Public Audit & Assurance Committee Meeting

Tue 09 November 2021, 09:00 - 12:30

Agenda

1. Welcome and Introductions

John Union

2. Apologies for Absence

John Union

3. Declarations of Interest

John Union

4. Minutes of the Committee meeting held on 7th September 2021

John Union

📄 4 - Unconfirmed Audit Committee Public Minutes 07.09.2021 - v3.pdf (9 pages)

5. Action log following meeting held on 7th September 2021

John Union

📄 5 - Public Action Log following 07-09-2021 - V1.pdf (1 pages)

6. Any other urgent business: To agree any additional items of urgent business that may need to be considered during the meeting

John Union

7. Items for Review and Assurance

7.1. Internal Audit Progress Reports

Ian Virgil

📄 7.1 CV AC A&A Progress Report cover November 21.pdf (2 pages)
📄 7.1.a CV AC A&A Progress Report November 21.pdf (13 pages)

7.2. Self-Assessment of Internal Audit (NHS Wales Shared Services Partnership) and Audit Wales - Results

Nicola Foreman

9. Items for Information and Noting

9.1. Internal Audit reports for information:

Ian Virgil

i) Assignment Assurance Rating

📄 9.1 CVU 2122.15_Clinical Audit_Final Internal Audit Report.pdf (24 pages)
📄 9.1.a CVU 2122.16_Five Steps to Safer Surgery_Final Internal Audit Report.pdf (17 pages)

10. Review and Final Closure

10.1. Items to be deferred to Board / Committee

John Union

11. To note the date, time and venue of the next Committee meeting:

Tuesday 8th February 2022 at 9am

Minutes of the Public Audit Committee
Held on 07th September 2021 at 09:00am – 12:30pm
Via MS Teams

Chair:		
John Union	JU	Independent Member - Finance
Present:		
Mike Jones	MJO	Independent Member – Trade Union
David Edwards	DE	Independent Member - ICT
In Attendance:		
Nicola Foreman	NF	Director of Corporate Governance
Charles Janczewski	CJ	Chair
Catherine Phillips	CP	Executive Director of Finance
Ian Virgil	IV	Head of Internal Audit
Rachel Gidman	RG	Executive Director of People and Culture
Wendy Davies	WD	Deputy Head of Internal Audit
Richard Skone	RS	Consultant
Clive Morgan	CM	Assistant Director of Therapies & Healthcare Sciences
Wendy Davies	WD	Deputy Head of Internal Audit
Geoffrey Wooley	GW	Principal Auditor – Internal Audit
Mark Jones	MJ	Audit Wales Financial Manager
Secretariat:		
Nikki Regan	NR	Corporate Governance Officer
Observing:		
Marcia Donovan	MD	Head of Corporate Governance
Apologies:		
Stuart Walker	SW	Executive Medical Director
Ceri Phillips	CP	Vice Chair

Item No	Agenda Item	Action
AAC 21/09/001	**Welcome & Introductions** The Committee Chair (CC) welcomed all to the meeting. The Committee noted that Richard Skone was attending for Stuart Walker. The Executive Director of Finance (EDF) noted Rob Mahoney was standing in for Chris Lewis.	
AAC 21/09/002	**Apologies for Absence** Apologies noted from Ceri Phillips & Stuart Walker.	
AAC 21/09/003	**Declarations of Interest** None raised.	
AAC 21/09/004	**Minutes of the Committee meeting held on 6th July 2021**	

	Mike Jones (MJ) noted page 1 was 6th July not 6th June and asked to be removed from notes as he did not attend the meeting held on 6 July 2021. The Executive Director of People and Culture (EDPC) noted a spelling error in the first sentence of the draft minutes and asked for it to be corrected. **The Committee resolved that:** a) Subject to the above amendments being made to the draft minutes of the meeting held on 6th July 2021, the draft minutes be approved as a true and accurate record of the meeting.	
AAC 21/09/005	**Action log following meeting held on 6th July 2021** 21/04/007 – The Head of Internal Audit (HIA) explained this action relates to a previous request to give assurance around the issue of the nurse staffing act within Mental Health and that he had liaised with the Executive Nurse Director. The position was not likely to change without investment therefore a further review would not identify anything different. The Chair confirmed that the Board were sighted on this. The HIA stated that his action had been completed and should be removed from the Action Log. 21/04/0102 – This action was on the agenda. 21/06/006 – Audit Wales ISA 260 report this action was on the agenda. 21/07/008 – The Committee acknowledged that this action would be brought to the Committee meeting in November 2021.	
AAC 21/09/006	**Any other urgent business: To agree any additional items of urgent business that may need to be considered during the meeting** No urgent business was noted.	
AAC 21/09/007	**Internal Audit Progress Reports** The HIA gave an update on the Internal Audit Progress Reports. The key points noted were – - Section 2 of the report had some delays relating to the testing, but it is progressing and would be completed by the next Committee meeting. - The internal report regarding item 3 had been completed. - The 4th report which had been finalised related to the Ultrasound Governance.	

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- Section 4 gave a quick update and a summary on the progress delivery of the internal audit plan.

- Quality and Safety governance had been discussed with the Executive Director of Nursing (EDN) and had been deferred to next year's plan in order to allow time for the new Framework to be embedded within the Health Board.

- It had been agreed to postpone looking at the Health & Safety in the organisation until Quarter 4 of this financial year.

- The HIA explained Section 6 of the report gave summary on those matters that have been finalised since the last meeting.

- A review of Legislative, Regulatory and Alerts Compliance had been finalised.

The HIA informed the Committee that discussions had taken place with the Corporate Governance Team on the number of areas that Internal Audit had recommended for the tracker enhancements. The Director of Corporate Governance (DCG) commented that the Internal Audit Progress and Tracking report was a very helpful piece of work (i) to move the tracker forward and (ii) to give the Committee assurance. She commented that the majority of actions had been completed on the tracker and that the Health Board was looking to complete the outstanding actions by the end of this year.

The Chair commented that he recognised the work that has been undertaken to develop this tracker. He complimented the DCG and the team. The Committee members all agreed and thanked everyone for their work.

The HIA explained that work was being undertaken with regards to the 5 steps for safer surgery work. He stated that the delay in accessing records had delayed this piece of work.

The HIA highlighted item 6.2 - positive outcome of the work undertaken in relation to section 6.2 of the report and that he had wanted to highlight this at the request of the health promotion team. He commented that his team had been able to give reasonable assurance overall.

The CC thanked the HIA for his help with this piece of work for the Health Board.

The Committee resolved that:

(a) The Committee considered the Internal Audit Progress Report, including the findings and conclusions from the finalised individual audit reports.
(b) The committee approved the proposed amendments to the Internal Audit Plan for 2021/22.

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AAC 21/09/008	**Job Planning Update** Richard Skone (RS) joined the meeting and highlighted the following around the job planning update – - From the original audit compliance rate had increased from 17% to 48% with the Allocate eJob Planning software having gone live in November 2020. - The website showed timescales and would form a part of the job planning going forward. The website/software was accessible to everyone and contained the job planning procedure which gave clarity to consultants when job planning. - A meeting had taken place with the Obs & Gynae team to discuss the over lapping with the job planning and operational team. - By 31 December 2021 the aim would be to have everyone's job plan uploaded. The EDPC supported the work that had been undertaken and commented that although there was 48% compliance there was still a need to aim for more people to have job planning. RS explained that updates with regards to job planning progress had been sent to the boards and that if anaesthetics come on board, it would help to move a large number of the workforce forward. RS added that it was difficult to advertise for consultants without this. The CC asked if any other Health Boards were looking to this. RS confirmed Velindre NHS Trust, Aneurin Bevan HB & Betsi Cadwaladr UHB had looked at this also and that his team had shared the job planning procedure. The CC thanked RS and team for all this work. **The Committee resolved that:** (a) The proposed recommendation to continue to support the use of e-Job Planning to further increase information available to the Health Board to improve capacity and demand planning and aid the COVID recovery process be approved.	
AAC 21/09/009	**Audit Wales Update** Mark Jones (MJ) gave an update from Audit Wales on 2 papers. The first paper was a routine update. He confirmed that the audit plan would go to Members on 23rd September. There were 5 pieces of work on going, which would be completed in the calendar year.	

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	The second paper was the report which was received in June. The report raised 6 recommendations and reflected well on the accounts which were audited. He stated that 5 recommendations were raised by the IT auditors. DE highlighted a concern that this was raised in a public forum. DE also asked for clarification with regards to (i) what did were the implementation date mean in the IT DR plan, (ii) what was the testing and the refresh of the documentation and (iii) on page 8 regarding the data centres the implementation date was November 2022 but DE asked for clarification on this point. **Action – MJ agreed to take these queries away, to review this with the IT auditor and provide clarification regarding these points.**	**MJ**
	The CC asked if the Audit Wales update papers were in the public domain. The CC commented that these should be added to the Committee's private session in November.	
	The EDF queried whether this piece of work should be brought to this Committee or the Digital & Health Intelligence Committee. The DCG agreed this should be brought to the Digital & Health Intelligence Committee (DHI Committee) and would make sure DE took these actions to the next DHI Committee and would raise this with Corporate Governance for the next DHI Committee agenda setting meeting.	**NF**
	MJ commented that the remainder of the report commented on last year's report. There had been limited progress in the last 2 months due to the pandemic and that the remaining actions would be picked up as part of 21/22 review.	
	The CC thanked MJ for his input.	
	The Committee resolved that:	
	(a) The update report from Audit Wales be noted.	
AAC 21/09/010	**Audit of Accounts Addendum Report** No comments were made by Committee members in respect of the matter.	
AAC 21/09/011	**Review of WHSSC Governance Arrangements** The DCG commented that the WHSSC Governance Arrangements had been subject to external review and that members would recall that Audit Wales had presented their governance findings following that review. This paper had set out was the response to those findings. The DCG commented that the recommendations and responses would not added to the Health Board's tracker but would be tracked through WHSSC Governance arrangements. **The Committee resolved that:**	

	(a) the proposed management responses of WHSSC and (b) the management responses of the Welsh Government, in response to Audit Wales' recommendations be noted	
AAC 21/09/012	**Review the System of Assurance Strategy** The DCG provided an update to the Committee in respect of the review of the system of assurance strategy. This report had been drafted previously and had been reported to the Management Executive (ME). The ME were in full support and keen to take the matter forward. The purpose of the Assurance Strategy was to help the Health Board to target those areas where further assurance was required and to avoid further duplication. The DCG explained that the draft strategy was to be signed off by the Board and that the assurance map was already being developed by her team. The DCG further explained the RAG rating was given by the Corporate Governance team and that assurance had been given across the 3 lines of defence. She noted that a key alongside the RAG rating should be inserted into the assurance strategy to aid interpretation of the same. The DCG commented that ME had been supportive and had recommended that to the draft strategy was taken to the Board for sign off, approval and then implementation. **The Committee resolved that:** (a) The Committee recommended that the draft Assurance Strategy be presented to Board for approval.	
AAC 21/09/013	**Declarations of Interest and Gifts and Hospitality Tracking Report** The DCG explained the declarations of interest matter was on-going work in progress. She said that currently her team had a paper system in place but were looking to use ESR. The paper based system was an administrative burden given the need to physically load these from paper to an electronic format. Analysis which showed 1224 (72%) compliance. The team had received 80 Declarations of Interest since April, with 5 left to be reviewed. Of the 80, 40 had declared no interests. The DCG commented that all those in post at Band 8a or above were asked to complete a declaration of interest form, even if those employees had no interests to declare. The compliance rate was noted as a significant improvement. The ECG explained that this was an annual declaration and numbers did rise at certain points of the year. Her team ask if there had been any changes in employees' declarations of interest and that these are chased up by the Corporate Governance Risk & Regulation team.	

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	The CC asked how, within the Health Board's recruitment process, are employees at band 8a and above, had been made aware of this requirement? The DCG confirmed there's a banner on ESR notifying employees of this. Further, managers ask if staff have made a declaration. The data indicated that this is going well. **The Committee resolved that:** a) The Committee	
AAC 21/09/014	**Regulatory Compliance Tracking Report** The DCG commented that the Committee had already discussed the internal audit. The covering report described how the recommendations had been met and how those recommendations had been implemented. This had helped move the tracker forwards and had made it more robust. The DCG commented that by November all updates should have been carried out and that this tracker was more comprehensive and the RAG rating had been better defined. **The Committee resolved that:** (a) The approach taken by the Risk and Regulation Team to the tracking and reporting of compliance with regulatory inspections and recommendations be approved, (b) The assurance provided by the Regulatory Tracker and the confirmation of progress made against recommendations be approved (c) The continuing development of the Legislative and Regulatory Compliance Tracker be noted.	
AAC 21/09/015	**Internal Audit Tracking Report** The DCG explained the report gave a picture of the changes. The number of implemented recommendations had reduced from 126 – 96. There was further detail in the report. The CC asked to what extent have the 19/20 recommendations come down and when would they be completed. The DCG explained that the team were going to undertake the same targeted piece of work again. The HIA & Wendy Davies (WD) had set up regular meetings to give support to Corporate Governance. Going forward, the DCG commented that her team would do more assurance work and would look to build into a regular process. The CC noted the work undertaken and that the number of recommendations to be implemented had come down and thanked the Corporate Governance for their work.	

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	The Committee resolved that:	
	(a) Noted the tracking report for tracking audit recommendations made by Internal Audit. (b) Noted and assured by the progress which has been made since the previous Audit and Assurance Committee Meeting in July 2021.	
AAC 21/09/016	**Audit Wales Tracking Report** The DCG updated the Committee with regards to the Audit Wales tracking report. Since the last meeting 9 recommendations had been completed and 10 were partially completed The CC commented that whilst the numbers were low, it was good to see assurance. The Committee agreed that the Audit Wales tracker should continue to be developed. **The Committee resolved that:** (a) Noted and received assurance from the progress which has been made in relation to the completion of Audit Wales recommendations. (b) Noted the continuing development of the Audit Wales Recommendation Tracker.	
AAC 21/09/017	**Internal Audit reports for information:** **Assignment Assurance Rating** 1. Legislative, Regulatory & Alerts Compliance 2. Healthy Eating Standards – Hospital, Restaurant & Retail Outlets 3. Cancellation of Outpatient Clinics Follow-up (Mental Health Clinical Board) 4. Ultrasound Governance (Clinical Diagnostics and Therapeutics Clinical Board) WD explained these were undertaken as a request from the 19/20 internal audit plan. There were 5 recommendations, 2 of which were high priority. These highlighted the current governance arrangements. Clive Morgan (CM) gave an update on ultrasound governance and commented as follows: - In terms of the policy & procedure, this had not been well publicised. This would be taken through a number of groups. - There was a new clinical safety group. There was a recommendation of how the clinical board will give assurance.	-

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	- The team would be developing an annual audit plan and would work with digital to get an electronic version.
	
	- Recommendation 3 – this had been completed.
	
	- Recommendation 4 was noted and agreed that ultrasound report to the clinical equipment group. The Terms of Reference would be reviewed with the groups to reflect the level of governance expected. The membership would be reviewed and signed off by the Executive Director of Therapies & Healthcare Sciences.
	
	- The remaining action for Obstetrics & Gynaecology would be reviewed and completed by 30th September and would be monitored going forward.
	
	The Chair queried if there was a timescale for a revisit of internal audit to move to a reasonable rating. CM explained the internal audit were developing the annual audit template and anticipated this would go live in March 2022., that they wanted to ensure sufficient time to review and that they were are not familiar with all risks that had been highlighted.
	
	CM also explained that a follow up piece of work would be built in a follow up and that this would be undertaken around March 2022, but this could have an impact due to year end. CM said that a catch up would take place in January / February to identify when would be best to do this follow up.
	The CC added that patient safety was paramount and emphasised the need to ensure that this piece of work was built in and agreed. There were a lot of positives in the report.
	
	CM agreed to pick this matter up with the HIA in January 2022.
	
	The CC thanked CM for attending and giving the assurance.
	
	The Committee resolved that –
	
	    (a) Noted the tracking report for tracking audit recommendations made by Internal Audit.
	    (b) Noted and be assured by the progress which has been made since the previous Audit and Assurance Committee Meeting in July 2021.	

AAC 21/09/018	**Items to be deferred to Board / Committee** DE agreed to link with DHI Committee.	
	Date and Time of Next Meeting: To note the date, time and venue of the next Committee meeting: **Tuesday 9th November 2021 at 9.00am**	

Public Action Log
Following Audit & Assurance Committee Meeting
7th September 2021
(For the Meeting 9th November 2021)

REF	SUBJECT	AGREED ACTIONS	LEAD	DATE	STATUS/COMMENTS
		Completed Actions			
AAC 20/11/023	Job Planning Update	To provide a further update in 6 months' time.	Stuart Walker	07.09.21	Complete – Shared at the September Committee Meeting
AAC 21/04/007	Internal Audit Progress and Tracking Reports	The Director of Corporate Governance (DCG) asked the HIA if the Mental Health aspects had been identified elsewhere, and the HIA responded that it was not in the plan currently, however discussions would be held with the END and the DCG to incorporate it into the plan for next year.	Ian Virgil	07.09.21	Complete – Update shared at the September Committee Meeting
AAC 21/04/012	Review the system of assurance	DCG would work with the Management Executives (ME) to develop an assurance strategy	Nicola Foreman	07/09/2021	Complete – Shared at the September Committee Meeting
		Actions in Progress			
AAC 21/06/006	Audit Wales ISA 260 Report	Following audit certification by the Auditor General Audit Wales will issue a separate report setting recommendations and management's responses.	Audit Wales	TBC	Report will be considered at a future meeting of the Audit and Assurance Committee
AAC 21/07/008	Audit Wales Update	The field work is currently under way for the Phase two structured assessment work and they are aiming to report their findings for September	Audit Wales	09/11/2021	Update to be brought to the meeting on 9 November 2021. Agenda item 7.3
		Actions referred to Board / Committees			

Saunders Nathan
11/01/2021 13:59:01

Bwrdd Iechyd Prifysgol
Caerdydd a'r Fro
Cardiff and Vale
University Health Board

Report Title:	**Internal Audit Progress Report**						
Meeting:	Audit & Assurance Committee				**Meeting Date:**	09/11/21	
Status:	**For Discussion**		**For Assurance**	X	**For Approval**	X	**For Information**
Lead Executive:	Director of Corporate Governance						
Report Author (Title):	Head of Internal Audit						

Background and current situation:

The NHS Wales Shared Services Partnership (NWSSP) Audit and Assurance Service provides an Internal Audit service to the Cardiff and Vale University Health Board.

The work undertaken by Internal Audit is in accordance with its annual plan, which is prepared following a detailed planning process, including consultation with the Executive Directors, and is subject to Audit Committee approval. The plan sets out the program of work for the year ahead as well as describing how we deliver that work in accordance with professional standards and the engagement process established with the UHB.

The 2021/22 plan was formally approved by the Audit Committee at its April 21 meeting.

The progress report provides the Audit Committee with information regarding the progress of Internal Audit work in accordance with the agreed plan; including details and outcomes of reports finalised since the previous meeting of the committee and proposed amendments to the plan.

Appendix A of the progress report sets out the Internal Audit plan as agreed by the committee, including details of proposed postponed / removed audits and commentary as to progress with the delivery of assignments.

Executive Director Opinion/Key Issues to bring to the attention of the Board/Committee:

The progress report highlights the conclusion and assurance ratings for audits finalised in the current period.

The finalised reports are summarised within the progress report and those given Limited or No Assurance are also included separately on the agenda in full. There are two reports that have been given Limited Assurance ratings during the current period.

The report highlights the current delays in delivery of the plan and also outlines proposals to review the plan and identify a contingent list of lower risk audits. These could initially be moved to the end of the 21/22 plan and then potentially be deferred to the 22/23 plan if the current pressures on the Health Board increase.

The report also includes details of a small number of proposed adjustments to the content of the plan and changes to the planned timings for delivery of audits.

Saunders Nathan
11/01/2021 13:59:01

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University Health Board

Assessment and Risk Implications (Safety, Financial, Legal, Reputational etc.):

The progress report provides the Committee with a level of assurance around the management of a series of risks covered within the specific audit assignments delivered as part of the Internal Audit Plan. The report also provides information regarding the areas requiring improvement and assigned assurance ratings.

Recommendation:

The Audit & Assurance Committee is asked to:

- **Consider** the Internal Audit Progress Report, including the findings and conclusions from the finalised individual audit reports.

- **Approve** the proposed amendments to the Internal Audit Plan for 2021/22.

Shaping our Future Wellbeing Strategic Objectives				
This report should relate to at least one of the UHB's objectives, so please tick the box of the relevant objective(s) for this report				
1. Reduce health inequalities	x	6. Have a planned care system where demand and capacity are in balance		
2. Deliver outcomes that matter to people	x	7. Be a great place to work and learn		x
3. All take responsibility for improving our health and wellbeing		8. Work better together with partners to deliver care and support across care sectors, making best use of our people and technology		x
4. Offer services that deliver the population health our citizens are entitled to expect	x	9. Reduce harm, waste and variation sustainably making best use of the resources available to us		x
5. Have an unplanned (emergency) care system that provides the right care, in the right place, first time		10. Excel at teaching, research, innovation and improvement and provide an environment where innovation thrives		

Five Ways of Working (Sustainable Development Principles) considered							
Please tick as relevant, click here for more information							
Prevention		Long term	x	Integration	x	Collaboration	x	Involvement	

Equality and Health Impact Assessment Completed:	~~Yes~~ / ~~No~~ / Not Applicable *If "yes" please provide copy of the assessment. This will be linked to the report when published.*

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Cardiff and Vale University Health Board

Internal Audit Progress Report

Audit & Assurance Committee November 2021

NWSSP Audit and Assurance Services

Contents

1. Introduction

This progress report provides the Audit & Assurance Committee with the current position regarding the work to be undertaken by the Audit & Assurance Service as part of the delivery of the approved 2021/22 Internal Audit plan.

The report includes details of the progress made to date against individual assignments, outcomes and findings from the reviews, along with details regarding the delivery of the plan and any required updates.

The plan for 2021/22 was agreed by the Audit & Assurance Committee in April 2021 and is delivered as part of the arrangements established for the NHS Wales Shared Service Partnership - Audit and Assurance Services.

2. Assignments with Delayed Delivery

The assignments noted in the table below are those which had been planned to be reported to the November Audit Committee but have not met that deadline.

Audit	Current Position	Draft Rating	Reason
Surgery CB – Theatres Utilisation	Draft	Reasonable	Delays in receiving information due to pressures within the service.
Retention of Staff	Work in Progress		Delay in gaining agreement of the Audit brief.
IT Service Management (ITIL)	Work in Progress		Delay in commencing audit fieldwork due to the availability of Internal Audit staff resource.
Medicine CB – QS&E Governance Framework	Planning		Delay in receiving agreement of the Audit Brief from CB Management.
Capital Scheme - Genomics	Work in Progress		Significant delays in receiving information from Health Board Management.

3. Outcomes from Completed Audit Reviews

Two assignments have been finalised since the previous meeting of the committee and are highlighted in the table below along with the allocated assurance ratings.

The Executive Summaries from the finalised assignments are reported in Section six. The full reports are included separately within the Audit Committee agenda.

FINALISED AUDIT REPORTS	ASSURANCE RATING	
Clinical Audit	Limited	
Five Steps to Safer Surgery		

4. Delivery of the 2021/22 Internal Audit Plan

There are a total of 39 reviews included within the 2021/22 Internal Audit Plan, and overall progress is summarised below.
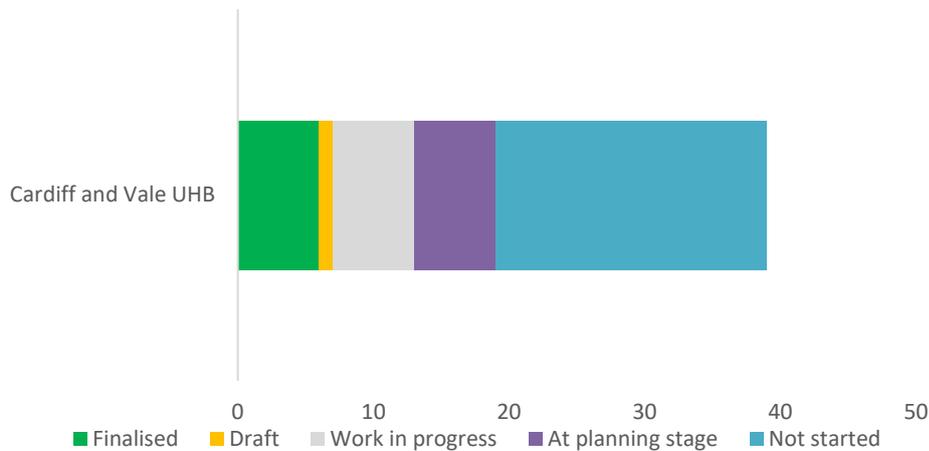
From the illustration above it can be seen that six audits have been finalised so far this year with one further audit issued in draft.

In addition, there are six audits that are currently work in progress with a further six at the planning stage.

Progress with the delivery of the annual Internal Audit plan is currently behind the point expected at this stage of the year. As summarised within section 2, this reflects the difficulties that have been experienced in agreeing the scopes for a number of audits and also progressing with fieldwork in some cases. It is acknowledged that these delays are primarily due to the pressures currently being faced by the Health Board.

At the current time it is anticipated that, aside from the changes detailed in section 5 below, we will still be able to deliver the remainder of the annual plan. However, given the potential for further pressures and delays over the winter period, we have begun an exercise to identify those audits that are lower risk or less critical to the delivery of the annual opinion.

We will consider the need to reschedule some of the identified audits, initially to the end of the 21/22 plan but with the possibility that they could be deferred into 22/23 if required. A paper setting out these contingency arrangements will be developed for consideration by the Management Executive during November, with the updated position and / or any subsequent adjustments being reported to the Audit Committee in February.

Full details of the current year's audit plan along with progress with delivery and commentary against individual assignments regarding their status is included at Appendix A.

Appendix B highlights the times for responding to Internal Audit reports.

Appendix C shows the current level of performance against the Audit & Assurance Key Performance Indicators.

5. Proposed Changes to the 2021/22 Plan

The following audits have been proposed for removal from the 21/22 plan:

- **Estates Assurance - Decarbonisation**

  This audit has been proposed for deferral to 22/23, reflecting the fact that the Health Board is not required to publish its Decarbonisation Action Plans until March 2022, and the timing of expenditure of the initial capital allocations provided by Welsh Government. As such, there will be more value in the audit if it is progressed from Q1 of 22/23 onwards.

  The deferment of this audit will not impact on the ability to deliver an audit opinion in 2021/22, recognising that a further Estates Assurance audit (Waste Management) is included within the annual plan.

- **IM&T Control & Risk Assessment**

  It is proposed that this audit be deferred to 22/23. The last IM&T Control & Risk assessment was only finalised in May 21, so it would be too early to complete another assessment as part of the 21/22 plan. The agreed actions from the last assessment are included within the Health Board's tracker and are therefore being monitored on that basis.

  The number of other IM&T audits remaining within the plan will ensure appropriate coverage to feed into the annual opinion.

Adjustment has been proposed to the planned timing for the following audit:

- **Medical Equipment & Devices**

  The Executive Director of Therapies and Health Sciences has requested that this audit be initially moved from Q2 to Q4.

  The on-going operational pressures within the key service areas mean that they would currently be unable to engage with the audit. The situation will be reviewed in December to determine if the audit can progress in Q4 or will need to be deferred to 22/23.

The proposed changes detailed above have been reflected within the table at Appendix A, subject to approval by the Committee.

Saunders Nathan
11/01/2021 13:59:01

6.   Final Report Summaries

6.1 Clinical Audit

Purpose

The overall objective of the review was to evaluate and determine the adequacy of the systems and controls in place within the Health Board in relation to Clinical Audit. Our review sought to provide assurance to the Health Board's Audit Committee that risk material to the system's objectives are managed appropriately.

Overview

Our overall assurance rating reflects the enhancements that are required to the Health Board's Clinical Audit structures and governance arrangements.

The key areas to be addressed relate to:

- The development and introduction of a Clinical Audit Strategy, Policy and Procedures.
- The development of resources and systems to effectively monitor all Clinical Audit activity.

We acknowledge that management are aware of the reported issues.

Report Classification

Limited   More significant matters require management attention.

Moderate impact on residual risk exposure until resolved.

Assurance summary

Assurance objectives		Assurance
1	Roles, Responsibilities and Resources	Limited
2	Programme Planning	Limited
3	Programme Delivery & Board Assurance	Limited

Key Matters Arising

		Assurance objective	Control Design or Operation	Recommendation Priority
1	Absence of a Health Board approved Clinical Audit Strategy	2	Design	High
2	Lack of Clinical Audit Policy and Procedures	2	Design	High
3	Inadequate staff resources for monitoring Clinical Audits	1	Operation	High
4	Limitations of current systems to effectively monitor clinical audits and their outcomes	3	Operation	High
5	Absence of a Clinical Audit Training Plan and a lack of resources to deliver training requests	1	Operation	Medium
6	Lack of clarity of Local Clinical Audit Plans (Tiers 2 & 3)	2	Operation	Medium
7	Inadequate registration and oversight of Local Clinical Audits (Tiers 2 & 3)	2	Operation	Medium
8	Limited scrutiny of Local Clinical Audits (Tier 2 & 3)	3	Operation	Medium

6.2 Five Steps to Safer Surgery

Purpose

The overall objective of the review was to evaluate and determine the adequacy of the systems and controls in place within the Health Board in relation to Five Steps to Safer Surgery, to provide assurance to the Health Board's Audit Committee that risks material to the achievement of the system's objectives are managed appropriately.

Overview

Our overall assurance rating reflects the enhancements that are required to the Health Board's systems and processes to ensure that the Five Steps to Safer Surgery is complied with, and that compliance can be evidenced.

The key areas to be addressed relate to:

- The Health Board has no mechanisms in place to record two out of the Five Steps to Safer Surgery: specially step one – briefing, and step five - debriefing.

- For the remaining steps (two through to four) our retrospective patient file review identified that 32% of our sample had not been completed or fully completed.

Report Classification

| Limited | More significant matters require management attention. **Moderate impact** on residual risk exposure until resolved. |

Assurance summary

Assurance objectives		Assurance
1	Effective governance arrangements of Five Steps to Safer Surgery	Reasonable
2	Systems and processes to support Five Steps to Safer Surgery	Limited
3	Monitoring and reporting processes of Five Steps to Safer Surgery	Limited

Key Matters Arising

		Assurance objective	Control Design or Operation	Recommendation Priority
1	Lack of evidence to demonstrate compliance with Five Steps to Safer Surgery	3	Design	High
2	Incomplete patient files to evidence Five Steps to Safer Surgery (Steps 2, 3 & 4)	2	Operating	High
3	Observations from Theatre Visits	2	Operating	Medium
4	Culture towards 'Five Steps to Safer Surgery'	1	Operation	Medium
5	Procedures require update to support Five Steps to Safer Surgery	1	Design	Medium
6	Risk assessment to be finalised	3	Operation	Medium

ASSIGNMENT STATUS SCHEDULE

Planned output.	No	Exec Director Lead	Plnd Qtr	Adj Qtr	Current progress	Assurance Rating	Planned Audit Committee
Legislative, Regulatory & Alerts Compliance	06	Corporate Governance	Q1		Final Report Issued August 21	Reasonable	Sept
Healthy Eating Standards - Hospital Restaurant & Retail Outlets	11	Public Health	Q1		Final Report issued August 21	Reasonable	Sept
CD&T CB – Ultrasound Governance	27	COO	Q1		Final Report issued August 21	Limited	Sept
Mental Health CB – Cancellation of Outpatient Clinics Follow-up	29	COO	Q2		Final Report issued August 21	Reasonable	Sept
Clinical Audit	**15**	**Medical**	**Q2**		**Final Report issued October 21**	**Limited**	**Nov**
Five Steps to Safer Surgery	**16**	**Medical**	~~**Q1**~~	**Q2**	**Final Report issued October 21**	**Limited**	**Nov**
Surgery CB – Theatres Utilisation	25	COO	Q1		Draft	Reasonable	Feb
Retention of Staff	09	Workforce	Q2		Work in progress		Feb
IT Service Management (ITIL)	19	Digital & Health Intelligence	Q2		Work in progress		Feb
Medicine CB – QS&E Governance Framework	23	COO	Q2		Planning		Feb
Capital Scheme – Genomics	*SSU*	*Strategic Planning*	*Q2*		*Work in progress*		*Feb*
Management of staff Sickness Absence	07	Workforce	Q2		Planning		Feb
UHB Core Financial Systems	03	Finance	Q3		Work in progress		Feb
Claims Reimbursement	04	Nursing	Q3				Feb
Raising Concerns (Whistle Blowing)	05	Corporate Governance	~~Q2~~	Q3	Work in progress		Feb

Planned output.	No	Exec Director Lead	Plnd Qtr	Adj Qtr	Current progress	Assurance Rating	Planned Audit Committee
Compliance with Welsh Language Act	08	Workforce & OD	Q3		Work in progress		Feb
Nurse Bank	13	Nursing	Q3		Planning		Feb
Medical & Dental Staff Bank	14	Medical	Q3				April
Chemocare IT System	21	Digital & Health Intelligence	Q3		Planning		Feb
Security of Network and Information Systems (NIS) Directive Implementation	22	Digital & Health Intelligence	Q3				April
Specialist Services CB – Verification of Community Dialysis Sessions	26	COO	Q3		Planning		Feb
Children & Women CB – Nurse Rostering	30	COO	Q4	Q3	Planning		Feb
Financial Plan / Reporting	33	Finance	Q3				April
Post Contract Audit of DHH Costs	34	Finance	Q1	Q3			April
Delivery of 21/22 Annual Plan	37	Strategic Planning	Q3				April
Estates Assurance – Waste Management	*SSU*	*Finance*	*Q3*				*April*
Risk Management	01	Corporate Governance	Q4				April
Vaccination Programme (Flu / Covid)	10	Public Health	Q4				April
Health & Safety	18	CEO	Q2	Q4			April
IT Strategy	20	Digital & Health Intelligence	Q4				April
Mental Health CB	28	COO	Q4				April
PCIC CB - GP Access	24	COO	Q2	Q4			April

Planned output.	No	Exec Director Lead	Plnd Qtr	Adj Qtr	Current progress	Assurance Rating	Planned Audit Committee
Recovery of Non-COVID services / Delivery of Planned Care	31	COO	Q3/4				May
Performance Reporting	32	COO	Q3/4				May
Medical Equipment and Devices	35	Therapies & Health Sciences	Q2	Q4			May
Shaping Future Wellbeing in the Community Scheme	*SSU*	*Strategic Planning*	*Q4*				*May*
Capital Systems Management	*SSU*	*Strategic Planning*	*Q4*				*May*
Major Capital Scheme – UHW II	*SSU*	*Strategic Planning*	*Q1-4*		*On-going observer role, proactive input, and overview of the progression through the period.*		*n/a*
Development of Integrated Audit Plans	*SSU*	*Strategic Planning*	*Q1-4*		*Plans will be developed for inclusion within the respective business case submissions for relevant major projects/ programmes.*		*n/a*
Reviews Deferred / Removed from the plan							
ALNET Act	36		Q2		Director of Therapies and Health Sciences requested Deferral to 22/23 plan as work currently on-going to embed processes within the Health Board. Agreed by June AC.		
Consultant Job Planning Follow-up	17	Medical	Q4		Removed as assurance level increased to Reasonable after 20/21 follow-up – Agreed by June AC		
Clinical Board's QS&E Governance	12	Nursing	Q2	Q4	Director of Nursing requested deferral to 22/23 plan. QS&E Governance arrangement		

Planned output.	No	Exec Director Lead	Plnd Qtr	Adj Qtr	Current progress	Assurance Rating	Planned Audit Committee
					currently being reviewed by Audit Wales and a new Framework is also being introduced. – Agreed by September AC.		
Estates Assurance - Decarbonisation	*SSU*	*Finance*	*Q3*		*Deferred to 22/23 plan as HB not requirement to publish Action Plan until March 22. To be agreed by November AC.*		
IM&T Control & Risk Assessment	02	Digital & Health Intelligence	Q3		Deferred to 22/23 as the last assessment was only finalised in May 22 and the agreed actions are being monitored through the Health Board's tracker. – To be agreed by November AC.		

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REPORT RESPONSE TIMES

Audit	Rating	Status	Draft issued date	Responses & exec sign off required	Responses & Exec sign off received	Final issued	R/A/G
Legislative, Regulatory & Alerts Compliance	Reasonable	Final	20/08/21	14/09/21	25/08/21	25/08/21	G
Healthy Eating Standards - Hospital Restaurant & Retail Outlets	Reasonable	Final	22/07/21	12/08/21	12/08/21	13/08/21	G
CD&T CB – Ultrasound Governance	Limited	Final	27/07/21	12/08/21	24/08/21	25/08/21	R
Mental Health CB – Cancellation of Outpatient Clinics Follow-up	Reasonable	Final	04/08/21	26/08/21	13/08/21	16/08/21	G
Clinical Audit	Limited	Final	17/09/21	11/10/21	07/10/21	15/10/21	G
Five Steps to Safer Surgery	Limited	Final	22/09/21	15/10/21	26/10/21	27/10/21	R

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KEY PERFORMANCE INDICATORS

Indicator Reported to Audit Committee	Status	Actual	Target	Red	Amber	Green
Operational Audit Plan agreed for 2021/22	G	April 2021	By 30 June	Not agreed	Draft plan	Final plan
Total assignments reported (to at least draft report stage) against plan to date for 2021/22	R	58% 7 from 12	100%	v>20%	10%<v<20%	v<10%
Report turnaround: time from fieldwork completion to draft reporting [10 working days]	G	100% 7 from 7	80%	v>20%	10%<v<20%	v<10%
Report turnaround: time taken for management response to draft report [15 working days]	A	67% 4 from 6	80%	v>20%	10%<v<20%	v<10%
Report turnaround: time from management response to issue of final report [10 working days]	G	100% 6 from 6	80%	v>20%	10%<v<20%	v<10%

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Report Title:	Self Assessment of Internal Audit (NHS Wales Shared Services Partnership) and Audit Wales - Results			Agenda Item no.	7.2
Meeting:	Audit Committee			Meeting Date:	9th November 2021
Status:	For Discussion	For Assurance	For Approval	For Information	
Lead Executive:	Director of Corporate Governance				
Report Author (Title):	Director of Corporate Governance				

Background and current situation:

Within the annual work plan (based upon the NHS Audit Committee Handbook and Terms of Reference for the Committee) for the Audit Committee there is a requirement to undertake an assessment of the services provided by our Auditors (Internal Audit provided by NHS Wales Shared Service Partnership and Audit Wales).

On that basis the attached questionnaire (which has questions relating to both Internal Audit and Audit Wales) was circulated to the Chair of the Board, Audit Committee Members, Management Executives and others who have regular dealings with both internal auditors and Audit Wales. This totaled 18 people.

Audit Wales

The Auditor General is the statutory external auditor of most of the Welsh public sector. This means that he audits the accounts of County and County Borough Councils, Police, Fire and Rescue Authorities, National Parks and Community Councils, as well as the Welsh Government, its sponsored and related public bodies, the Senedd Commission and National Health Service bodies.

The Auditor General's role includes examining how public bodies manage and spend public money, including how they achieve value in the delivery of public services. The Auditor General publishes reports on that work, some of which are considered by the Welsh Parliament's Public Accounts Committee. He also reports every year on how well individual local authorities are planning for improvement.

Audit Wales take this responsibility seriously. In order to provide assurance to taxpayers, they are subject to independent scrutiny in a number of ways:
Audit Wales accounts are audited by an independent firm appointed by the Welsh Parliament. Each year, they present an estimate of the income and expenses of Audit Wales for the next financial year to the Welsh Parliament for approval.
The latest estimate of income and expenditure, along with the Auditor General's annual report and accounts is available on the Audit Wales website.

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Bwrdd Iechyd Prifysgol Caerdydd a'r Fro
Cardiff and Vale University Health Board

Internal Audit

NWSSP Audit & Assurance Services provides professional audit and assurance services to all NHS organisations in Wales. The function is headed by a Director of Audit & Assurance with a named Head of Internal Audit assigned to each local organisation. This model enables bodies to enjoy a service responsive to local organisation needs and priorities whilst conforming to mandatory standards and industry best practice in terms of operating frameworks, policies and protocols. Further information about the NWSSP Audit & Assurance Services is available from their website.

The overall framework within which Internal Audit provides a flow of assurance to the Accountable Officer and the Board has also been developed and strengthened. Key to this is the introduction of the Public Sector Internal Audit Standards (PSIAS). The standards applied to all public bodies with effect from 1 April 2013 and replaced the Internal Audit Standard for the NHS in Wales published in 2009.

The Standards, are based on the mandatory elements of the Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF), and are intended to promote further improvement in the professionalism, quality, consistency and effectiveness of internal audit across the entire public sector. They reaffirm the importance of robust, independent and objective internal audit arrangements to provide the Accountable Officer with the key assurances they need to support them both in managing the organisation and in producing the Annual Governance Statement.

The work of internal audit is overseen by an Audit and Assurance Committee set up by the Board to consider audit matters, and this Committee is responsible for advising the Board on the effectiveness of the internal audit function. The work of the Audit Committee follows the guidance set out in the NHS Wales Audit Committee Handbook.

Executive Director Opinion/Key Issues to bring to the attention of the Board/Committee:

Overall the Audit and Assurance Committee can take assurance that the self assessment of the effectiveness of the service provided by our Auditors can be viewed as being positive. Where this isnt the case it was due to respondents not knowing the answer.

Assessment and Risk Implications (Safety, Financial, Legal, Reputational etc.):

12 out of 18 people responded to the questionnaire which is a response rate of 67%.

Attached at Appendix 1 are the full responses to the questions along with any additional comments which were made by respondents. The responses to both questions about Internal Audit and Audit Wales were positve with 19 out of the 21 questions relating to Internal Audit receiving a positive response and 8 out of the 9 questions relating to Audit Wales receiving a positive response (Appendix 2).

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Recommendation:

The Audit and Assurance Committee are requested to:

(a) Note the results of the Audit Committee assessment of effectiveness of Internal Audit and Audit Wales.

Shaping our Future Wellbeing Strategic Objectives				
This report should relate to at least one of the UHB's objectives, so please tick the box of the relevant objective(s) for this report				
1. Reduce health inequalities			6. Have a planned care system where demand and capacity are in balance	
2. Deliver outcomes that matter to people	x		7. Be a great place to work and learn	
3. All take responsibility for improving our health and wellbeing			8. Work better together with partners to deliver care and support across care sectors, making best use of our people and technology	
4. Offer services that deliver the population health our citizens are entitled to expect	x		9. Reduce harm, waste and variation sustainably making best use of the resources available to us	
5. Have an unplanned (emergency) care system that provides the right care, in the right place, first time			10. Excel at teaching, research, innovation and improvement and provide an environment where innovation thrives	

Five Ways of Working (Sustainable Development Principles) considered								
Please tick as relevant, click here for more information								
Prevention	x	Long term		Integration		Collaboration		Involvement

Equality and Health Impact Assessment Completed:	Yes / No / Not Applicable *If "yes" please provide copy of the assessment. This will be linked to the report when published.*

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Cardiff and Vale
University Health Board

Self-Assessment of Internal Audit (NHS Wales Shared Services Partnership) and Audit Wales

Internal Audit		Response based on return of 12/18 67%
Is there a formal "charter" or terms of reference defining Internal Audit's objectives, responsibilities and reporting lines?	Yes No Don't know	84 16
Comment / Action: (i) I have not seen it which does not mean it does not exist		
Are the terms of reference approved by the Committee and routinely reviewed?	Yes No Don't know	100
Are the key principles of the terms of reference set out in the Standing Financial Instructions?	Yes No Don't know	84 16
Does the Audit and Assurance Committee review and approve the Internal Audit plan at the beginning of the financial year?	Yes No Don't know	100
Comment / Action: (i) Reviewed at the April 2021 Audit and Assurance Committee meeting.		
Does the Audit and Assurance Committee approve any material changes to the plan?	Yes No Don't know	75 25
Comment / Action: (i) I understand that if something key comes to light within year which needs audit attention then this can be accommodated.		
Are audit plans derived from clear processes based on risk assessment with clear links to the Assurance Framework?	Yes No Don't know	92 8
Does the Audit and Assurance Committee receive periodic reports from the Head of Internal Audit?	Yes No Don't know	100
Do these reports inform the Audit and Assurance Committee about progress or delays in completing the audit plan?	Yes No Don't know	100
Has the Audit and Assurance Committee established a process whereby it reviews any material objection to the plans and associated assignments that cannot be resolved through negotiation?	Yes No Don't know	50 50

Comment / Action:		
(i) As detailed in the Internal Audit Charter		

Does the Audit and Assurance Committee effectively monitor the implementation of management actions arising from audit reports?	Yes	92
	No	8
	Don't know	

Does the Head of Internal Audit have a direct line of reporting to the Audit and Assurance Committee and its Chair?	Yes	84
	No	8
	Don't know	8

Is internal audit free of any scope restrictions, and if not, what are they and who established them?	Yes	58
	No	
	Don't know	42

Comment / Action:		
(i) Albeit the scope of internal audits are agreed in advance with Executive Leads.		

Is Internal Audit free from any operating responsibilities or conflicts of interest that could impair its objectivity?	Yes	92
	No	
	Don't know	8

Comment / Action:		
(i) I do not really understand the proximity of the relationship with Audit Wales. Internal Audit should be independent and aligned to UHB requirements.		

Has the Audit and Assurance Committee determined the appropriate level of detail it wishes to receive from Internal Audit?	Yes	75
	No	
	Don't know	25

Comment / Action:		
(i) Report findings are routinely discussed and responsible Executives and Operational Leads are invited to discuss findings.		

Does the Audit and Assurance Committee hold periodic private discussions with the Head of Internal Audit?	Yes	58
	No	
	Don't know	42

Comment / Action:		
(i) I have not seen it however that does not mean it does not happen		
(ii) The Terms of Reference provide for this on at least one occasion each year.		

Does the Audit and Assurance Committee review the effectiveness of Internal Audit and the Adequacy of staffing and resources of Internal Audit?	Yes	58
	No	
	Don't know	42

| Has the Audit and Assurance Committee evaluated whether internal audit complies with the NHS internal audit standards?	Yes	33
	No	
	Don't know	67

Comment / Action:		
(i) Internal Auditors undertake a regular review of QA through the Quality Assurance and Improvement Programme which is a requirement of Public Sector Internal Audit Standards		

Has the Audit and Assurance Committee agreed a range of Internal Audit performance measures to be reported on a routine basis?	Yes No Don't know	58 42

Comment / Action:		
(i) These are detailed in the Internal Audit Progress report updates which are shared at each meeting.		

Does the Audit and Assurance Committee receive and review the Head of Internal Audit's annual report and opinion?	Yes No Don't know	100

Comment / Action:		
(i) Reviewed as part of the end of Year Accounts – June 2021		

Is there appropriate cooperation with Audit Wales?	Yes No Don't know	92 8

Are there any quality assurance procedures to confirm whether the work of the Internal Auditors is properly planned, completed, supervised and reviewed?	Yes No Don't know	58 42

Comment / Action:		
(i) Internal Auditors undertake a regular review of QA through the Quality Assurance and Improvement Programme which is a requirement of Public Sector Internal Audit Standards		

Audit Wales		

Do Audit Wales present their audit plans and strategy to the Audit and Assurance Committee for approval?	Yes No Don't know	100

Has the Audit and Assurance Committee satisfied itself that work not relating to the financial statements work is adequate and appropriate?	Yes No Don't know	92 8

Does the Audit and Assurance Committee receive and monitor actions taken in respect of prior year's reviews?	Yes No Don't know	92 8

Comment / Action:		
(i) These are monitored via the Health Boards External Audit Tracker.		

Does the Audit and Assurance Committee review the Audit Wales annual report?	Yes No Don't know	100

Comment / Action:		
(i) Next scheduled for February 2022		
Does the Audit and Assurance Committee review the Audit Wales use of resources conclusions within its Structured Assessment?	Yes No Don't know	75 25
Does the Audit and Assurance Committee hold periodic private discussions with Audit Wales?	Yes No Don't know	67 33
Comment / Action:		
(i) The Committee Terms of Reference provide for this on at least one occasion each year.		
Does the Audit and Assurance Committee assess the performance of Audit Wales?	Yes No Don't know	67 33
Comment / Action:		
(i) This survey demonstrates assessment of performance.		
Does the Audit and Assurance Committee require assurance from Audit Wales about the policies for ensuring independence and compliance with staff rotation requirements?	Yes No Don't know	33 67
Does the Audit and Assurance Committee review the nature and value of non-audit work carried out by Audit Wales?	Yes No Don't know	58 42

Self-Assessment of Internal Audit and Audit Wales

Questions Internal Audit

Questions Audit Wales
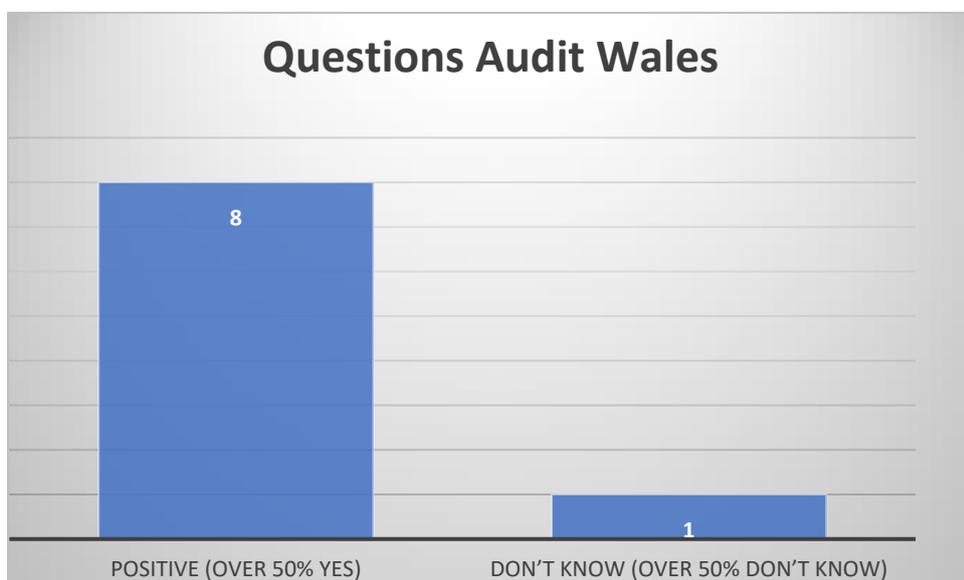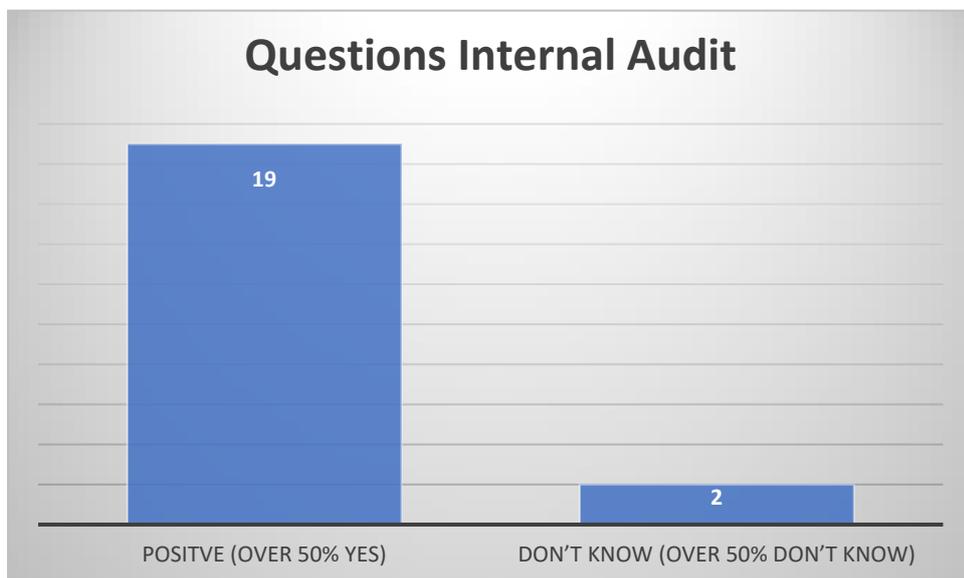
A Picture of Social Care

Report of the Auditor General for Wales

October 2021

This report has been prepared for presentation to the Senedd
under the Government of Wales Act 1998.

