p>	
<p>A phased deployment of the new WellSky Hospital Pharmacy System was commenced by NWIS from November 2020 across Welsh health bodies and is planned to be completed in July 2021 (COVID pandemic disruptions allowing). The Wellsky system was implemented in the Aneurin Bevan UHB in November 2020. The financial expenditure balances for hospital drugs, medicines and other pharmaceutical items flowing through the Wellsky system will be material to the Health Board. The data transfer from the old hospital pharmacy</p>	<p>We will review the process for transferring the data to the Wellsky system and the controls in place, to ensure the opening balances are an accurate starting point to continue calculating the financial throughput of expenditure in the new WellSky system</p>	<p>We satisfied ourselves that the process for transferring the data to the Wellsky system and the controls in place, to ensure the opening balances are an accurate starting point to continue calculating the financial throughput of expenditure in the new WellSky system was appropriate.</p>

Audit risk	Proposed audit response	Work done and outcome
<p>system to Wellsky was completed manually by the Health Board before the system went live on 9 November 2020, and responsibility for the design and implementation of effective controls over the transfer process rested with the Health Board.</p>		
<p>The implementation of the 'scheme pays' initiative in respect of the NHS pension tax arrangements for clinical staff is ongoing. Last year we included an Emphasis of matter paragraph in the audit opinion drawing attention to your disclosure of the contingent liability. However, if any expenditure is made in year, we would consider it to be irregular as it contravenes the requirements of Managing Public Monies.</p>	<p>We will review the evidence one year on around the take up of the scheme and the need for a provision, and the consequential impact on the regularity opinion.</p>	<p>We satisfied ourselves that the contingent liability disclosure made in the accounts was appropriate. An Emphasis of Matter in respect of this matter was contained in the audit report.</p>
<p>Due to the COVID 19 pandemic and in light of the Coronavirus Act 2020, health bodies across Wales are required to accrue for</p>	<p>The audit team will:</p> <ul style="list-style-type: none"> • assess the appropriateness of the proposed methodology for 	<p>We satisfied ourselves that the methodology proposed to calculate the annual leave accrual was appropriate and the accrual estimate was</p>

Audit risk	Proposed audit response	Work done and outcome
<p>untaken annual leave as at 31 March 2021. The All Wales Technical Accounting Group has met to agree a common methodology to be applied, and the calculations based on this for each health body will be submitted to Welsh Government. It is anticipated that the annual leave accrual will be funded although this has not been confirmed. The accrued annual leave balance will be material to the Health Board's accounts for 2020-21 and as at 31 January 2021, the Health Board has estimated the accrual to be £20.3million.</p>	<p>calculating the accrual</p> <ul style="list-style-type: none"> test to ensure the estimate has been calculated in line with agreed methodology 	<p>calculated in accordance with the proposed methodology.</p>
<p>Introduction of IFRS 16 Leases has been deferred until 1 April 2022 and may pose implementation risks. There is considerable work required to identify leases and the COVID-19 national emergency may pose implementation risks.</p>	<p>The audit team will undertake some early work to review preparedness for the introduction of IFRS 16 Leases.</p>	<p>As a result of the COVID-19 pandemic, the implementation of IFRS 16 was delayed into 2021-22. We will undertake this work next year. We did however carry out preliminary discussions on the progress of IFRS16 preparedness</p>



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.