The Auditor General is independent of the Senedd and government. He examines and certifies
the accounts of the Welsh Government and its sponsored and related public bodies, including
NHS bodies. He also has the power to report to the Senedd on the economy, efficiency and
effectiveness with which those organisations have used, and may improve the use of, their
resources in discharging their functions.

The Auditor General also audits local government bodies in Wales, conducts local government
value for money studies and inspects for compliance with the requirements of the Local
Government (Wales) Measure 2009.

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.

For further information, or if you require any of our publications in an alternative format and/
or language, please contact us by telephone on 029 2032 0500, or email info@audit.wales.
We welcome telephone calls in Welsh and English. You can also write to us in either Welsh or
English and we will respond in the language you have used. Corresponding in Welsh will not
lead to a delay.

Mae'r ddogfen hon hefyd ar gael yn Gymraeg.

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◀ **About this report**

This report is part of a series of Picture of Public Services 2021 outputs. Our main **Picture of Public Services 2021** report summarises some of the key trends in public finances and sets out our perspective on some of the key issues for future service delivery.

This report: **A Picture of Social Care** summarises key information about social care in Wales including the strategic operating context, funding, performance and capacity. This report is not intended to be comprehensive. It sets out what we consider to be some of the key issues for the sector, recognising that other review bodies and commentators will have their own perspective on the key issues.

The report is based on a synthesis of our published work as well as research by other organisations.

Exhibit 1: Picture of Public Services outputs
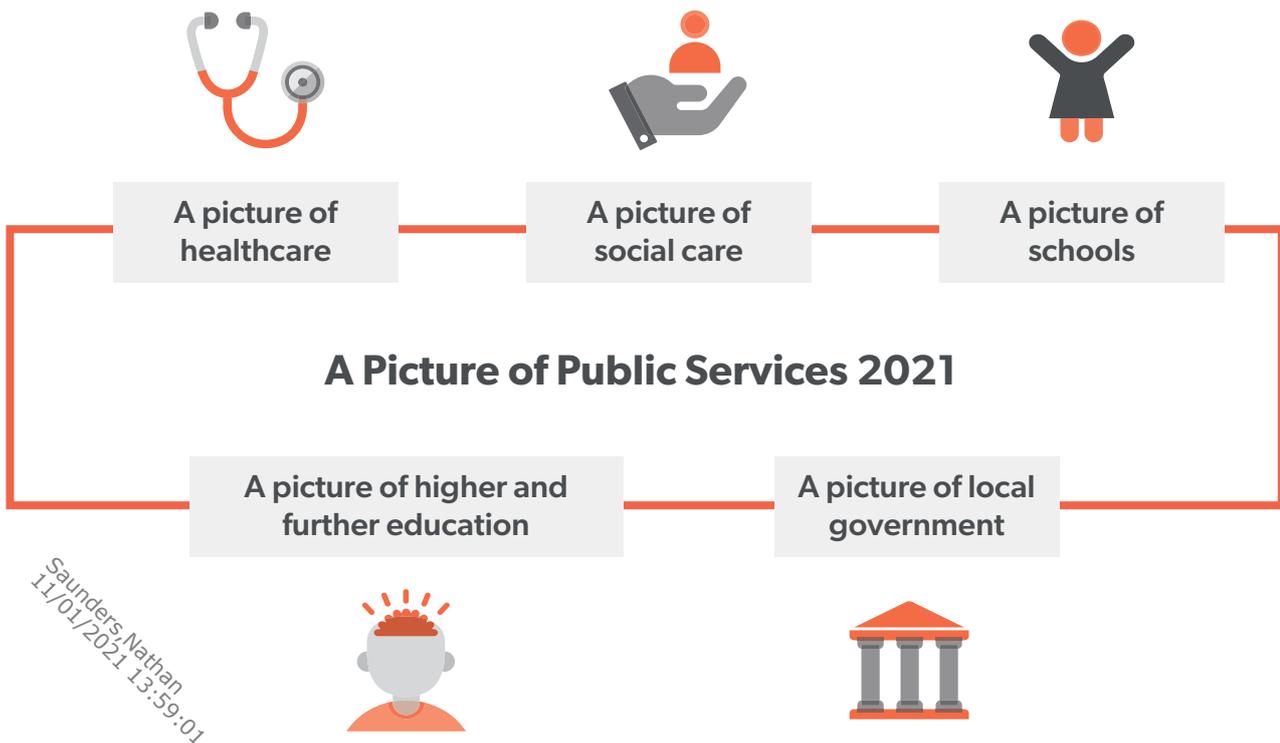
 # Main report

Social care context

Delivering social care in challenging times

1   The COVID-19 pandemic has presented enormous challenges to public services and the people who deliver them. Some services were delivered remotely, whilst face to face services were carried out with infection prevention control measures such as social distancing and PPE. Adult care homes in particular came under huge pressure from COVID-19 outbreaks and the deaths of residents. All of us at Audit Wales pay tribute to the dedication and extraordinary efforts of all staff working in the social care sector during this difficult period.

2   At the time this report was written, the direct impacts of COVID-19 were still being felt. Work to understand the indirect impacts of COVID-19 had begun, but it was too early to gauge the scale and extent of these impacts or to estimate how they may affect future demand for social services.

3   The challenge of addressing the indirect impact of COVID-19 will likely continue for years into the future. The problem is compounded by the fact that there are significant, long-standing issues in the social care sector which pre-date the pandemic.

4   Despite the significant challenges ahead, there are opportunities to rebuild and deliver services differently, putting the user at the centre of services, and learning from the collective response to COVID-19.

Structures and responsibilities

5   In broad terms, social care is about providing protection, care and support for children and adults in need or at risk. People may need help because of illness, disability, age, abuse, neglect or because they are caring for someone else. The Welsh Government sets the policy and overall strategic direction for social care in Wales.

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6   Publicly funded social services are delivered through principal councils[1] who decide how they will deliver services through different combinations of council, private and voluntary sector organisations. Social services include: domiciliary[2] or day care; equipment to help people maintain independence in the home, residential care; child protection; support through and for carers; and re-settlement support for people leaving hospital.

7   Approaches to social care differ across the UK. All four nations currently use a means test to work out how much (if at all) each person should pay towards either part or all of their own care. The amount people pay for their care varies across the nations. Wales, Northern Ireland and Scotland offer people eligible for social care some services that are not means tested. England currently means tests all services.

Social care strategy

Overall approach

8   In recent years, the Welsh Government has focused on joining up health and social care and preventing problems occurring or getting worse. It also aims to involve people in decisions about their own care and encourage public bodies to work with people to 'co-produce' services that meet their needs.

9   The Welsh Government set out a framework for transforming social services in its Social Services and Well-being (Wales) Act 2014. The Act came into force in April 2016 and puts duties on councils, health boards and Welsh Ministers for improving the wellbeing of people who need care and support. It strengthened safeguarding powers; introduced a single, consistent framework of financial assessment and charging arrangements; and requires health bodies and councils to work together in Regional Partnership Boards to assess the care and support needs in their area and identify what services are needed. Under the Act, people who need care or support and carers are entitled to a needs assessment based on 'what matters' to the individual.

10   The Welsh Government's vision for a joined-up health and social care system is set out in its ten-year plan: A Healthier Wales (2018). The plan continues to focus on prevention, co-production and whole system change and explains that Regional Partnership Boards are responsible for developing local models of health and social care. It intended digital technology to support transformation including sharing information between health and social care via the Welsh Community Care Information System.

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1   Principal councils are local government authorities in Wales who carry out statutory duties in their area. The term does not include town or community councils. All references to councils in this report refer to principal councils.

2   Domiciliary care is given in someone's home.

11   Following the election, the Welsh Government published its new programme for government[3] in June 2021. It included a specific well-being objective to protect, re-build and develop services for vulnerable people. The programme for government includes actions to better integrate social care with health care and other services. It includes support for carers and families where children are at risk of coming into care. It also explains that the Welsh Government will explore radical reform of current services for looked after children[4]. Among other things, the Welsh Government has appointed a Chief Social Care Officer for Wales and plans to launch a National Social Care Framework for commissioning services.

COVID-19 and beyond

12   From April 2020 to March 2021, the Welsh Government enabled principal councils to suspend statutory requirements to carry out some assessments and prepare some plans under the Social Services and Well-being (Wales) Act 2014[5]. Between April 2020 and April 2021, Care Inspectorate Wales[6] paused its routine inspections and instead carried out 'check in calls' with service providers to maintain contact, understand the issues they faced and provide support. It undertook physical inspections where it deemed these necessary to address safety and wellbeing concerns.

13   In June 2020, the Welsh Government introduced a one-off special payment scheme of £500 to reward staff who worked in registered care homes and domiciliary care services, and to personal assistants between 15 March to 31 May 2020. Councils were responsible for giving out payments. In April 2021, the Welsh Government announced a second payment of £735[7] for a wider group of eligible social care staff who worked between 1 June 2020 and 28 February 2021.

14   The Welsh Government published its Social Care Recovery Framework in July 2021[8] to provide an overarching structure to support recovery planning in the sector. The Framework sets recovery priorities for people who need care and support, unpaid carers, the social care workforce, and service providers. More broadly, the Welsh Government committed to spend £1 billion to support its recovery in health and social care in May 2021. So far, it has not set out how much funding will be available for social care.

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3   Welsh Government, Programme for Government 2021 to 2026, June 2021

4   Looked after children are children who are placed in foster care, residential homes or with other relatives when their parents are unable to care for them – either temporarily or permanently.

5   No council exercised powers to suspend these statutory requirements.

6   Care Inspectorate Wales inspects and regulates council, private and voluntary sector social services under the Regulation and Inspection of Social Care (Wales) Act 2016. It also reviews the performance of council social services.

7   Both payments are before tax.

8   Welsh Government, Improving Health and Social Care (COVID-19 Looking Forward). Social Care Recovery Framework, July 2021

15   In January 2021, the Welsh Government issued a White Paper[9] setting out
      the challenges facing the sector and its proposals to improve social care
      arrangements. Aspects of the White Paper are discussed below.

Social care finances

16   Our summary report: **A Picture of Local Government**[10] explains how
      the Welsh Government allocates funding for councils. Councils set their
      own spending priorities based on their assessment of population needs.
      In 2019-20, 25% of councils' gross revenue spending on services went on
      social services compared to 19% in 2010-11 (**Exhibit 2**).

**Exhibit 2: council spending on social services as a proportion of total
spending 2010-11 to 2019-20**

Social services   All other services
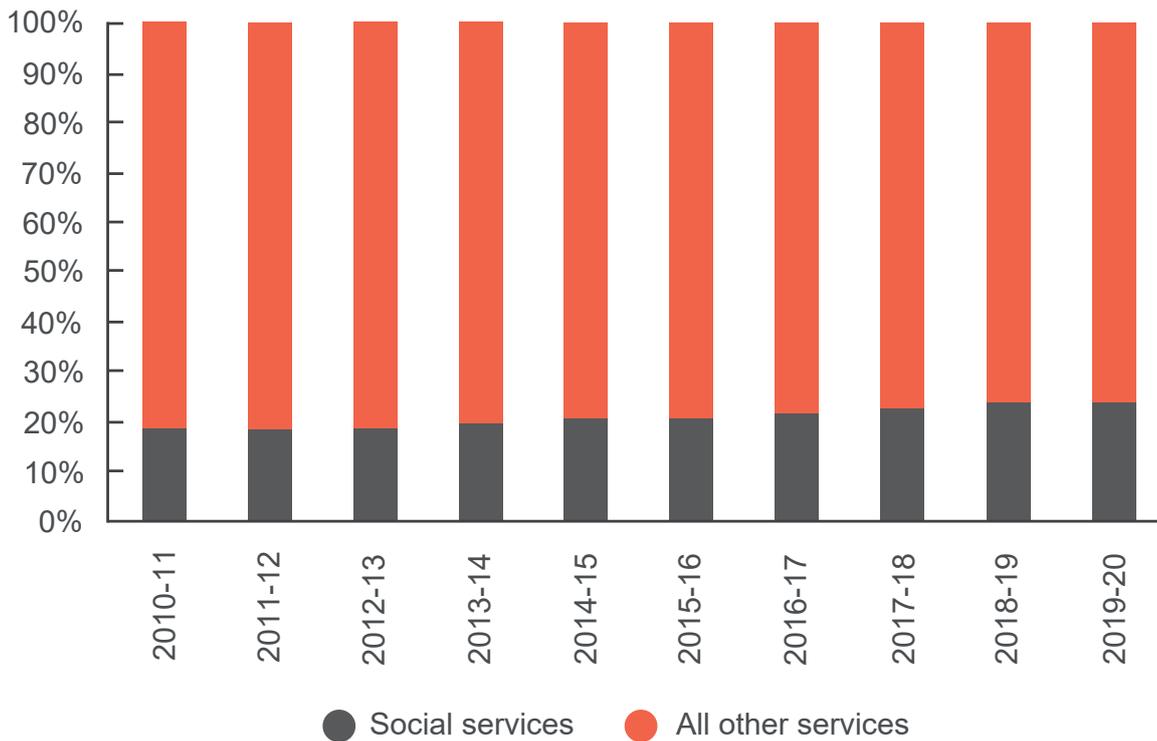
Source: Audit Wales analysis of StatsWales Local Government Revenue Outturn Data

17   Councils spent over £2 billion in 2019-20 on social services – which is
      £645 per head of the population in Wales. Council spending on social
      services increased by 18% between 2010-11 and 2019-20 in real terms
      (**Exhibit 3**).

9   Welsh Government, White Paper. Rebalancing Care and Support. A Consultation on
     Improving Social Care Arrangements and Strengthening Partnership Working to Better
     Support People's Well-being, January 2021

10   Auditor General for Wales, A Picture of Local Government, September 2021

Exhibit 3: real terms council spending on social services 2010-11 to 2019-20
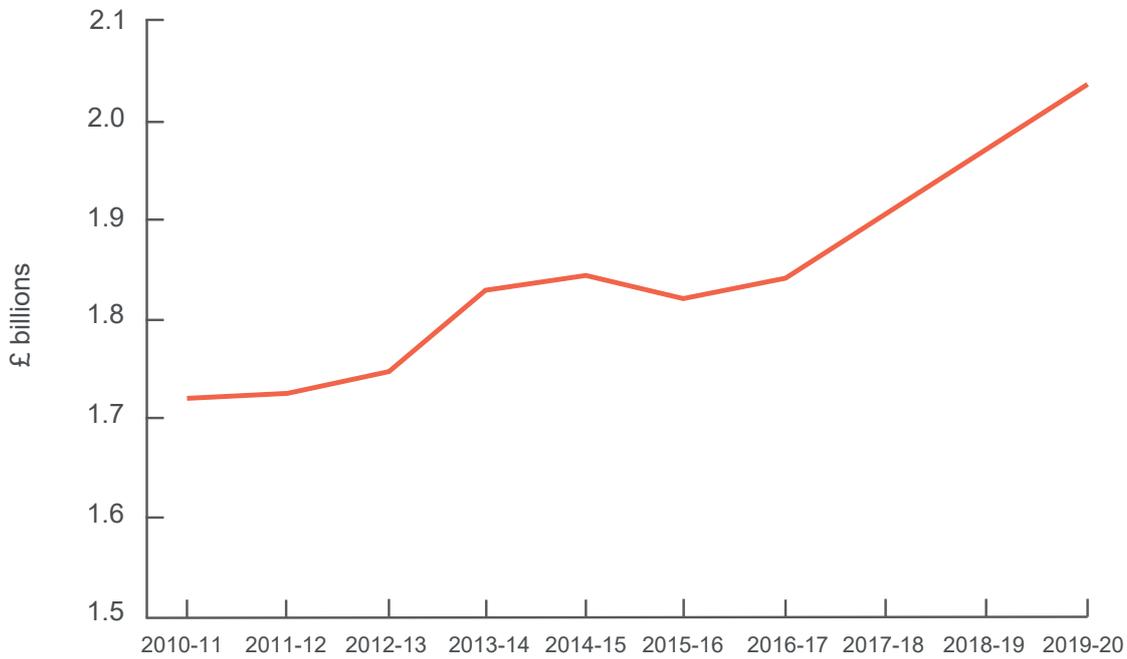
Source: Audit Wales analysis of StatsWales Local Government Revenue Outturn Data

18   Council spending on social services is broadly split into thirds (**Exhibit 4**) although the proportion spent on social services for children and families has gradually increased from 26% in 2010-11 to 31% in 2019-20.

Exhibit 4: real terms council spending on social services by type 2019-20
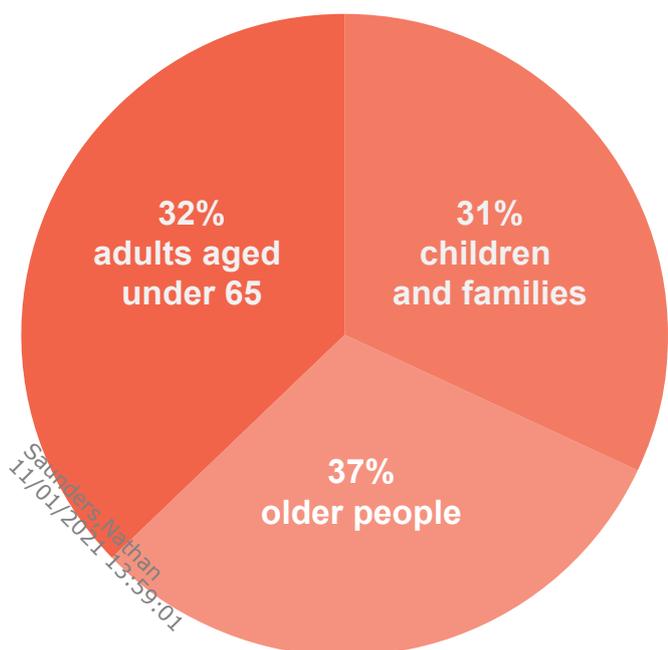
Source: Audit Wales analysis of StatsWales Local Government Revenue Outturn Data

19   Since 2016-17 council spending on services for children and families and for older people has increased at a faster rate than its spending on adults aged under 65 (**Exhibit 5**).

**Exhibit 5: real terms council spending on social services by type 2019-20**
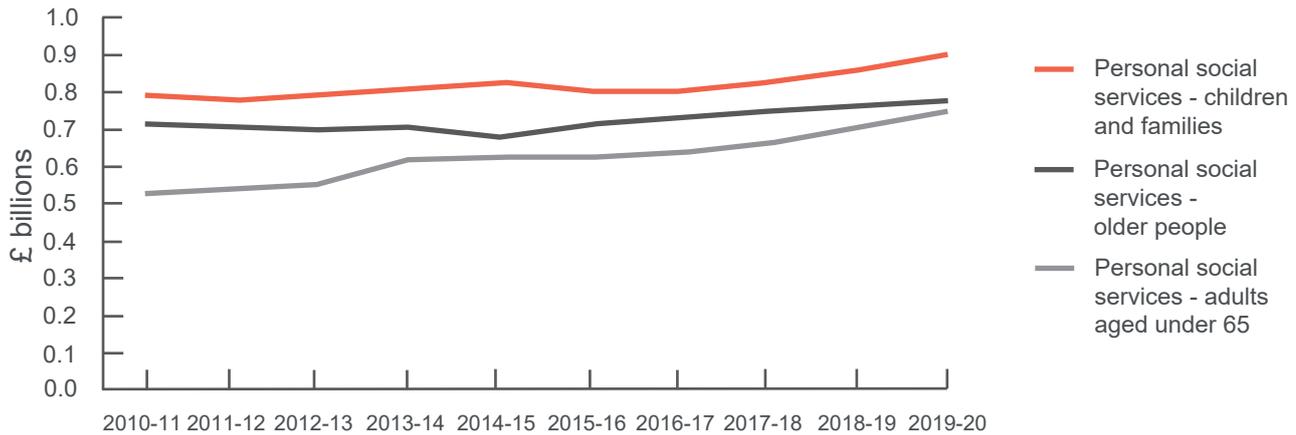
Source: Audit Wales analysis of StatsWales Local Government Revenue Outturn Data

Social care demand and capacity

Demand for social services will continue to increase

20   Demand for adult social care is likely to increase significantly. Social Care Wales's Population Projections Platform projects likely future demand by age group and need based on broader population projections. It shows that, by 2040, the number of people over 65 who struggle with the activities of daily living is projected to increase by 34% (from 2020)[11].

21   The Welsh Government's White Paper (**paragraph 15**) on social care examines areas of future demand. It explains that the pattern of fast rising need for children's services is likely to continue. In particular, the Welsh Government anticipates increasing needs from Black Asian and Minority Ethnic families.

11 Figures include adults who need help with the activities of daily living such as eating, bathing and dressing and those who need help to live independently with things like money management, cooking and shopping.

22   In the past, the Welsh Government published data on the number of
      children in need of support from social services. It stopped publishing the
      data in 2016 because the Social Services and Well-being (Wales) Act
      changed the way needs were assessed and recorded. Instead, the Welsh
      Government now publishes data on the number of children receiving care
      and support (or children under 18 who have a care and support plan).
      Numbers have increased since 2017 (**Exhibit 6**). The data does not show
      whether there are children with unmet needs to indicate the scale of
      demand.

Exhibit 6: the number of children receiving care and support 2017 to 2020
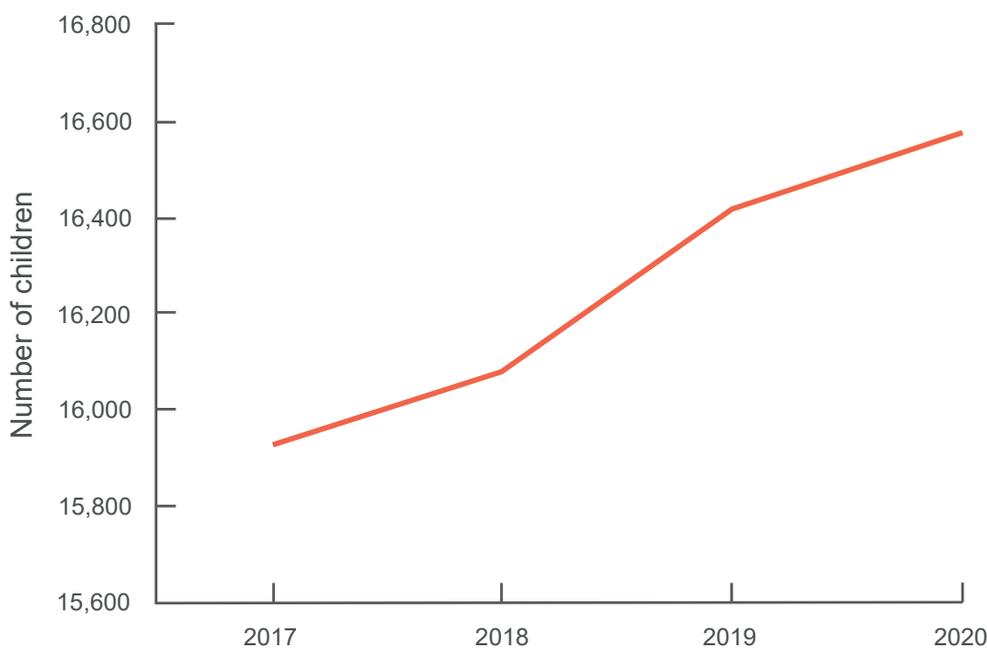
Source: StatsWales: Social services – the number of children receiving care and support

23   The number of looked after children in Wales has increased by 66% since
      2004 (**Exhibit 7**). The Wales Centre for Public Policy found that Wales has
      consistently had a higher number of looked after children than the rest of
      the UK and the gap is continuing to widen[12]. It also found that there is local
      variation in the number of looked after children, with numbers in some
      council areas remaining steady or falling[13]. Differing levels of deprivation
      were the main reason for the variation. However, some of the remaining
      variation was because of differing social work practices and policies across
      councils. The Centre also found that Welsh judges are more likely than
      their UK counterparts to make orders allowing councils to take children into
      care.

12 Wales Centre for Public Policy, Looked After Children in Wales, March 2021

13 Wales Centre for Public Policy, Analysis of the Factors Contributing to the High Rates of Care
   in Wales, July 2019

Exhibit 7: the number of looked after children in Wales
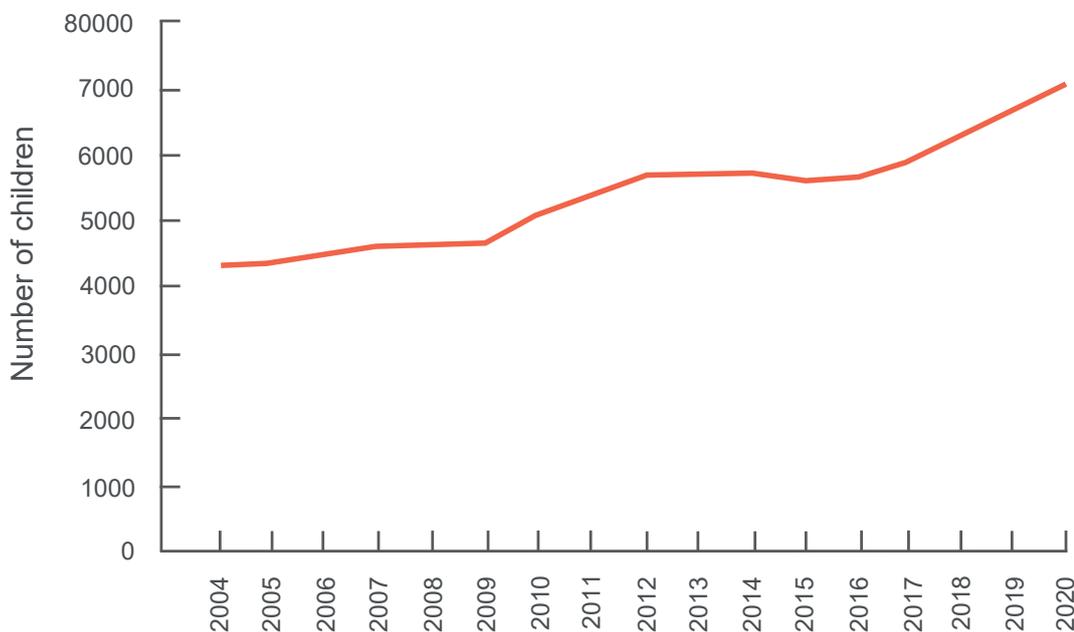
Source: StatsWales: Social services – the number of looked after children

24   There were just under 3,000 children on the child protection register in
      2018-19 (**Exhibit 8**). The Welsh Government has not yet published recent
      figures to show whether numbers have changed because of the pandemic.

Exhibit 8: the number of children on the child protection register 2016-17 to 2018-19

31 MAR 2017	31 MAR 2018	31 MAR 2019
2,805	2,960	2,820

Source: StatsWales: Social services – children on the child protection register

25   As yet, there is little information about the impact of the pandemic on long-
        term demand for social services. However, the direct and indirect harms
        associated with COVID-19 will likely create extra demand. People with
        severe reactions to the virus or long COVID need rehabilitation or ongoing
        support. Mental health issues, alcohol dependency and other lifestyle factors
        could increase the number of people needing help, but also limit the ability of
        unpaid carers to provide support.

26   The indirect impact of the pandemic on families could further increase
        demand on social services. In March 2021, Public Health Wales published
        a health equity report[14] mapping the social, economic, and environmental
        impact of COVID-19. The report says the pandemic is likely to have
        increased the risk of child neglect and violence and abuse at home,
        particularly for women and children. Isolation, remote schooling, reduced
        finances, unemployment, and less access to formal and informal support for
        parents and carers have put pressure on some families.

27   Vulnerable children unable to attend school due to school closures or self-
        isolation are at increased risk of abuse. The Children's Commissioner for
        Wales said[15] it is likely that some incidents of abuse or neglect were missed
        because children and young people were not being seen by universal
        services such as nurseries, schools, and youth services. In our regular
        discussions with councils, officials have told us that referrals to children's
        social services fell dramatically when the schools closed in the pandemic.
        As schools reopened, referrals increased which could be due to pent up
        demand.

**Workforce shortages, low pay, high turnover, and narrow financial margins
mean the social care sector is under pressure**

28   In March 2020, there were over 1,900 adult and children's social care
        settings[16] regulated by Care Inspectorate Wales – an increase of 5% from
        March 2015[17]. Care Inspectorate Wales' interactive data tool shows that in
        2019-20 there were over 25,000 places[18] in adult care homes and 878 in
        children's care homes.

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14 Public Health Wales, Placing Health Equity at the Heart of Covid-19 Sustainable Response and
   Recovery: Building Prosperous Lives for all in Wales, March 2021

15 Children's Commissioner for Wales, Coronavirus and Us, September 2020

16 Figures exclude children's day care settings such as nursery and child minders.

17 Figures for March 2021 were not available at the time of writing this report.

18 Including vacant and occupied places.

Exhibit 9: total adult and children's care settings regulated by Care Inspectorate Wales March 2015 to March 2020
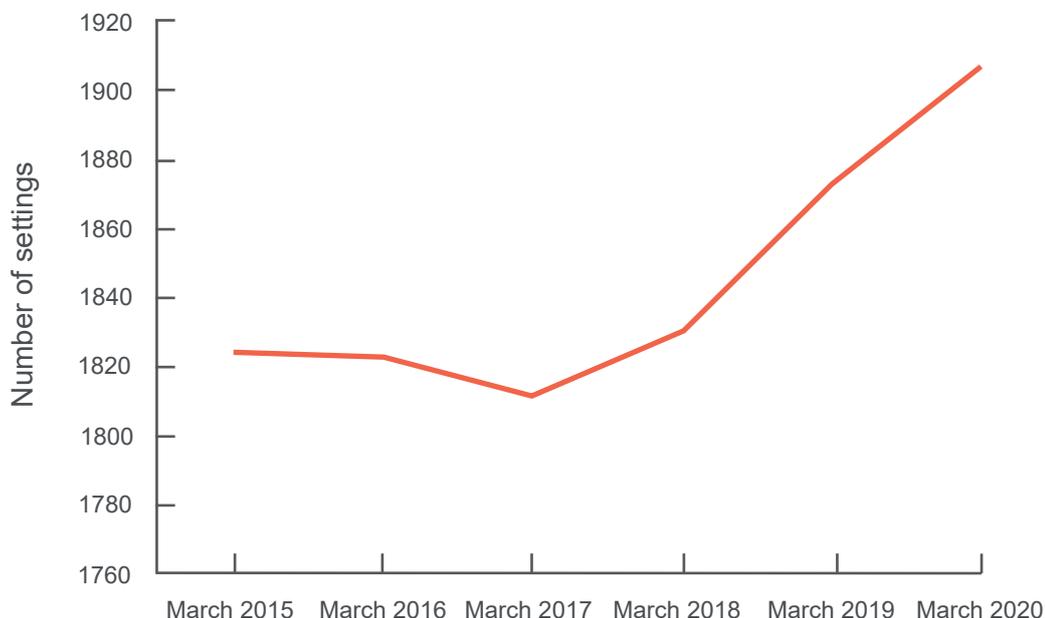
Source: StatsWales: care services and places regulated by Care Inspectorate Wales

29   In 2020, a Welsh Government commissioned rapid review of care homes[19] described a sector mainly comprising small providers with narrow financial margins. It explained that care homes typically function between 85 and 90% occupancy to remain financially viable, but that lower occupancy levels prior to the pandemic were already challenging the sustainability of the sector. In September 2020, Care Inspectorate Wales reported[20] that where providers reported financial concerns, these appeared to be because of a 'mix of increased staffing costs, increased costs for resources, vacancies reducing revenues and all of these combined'.

30   The overall social care workforce has reduced, particularly central management and support staff and adult domiciliary care staff. The number of whole time equivalent social care staff fell by 17% from 2004-05 to 2018-19 (**Exhibit 10**). In 2018-19, central management and support, social work and domiciliary services staff comprised over 70% of the workforce. Within this group, the number of central management and support staff and adult domiciliary services staff fell significantly while the number of social workers increased (**Exhibit 11**).

19 Bolton, Prof J, Rapid Review for Care Homes in Relation to Covid-19 in Wales, 2020

20 Care Inspectorate Wales, Overview of Feedback From the Social Care Sector. CIW Check-in Calls With Providers of Registered Services for Adults and Children, September 2020

Exhibit 10: whole time equivalent social services staff across Wales 2004-05 to 2018-19
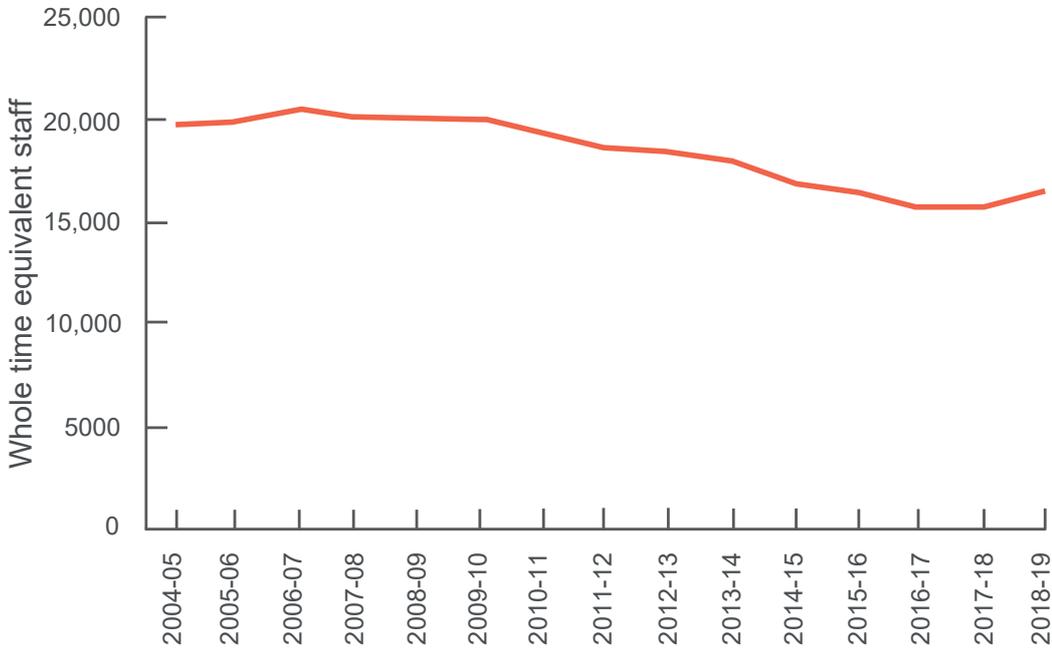
Source: StatsWales: Whole time equivalent staff of local authority social services departments

Exhibit 11: whole time equivalent central management and support, social work, and domiciliary services workforce 2004-05 to 2018-19
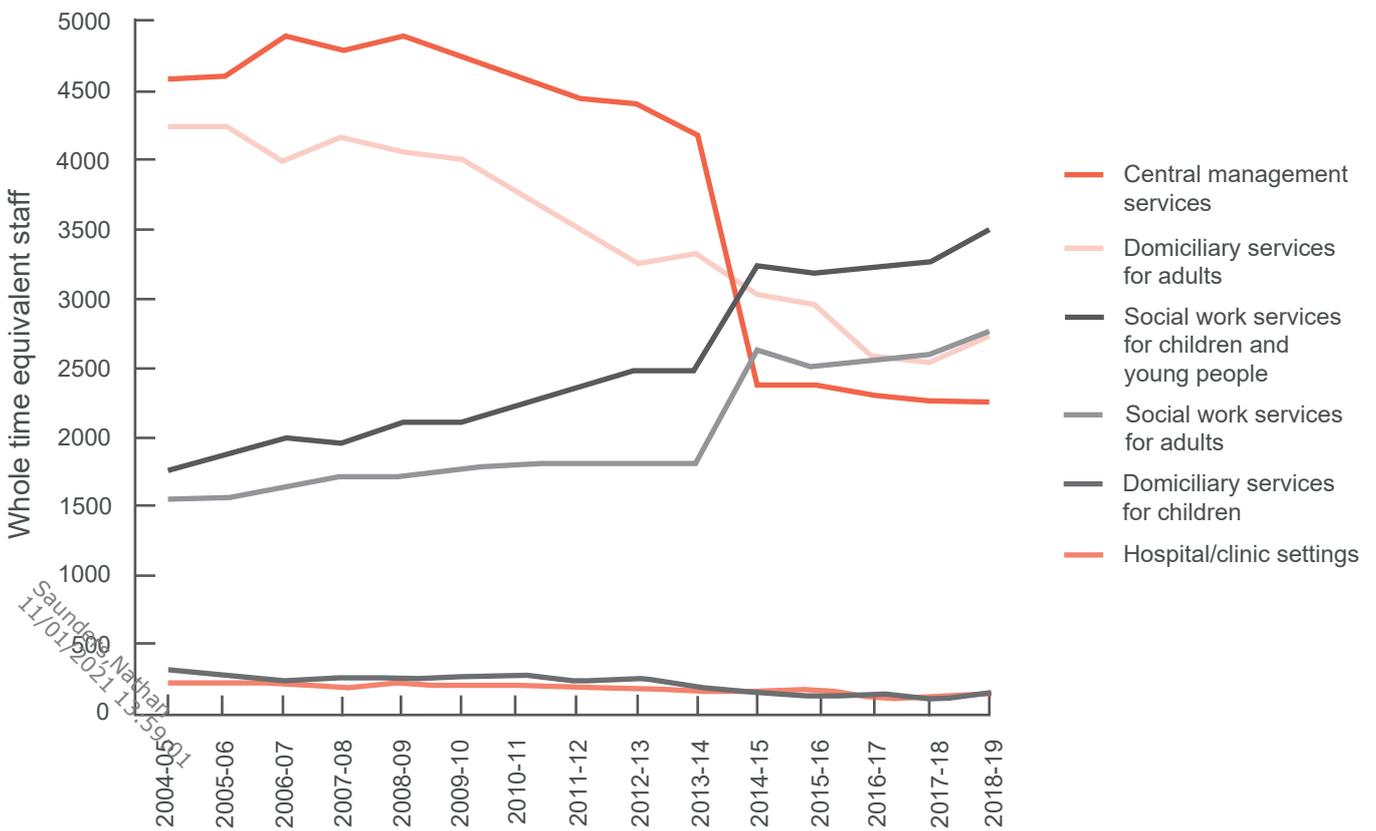
Source: StatsWales: Whole time equivalent staff of local authority social services departments

31   The Welsh Government's White Paper (**paragraph 15**) shows that the
      majority of the staff of commissioned social care providers are female and
      over 40. They are more likely to be Black African than other ethnic groups,
      and the majority are paid national minimum wage. There are high turnover
      and vacancy rates in the sector and a growing use of costly agency staff.
      The Welsh Government commissioned research[21] on the impact of Brexit
      on the social care and childcare workforce in Wales in 2019. The research
      found that recruitment is the biggest challenge facing the sector, although
      services reported little change in retaining non-UK EU staff during 2018-
      19.

32   There is also evidence that some social care staff are filling gaps caused
      by shortages in healthcare staff. For instance, the Royal College of
      Nursing[22] found that the majority of nursing care in Welsh care homes is
      delivered by care assistants due to a shortage of registered nurses.

33   In evidence to the Public Accounts Committee in March 2021, the Chief
      Executive of NHS Wales described the considerable pressure the
      pandemic has put on health and social care staff. He warned of long-term
      impacts on the mental and physical health of staff including Post Traumatic
      Stress Disorder.

34   The Welsh Government's new programme for government sets out its
      intention to increase apprenticeships in social care and ensure that care
      workers are paid the real living wage. Improving pay for care workers may
      help fill gaps in the social care workforce, but increased staff costs will add
      to financial pressure on providers. The Welsh Government also intends to
      eliminate private profit from the care of looked after children.

Social care performance

**Changes in performance frameworks mean there is little public information to
understand recent social care performance**

35   The Social Services and Well-being (Wales) Act 2014 introduced a new
      performance framework for council social services to show whether
      services are meeting the requirements of the Act and quality standards.
      The Welsh Government started publishing performance against its
      framework in 2016-17. Between 2016-17 and 2018-19, the Welsh
      Government published statistical releases on the quantitative measures in
      the performance framework. Reporting for 2019-20 was suspended due to
      COVID-19.

21 Government Social Research, Research on Implications of Brexit on Social Care and
   Childcare Workforce in Wales, March 2019

22 Royal College of Nursing, Staffing for Safe and Effective Care in the UK, 2020

36   After consulting the sector, the Welsh Government introduced a new
      Performance and Improvement Framework for Social Services in 2020-
      21. It measures the performance of social services departments in making
      a difference to service users' lives. The Welsh Government intends to
      publish the data showing performance against the Framework in the
      future.

37   Alongside the new Framework, the Welsh Government uses its National
      Outcomes Framework[23]. It measures the collective contribution made by
      the Welsh public sector to the lives of those in need of care and support.
      However, the most recent available data covers the period from April 2017
      to March 2018.

38   In 2019, our report on adult social care[24] said that several councils
      had begun to widen performance management systems to monitor
      performance and the impact of services on the user. More broadly,
      councils recognise that measuring the outcomes of their preventative work
      remains challenging. In 2019 we found that performance management
      arrangements focused mostly on social services performance rather that
      the wider network of preventative services.

39   The Welsh Government has commissioned an evaluation of the
      implementation of the Social Services and Well-being (Wales) Act 2014.
      The three reports issued to date have considered the processes through
      which the Act's requirements will support change[25], reviewed the evidence
      relating to the principles of the Act[26] and evaluated the implementation
      the Act[27]. The evaluation has not yet assessed the outcomes of the Act
      for those in need of receiving care and support, but will publish an interim
      evaluation report in January 2022.

23 Welsh Government, Social Services: The National Outcomes Framework for People Who
   Need Care and Support and Carers Who Need Support, February 2019

24 Auditor General for Wales, The Front Door to Adult Social Care, September 2019

25 Government Social Research, Evaluation of the Social Services and Well-being (Wales) Act
   2014 Framework for change report, 2019

26 Government Social Research, Evaluation of the Social Services and Well-being (Wales) Act
   2014: literature review, 2020

27 Government Social Research, Evaluation of the Implementation of the Social Services and
   Well-being (Wales) Act: Process Evaluation – Report, 2021

Inspectors and Commissioners have raised serious concerns about the quality of some services before and during the pandemic

40   In 2019-20, Care Inspectorate Wales carried out[28] 1,186 inspections of adults and children's services, the majority being care homes. It found that 109 services did not meet legal requirements, and it issued 300 non-compliance notices – mostly to care homes. The Inspectorate identified common themes amongst the weaknesses:

- weaknesses in monitoring systems;

- insufficient staff;

- lack of training;

- slow or incomplete recruitment checks.

41   The Older People's Commissioner and Equality and Human Rights Commission in Wales have expressed concerns[29] that the rights of older people living in care homes may have been breached during the pandemic, and restrictions on providing healthcare in care homes may have contributed to care home deaths. Public Health Wales's health equity report (**paragraph 26**) said that care home residents may experience increased feelings of isolation due to lack of visitors, and increased anxiety because of COVID-19 incidents.

42   There is some evidence that lockdown may have had certain benefits for some groups of children in care. Between 8 June 2020 and 2 August 2020, providers of children's care homes and fostering services reported to Care Inspectorate Wales that relationships between children and care providers had strengthened during the pandemic and placements were more stable[30].

Social care key issues

There are long-standing challenges in the social care sector, including achieving financial sustainability and funding arrangements

43   In 2016, the [then] Minister for Health and Social Services announced a parliamentary review by an independent panel of experts on the future of health and social care. The review[31] identified problems with the quality of adult social services and gaps in some aspects of care provision, particularly, adult care homes, domiciliary care, and foster carers. It recommended new models of care, with services organised around the individual and their family as close to home as possible.

28 Care Inspectorate Wales, Chief Inspectors Annual Report 2019-20, November 2020

29 Equality and Human Rights Commission in Wales, Equality and Human Rights in Residential Care in Wales During Coronavirus, October 2020

30 Care Inspectorate Wales, Overview of feedback from the social care sector, CIW check-in calls with providers of registered services for adults and children, September 2020

31 Parliamentary Review of Health and Social Care in Wales, Interim Report, July 2017, and Final Report, January 2018

44   The Welsh Government gave councils a £50 million grant to address
       pressures on social care in 2021-22 and provided £124 million through
       the Integrated Care Fund in 2020-21. The Welsh Government will provide
       £129 million Integrated Care Funding in 2021-22. However, the Welsh
       Government's White Paper (**paragraph 15**) says that future funding will
       be challenging. It says that even if annual spending increases by 5.7%,
       as it did between 2017-18 to 2018-19 (without adjusting for inflation), it is
       unlikely to meet the cost of increasing demand.

45   For decades, successive governments across the UK have grappled
       with how to pay for social care, particularly for older people. The need
       for a solution is now greater than ever. Demand continues to increase
       whilst financial and workforce pressures have been exacerbated by the
       pandemic. The previous Welsh Government's inter-Ministerial Group on
       paying for social care explored ways of raising additional funding for adult
       social care[32] and published its analysis in March 2021[33]. Welsh Ministers
       have prioritised agreeing a UK-wide approach to social care funding. The
       programme for government says that the Welsh Government will consider
       consulting on a 'Wales-only' solution if a UK approach is not possible. The
       UK government has not yet set out its detailed plans for social care reform.
       However, in early September, the UK government announced additional
       funding for health and social care, which is expected to result in around
       £700 million extra annual funding for Wales by 2024-25, comprising UK-
       wide spending as well as funding through the Barnett formula.

46   There are also issues of equity in the current social care system. Currently
       social care costs are funded by a mixture of state and private funding.
       Research for Cardiff University found that there is some cross-subsidy
       between care home fees paid by private residents and the cost of council
       funded places[34] which may not be sustainable. In addition, people who can
       afford to top up state provision can pay for more expensive care homes,
       giving them more choice about where and what kind of support they
       receive.

Progress addressing challenges in the sector has been slow

47   The Parliamentary Review called for accessible, high quality, joined up
       services with a focus on prevention and the citizen. A Healthier Wales
       set out plans to address the issues in the parliamentary review and said
       services had to transform quickly. Since then, several reviews have
       highlighted slow progress.

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32 Based on the work by Professor Holtham: Paying for social care – An independent report
     commissioned by the Welsh Government, 2018
33 Welsh Government Inter-Ministerial Group on Paying for Social Care, Analysis of Options for
     the Use of Additional Social Care Funding, March 2021
34 Cardiff University, The Future of Care in Wales: Resourcing Social Care for Older Adults,
     August 2020

48   In 2019, our review[35] of the Welsh Government's Integrated Care Fund[36] found that the fund had helped to bring organisations together to plan and provide services. However, aspects of the way the funding is allocated by the Welsh Government and used by regional partners had limited the Fund's potential. In addition, there was little evidence that public bodies were moving successful projects from the Fund and into their core budgets.

49   In 2019, the Senedd's Health, Social Care and Sports Committee reported[37] on the impact of the Social Services and Well-being (Wales) Act 2014 on carers. It found that implementation of the Act had not been resourced properly and called on the Welsh Government to provide stronger leadership to ensure the rights and support promised for carers are delivered. Our 2019 report on Young Adult Carers[38] found that some assessments to understand young adult carers' needs were not taking place, and some young people were not getting the support they needed.

50   Our 2019 report on adult social care (**paragraph 38**) found that some councils had increased their preventative services, and started shifting provision from social care into preventative and community based provision. However, we found wide variation across Wales, particularly as making the shift requires councils to have enough preventative services in place. We also found some councils lacked information about local gap s in provision resulting in inconsistent distribution and provision of services. The evaluation of the Social Services and Well-being (Wales) Act 2014 (**paragraph 39**) found some organisations lacked sufficient funding for preventative approaches.

51   The Parliamentary Review recognised the need for innovation and to accelerate technology and infrastructure developments. However, our 2020 report on the Welsh Community Care Information System[39] found that implementation had been slower than expected and the prospects for full take up of the system and benefits realisation were uncertain. We also found that some important issues around the functionality of the system, data standards and benefits reporting were yet to be resolved.

35 Auditor General for Wales, Integrated Care Fund, July 2019
36 The fund is aimed at driving integrated working between social services, health, housing, third sector and independent providers to develop sustainable services. Crucially, the ICF provides funding for joint projects, better enabling organisations to work together.
37 Senedd Health, Social Care and Sport Committee, Impact of the Social Services and Well-being (Wales) Act 2014 in Relation to Carers, November 2019
38 Auditor General for Wales, Young Adult Carers, September 2019
39 Auditor General for Wales, Welsh Community Care Information System, October 2020

52   More recently, our review of care home commissioning for older people in North Wales[40] concluded that the lack of a strategic approach for care-home commissioning together with overly complex processes, causes division amongst partners, and a greater focus on costs than on service-user needs. The report says that the issues in North Wales are likely to be replicated to some degree in other parts of Wales. Our work indicated that the Welsh Government may need to consider whether its proposals to reform social care are sufficient to address long-standing issues in social care.

COVID-19 has made the need for change more pressing, but transforming social care will be challenging

53   The Welsh Government's White Paper (**paragraph 15**) sets out its vision to address long-standing challenges in social care. The Welsh Government intends to rebalance the care market away from price towards quality and social value. It wants to develop a common framework to reduce complexity in commissioning services, focus arrangements on outcomes rather than tasks, and encourage not-for-profit providers to grow. Finally, the Welsh Government wants to encourage joint working between health and social care by strengthening the function of Regional Partnership Boards.

54   COVID-19 has exacerbated some of the issues facing the sector, making the need for transformation more pressing. Lower care home occupancy rates resulting from the virus are likely to contribute to financial pressures. The sustained pressure on the workforce may have significant impacts on their health and wellbeing making the sector more vulnerable to staff shortages. It could also make the sector less motivated and receptive to implementing changes if resources are limited.

55   The White Paper describes uncertainty over future budget settlements from the UK government. Despite the additional funding (**paragraph 45**), the Welsh Government may still face some difficult choices around prioritising funding, particularly between health and social care.

56   The Welsh Government published the responses to its White Paper in April 2021 and is committed to legislate for better integrated health and social care in its Programme for Government. Our work on care home commissioning (**paragraph 52**) said that practical issues and cultural reluctance to share resources in the sector raise questions about whether the proposals in the White Paper go far enough to address long-standing issues in the sector

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40 Auditor General for Wales, Care Home Commissioning for Older People: Issues of National Significance Arising from Our Review in North Wales, July 2021

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Audit Committee Update – **Cardiff & Vale University Health Board**

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Audit Committee Update

About this document

1   This document provides the Audit 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).

Financial audit update

2   **Exhibit 1** summarises the status of our current and upcoming financial audit work.

Exhibit 1 – Accounts audit work

Area of work	Current status
Audit of the Cardiff and Vale Health Charity's 2020-21 financial statements	On 12th October we presented our Audit Plan to the trustee members. We are due to receive the draft financial statements on 29th October and our audit is scheduled to start during November.
Audit of the Health Board's 2021-22 Performance Report, Accountability Report and Financial Statements.	We expect to commence our substantive audit work in January 2022. Prior to that work, in 2021 we will be liaising with senior finance officers in respect of their progress with our audit recommendations.

Performance audit update

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

- completed work since the last Audit Committee update (**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 Audit Committee
Taking Care of the Carers? How NHS bodies supported staff wellbeing during the COVID-19 pandemic (A summary of the key messages is provided in **Appendix 1**)	November 2021

Exhibit 3 – Work currently underway

Topic and relevant Executive Lead	Focus of the work	Current status and Audit Committee consideration
Orthopaedic Services – Follow-up Executive Lead – Chief Operating Officer	This review will examine 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.	Current status: Report being drafted Planned date for consideration: February 2022*
Quality Governance Executive Leads – Executive Nurse Director	This work will allow us to undertake a more detailed examination of factors underpinning quality governance such as strategy, structures and processes, information flows, and	Current status: Report being drafted

Topic and relevant Executive Lead	Focus of the work	Current status and Audit Committee consideration
and Executive Medical Director	reporting. This work follows our joint review of Cwm Taf Morgannwg UHB and as a result of findings of previous structured assessment work across Wales which has pointed to various challenges with quality governance arrangements.	Planned date for consideration: February 2022*
Structured Assessment 2021 Executive Lead – Director of Corporate Governance	Our annual structured assessment is one of the main ways in which the AGW discharges his statutory requirement to examine the arrangements NHS bodies have in place to secure efficiency, effectiveness, and economy in the use of their resources. Our work in 2021 will be undertaken in two phases, as follows: • Phase 1 will examine the operational planning arrangements of each NHS body. • Phase 2 will look at the governance and financial management arrangements of each NHS body.	Current status: Phase 1 – completed; Phase 2 – Report being drafted Planned date for consideration of Phase 2 report: February 2022*
Follow-up of radiology services Executive Lead – Chief Operating Officer	In 2016, we undertook a review of radiology services. The work examined the actions the health board was taking to address the growing demand for radiology services, and the extent to which those actions were providing sustainable and cost-effective solutions to the various	Current status: Report being drafted Planned date for consideration: February 2022*

Topic and relevant Executive Lead	Focus of the work	Current status and Audit Committee consideration
	challenges that existed at the time. We made a number of recommendations to the health board. This work will follow-up progress against these recommendations.	

* These dates are subject to change given the current challenges and pressures associated with the ongoing pandemic

Exhibit 4 – Planned work not yet started or revised

Topic and relevant Executive Lead	Focus of the work	Current status and Audit Committee consideration
Review of Unscheduled Care Executive Lead – Chief Operating Officer	This work will examine different aspects of the unscheduled care system and will include analysis of national data sets to present a high-level picture of how the unscheduled care system is currently working. Once completed, we will use this data analysis to determine which aspects of the unscheduled care system to review in more detail.	Current status: Data analysis currently being completed with a national commentary due for publication in the Autumn. Date for consideration to be confirmed
Local Work 2021	The precise focus of this work is still to be determined.	Date for consideration to be confirmed

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Good Practice events and products

4   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.

5   **Exhibit 5** outlines the Good Practice Exchange (GPX) events which have been held since our last Committee Update. Details of future events are available on the GPX website.

Exhibit 5 – Good practice events and products

Event	Details
Your Town, Your Future - Town Centre Regeneration (September 2021)	The event focused on the findings and recommendations of the Auditor General's recent report - Regenerating Town Centres in Wales - and suggested some ideas on ways to assist towns to analyse their present and forge their futures. The material from the event is available here.
The future of work: Sharing experiences from Hywel Dda University Health Board (September 2021)	During this session, representatives of Hywel Dda University Health Board shared their experiences of staff moving into the Hywel Dda Integrated Care Centres (ICC) at Aberaeron and Cardigan. Following the move, Hywel Dda University Health Board invited an Anthropologist, Dr Luci Attala from University of Wales, Trinity St David, to undertake a study to look at how employees have negotiated the transition from traditional workspaces to an open-plan hot-desk environment in non-clinical areas.

6   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, together with other related material, is available here.

NHS-related national studies and related products

7   The Audit 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 Administration and Public Accounts Committee to support its scrutiny of public expenditure.

8   **Exhibit 6** provides information on the NHS-related or relevant national studies published since our last Committee Update. It also includes all-Wales summaries of work undertaken locally in the NHS.

Exhibit 6 – NHS-related or relevant studies and all-Wales summary reports

Title	Publication Date
Updated infographic on the NHS (Wales) summarised accounts for 2020-21	September 2021
Picture of Public Services 2021 (A summary of the key messages is provided in **Appendix 1**)	September 2021
A Picture of Healthcare (A summary of the key messages is provided in **Appendix 1**)	October 2021
A Picture of Social Care (A summary of the key messages is provided in **Appendix 1**)	October 2021

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Appendix 1 – Key messages from recent publications

Taking Care of the Carers? How NHS bodies supported staff wellbeing during the COVID-19 pandemic (October 2021)

8   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. It is the second of two publications which draw on the findings of our local structured assessment work in 2020 with the aim of highlighting key themes, identifying future opportunities, and sharing learning.

9   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.

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

11   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.

12   Key actions taken by NHS bodies to protect staff and support their wellbeing included the following (more detail is provided in paragraph 25 of the report):

- 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.

13   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 (more detail is provided in paragraph 31 of the report).

14   Risk Assessment Tool completion rates via the Electronic Staff Record (ESR) have varied considerably between individual NHS bodies. The reasons for this variation

are set out in paragraph 33 of the report. However, it should be noted that 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.

15   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 (more detail is provided in paragraph 35 of the report).

16   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.

17   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.

18   The report references the findings from surveys undertaken by BMA Wales and others to provide insights into staff experiences during the pandemic. These surveys 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.

19   Therefore, 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.

20   The report contains six recommendations for health bodies and two recommendations for Welsh Government. The recommendations for health bodies focus on:

- 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; and
- Building on local and national staff engagement arrangements.

21   A checklist has been prepared to accompany the report. It sets out some of the questions 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.

22   We expect each health body to prepare a management response to our recommendations which should also set out how they plan to use the checklist to inform debate within their organisations.

A Picture of Public Services (September 2021)

23   This report provides a high-level analysis of trends across public services. It looks at some of the choices made about spending priorities between sectors within Wales, notably highlighting the increase in funding for the NHS and social care compared to cuts in other parts of the public sector. It puts the relative protection of health and social care into the wider context of cost and demand pressures and different choices made in England about spending priorities.

24   The report is underpinned by a series of sector-specific summaries setting out some key facts and analysis:

- A Picture of Healthcare;
- A Picture of Social Care;
- A Picture of Local Government;
- A Picture of Schools; and
- A Picture of Higher and Further Education.

25   The report sets out at a high level how the Welsh Government allocated the £5.1 billion for COVID-19 during 2020-21. It also summarises our own work looking at specific aspects of the COVID-19 response, including the reports on free school meals; PPE; Test, Tract, Protect; and the roll-out of COVID-19vaccines. It notes that while these reports have been broadly positive, they are focused on specific areas and not necessarily indicative of the overall response to the pandemic.

26   The overall report also highlights some of the big challenges for health and social care in future, with the immediate and ongoing demands posed by the pandemic alongside long-standing pressures such as demographic change.

27   It highlights that in recovering and resetting, public services face a range of broader challenges. These include addressing inequalities, the challenges of climate change, and additional constitutional complexities following Brexit.

28   The report emphasises that given the challenges, it remains essential that public services squeeze the most value from spending - that doesn't necessarily always mean delivering more activity or outputs, but instead maximising the outcomes and well-being from spending.

29   It sets out five key areas in public service transformation:

- Systems and culture to support new approaches to service delivery;
- Purposeful collaboration;
- Long-term financial and service planning that supports a rigorous and realistic approach to prevention;
- Harnessing digital technology to make services more accessible; and
- Using data and information to learn and improve across the whole public service system.

A Picture of Healthcare and A Picture of Social Care (October 2021)

30   These reports cover the overall strategic approach in the sectors, finances, capacity and demand, performance, and key issues going forwards.

31   A Picture of Healthcare sets out four key issues in healthcare:

- Whole system change is overdue;
- Learning from the COVID-19 response offers opportunities to overcome barriers to transformation;
- There are opportunities to better focus the health system in Wales around outcomes for patients and the wider population; and
- Transforming services at the same time as tackling backlogs and the ongoing COVID-19 response will be challenging.

32   A Picture of Social Care sets out three key issues in social care:

- There are long-standing challenges in the social care sector, including achieving financial sustainability and funding arrangements;
- Progress addressing challenges in the sector has been slow; and
- COVID-19 has made the need for change more pressing but transforming social care will be challenging.

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Rydym yn croesawu gohebiaeth a
galwadau ffôn yn Gymraeg a Saesneg.

Picture of Public Services 2021

Report of the Auditor General
for Wales

September 2021

This report has been prepared for presentation to the Senedd
under the Government of Wales Act 2006.

The Auditor General is independent of the Senedd and government. He examines and certifies
the accounts of the Welsh Government and its sponsored and related public bodies, including
NHS bodies. He also has the power to report to the Senedd on the economy, efficiency and
effectiveness with which those organisations have used, and may improve the use of, their
resources in discharging their functions.

The Auditor General also audits local government bodies in Wales, conducts local government
value for money studies and inspects for compliance with the requirements of the Local
Government (Wales) Measure 2009.

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
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lead to a delay.

Mae'r ddogfen hon hefyd ar gael yn Gymraeg.

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Contents

◀ **About this report**

This report is part of a series of Picture of Public Services 2021 outputs (**Exhibit 1**). It summarises some key trends in public finances and sets out our independent perspective on some of the key issues for future service delivery. Our aim in producing this report is to support scrutiny of public services in the Senedd, within individual public bodies and in wider society. It also provides insight than can help with collective planning of public service delivery.

The report draws on our published work and research by other organisations (**Appendix 1**). Underpinning this report is a series of sector-specific summaries setting out some key facts and analysis, which we will publish during September and October 2021.

Exhibit 1: Picture of Public Services outputs

A picture of healthcare	A picture of social care	A picture of schools

A Picture of Public Services 2021

A picture of higher and further education	A picture of local government
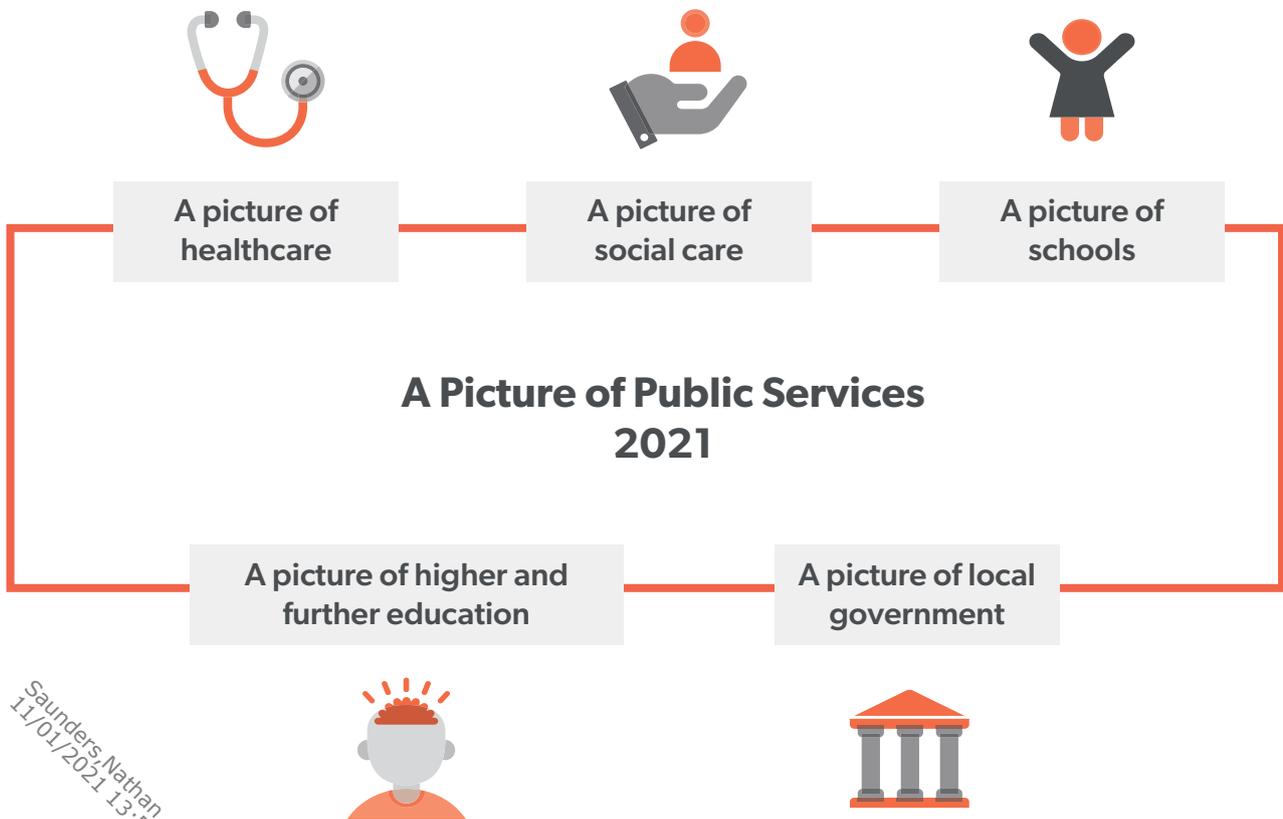
◀ **Auditor General's foreword**

1   The COVID-19 pandemic has had a devastating impact on many families and communities, yet it has also brought out much of the best in our public services. All of us at Audit Wales pay tribute to the dedication and extraordinary efforts of public servants across Wales through this tumultuous period.

2   As we emerge from the pandemic, public services in Wales face many challenges. They are grappling with three over-arching crises of global proportion: the public health crisis of COVID; the environmental crisis of climate change; and an economic crisis.

3   After a long period of austerity and the economic hit from the pandemic, the coming years will offer little respite for the public finances. For services already stretched before COVID-19 hit, the pandemic has created new challenges like its longer-term health impacts, backlogs of patients on waiting lists and lost learning in schools, colleges and universities. As they respond, there is expectation that public services will also address some of the big issues of inequality in our society. And they must do so at a time when an emerging set of constitutional issues post-Brexit may complicate the response, especially to the economic challenges in Wales.

4   Yet this daunting agenda is not without opportunity. The pandemic has demonstrated great strengths in the public service in Wales. The opportunity now is to build on the progress made in rapidly transforming the way services are provided during the pandemic to tackle the long-standing challenges that have pre-occupied Welsh public services for some time.

5   In these circumstances, it is essential that public services get the most value out of the available resources. Value is not just about delivering more outputs more efficiently. Value for money is also about outcomes: making progress in improving the wellbeing of individuals and communities. As Auditor General, I will report on the performance of the public services in delivering that value from the public money they use.

6   This report is by no means the full story of what has happened over the past decade, or of what is to come. But it sets out some of the most important areas for public service delivery where I will be expecting to see progress in the coming years (**Exhibit 2**).

Exhibit 2: key areas of public service transformation

	Systems and culture to support new approaches to service delivery
	Purposeful collaboration
	Long-term financial and service planning that supports a rigorous and realistic approach to prevention
	Harnessing digital technology to make services more accessible
	Using data and information to learn and improve across the whole public service system

Adrian Crompton
Auditor General for Wales

◄ Key facts

£17.6 billion

total funding available to Wales through the block grant in 2019-20 (before the impact of the COVID-19 response)

+16%

increase in funding for healthcare, 2010-11 to 2019-20

-3%

reduction in the revenue funding available to the Welsh Government, 2010-11 to 2019-20

-17%

reduction in core Welsh Government funding for local government, 2010-11 to 2019-20

-3%

reduction in schools revenue spending, 2010-11 to 2019-20

ZERO

net carbon emissions the Welsh Government wants to achieve in Wales by 2050 at the latest

52%

proportion of the Welsh Government's 2019-20 revenue budget allocated to health

- 26,000 (8%)

fall in size of the public service workforce in Wales, 2010 to 2020

£1.20

amount Wales gets for devolved public services for every £1 spent on equivalent services in England

£5.1 billion

amount the Welsh Government allocated to the COVID-19 response in 2020-21

£152 million to £292 million

amount Wales Fiscal Analysis estimates the NHS will need each year for four years to address the waiting list backlog

£600 million to £900 million

amount the Education Policy Institute estimates could be needed to support education recovery over three years

+ 126,000 (74%)

forecast growth in people aged 80 and over living in Wales, 2018 to 2043

This report is split into three parts

1   <u>Read about what happened with public services in 2010-11 to 2019-20</u>

2   <u>Read about the response to COVID-19 in 2020-21</u>

3   <u>Read about some of the key challenges and opportunities for public services in the coming years</u>

After a decade of squeezed budgets and rising demands, many services were already stretched before the pandemic hit

01

1.1   This part of the report looks at the position of public services in the period 2010-11 to 2019-20: before the COVID-19 pandemic started. It provides important context around trends in public finances, priorities, demand pressures and capacity constraints. These trends help to explain why some public services were already stretched before the pandemic hit.

Austerity defined the previous decade for public services, although cuts were less severe than expected

1.2   Austerity was a defining feature of the previous decade for public services. Funding was tight, although not as challenging as expected when we reported in 2015[1]. At that time, UK government spending plans showed the Welsh Government's budget falling by 4% in real terms between 2015-16 and 2019-20. Actually, the Welsh Government's day-to-day revenue funding rose slightly: it was 3% higher in 2019-20 than 2015-16, reflecting a significant uplift in 2019-20 (Exhibit 3). Even so, the 2019-20 revenue budget was 3% below 2010-11 in real terms.

Exhibit 3: Welsh Government revenue budget, 2010-11 to 2019-20 (real terms, 2019-20 prices)
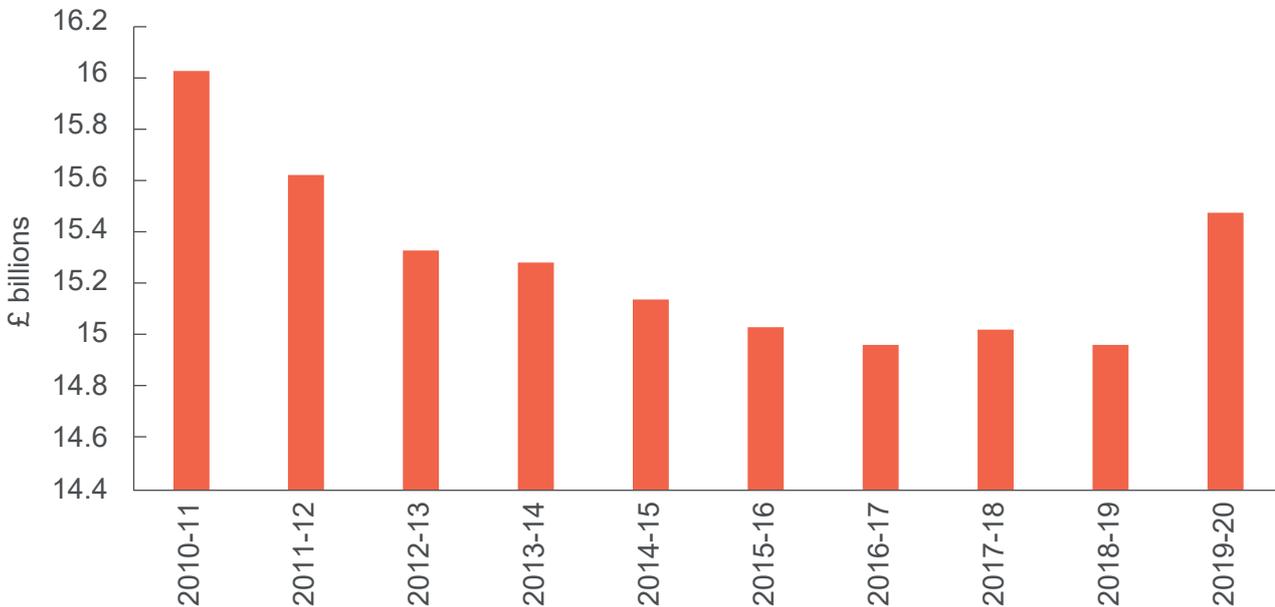
Source: HM Treasury Public Expenditure Statistical Analyses, StatsWales and the Welsh Government's budget

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1   Auditor General for Wales, A Picture of Public Services 2015, December 2015

1.3   For capital spending to pay for investments in infrastructure, the picture is different. The Welsh Government's 2019-20 capital budget had increased by 27% compared to 2015-16 (**Exhibit 4**). By 2018-19, the capital budget was higher than 2010-11.

Exhibit 4: Welsh Government capital budget, 2010-11 to 2019-20 (real terms, 2019-20 prices)
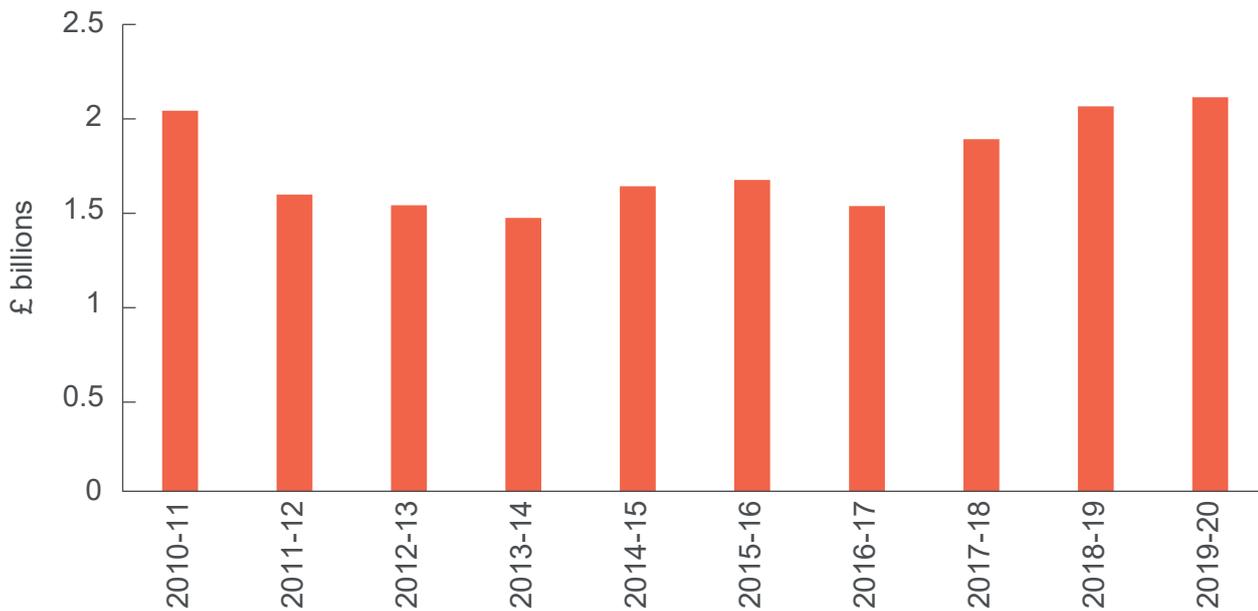
Source: HM Treasury Public Expenditure Statistical Analyses

1.4   Funding for Wales and the other devolved nations is determined by the Barnett formula[2]. Prior to 2010-11, the way in which the formula worked meant that levels of funding per person for devolved services in Wales and England were gradually getting closer together. Since 2010-11, the picture has reversed: in 2019-20, Wales had around £1.20 per head for every £1 for equivalent services in England (**Exhibit 5**).

2   The Barnett formula allocates funding to the devolved administrations. It is based on a combination of changes in spending in England, the relative size of the population and, in Wales, a 'needs-factor' that aims to ensure Wales always gets at least 115% of funding for equivalent services in England.

Exhibit 5: devolved funding per head of population relative to England, 1999-00 to 2019-20
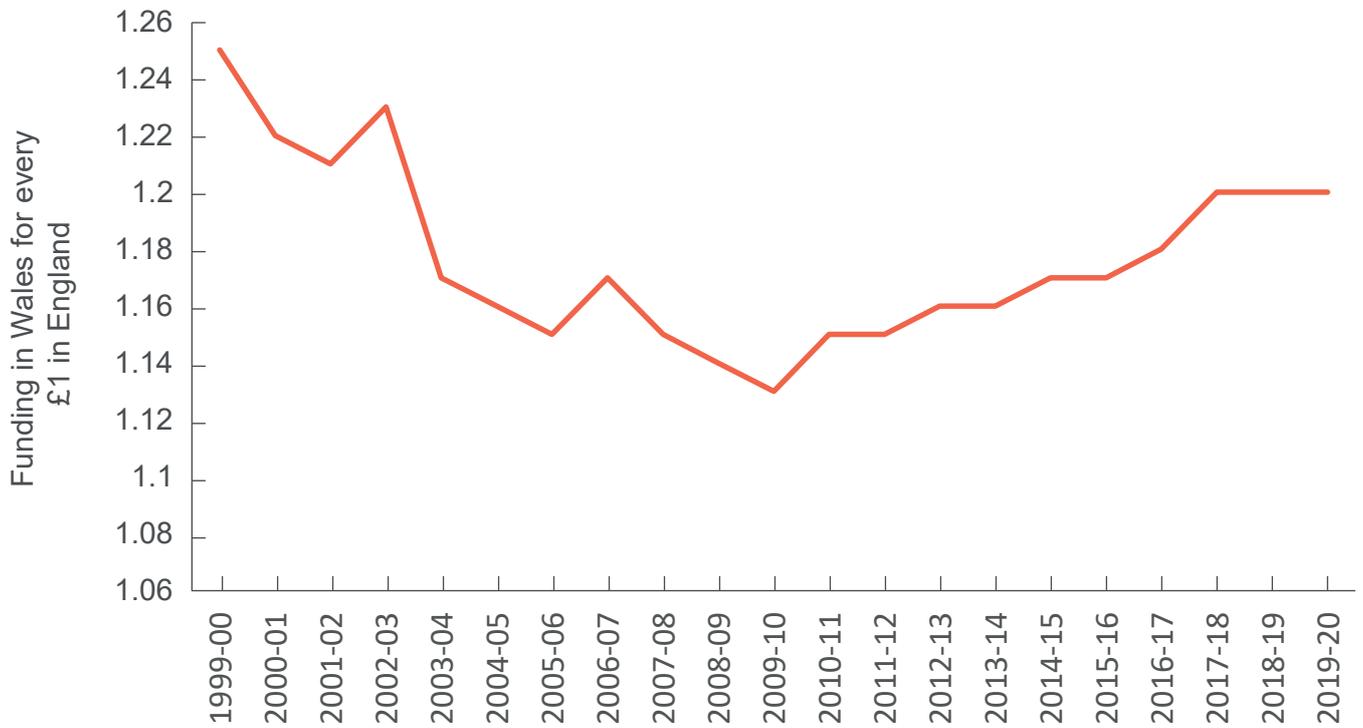
Note: this chart shows the amount of funding per head of population that the Welsh Government gets to spend for every £1 for equivalent services in England.

Source: the agreement between the Welsh Government and the United Kingdom Government on the Welsh Government's fiscal framework (also known as the Fiscal Framework)

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Funding for the NHS and social care has increased while most other areas have seen reductions

1.5   The Welsh Government chooses how to allocate the overall budget between its various spending departments and then to individual programmes. In 2019-20, health and social care took up just over half (52%) of the total revenue budget.

1.6   Between 2010-11 and 2019-20, Welsh Government revenue funding for NHS Wales has increased 16% in real terms while revenue funding to local government[3] fell by 17%. Over the same period, many of the Welsh Government sponsored bodies have also had reductions in their funding from the Welsh Government. We looked at four of the larger sponsored bodies that have been in place for that period[4] and found that they saw an average cut in grant in aid of 18%.

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3   Welsh Government revenue funding for local government includes the core revenue support grant, the distribution of non-domestic rates and other non-specific grants. These fund the core services offered by local government, such as schools and social care. The figure does not include grants for specific programmes and projects which go to local government.

4   These were National Museum of Wales, the Arts Council of Wales, the National Library of Wales and Sport Wales. The largest sponsored body is Natural Resources Wales, which was set up in 2013, and is not included in our overall calculation. Its accounts show grant in aid from the Welsh Government fell by 29% in real terms between 2015-16 and 2019-20, but with part of the context being an expectation that merging multiple bodies to form Natural Resources Wales would lead to cost savings.

Exhibit 6: change in core Welsh Government revenue funding for health and local government, 2010-11 to 2019-20 (real terms, 2019-20 prices)
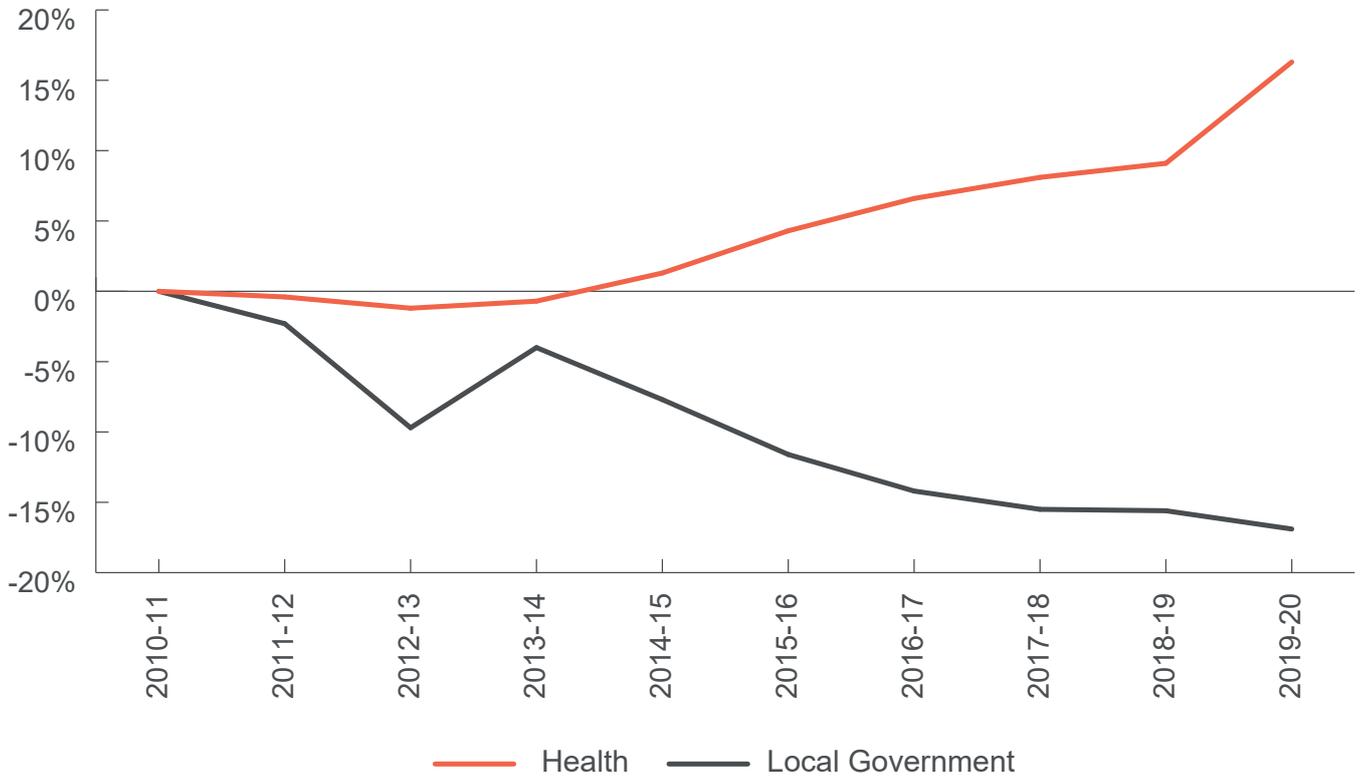
Note: the local government funding is adjusted for 2010-11 to 2013-14 to reflect changes to the council tax support scheme. The local government funding has not been adjusted to reflect 'de-hypothecation' where previously stand-alone grants have been included into the core funding.

Source: Audit Wales analysis of Welsh Government budgets and StatsWales

1.7   To lessen the impacts of reduced Welsh Government funding, councils have significantly increased the income they raise through council tax. The total amount raised by council tax increased by 35% on top of inflation between 2010-11 and 2019-20.

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1.8 Nonetheless, total revenue expenditure across local government fell by 8% over the period. These cuts have not fallen equally across local services. Real terms spending[5] on social care for families has increased by 43% and for older people by 14%. Spending on schools fell by 3%. The deepest cuts have come in leisure and culture and library services which have seen cuts of over 40% and regulatory services, such as development control, building control, trading standards and consumer protection which have seen cuts of over 30% over that period.

1.9 Choices made by the governments in Wales and England are reflected in the cuts experienced by different parts of the public services in the decade prior to the pandemic. Our analysis of HM Treasury spending data[6] shows that spending per person by local government in England fell by 24% between 2010-11 and 2019-20 compared to 10% in Wales. Spending per person on health in Wales increased by 7% over the same period but went up by 10% in England.

With demand, cost and other pressures, many public services were already stretched when the COVID-19 pandemic hit

Across many service areas, funding has lagged behind demand and cost pressures over the past decade

1.10 All public services face cost pressures each year. These arise from a combination of factors, such as inflation on the price of goods and services they buy, wage rises and rising demand. Independent reviews in 2014 and 2016[7] showed that the NHS faces cost pressures of around 3-4% each year on top of inflation. Between 2010-11 and 2019-20, funding for the NHS increased by an average of 1.7% a year, in real terms. These demand and cost pressures are part of the story that explains why, despite increased funding, the NHS has had to improve productivity and deliver cost savings each year and some health boards have struggled to live within their means.

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5   In this report, our analysis of local government spending on services uses the 'gross' expenditure figure. This is the total amount spent without deducting income from fees, charges and other sources.

6   We have used the HM Treasury Country and Regional Analysis dataset. These figures are on a per head of population basis, cover revenue and capital and are calculated on a different basis from our analysis of Welsh Government revenue funding to health and local government in paragraph 1.6.

7   Nuffield Trust, A decade of Austerity in Wales? The funding pressures facing the NHS in Wales to 2025/26, June 2014; and Health Foundation, The path to sustainability: funding projections for the NHS in Wales to 2019/20 and 2030/31, October 2016

1.11 Local government faces cost pressures across a range of areas. For example, the social care sector faces rising demands in care for older people and children and families and pressure to increase the sometimes very low wages of social care staff[8]. The Health Foundation estimated pressures of 4.1% a year in adult social care. Since 2010-11, social care spending has gone up by an average of 2% a year in real terms. There is variation within that overall figure: spending on services for children and families went up by an average of 4.1% a year compared to an average increase of 1.5% for services for older people and a 0.9% rise for services for adults under 65.

1.12 Other sectors and service areas have also faced cost pressures. The fact that most have seen real terms cuts strongly suggests that, right across public services, funding has not matched cost pressures over the period of austerity.

Comparison to England in terms of need and spend shows some interesting and perhaps unexpected patterns

1.13 The assessments of annual cost pressures referenced above consider how much funding is required to sustain existing levels of service but do not ask whether standing still is sufficient to meet needs. Experts tend to calculate need relative to England, in part because England, through the Barnett formula, is the benchmark for levels of funding. Wales has higher levels of need for public services than many other parts of the UK.

1.14 In 2010, the Holtham Commission estimated Wales' level of need compared to England to be around 115%[9]. In other words, for every £1 spent on services in England, per head of population, £1.15 would be needed for Wales. In our 2019 report on public spending trends, we estimated Wales' relative needs for healthcare compared to England were around 118%[10].

1.15 Since the start of devolution, the Welsh Government has received at least 115% of funding per head in England, with the exception of 2008-09 and 2009-10 when funding dropped to 114% and 113% respectively. In 2019-20, Wales received around 120% of funding per head of levels in England (**Exhibit 7**).

8   London Economic Wales, Short to medium term operational and cost pressures affecting social care in Wales: Final report to the Welsh Government, March 2020 Table 2

9   Independent Commission on Funding and Finance for Wales, Fairness and accountability: a new funding settlement for Wales, July 2010

10 Auditor General for Wales, Public Spending Trends in Wales 1999-00 to 2017-18, October 2019

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Exhibit 7: spending on health and education per head of population in Wales and overall devolved funding relative to England, 1999-00 to 2019-20
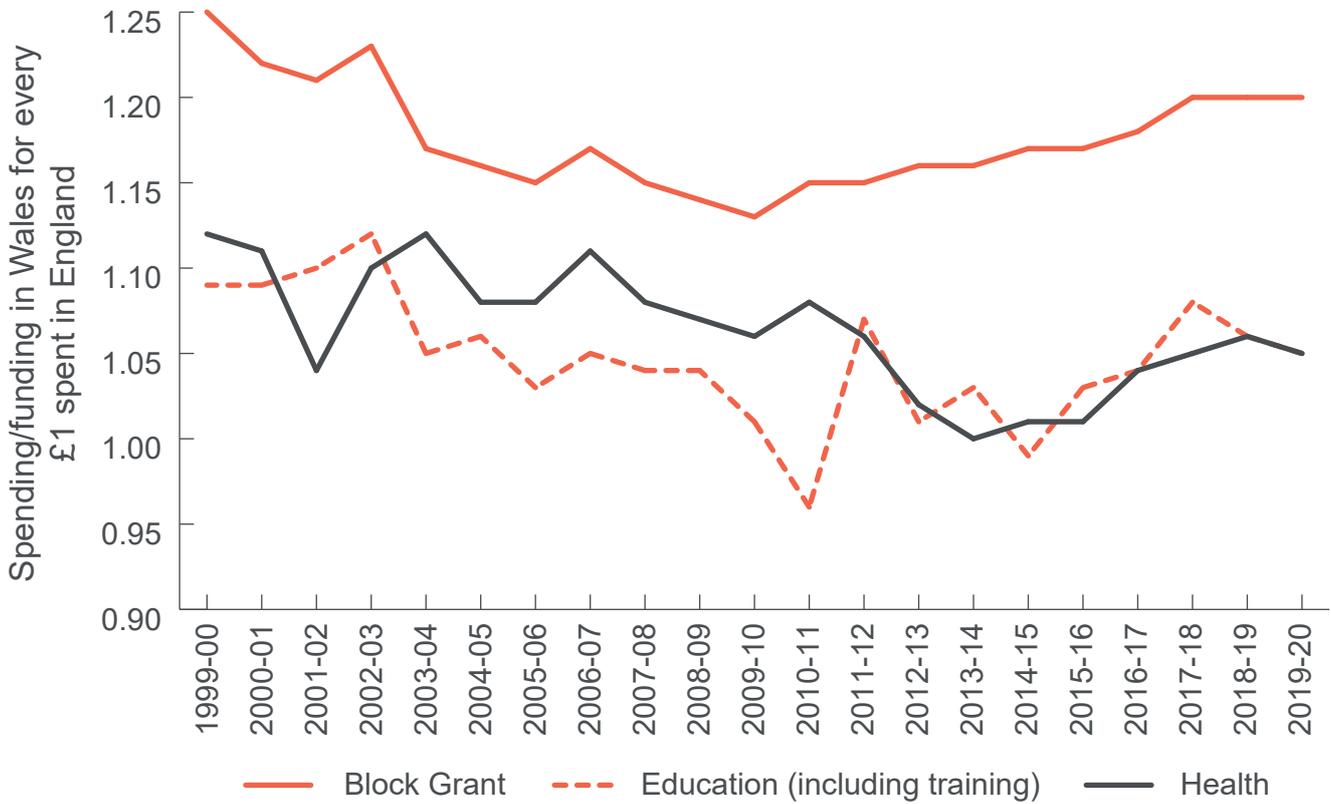
Source: Audit Wales analysis of HM Treasury Country and Regional Analysis data and the agreement between the Welsh Government and the United Kingdom Government on the Welsh Government's fiscal framework (also known as the Fiscal Framework)

1.16 The relative level of funding has not translated through to equivalent levels of spending on the two largest service areas: health and education. In 2019-20, Wales spent £1.05 for every £1 spent on health and education[11] in England (**Exhibit 7**).

1.17 The wider international context is OECD data showing that spending on health in the UK is the second lowest of all the G7 countries[12].The flip side of different spending priorities on health and education is that spending in Wales on other areas of service is much higher than in England. **Exhibit 8** shows significantly higher spend, per head, in Wales on social care, agriculture, general services, economic affairs, housing and community and culture, recreation and religion.

11 Comparative analysis by the Institute for Fiscal Studies shows that spending per school pupil in Wales is lower than spend per pupil in England.

12 Organisation for Economic Co-operation and Development, Health at a Glance 2019, November 2019

Exhibit 8: comparative spending per head of population in policy areas which are mostly devolved, Wales and England, 2019-20
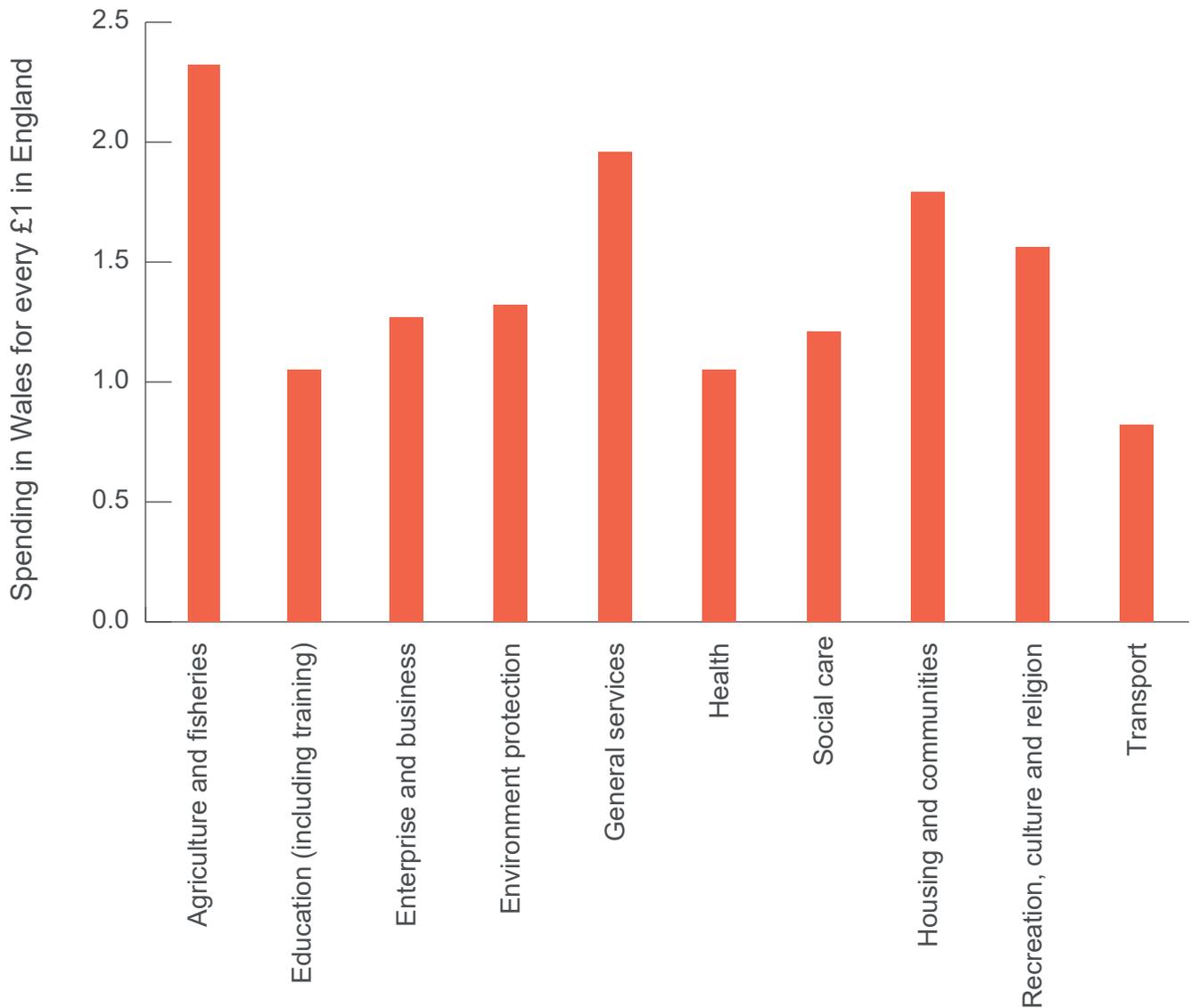
Note: these figures cover mostly devolved spending but may include some direct UK government expenditure, for example on transport where there is a mixture of devolved and non-devolved spending. More detail on the categories can be found in our Public Spending Trends data tool.

Source: Audit Wales analysis of HM Treasury, Country and regional analysis, November 2020

Capacity in many services was stretched before the pandemic hit

1.18 Many public services had stretched capacity before the pandemic hit. Office for National Statistics data shows that the total public sector headcount in Wales, including non-devolved services, fell by 26,000 (8%) from 324,000 to 298,000 between 2010 and 2020[13]. As we highlight below, within that overall picture there are specific workforce challenges facing different sectors. There have also been challenges with other aspects of capacity such as hospital beds, school places, and care home infrastructure in social care.

1.19 The NHS has seen a rise in overall staffing levels but has recruitment challenges and has been reliant on agency and temporary staff. For many years, bed occupancy has been above the recommended level of around 82% to 85%. Before the pandemic, Wales had amongst the lowest levels of critical care beds per head of population in international comparisons[14].

1.20 When the pandemic hit, the NHS created extra bed capacity by stopping non-urgent activity and repurposing existing capacity, such as operating theatres and recovery rooms, as critical care units. As our September 2020 report on planned care noted, stopping all non-urgent planned care was not entirely novel. Health boards have done it in a planned way to manage winter pressures in emergency care and in an unplanned way by cancelling operations at short notice.

1.21 There is a widespread and long-standing recognition of the need for social care reform. The challenges of rising demand, particularly from older people and children's services, are compounded by low financial margins in care homes for older people and difficulty finding placements for children and young people who are taken into care. The sector faces multiple staffing issues including low pay, high turnover rates, and falling staff numbers in some areas. Equally, there is widespread recognition that the pandemic has revealed the limitations of the social care system.

1.22 Schools have struggled with mismatched capacity; surplus places in some schools while others are over-subscribed. However, the number of surplus spaces has reduced since 2009. There are shortages in staff in some subjects and particularly for the Welsh-medium sector. The system for initial teacher training has been overhauled but the number of trainee teachers has been lower than required in each of the last six years to 2019-20. Over the last ten years, staffing levels and full-time student numbers in further education have remained broadly stable, but part-time provision has fallen dramatically due to funding constraints. However, in higher education, student numbers have increased at a greater rate than staffing levels.

13 Office for National Statistics, Public Sector Employment dataset, July 2021

14 In 2019-20, there were 154 critical care beds – the lowest per head of the population in the UK and amongst the lowest in Europe: Faculty of Intensive Care Medicine and Intensive Care Society, Guidelines for the Provision of Intensive Care Services, Edition 2, June 2019

1.23 Over the last ten years, staffing numbers in local authorities have fallen and skills deficits have emerged. Office for National Statistics data shows that the headcount in local government in Wales reduced by 19% from March 2010 to March 2020[15]. Our work has identified that staffing reductions mean councils do not have adequate numbers of staff with expertise in cross cutting policy and planning areas, and planning authorities lack staff with specialist skills, such as in design and infrastructure.

1.24 There is a similar picture in the Welsh Government. Between 2010 and 2020, the average number of full time equivalent Welsh Government staff decreased by 8%. Our work has identified that staff shortages have impacted on the Welsh Government's policy delivery in some key areas in recent years, and we have highlighted that gaps were created when staff were redeployed to deal with the challenges of Brexit. There have also been reductions in staff at the larger Welsh Government sponsored bodies (**paragraph 1.6**), ranging from 3% to 19%.

15 Office for National Statistics, Employment in local government in Wales, March 2008 to December 2020, May 2021

Public services had to adapt rapidly to the pandemic and the Welsh Government allocated over £5 billion in 2020-21 in response

02

2.1   This part of the report covers 2020-21, with a particular focus on the response to the COVID-19 pandemic. It describes some of the ways in which public services have adapted to the pandemic. It sets out the funding allocated to the response by the Welsh Government, breaking that down by different areas of spending. It also summarises the overall picture of aspects of the response set out in some of our recent audit work.

The COVID-19 pandemic severely disrupted public services and the wider social, economic and cultural life of Wales

2.2   COVID-19 has had a tragic impact on individuals and communities. As at mid-June 2021, more than 5,500 people had died with COVID. More than two-thirds of those deaths happened during the second wave in the autumn and winter of 2020-21. Almost half (45%) of those who died lived in the area covered by Aneurin Bevan and Cwm Taf Morgannwg University Health Boards. As at mid-June 2021, Wales had the highest number of deaths with COVID-19 on the death certificate, per 100,000 population, in the UK.

2.3   As set out in **paragraph 1.20**, the NHS stopped all but the most urgent non-COVID activity. Operating theatres and wards were repurposed to create extra critical care space for the most ill patients. GPs and other primary care services moved to online or telephone where possible. In social care and in the NHS, visits to patients and residents were severely curtailed.

2.4   The education system changed drastically. The Welsh Government lifted the requirement on schools to deliver the full national curriculum in March 2020. Students and pupils have had periods of online learning. Some have also had periods in the classroom and lecture halls with measures in place to mitigate against the spread of the virus, restricting some learning opportunities such as extra-curricular activities, trips and laboratory experiments. Schools have been transformed with classrooms re-arranged to encourage distancing, start times, end times, playtimes and lunchtimes all re-arranged to reduce mixing of pupils and parents.

2.5   Other local services, from leisure to waste and recycling facilities, have also experienced periods of stopping and re-opening with protective measures in place. Some staff from closed services have been re-deployed to other aspects of the COVID-19 response, such as preparing and delivering food parcels for vulnerable and isolating households. Inside the civil service, staff have been redeployed to support the response in various ways.

The Welsh Government allocated £5.1 billion on the COVID-19 response in 2020-21

2.6   In 2020-21, the Welsh Government created a £6 billion funding pot specifically for COVID-19-related activity. Over the year, it received an extra £5.7 billion in revenue through the Barnett formula due to COVID-19 spending in England. The Welsh Government added to UK government funding by re-prioritising £256 million from existing departmental budgets[16]. Some of the key movements in funding into the COVID-19 pot were:

- £50 million which was intended to improve NHS waiting times;

- £30 million previously set aside for the Childcare Offer for Wales;

- £16 million for higher education funding; and

- £12 million apprenticeship funding.

2.7   The Welsh Government allocated[17] around £5.1 billion of this extra money in 2020-21 on services to respond to the public health crisis, to support businesses and communities, to replace lost income for some public services and to prepare the ground for the recovery (**Exhibit 9**). Of the remaining funding in the COVID-19 pot, the Welsh Government converted £305 million into capital[18] and carried forwards £485 million into 2021-22[19].

16 In the first supplementary budget the Welsh Government had re-prioritised £245 million of EU Structural Funds to support the response but once the full funding from the UK government came through, it decided it no longer needed this funding for the COVID-19 response in 2020-21.

17 Here we set out the funding 'allocated' by the Welsh Government, by which we mean the sum set aside for specific areas of spending. In some cases, the actual spend, or outturn, may be different by the end of the year.

18 The £305 million capital was included as part of a wider £772 million allocation of capital funding in the third Supplementary Budget. The allocation included £188 million capital to support the COVID response and 'reconstruction' and a £270 million allocation to the Development Bank for Wales.

19 The UK government announced additional funding through the Barnett formula late in 2020-21 and agreed that the devolved administrations could carry this money into the following financial year.

Exhibit 9: split of the Welsh Government's £5.1 billion COVID-19 allocation to services for 2020-21
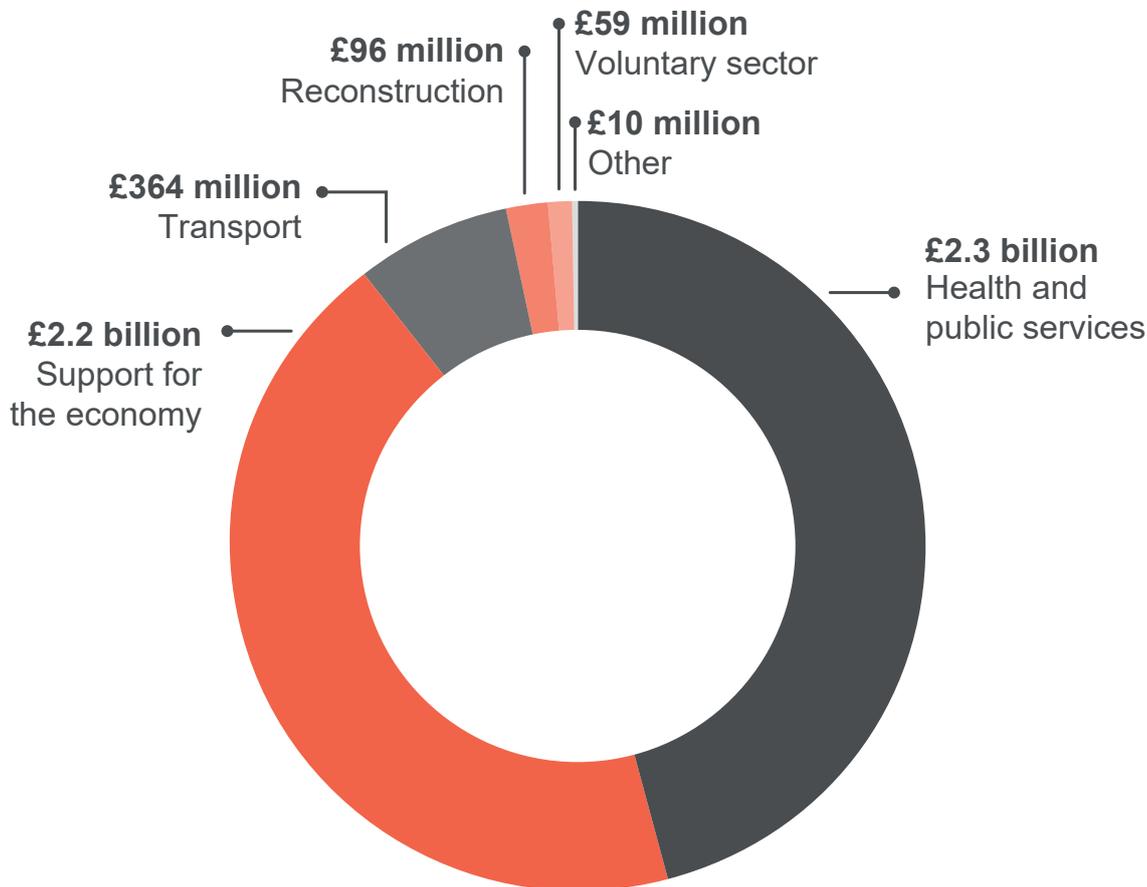
Note: 'Reconstruction' covers several funding pots the largest components of which relate to education (**paragraph 2.10**).

Source: Audit Wales analysis of Welsh Government data

2.8   The Welsh Government has allocated £2.3 billion to supporting the NHS and other public services in dealing with the pandemic. This figure includes an £800 million stabilisation fund for the NHS alongside specific funding for programmes such as vaccinations, Test, Trace and Protect and PPE. The funding also includes a £660 million[20] Crisis Fund for local government, which covers a range of general costs as well as specific items such as free school meals, additional costs in social care, and supplementing the loss of income from fees with services closed.

20 Although the Welsh Government allocated £660 million, by the end of the financial year it reports having spent £587 million.

2.9   The Welsh Government allocated £2.7 billion to support the economy, the transport sector and the voluntary sector. This funding includes around £1 billion for the Economic Resilience Fund, around £730 million in grants related to non-domestic rates for small and medium businesses, £350 million in rates relief for retail, hospitality and leisure businesses and £130 million to support the higher education and further education sectors. The Welsh Government also allocated £170 million to support rail services and £95 million for bus services. The Welsh Government has allocated £59 million to support voluntary services. This includes £29 million for Third Sector Support, £15 million for the Discretionary Assistance Fund and £13 million towards provision of food for people who were shielding.

2.10   The Welsh Government allocated £96 million in 2020-21 to support what it is calling 'reconstruction'. This is made up of a range of smaller pots of funding, the largest being £11 million to cover free school meals during the holidays, and £10 million for three education programmes: to support children during exam years; to support the further education sector; and for mental health, student support and a hardship fund for the higher education sector.

2.11   Compared to the UK government's equivalent spending in England, Wales Fiscal Analysis notes that the Welsh Government has spent less of its COVID-19 funding on the NHS while spending more supporting businesses and communities[21]. In part, these differences may be down to the Welsh Government being able to secure better value for money. For example, on Personal Protective Equipment and Test, Trace, Protect, the Welsh Government appears to have got similar or better results compared to England while spending proportionately less.

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21 This comparison does not include the furlough scheme which is run and funded by the UK Government.

Our COVID-related work paints a broadly positive picture of aspects of the way Welsh public services responded but this is not necessarily indicative of the overall management of the pandemic

2.12 In response to the pandemic[22], our key initial piece of work was a COVID-19 Learning Project. This involved gathering emerging intelligence on good practice from public services' response and sharing learning in real time through a combination of blogs and updates to our audited bodies. Examples included public bodies working together and with communities to deliver food parcels, provide information to the public on how and where they could get tested and a range of other practical responses. As the pandemic progressed and the first wave came to an end, we identified examples and lessons for public services as they started to re-open services to the public. In November 2020, we produced a short report on the work to provide free school meals to pupils while at home[23].

2.13 Since early 2021, we have published more detailed reports on areas of the response: the Test, Trace and Protect programme, the supply and procurement of PPE, NHS governance arrangements during the pandemic, and the rollout of the vaccinations programme[24]. All these reports paint a broadly positive picture of aspects of the response, although all highlight lessons to learn as well. They show public bodies rapidly putting in place collaborative systems and flexible governance arrangements.

2.14 These reports reflect only aspects of the response to COVID-19 in Wales. While our reports paint a positive picture of aspects of the management and governance of individual programmes, they should not be taken as a positive view on the response in the round. Our report on the supply and procurement of PPE, for example, highlighted some of the weaknesses with the pre-pandemic preparations and that we cannot ignore the views expressed by some of those on the frontline about their own experience.

2.15 The UK government intends to set up a public inquiry in due course, which is likely to take a much broader and more in depth look at the overall pandemic response. The Welsh Government has stated its view that the Welsh response should be reviewed as part of that inquiry.

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22 At the start of the pandemic, we significantly adjusted our work programmes, recognising the impact on our own capacity and to ensure we could contribute to public services' response while not adding to the pressures public services were facing.

23 Auditor General for Wales, Providing Free School Meals During Lockdown, November 2020

24 Auditor General for Wales: Doing it Differently, Doing it Right?, January 2021; Test, Trace, Protect in Wales, March 2021; Procuring and Supplying PPE for the COVID-19 Pandemic, April 2021; Rollout of the COVID-19 vaccination programme in Wales, June 2021
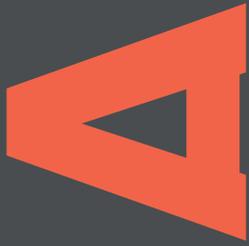
Public services need to manage the ongoing response to the pandemic and start to recover while adapting to new demands

03

3.1 The previous decade threw up many challenges for public services and there will be little respite in the near future. This part of the report looks at some of the key issues for public services in the coming years and important aspects of service transformation where we will be focusing our attention (**Exhibit 10**). This section is not intended to be comprehensive in setting out all the areas public services need to address, and other review bodies will have their own perspective on the key issues.

Exhibit 10: some key opportunities and challenges for public services
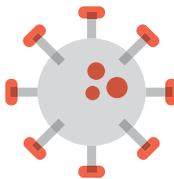
A changing world

- Climate change: achieving a fair and just transition

- Equalities: responding to demands for a fairer and more equal society

- Constitution: managing the opportunities and risks of new relationships within the UK

The ongoing pandemic

- Direct costs of response

- Economic hit knocks-on to public finances

- Legacy costs of long-term impacts

Transforming service delivery

- Systems and culture to support new approaches to service delivery

- Purposeful collaboration

- Long-term planning and prevention

- Harnessing technology where appropriate

- Using data to learn across the whole system

3.2 Several of these areas, particularly in relation to a changing world, are reflected in the Welsh Government's Programme for Government for 2021 to 2026[25]. Our commentary builds on some of the messages in our 2020 report on implementation of the Well-being of Future Generations (Wales) Act 2015[26].

25 Welsh Government, Programme for Government, June 2021

26 Auditor General for Wales, So What's Different? Lessons from the Auditor General's Sustainable Development Examinations, May 2020

The Welsh Government has at least an additional £2.6 billion to support the ongoing pandemic response in 2021-22

3.3 The pandemic is not over, and further public spending will be needed in 2021-22. As at July 2021, the Welsh Government had received a total of £2.1 billion additional funding related to COVID-19 for 2021-22. In addition, it has the £485 million carried forward (**paragraph 2.7**), taking the extra funding in 2021-22 to £2.6 billion on top of an increase in the core non-COVID budget.

3.4 As of July 2021, the Welsh Government's internal plans show it had allocated £1.5 billion, with £884 million to health and public services, £470 million to support the economy, £107 million for transport and £14 million for the third sector and communities. The situation remains fluid and, depending on the path of the pandemic and the UK government response, further funding may be announced in the coming months.

The UK government has promised no return to austerity, but funding is still likely to be tight given the cost pressures facing public services

The economic hit from the pandemic means public finances are likely to be tight for some time

3.5 The funding position beyond 2021-22 is unclear but UK public finances are in a challenging position. Economic activity fell during the pandemic, with companies and individuals paying less tax. Coupled with higher spending, the UK's overall debt and the annual deficit – the gap between income and expenditure – have grown significantly.

3.6 The UK government has said there will not be a return to austerity as it seeks to reduce the level of debt. It revised its spending plans downwards in March 2021 but still intends for overall public spending to grow in real terms. Wales Fiscal Analysis projected the Welsh Government's revenue budget to 2025-26 based on the UK government's March 2021 plans (**Exhibit 11**). It shows a 1.5% a year real terms budget increase between 2021-22 and 2025-26, excluding COVID-specific funding. It is possible these projections will change when the UK government produces a fuller spending review later in 2021.

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Exhibit 11: projected funding for Welsh Government day-to-day spending, 2019-20 to 2025-26
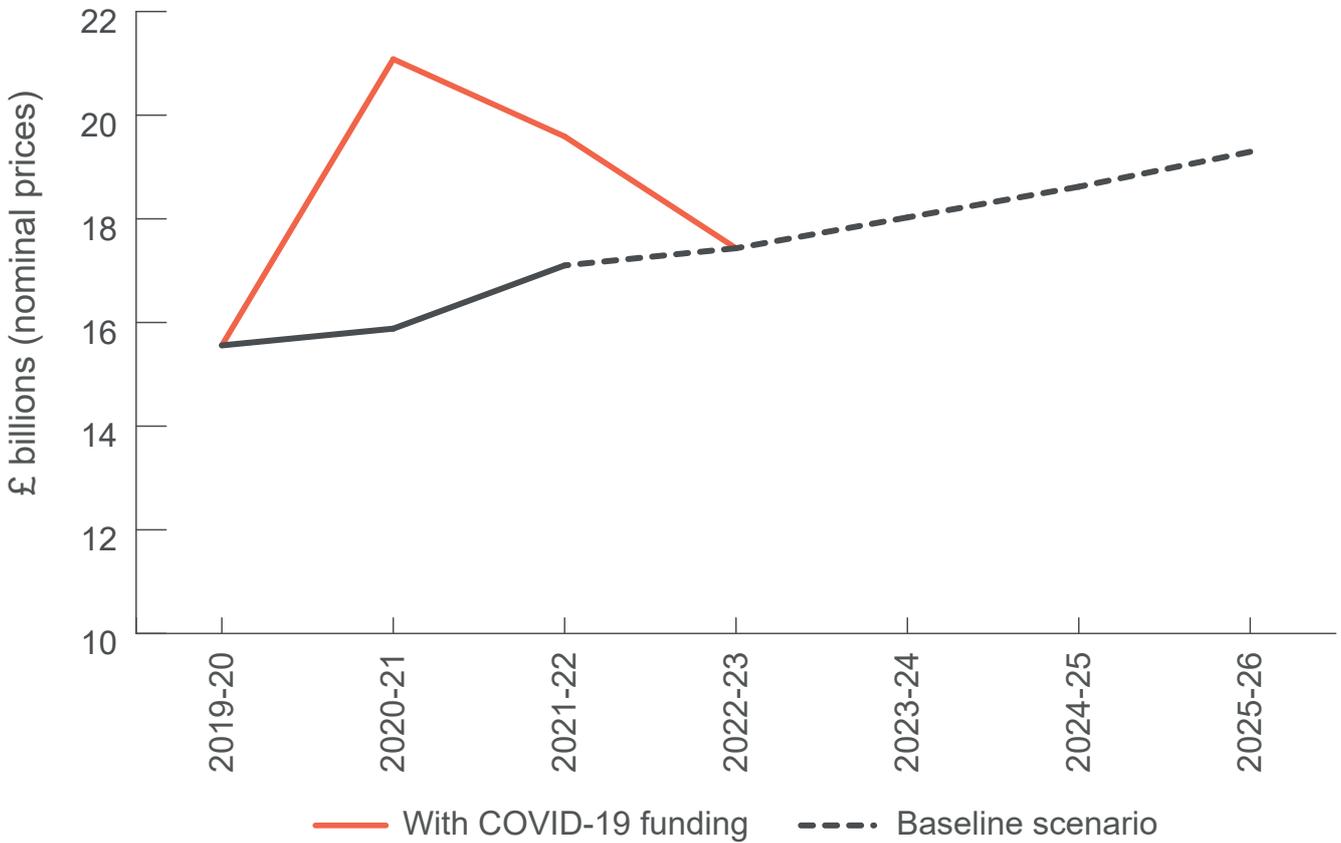
Note: The Wales Fiscal Analysis projections in this chart are on a nominal basis, which means they are not adjusted for the impact of inflation. Figures for 2020-21 reflect a fall in non-domestic rate revenues associated with the rates relief, a budget switch to capital spending and the transfer of farm subsidies to the Welsh budget. The 2021-22 figure does not include additional funding, mostly for the COVID-19 response, set out in the Welsh Government's June 2021 Supplementary Budget.

Source: Wales Fiscal Analysis, Welsh Election 2021: Fiscal outlook and challenges for the next Welsh Government, April 2021

Cost pressures from the pandemic and demographic change will mean difficult choices for public funding

3.7   Life for public services remains far from normal and that is likely to remain the case for some time. Once the pandemic is fully over, public services face a huge job of recovery. They will need to catch up on activity that was paused and deal with new problems created by the pandemic. The most obvious challenges are in the NHS where there are backlogs of patients on waiting lists and, unquantified pent-up demand from people who have put off seeking help.

3.8 There are other backlogs, for example the challenge of making up lost learning for pupils and students across the education system. These backlogs all have a significant cost attached: Wales Fiscal Analysis calculated that addressing the backlog in planned care would cost between £152 million and £292 million a year over four years[27]. Applying the Barnett formula to its estimates for England, the Education Policy Institute has estimated that an extra £600 million to 900 million could be needed over three years to support education recovery in Wales[28].

3.9 Some, or even all, of the requirements around social distancing, wearing PPE, ensuring adequate ventilation in indoor spaces may be with us for some time, depending on policy choices and public health advice. These restrictions affect the productivity of public services. The shift to online and telephone-based services may offset some of the effect of these restrictions on productivity. But many services, notably surgery and other personal interventions, cannot take place online. As a result, public services need either more capacity or to find ways to reduce demand and activity just to stand still, let alone address backlogs.

3.10 There are potential longer-term implications. The long-term direct health implications of COVID-19 are still being studied. The extent to which these will create new demand and cost pressures on the NHS is unclear. There is evidence of an impact on the mental wellbeing of households, which may increase the need for ongoing health and social care support. There are also other as yet unknown impacts on the public service workforce: there is speculation that some staff may not wish to continue as before or may accelerate retirement plans after the pandemic[29], creating potential capacity and/or pay pressures, for example if gaps need to be filled by expensive agency or locum staff. There may also be costs involved in helping parts of the public service workforce recover from what has been a traumatic experience.

27 Wales Fiscal Analysis, The NHS and the Welsh Budget: Outlook and challenges for the next Welsh Government, April 2021

28 Education Policy Institute, Analysis Paper: Preliminary Research Findings on Education Recovery, April 2021

29 For example, evidence from a British Medical Association survey, which is based on a self-selecting sample, suggests more than a doubling of doctors considering early retirement and many considering reduced hours or a career break. British Medical Association, COVID-19 tracker survey snapshot, April 2021.

3.11   Cost pressures also arise from changes in the population. Currently, Wales' population is expected to increase by around 117,000 by 2043 (**Exhibit 12**). We do not know yet if changes such as increased remote working will be long lasting and potentially affect population trends. For public services, the bigger challenge will be from the change in the age profile because of birth-rates and migration within the UK and beyond. The proportion and number of children and young people is now expected to fall while the number of older people (60-79) and very old people (80 and over) increases. By 2043, it is estimated that 9.1% of the population will be aged 80 and over, compared to 5.4% in 2018. The overall number aged 80 and over is expected to increase by around 126,000 (74%).

Exhibit 12: population projections – change in age groups from 2018 to 2028 and 2043
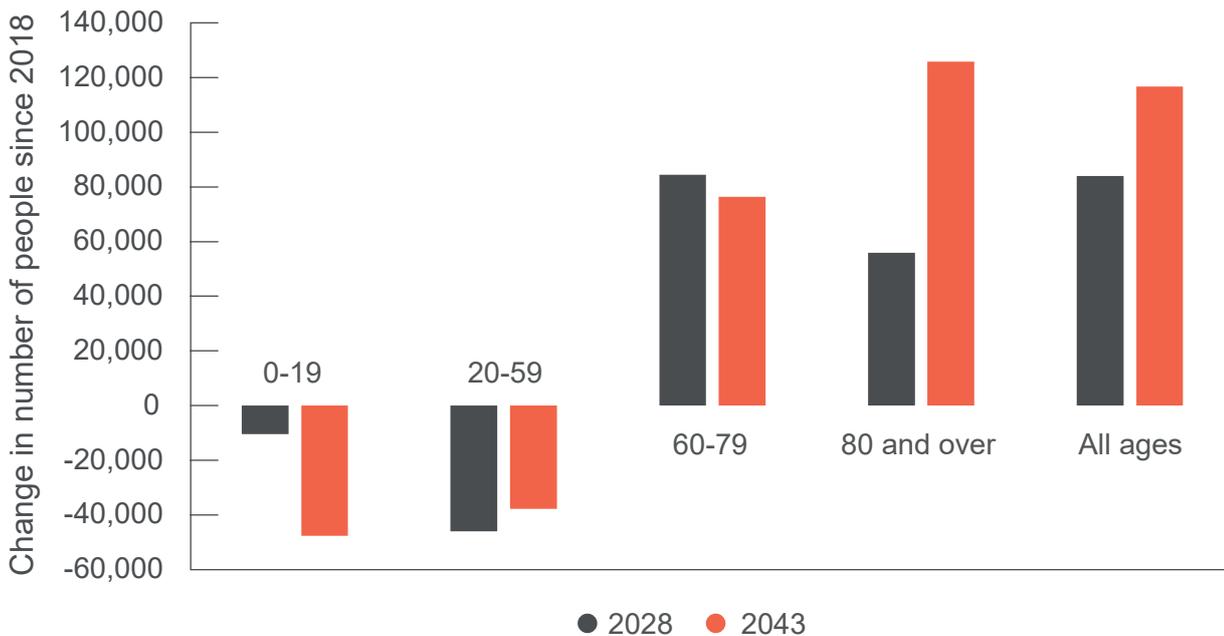
Source: Office for National Statistics, Principal projection – Wales population in age groups, October 2019

3.12   The aging population is likely to increase demands for health and social care. While fewer children and young people may lead to less demand for some services; there are less obvious cost pressures. For example, in education, the cost of schooling per pupil tends to increase as the number children and young people falls because of the higher costs per head associated with providing small schools.

3.13 Given a likely tight funding settlement and ongoing cost pressures, the Welsh Government faces some difficult immediate choices on funding priorities. Wales Fiscal Analysis reports looking at the NHS (**paragraph 3.8**) and local government[30] suggest that the funding set to come to the government to 2025-26 seems unlikely to cover all the cost and demand pressures faced by these two large sectors. There are also demand and cost pressures in other areas of public service. The Welsh Government and other public services therefore face continued difficult choices about prioritisation.

Other factors including the climate emergency and the push for greater equality will affect public services in the short and long term

Public services face the challenge of achieving a just and fair transition to net zero

3.14 Since our last Picture of Public Services report, the Welsh Government and the majority of local authorities have declared a climate emergency. In March 2019, the Welsh Government's low carbon action plan[31] drew together 100 ongoing and planned actions across government. In March 2021, the Senedd approved a net zero target by 2050 with an ambition to achieve the target earlier[32]. It also approved interim targets for 2030 and 2040 and carbon budgets.

3.15 The Independent Climate Change Committee's 2020 report[33] highlighted the scale of the challenge ahead for the Welsh Government and, by extension, other public bodies. The report showed that, in 2019, Wales' emissions have fallen 31% since 1990. This is less than the fall in the UK as a whole (41%). Achieving the Welsh Government's target of a 63% cut in emissions compared with 1990 by 2030 will require the same fall in the next nine years as has been achieved in the last 30 years.

30 Wales Fiscal Analysis, Local Government and the Welsh Budget: Outlook and challenges for the next Welsh Government, April 2021

31 Welsh Government, Prosperity for All: A Low-Carbon Wales, March 2019. Work to update and revise the plan is currently underway.

32 Under the 2008 Climate Change Act, Wales is required to contribute to the UK 2050 net zero target and the UK's carbon budgets. The Act committed the UK to an 80% reduction in carbon emissions relative to the levels in 1990, to be achieved by 2050. In June 2019, secondary legislation was passed that extended that target to 'at least 100%'. In April 2021, the UK government announced its intention to legislate for a target to reduce emissions by 78% by 2035.

33 The Independent Climate Change Committee is a statutory body established under the Climate Change Act 2008. Its remit covers the UK. It advises the Welsh Government on its targets and strategy. It reports progress against targets annually to the UK and Parliaments of the devolved nations. Climate Change Committee, Progress Report: Reducing emissions in Wales, December 2020.

3.16 As the Committee's report states, achieving net zero will require an integrated approach that puts climate mitigation and adaptation at the heart of public services in every sector. Some public bodies have produced plans for achieving net-zero by 2030. The Welsh Government is producing guidance for public bodies including a Public Sector Route Map to Net Zero and a common methodology for reporting emissions. We will be undertaking an ongoing programme of audit commentary on public sector action to address climate change. This will include a baseline review of action across the public sector during 2021-22.

3.17 Achieving these goals is also dependent on close working and coordination with the UK government: within the Committee's recommended pathway, around 60% of all the abatement in Wales in 2050 is in areas where key policies are mostly reserved to the UK government. Emissions in Wales fell by 20% in just two years (2016-2018) when the last coal-fired power station closed. However, this kind of major energy policy change is reserved to the UK government[34]. The report concluded that public bodies need to make progress in devolved areas such as agriculture, land-use, forestry, buildings and surface transport.

3.18 The most vulnerable are more likely to be directly affected by climate change. However, as both our 2019 report on fuel poverty[35] and the Decarbonisation of Homes in Wales Advisory Group[36] found, there are some difficult trade-offs between social justice and carbon reduction goals. In our 2020 report on the Well-being of Future Generations Act, we drew attention to the challenge facing the Welsh Government and other public bodies to ensure a fair transition to a low carbon economy and protecting the most disadvantaged from the effects of climate change and biodiversity loss.

34 Large scale energy generation policy (over 350 megawatts) is reserved to the UK government.

35 Auditor General for Wales, Fuel Poverty, October 2019

36 Decarbonising Homes in Wales Advisory Group, Better Homes, Better Wales, Better World: Decarbonising existing homes in Wales, July 2019

Reducing inequality will require long-term action and investment

3.19   In 2018, the Equality and Human Rights Commission highlighted ways in which equality had improved in Wales, including a falling number of young people not in education, employment or training, increased employment and improved mental health services[37]. It also documented more evident divisions in society and rising poverty particularly affecting disabled people, and some ethnic minority groups, in Wales compared to others. It called for a 'spotlight on race inequality' in Wales.

3.20   The COVID-19 pandemic has highlighted and deepened these existing inequalities. Young people, women and Bangladeshi workers are more likely to work in sectors shut-down. Disabled people have had the highest death rates from COVID and many experienced prolonged isolation. Progress towards equality in some areas has been reversed: for example, the gap in attainment of the highest grades between pupils eligible for free school meals and others and between those with additional learning needs and others has been stable or reducing in recent years but generally widened in 2019/20 at GCSE, AS and A level.

3.21   Black, Asian and Minority Ethnic people have been particularly affected by the pandemic with higher death rates. As concern increased, the First Minister commissioned work to look at the impact of the pandemic on Black, Asian and Minority Ethnic people. Professor Emmanuel Ogbonna's report[38] made 37 recommendations to tackle race inequality, focusing on the impact of long-standing racism and disadvantage and a lack of representation. The 'Black Lives Matter' movement has increased pressure for action. The Welsh Government has recently committed in its Programme for Government to funding and implementing the commitments in its draft race equality plan[39].

3.22   The Welsh Government commenced the 'Socio-economic Duty' in March 2021 requiring relevant public bodies to give due regard to the need to reduce inequalities that exist as a result of socio-economic disadvantage when taking strategic decisions. The Duty sits alongside other requirements in the Equality Act 2010 and the Well-being of Future Generations (Wales) Act 2015 to consider the impact of their decision-making on equality and community cohesion.

37 Equality and Human Rights Commission, Is Wales Fairer?, October 2018

38 Welsh Government, First Minister's BAME COVID-19 advisory group report of the socioeconomic subgroup, June 2020

39 Welsh Government, An Anti-Racist Wales: The Race Equality Action Plan for Wales, March 2021

3.23 At the start of the pandemic, the speed of decision-making meant that the Welsh Government did not conduct some equality impact assessments on key decisions[40]. Others were not published for scrutiny. In some cases, these omissions have been rectified but, as a first step to addressing the unequal impact of the pandemic, public bodies will need to collect better, disaggregated data to understand the impact of previous as well as future decisions on disadvantaged people and communities.

A new post-Brexit constitutional relationship poses a range of challenges as well as opportunities

3.24 Since 1999, the Welsh Government has taken on more powers, including over taxation, for the first time in over 800 years, in 2016. Following Brexit, the Welsh Government has taken on over 4,000 new functions from the EU while the UK government has taken on powers in areas such as immigration and border control. In the coming years, negotiations over the boundaries of these responsibilities will affect the Welsh Government and public bodies.

3.25 In the past, Wales benefitted from substantial EU funding – around £375 million per year during the 2014-2020 structural and investment funding period. The Conservative Party's 2019 UK government manifesto said that future funding would at least match the size of EU funds for each nation. This could lead to parts of Wales receiving more than comparable areas in England[41].

3.26 At present, the Welsh Government manages EU funds within parameters set by the EU. In October 2020, the House of Commons Welsh Affairs Committee acknowledged that the Shared Prosperity Fund – which replaces EU funding – could be an opportunity to develop a funding system that better reflects Wales' needs than previous EU funding streams. However, the Welsh Government's role in decision-making was unclear at the time[42].

3.27 Since the Committee reported, the UK government has announced that the Shared Prosperity Fund will be managed by the UK Treasury using powers under the Internal Market Act 2020 to spend directly on devolved areas of policy. The UK government is using the same powers for the Levelling Up Fund. It invited bids for the first round from local councils and other public bodies in January 2021: at least 5% of the fund is set aside for Wales.

40 Welsh Parliament, Equality, Local Government and Communities Committee, Into sharp relief: inequality and the pandemic, August 2020

41 Alex Davenport Samuel North David Phillips – Institute for Fiscal Studies, Sharing prosperity? Options and issues for the UK Shared Prosperity Fund, July 2020

42 House of Commons Welsh Affairs Committee, Wales and the Shared Prosperity Fund: Priorities for the replacement of EU structural funding, 20 October 2020

3.28 There is already a complex crowded partnership landscape in Wales (**paragraph 3.33**). Getting value for money from this new way of working, in which UK government works directly with Welsh public bodies, will need care to align with existing local provision and Welsh Government policies. The UK government said it will seek advice from the devolved governments in shortlisting bids for the Levelling Up Fund. The role of devolved governments in the Shared Prosperity Fund's governance is not yet clear.

The recovery from COVID-19 provides an opportunity to learn lessons and progress long-standing ambitions for transforming public services

3.29 The Welsh Government has long-standing ambitions to transform the way public services provide services to the people of Wales. As set out in various strategies and legislation, notably the Well-being of Future Generations (Wales) Act 2015, public services should be citizen-centred, using the principles of co-production to involve service users and communities in the design and delivery of services. They should be collaborative and seek to prevent problems before they escalate. As part of this, public services should be shifting their focus from outputs and activity – how much are they doing and how quickly – to outcomes and the things that matter to communities and individuals.

3.30 Our work suggests public services are moving towards these new ways of working but that there are some long-standing barriers still to overcome. Below are some of the key aspects of service transformation we will be focusing our attention on in the coming years.

Systems and culture to support new approaches to service delivery

3.31 Changing the way public services operate involves changing some of the thinking, management processes and governance arrangements that underpin the status quo. Underlying systems of governance and accountability can help or hinder progress towards new ways of working. They incentivise behaviours by setting out what people and organisations will be held to account for. In the past, governance and accountability have often been focussed on targets for delivery of timely outputs and activity. Different arrangements will be required to encourage a stronger focus on outcomes and wellbeing and to encourage greater experimentation with new approaches.

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3.32 In response to the pandemic, many performance management and accountability arrangements have been suspended or modified. There is an opportunity to learn lessons from what happened when these arrangements were relaxed. In future, we will expect to see greater thought being given to how the approach taken to governance and accountability will support the ambitions for service delivery, including the sorts of behaviours and relationships these arrangements incentivise.

Purposeful collaboration

3.33 Collaboration between public services is essential to delivering resilient services that improve the wellbeing of the people of Wales. We have on several occasions raised concerns that the partnership landscape is overly complex and incoherent, with varying geographical coverage, and unclear and overlapping remits. Servicing partnerships occupies a significant amount of the time and energy of senior public servants. Similar concerns have also been expressed by the Future Generations Commissioner[43] and the Public Accounts Committee[44].

3.34 One of the key lessons from the pandemic has been how collaboration has involved getting the right people together working across organisational and professional boundaries towards a common purpose. With a sense of urgency and strong, common goals, public services have demonstrated how pragmatic and flexible partnership arrangements can work to great effect.

3.35 Looking ahead, we will be expecting public services to demonstrate that their partnership working and collaboration are purposeful and leading to tangible benefits for the significant investment of time and effort involved.

Long-term financial and service planning that supports a rigorous and realistic approach to prevention

3.36 Delivering the ambitions of the Well-being of Future Generations Act requires a shift in focus and resources from short-term needs to prevention. There is an inherent tension between the desire for long-term prevention programmes and short and medium-term financial planning cycles. It can be difficult to shift resources needed to manage short-term problems in the anticipation of uncertain benefits at some distant point in the future. This is particularly the case where there are immediate pressures such as gaps between demand and supply with people experiencing delays to services and harm as a result.

43 Future Generations Commissioner for Wales, Future Generations Report 2020, May 2020
44 Public Accounts Committee, Delivering for Future Generations: the story so far, March 2021

3.37 Our report on the findings from our sustainable development examinations (**paragraph 3.2**) highlighted that short-term budget setting remained a barrier to progress. We will be looking for all public services to demonstrate progress towards longer-term financial planning. However, there is a particular responsibility on the Welsh Government to provide longer-term clarity about its priorities and plans for funding.

Harnessing digital technology to make services more accessible

3.38 Our work has highlighted the potential benefits but slow roll out of digital services in the NHS and social care[45]. However, the response to the pandemic has shown that public services can move swiftly to roll out and adopt new digital technology. From the outset, the public sector has used digital technology in new ways, including supporting staff working from home; online teaching for pupils and students; online committee and board meetings; digital needs assessments and virtual clinics and consultations (including telephone consultations).

3.39 The Welsh Government's vision for 'digital change' across Wales includes designing services around user needs to deliver simple, secure and convenient services[46]. We will be expecting public services to demonstrate that they are pursuing opportunities to make services more effective and efficient by using new technologies, where it makes sense to do so. In particular, we will expect public services to be able to demonstrate that digital services are accessible, of a high quality and meet the needs and expectations of users in line with aspirations for holistic citizen-centred services. We will also expect public bodies to learn lessons from the use of digital services introduced during the pandemic, including lessons around their effectiveness and user experiences.

Using data and information to learn and improve across the whole public service system

3.40 Before the pandemic, public services had been grappling with how best to use data to understand how well they were doing. In particular, public services were trying to focus more on measuring outcomes and the wellbeing of the population. Measuring outcomes is hard in and of itself. Understanding what has caused those outcomes when there has been a complex mix of interventions from different bodies in different environments is even harder.

45 Auditor General for Wales: Informatics systems in NHS Wales, January 2018; Welsh Community Care Information System, October 2021

46 Welsh Government, Digital Strategy for Wales, March 2021

3.41 In our 2018 report on local government's use of data[47], we highlighted the challenge of local government sharing information with partners. With collaboration key to delivering better services and better outcomes, public bodies need to get better at sharing information with partners.

3.42 In the coming years, we will expect public bodies to strengthen their ability to understand and demonstrate how they are using their resources to impact on individual and population wellbeing. In particular, we will be looking for them to do more to understand how whole systems are working to achieve outcomes, including the role of the Welsh Government and other funders in setting the rules, and how services can collectively work better for service users and communities.

47 Auditor General for Wales, The maturity of local government in use of data, December 2018

Appendices

1 Audit approach and methods

1   Audit approach and methods

1   The report is based on a synthesis of our published work as well as research by other organisations. Our work includes:

- the annual audit of accounts of the main devolved public bodies in Wales;

- local work looking at governance, management and delivery of services by NHS bodies and local government bodies;

- national reviews, looking at specific services and programmes as well as efforts to improve the wellbeing of particular groups of the population;

- reviews of public bodies' application of the sustainable development principle in line with the requirements of the Well-being of Future Generations (Wales) Act 2015; and

- data tools, which pull together information on particular sectors or areas of interest.

2   Underpinning this report is a series of sector-specific summaries, setting out some key facts and analysis, which we will publish during September and October 2021. We have not done a separate summary for the Welsh Government, as much of the analysis and key issues are covered in this report. We have also not sought to summarise the position across the many Welsh Government sponsored bodies and subsidiary companies. Where relevant, we refer in this report to some of the common issues and pressures they face.

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3   Below are some of the key sources of data presented in this report.

- **Welsh Government funding:** for data to 2015-16, we have used the figures we used in our 2015 Picture of Public Services Report. The basis of data for 2015-16 to 2019-20 is the annual HM Treasury Public Expenditure Statistical Analyses dataset to which we have added data on revenues raised (or expected) from devolved taxation.

- **Health revenue:** This data is set out in our NHS Wales Finances Data Tool. It is based on the Welsh Government's final supplementary budget in each year and covers all health-related revenue budget lines from within the Department of Health and Social Services.

- **'Core' local government funding:** this comes from the Local Government Revenue Settlement dataset on StatsWales.

- **Local government spending on services:** this comes from the Local Government Outturn dataset on StatsWales and is based on 'gross revenue' expenditure on services.

- **Comparative UK spending analysis:** this primarily comes from the data that underpins our Public Spending data tool. We have carried out some further analysis using the underlying HM Treasury Country and Regional Analysis dataset, for example to look at social care expenditure.

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A Picture of Healthcare

Report of the Auditor
General for Wales

October 2021

This report has been prepared for presentation to the Senedd
under the Government of Wales Act 1998

The Auditor General is independent of the Senedd and government. He examines and certifies
the accounts of the Welsh Government and its sponsored and related public bodies, including
NHS bodies. He also has the power to report to the Senedd on the economy, efficiency and
effectiveness with which those organisations have used, and may improve the use of, their
resources in discharging their functions.

The Auditor General also audits local government bodies in Wales, conducts local government
value for money studies and inspects for compliance with the requirements of the Local
Government (Wales) Measure 2009.

The Auditor General undertakes his work using staff and other resources provided by the Wales
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lead to a delay.

Mae'r ddogfen hon hefyd ar gael yn Gymraeg.

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Contents

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◀ **About this report**

This report is part of a series of Picture of Public Services 2021 outputs. Our main Picture of Public Services 2021 report summarises some of the key trends in public finances and sets out our perspective on some of the key issues for future service delivery.

This report: A picture of healthcare summarises key information about healthcare in Wales including the strategic operating context, funding, performance and capacity. Healthcare is a hugely complex sector with specific issues affecting different parts of the system. This report is not intended to be comprehensive. It sets out what we consider to be some of the key issues for healthcare, recognising that other review bodies and commentators will have their own perspective on the key issues.

The report is based on a synthesis of our published work as well as research by other organisations.

Exhibit 1: Picture of Public Services outputs

A picture of healthcare	A picture of social care	A picture of schools

A Picture of Public Services 2021

A picture of higher and further education	A picture of local government
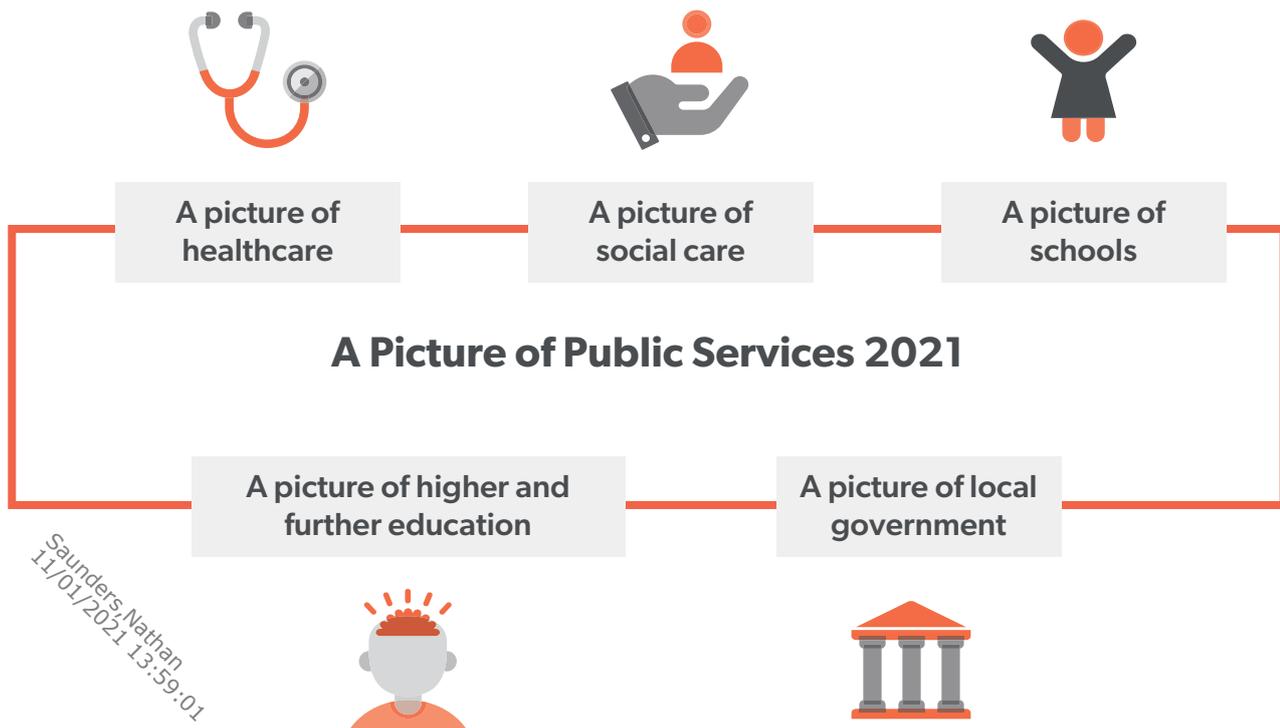
◀ **Main report**

Healthcare context

Delivering healthcare in challenging times

1   The COVID-19 pandemic has presented enormous challenges to public services and the people who deliver them. Some services were delivered differently, and others were paused. Staff had to adapt to new ways of working and many were redeployed to support the COVID-19 response. All of us at Audit Wales pay tribute to the dedication and extraordinary efforts of public servants during this difficult period.

2   At the time this report was written, the direct impacts of COVID-19 were still being felt. COVID-19 patients were still being admitted to hospitals and health bodies were trying to restart and recover their services. Work to understand the indirect impacts of COVID-19 had begun, but it was too early to gauge the scale and extent of these impacts.

3   The challenge of recovering services and addressing the indirect impact of COVID-19 will likely continue for years into the future. The problem is compounded by the fact that some healthcare services were already stretched before the pandemic. More immediately, health bodies continue to respond to the direct impact of COVID-19, operating within infection prevention control measures which limit physical capacity.

4   Despite the significant challenges ahead, there are opportunities to rebuild and deliver services differently, putting people at the centre of services, and learning from the collective response to COVID-19.

Structures and responsibilities

5   The Welsh Government sets the overall policy and strategic direction for NHS Wales. Healthcare services are delivered through seven local health boards, three NHS trusts[1] and two special health authorities[2]. Health boards are responsible for the health and well-being of their local population which includes primary, community and secondary care services. The trusts are responsible for the ambulance service, public health, blood and non-surgical cancer services for parts of Wales.

6   In Wales, health boards are both providers and commissioners of services. They have contracts with dental and GP practices, optometry providers and pharmacies to deliver local services. Health bodies and the Welsh Government have worked together to establish collaborative commissioning arrangements, including via the Emergency Ambulance Services Committee, Welsh Health Specialised Services Committee and NHS Wales Shared Services Partnership. The Welsh Government's website explains the responsibilities of each organisation including other bodies that make up NHS Wales.

1   Public Health Wales, Velindre University, and Welsh Ambulance Service NHS Trusts.

2   Digital Health and Care Wales, and Health and Education Improvement Wales.

Healthcare strategy

Overall approach

7   The Welsh Government's strategic approach has evolved to focus on
        joining up health and social care and the vision of prudent healthcare. For
        the Welsh Government, prudent healthcare[3] is about patients co-producing
        services with professionals based on what matters to them; prioritising
        people with the greatest health need first; avoiding unnecessary medical
        procedures; and reducing inappropriate variation by using evidence-based
        practices consistently.

8   The Welsh Government built on the prudent healthcare principles in its
        ten-year plan for health and social care: A Healthier Wales (2018). The
        plan aimed to create a 'whole system' approach to health and social care
        based on shared values and shift that system towards preventing illness,
        and promoting health and well-being. It intended digital technology to
        support transformation including sharing information between health
        and social care via the Welsh Community Care Information System. A
        Healthier Wales recognised the need to transform services by scaling
        up local innovation at pace. The Welsh Government set up a national
        Transformation Programme responsible for delivering the commitments in
        the plan.

9   Following the election, the Welsh Government published its new
        programme for government[4] in June 2021. It included a specific well-being
        objective to create effective, high quality and sustainable healthcare.
        The programme for government provides more detail on how the Welsh
        Government intends to achieve its ambition including providing treatments
        which were delayed by the pandemic, improving patients' access to
        health professionals, and prioritising investment in mental health. Among
        other things, it also intends to reform primary care by bringing together
        GP services with pharmacy, therapy, housing, social care, mental health,
        community and the third sector.

3   The Welsh Government issued guidance on using prudent healthcare to improve services to
    health bodies in 2016.

4   Welsh Government, Programme for Government 2021 to 2026, June 2021

NHS planning requirements

10   The NHS Finance (Wales) Act 2014 requires health bodies in Wales to
      break even over a rolling three-year period. Health bodies must also have
      a three-year Integrated Medium Term Plan (IMTP) setting out how they will
      deliver services with the funding available.

11   The NHS Planning Framework sets out the Welsh Government's
      requirements and guidance for health bodies. The Welsh Government
      published a National IMTP for 2019-22 which brings together health
      bodies' IMTPs and explains how they are responding to national priorities.
      The Welsh Government sets out targets for health bodies in its NHS
      Delivery Framework and issues guidance for reporting against the
      Framework.

12   The Well-being of Future Generations (Wales) Act 2015 places a well-
      being duty on health boards and two of the three NHS trusts to set and
      publish well-being objectives. The duty requires the relevant bodies to
      carry out sustainable development by considering five ways of working:
      long-term; prevention; integration; collaboration, and involvement.

13   The Act established statutory Public Services Boards, of which local health
      boards are a member. NHS trusts are not statutory members of the Boards
      but work with them and other partners to plan and deliver services. Public
      Services Boards must undertake a local well-being assessment every
      five years, using local and national data to understand local need. The
      assessment informs a local well-being plan setting out the Public Services
      Boards' well-being objectives and the steps it will take to meet them.

14   The Social Services and Well-being (Wales) Act 2014 also requires health
      boards to work with councils in Regional Partnership Boards to assess
      the care and support needs in their area and identify what services are
      needed.

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COVID-19 and beyond

15   In March 2020, the Welsh Government worked with NHS Wales to prepare
      for COVID-19. It relaxed targets and monitoring arrangements, provided
      emergency funding, and agreed with health bodies essential services to be
      maintained, and non-urgent activity to be paused[5]. The Welsh Government
      also told health bodies to work on a quarterly, six monthly, and then annual
      plans rather than three-year planning cycle. It also paused the requirement
      for health bodies to have a three-year IMTP. Since summer 2020, health
      bodies have been re-starting non-urgent activity where possible. Some
      stopped non-urgent activity again in the autumn of 2020 as infection rates
      rose.

16   Since 2020, the Welsh Government has worked with health boards,
      principal councils[6], Public Health Wales and other partners to provide
      Test, Trace, Protect[7] services. More recently, it has worked with Digital
      Health and Care Wales, health boards, Public Health Wales, NHS Shared
      Services, the Welsh Blood Service and other public and voluntary sector
      partners to deliver the COVID-19 vaccination programme[8].

17   In 2021, the Welsh Government expects NHS Wales to address the
      direct and indirect harms associated with COVID-19. Its Annual Planning
      Framework 2021-22[9] instructs health bodies to deliver services to prevent
      the 'four harms' (**Exhibit 2**). The Framework requires health bodies to
      balance their COVID-19 response with recovery planning.

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5   Based on guidance in the World Health Organisation Essential Services Framework.

6   Principal councils are local government authorities in Wales which carry out statutory duties
    in their area. The term does not include town or community councils. All references to
    councils in this report refer to principal councils.

7   Auditor General for Wales, Test, Trace, Protect in Wales: An Overview of Progress to Date,
    March 2021

8   Auditor General for Wales, Rollout of the COVID-19 Vaccination Programme in Wales, June
    2021

9   The Welsh Government's quarterly planning guidance for quarters 2, 3 and 4 for 2020-21
    also required health bodies to set out how they would prevent the four harms.

Exhibit 2: the four harms

Harm from COVID-19 itself	**Harm from an overwhelmed health and social care system**
Harm from reduced non-COVID activity	**Harm from wider societal actions / lockdowns**

Source: NHS Wales Annual Planning Framework

18   The Welsh Government published an over-arching vision[10] for recovering health and social care in March 2021. The document sets out the Welsh Government's priorities for health and social care as it looks towards recovery including:

- continued delivery of Test, Trace, Protect and the vaccination programme;

- addressing the impact of COVID-19 on the health and social care workforce and wider population;

- developing responsive primary and community care;

- developing supportive mental health services;

- delivering efficient and effective hospital services;

- developing a resilient workforce; and

- delivering a digital transformation programme in 2021.

19   The visioning document for health and social care includes specific priorities for planned care, cancer care, diagnostics, and social care. It also identifies opportunities to deliver services differently, particularly building on stronger use of technology and collaboration to respond to COVID-19. In May 2021, the Welsh Government committed to spend £1 billion to support its recovery plan. The Welsh Government has allocated £100 million of initial funding to fund immediate actions in its plan. Health boards have submitted plans to the Welsh Government setting out how they intend to use their share of the initial funding.

10 The Welsh Government, Health and Social Care in Wales – COVID-19: Looking Forward, March 2021

20   In March 2021, the Welsh Government published its National Clinical Framework. The Framework sets out planning and delivery arrangements for clinical services but also provides more detail on the Welsh Government's plans to set up an NHS Executive. It describes the future NHS Executive as a 'central guiding hand' over clinical services. In time, the Executive will incorporate existing national networks, programmes and support units.

Healthcare finances

21   The Welsh Government sets the budget for health bodies in Wales. Our Guide to Welsh Public Finances[11] explains how the Welsh Government allocates funding and key issues for public bodies in setting their budgets.

22   The Welsh Government's budget for the day to day running of NHS services rose to almost £8 billion in 2019-20 – a real terms[12] increase of 16% since 2010-11 (**Exhibit 3**). In 2020-21, the health revenue budget increased by around £1.6 billion (a 13% increase in real terms), mostly due to extra funding to support the response to COVID-19. In early September, the UK Government announced additional funding for health and social care, which is expected to result in around £700 million extra annual funding for Wales by 2024-25, comprising UK-wide spending as well as funding through the Barnett formula.

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11   Auditor General for Wales, Guide to Welsh Public Finances, July 2018

12   Real terms figures are adjusted to take account of inflation.

Exhibit 3: health revenue funding in real terms 2010-11 to 2019-20 (2019-20 prices)
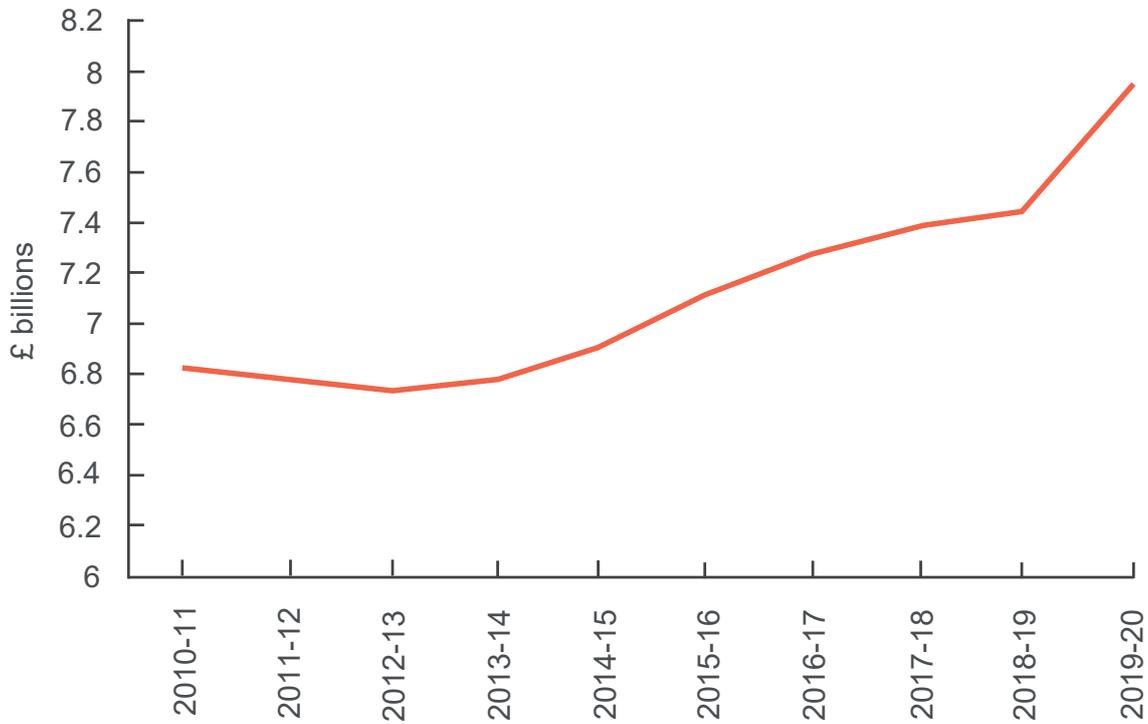
Source: Audit Wales NHS Finances Data Tool

23   In 2019-20, almost three quarters of health revenue spending went on hospital, community and special health services (**Exhibit 4**).

Exhibit 4: health revenue spending by category 2019-20
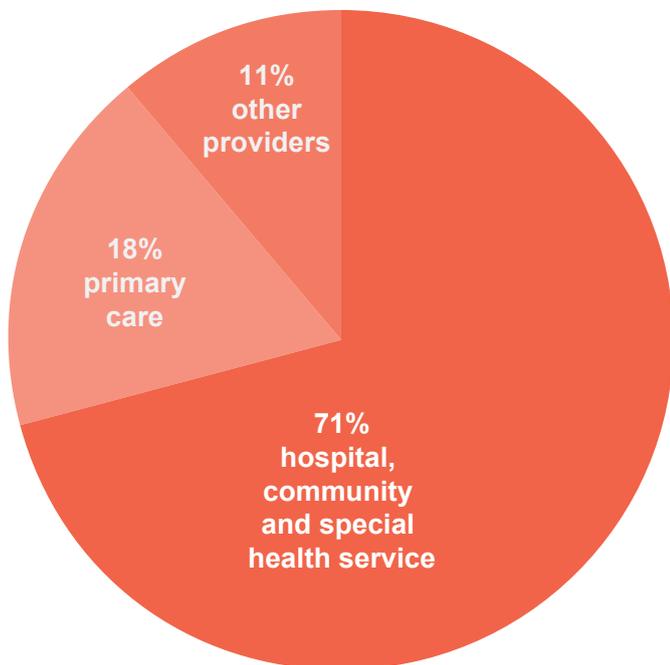
Note: Hospital, Community and Special Health Services relates to spending on healthcare services that are provided in hospital, and a wide range of community services such as district nursing. Primary Care relates to spending on services provided by dentists, GPs, optometrists, pharmacists and other health professionals. Healthcare from other providers relates to spending on healthcare services provided by other organisations, not NHS Wales.

Source: NHS (Wales) Summarised Accounts Local Health Boards, NHS Trusts and Special Health Authority in Wales 2019-20

24 Despite increasing budgets, some health bodies have consistently failed to meet their financial duty to break even. Prior to the pandemic some were carrying large deficits. Our interactive data tool includes detailed information on NHS finances including spending on COVID-19. In July 2020, the Minister for Health and Social Services announced that to support COVID-19 recovery, the Welsh Government would write off £470 million of debt some health boards had amassed after failing to operate within their budgets.

25 Independent reviews in 2014 and 2016[13] showed that the NHS faces cost pressures of around 3 to 4% each year on top of inflation. Between 2010-11 and 2019-20, funding for the NHS increased by an average of 1.7% a year, in real terms. These demand and cost pressures are part of the story that explains why, despite increased funding, the NHS has had to improve productivity and deliver cost savings each year and some health boards have struggled to live within their means.

13 Nuffield Trust, A decade of Austerity in Wales? The funding pressures facing the NHS in Wales to 2025/26, June 2014; and Health Foundation, The path to sustainability: funding projections for the NHS in Wales to 2019/20 and 2030/31, October 2016

Healthcare: demand and capacity

Demand for some health services has steadily increased

26   Welsh Government data shows that in the years before the pandemic, demand for key NHS services has been steadily increasing. Before the pandemic, the number of people attending emergency departments was increasing (**Exhibit 5**), and more people were being referred for a first outpatient appointment (**Exhibit 6**). As well as rising numbers, the NHS had also been seeing a shift in the age of patients, with the proportion of older people attending emergency departments steadily rising. COVID-19 had a dramatic impact on many parts of NHS Wales in March 2020, but activity has started to increase since then.

Exhibit 5: average annual emergency department attendances 2010/11 to 2020/21
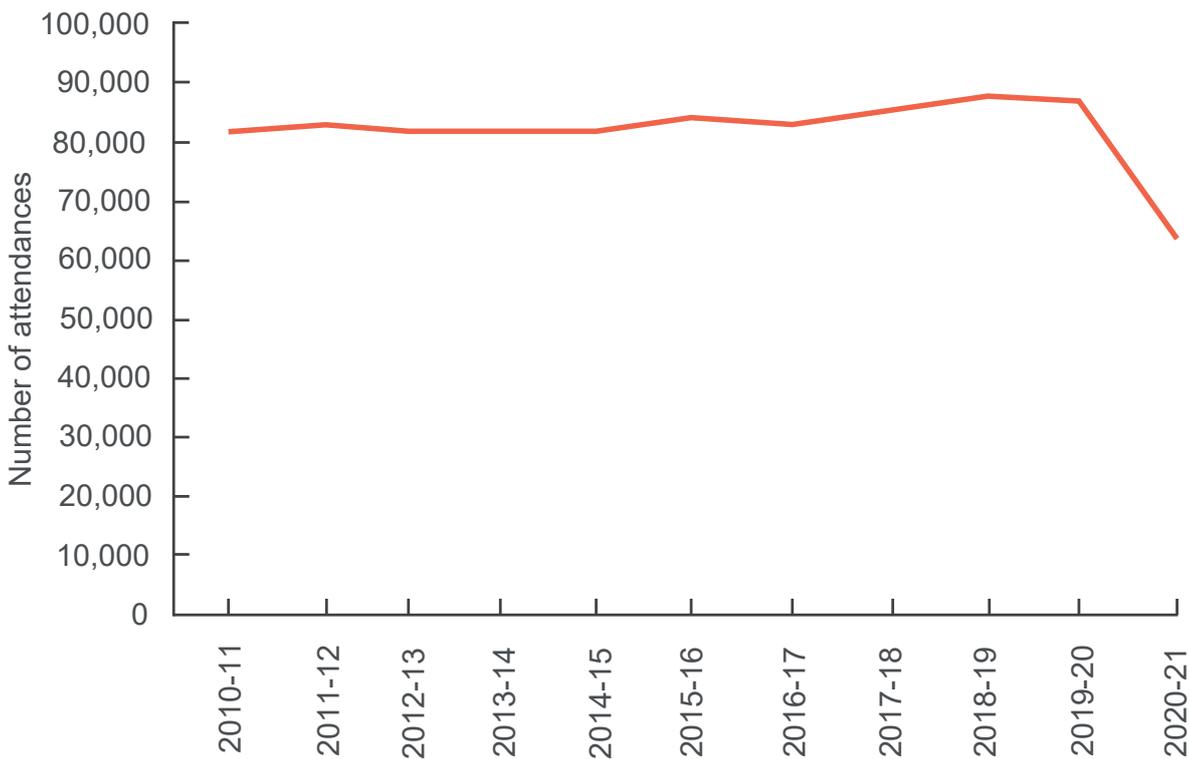
Source: Audit Wales analysis of StatsWales: Accident and Emergency – Performance Against 4 Hour Waiting Times target

Exhibit 6: first outpatient referrals April 2012 to April 2021
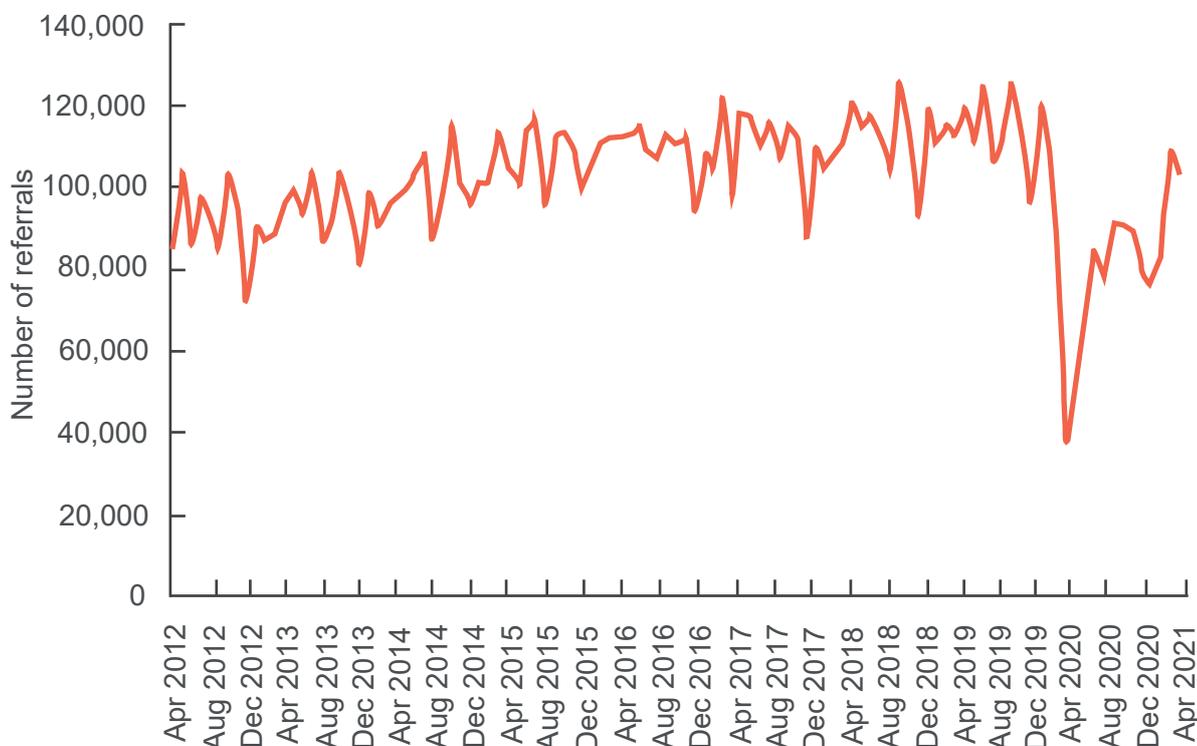
Source: StatsWales: Referrals by Local Health Board (area of residence)

27   Despite increased demand for planned care, the number of patient
      pathways closed[14] each month started to fall in 2019 (**Exhibit 7**). In
      particular, rules[15] on pension tax introduced by the UK government in
      2019-20 had an impact on planned care in the months leading to the
      pandemic. In the past, the NHS relied on paying clinicians a premium rate
      to carry out work in their own time to improve waiting times. However,
      the new rules deterred many from taking on extra work because of the
      potential large tax bill it could incur.

14 A pathway is closed when a patient is admitted for their first definitive treatment, or a
   decision not to treat is made. Pathways are sometimes closed for other reasons such as if
   patients do not attend appointments.

15 In December 2019, the Welsh Government mirrored a temporary solution to the issue,
   implemented in England, whereby the NHS would pay for the tax liabilities. The Welsh
   Government's concerns are set out in a letter from the First Minister to the Permanent
   Secretary, directing her to implement the same approach as England.

Exhibit 7: patient pathways closed[16] during the months September 2011 to April 2021
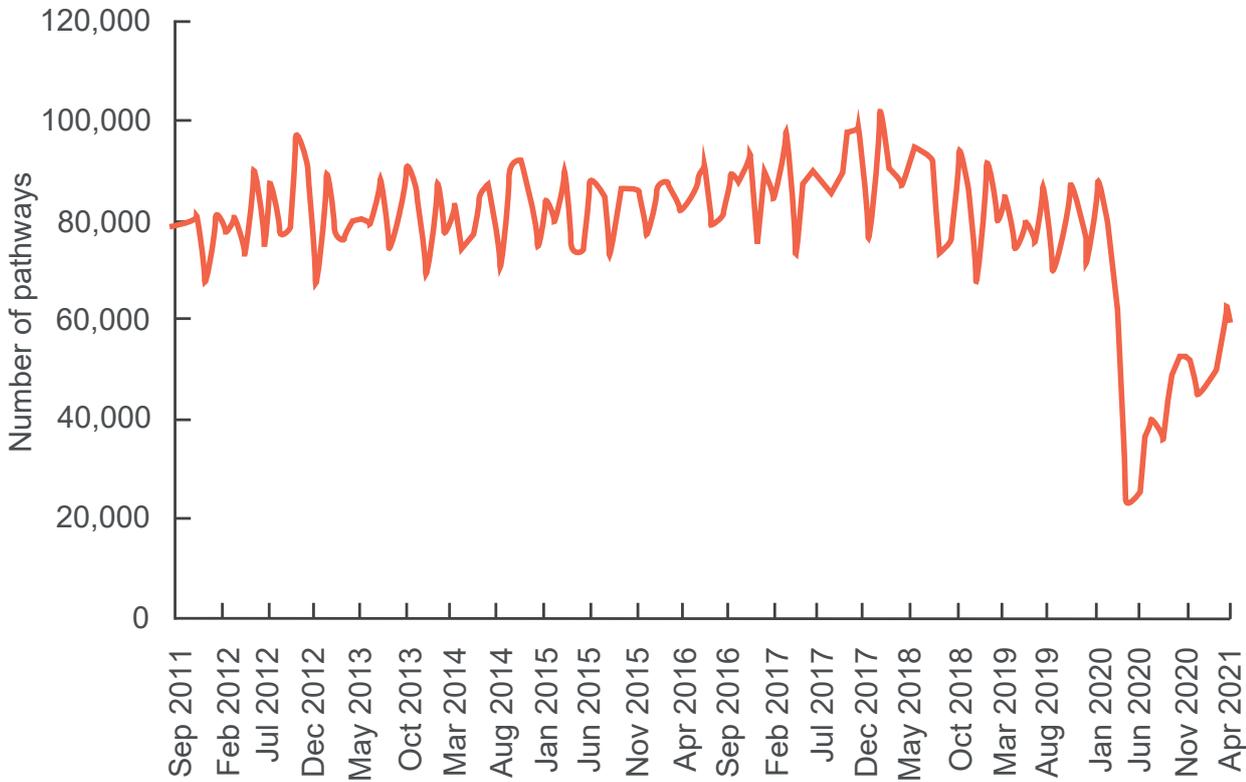
Source: StatsWales: Referral to Treatment – Closed Patient Pathways by Month

The number of NHS beds in Wales has been falling steadily for decades

28   COVID-19 put tremendous pressure on NHS services, but in many ways exacerbated problems that were already there. The number of daily available NHS beds in Wales almost halved from 1989-90 to 2018-19 (**Exhibit 8**). During this period, data on the length of time patients stayed in hospital suggests that NHS Wales made more efficient use of its beds which may account for some of the reduction in bed numbers. The Welsh Government stopped publishing bed numbers in 2019 but resumed during the pandemic. **Exhibit 9** shows bed numbers from April 2020 including temporary beds in field hospitals and other facilities. Bed data from 2020 onwards cannot be directly compared with previous years due to changes in the way health boards report bed numbers.

16 Patients with more than one condition can have more than one pathway.

Exhibit 8: daily available NHS beds 1989-90 to 2018-19
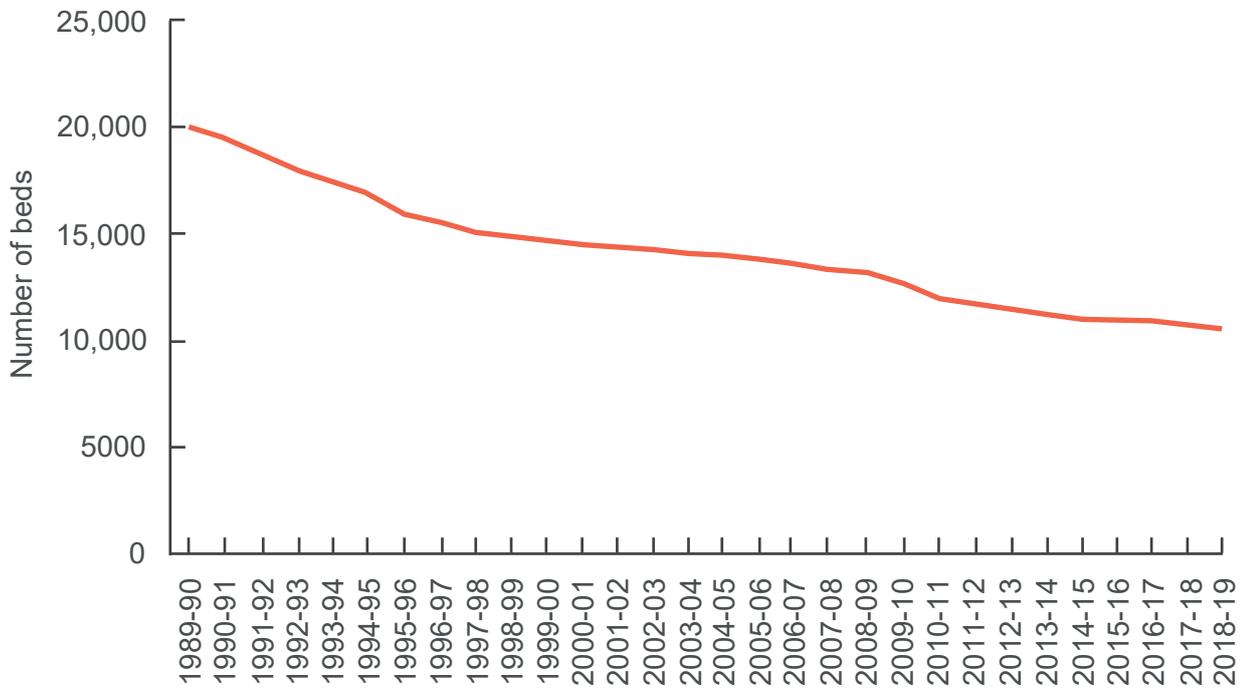
Source: StatsWales: NHS Beds Summary Data by Year

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Exhibit 9: daily available NHS beds from 1 April 2020 to 25 June 2021

Note: StatsWales bed numbers include field hospitals from 20 April 2020 onwards, community hospitals from 23 April 2020 onwards, and mental health units from 10 July 2020 onwards.

Source: StatsWales: NHS Activity and Capacity During the Coronavirus – NHS Beds by Date and Use

29   The pandemic highlighted the low critical care bed capacity in Wales. The Welsh Government reviewed critical care capacity in 2018 and gave health boards £15 million recurring funding to increase beds and staffing. Despite investment, by 2019-20 there were 154 critical care beds (**Exhibit 10**) – the lowest per head of the population in the UK and amongst the lowest in Europe[17]. In response to COVID-19, health boards increased critical care capacity by repurposing capacity from elsewhere and cutting back on other services.

17 Faculty of Intensive Care Medicine and Intensive Care Society, Guidelines for the Provision of Intensive Care Services, June 2019

Exhibit 10: critical care beds 2009-10 to 2019-20
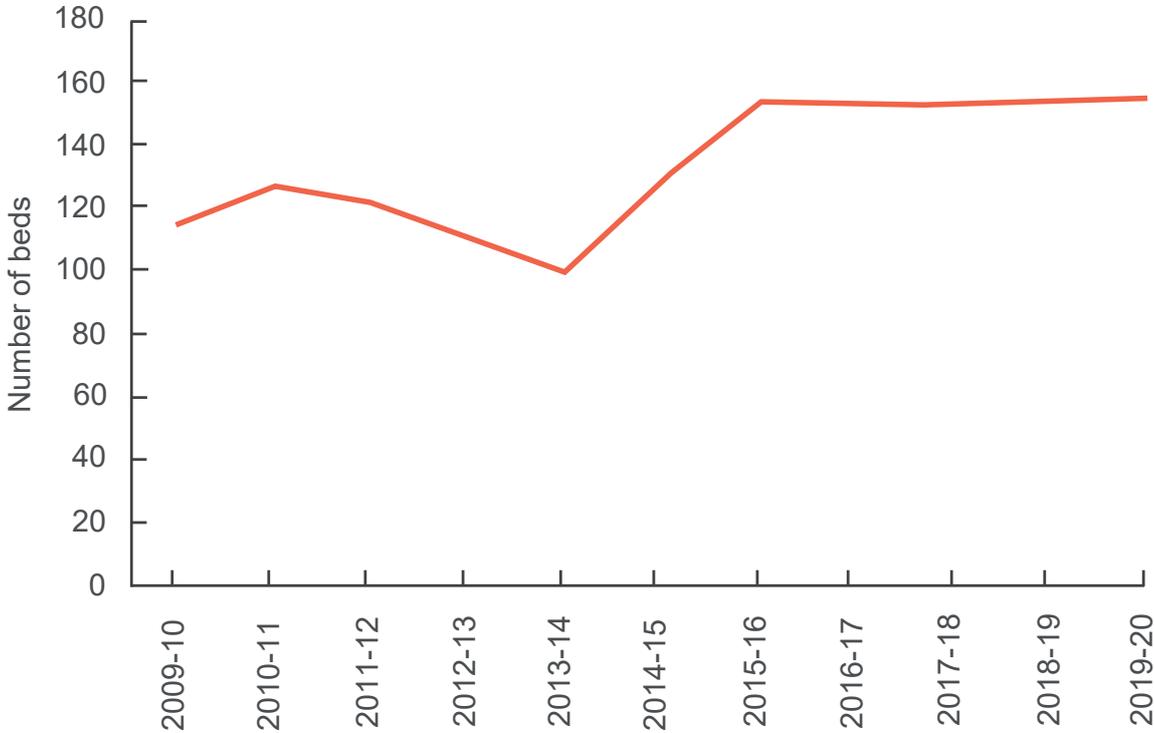
Source: StatsWales: NHS Beds by Specialty

Bed occupancy rates in Wales have been above recommended safe and efficient levels since 2012

30 The National Institute for Health and Care Excellence recommends[18] bed occupancy rates should not exceed 85% because high occupancy rates are linked to poorer patient outcomes and periodic bed crises. Bed occupancy rates in Wales have been over 85% since 2012-13 (**Exhibit 11**). The Welsh Government stopped publishing data on bed occupancy in 2018-19 and resumed in April 2020. Occupancy rates fell dramatically in the first months of 2020-21 but have been over 85% in June 2021 (**Exhibit 12**).

18 National Institute for Health and Care Excellence, Bed Occupancy. Emergency and Acute Medical Care in over 16s: Service Delivery and Organisation. NICE Guideline 94, March 2018

Exhibit 11: percentage bed occupancy 1989-90 to 2018-19
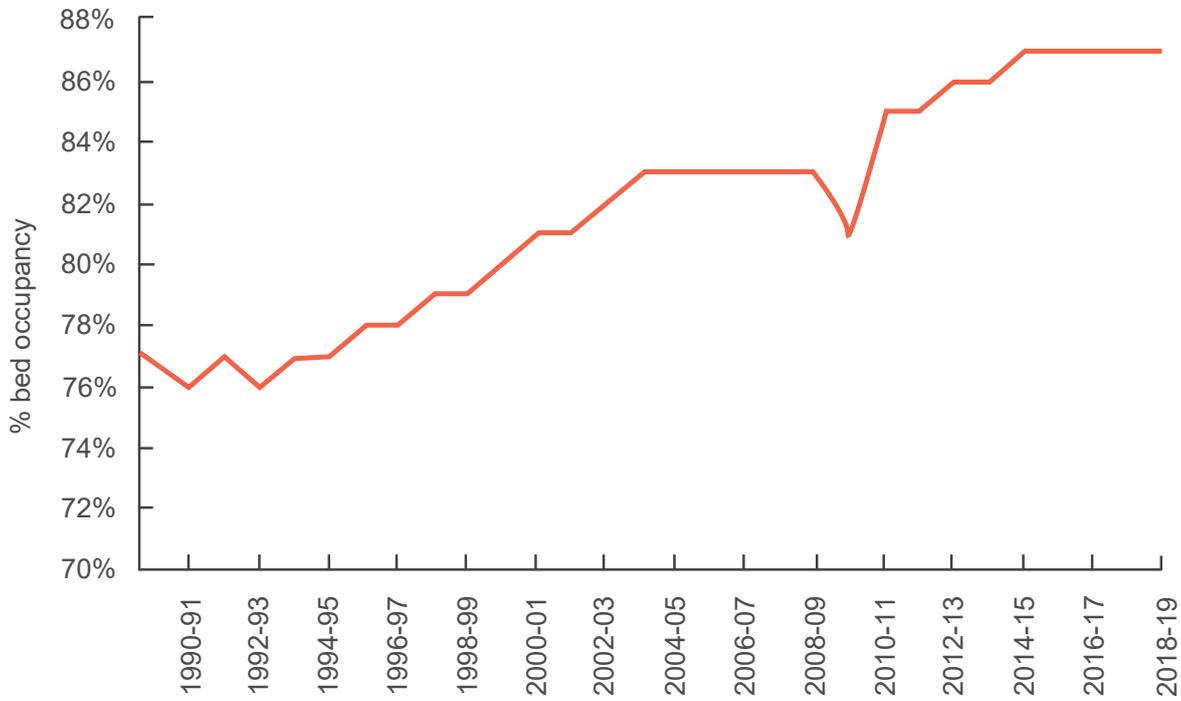
Source: StatsWales: NHS Beds Summary data by Year

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Exhibit 12: percentage bed occupancy from 1 April 2020 to 25 June 2021
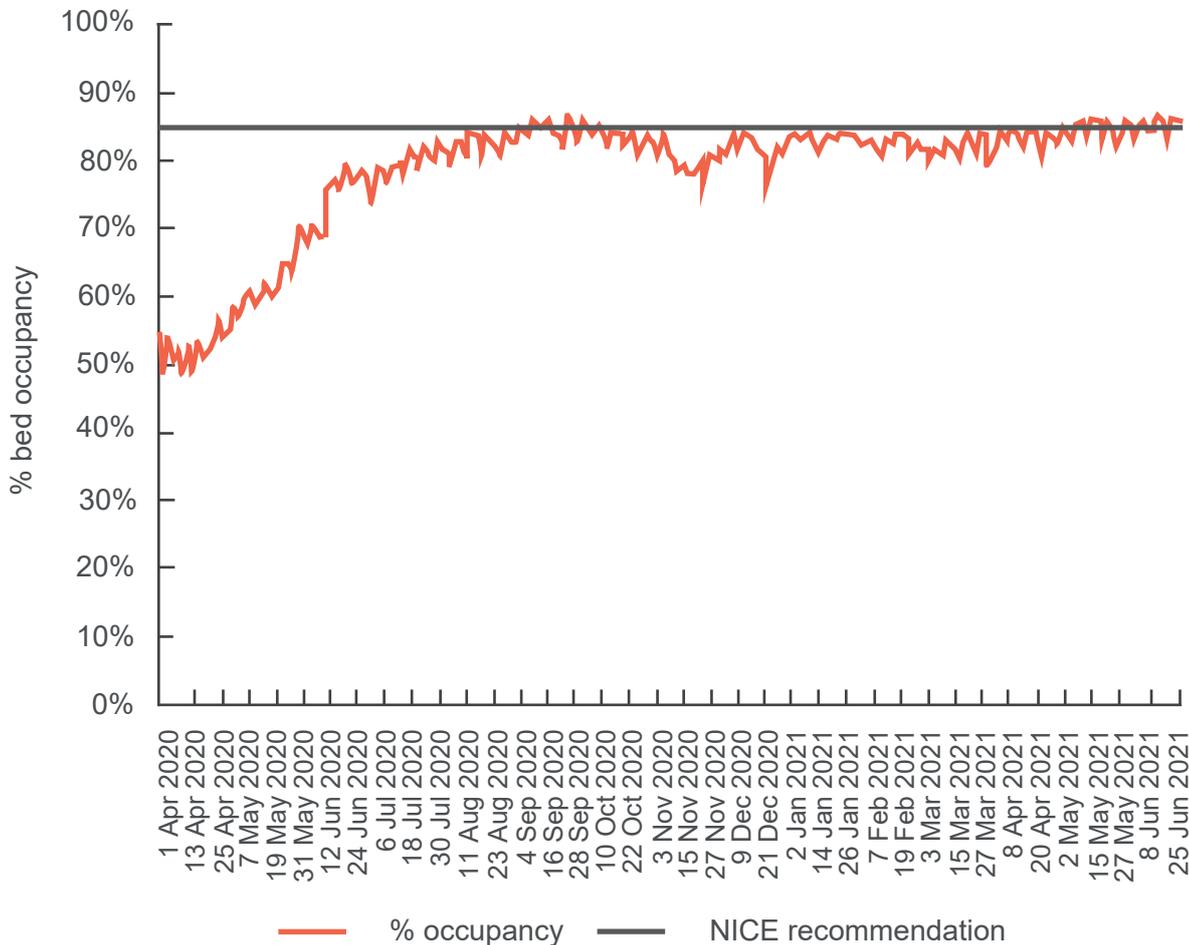
Note: The Welsh Government changed the way it reports bed occupancy several times during 2020 and 2021. It has not validated data from April 2020 onwards. One key change was to only count beds as available if there were enough staff to support them.

Source: StatsWales: NHS Activity and Capacity During the Coronavirus – NHS Beds by Date and Use

Prior to the pandemic, there is evidence that people struggled to get convenient GP appointments

31   For many years, primary and community care services have been a key part of the Welsh Government's focus on preventing health issues getting worse and reducing pressure on general hospitals as a result. In particular, people who cannot access a GP or dentist may go to emergency hospital departments instead.

32   The number of GP practices in Wales has fallen from 476 in 2011 to 407 in
      2019. The reduction may be due in part to different working arrangements
      including practices merging. The Welsh Government's National Survey
      for Wales[19] shows that in 2019-20, 43% of respondents found it very or
      fairly difficult to make a convenient GP appointment (**Exhibit 13**). In 2019,
      the Welsh Government introduced Access to In-hours General Medical
      Services Standards which set eight targets for GP practices to improve
      accessibility to GP practices by March 2021. GP practices achieving
      all eight would receive a share of £5.7 million funding. The Welsh
      Government decided not to monitor performance against the standard
      as a result of the pressure on GP telephone systems during COVID-19.
      It allocated £3.7 million in June 2020 for practices to improve digital
      telephone systems.

**Exhibit 13: the percentage of respondents to the National Survey for Wales
who found it fairly, or very difficult to get a convenient GP appointment**
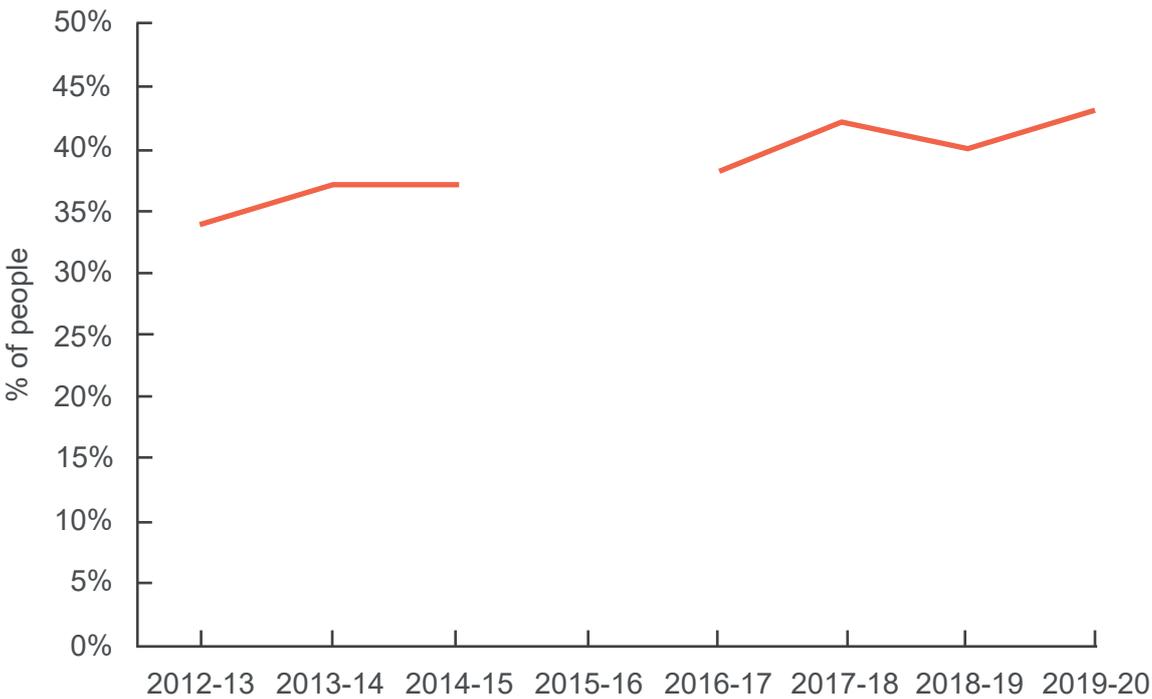
Note: Data for 2015-16 is not available.

Source: StatsWales – National Survey for Wales

19 National Survey for Wales data is available on the Welsh Government's StatsWales website.

The NHS Wales workforce has increased but there are shortages in specific areas

33   The overall number of NHS Wales staff increased by 13% from 2010 to March 2020 (**Exhibit 14**). Numbers increased by another 5% from March to December 2020 as part of the response to the pandemic. Some of the additional staff are temporary. Medical and dental staffing has increased by 25% from 2010. However, representative bodies have highlighted specific gaps in the workforce including: the Royal Colleges of Anaesthetists[20], General Practitioners[21], Nursing[22], Ophthalmologists[23], Paediatricians[24], Physicians[25] and Radiology[26].

34   In the past, the Welsh Government published data on the number of GPs per 100,000 population and the number of whole term equivalents. It stopped publishing the data in 2018. The data shows that the number of GPs fell slightly (by 3%) from 2013 to 2018. Since March 2020 the Welsh Government has published quarterly data on the number of GPs employed in general practices but the data is not comparable to previous years. What the recent data does show, is that in September 2020 GP locums[27] made up a quarter of GP staff employed in GP practices contracted by health boards. Our 2019 report on primary care[28] described issues affecting the GP workforce in Wales including training, morale, pay and costs.

35   More recently, some health boards are concerned that staff are leaving or retiring early due to the pandemic. In April 2021, the British Medical Association published results from its COVID-19 tracker survey of UK doctors[29]. Almost a third of respondents said they are now more likely to take early retirement, a quarter are more likely to take a career break, and 21% are more likely to leave the NHS for another career. The Welsh Government has not yet published staff numbers since December 2020, so it is difficult to understand the impact of the pandemic on the permanent workforce.

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20 The Royal College of Anaesthetists, Medical Workforce Census Report, 2020

21 The Royal College of General Practitioners Wales, Transforming General Practice, Building a Profession Fit for the Future, December 2018

22 The Royal College of Nursing, Staffing for Safe and Effective Care in the UK, 2020

23 The Royal College of Ophthalmologists, Workforce Census, 2018

24 The Royal College of Paediatricians and Child Health, 2017 Workforce Census: Focus on Wales, 2017

25 The Royal College of Physicians, The Medical Workforce BC (Before COVID-19): the 2019 UK Consultant Census, 2019

26 The Royal College of Radiologists, Clinical Radiology UK Workforce Census 2020 Report, 2020

27 GP locums are self-employed contractors who typically cost GP practices more money.

28 Auditor General for Wales, Primary Care Services in Wales, October 2019

29 The survey is based on a self-selecting sample of doctors working in the UK.

Exhibit 14: number of NHS staff 2009 to 2020
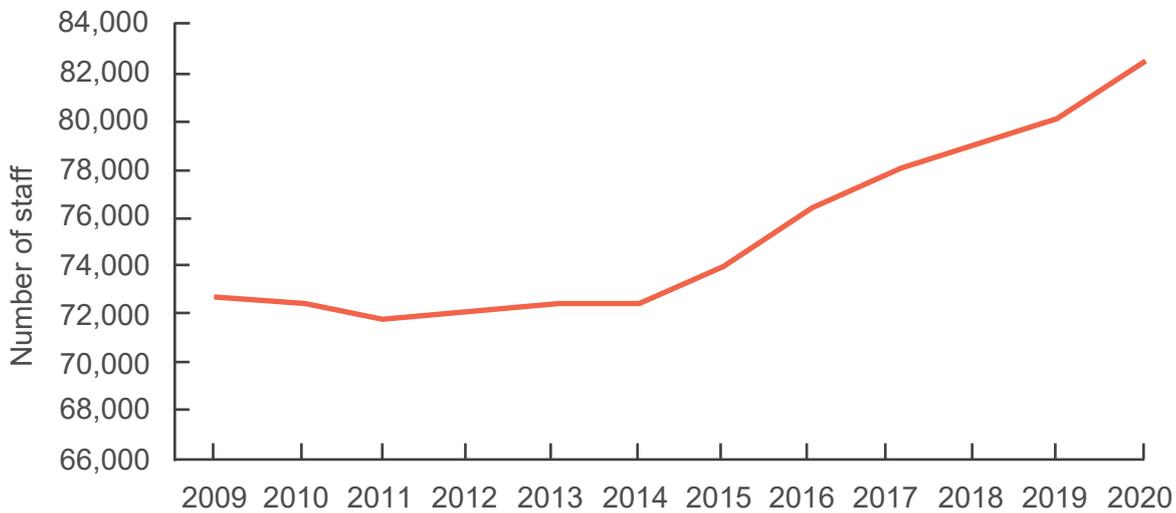
Source: StatsWales: NHS Staff Summary

36   **Exhibit 15** shows sickness absence rates (for any reason) amongst
     NHS staff increased during 2020. In <u>evidence</u> to the Public Accounts
     Committee in March 2021, the Chief Executive of NHS Wales described
     the considerable pressure the pandemic has put on health and social
     care staff. He warned of long-term impacts on the mental and physical
     health of staff including Post Traumatic Stress Disorder. Despite support
     mechanisms and a 5% increase in the NHS workforce, he recognised
     more investment is needed to ensure a resilient NHS workforce.

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Exhibit 15: sickness absence rates in NHS staff from January 2010 to December 2020
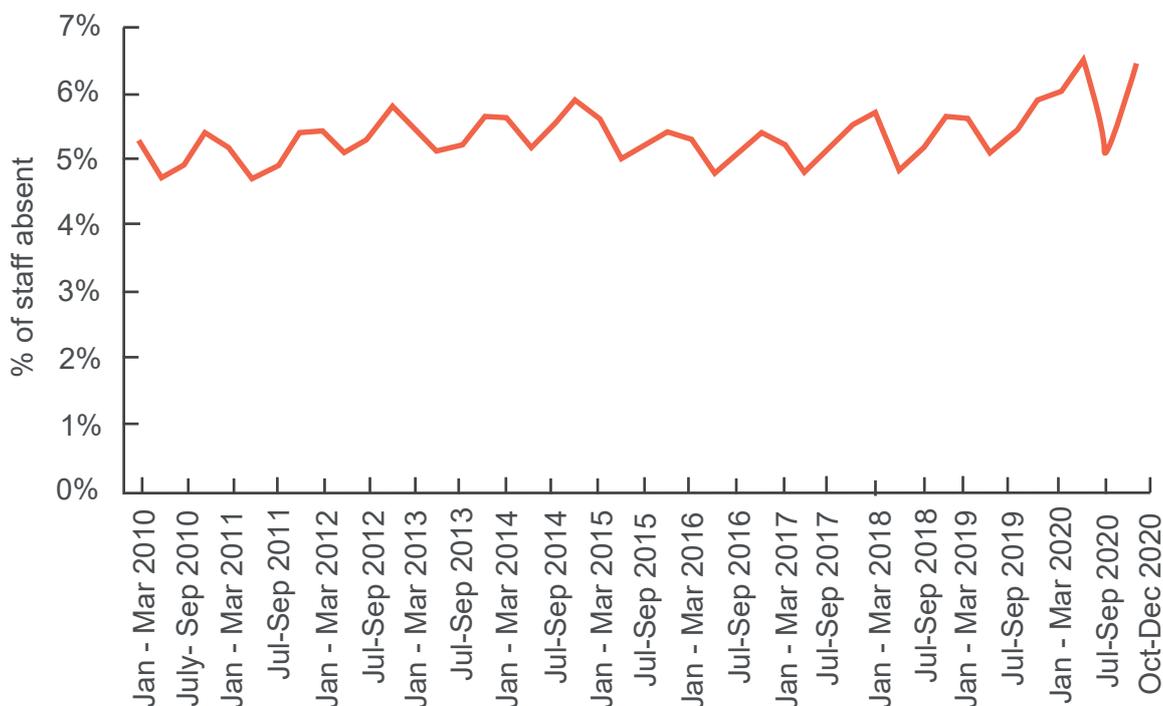
Source: StatsWales: Sickness Absence – Percentage Absent by Staff Group

There are direct and indirect impacts of COVID-19 on the health and well-being of the population

37   We do not know the full impact of the pandemic on the population. Grief, trauma, isolation and loss have taken their toll, but it is too soon to understand the scale of the health issues the pandemic has caused. The NHS is still treating COVID-19 patients, rehabilitating people who experienced severe symptoms, and learning how to treat patients with long COVID.

38   Throughout the pandemic, Public Health Wales has been looking at the broader impact of COVID-19 on the population through its national engagement survey, health impact assessments, and international research. In March 2021, it published a health equity report[30] mapping the social, economic and environmental impact of COVID-19. Public Health Wales also plans to develop a dashboard of data on health and well-being trends.

30 Public Health Wales, Placing Health Equity at the Heart of COVID-19 Sustainable Response and Recovery: Building Prosperous Lives for all in Wales, March 2021

39   Stopping and reducing non-urgent activity also means that some patients on the waiting list will have developed more severe symptoms while they wait, and now need urgent treatment. Pauses to some screening programmes increase the risk of undetected cancers, or cancers not identified early enough for successful treatment. Other health conditions may have gone undetected because people were worried about going to their GP or emergency departments[31].

40   Public Health Wales' health equity report estimated between 361 and 1,231 additional lives had been lost due to delayed cancer screening, referral backlogs and restricted diagnostic capacity. The report also described spiralling demand for mental health services. **Exhibit 6** (in previous section) shows that overall referrals fell dramatically in the first months of the pandemic and have not fully returned to pre-COVID levels. We do not know why referrals have not returned to previous levels. It is possible that pent up demand will become apparent as infection levels fall and people become more confident visiting health professionals.

Healthcare performance

41   The Welsh Government publishes health board level data on NHS activity and performance monthly on an NHS Wales dashboard.

NHS Wales has not met some key targets for almost a decade

42   Despite increasing activity, NHS Wales has not met key targets on the timeliness of emergency and planned care, and cancer services for several years (**Exhibits 16 to 18**). Performance against targets varies considerably between health boards.

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31 Although attendances at emergency departments may have reduced due to 'phone first' triage systems introduced by hospitals during COVID-19.

Exhibit 16: percentage of attendances spending less than four hours in an emergency department October 2009 to May 2021
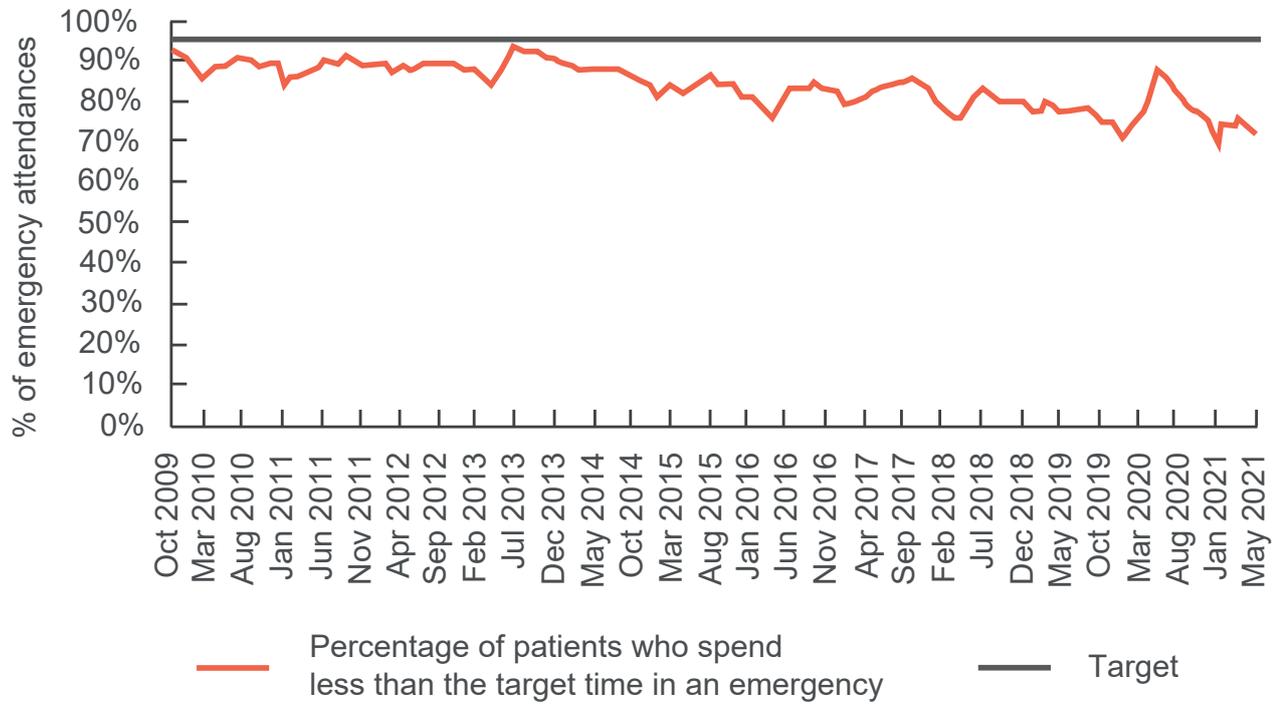
Source: StatsWales: Accident and Emergency – Performance Against 4 Hour Waiting Times target

Exhibit 17: percentage of patient pathways waiting less than 26 weeks to start treatment September 2011 to April 2021
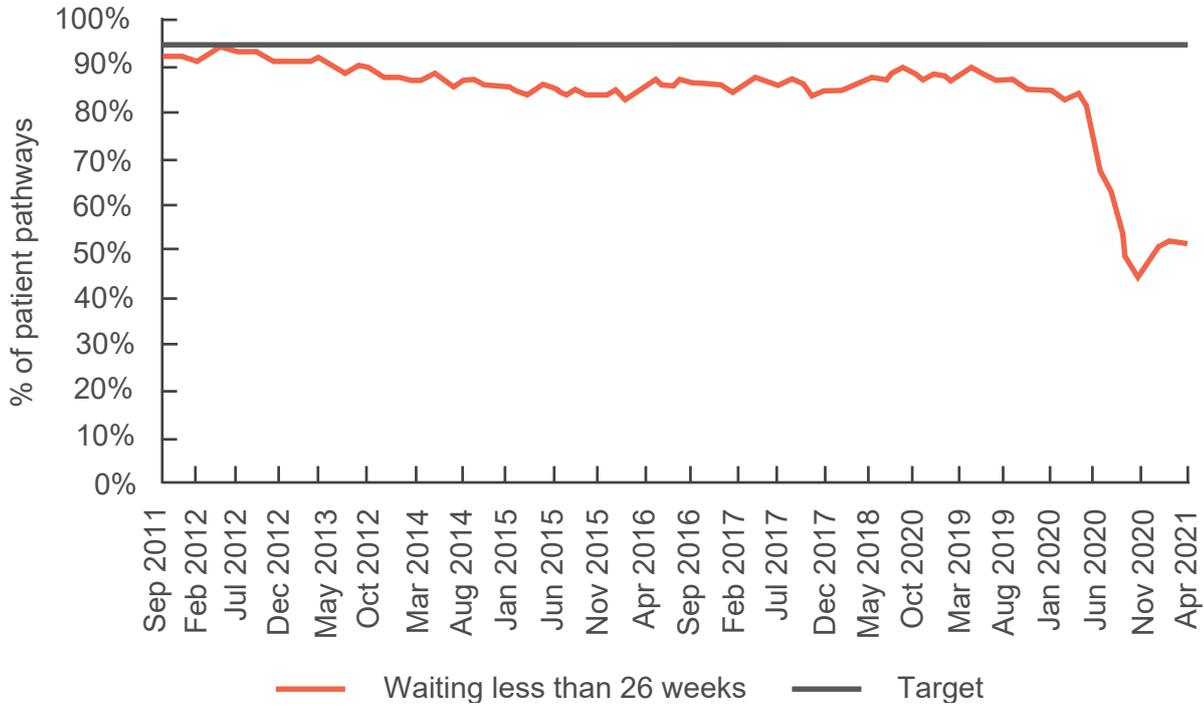
Source: StatsWales: Patient Pathways Waiting to Start Treatment

Exhibit 18: percentage of cancer patients starting treatment in the month within 62 days of first being suspected of cancer July 2019 to April 2021

The percentage of patients starting their first definitive treatment in the month within 62 days of first being suspected of cancer (no suspensions)

Target
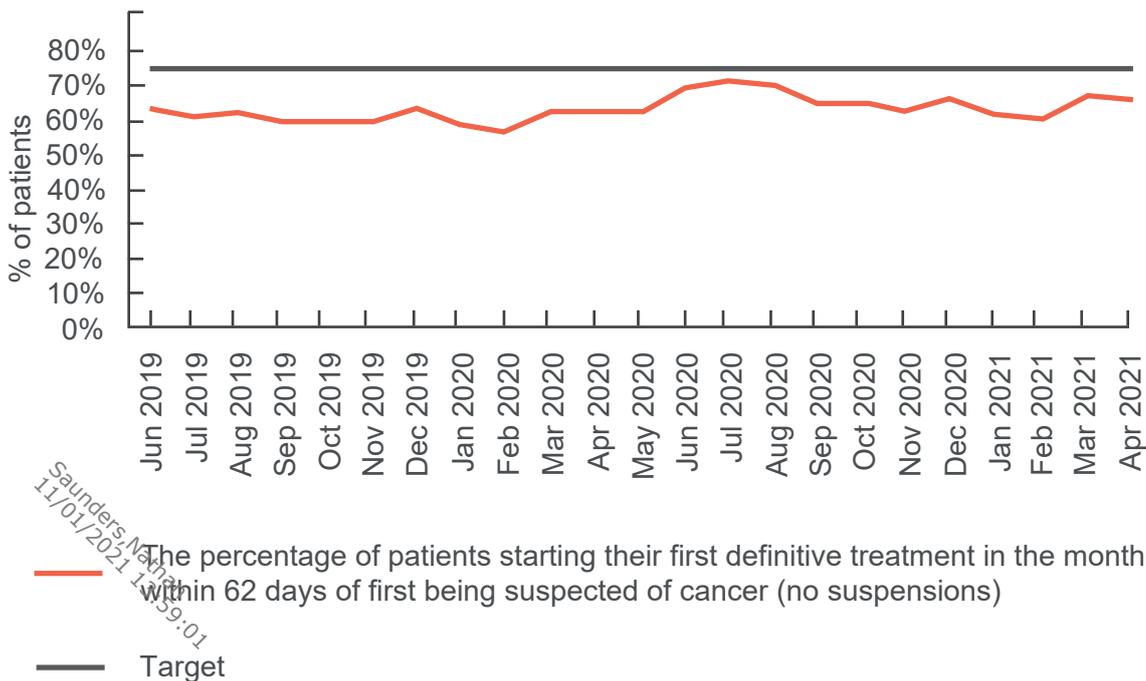
Source: StatsWales: Suspected Cancer Pathway – Closed Pathways

There are significant backlogs of patients waiting for treatment

43   As in the other UK nations and other parts of the world, pauses and
      reductions in non-urgent activity during the pandemic increased the
      backlog of patients waiting for treatment dramatically. By February
      2021, there were almost 550,000 open patient pathways (**Exhibit 19**)
      representing huge numbers of people on the waiting list for treatment and
      a 19% increase from February 2020; over half had been waiting more
      than 26 weeks. Wales Fiscal Analysis' review[32] of the NHS and the Welsh
      Budget estimates that restoring NHS waiting lists to pre-COVID levels
      could cost between £152 million and £292 million a year over a four-year
      period from 2022-23.

**Exhibit 19: number of people waiting for planned treatment September 2011
to April 2021**
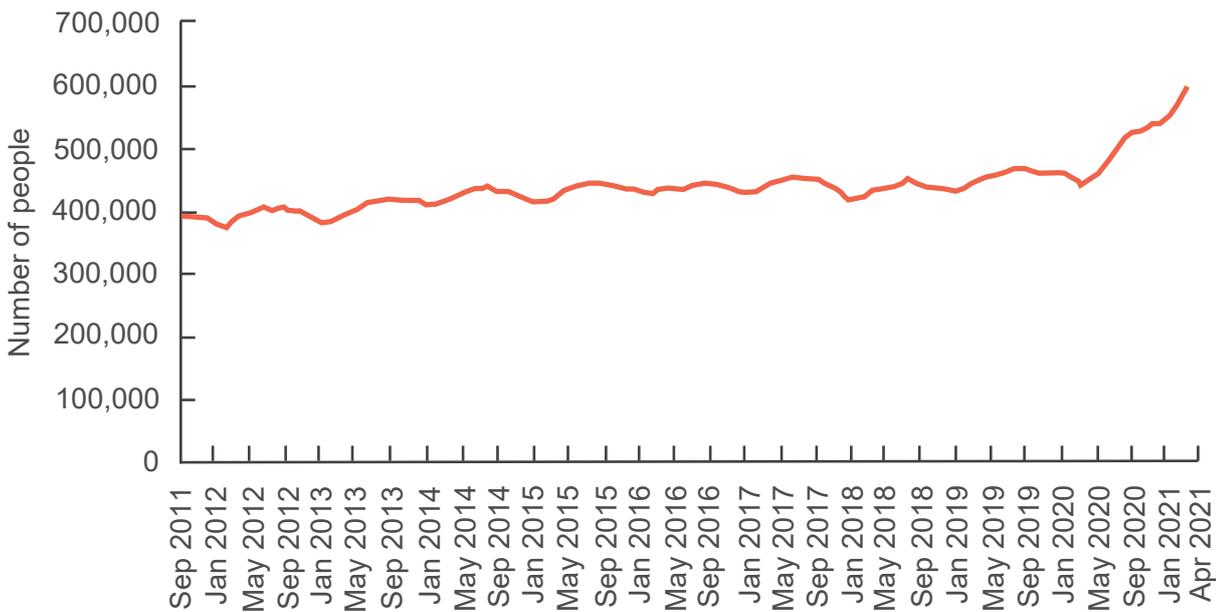
Source: StatsWales: Patients Waiting to Start Treatment by Month

44   However, pre-COVID waiting lists were already under considerable
      pressure. Some health boards had made progress reducing the number
      of patients waiting more than 26 weeks for treatment but the target across
      Wales had not been met and the position had been deteriorating through
      2019-20. **Exhibit 20** shows that pre COVID-19 (February 2020) there were
      over 72,000 patient pathways waiting more than 26 weeks for treatment.

32 Wales Fiscal Analysis, The NHS and the Welsh Budget: Outlook and Challenges for the Next
   Welsh Government, April 2021

Exhibit 20: numbers of patient pathways waiting over 26 weeks for treatment September 2011 to April 2021
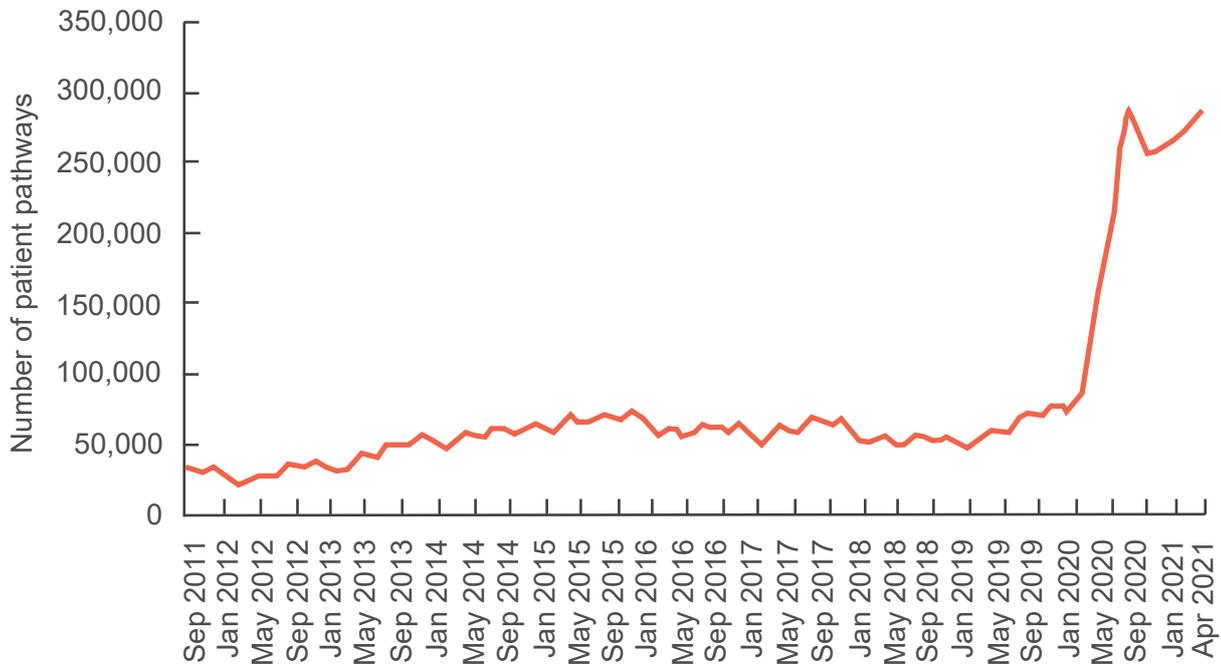
Source: StatsWales: Closed Patient Pathways by Month

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Healthcare: key issues

Whole system change is overdue

45 Before the pandemic, parts of the health system, and health and social care as a 'whole system' were under great pressure. In 2016, the [then] Minister for Health and Social Services announced a parliamentary review by an independent panel of experts on the future of health and social care. The review[33] found that service delivery was not consistently good and a risk averse culture was hindering change. A Healthier Wales set out plans to address the issues in the parliamentary review and said services had to transform quickly.

46 The Welsh Government and health bodies have long recognised the need to change. Over the last decade, our reports have found positive examples of innovation and improvement across NHS Wales. So far, change has been limited to a few small areas and Welsh Government initiatives including the Planned Care Programme, and new models of care funded by the Transformation Fund and Integrated Care Fund[34], have been slow to affect system wide transformation.

47 In 2019-20, we followed up our review of NHS waiting times for elective care. Despite some progress, we found that the whole system change needed to create sustainable planned care services had not happened. Our report set out ten opportunities for resetting and restarting the planned care system[35]. Since then, the Welsh Government told us it is making progress against those opportunities, including exploring new ways of managing waiting for elective care to better focus on patient outcomes and prioritise those in greatest need.

33 Parliamentary Review of Health and Social Care in Wales, Interim Report, July 2017, and Final Report, January 2018

34 Auditor General for Wales, Integrated Care Fund in July 2019

35 Auditor General for Wales, 10 Opportunities to Reset and Restart the Planned Care System, September 2020

Learning from the COVID-19 response offers opportunities to overcome barriers to transformation

48   Positively, health bodies, principal councils and their partners moved a step closer to operating as a whole system in their collective response to COVID-19. Our reports on Test, Trace, Protect, Personal Protective Equipment[36], and the vaccination programme all describe strong collaboration between different organisations and delivery at pace. With Test, Trace, Protect, public bodies worked together to design and deliver a new service from scratch in a few months. The NHS Confederation's COVID-19 Transformation and Innovation Study[37] describes examples of innovation during the pandemic. In the COVID-19 crisis, public bodies overcame some of the barriers to successful collaboration and service delivery they have struggled with for years.

49   The pandemic accelerated digital transformation projects that could offer learning to address weaknesses in the delivery of other projects. Our reports on NHS Informatics Systems[38] and the Welsh Community Care Information System[39] described slow progress implementing digital programmes. However, during the pandemic, public bodies quickly put in place digital solutions to organise and deliver services, communicate with patients and colleagues and for collaboration. For Test, Trace, Protect, Digital Health and Care Wales worked with the private sector to develop and implement a digital platform for contact tracing at pace. Similarly, it quickly developed the Welsh Immunisation System for the vaccination programme.

There are opportunities to better focus the health system in Wales around outcomes for patients and the wider population

50   Our 2020 waiting times work (paragraph 47) said that sometimes the focus on meeting targets can distort clinical decision making and prioritising patients by need. For decades, large parts of NHS Wales have been driven by the need to meet timeliness targets rather than the outcomes for patients. There are opportunities to reflect on accountability arrangements as the Welsh Government develops its NHS Executive. In bringing national delivery, oversight and improvement functions together, NHS Wales could reflect on getting the right balance between quality, delivery and patient outcomes.

36 Auditor General for Wales, Procuring and Supplying PPE for the COVID-19 Pandemic, April 2021

37 NHS Confederation, NHS Wales COVID-19 Innovation and Transformation Study Report, June 2021

38 Auditor General for Wales, Informatics Systems in NHS Wales, January 2018

39 Auditor General for Wales, Welsh Community Care Information System, October 2020

51   Going forward, there may be opportunities to better connect health and social services with broader public services to form a whole system response to the direct and indirect harms of COVID and improving population health. The pandemic highlighted significant health inequalities across the UK, particularly around ethnicity and deprivation, that require new energy and resource to tackle. Public Health Wales' health equity report said the pandemic revealed the chronic under-resourcing of public health, disease prevention and health promotion.

52   The Welsh Government's Recovery Plan for Health and Social Care recognised the need to tackle the wider determinants of health such as housing, employment and education to prevent problems occurring or getting worse. In his evidence to the Public Accounts Committee (paragraph 36), the Chief Executive of NHS Wales said the pandemic has elevated expectations of a 'wellness' service.

Transforming services at the same time as tackling backlogs and the ongoing COVID-19 response will be challenging

53   In May 2021, the Welsh Government allocated £100 million between health boards to tackle the backlog of patients waiting for treatment. Some of the extra activity will be done by paying existing staff to work overtime. Staff are tired and many have worked long hours during the pandemic. Health boards can pay private providers to see NHS patients but private capacity in Wales is not huge and some is already being used to deliver essential services during the pandemic. In addition, private providers often use NHS staff outside their contracted hours to do the work. Recruiting additional staff relies on the right staff being available.

54   Now, with huge backlogs of patients wating to be seen, the need for transformation is greater than ever. But the challenge of achieving it is considerable. Large scale transformation takes leadership, energy and staff resources. Health bodies need breathing space to plan and do things differently. Existing workforce shortages have been compounded by COVID-19 sickness and self-isolation due to exposure to COVID-19, and by the redeployment of NHS staff into the ongoing COVID-19 response. In addition, many staff carried forward annual leave during the pandemic.

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55   COVID-19 is still active across the UK and transformation must be balanced with treating and reducing the spread of the virus. Test, Trace and Protect services and the vaccination programme will continue, with plans to give booster vaccinations in the near future. Health bodies will also have to deliver the seasonal flu vaccination programme as usual. In addition, social distancing and other measures to prevent transmission limit productivity because they restrict the number of staff and patients who can safely use buildings. Even with significant investment, the NHS needs staff and safe premises to treat the backlog which will be challenging while the COVID response continues.

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Taking Care
of the Carers?

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

October 2021

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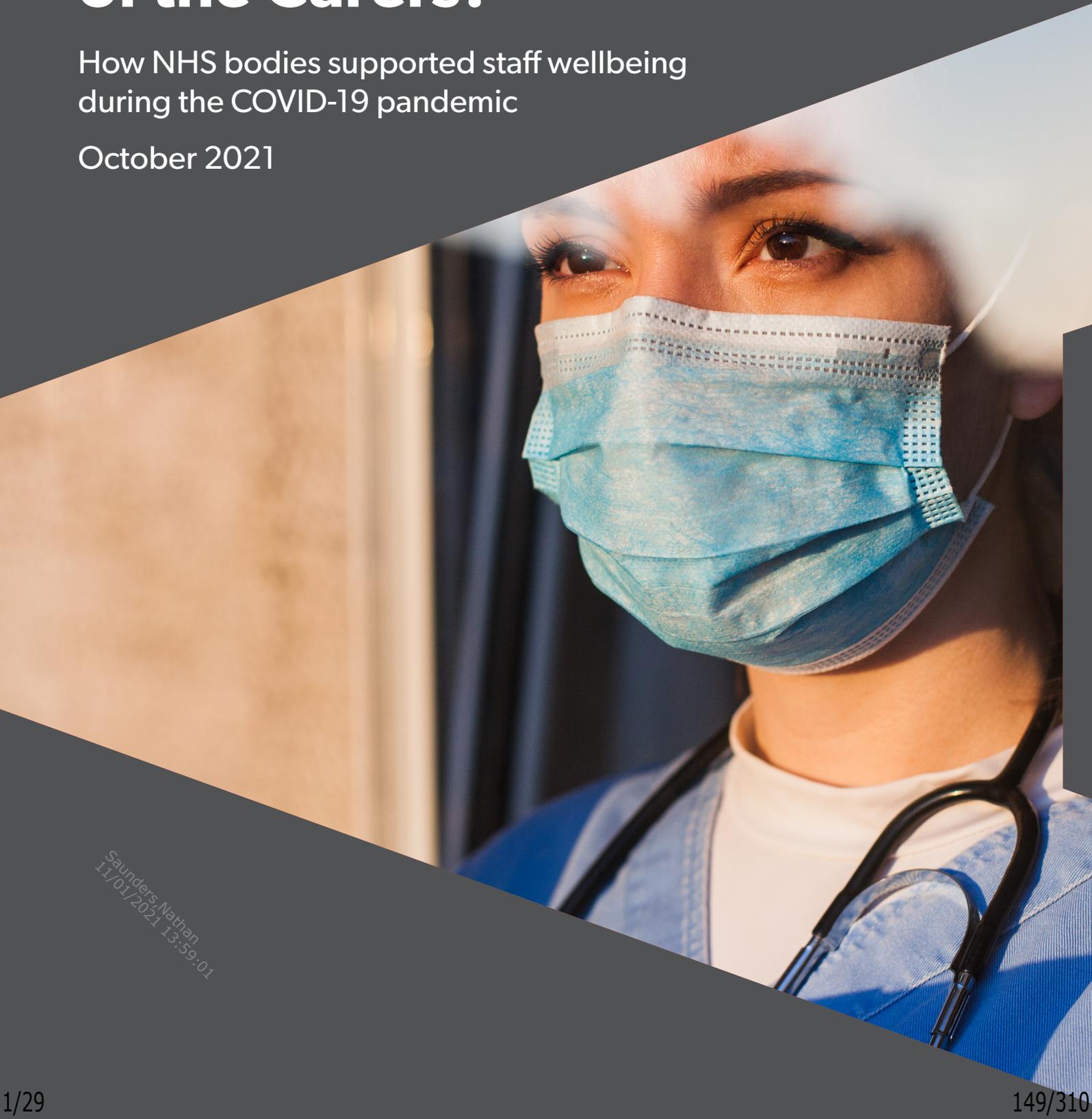
This report has been prepared for presentation to the Senedd under section 145A of the Government of Wales Act 1998 and section 61(3) (b) of the Public Audit Wales Act 2004.

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.

Mae'r ddogfen hon hefyd ar gael yn Gymraeg

Contents

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 unprecedent 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.

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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.

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Adrian Crompton
Auditor General for Wales

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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.

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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.

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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 work[1] 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.

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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 2020-21[2].

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 outcomes[4]. The Francis Inquiry Report into the Mid Staffordshire NHS Foundation Trust also highlighted the association between poor staff wellbeing and lower quality of care[5]. 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 year[6]. 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 year[7]. 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[89]. 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 lives[10]. 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 guidance[11].

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 guidance[12], and increasing the frequency of cleaning and decontaminating surfaces, areas, and equipment.

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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) guidance[13]. 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 dose[14].

- **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.

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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 appropriate[15]. 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 virus[16].

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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.

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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 2021[17]. 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 assessed[18].

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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.

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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 2020[19]:

- 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.

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Report Title:	Report on the Draft Annual Accounts of the Cardiff and Vale University Health Board's Funds Held on Trust 2020/21		
Meeting:	Audit and Assurance Committee Workshop	Meeting Date:	9th November 2021
Status:	For Discussion — x	For Assurance — x	For Approval — / For Information — x
Lead Executive:	Executive Director of Finance		
Report Author (Title):	Assistant Director of Finance – Financial Accounts and Services		

Background and current situation:

Cardiff and Vale Health Charity ("the Health Charity") is the official charity and working/trading name of Cardiff and Vale University Health Board General Purposes Charitable Fund, Charity Registration Number 1056544.

Cardiff and Vale University Health Board holds Charitable Funds as sole corporate trustee and the board members of the Health Board are jointly responsible for the management of those charitable funds. The management of Charitable Funds is a delegated responsibility from the Board of Trustee to the Charitable Funds Committee.

The Finance Department of Cardiff and Vale University Health Board provides financial administration for the Health Charity. The day to day administration of funds and operational management of the Health Charity is undertaken by a team of staff based at Woodland House. The Draft Annual Accounts are provided to the Charitable Funds and Audit and Assurance Committees for endorsement on an annual basis.

The draft accounts cover the activities of the Health Charity for the period 1st April 2020 - 31st March 2021. As the Draft Annual Accounts are still being audited by Audit Wales, they are therefore, still subject to change.

The Final Audited Accounts, ISA260 report and Letter of Representation will be taken to the Board of Trustee at its January 2022 meeting for formal approval.

Executive Director Opinion /Key Issues to bring to the attention of the Board/ Committee:

The Audit and Assurance Committee is asked to receive and consider for endorsement the Health Charity Draft Accounts 2020/21 and the draft response provided to the audit enquiries to those charged with governance and management.

These documents are included as follows:

- Cardiff and Vale Health Charity Draft Annual Accounts;
- The response given to the audit enquiries to those charged with governance and management;

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Assurance can be provided on the accuracy of the Draft Annual Accounts and associated documents by:

- The response given to the audit enquiries to those charged with governance and management which have been endorsed by the Chair, Interim Chief Executive, Chair of the Charitable Funds Committee, Chair of the Audit and Assurance Committee, Director of Governance and Director of Finance

- On completion of the audit of the financial statements, further assurance will be given on the annual accounts by the work that will be completed by Audit Wales in determining whether the Health Charity's Annual Report and Accounts give a true and fair view.

Assessment and Risk Implications (Safety, Financial, Legal, Reputational etc:)

The Draft Annual Accounts of the Charity has been prepared in accordance with recommended practice. These will be subject for external review by Audit Wales. Should any misstatements or errors be identified during the course of the audit these will be noted in the ISA 260 audit report.

The key points to note are:

- The prior year accounts have been restated for £0.5m owed by the Health Charity to the Health Board which wasn't invoiced in respect of work undertaken on Horatio's garden;

- The Health Charity received significantly more income in 2020/21 than in previous years due to a number generous donations during the pandemic. Donations and legacies increased by £0.9m in 2019/20 to £1.8m in 2020/21;

- The Health Charity investments saw growth of £0.9m in 2020/21 which helped to correct the loss incurred in 2019/20 of £0.6m which was mainly due to the stock market reaction to the pandemic and other economic influences;

- The value of the Health Charity increased by £0.7m in 2020/21 to £9.1m.

Recommendation:

The Audit and Assurance Committee is asked to:-
- **REVIEW** Draft Annual Accounts;
- **NOTE** the reported financial performance contained within the Draft Annual Accounts;
- **NOTE** the response of the audit enquiries to management and those charged with governance;
- Subject to any further amendments **SUPPORT** and **ENDORSE** the Draft Annual Accounts.

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2

Shaping our Future Wellbeing Strategic Objectives *This report should relate to at least one of the UHB's objectives, so please tick the box of the relevant objective(s) for this report*			
1. Reduce health inequalities		6. Have a planned care system where demand and capacity are in balance	
2. Deliver outcomes that matter to people		7. Be a great place to work and learn	
3. All take responsibility for improving our health and wellbeing		8. Work better together with partners to deliver care and support across care sectors, making best use of our people and technology	
4. Offer services that deliver the population health our citizens are entitled to expect		9. Reduce harm, waste and variation sustainably making best use of the resources available to us	x
5. Have an unplanned (emergency) care system that provides the right care, in the right place, first time		10. Excel at teaching, research, innovation and improvement and provide an environment where innovation thrives	

Five Ways of Working (Sustainable Development Principles) considered *Please tick as relevant, click here for more information*								
Prevention		Long term	x	Integration		Collaboration		Involvement	

Equality and Health Impact Assessment Completed:	Not Applicable

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3

Financial Achievements and Performance

Income Summary

Incoming resources for the year 2020/21 totalled £2.199m which represents an increase of £0.831m from the previous financial year.

The Charity's income was generated from donations, legacies, investment income and other trading activities.

Income Analysis
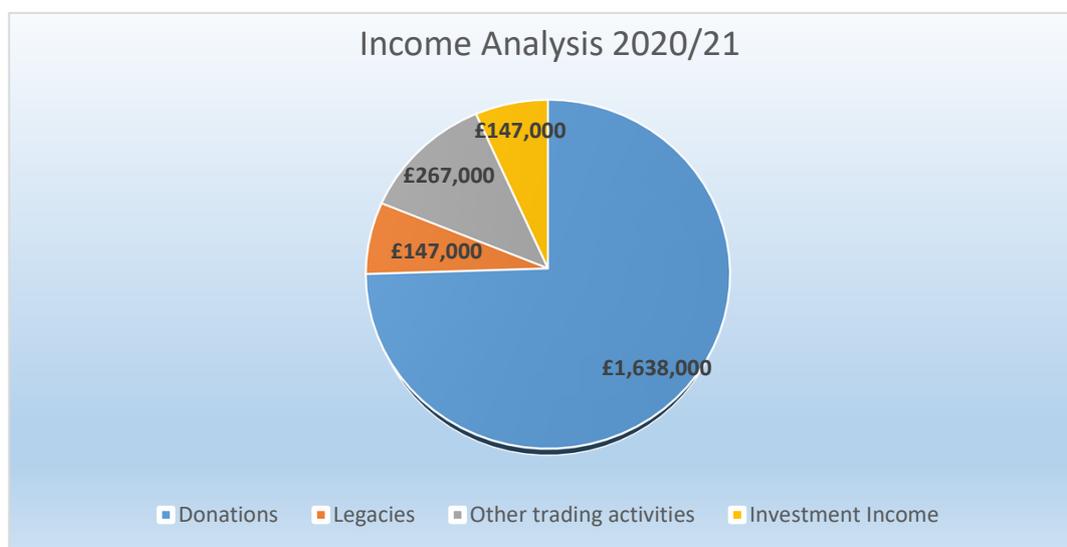
Donations (75% - £1.638m)

The Charity is very grateful to have received donations of £1.638m to help us achieve our goals and objectives.

Legacies (7% - £0.147m))

The Charity received £0.147m in legacies. We are extremely grateful to those individuals who remembered our wards and departments in their will.

Other Trading Activities (12% - £0.267m)

The Charity generated £0.263m from the Cardiff and Vale Staff Lottery and a further £0.003m from other trading activities.

Investment Income (6% - £0.147m)

Dividends and Interest from the Charity's Investment Portfolio was £0.147m)

Expenditure Summary

In 2020/21 expenditure on charitable activities was £2.009m. This included patient education and welfare, staff education and welfare, research and other expenditure.

Expenditure Analysis

Expenditure Analysis 2020/21

£154,000 £37,000 £26,000

£1,792,000

■ Patient education and welfare ■ Staff education and welfare ■ Research ■ Other
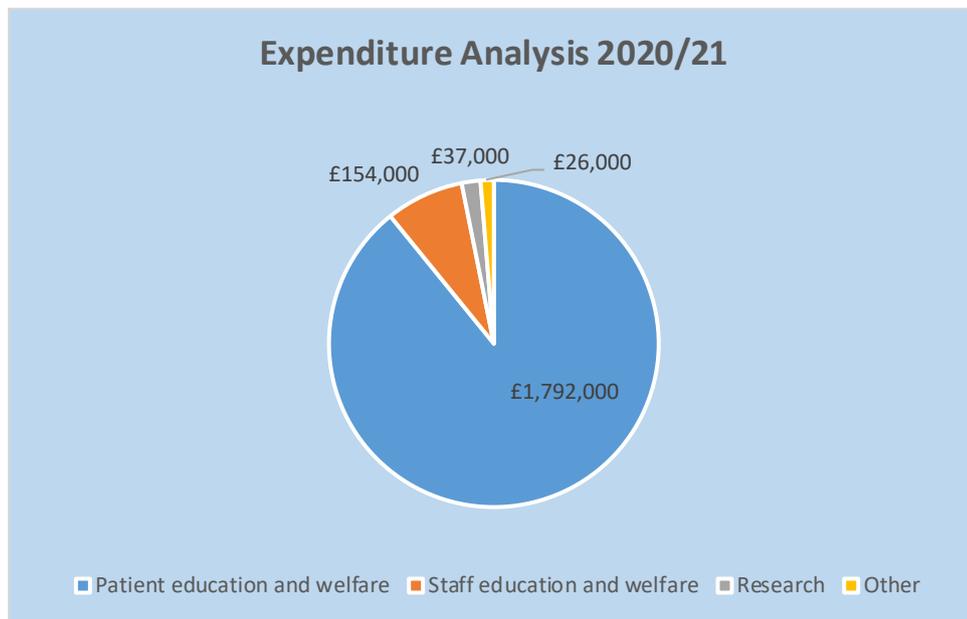
Investments and Performance

During 2020/21 the Charity had market value gains of £0.869m.

Overall financial position

The overall value of the Charity as at 31st March 2021 has increased from an opening balance of £8.482m to £9.147m. This movement of £0.665m is represented by net expenditure of £0.185m, investment gains of £0.869m and asset revaluation of £0.019m.

Structure, Governance and Management

The Charity

The Health Charity was created on 3rd June 1996 by Declaration of Trust and following reorganisations of health services, was amended by Supplementary Deed on 12th July 2001 and 2nd December 2010. Cardiff and Vale University Local Health Board (UHB) is the Corporate Trustee for the Health Charity. The UHB delegates responsibility for the management of the funds to the Charitable Funds Committee. The aim of the Corporate Trustee (Trustee) is to raise and use charitable funds to provide the maximum benefit to the patients of Cardiff and Vale UHB and associated local health services in Cardiff and the Vale of Glamorgan, by supplementing and not substituting government funding of the core services of the NHS.

Registration

The Charitable Funds held by the Cardiff and Vale NHS Trust transferred to the Cardiff and Vale UHB by virtue of Statutory Instrument 2009 No. 1558 The National Health Service Trusts (Transfer of Staff, Property, Rights and Liabilities) (Wales) order 2009. The supplemental deed dated 2nd December 2010 formally changed the name of the Health Charity to Cardiff and Vale University Local Health Board General Purpose Charity – Registered Charity number 1056544. The Health Charity has a number of constituent charities and these are listed below:

- Catherine Jenkins
- Education and Training General Charity
- Rookwood Hospital Charity
- Rookwood Hospital General Charity
- Research and Development General Charity
- Staff and Patient Welfare and General Charity
- Training Research and Education Fund
- UHW General Charity

The registration also encompasses Cardiff and Vale University Health Board (Expendable Funds) Common Investment Fund. This combines the funds of the Health Charity into one pool for investment purposes.

Constitution

Cardiff and Vale University Local Health Board holds charitable funds as sole corporate trustee and the board members of the Health Board are jointly responsible for the management of those charitable funds. The membership of the board was as follows at the time the annual report was approved.

Independent Members

Charles Janczewski	Interim Chair until 23rd June 2020 when he was appointed as Chair
Akmal Hanuk	Independent Member – Local Community
Dawn Ward	Independent Member – Trade Union ended 28th February 2021
Eileen Brandreth	Independent Member – Information, Communication and Technology ended 31st March 2021
Prof Gary Baxter	Independent Member – University
John Union	Independent Member - Finance
Sara Moseley	Independent Member – Third Sector
Michael Imperato	Independent Member – Legal until 30th July and Interim Vice Chair 31st July 2020 until 31st March 2021
Susan Elsmore	Independent Member – Local Authority
Rhian Thomas	Independent Member – Capital & Estates
Mike Jones	Independent Member – Trade Union
Sam Austin	Chair of Stakeholder Reference Group from 24th November 2020

Officer Members

Leonard Richards	Chief Executive Officer
Fiona Kinghorn	Executive Director of Public Health
Robert Chadwick	Executive Director of Finance until 30th September 2020
Christopher Lewis	Interim Director of Finance from 1st September 2020 to 28th February 2021.
Catherine Phillips	Executive Director of Finance from 1st March 2021.
Stuart Walker	Executive Medical Director and Deputy Chief Executive from 1st March 2021
Martin Driscoll	Director of Workforce and OD and Deputy Chief Executive until 28th February 2021
Abigail Harris	Executive Director of Strategic Planning
Dr Fiona Jenkins	Executive Director of Therapies and Health Sciences and Interim Executive Director of Therapies and Health Sciences for Cwm Taf Health Board since 16th November 2020. Her time is split between 50:50 between Health Boards.
Ruth Walker	Executive Director of Nursing
Steve Curry	Chief Operating Officer
Nicola Foreman	Director of Corporate Governance
Jonathan Gray	Director of Improvement and Innovation
Allan Wardhaugh	Chief Clinical Information Officer from 23rd July 2021
Rachel Gidman	Interim Director of Workforce and OD from 1st March 2021

Charitable Funds Committee

The Committee is empowered with the responsibility to:

- Control, manage and monitor the use of the fund's resources for the public benefit, having regard for the guidance issued by the Charity Commission
- Agree Governance arrangements for standards and monitoring
- Review strategy to maximise benefits to the Health Charity
- Determine the Health Charity's investment strategy
- Agree expenditure plans
- Determine fundraising objectives and strategy

The members of the committee who served during 2019/20 are listed below:

Committee Chair - Akmal Hanuk – Independent Member – Community
Martin Driscoll - Executive Director of Workforce and OD (has now left the Organisation)
Ruth Walker – Executive Nursing Director
Fiona Jenkins - Executive Director of Therapies and Health Science
Chris Lewis – Deputy Executive Finance Director
Nicola Foreman – Director of Corporate Governance
Sara Moseley – Independent Member – Third Sector
John Union – Independent Member – Finance

Charitable Funds

Our Charity is made up of more than 300 different funds, each with a specific purpose whether for research, training or for a specific area of a hospital or department. All money received is allocated to these funds. The general purpose fund is used where the donor wishes the Charity to allocate money to support projects and activities most in need of support across the whole of the UHB. Each fund is managed by a specialist fund holder – generally a specialist in the particular field relevant to the fund. The Charity is responsible for providing guidance, financial information and advice to fund holders.

We manage three types of funds:

Unrestricted funds – these are general funds and are those funds that may be spent at the discretion of the Trustees to enhance the services across the UHB

Restricted funds – these can only be spent in accordance with the restrictions imposed when the funds were donated, granted or raised by the Charity.

Endowment funds – where capital funds are made available to our Charity and the Trustees are legally required to invest or retain them. Where a permanent endowment exists, Trustees have no automatic power to spend the capital. If the fund is an expendable endowment, trustees have the power to convert capital to income.

The day to day administration of funds is undertaken by:

Charitable Fund Department, Cardiff and Vale University Health Board
2nd Floor, Woodland House,
Cardiff, CF14 4HH

Investment Risk Management

The Investment Management Company screen the investments prior to purchase for compliance with the ethical policy. In addition, existing holdings are screened on a regular basis to ensure continued compliance. If the fund were to purchase a position in a holding which did not comply and was identified as part of the post purchase process, the investment would be subsequently sold.

The portfolio does not have investments in companies whose principal manufacturing activities are tobacco, alcohol, armaments and pornography / adult entertainment related.

Reserves Policy

The strategy of the Corporate Trustee is to apply charitable funds within a reasonable time of receipt, ideally within one to two years, unless there are specific requirements attached to income. Historically, the level of expenditure has been generally approximated to the level of income, with greater than required reserves held to manage any fluctuations.

The current reserves policy states that the Charity should hold the following reserves:
- A separate fixed asset investment reserve, based on 10% of the value fixed asset investments (circa £550,000)
- A minimum of £500,000 to ensure that there are sufficient funds for on-going commitments

From a process point of view there is no individual fund that holds all the reserves, however the current level of reserves is considered more than adequate for current needs. Going forward the Charity will review the reserves policy to reflect any changes to the Charity's financial position.

Investment Contract Risk

Cardiff and Vale Health Charity's Investment Manager's contract with Cazenove Capital ended on the 31st May 2021. Following a procurement contract tendering exercise the contract was awarded to Rathbone Investment Management, which commenced on the 1st June 2021 for a period of three years with an option to extend for a further two years.

The Charity seeks to maximise the total return on funds while adopting a conservative policy on risk and flexible structure in respect of Asset Class Distribution. The portfolio is structured to enable a range of investments in order to yield a competitive rate of return. The investment director has delegated authority to purchase and sell investments as market opportunities arise. The Investment Managers formally attend and report to the Charitable Funds Committee twice a year.

Financial Control Risk

A financial control procedure, expenditure guideline, governance framework and strategy have been developed to ensure that there are sufficient management controls in place to:
- Ensure that spending is in accordance with objects and priorities agreed by the Charitable Funds Committee
- Ensure the criteria for spending charitable monies are fully met
- Ensure that accounting records are maintained
- Ensure devolved decision making is within specific parameters.

Internal Audit also undertakes annual reviews to evaluate the adequacy of procedures and controls, to ensure compliance and to provide reasonable assurance over:
- Achievement of management objectives for the systems
- Economic and efficient use of resources
- Compliance with policies and procedures
- Safeguarding of assets

The Internal Audit reports are presented to both the Charitable Funds Committee and the Audit Committee, and this is a key measure in mitigating control risk.

Advisors

Bankers	Government Banking Service
	Southern House
	7th Floor
	Wellesley Grove
	Croydon
	CF9 1WW
Investment Managers	Rathbone Brothers Plc
	8 Finsbury Circus
	London
	EC2M 7A2
External Auditors	Auditor General for Wales
	24 Cathedral Road
	Cardiff
	CF11 9LJ
Internal Auditors	NWSSP Internal Audit Department
	1st Floor, Woodland House
	Cardiff
	CF14 4HH
VAT Advisors	Ernst & Young LLP
	The Paragon
	Counterslip
	Bristol
	BS1 6BX

CARDIFF & VALE HEALTH CHARITY ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

Foreword

The accounts (financial statements) have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

Statutory Background

The Cardiff & Vale University Local Health Board is the corporate trustee of the charity under paragraph 16c of Schedule 2 of the NHS and Community Care Act 1990.

The Trustees have been appointed under s11 of the NHS and Community Care Act 1990.

Main Purpose of the Funds Held on Trust

The main purpose of the charity is to apply income for any charitable purposes relating to the National Health Service wholly or mainly for the services provided by the Cardiff & Vale University Local Health Board.

Saunders Nathan
11/01/2021 13:59:01

Statement of Financial Activities for the year ended 31st March 2021

	Note	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total 2020-21 £000
Incoming resources from generated funds:					
Donations and Legacies	4	1,708	76	1	**1,785**
Other trading activities	5	1	266		**267**
Investments Income	6	103	43	1	**147**
Total incoming resources		**1,812**	**385**	**2**	**2,199**
Expenditure on :					
Raising funds	7	292	83		**375**
Charitable activities	8	1,512	475	22	**2,009**
Total expenditure		**1,804**	**558**	**22**	**2,384**
Net gains / (losses) on investments	14	864		5	869
Net income / (expenditure)		872	-173	-15	684
Transfer between funds		-17	17		0
Net movement in funds		855	-156	-15	684
Gains / (losses) on revaluation of fixed assets	13			-19	-19
Reconciliation of Funds		855	-156	-34	665
Total Funds brought forward as at 1 April 2020 (Re-stated)	20	4,103	1,867	2,512	8,482
Total Funds carried forward as at 31 March 2021		**4,958**	**1,711**	**2,478**	**9,147**

The notes on pages 13 to 27 form part of these accounts

Statement of Financial Activities for the year ended 31st March 2020

	Note	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total 2019-20 £000
Incoming resources from generated funds:					
Donations and Legacies	4	650	211		**861**
Other trading activities	5	11	297		**308**
Investments	6	139	59	1	**199**
Total incoming resources		**800**	**567**	**1**	**1,368**
Expenditure on :					
Raising funds	7	206	155		**361**
Charitable activities	8	2,254	307	21	**2,582**
Total expenditure		**2,460**	**462**	**21**	**2,943**
Net gains / (losses) on investments	14	-612	0	-3	-615
Net income / (expenditure)		-2,272	105	-23	-2,190
Transfer between funds		10	-9	-1	0
Net movement in funds		-2,262	96	-24	-2,190
Gains / (losses) on revaluation of fixed assets	13			-7	-7
Reconciliation of Funds		-2,262	96	-31	-2,197
Total Funds brought forward as at 1 April 2019	20	6,365	1,771	2,543	10,679
Total Funds carried forward as at 31 March 2020 (Re-stated)		**4,103**	**1,867**	**2,512**	**8,482**

Balance Sheet as at 31 March 2021

	Note	Unrestricted funds £000	Restricted Income funds £000	Endowment funds £000	Total 31 March 2021 £000	Total 31 March 2020 £000 (Re-Stated)
Fixed assets:						
Tangible Assets	13			2,436	**2,436**	2,476
Investments	14	4,711	1,615	42	**6,368**	5,499
Total fixed assets		**4,711**	**1,615**	**2,478**	**8,804**	**7,975**
Current assets:						
Debtors	15	87	43		**130**	157
Cash and cash equivalents	16	396	118		**514**	1,215
Total current assets		**483**	**161**	**0**	**644**	**1,372**
Liabilities:						
Creditors: Amounts falling due within one year	17	236	65		**301**	865
Net current assets / (liabilities)		**247**	**96**	**0**	**343**	**507**
Total net assets/ (liabilities)		**4,958**	**1,711**	**2,478**	**9,147**	**8,482**
The funds of the charity:						
Endowment Funds	20			42	42	36
Revaluation Reserve	20			2,436	2,436	2,476
Restricted income funds	20		1,711		1,711	1,867
Unrestricted income funds	20	4,958			4,958	4,103
Total funds		**4,958**	**1,711**	**2,478**	**9,147**	**8,482**

Director of Finance

Mrs Catherine Phillips

Date……………………………………………

Statement of Cash Flows for the year ending 31 March 2021

	Note	Total Funds 2020-21 £000	Total Funds 2019-20 £000
Cash flows from operating activities:			
Net cash provided by (used in) operating activities	18	-847	-832
Cash flows from investing activities:			
Dividend, interest and rents from investments	6	146	199
Movement in Investment Cash	14	68	-73
Proceeds from the sale of investments		1,062	727
Purchase of investments	14	-1,130	-654
Net cash provided by (used in) investing activities		**146**	**199**
Change in cash and cash equivalents in the reporting period		-701	-633
Cash and cash equivalents at the beginning of the reporting period	16	1,215	1,848
Cash and cash equivalents at the end of the reporting period	16	**514**	1,215

The notes on page to form part of these accounts

NOTES TO THE ACCOUNTS

1. Accounting policies

a)   Basis of Preparation

The financial statements have been prepared under the historic cost convention, with the exception of tangible fixed assets and investments which have been included at a valuation.

The accounts (financial statements) have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom And Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

The accounts (financial statements) have been prepared to give a "true and fair" view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a "true and fair view". This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended practice effective from 1 April 2005 which has since been withdrawn.

The Trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern. In future years, the key risks to the Charity are a fall in income from donations or a fall in investment income but the Trustees have arrangements in place to mitigate those risks (see the Investment Risk Management and Reserves Policy sections of the annual report for more information).

The Charity meets the definition of a public benefit entity under FRS

b)   Where there is a legal restriction on the purpose to which a fund may be put, the fund is classified either as:

- A restricted fund or
- An endowment fund

Restricted funds are those where the donor has provided for the donation to be spent in furtherance of a specified charitable purpose.

Endowment funds arise when the donor has expressly provided that the gift is to be invested and only the income of the fund may be spent. These funds are sub analysed between those where the trustees have the discretion to spend the capital (expendable) and those where there is no discretion to expend the capital (permanent endowment).

Those funds which are neither endowment nor restricted income fund, are unrestricted income funds which are sub analysed between designated (earmarked) funds where the trustees have set aside amounts to be used for specific purposes or which reflect the non-binding wishes of donors and unrestricted funds which are at the trustees' discretion, including the general fund which represents the charity's reserves.

c)   Incoming resources

All incoming resources are recognised once the charity has entitlement to the resources, it is probable (more likely than not) that the resources will be received and the monetary value of incoming resources can be measured with sufficient reliability.

Where there are terms or conditions attached to incoming resources, particularly grants, then these terms or conditions must be met before the income is recognised as the entitlement condition will not be satisfied until that point. Where terms or conditions have not been met or uncertainty exits as to whether they can be met then the relevant income is not recognised in the year but deferred and shown on the balance sheet.

d)   Income resources from legacies

Legacies are accounted for as incoming resources either upon receipt or where the receipt of the legacy is probable.

Receipt is probable when:

- Confirmation has been received from the representatives of the estate(s) that probate has been granted

- The executors have established that there are sufficient assets in the estate to pay the legacy and

- All conditions attached to the legacy have been fulfilled or are within the Charity's control.

If there is uncertainty as to the amount of the legacy and it cannot be reliably estimated then the legacy is shown as a contingent asset until all of the conditions for income generation are met.

e)   Income resources from endowment funds

The incoming resources received from the invested endowment fund are wholly restricted.

f)   Resources expended and irrecoverable VAT

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to each category of expense shown in the Statement of Financial Activities. Expenditure is recognised when the following criteria are met:

- There is a present legal or constructive obligation resulting from a past event

- It is more likely than not that a transfer of benefits (usually a cash payment) will be required in settlement
- The amount of the obligation can be measured or estimated reliably. Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

A constructive obligation arises when:

- We have communicated our intention to award a grant to a recipient who then has a reasonable expectation that they will receive a grant

- We have made a public announcement about a commitment which is specific enough for the recipient to have a reasonable expectation that they will receive a grant

- There is an established pattern of practice which indicates to the recipient that we will honour our commitment.

The Trustees have control over the amount and timing of grant payments and consequently where approval has been given by the trustees and any of the above criteria have been met then a liability is recognised. Grants are not usually awarded with conditions attached. However, when they are then those conditions have to be met before the liability is recognised.

Where an intention has not been communicated, then no expenditure is recognised but an appropriate designation is made in the appropriate fund. If a grant has been offered but there is uncertainty as to whether it will be accepted or whether conditions will be met then no liability is recognised but a contingent liability is disclosed.

g)	**Allocation of support costs**

Support costs are those costs which do not relate directly to a single activity. These include staff costs, costs of administration, internal and external audit costs. Support costs are apportioned on an average fund balance basis.

h)	**Fundraising costs**

The costs of generating funds are those costs attributable to generating income for the charity, other than those costs incurred in undertaking charitable activities or the costs incurred in undertaking trading activities in furtherance of the charity's objects. The costs of generating funds represent fundraising costs together with investment management fees. Fundraising costs include expenses for fundraising activities and a fee paid to a related party, the Health Board, under a fundraising agreement. The fee is used to pay the salaries and overhead costs of the Health Board's fundraising office.

i)	**Charitable Activities**

Costs of charitable activities comprise all costs incurred in the pursuit of the charitable objects of the charity. These costs, where not wholly attributable, are apportioned between the categories of charitable expenditure in addition to the direct

costs. The total costs of each category of charitable expenditure include an apportionment of support costs as shown in note 8.

j)   Debtors

Debtors are amounts owed to the charity. They are measured on the basis of their recoverable amount**.**

k)   Cash and cash equivalents

Cash at bank and in hand is held to meet the day to day running costs of the charity as they fall due. Cash equivalents are short term, highly liquid investments, usually in 90 day notice interest bearing savings accounts.

l)   Creditors

Creditors are amounts owed by the charity. They are measured at the amount that the charity expects to have to pay to settle the debt.
Amounts which are owed in more than a year are shown as long term creditors.

m)   Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening carrying value (purchase date if later).
Unrealised gains and losses are calculated as the difference between the market value at the year end and opening carrying value (or purchase date if later).

n)   Fixed Assets

Investments are stated at market value at balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year. Tangible fixed assets are valued at current cost as follows:

i)   The land and buildings in respect of Rookwood Hospital was revalued as at 1st April 2017, and the revaluation reflected the restriction to hospital use only. Where appropriate between valuations an appropriate index, supplied from the Welsh Government, is applied to revalue the asset.
ii)   Assets in the course of construction are valued at current cost.
iii)   Capitalisation threshold is £5,000
iv)   Movements in revaluation are recorded in the revaluation reserve on the balance sheet

Professional valuations are carried out by the District Valuer Service every five years, which (as the commercial arm of the Valuation Office Agency) is part of HMRC. The valuations are carried out in accordance with Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual insofar as these terms are consistent with the agreed requirements of the Welsh Government and HM Treasury. Movements in revaluations are recognised in the Revaluation Reserve.

Depreciation

i) Depreciation is charged on each main class of tangible asset as follows: land and assets in the course of construction are not depreciated. Buildings, installations and fittings are depreciated on their revalued amount over the assessed remaining life of the asset as advised by the professional valuers;

ii) Impairments, where incurred in the year, are separately identified in note 13 and charged to the funds of the charity where caused by price fluctuations and to the Statement of Financial Activities for the year when the impairment was recognised**.**

iii) The estimated remaining life of the assets are split between engineering (15 years) and structure (45 years).

Donated Assets are capitalised at their valuation on full replacement cost basis on receipt and are revalued and depreciated as described above.

2. **Prior Year Restatement**

To correctly state the classification of the Charity's unrestricted funds as at 31st March 2020, the following disclosures have been restated.

<u>**Statement of Financial Activities 2019/20**</u>   **£k**

Unrestricted funds brought forward decreased by   455

<u>**Balance sheet**</u>

Unrestricted funds at 31st March 2020 decreased by 455

3. **Related party transactions**

Cardiff and Vale University Local Health Board is the Corporate Trustee of the Charity.
During the year, other than noted below, there are no other material related party transactions involving the Corporate Trustee, board members or senior key management staff.

Board Members (and other senior staff) take decisions both on Charity and Exchequer matters but endeavour to keep the interests of each discrete and do not benefit personally from such decisions. Declarations of personal interest have been made and are available to be inspected by the public.

The Local Health Board has close links with Cardiff University which includes the sharing of staff as well as sharing accommodation on the University Hospital of Wales Site.

The table below relates to the related party financial transactions for financial year 2020/21.

Related Party	Income related party 2020/21 £000	Expenditure related party 2020/21 £000	Amounts owed to related party 2020/21 £000	Amounts due from related party 2020/21 £000
Cardiff Council		1		
Welsh Government		1		
University of South Wales		2		
Cardiff and Vale Health Board		1,586	72	23
Cardiff University		42	1	

The table below includes the names of the individual board members and the relationship with the related party.

Board Member	Related Party Relationship
Len Richards	Council Member of **Cardiff University**. Adsvisor to the Life Sciences Hub Wales Board of **Welsh Government** untill December 2020. From January 2021 Non-Executive Director of Life Sciences Hub Wales Board of **Welsh Government**.
Professor Gary Baxter	Professor of Pharmacology at **Cardiff University** and member of Life Sciences Hub Wales Board.
Rhian Thomas	Senior Lecturer at **University of South Wales**
Jonathan Gray	Clinical Director for the Life Sciences Hub (**Welsh Government)**
Hanuk Akmal	Chair of the Internship and Business Valleys Taskforce (**Welsh Government**)

The table below relates to the related party financial transactions for financial year 2019/20.

Related Party	Income related party 2019/20 £000	Expenditure related party 2019/20 £000	Amounts owed to related party 2019/20 £000	Amounts due from related party 2019/20 £000
Cardiff Council		1		5
Cardiff and Vale Health Board		955	310	27
Cardiff University		44		1

4.Income from donations and legacies

	Unrestricted funds £000	Restricted Income funds £000	Endowment funds £000	Total 2020-21 £000	Total 2019/20 £000
Donations	1,562	75	1	**1,638**	734
Legacies	146	1		**147**	127
	1,708	**76**	**1**	**1,785**	**861**

5.Other trading activities

	Unrestricted funds £000	Restricted Income funds £000	Endowment funds £000	Total 2020-21 £000	Total 2019/20 £000
Staff lottery		263		**263**	245
Other trading	1	3		**4**	63
	1	**266**	**0**	**267**	**308**

6.Gross investment income

	Unrestricted funds £000	Restricted Income funds £000	Endowment funds £000	Total 2020-21 £000	Total 2019/20 £000
Fixed asset equity and similar investments.	103	43	1	**147**	188
Short Term Investments				**0**	11
Deposits and cash on deposit					
	103	**43**	**1**	**147**	**199**

7. Anaysis of expenditure on raising funds

	Unrestricted funds £000	Restricted Income funds £000	Endowment funds £000	Total 2020-21 £000	Total 2019/20 £000
Fundraising office	276			**276**	270
Fundraising events		76		**76**	67
Investment management fees	16	7		**23**	24
	292	**83**	**0**	**375**	**361**

8. Analysis of charitable activity

	Activities taken £000	Support costs £000	Total 2020-21 £000	Total 2019-20 £000
Patient education and welfare	1,679	113	**1,792**	1,581
Staff education and welfare	146	8	**154**	470
Research	35	2	**37**	30
Other	4		**5**	26
Depreciation	21		**21**	20
	1,885	123	2,009	2,127

Cardiff and Vale University Local Health Board Charities Accounts 2020/21

9. Grants

The charity does not make grants to individuals or the Health Board.
The charity does operate a Charitable Funds Bids Panel which approves
grants to the Third Sector on an annual basis.
During 2020/21 £0.050m was approved by the Charitable Funds Committee.
During 2019/20 the Charity approved a sum of £0.033m to the Third Sector.

The table below provides the details of the grant payments.

Organisation	2020/21 £000	2019/20 £000
GLAMORGAN VOLUNTARY SERVICES	50	33
Total	**50**	**33**

10. Allocation of support costs

	Raising funds £000	Charitable activities £000	Total 2020-21 £000	Total 2019-20 £000
Governance				
Audit Wales	0	20	**20**	10
Internal Audit	0	10	**10**	10
Investment Management Fees	24	0	**24**	24
Total governance	**24**	**30**	54	**44**
Finance and administration		94	**94**	94
	24	**124**	**148**	**138**

The finance and administration is to a related party (Cardiff and Vale University Health Board) and this related to staff costs.

	Unrestricted funds £000	Restricted Income funds £000	Endowment funds £000	Total Funds 2019-20 £000
Raising funds	16	6	0	**24**
Charitable activities	87	37	0	**124**
	103	**43**	**0**	**148**

11. Trustees' remuneration, benefits and expenses

The charity does not make any payments for remuneration nor to reimburse expenses to the charity trustees for their work undertaken as trustee.

12. Auditor's remuneration

The auditor's remuneration of £20,000 (2019/20:£10,000) relates to the audit of the statutory annual report and accounts only.

Saunders Nathan
11/01/2021 13:59:01

13. Tangible fixed assets

	Freehold Land and Buildings 2020/21 £000	Freehold Land and Buildings 2019/20 £000
Cost or valuation		
Opening Balance	2,536	2,543
Additions	0	0
Revaluations	-19	-7
Disposals	0	0
Impairments	0	0
Closing Balance	2,517	2,536
Accumulated depreciation		
Opening Balance	60	40
Disposals	0	0
Revaluations	0	0
Impairments	0	0
Charge for year	21	20
Closing Balance	81	60
Opening NBV	2,476	2,503
Closing NBV	2,436	2,476

Rookwood Hospital is the only Tangible Fixed Asset recognised in "Freehold Land and Buildings"

14.Fixed asset investments

Movement in fixed assets investments

	Investments Listed on Stock Exchange £000	Cash Held in Investment Portfolio £000	Total 2020-21 £000	Total 2019-20 £000
Market value brought forward	5,167	332	**5,499**	6,114
Add: additions to investments at cost	1,130		**1,130**	654
Less disposals at carrying value	(872)		**(872)**	(725)
Add any gain / (loss) on revaluation	679		**679**	(617)
Movement of cash held as part of the investment portfolio		(68)	**(68)**	73
Market value as at 31st March 2021	**6,104**	**264**	**6,368**	**5,499**

The gain on revaluation relates to the unrealised gain, however the overall gain of £0.869m, as shown in the Statement of Financial Activities is calculated by also adjusting for realised Gains of £0.190m. (2019/20 £2,000).As at 31st March 2021 the following investment was considered material: UBS ETF MSCI USA Socially Responsible ETF.

The Charity's investment are handled by investment advisors appointed by the Charity, using the appropriate Health Board purchasing contract process. The Charity operates an investment policy that provides for a high degree of diversification of holdings within investment asset classes. A large proportion of investments are made with companies listed on a UK stock exchange or incorporated in the UK. The majority of expenditure is financed from donations and legacies and therefore the Charity is not exposed to significant liquidity risk. The Investment Management Company attends the Charitable Funds Committee twice a year to discuss all aspects of investment performance and the factors influencing the perform

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15. Analysis of current debtors

Debtors under 1 year	Total 31 March 2021 £000	Total 31 March 2020 £000
Other debtors	10	5
Prepayments	31	57
Accrued Income	89	115
	130	177
Total debtors	130	177

16. Cash at bank and in hand

	31 March 2021 £000	31 March 2020 £000
Cash in hand	514	1,215
	514	1,215

17. Analysis of liabilities

	Total 31 March 2021 £000	Total 31 March 2020 (Re-stated) £000
Creditors under 1 year		
Other creditors	244	838
Accruals	57	27
	301	865

The re-statement reflects the adjust to expenditure as shown in the Statement of Financial Activities.

Total creditors	301	865

18. Reconciliation of net income / expenditure to net cash flow from operating activities

| | Total 2020-21 | Total 2019-20 (Re-statement) |
	£000	£000
Net income / (expenditure) (per Statement of Financial Activities)	684	(2,201)
Adjustment for:		
Depreciation charges	21	20
(Gains) / losses on investments	(869)	615
Dividends, interest and rents from investments	(146)	(199)
(Increase) / decrease in debtors	27	341
Increase / (decrease) in creditors	(564)	592
Net cash provided by (used in) operating activities	**(847)**	**(832)**

19.   Role of volunteers

Cardiff and Vale Health Charity continue to be extremely grateful to all the volunteers who support fundraising with so much energy, passion, and skill. The Charity could not achieve all their objectives without the on-going commitment of the volunteers to make such a difference to patients and staff.

The Charity aims to work more closely with Health Board volunteers in order to develop more specific Charity Champion roles, including supporting our runners at the Cardiff Half Marathon and supervising the charity collection tins. In accordance with the SORP, due to the absence of any reliable measurement basis, the contribution of these volunteers is not recognised in the accounts.

20. Analysis of Funds

a. Analysis of endowment funds

	Balance 1 April 2020 £000	Income £000	Expenditure £000	Transfers £000	Gains and losses £000	Balance 31 March 2021 £000
Catherine Jenkins	36	2	(1)		5	42
	36	**2**	**(1)**	**0**	**5**	**42**

b. Analysis of restricted material fund movements

		Balance 1 April 2020 £000	Income £000	Expenditure £000	Transfers £000	Gains and losses £000	Balance 31 March 2021 £000
9447	Cystic Fibrosis Better Life Appeal Fund	476	32	(119)			389
9479	Phillips Legacy - Asthma Research	209	5	(6)			208
9149	Breastcare Unit - General Purpose	222	45	(149)	29		147
9478	May Legacy - Asthma Research	143	3	(8)			138
9582	Murphy Legacy (Morfa Day Unit - General Purpose)	90	2	(2)			90
9639	Childrens Telemetry Appeal (General Purpose)	94	2	(2)			94
9689	Gould Legacy (Haematology)	91	2	(2)			91
9690	Gould Legacy (Bone Marrow Unit)	91	2	(2)			91
9463	Chidgey Legacy	90	3	(2)			91
9678	Staff Lottery	(4)	264	(192)			68
	Other	365	25	(74)	(12)		304
		1,867	**385**	**(558)**	**17**	**0**	**1,711**

c. Analysis of unrestricted and material designated fund movements

		Balance 1 April 2020 (Re-stated) £000	Income £000	Expenditure £000	Transfers £000	Gains and losses £000	Balance 31 March 2021 £000
	Unrestricted Funds						
9809/9810	Unrestricted Non Delegated	1		-36	-142	864	687
		1		-36	-142	864	687
	Designated Funds						
9649	Bale Covid Donation	0	509	-67			442
9644	Hughes Legacy (Cardiology)	306	7	-8			305
9600	UHW Nurses	279	28	-15	-1		291
9524	Leukaemia & Lymphona	144	7	-7			144
9153	Geriatric Research (UHW)	135	3	-3			135
9494	Biggs Legacy Cardiac Research	113	2	-12			103
9490	Make It Better Fund	54	401	-326	1		130
9704	Food Sense Wales	43	276	-197			122
9659	Morgan Legacy Cardiac Research	0	102	-1			101
	Other	3,028	477	-1,132	125		2,498
		4,102	1,812	-1,768	125		4,271
	Total	**4,103**	**1,812**	**-1,804**	**-17**	**864**	**4,958**

See Note 2 prior year restatement

d. Revaluation Reserve

	Balance 1 April 2020 £000	Income £000	Expenditure (Depreciation) £000	Transfers £000	Gains and losses £000	Balance 31 March 2021 £000
Rookwood	2,476		-21		-19	2,436
	2,476	**0**	**-21**	**0**	**-19**	**2,436**

Cardiff and Vale University Local Health Board Charities Accounts 2020/21

Additional Notes

21. Commitments

	2020/21
	£000
The funds have the following commitments:	
Charitable projects	
Total	**701**

Name of commitment	£000
Health Charity Billingual Website (CFC 21/03/018) (1 Year)	20
Arts Programme (CFC 21\03\008) (1 Year)	50
Third Sector Grant Scheme (CFC 21/03/011) (1 Year)	33
Neurological Gardens (BT 20/07/013) (1-3 Years)	192
Employee Wellbeing (CTM 19/06/008) (1-3 years)	163
Staff Recognition Awards (CFC 18/052) (4 Years)	20
Disposal of Rookwood (CTM 19/06/009) (1-2 Years)	155
UHB Transport Solutions (CT/19/03/007) (1-3 years)	68
	701

22. Donated Assets

During the year the Charity purchased assets to the value of £0.244m. These are included in the Charity's Statement of Financial Activities and are classified as Donated Assets in the LHB Financial Statements.

23. Post Balance Sheet Events

The financial statements are required to reflect the conditions applying at the end of the financial year. Therefore no adjustments are made for any changes in fair value of investments between 31 March 2021 and the date the financial statements are approved. The fair value of the investments held by the Charity at 31st Match 2021 has changed in the intervening period as follows:

	31 March 2021	December 2021
	£000	**£000**
Investment	6,368	

Cardiff and Vale University Local Health Board Charities Accounts 2020/21

As Financial Trustee of the funds held on trust I am responsible for:

. the maintenance of financial records appropriate to the activities of the fund (s).

. the establishment and monitoring of a system of internal control.

. the establishment of arrangements for the prevention of fraud and corruption.

. The preparation of annual financial statements which give a true and fair view of the funds held on trust and the results of their operations.

…………………2022   …………………………………….. On behalf of Financial Trustee

Cardiff and Vale University Local Health Board Charities Accounts 2020/21

STATEMENT OF TRUSTEE RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

The trustee is required to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year. In preparing financial statements giving a true and fair view, the trustee should follow best practice and:

- Select suitable accounting policies and then apply them consistently;

- Make judgements and estimates that are reasonable and prudent;

- State whether applicable accounting standards and statements of recommended practices have been followed, subject to any departures disclosed and explained in the financial statements; and

- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustee is responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity and which enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) regulations and the provisions of the trust deed. The trustee is responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustee confirms that they have complied with the above requirements in preparing the accounts.

By order of the trustee

Signed:

Trustee……………………………………………………………..Dated ………………………………2022

The independent auditor's report of the Auditor General for Wales to the Trustee of Cardiff and Vale University Local Health Board Charity

Report on the audit of the financial statements

Opinion

I have audited the financial statements of Cardiff and Vale University Local Health Board Charity for the year ended 31 March 2021 under the Charities Act 2011. These comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In my opinion the financial statements:

- give a true and fair view of the state of affairs of the charity as at 31 March 2020 and of its incoming resources and application of resources for the year then ended;

- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

- have been prepared in accordance with the Charities Act 2011.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)). My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the charity in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter

Conclusions relating to going concern

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Report on other requirements

Other information

The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. The trustee is responsible for the other information in the annual report and accounts. My opinion on the financial statements does not cover the other information and, except

to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies, I consider the implications for my report.

Matters on which I report by exception

I have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require me to report to you if, in my opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report;

- sufficient accounting records have not been kept;

- the financial statements are not in agreement with the accounting records and returns; or

- I have not received all of the information and explanations I require for my audit.

Responsibilities

Responsibilities of the trustee for the financial statements

As explained more fully in the statement of trustee responsibilities set out on page 38, the trustee is responsible for preparing the financial statements in accordance with the Charities Act 2011, for being satisfied that they give a true and fair view, and for such internal control as the trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustee is responsible for assessing the charity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

Auditor's responsibilities for the audit of the financial statements

I have been appointed as auditor under section 150 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Adrian Crompton   24 Cathedral Road
Auditor General for Wales   Cardiff
** January 2022   CF11 9LJ

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Appendix 1

Matters in relation to fraud

International Standard for Auditing (UK and Ireland) 240 covers auditors' responsibilities relating to fraud in an audit of financial statements.

The primary responsibility to prevent and detect fraud rests with both management, and the trustees 'those charged with governance'. Management, with the oversight of the trustees, should ensure there is a strong emphasis on fraud prevention and deterrence and create a culture of honest and ethical behaviour, reinforced by active oversight by those charged with governance.

As external auditors, we are responsible for obtaining reasonable assurance that the financial statements are free from material misstatement due to fraud or error. We are required to maintain professional scepticism throughout the audit, considering the potential for management override of controls.

What are we required to do?

As part of our risk assessment procedures we are required to consider the risks of material misstatement due to fraud. This includes understanding the arrangements management has put in place in respect of fraud risks. The ISA views fraud as either:

- the intentional misappropriation of assets; or
- the intentional manipulation or misstatement of the financial statements.

We also need to understand how the trustees exercise oversight of management's processes. We are also required to make enquiries of both management and the trustees as to their knowledge of any actual, suspected or alleged fraud and for identifying and responding to the risks of fraud and the internal controls established to mitigate them.

Enquiries of management - in relation to fraud

Question	2019-20 Response	2020-21 Response
1. What is management's assessment of the risk that the financial statements may be materially misstated due to fraud and what are the principal reasons?	The assessed risk that the financial statements are materially misstated due to fraud is extremely low. Management are not aware of any fraud or potential fraud that would materially impact on the financial statements. This assessment is made on the basis of robust and comprehensive counter fraud and internal audit services. All potential fraud cases are rigorously investigated and pursued by the Health Board's counter fraud service. Internal Audit have also undertaken a review of charitable funds and the main financial systems from which the financial statements are prepared, as part of their 2019/20 audit plan.	The assessed risk that the financial statements are materially misstated due to fraud is extremely low. Management are not aware of any fraud or potential fraud that would materially impact on the financial statements. This assessment is made on the basis of robust and comprehensive counter fraud and internal audit services. All potential fraud cases are rigorously investigated and pursued by the Health Board's counter fraud service. Internal Audit have also undertaken a review of charitable funds and the main financial systems from which the financial statements are prepared, as part of their 2020/21 audit plan.
2. What processes are employed to identify and respond to the risks of fraud more generally and specific risks of misstatement in the financial statements?	The Health Board charity has a year-end accounts closure process which now includes a management review which aims to mitigate against the risks of any financial misstatements. The Health Board's internal auditors also annually review the fundamental financial systems upon which the financial statements are based. The risks around fraud are mitigated by a robust and well-resourced counter	The Health Board charity has a year-end accounts closure process which includes a management review which aims to mitigate against the risks of any financial misstatements. The Health Board's internal auditors also annually review the core fundamental financial systems upon which the financial statements are based. The risks

	fraud programme. All senior staff in the Finance Department must be professionally qualified accountants whose professional institutes have strong code of conducts and professional ethics. Any deliberate misstatements would likely result in the individual being stuck off from their professional body.	around fraud are mitigated by a robust and well-resourced counter fraud programme. All senior staff in the Finance Department must be professionally qualified accountants whose professional institutes have strong code of conducts and professional ethics. Any deliberate mis-statements would breach this with very significant personal consequences.
3. What arrangements are in place to report fraud issues and risks to the trustees?	At the start of the year, the Audit and Assurance Committee agrees a Counter Fraud Work Plan. It then receives regular Counter Fraud progress reports at all of its normal business meetings. It also receives an annual counter fraud report which details the work that has been undertaken during the year, together with a Self-Risk Assessment that is required to be submitted to the NHS Counter Fraud Authority which measures the Health Board's level of counter fraud work against a set of agreed National Standards for NHS Bodies in relation to fraud, bribery and corruption.	At the start of the year, the Audit and Assurance Committee agrees a Counter Fraud Work Plan. It then receives regular Counter Fraud progress reports at all of its normal business meetings. It also receives an annual counter fraud report which details the work that has been undertaken during the year, together with a Self-Risk Assessment that is required to be submitted to the NHS Counter Fraud Authority which measures the Health Board's level of counter fraud work against a set of agreed National Standards for NHS Bodies in relation to fraud, bribery and corruption.
4. How has management communicated expectations of ethical governance and standards of conduct and	All staff have access to the Standards of Behaviours Framework Policy via the Intra and Internet plus this is included upon recruitment and at induction. Consultant Medical and Dental Staff are reminded of	All staff have access to the Standards of Behaviours Framework Policy via the Intra and Internet plus this is included upon recruitment and at induction. Consultant

| behaviour to all relevant parties, and when? | the need to declare interests etc, when completing their job plans. Board members/Trustees are made aware of the policy on recruitment and are also prompted to complete a declaration on an annual basis. This requires them to confirm that they have read and understood the policy. 'Declarations of Interest' is also a standing item on the agenda of all Board and Committee meetings.

In addition, the Standards of Behaviours Framework policy has been circulated across the Health Board via Internet, Intranet and Email communications. These communications have highlighted the need to comply with the policy at key times of the year, including Christmas, during key sporting events and at the start of the new financial year.

This has been done to make sure that expectations of ethical governance and standards of conduct and behaviour are being communicated to all professional staff and not only to Medical and Dental staff. | Medical and Dental Staff are reminded of the need to declare interests etc, when completing their job plans. Board members/ are made aware of the policy on recruitment and are also prompted to complete a declaration on an annual basis. This requires them to confirm that they have read and understood the policy. 'Declarations of Interest' is also a standing item on the agenda of all Board and Committee meetings.

In addition, the Standards of Behaviours Framework policy has been circulated across the Health Board via Internet, Intranet and Email communications. These communications have highlighted the need to comply with the policy at key times of the year, including Christmas, during key sporting events and at the start of the new financial year.

This has been done to make sure that expectations of ethical governance and standards of conduct and behaviour are being communicated to all professional staff and not only to Medical and Dental staff. |

5.	Are you aware of any instances of actual, suspected or alleged fraud since 1 April 2020?	All actual and suspected fraud is fully reported to the Audit and Assurance Committee at its regular business meeting in its private session via a counter fraud progress report. There were no actual or suspected frauds relating to Funds Held on Trust in 2019/20.	All actual and suspected fraud is fully reported to the Audit and Assurance Committee at its regular business meeting in its private session via a counter fraud progress report. There were no actual or suspected frauds relating to Funds Held on Trust in 2020/21.

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Enquiries of those charged with governance – in relation to fraud

Question	2019-20 Response	2020-21 Response
1. How do the trustees exercise oversight of management's processes for identifying and responding to the risks of fraud within the audited body and the internal control that management has established to mitigate those risks?	The Board/Trustee has delegated the review and monitoring of management processes for identifying and responding to fraud risks to the Audit and Assurance Committee. This monitoring is supported by the work of the Audit and Assurance Committee and the internal audit and counter fraud functions for which the Finance Director is the lead Executive. The Audit and Assurance Committee receives regular reports on counter fraud matters and on the adequacy of internal control that exist within the Health Board/charity and on the actions being taken to mitigate these risks. The Chair of the Audit Committee is an Independent Member of the Board and reports back to the Health Board on these matters and the minutes of both the public and private meetings of the Audit and Assurance Committee are included in the meeting papers of the Board.	The Board has delegated the review and monitoring of management processes for identifying and responding to fraud risks to the Audit and Assurance Committee. This monitoring is supported by the work of the Audit and Assurance Committee and by the internal audit and counter fraud services for which the Finance Director is the lead Executive Director. The Audit and Assurance Committee receives regular reports on counter fraud matters and on the adequacy of internal controls that exist within the Health Board and on the actions being taken to mitigate these risks. The Chair of the Audit and Assurance Committee is an Independent Member of the Board and reports back to the Health Board on these matters and the minutes of both the public and private meetings of the Audit and Assurance Committee are included in the meeting papers of the Board in its public and private meetings.

| 2. Are you aware of any instances of actual, suspected or alleged fraud since 1 April 2020? | No, as part of their private meetings, the Board receives minutes from the private meeting of the Audit Committee, which includes any significant points highlighted in the Counter Fraud Progress Reports. There has been no suspected or actual fraud relating to funds held on Trust in 2019/20. | No, as part of their private meetings, the Board receives minutes from the private meeting of the Audit Committee, which includes any significant points highlighted in the Counter Fraud Progress Reports. There has been no suspected or actual fraud relating to funds held on Trust in 2020/21. |

Appendix 2

Matters in relation to laws and regulations

International Standard for Auditing (UK and Ireland) 250 covers auditors' responsibilities to consider the impact of laws and regulations in an audit of financial statements.

Management, with the oversight of those charged with governance, the trustees are responsible for ensuring that the Fund's operations are conducted in accordance with laws and regulations, including compliance with those that determine the reported amounts and disclosures in the financial statements.

As external auditors, we are responsible for obtaining reasonable assurance that the financial statements are free from material misstatement due to fraud or error, taking into account the appropriate legal and regulatory framework. The ISA distinguishes two different categories of laws and regulations:

- laws and regulations that have a direct effect on determining material amounts and disclosures in the financial statements; and
- other laws and regulations where compliance may be fundamental to the continuance of operations, or to avoid material penalties.

What are we required to do?

As part of our risk assessment procedures we are required to make inquiries of management and the trustees as to whether the Fund is in compliance with relevant laws and regulations. Where we become aware of information of non-compliance or suspected non-compliance, we need to gain an understanding of the non-compliance and the possible effect on the financial statements.

Enquiries of management – in relation to laws and regulations

Question	2019-20 Response	2020-21 Response
1. How have you gained assurance that all relevant laws and regulations have been complied with?	Assurances are gained via the Charitable Funds Committee and other appropriate Board Committees where these issues are discussed. The Charity has also issues detailed guidance as to what expenditure is appropriate to be funded from the charity. This has been subject to legal review and support and has been approved by the Trustee at their March 2019 meeting.	Assurances are gained via the Charitable Funds Committee where these issues are discussed. The Charity has also issued detailed guidance as to what expenditure is appropriate to be funded from the charity and this has been subject to legal review.
2. Have there been any instances of non-compliance or suspected non-compliance with relevant laws and regulations since 1 April 2020, or earlier with an ongoing impact on the 2020-21 financial statements?	There have been no instances of non-compliance or suspected non-compliance with relevant laws and regulations relating to the Funds Held on Trust during this period.	There have been no instances of non-compliance or suspected non-compliance with relevant laws and regulations relating to the Funds Held on Trust during this period.

3. Are there any potential litigations or claims that would affect the financial statements?	Management is not aware of any potential litigations or claims that would affect the financial statements.	Management is not aware of any potential litigations or claims that would affect the financial statements.
4. Have there been any reports from other regulatory bodies, which indicate non-compliance?	No such reports have been received.	No such reports have been received.

Enquiries of those charged with governance – in relation to laws and regulations

Question	2019-20 Response	2020-21 Response
1. How do trustees, in their role as those charged with governance, obtain assurance that all relevant laws and regulations have been complied with?	Assurances are gained via the Charitable Funds Committee and other appropriate Board Committees where these issues are discussed.	Assurances are gained via the Charitable Funds Committee and other appropriate Board Committees where these issues are discussed.
2. Are you aware of any instances of non-compliance with relevant laws and regulations?	No.	No.

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Appendix 3

Matters in relation to related parties

International Standard for Auditing (UK and Ireland) 550 covers auditors' responsibilities relating to related party relationships and transactions.

The nature of related party relationships and transactions may, in some circumstances, give rise to higher risks of material misstatement of the financial statements than transactions with unrelated parties.

Because related parties are not independent of each other, many financial reporting frameworks establish specific accounting and disclosure requirements for related party relationships, transactions and balances to enable users of the financial statements to understand their nature and actual or potential effects on the financial statements. An understanding of the entity's related party relationships and transactions is relevant to the auditor's evaluation of whether one or more fraud risk factors are present as required by ISA (UK and Ireland) 240, because fraud may be more easily committed through related parties.

What are we required to do?

As part of our risk assessment procedures, we are required to perform audit procedures to identify, assess and respond to the risks of material misstatement arising from the entity's failure to appropriately account for or disclose related party relationships, transactions or balances in accordance with the requirements of the framework.

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Enquiries of management – in relation to related parties

Question	2019-20 Response	2020-21 Response
1. Confirm that you have disclosed to the auditor: – the identity of any related parties, including changes from the prior period; – the nature of the relationships with these related parties; and – details of any transactions with these related parties entered into during the period, including the type and purpose of the transactions.	Yes, these are all disclosed to the auditor.	Yes, these are all disclosed to the auditor.
2. What controls are in place to identify, authorise, approve, account for and disclose related party transactions and relationships?	Staff are required to make declarations in accordance with the Standards of Behaviour Framework Policy, incorporating Gifts, Hospitality and Sponsorship. All Board members / Trustees and other relevant staff are asked to make a declaration on an annual basis, which is then recorded and published in the Declarations of Board Members' Interests. Where a Board Member's interests change during the year, they	Staff are required to make declarations in accordance with the Standards of Behaviour Framework Policy, incorporating Gifts, Hospitality and Sponsorship. All Board members / Trustees are asked to make a declaration on an annual basis, which is then recorded and published in the Declarations of Board Members' Interests.

| | have a personal responsibility to declare this and inform the Board Secretary. | Where a Board Member's interests change during the year, they have a personal responsibility to declare this and inform the Board Secretary. |
| | These related party transactions are identified in the Charity's Annual Report 2019/20. For all Committees and the Board, including the Trustee and Charitable Funds Committee meeting, there is a standing agenda item at the beginning of each meeting called 'Declaration of Interest' in relation to items on the agenda. | These related party transactions are identified in the Charity's Annual Report 2020/21. For all Committees and the Board, including the Trustee and Charitable Funds Committee meetings, there is a standing agenda item at the beginning of each meeting called 'Declaration of Interest' in relation to items on the agenda. |

Enquiries of those charged with governance – in relation to related parties

Question	2019-20 Response	2020-21 Response
1. How do the trustees, in their role as those charged with governance, exercise oversight of management's processes to identify, authorise, approve, account for and disclose related party transactions and relationships?	The Audit and Assurance Committee receives bi-annual reports relating to compliance with the policy and the Gifts, Hospitality and Sponsorship Register. The Charitable Funds Committee also scrutinises the Annual Accounts which contain details of related party transactions.	The Audit and Assurance Committee receives reports at each Committee meeting relating to compliance with the policy and the Gifts, Hospitality and Sponsorship Register. The Charitable Funds Committee also scrutinises the Annual Accounts which contain details of related party transactions.

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Report Title:	Procurement Compliance Report		
Meeting:	Audit Committee	Meeting Date:	9th November 2021
Status:	For Discussion	For Assurance	X For Approval	For Information
Lead Executive:	Executive Director of Finance		
Report Author (Title):	Assistant Director of Procurement Services and Executive Procurement Lead – C&V		

Background and current situation:

The UHB's Standing Orders & Standing Financial Instructions require that the purchase of all goods and services be subject to competition in accordance with good procurement practice, making reference to minimum thresholds for quotes and competitive tendering arrangements.

There are some situations where this is not always practical and requests for Single Quotation Actions (SQA) or Single Tender Actions (STA) are made in accordance with the Procedure for the Approval of Single Tender Action. There are sound reasons why STA/SQA's are permitted within the Health Board:-

- Sole Supplier of Goods or Services
- Proprietary items, i.e. Trademarked, patented
- Capability with existing equipment or service
- Regulatory, i.e. Human Tissue Act (HTA)
- Urgent Operational Requirement
- Covid-19
- Unforeseen/unplanned circumstances
- Emergencies
- Exemptions

To support the management of STA/SQA requests, an online quotation system was implemented in April 2019, to test the market and promote competition, this should reduce the number of STA/SQA's.

There are also some situations where contracts are extended outside of the original contract scope to ensure patient safety and operational delivery of the Health Board's core services.

Unfortunately there are times where individuals act outside Procurement Regulations and Standing Financials Instructions which need to be reported as a non-compliant process, which is a direct breach, and could compromise competition and value for money. There are some exemptions within these breaches in relation to unforeseen/unplanned circumstances, emergencies and more recently, Covid-19.

Should Non-Compliant Activity occur a letter from the Director of Finance will be sent to the Clinical Director/Department Head and copied to the relevant Executive Director to seek assurance that measures will be put in place to ensure that a breach does not occur again. If repeated breaches continue this will be escalated to the CEO.

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Executive Director Opinion/Key Issues to bring to the attention of the Board/Committee:

ASSESSMENT AND ASSURANCE

Non-Compliant Activity (10)

This is activity where departments have engaged suppliers without Procurement involvement and therefore, have incurred a direct breach of SFI's.

Contract Title	Value at Risk Excl VAT	Contract Expiry	Length at Risk/Breach	Clinical Board	Reason	Action
Static Security Guard Services Cardiff Bay	£79,992.00	N/A	4 months	PCIC	Services engaged without Procurement involvement	In Progress – Procurement Services engaging with department to implement longer term contract for any future requirements
Locum Requirement	£9,230.13	N/A	1 week	Medicine	Services engaged without Procurement involvement	Completed – one off service
Supply of Disposable Bioms	£5,059.00	N/A	One off purchase	Surgery Services	Services engaged without Procurement involvement	In Progress – Compliant contract being put in place
Canopy for Maternity Unit	£6,450.00	N/A	One off purchase	Capital Planning, Estates and Facilities	Services engaged without Procurement involvement	In Progress – Compliant contract being put in place
FC TB1/01 Remedial	£13,276.00	N/A	One off purchase	Capital Planning, Estates and Facilities	Services engaged without Procurement involvement	In Progress – Procurement Services engaging with department to implement longer term contract for any future requirements
Maintenance of CISCO Support	£29,249.92	31/07/2021	3 months	Executives – Digital Health and Intelligence	Services engaged without Procurement involvement	Completed – Compliant contract in place

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Locum Fees for Overseas Doctors	£18,882.75	N/A	Ongoing service requirement	Medicine	Services engaged without Procurement involvement	In Progress – Compliant contract being put in place
PICU Consultant Engagement	£28,500.00	N/A	Ongoing service requirement	Children and Women	Services engaged without Procurement involvement	In Progress – Compliant contract being put in place
Storage and Management for Womens Unit at UHL	£10,800.00	N/A	12 months	Clinical Diagnostics and Therapies	Services engaged without Procurement involvement	In Progress – Compliant contract being put in place
Kickstart Employability Programme	£5,700.00	N/A	3 months	Executives – Equality Team	Services engaged without Procurement involvement	In Progress – Compliant contract being put in place for future services

Contracts value breached/ extended at risk as a result of emergency/unforeseen circumstances (Nil)

Contract Title	Value at Risk	Contract Expiry	Length at risk/Breach	Clinical Board	Reason	Action/Status

Other Non-Compliant Activity (5)

This section details activities which were out of the Department/Health Board's control as a result of any of the following;
- Emergency activity
- Unforeseen/Unplanned circumstances
- Exemptions

Contract Title	Value at Risk	Contract Expiry	Length at risk/Breach	Clinical Board	Reason	Action /Status
Scaffolding Works due to collapse of maternity walkway	£6,830.00	One off emergency	One off emergency	Capital Planning, Estates and Facilities	Emergency Requirement	Completed – emergency one off requirement
Professional Legal Fees	£47,522.68	N/A	One off purchase	Executives - Governance	NWSSP Legal and Risk engaged Blake Morgan for unplanned activity	Completed – one off services
Hire of Air Conditioning Units for Immunisation Centres	£20,700.00	One off emergency	One off emergency	Capital Planning, Estates and Facilities	Emergency Requirement	Completed – emergency one off requirement

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Dragonfly Therapy Services	£6,175.00	One off emergency	One off emergency	Children and Women	Emergency out of area placement	Completed – emergency one off requirement
Professional Legal Fees	£22,817.00	N/A	One off purchase	Executives - Governance	NWSSP Legal and Risk engaged Blake Morgan for unplanned activity	Completed – one off services

Contracts engaged at risk as a result of Covid-19 requirements (1)

Contract Title	Value at Risk	Contract Expiry	Length at risk/Breach	Clinical Board	Reason	Action/Status
Validation of Patient Waiting List	£43,505.60	N/A	One off service	Executives – Performance Delivery	Services engaged without Procurement involvement for assessing patient waiting list in relation to Covid recovery evaluation	Completed – one off service

Report of Single Tender/Quotations Actions

Retrospective – (3 Returns)

The report outlines all SQA/STA (3) requests during the period the 1st June 2021 to 30th September 2021.

Clinical Board	Proposed Supplier/s	Name of Project	Retrospective Value of Contract Excl VAT	Reason for STA
AWMGS	Centre for Genomics and Transcriptomics (CeGAT)	Whole Exome Sequencing (WES) for trio or singleton virtual panel analysis for samples sent from AWMGS	£43,439.35	Sole Supplier of Goods or Services
Specialist Services	Cardiff University	Revenue Expenditure from MS Clinical Trials	£46,439.35	Capability with existing equipment or service
Executives	WWIC	Comprehensive Wound Service Review	£46,352.00	Sole Supplier of Goods or Services

Should Retrospective STA/SQA's occur a letter from the Director of Finance will be sent to the Clinical Director/Department Head and copied to the relevant Executive Director to seek assurance that measures will be put in place to ensure that a breach does not occur again. If repeated breaches continue this will be escalated to the CEO.

Prospective (within the permitted guidelines)

The report outlines all SQA/STA (10) requests during the period the 1st June 2021 to 30th September 2021. The volume processed was higher than normal activity, as a consequence of the following:-

1. Bevan Exemplar initiatives – WG approved
2. Year-end Monies/ Capital
3. National Programmes
4. Trials, Testing and Education Programmes
5. Bespoke software support and/or licences
6. Specialist Maintenance and Repairs
7. Partnership Arrangements
8. Compliance / Regulatory Requirements
9. Charitable Funds
10. Standardisation of goods or services
11. Covid-19/ Unforeseen circumstances/Emergencies
12. Exemptions

Clinical Board	Proposed Supplier	Name of Project	Total Value of Contract Excl VAT	Type
Executives	Healey and Lord	Supply of Additional Duraflow Batteries	£31,495.25	COVID-19
Medicine	Annox Limited	Multiple Breath Washout (MBW) equipment	£14,957.15	Sole Supplier of Goods or Services
Surgery	BK Medical	Neurosurgical Ultrasounds	£55,765.00	Sole Supplier of Goods or Services
AWMGS	Festival of Genomics & Biodata Frontline Genomics	Festival of Genomics Booth	£6,660.00	Sole Supplier of Goods or Services
Executives	Cardiff University	Covid Isolation Accommodation for International Nurses	£11,184.57	Urgent Operational Requirement
Executives	St David's Hotel	CLIMB Wales Programme	£28,188.00	Urgent Operational Requirement
Surgery	Cardiff University School Of Optometry and Vision Sciences	Teach and Learn Centre Cardiff University School Of Optometry and Vision Sciences	£102,000.00	Urgent Operational Requirement
Medicine	Mansfield Pollard and Co Limited	Supply of Air Filtration System	£27,902.00	Sole Supplier of Goods or Services
Specialist Services	Johnson and Johnson Medical	Carto Maintenance	£43,672.00	Sole Supplier of Goods or Services
Clinical, Diagnostics and Therapies	Lamboo Medical	Emergency Replacement Of Air Chiller Components	£7,811.64	Urgent Operational Requirement

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Non-Compliant Activity / Contract Breach Summary

The below summary details all Boards who have been reported for non-compliant breaches and exemptions in this period alongside their previous statistics for comparative purposes.

Clinical Board	2018/ 2019	2019/ 2020	2020/21						
			2020/ 2021 (Up to Nov-20)	2021 (New reporting structure from February 2021)			2021/22 to date		
				Non-Compliant Breaches	Exemp-tion	Covid-19	Non-Compliant Breaches	Exemp-tion	Covid-19
Children and Women	0	1	2	0	1	0	1	1	0
Capital Planning, Estates and Facilities	2	2	8	2	8	4	6	4	1
Clinical, Diagnostics and Therapies	4	1	3	1	0	0	1	0	0
Executives	0	1	8	6	6	6	5	2	3
Medicine	2	1	0	4	0	1	2	0	0
PCIC	0	0	2	0	0	0	1	0	0
Specialist	1	2	2	3	1	0	4	0	0
Surgery	6	4	1	0	0	0	3	0	1
						Totals	23	7	5

Please note that the spilt above for 2020/21 reporting figures. In February 2021, the reporting of non-compliant activity was spilt into the above criteria to reflect accuracy in reporting the justifications behind certain breaches i.e. emergency works.

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STA/SQA's by Department

Clinical Board	2019/20		2020/21		2021/22 (YTD)	
	No. of SQA's /STA's	SQA/STA's Breached	No. of SQA's/STA's	SQA/STA's Breached	No. of SQA's/STA's	SQA/STA's Breached
AWMGS	N/A – Previously recorded as part of CD&T				2	1
Children and Women	9	1	3	0	1	0
Capital Planning, Estates and Facilities	18	6	3	1	2	0
Clinical, Diagnostics and Therapies	21	1	28	4	10	1
Executives	14	2	20	4	4	3
Medicine	9	0	6	3	3	0
Mental Health	2	1	3	0	1	0
PCIC	7	0	8	2	2	0
Public Health Commissioning Team	0	0	0	0	1	0
Specialist Services	12	3	7	1	4	1
Surgery Services and Dental	18	1	9	3	2	1
Grand Total	**110**	**15**	**87**	**18**	**32**	**7**

Assessment and Risk Implications (Safety, Financial, Legal, Reputational etc.):

As outlined in the above section.

Recommendation:

The Audit Committee is asked to:

- **NOTE** the contents of the Report including those areas of non-compliance and the actions proposed/taken in order to mitigate matters

Shaping our Future Wellbeing Strategic Objectives			
This report should relate to at least one of the UHB's objectives, so please tick the box of the relevant objective(s) for this report			
1. Reduce health inequalities		6. Have a planned care system where demand and capacity are in balance	
2. Deliver outcomes that matter to people		7. Be a great place to work and learn	
3. All take responsibility for improving our health and wellbeing		8. Work better together with partners to deliver care and support across care sectors, making best use of our people and technology	
4. Offer services that deliver the population health our citizens are entitled to expect		9. Reduce harm, waste and variation sustainably making best use of the resources available to us	

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| 5. Have an unplanned (emergency) care system that provides the right care, in the right place, first time | | 10. Excel at teaching, research, innovation and improvement and provide an environment where innovation thrives | |

Five Ways of Working (Sustainable Development Principles) considered
Please tick as relevant, click here for more information

Prevention		Long term		Integration		Collaboration		Involvement	

Equality and Health Impact Assessment Completed:	Yes / No / Not Applicable *If "yes" please provide copy of the assessment. This will be linked to the report when published.*

Kind and caring
Caredig a gofalgar

Respectful
Dangos parch

Trust and integrity
Ymddiriedaeth ac uniondeb

Personal responsibility
Cyfrifoldeb personol

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Report Title:	Declarations of Interest, Gifts, Hospitality & Sponsorship				
Meeting:	Audit & Assurance Committee			Meeting Date:	9th November 2021
Status:	For Discussion		For Assurance	X	For Approval		For Information	X
Lead Executive:	Director of Corporate Governance				
Report Author (Title):	Risk and Regulation Officer				

Background and current situation:

As agreed by the Audit & Assurance Committee an update on Declarations of Interest, Gifts, Hospitality & Sponsorship will be provided to each Audit Committee for information.

The current Declarations of Interest procedure requires employees to submit an annual declaration. This requirement has resulted in employee confusion between calendar year and financial year; in the main contributing to under reporting but also some duplication of reporting. Furthermore, analysis of received declarations shows minimal change in employee circumstances year on year. As a result of these factors, and following discussion with the Head of Internal Audit, it is recommended that a more favorable approach would be for employees to make a single "lifetime" declaration of interest during the period of their employment, only altering it if their circumstances change (for example undertaking secondary employment). The declarations of Gifts, Hospitality and Sponsorship is an 'as required' process and will remain unaltered.

Following changes undertaken by the Risk and Regulation team Employees now have the ability to make their Declaration of Interest on ESR rather than on a soft copy form to a group mailbox. The use of ESR for this purpose creates more efficient archiving, improves analysis and is more user friendly. ESR also enables the delivery of automated e-mail reminders to those employees yet to make a declaration of interest.

To reflect changes to the timings for making a declaration of interest and the ability to make the declaration on ESR, it will be necessary to revise the current Declaration of Interest Procedure. A revised version will be presented to the next Audit and Assurance Committee for approval.

The Risk and Regulation Team have worked with Corporate Communications to design a Communication Plan. The communication will commence in November 2021 and will inform employees of the following:

- The requirement to now submit a declaration of interest once. But, reinforcing the requirement to update if personal circumstances change.
- That Declarations of Interest can now be made on ESR, and signposting to User and Manager guides.
- The continuing need to declare Gifts, Hospitality and Sponsorship with specific emphasis being given in Autumn (for Autumn International Rugby Tickets) and Christmas/New Year (for seasonal gifts).

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Alongside this process the Communications team are also working to introduce screensaver reminders for all computer users and hard copy posters (copies attached) will also be displayed within areas that have limited access to ICT.

Year on year the Risk and Regulation team will also undertake a general and targeted email campaign to ensure that declarations are made or updated. The following email communication will be shared:

1) An annual update request for all Board and Associate Board members;
2) Quarterly global email reminders to all staff reminding colleagues to submit a declaration via ESR, if they have not already done so or, to update their declaration if their position has changed.
3) An additional annual email will also be sent to all colleagues who have previously declared an interest to invite them to review their declaration to ensure that it remains up to date. Historical data suggests that it this cohort of colleagues who are most likely to updates their declaration.

Executive Director Opinion /Key Issues to bring to the attention of the Board/ Committee:

To reflect the revised single declaration of interest during employment it is necessary to establish a new 'baseline' for reporting the extent of declaration activity to the Audit and Assurance Committee. The following Declarations have been received and included on the register over the period 01 Apr 20 to 18 Oct 21:

- 1,398 Declarations of Interests, Gifts, Hospitality & Sponsorship Forms are currently recorded on the register. 257 of these returns have declared an outside interest, 1141 have no interest declared.

- A further 22 forms have been received but are awaiting further detail from employees before they can be added to the register (for example details of secondary employment).

- 65% of staff banded 8a and above have returned their declaration forms.

- The Declarations of Interests, Gifts, Hospitality and Sponsorship forms received are RAG rated by the Corporate Governance Officer to ensure appropriate action and monitoring. The RAG rating system is as follows:

Level of Conflict Key:

HIGH	High Conflict which needs managing
MEDIUM	Potential Conflict - Line Manager should be made aware and expectation that declaration is updated should conflict arise
LOW	No cause for concern

- 97.6% of Declarations received are rated **Green**.

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- 2.4% of Declarations received are rated **Orange**.

- 0% of Declarations are rated **Red**.

A copy of those interests that have been declared can be found at the following link: https://cavuhb.nhs.wales/files/board-files/declarations-of-interest-register.

Assessment and Risk Implications (Safety, Financial, Legal, Reputational etc:)
It is anticipated that the inherent 'user friendliness' of recording declarations of interest on ESR, the ability to deliver focussed e-mails to those employees yet to make a declaration, clarity of when to record and a targeted communications push will improve employee compliance with the procedures. A progress update will be provided at the next Committee meeting.

Recommendation:

The Audit & Assurance Committee is asked to:

- **AGREE** to an alteration of procedure to enable employees to make a <u>single</u> declaration of interest during the period of their employment.

- **NOTE** the ongoing work being undertaken within Standards of Behaviour

- **NOTE** the Declarations of Interest, Gifts, Hospitality & Sponsorship Register for those colleagues who have declared an interest.

Shaping our Future Wellbeing Strategic Objectives				
This report should relate to at least one of the UHB's objectives, so please tick the box of the relevant objective(s) for this report				
1. Reduce health inequalities		6. Have a planned care system where demand and capacity are in balance	
2. Deliver outcomes that matter to people		7. Be a great place to work and learn	X
3. All take responsibility for improving our health and wellbeing		8. Work better together with partners to deliver care and support across care sectors, making best use of our people and technology	X
4. Offer services that deliver the population health our citizens are entitled to expect		9. Reduce harm, waste and variation sustainably making best use of the resources available to us	X
5. Have an unplanned (emergency) care system that provides the right care, in the right place, first time		10. Excel at teaching, research, innovation and improvement and provide an environment where innovation thrives	
Five Ways of Working (Sustainable Development Principles) considered				
Please tick as relevant, click here for more information				

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Prevention	X	Long term	X	Integration		Collaboration		Involvement	X
Equality and Health Impact Assessment Completed:		Yes / No / Not Applicable *If "yes" please provide copy of the assessment. This will be linked to the report when published.*							

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Have you been given a gift or offered hospitality or sponsorship?

You will need to submit a Declaration of Interest Form on ESR within 28 days.

For advice, or to submit your Declaration Form, please contact the **Corporate Governance Directorate** at **cav.declarations@wales.nhs.uk**

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Report Title:	**Legislative and Regulatory Tracker Report**					
Meeting:	Audit and Assurance Committee				**Meeting Date:**	9th November 2021
Status:	**For Discussion**		**For Assurance**	X	**For Approval**	**For Information**
Lead Executive:	Director of Corporate Governance					
Report Author (Title):	Head of Risk and Regulation					

Background and current situation:

An internal audit into the Corporate Governance Legislative and Regulatory Compliance Tracker was undertaken during July and August 2021. The outcome of that audit, provided an agreed 'reasonable' assurance rating and made three recommendations.

These recommendations were all accepted by the Director of Corporate Governance. Two of the ratings were classed as medium priority and one was rated as a low priority. Each of these recommendations are complete albeit the entries have remained on the Health Board's Internal Audit Tracker to give the Audit and Assurance Committee ("the Committee") the opportunity to satisfy itself that the changes have been fully embedded in practice.

Good progress had already been made during the Legislative and Regulatory Compliance Tracker audit and prior to the September 2021 Committee Meeting. Since then additional work has been undertaken to refine the content of the tracker and also to improve the content of this report so that it provides more robust assurance to Committee members. Most notably, Committee Members will see that this covering report now includes commentary on the Health Boards management of Welsh Health Circulars and Patient Safety Solutions: Alerts and Notices which is an addition that will be shared at all future meetings.

Whilst progress has been made additional work remains ongoing to ensure that the feedback shared by recommendation owners and shared with the Committee is provided in a consistent and easy to read manner across each of the trackers shared with the Committee.

Executive Director Opinion /Key Issues to bring to the attention of the Board/ Committee:

The tracker provides the following details:

- All Regulatory Bodies that have active recommendations with the Health Board. Also contained within the tracker are the details of Regulatory Bodies that have previously inspected the Health Board despite there being no live recommendations. This is to ensure that the tracker remains a comprehensive list of all potential regulatory bodies.
- The Regulatory Standard which is being inspected is listed where this information is available.

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- The Lead Executive in each case is detailed as is the accountable operational lead so that it is clear who is responsible for completion of the recommendation at an executive and operational level.
- The Assurance Committee where any inspection reports will be presented along with any action plans as a result of inspection. This column, coupled with the comments section, provides assurance to the Committee that progress against and compliance with recommendations is being routinely monitored and scrutinised.
- A Red, Amber, Green (RAG) rating that highlights where the recommendation sits against the agreed implementation date. Entries are rag rates as follows:

  Green – Over 1 month until due date for implementation of recommendation
  Amber – Due date for implementation of recommendation within 1 month; and
  Red – Due date for implementation of recommendation met or exceeded.

In addition to the above the below updates are also shared in relation to the Health Board's Management of Welsh Health Circulars (WHCs) and Patient Safety Solutions: Alerts and Notices (PSN's). Separate Tracker documents are held for the monitoring of WHC's and PSN'S and are managed by the Risk and Regulation and Patient Safety teams respectively.

Welsh Health Circulars

WHCs are received and triaged by the Risk and Regulation team before being allocated to a lead Executive to disseminate to their teams and appropriate colleagues to be actioned. A WHC tracker is maintained to monitor what action is taken and regular chasers are sent to Executive Leads to ensure that each WHC is complied with in line with prescribed timelines.

An extract from the WHC tracker is copied below as an example of the information recorded:

Welsh Health Circular (WHC) No	Name of WHC	Date Issued	Status	Action Needed By	Category	Overarching Actions Required	Lead Executive	Work in Progress	Work Completed	Status RAG Rated: Blue Complete; Green On track to Meet deadline; Red	Comments
2021/006	Elections to Senedd Cymru May 2021 Guidance for NHS Wales	11.03.21	Action	24.03.21	Governance	The principles set out in the guidance apply to the NHS at all times, but particular note should be taken in the period between the start of the formal campaign on 25 March and up to and including polling day 6 May. Chief Executives of NHS organisations should ensure that the principles in this guidance are followed.	CEO		Yes		Guidance shared with CEO and Chair and Board Secretary and referred to in various meetings where discussions or decisions could be election relevant.

A regular update on progress made against WHC recommendations is reported at Management Executive Meetings so that the full Executive Team is sighted on the most recently issued WHC's and progress made against each circular. An update was last shared with the Management Executive Team on the 11th October 2021.

As of the 22/10/2021 the Health Board's WHC tracker was fully up to date and each WHC detailed on the Welsh Government website had been allocated to an Executive Lead to monitor and action.

Patient Safety Solutions: Alerts and Notices

PSN's are monitored and managed by the Patient Safety and Organisational Learning Manager ("PSOLM") who maintains a tracker of all PSN's that are received and ensures that each PSN is

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shared with relevant clinical and corporate directorates for action. The PSOLM also regularly chases colleagues to ensure that actions are undertaken and reported through the use of compliance forms which record completion of required actions. Once a PSN is recorded as complete the PSOLM notifies the relevant Welsh Government delivery Unit and copies of all such notifications and completed compliance forms are logged by the PSOLM and the Risk and Regulation Team.

An extract from the PSN Tracker is copied below.

Document Numbe	Notice	Type of Documen	Status	Date PS Team Notified	Date sent to DistributionL ist	Date Responses Due	Date Complianc e Declare	CW	Medicine	CD&T	MH	PCIC	Spec Servic	Surgery	Dental	Corporat
PSN062	https://du.nhs.wales/files/notices/psn062-liguefie	Patient Safety Notic	Active	04/10/2021	04/10/2021	25/02/2022		15/10/2021	05/10/2021	08/10/2021		11/10/2021		14/10/2021	11/10/2021	
PSN057	Patient Safety Notices\PSN057 Adrenal Crisis\PSN0	Patient Safety Notic	Active	28/05/2021	28/05/2021	31/01/2022		21/06/2021	01/06/2021	01/06/2021		02/06/2021		30/09/2021		

The PSN tracker will also, from December 2021, be shared at the Quality, Safety and Experience Committee for further scrutiny and escalation of PSN's that have not been complied with.

As of the 18th October 2021 15 PSN's remain active, of which 11 are overdue. These entries will continue to be monitored and will be subject to further scrutiny at local quality and safety meetings and also December's Quality, Safety and Experience Committee.

Regulatory Tracker

The Regulatory Tracker attached to this report is up to date as of the 22nd October 2021 and will continue to be updated throughout the organisation and reported to the Committee on a bi-monthly basis as well as being reported to Management Executive meetings for executive oversight. The Tracker was last reported to the Management Executive team on the 1st November 2021.

Following September's Committee Meeting a total of 9 completed entries were removed from the register. A further 5 entries have been closed since September's meeting and are recorded on the attached tracker.

Since September's meeting a further 6 entries have been added to the register in the following areas:

1) A new Capital Expenditure External Review Entry has been recorded;
2) 3 additional fire safety entries have been added; and
3) 2 additional Health and Safety Executive entries have been added (both of which are complete).

Assessment and Risk Implications (Safety, Financial, Legal, Reputational etc:)

The improvements made to the tracker and the ongoing review of progress against regulatory body inspections and recommendations should reduce the risk that key regulatory requirements are missed.

The procedure for tracking such progress will also enable the Committee and Board to have oversight of the Health Board's compliance with regulatory requirements so that appropriate action can be taken to address emerging trends.

Recommendation:

For Members of the Audit Committee to:

   (a) Approve the approach taken by the Risk and Regulation team to the tracking and reporting of compliance with regulatory inspections and recommendations.
   (b) Approve the assurance provided by the Regulatory Tracker and the confirmation of progress made against recommendations.
   (c) To note the continuing development of the Legislative and Regulatory Compliance Tracker.

Shaping our Future Wellbeing Strategic Objectives				
This report should relate to at least one of the UHB's objectives, so please tick the box of the relevant objective(s) for this report				
1. Reduce health inequalities	x	6. Have a planned care system where demand and capacity are in balance		x
2. Deliver outcomes that matter to people	x	7. Be a great place to work and learn		x
3. All take responsibility for improving our health and wellbeing	x	8. Work better together with partners to deliver care and support across care sectors, making best use of our people and technology		x
4. Offer services that deliver the population health our citizens are entitled to expect	x	9. Reduce harm, waste and variation sustainably making best use of the resources available to us		x
5. Have an unplanned (emergency) care system that provides the right care, in the right place, first time	x	10. Excel at teaching, research, innovation and improvement and provide an environment where innovation thrives		x

Five Ways of Working (Sustainable Development Principles) considered									
Please tick as relevant, click here for more information									
Prevention	x	Long term	x	Integration		Collaboration		Involvement	

Equality and Health Impact Assessment Completed:	~~Yes / No~~ / Not Applicable *If "yes" please provide copy of the assessment. This will be linked to the report when published.*

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Clinical Board	Directorate	Regulatory body/inspector	Service area	Initial - Inspection Date:	Title of Inspection/Regulation/Standards	Lead Executive	Assurance Committee or Group	Accountable individual	Next Inspection Date	Recommendation Narrative / Inspection outcome	Date for Implementation of recommendations:	Management Response / Update	RAG Rating	Please Confirm if completed (c), partially completed (pc), no action taken (na)
ALL WALES QUALITY ASSURANCE PHARMACY														
CD&T	Pharmacy	Regional Quality Assurance Specialist	Pharmacy SMPU	TBC	Quality Assurance of Aseptic Preparation Services	Executive Medical Director	QSE Committee/ Management of medicines group	Clinical Director of Pharmacy and Medicines Management	TBC	166 actions update 21/5/21 - 16 overdue actions remain update 8/10/21 - 4 overdue actions remain	15/07/2021	Pharmacy Quality System recovery action plan developed and under weekly review by the Clinical Board. 5 oldest incidents, non-conformances and change controls now closed.		PC
CD&T	Pharmacy	Regional Quality Assurance Specialist	Pharmacy UHL	TBC	Quality Assurance of Aseptic Preparation Services	Executive Medical Director	QSE Committee/ Management of medicines group	Clinical Director of Pharmacy and Medicines Management	TBC	91 actions update 21/5/21 - 4 overdue actions remain update 8/10/21 - 4 overdue actions remain	15/07/2021	4 overdue actions remain. Work remains ongoing within the clinical board to ensure that these are closed as soon as possible.		PC
BRITISH STANDARDS INSTITUTE														
CARDIFF AND VALE OF GLAMORGAN FOOD HYGIENE RATINGS														
CAPITAL EXPENDITURE INTERNAL REVIEW														
Estates	Estates Management and Finance	Internal	**Procurement Arrangements**	Sep-21	Internal Review	Executive Director of Finance	Finance Committee	**Director of Capital Facilities and Estates**	N/A	A total of 21 recommendations were made concerning the governance and contracting arrangements regarding Procurement Processes within the Capital, Estates and Facilities Directorate.	31/12/2021	Of the 21 recommendations 5 are complete. The remaining 16 actions are in progress and will continue to be monitored by the the Executive Director of Finance and Director of Corporate Governance in advance of the date for implementation.		PC
COMMUNITY HEALTH COUNCIL														
Estates	Facilities	Community Health Council	CRI Car Park	N/A	Community Health Council Inspection	Abigail Harris	Capital Management Group/Strategy and Delivery Committee	Director of Capital Facilities and Estates	Unannounced	6 recommendations	31/12/2021	An action plan has been agreed with the CHC for implementation of all recommendations by December 2021		PC
FIRE AND RESCUE SERVICES														
Mental Health	Capital and Asset Management	Fire and Rescue Services	Hafan Y Coed UHL	20/07/2021	Regluatory Reform (Fire Safety) Order 2005	Executive Director of People and Culture	Health and Safety	**Head of Health and Safety**	10/12/2021	Duty of Works: EN01 - (EN3/21) Article 8 - Duty to take general fire precaution's is not being complied with EN3/21 Schedule states: "During the inspection carried out on 14th April 2021 there was evidence of illicit smoking found throughout the premises. These matters have previously been raised by this Authority and also within previous FRA's carried out by the UHB fire safety advisor. This is unacceptable. The UBN's smoking policy should be appropriately managed to ensure that smoking and ignition sources are controlled and monitored to reduce the potential for accidental and deliberate fire setting."	19/05/2021	Robust control measures have been agreed and implemented between the Director of CEF and senior premises managers. This has been communicated to the enforcing authority. A further inspection was carried out on 20th May by the enforcing authority and due to a number of non compliances found at that time an EN 03 was served i.e. ' Enforcement Notice not complied with'. This matter is now in the hands of the Fire Authority's Compliance team for deliberation. N.B. An Article 27 letter dated 15th September 2021 was served on the CEO requiring pertinent information to be forwarded to the Fire Authority within 14 days of the date of the letter. Information the Authority require is 1. Copies of contract of employment for employees employed to work in the premises on 20th May 2021 2. Copies of all fire risk assessments in force on 20th May 2021 3. Copies of all maintenance and testing of physical fire precautions from 21st April to 31st August 2021 4. The person managing the smoking policy between 21st April to 31st August 2021 5. Copies of paperwork detailing the UHB's smoking policy between 21st April to 31st August 2021		PC
Medicine	Capital and Asset Management /UHW - Ward A4	Fire and Rescue Services	UHW Ward A4	29/09/2021	Regluatory Reform (Fire Safety) Order 2005	Executive Director of People and Culture	Health and Safety	**Head of Health and Safety**	06.04.2022	Duty of Works: EN59/21 - Article 8: Duty to take general fire precautions Article 13: Fire fighting and fire detection Article 15: Procedures for Serious and Imminent Danger and for Danger Areas Arcile 21: Training	06.04.2022	Measures have been agreed with and implemented by senior managers in Estates. This has been verbally communicated to the enforcing authority inspector.		PC
Mental Health	Capital and Asset Management /HYC - UHL	Fire and Rescue Services	Hafan Y Coed UHL	20.06.2021 and 29.09.2021	Regluatory Reform (Fire Safety) Order 2005	Executive Director of People and Culture	Health and Safety	**Head of Health and Safety**	Unknown	Article 27: 5 actions urgently required	TBC	Article 27 letter dated 15th September 2021 was served on the CEO requiring pertinent information to be forwarded to the Fire Authority within 14 days of the date of the letter. Information the Authority require is 1. Copies of contract of employment for employees employed to work in the premises on 20th May 2021 2. Copies of all fire risk assessments in force on 20th May 2021 3. Copies of all maintenance and testing of physical fire precautions from 21st April to 31st August 2021 4. The person managing the smoking policy between 21st April to 31st August 2021 5. Copies of paperwork detailing the UHB's smoking policy between 21st April to 31st August 2021. Confirmation is given that all documentation required was delivered to the compliance team at SWFRA HQ's on 28th September 2021		PC
Mental Health	Capital and Asset Management /HYC - UHL	Fire and Rescue Services	Hafan Y Coed UHL	30/09/2021	Regluatory Reform (Fire Safety) Order 2005	Executive Director of People and Culture	Health and Safety	**Head of Health and Safety**	03/11/2021	Article 30: EN56/21 - urgent action required Article 8: Duty to take general fire precautions	03/11/2021	This EN has been served as a direct consequence of a fire set by a patient who had in his possession two cigarette lighters. The UHB should appropriately manage all ignition sources to reduce the potential for accidental and deliberate fire setting. A number of urgent mettings in addition to a root cause analysis forum has been programmed to take place with H&S, Fire Safety and senior MH Board managers to enable additional proactive measures to be adopted as a matter of priority to prevent a similar occurance.		PC
HEALTH EDUCATION AND IMPROVEMENT WALES														
HEALTH INSPECTORATE WALES														

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Clinical Board	Directorate	Regulator	Area	Date	Standard/Title	Executive Lead	Committee	Operational Lead	Date	Findings	Date	Update		Status
Children & Women	Maternity	HIW	Maternity Services	TBC	HIW	Executive Nurse Director	QSE Committee	Head of Midwifery	TBC - Matter on Hold	HIW are undertaking a national review of maternity services across Wales (Phase 2). **Letter recevied 13/1/21 from HIW Phase 2 on hold.**	Details of community maternity sites sent to HIW 17.07.20 and self assessement sent 24.07.20.	On hold. An update on all HIW inspections are shared at each Quality, Safety and Experience Committee. Updates were last shared at the June QSE Committee - Further updates will be shared in October	[green]	N/A
CD&T	Radiology, Medical Physics and Clinical Engineering	HIW	Diagnostic Radiology	TBC	Ionising Radiation (Medical Exposure) Regulation 2017 -IR(ME)R	Executive Director	QSE Committee	Director of Quality and Safety CD&T	TBC	Notification of inspection received IM(ME)R Inspection. Contact details provided to HIW 15.05.21	N/A	An update on all HIW inspections are shared at each Quality, Safety and Experience Committee. Any further updates on this inspections will be shared in December	[green]	N/A
Mental Health	Community Mental health	HIW	Community Mental Health	TBC	HIW	Executive Nurse Director	QSE Committee	Director of Nursing for Mental health Services	TBC	National Review of Mental Health Crisis prevetnion in the Community. List of contacts sent 5th May 2021. Aiming for interviews July 2021	N/A	Any further updates on this inspections will be shared at December's QSE meeting.	[green]	NA
Medicine	EU/WAST	HIW	EU/WAST	TBC	HIW	Executive Nurse Director	QSE Committee	Director of Nursing Medicine	TBC	Themaitc revew.The focus of the review is to consider the impact of ambulance waits outside Emergency Departments (ED) on patient safety, privacy, dignity and their overall experience	N/A	Any further updates on this inspections will be shared at December's QSE meeting.	[green]	N/A
HEALTH AND SAFETY EXECUTIVE														
Capital, Estates and Facilities	Clinics and Theatres	HSE	Clinics and Theatres	24.05.2021	HSE - Ventilation in Clinics and Theatres	Director of People and Culture	Health and Safety Committee	Head of Health and Safety	N/A	Recommended review of ventilation in clinics and theatres	N/A	HSE do not propose to take any further action on this occasion and the case is now closed	[green]	C
Health Board Wide	Executive	HSE	Executive	02.09.2021	Reporting of Covid Cases Via RIDDOR	Director of People and Culture	Health and Safety Committee	Head of Health and Safety	N/A	Concern that Health Board had not reported any staff COVID cases to the HSE under RIDDOR Regulations	N/A	HSE were provided with the processes in place to determine whether a likely occupational exposure to societal exposure. Reported to assurance committee on 12 October 2021.	[green]	C
HUMAN TISSUE AUTHORITY														
INFORMATION COMMISSIONERS OFFICE														
Digital Health Intelligence	IM&T and Information Governance	ICO	Digital Health	13/03/2020	ICO Data Protection Audit	Director of Digital H	Digital and Health Intelligence Committee	Head of Information Governance	25/10/2021	25 recommendations were made in relation to Governance and Accocuntability. 1 of these recommendations required urgent action, 14 were rated high, 7 medium and 3 low. 20 recommendations were made in relation to Cyber Security. 1 of these recommendations required urgent action, 9 were rated high, 9 medium and 1 low. An overall assurance rating of reasonable was achieved in both areas.	25/10/2021	At Septembers committee meeting a total of 13 recommendations remained outstanding. 9 of these actions were partially completed and 4 had no action taken. The ICO inspected on the 13th October 2021 and feedback is awaited. e. Updates continue to be shared and scrutinised at the Health Board's Digital Health and Intelligence Committee. An update was last shared in October 2021.	[red]	PC
JOINT EDUCATION ACCREDITATION COMMITTEE														
Specialist Services	Haematology	JACIE	South Wales BMT Programme	TBC	6th edition of JACIE standards	Executive Director of Medicine	QSE Committee	Executive Director of Medicine	01/02/2023	Minor deficiencies noted	01/10/2019	Programme received formal re-accreditation notice - There are ongoing discussions with the executive board regarding a new facility for BMT/Haematology as the service will not achieve re-accredition post the next inspection cycle.	[red]	PC
MEDICAL GENETICS														
MEDICAL GENETICS	Medical Genetics	SGS/UKAS	Institute of Medical Genetics, UHW	TBC	ISO 15189:2012	Executive Director of Therapies and Health Science	QSE Committee and Monthly Medical Genetics QSE Meeting	AWMGS Quality Manager	N/A	Action Mandatory x 14 Require Evidence to UKAS x 14 Action Recommended x 5	05/12/2019	Findings have been closed by UKAS	[red]	NA
MEDICAL GENETICS	Institute of Medical Genetics	UKAS	Institute of Medical Genetics, UHW	TBC	ISO 15189	Executive Director of Therapies and Health Science	QSE CommitteeQSE Committee and Monthly Medical Genetics QSE Meeting	AWMGS Quality Manager	N/A	No findings/non-conformances were raised, so there is no improvement action report	TBC	Regular updates are shared at the Medical Genetics QSE meeting. A further more detailed update willb e shared at the November 2021 Audit Committee	[red]	NA
MHRA														
CD&T	Pharmacy	MHRA	Pharmacy SMPU	TBC	Good manufacturing practice (GMP) and good distribution practice (GDP)	Executive Medical Director	QSE Committee	Clinical Director of Pharmacy and Medicines Management	TBC	1 major 10 others	31/03/2021	Pharmacy Quality System recovery action plan developed and under weekly review by the Clinical Board. 5 oldest incidents, non-conformances and change controls now closed.	[red]	C
CD&T	Pharmacy	MHRA	Pharmacy UHL	TBC	Good manufacturing practice (GMP) and good distribution practice (GDP)	Executive Medical Director	QSE Committee	Clinical Director of Pharmacy and Medicines Management	TBC	3 majors 2 others	31/03/2020	Descalated from MHRA Inspection Action Group 1st July 2020 Outstanding Estates issues to resolve to meet requirements of the regulator	[red]	PC
NATURAL RESOURCES WALES														
OFFICE FOR NUCLEAR REGULATION														
QUALITY IN PRIMARY IMMUNODEFICIENCY SERVICES														
RESEARCH AND DEVELOPMENT														
UKAS														
Specialist Services	ALAS	SGS/UKAS	ALAS (CAV)	15/01/2020	ISO 9001:2015	Executive Director of Therapies and Health Science	QSE Committee	DIRECTORATE MANAGER ALAS	N/A	2 x Minor Corrective Actions: Patient satisfaction/ feedback - we collect this but could do more to analyse the data Staff Competency and Awareness - Improve recording of non-CPD role competencies	01/10/2021	Positive Audit with 2 minor corrective actions that we were aware of. Have plans in motion to address both staff engagement/ recording of competencies and better analysis of patient feedback. Completed at the date for the implementation - 01/10/2021	[green]	C
Surgery	Perioperative	SGS/UKAS	SSSU	01/01/2019	ISO 13485:2016	Executive Director of Therapies and Health Science	QSE Committee	SSU Manager UHL	N/A	3 minors	01/01/2019	**Minor 1** - QMS did not fully capture all critical suppliers/QMS did not state management representative responsibility for ensuring QMS processes are documented/ QMS should include servicing activities. **Minor 2** - QMS forms CNCR/SNCR/PNCR/incr do not cover all aspects off corrective action are fully covered. **Minor 3** - RMHR form parameters do not capture all parameters of raw materials stored in SSI.	[red]	C

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Surgery	Perioperative	SGS/UKAS	HSDU	15/07/2021	ISO 13485:2016	Executive Director of Therapies and Health Science	QSE Committee	Executive Director of Therapies and Health Science	N/A	2 minors	15/07/2022	Re-Validation Audit. Minor 1, was for audit of audits. We should have someone independent from HSDU audits to audit our audits. SSU Llandough will Audit HSDU and we will audit SSU. Minor 2, not currently registered to MHRA. HSDU is in the application process at the moment.		pc
WELSH WATER														
WSAC														
Surgery	Audiology	WSAC	Newborn hearing screeing wales	TBC	audiology quality standards	Executive Director of Therapies and Health Science	QSE Committee	Paediatric Cochlear Implant Lead - Razun Miah/Rhian Hughes/Ellen Thomas	01/11/2021	80% target met in all standards and 85% overall target met	01/11/2021	Audit delayed by 18 months due to covid		NA
Surgery	Audiology	WSAC	audiology - paediatrics	TBC	audiology quality standards	Executive Director of Therapies and Health Science	QSE Committee	Paediatric Cochlear Implant Lead - Razun Miah/Rhian Hughes/Ellen Thomas	01/11/2021	80% target met in all standards and 85% overall target met	01/11/2021	Audit delayed by 18 months due to covid		NA
WEST MIDLANDS QRS														

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Report Title:	Internal Audit Recommendation Tracker Report		
Meeting:	Audit Committee	Meeting Date:	9th November 2021
Status:	For Discussion	For Assurance	X For Approval	For Information
Lead Executive:	Director of Corporate Governance		
Report Author (Title):	Head of Risk and Regulation		

Background and current situation:

The purpose of the report is to provide Members of the Audit Committee with assurance on the implementation of recommendations which have been made by Internal Audit by means of an internal audit recommendation tracking report.

The internal audit tracking report was first presented to the Audit Committee in September 2019 and approved by the Committee as an appropriate way forward to track the implementation of recommendations made by internal audit. Since the July 2021 Audit Committee, minor changes have been made to the format of the tracker in consultation with the Health Board's Internal Audit team.

The tracker continues to highlight progress made against previous years recommendations albeit in a more streamlined manner. The tracker attached to this report sets out the progress made against recommendations from 2019/20, 2020/21 and 2021/22.

Executive Director Opinion /Key Issues to bring to the attention of the Board/ Committee:

As can be seen from the attached summary tables the overall number of outstanding recommendations has reduced from 96 individual recommendations to 86 during the period September 2021 to November 2021. The reduction in recommendations can be attributed to the completion of 30 entries from the tracker following July's committee meeting. A further 20 entries have been added to the tracker. The audit reports added to the tracker on this occasion are:

1) Legislative, Regulator & Alerts Compliance (8 Recommendations made, 6 of which are completed)
2) Healthy Eating Standards - Hospital Restaurant & Retail Outlets (3 Recommendations made)
3) Cancellation of Outpatient Clinics Follow-up Mental Health CB (4 Recommendations made)
4) Ultrasound Governance CD&T Clinical Board (5 Recommendations made)

Of the 86 recommendations listed 17 are recorded as completed, 62 are listed as partially complete and 7 are listed as having no action taken.

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Assessment and Risk Implications (Safety, Financial, Legal, Reputational etc:)

A review of all outstanding recommendations has been undertaken since the last meeting of the Audit Committee where the internal audit tracker was presented (July 2021). Each Executive Lead has been sent the recommendations made by Internal Audit which fall into their remits of work.

The table below shows the number of internal audits which have been undertaken between 2019/20 and 2021/22 (to date) and their overall assurance ratings.

	Substantial Assurance	Reasonable Assurance	Limited Assurance	Rating N/A - Advisory	Total
Internal Audits 2019/20	10	25	2	2	39
Internal Audits 2020/21	7	18	1	3	29
Internal Audits 2021/22	-	3	1	-	4

Attached at Appendix 1 are summary tables which provide an update on the September 2021 position as of the 22/10/2021.

ASSURANCE is provided by the fact that a tracker is in place. This assurance will continue to improve over time with the implementation of regular follow ups with the Executive Leads.

Recommendation:

The Audit Committee Members are asked to:

(a) Note the tracking report for tracking audit recommendations made by Internal Audit.
(b) Note and be assured by the progress which has been made since the previous Audit and Assurance Committee Meeting in September 2021.
(c) Approve the approach taken towards the management and monitoring of Internal Audit Recommendations

Shaping our Future Wellbeing Strategic Objectives				
This report should relate to at least one of the UHB's objectives, so please tick the box of the relevant objective(s) for this report				
1. Reduce health inequalities	x	6. Have a planned care system where demand and capacity are in balance		x
2. Deliver outcomes that matter to people	x	7. Be a great place to work and learn		x
3. All take responsibility for improving our health and wellbeing	x	8. Work better together with partners to deliver care and support across care sectors, making best use of our people and technology		x
4. Offer services that deliver the population health our citizens are	x	9. Reduce harm, waste and variation sustainably making best use of the		x

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entitled to expect			resources available to us		
5. Have an unplanned (emergency) care system that provides the right care, in the right place, first time	x	10. Excel at teaching, research, innovation and improvement and provide an environment where innovation thrives		x	

<table>
<tr><td colspan="11" align="center">Five Ways of Working (Sustainable Development Principles) considered
<i>Please tick as relevant, click <u>here</u> for more information</i></td></tr>
<tr><td>Prevention</td><td>x</td><td>Long term</td><td></td><td>Integration</td><td></td><td>Collaboration</td><td></td><td>Involvement</td><td></td></tr>
</table>

Equality and Health Impact Assessment Completed:	~~Yes / No~~ / Not Applicable *If "yes" please provide copy of the assessment. This will be linked to the report when published.*

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INTERNAL AUDIT REPORT RECOMMENDATIONS FOR 2019/20 (November 2021 Update)

	Update November 2021				Update November 2021				Update November 2021			
Recommendation Status	High	C	PC	NA	Medium	C	PC	NA	Low	C	PC	NA
Overdue under 3 months												
Overdue by over 3 months under 6 months												
Overdue over 6 months under 12 months					2		2				2	
Overdue more than 12 months	1		1		2		2			1	1	
No date set											2	
Superseded												
Total	1		1		4		4		6	1	5	

Total number of recommendations outstanding as of 26th October for financial year 2019/20 is 11 (2 of which have completed) compared to the position in September 2021 when a total of 19 outstanding recommendations were noted.

INTERNAL AUDIT REPORT RECOMMENDATIONS FOR 2020/21 (November 2021Update)

Recommendation Status	Update November 2021 High	C	PC	NA	Update November 2021 Medium	C	PC	NA	Update November 2021 Low	C	PC	NA
Date not reached		1					3				8	
Overdue under 3 months		2					8					1
Overdue by over 3 months under 6 months						1	1			3	2	
Overdue over 6 months under 12 months			1				3			1		
Overdue more than 12 months										2		
Total	**4**	3	1		**16**	1	15		**17**	6	10	1

Total number of recommendations outstanding as of 26th October is 55(*) (10 of which are listed as complete) compared to the position in September 2021 when a total of 77 outstanding recommendations were noted.

* It should be noted that 18 recommendations from the IM&T Control and Risk Assessment review are not included in the above table as the report was not rated. All 18 entries are recorded as partially complete and are overdue by under 6 months.

INTERNAL AUDIT REPORT RECOMMENDATIONS FOR 2021/22 (September 2021Update)

	Update November 2021				Update November 2021				Update November 2021			
Recommendation Status	High	C	PC	NA	Medium	C	PC	NA	Low	C	PC	NA
Date not reached			1			3	3	2		1		1
Overdue under 3 months			1			1	2	2		1	1	1
Overdue by over 3 months under 6 months												
Overdue over 6 months under 12 months												
Overdue more than 12 months												
Total	**2**		2		**13**	4	5	4	**5**	2	1	2

Total number of recommendations outstanding as of 26th October is 20 (6 of which are listed as complete).

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Financial Year Fieldwork Undertaken	Agreed Implementation Date	Audit Title	No of Recs	Priority	Recommendation	Executive Lead	Operational Lead	Please confirm if complete (c), partially complete (pc), not actioned (na)	Management Response / Executive Update
2019-20	01/07/2020	Medical Staff Study Leave - Reasonable	R1/6	Medium	The UHB Study Leave Procedure for Medical & Dental Staff should be reviewed and revised. The policy should more clearly specify: ☛ roles and responsibilities – of Directorates, Managers, Consultants; ☛ funding and budget guidance. ☛ monitoring and compliance arrangements including KPIs; and ☛ reporting arrangements. Once updated, the procedure flow chart that is appended should also be updated accordingly.	Executive Director of People and Culture	Executive Director of Workforce and OD & Medical Director	PC	Draft Procedure is currently with the BMA for their views. Will be considered at LNC next month and will then be presented to the Strategy and Delivery Committee for approval.
2019-20	01/09/2020	Medical Staff Study Leave - Reasonable	R4/6	Medium	The following arrangements are reviewed and strengthened:- - budget setting, monitoring and reporting; - payment of honorary staff expenses; and - ability to access Trust funds to support study leave budgets.	.	Executive Director of Workforce and OD & Medical Director	PC	Budget setting discussed at LNC and a proposal reached which will mean there is an equitable amount available to each doctor. Figures to be worked through by finance before sign off and implementation.
2019-20	21/07/2019	Freedom of Information	R7/7	Low	FOI certification or additional FOI training should be available for team members whose role involves processing and answering Foi requests	Director of Digital & Health Intelligence	Information Governance Manager	PC	The risk identification process to support the event and problem management process will be developed and documented, for inclusion as part of the management or risk assurance documentation to be presented at the regular D&HI committee.
2019-20	01/12/2020	Management of Health Board Policies and Procedures	R1/5	High	The UHB should ensure policies are reviewed and updated within appropriate timescales.	Director of Corporate Governance	Head of Corporate Governance	PC	A full cyber security work-plan, including NIS directive requirements will be completed as soon as the cyber team is in place. Recruitment is currently underway.
2019-20	01/12/2020	Management of Health Board Policies and Procedures	R2/5	Medium	Review the 'register' for completeness. Assess if all policies, procedures and other written control documents available on the intranet and internet are current and then ensure they are all recorded appropriately in the 'register'.	Director of Corporate Governance	Head of Corporate Governance	PC	The new IT portal and service desk solution procured in March 2021 will be populated to create a single register of all IM&T assets. Implementation of the new Service Management solution within CAVUHB contains an Asset Management Module. This will be used to collate IT Assets throughout the organisation.
2019-20	01/12/2020	Management of Health Board Policies and Procedures	R3/5	Medium	1. Review the readability of documents to make ways to write clearer, especially those available through internet to wider audience. From register, 372 out of 393, recorded as published on internet. 2. Correct and improve accessibility of documents. Review publishing process to ensure documents are circulated through correct location in internet and/or intranet sites. 3. A combined EHIA should be completed for all policies or where a Health Impact Assessment is not required this should be clearly stated. 4. The Corporate Governance Department should ensure the integrity of the 'Register', by reviewing accuracy of all key information.	Director of Corporate Governance	Head of Corporate Governance	PC	Agreed. A full patch management policy will be created to include all related procedures. New patch management software has been procured and implemented. Policies, schedules and departmental coordination is in progress.
2019-20	01/12/2020	Management of Health Board Policies and Procedures	R4/5	Low	Review of record keeping process for when a request is made to create new written control document; from receipt of request to create, to issue of draft for consultation. Review of record keeping process for the consultation process; from request made, publishing and any feedback received.	Director of Corporate Governance	Head of Corporate Governance	PC	Agreed The ability to implement this will be subject to directorate and service maintenance windows being agreed and application patch availability. New patch management software has been procured and implemented. Policies, schedules and departmental coordination is in progress.
2019-20	01/12/2020	Management of Health Board Policies and Procedures	R5/5	Low	Review of record keeping process for notifying stakeholders of new, amended and exiting policies.	Director of Corporate Governance	Head of Corporate Governance	PC	Agreed. The Digital Health and Intelligence Department has procured and new helpdesk system and will be implementing configuration management and change management processes as part of this initiative.

Financial Year Fieldwork Undertaken	Agreed Implementation Date	Audit Title	No of Recs	Priority	Recommendation	Executive Lead	Operational Lead	Please confirm if complete (c), partially complete (pc), not actioned (na)	Management Response / Executive Update
2019-20	N/A	Pre-employment Checks	R9/10	Low	Management should review all supporting policies/procedures listed in the CVU Recruitment Policy. Management should review and consider updating the Secondment Policy to include the requirement for pre-employment checks to be completed before an employee can commence in a secondment post. Management should review the Recruitment of Locum Doctors and Dentists Policy, ensuring all terminology is relevant.	Executive Director of People and Culture	Executive Director of People and Culture	PC	Agreed Departmental responsibilities will be clarified as part of the ITIL Support Framework Helpdesk implementation. Procedure documents will be focussed on key operations using a risk based priority approach.
2019-20	N/A	Pre-employment Checks	R10/10	Low	Temporary Staffing Department management to review the standard letter sent with the conditional offer and ensure it complies with the Identification Check NHS Standard.	Executive Director of People and Culture	Executive Director of People and Culture	PC	Agreed Due to the size of the disperse networking at CAV, this will be focussed on the management and monitoring of the core networking elements in UHW, UHL and CRI.
2020-21	31/11/2020	Environmental Sustainability Report	R2/2	Medium	Evidence of the retrospective approval of the sustainability report by the Environmental Steering Group / Health & Safety Group and sign off by the Director of Capital Estates and Facilities should be provided to audit each year. The documented procedural guidance should be also updated to reflect the actual review and approval process currently in place.	Director of Finance	Energy Manager/Head of Energy and Performance	PC	The report for 2020/21 was presented / discussed at the Environmental Mangement Steering Group held on 6/7/21. The report was issued for comments and feedback. The next meeting is scheduled for 23/11/21 and if any amendments are required they will be discussed/agreed at the meeting.
2020-21	31/12/2020	Management of Serious Incidents	R3/6	Medium	Management should ensure that all outstanding actions are completed.	Executive Nurse Director	Assistant Director Patient Safety and Quality	PC	Serious Incidents are managed using the closure forms which should be completed by the Clinical Boards and submitted to the Asst. Director of Patient Experience or Quality Safety to sign off.
2020-21	31/03/2021	Integrated Health Pathways	R1/6	Medium	Additionally, appropriate support should be put in place for the HealthPathways Project Lead that ensures effective cover for their role should they be away for a period of time or during long term sickness.	Executive Medical Director	Ruth Jordan 31/3/21	PC	Further changes made to draft in July 2021 based on latest position. Exective owner confirmed as Executive Director of People and Culture. Owever, potential for policy to be superseded or need further amendment due to recent guidance from Welsh Government on enhanced overtime / consultant payments linked to Recover Plan.
2020-21	30/09/2021	UHB Core Financial Systems	R1/3	Medium	Management should ensure the FCPs are updated as soon as possible.	Director of Finance	Helen Lawrence – Sept 2021	PC	FCPs are currently being reviwed to ensure up to date and reflective of current procedures.
2020-21	30/04/2021	UHB Core Financial Systems	R2/3	High	Management should ensure that the main Asset Register is updated to reflect the accurate position. The required Due process follow up should be commenced as soon as possible specifically for missing assets and all other applicable assets. For future verification exercise, it may be helpful if Finance provides a key with various categories (e.g. D- Disposal, A- Additions, M- Missing, O- others for unique issues: departments specifying on a separate column what O denotes etc). This can be forwarded at the point the initial email is sent out to the departments. This would help ensure standardization across the board, managing the time used in collating the information and help to analyse with ease if required.	Director of Finance	Helen Lawrence - March/April 2021	PC	A review of the asset register is currently underway. A verifiation key will be implemented for the annual verification process which will next take place in October 2021.
2020-21	31/03/2021	Consultant Job Planning 2nd Follow-up	R4/4	Medium	All completed job plans must be signed by the Consultant and the clinical manager responsible for agreeing them. The standard Job Plan documentation included in the UHB Job Planning guidance should be updated to incorporate the use of digital signatures.	Executive Medical Director	Kirsten Mansfield	PC	The Allocate e-job planning system has been purchased and continues to be rolled out across the UHB. Update Oct 2021 - As of 1st October 2021 54% of the Consultant and SAS grades have a job plan on the system. We are currently also working at aligning them to an annualised Job Plan cycle where all job plans will start from 1st April 2022 and will be reviewed yearly from then on.
2020-21	30/06/2021	IM&T Control and Risk Assessment	R1/18	Not Rated	An IG Forum should be established for the IG leads from each clinical board to meet to discuss issues and to coordinate IG matters across the Health Board at an operational level.	Director of Digital & Health Intelligence	IG Manager by 30 June 2021	PC	We agree with the recommendation; the intention is for IG issues to be picked up at Clinical Board Q&S briefings but this will require additional capacity to ensure that the IG function is able to support the Clinical Boards. This will be reviewed as part of finalising the D&HI structure.
2020-21	31/05/2021	IM&T Control and Risk Assessment	R2/18	Not Rated	The revised governance framework for IM&T / digital should be implemented to ensure that there is a holistic structure for the organisation, with participation from Clinical Boards. Where control over aspects of IM&T has devolved to departments, the assurance flows to the DHIC should be clarified to ensure the committee can maintain oversight over the whole organisation.	Director of Digital & Health Intelligence	Director of Digital & Health Intelligence 31 May 2021	PC	The Digital Service Management Board, to include Clinical Board representation, will be re-established to meet on a regular quarterly basis, from 27 May 2021 onwards. As part of the DSMB function, alignment of informatics and ICT services that sit outside D&HI directorate will be mapped and included for completeness of oversight at UHB level.
2020-21	31/07/2021	IM&T Control and Risk Assessment	R3/18	Not Rated	A register of compliance requirements for all IM&T related legislation and standards should be developed along with a process for assessing status and reporting upwards to Committee.	Director of Digital & Health Intelligence	Director of Digital & Health Intelligence 31 July 2021	PC	Agreed. A register of compliance for all IM&T related legislation and standard will be developed to support the NIS Directive and data security standards, which will be managed through the Head of Digital Operations.

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2020-21	30/09/2021	IM&T Control and Risk Assessment	R4/18	Not Rated	Management should consider providing an annual report that identifies risks that have a low likelihood but have a severe worst-case scenario. This would ensure that executives are aware of the risks and worst cases that are being managed at a lower level, but hold the potential for severe adverse effects should they materialise. Management Response	Director of Digital & Health Intelligence	Director of D&HI 30 September 2021	PC	The D&HI directorate risk register is shared with the D&HI Committee at each meeting. An annual report to capture the low risk high impact risks will be produced and shared at the committee and with the Management Executive team.
2020-21	30/09/2021	IM&T Control and Risk Assessment	R5/18	Not Rated	The risk identification process should be formally linked to the issue / event / problem management process in order to ensure that underlying risks are identified.	Director of Digital & Health Intelligence	Head of Digital Operations 30 Sept 2021	PC	The risk identification process to support the event and problem management process will be developed and documented, for inclusion as part of the management or risk assurance documentation to be presented at the regular D&HI committee.
2020-21	31/05/2021	IM&T Control and Risk Assessment	R6/18	Not Rated	The Health Board should ensure greater links with clinical boards and the D&HI Directorate are developed using the DMB to ensure all decisions are aligned with the organisations digital strategy.	Director of Digital & Health Intelligence	Director of D&HI 31 May 2021	PC	The DSMB is being re-established to meet again from 27 May (each quarter) where decisions and actions relating to IM&T will be captured to ensure alignment with the UHB's digital strategy.
2020-21	30/09/2021	IM&T Control and Risk Assessment	R7/18	Not Rated	Departmentally managed systems should comply with good practice for the management of digital. The D&HI Directorate should produce good practice guidance documentation for the health board overall as leaders of the digital services provision, with all departments required to comply for areas such as change control.	Director of Digital & Health Intelligence	Director of D&HI 30 Sept 2021	PC	The D&HI directorate will produce updated good practice guidance documentation, based on ITIL and industry standards, for dissemination across all IM&T functions across the UHB.
2020-21	30/09/2021	IM&T Control and Risk Assessment	R8/18	Not Rated	A review of the current strategic position of the Health Board in relation to its digital provision and maturity across all domains should be undertaken.	Director of Digital & Health Intelligence	Director of D&HI 30 Sept 2021	PC	The D&HI directorate will undertake a complete baseline assessment against the digital maturity standards (HIMMS) to assist in determining the current position and help inform the digital strategy roadmap. This will be presented at D&HI committee.
2020-21	30/09/2021	IM&T Control and Risk Assessment	R9/18	Not Rated	The roadmap should be fully defined in order to help deliver the Digital Strategy.	Director of Digital & Health Intelligence	Director of D&HI 30 Sept 2021	PC	The current roadmap has been produced to align with the channel programme boards; a more detailed roadmap to include resources and dependencies will be developed for approval at D&HI committee.
2020-21	30/09/2021	IM&T Control and Risk Assessment	R10/18	Not Rated	The Strategy should be available on the Health Board website, and flagged, with a communication plan to push awareness with all stakeholders	Director of Digital & Health Intelligence	Director of D&HI 30 Sept 2021	PC	The digital strategy is available as a public document and is accessible via the UHB's website. A communication plan for internal consumption is being developed. This will form the basis of a broader comms plan to share with all stakeholders.
2020-21	31/08/2021	IM&T Control and Risk Assessment	R11/18	Not Rated	The D&HI Directorate budget should be set to reflect the actual need of the organisation. The capital expenditure budget should be reviewed with the intent to providing a stable funding position to allow for delivery of the digital strategy.	Director of Digital & Health Intelligence	Director of D&HI 31 Aug 2021	PC	A Case for Investment has been produced and shared with the Management Executive team which sets out the capital and revenue requirements for the life of the digital strategy (2020-2025). Discussions on affordability and potential sources of funding are taking place with executive management. Decisions on funding are expected to be made during the second quarter of 2021/22
2020-21	30/09/2021	IM&T Control and Risk Assessment	R12/18	Not Rated	A full assessment of the current skills within the directorate, alongside the required resource and skills for the Digital Strategy should be undertaken. Once the gaps in skills have been identified a formal plan to upskill staff should be developed.	Director of Digital & Health Intelligence	Director of D&HI 30 Sept 2021	PC	All staff within the D&HI directorate are expected to complete the PADR and objective setting process, which will identify current training and development needs. These will be compared with the known and expected requirements to deliver the digital strategy and will form the annual plan of training and development.
2020-21	31/07/2021	IM&T Control and Risk Assessment	R13/18	Not Rated	A formal cyber security workplan should be developed. This should be based on a formal assessment of the current position of the health board and define the actions needed to improve the position.	Director of Digital & Health Intelligence	Head of Digital Operations 31 July 2021	PC	A full cyber security work-plan, including NIS directive requirements will be completed as soon as the cyber team is in place. Recruitment is currently underway.
2020-21	30/06/2021	IM&T Control and Risk Assessment	R14/18	Not Rated	The national cyber security training should be mandated for all staff.	Director of Digital & Health Intelligence	Director of D&HI 30 June 2021	PC	Accepted. The national cyber resilience unit at Welsh Government has been approached for assistance in producing the training plan for staff across the UHB.

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2020-21	30/09/2021	IM&T Control and Risk Assessment	R15/18	Not Rated	Formal reporting on cyber security should be established, along with a suite of cyber security KPIs in order to show the status of cyber security and the progress of the team in managing issues.	Director of Digital & Health Intelligence	Director of D&HI 30 Sept 2021	PC	A formal report on cyber security will form part of the suite of documents to be shared regularly at the D&HI committee.
2020-21	30/09/2021	IM&T Control and Risk Assessment	R16/18	Not Rated	Consideration should be given to developing a single register of assets and their configuration status for the Health Board. This should include a process for identifying critical assets and ensuring regular assessment of the need for replacement of these.	Director of Digital & Health Intelligence	Head of Digital Operations 30 Sept 2021	PC	The new IT portal and service desk solution procured in March 2021 will be populated to create a single register of all IM&T assets.
2020-21	31/07/2021	IM&T Control and Risk Assessment	R17/18	Not Rated	A patch management policy, and associate procedure should be developed.	Director of Digital & Health Intelligence	Head of Digital Operations 31 July 2021	PC	Agreed. A full patch management policy will be created to include all related procedures.
2020-21	30/09/2021	IM&T Control and Risk Assessment	R18/18	Not Rated	The organisation should develop an overarching BCP / DR process. This should: • consider all the systems and use a business impact analysis to identify the business critical systems to prioritise for recovery; • departments with devolved control should feed into this process to ensure all system have appropriate plans and that the plans do not conflict; • RTO / RPO should be agreed for each system with the key stakeholders; and • The full position should be defined and agreed with executives to ensure that they accept the position and associated risks.	Director of Digital & Health Intelligence	Director of D&HI 30 Sept 2021	PC	Agreed. Working with colleagues in corporate planning, a full BCP/DR process will be developed and shared with Management Executive.
2020-21	30/09/2021	Data Quality Performance Reporting (Single Cancer Pathway) - Reasonable	R1/5	Medium	Management should continue as planned to finalise the review of the Data Quality Policy (UHB 298) (to reflect the General Data Protection Regulation framework), and the Data Quality Procedure (UHB 288). Once finalised, formal approval of the documents should be sought from the Board.	Chief Operating Officer	Director of Digital and Health Intelligence September 2021	PC	A review of the Data Quality Policy is now complete and a team from Information and Operations Performance have been tasked to complete a review of the Data Quality Procedure. Once complete, both documents will be presented to the Board for approval. Terms of Reference for group estalbished. Review of DQ procedure to be complted by end Qtr 3 (December 2021).
2020-21	30/09/2021	Data Quality Performance Reporting (Single Cancer Pathway) - Reasonable	R2/5	Medium	Operational procedures or guidance documents should be produced to ensure continuity and standardisation of the data quality processes.	Chief Operating Officer	Cancer Services Lead Manager, 30 September 2021	PC	The Operational procedures and guidance documents which were identified through the audit processes as being absent are now in a draft format. With the ongoing recruitment for key posts the intention is to have completed and signed off documents by the end of Quarter 2.
2020-21	30/09/2021	Data Quality Performance Reporting (Single Cancer Pathway) - Reasonable	R4/5	Medium	Management should ensure that stronger quality assurance checks are undertaken on the source data.	Chief Operating Officer	Cancer Services Lead Manager, 30 September 2021	PC	With the recruitment of key posts the audit and validation processes will be strengthened. A validation tool is being developed by DHCW which will be adapted and implemented within the Health Board. The timeframe for this improvement is by the end of Q2 in line with the CaNISC replacement programme
2020-21	31/10/2021	Infrastructure / Network Management	R1/5	Medium	A formal patch and update policy and procedure should be developed which clearly articulates the decisions relating to patching and updates, and which sets out the process for applying patches and updates in a secure manner to reduce the risks associated with these. We note that this recommendation was also included in the IT Assessment Internal Audit Report.	Director of Digital & Health Intelligence	Russell Kent, Head of Digital operations October 2021	PC	Agreed The ability to implement this will be subject to directorate and service maintenance windows being agreed and application patch availability.
2020-21	30/11/2021	Infrastructure / Network Management	R2/5	Medium	A configuration management policy / procedure should be defined in order to enable efficient and effective control over IT assets and fully understand the configuration of each component that contributes to IT Services in order to: • account for all IT components associated with the Service; • provide accurate information and documentation to other Service Management processes; and • to provide a sound basis for Incident, Problem, Event, Change and Release Management (e.g. reduction of the amount of failed Changes). This should be underpinned by a configuration management record which records all items and their status.	Director of Digital & Health Intelligence	Russell Kent, Head of Digital Operations November 2021	PC	Agreed. The Digital Health and Intelligence Department has procured and new helpdesk system and will be implementing configuration management and change management processes as part of this initiative.

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2020-21	31/12/2021	Infrastructure / Network Management	R3/5	Low	An overall statement or procedure should be developed that sets out the aims for network monitoring and management, and how this will be done. The procedure should note that the aim is to ensure that that relevant staff have alerts and reports so that imminent problems are detected and reported for prompt response and actions. Guidance should then be provided on the mechanism by which this is done	Director of Digital & Health Intelligence	Russell Kent, Head of Digital Operations December 2021	PC	Agreed Departmental responsibilities will be clarified as part of the ITIL Support Framework Helpdesk implementation. Procedure documents will be focussed on key operations using a risk based priority approach.
2020-21	31/12/2021	Infrastructure / Network Management	R4/5	Low	Work should continue to develop the dashboard to highlight areas such as areas of high packet loss or latency, and the reporting functionality. With consideration given to reporting of key information outside of the network team such as: • availability up/down, last	Director of Digital & Health Intelligence	Russell Kent, Head of Digital Operations October 2021	PC	Agreed Due to the size of the disperse networking at CAV, this will be focussed on the management and monitoring of the core networking elements in UHW, UHL and CRI.
2020-21	31/12/2021	Infrastructure / Network Management	R5/5	Low	The links between the network team and Clinical Board IT projects should be defined to ensure consultation. An assessment of the future network requirements should be undertaken that considers the use of cloud based services across the whole of the Health Board.	Director of Digital & Health Intelligence	Russell Kent, Head of Digital Operations December 2021	PC	Agreed. The DH&I Department will ensure linkage between Network team and Digital Management Board and review the resource implications of providing appropriate levels of support to UHB users of cloud-based services
2020-21	31/08/2021	Rostering in Community Children's Nursing	R1/7	Medium	The draft rostering desktop procedures should be reviewed by Team Leaders for accuracy and alignment with the objectives of the wider Health Board rostering procedure (UHB 339), thereafter they should be formally approved and adopted by CCNS. The approved rostering procedures should be disseminated to all CCNS nurses to formally advise them of the processes in place.	Chief Operating Officer	Alison Davies, Senior Nurse 30th June 2021 Operational Managers, CCNS Paula Cooper & Jayne Keddie 31st August 2021	PC	Draft rostering procedures currently being finalised by the CCNS Operational Managers. To be presented and ratified at Directorate and Clinical QSPE meetings in June 2021. Development of rostering guidelines for staff explaining the procedure will be drafted. The guidelines will discussed and disseminated via CCNS team meetings. Smaller team meetings will need to be held due to Covid restrictions, hence timescale needs to provide time for this.
2020-21	31/12/2021	Rostering in Community Children's Nursing Service	R3/7	Medium	The Child Specific Needs Analysis, Staff Skills Matrix and Staff to Child Strengths and Weaknesses Map should be revised and updated by the Team Leaders to reflect current clinical need / requirements and subject to regular review to ensure accuracy of content. Additionally, these key documents should be incorporated into the rostering procedures for use during the monthly roster creation process.	Chief Operating Officer	Alison Davies, Senior Nurse 30th June 2021 Paula Davies, Lead Nurse Alison Davies, Senior Nurse December 2021	PC	The documents are now manually updated by the Operational Managers and Team leaders on a monthly basis at their Operational Management meeting in collaboration with the Practice Educator. The OM's now have a process for sign off so that there is an audit trail in order to provide assurance. This has been incorporated into the rostering procedures. The Directorate is about to trial Malinko, an advanced rostering system which supports community services and should provide solutions to matching staff to patients which Rosterpro is unable to achieve. The Malinko team presented to Directorate QSPE meeting in September 2021 and CCNS has been agreed a the priority area for the pilot within the CYPFHS Directorate. The updated rostering procedures have now been finalised and awaiting sign off at Directorate QSPE on 12th October 2021 .
2020-21	15/12/2021	Rostering in Community Children's Nursing Service	R4/7	Low	The CCNS Memorandum of Understanding: Home Based Continuing Care Packages should be updated, approved by senior management at both departmental and Clinical Board level for dissemination to parents / guardians as soon as is practicable so as to formalise mutual arrangements between the UHB and parent(s)/carers of children under the department's care.	Chief Operating Officer	Paula Davies, Lead Nurse Alison Davies, Senior Nurse 15th December 2021	PC	The Memoranum of Understanding is being updated and will go back to UHB Legal for checking and approval next week (w/c 11/10/21). Once returned it will be sent out to families with a covering letter and opportunity to discuss with the management team via a telephone or virtual meeting.
2020-21	30/11/2021	Rostering in Community Children's Nursing Service	R7/7	Low	Management should continue as planned to ensure the gaps in staff training across CCNS are addressed.	Chief Operating Officer	Paula Cooper, Operational Manager Jayne Keddie, Operational Manager November 2021	PC	The service is usually compliant with mandatory training targets and service specific training. As is the case with all Directorate services, we are still experiencing increased staff absence due to COVID-19, and currently have increased vacancy in the service. Managers are reminded of mandatory training compliance at regular meetings, compliance updates are disseminated to managers and plans are in place to improve compliance rates.
2020-21	31/07/2021	Staff Recruitment	R1/3	Low	Management should consider developing a system that is able to record key recruitment data for the different recruitment 'areas' for registered nurses in order to assess the effectiveness of each one.	Executive Nurse Director	Clinical Board Directors of Nursing are re-setting establishments in ESR by July 2021.	PC	Further changes made to draft in July 2021 based on latest position. Exective owner confirmed as Executive Director of People and Culture. However, potential for policy to be superseded or need further amendment due to recent guidance from Welsh Government on enhanced overtime / consultant payments linked to Recover Plan.

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2020-21	31/07/2021	Wellbeing Hub at Maelfa	R7/13	Low	Management should continue to seek the early resolution of the Project Bank (O).	Director of Planning	Director of Capital, Estates & Facilities July 2021	PC	The action remains with Welsh Government and Lloyds Bank to agree appropriate arrangements. The UHB would be unable to resolve this matter in isolation as this is an issue that would effect all health boards who enter contract with Willmott Dixon
2020-21	31/07/2021	Wellbeing Hub at Maelfa	R8/13	Medium	Adviser agreements should be executed in a timely manner prior to duties commencing (O).	Director of Planning	Director of Capital, Estates & Facilities July 2021	PC	Confirmation no2 for the cost advisor is now complete by both parties. The confirmation no2 for the PM and supervisor remain outstanding.
2020-21	31/12/2021	Engagement Around Service Planning - Reasonable	R1/5	Medium	Management should ensure that the Health Board's practical guide to engagement and associated flowchart is updated to reflect the current processes and made available on the HB intranet.	Director of Planning	Executive Director of Strategic Planning December 2021	PC	Agreed. The UHB will work with the South Glamorgan CHC to review and update the joint Flowchart to reflect current processes in the UHB and CHC, and the UHB will review and update the internal practical guide to engagement to address the issues identified above. The first step is to review the Local Framework for Engagement and Consultation on Changes to Health Services that was agreed between the UHB and CHC in 2018, as this underpins the process illustrated in the flowchart. The Local Frameowrk has been reviewed and updated and is currently with the Exec Driector of Strategy and Planning for consideration before being shared for discussion with the CHC. Once agreed, the flowchart can be updated. The internal practical guide to engagement and associated suite of resources have also been reviewed and updated, they will be issued internally once the revised Local Framework has been agreed.
2020-21	31/12/2021	Engagement Around Service Planning - Reasonable	R2/5	Medium	In accordance with the Health Board's guidance on engagement, management should continue to ensure that the Community Health Council is engaged at the earliest opportunity, through the appropriate means as soon as a service change is recognised, and documentation is shared in a timely manner.	Director of Planning	Executive Director of Strategic Planning December 2021 - as part of the annual IMTP planning cycle	PC	Agreed. The importance of timely completion of a CHC Service Change Proforma for discussion with the CHC when service change proposals are being developed will be reinforced with Clinical Boards consideration given to building it into IMTP templates. The Service Change Proforma has been reviewed and updated, pending approval by the Exec Director of Strategy and Planning and discussion with the CHC. It forms a part of the Local Framework that has been reviewed as above will be reissued to Clinical Boards once agreed between the UHB and CHC.
2020-21	31/12/2021	Engagement Around Service Planning - Reasonable	R3/5	Low	Consideration should be given to developing a process to formally capture lessons learned from stakeholder engagement, which has the potential to enhance future engagement.	Director of Planning	Executive Director of Strategic Planning December 2021	PC	Agreed. A template for capturing lessons learnt for completion by those actively involved in designing and running an engagement (including CHC colleagues) is being tested by the Shaping Our Future Clinical Services programme team following a recent piece of corporate engagement. The resulting proforma and recommendations on where the output is considered within the UHB governance structure will inform a roll out. A template has been trialled in a lessons learnt exercise involving both UHB and CHC colleagues following the engagement on Shaping our Future Clinical Services. Once this is complete and the resulting report has been signed off following any amendments to the process, the proess will be adopted to support subsequent Lessons Learnt exercises from stakeholder engagement.
2020-21	31/12/2021	Engagement Around Service Planning - Reasonable	R4/5	Low	Consideration should be given to introducing a schedule of engagement activity to support service change / developments.	Director of Planning	Executive Director of Strategic Planning December 2021	PC	Agreed, there is potential value of a forward looking schedule of engagement based on information in the organisation's Annual Plan/IMTP. A service development tracker based on the Annual Plan, which includes a schedule of engagement, has been developed and reviewed by Clinical Boards. Tracker and schedule discussed with the CHC at Sept Service Planning Committee; agreememt to undertaken further collaborative work to bring together UHB and CHC schedules.
2020-21	31/12/2021	Engagement Around Service Planning - Reasonable	R5/5	Low	In support of identified HB good practice, it would be beneficial for a common stakeholder mapping process to be adopted, to illustrate stakeholder selection by power and priority levels, to inform the engagement of service change / development.	Director of Planning	Executive Director of Strategic Planning December 2021	PC	The Engagement Plan Template, included as a supporting resource for the internal UHB Practical Guide to Engagement, will be reviewed and updated to include stakeholder mapping advice based on current best practice. The Engagement Plan template, included a ssuporting resource of the Internal Practical Guide to Engagement, has been reviewed and updated to include stakeholder mapping advice. Once the actions above have been completed, the Practical Guide and suporting resources will be re-issued to Clinical Boards and put on the UHB intranet.
2021-22	9.11.2021	Legislative, Regulator & Alerts Compliance	R4/8	Medium	The following should be taken forward to enhance the oversight of Welsh Health Circulars: a) The tracker should be regularly reconciled to the Welsh Government website to ensure no gaps are identified. b) The tracker should be regularly updated to ensure meaningful information is collected. c) An effective follow up process should be embedded so that assurance can be gained that actions are being completed.	Director of Corporate Governance	Head of Risk and Regulation	PC	Partially Complete. WHC's are regularly reconciled with the WG website and the tracker is up to date. Updates on compliance are shared with the Audit and Assurance Committee within the Regulatory Tracker Report and monthly updates are shared monthly at Management Executive Meetings. Whilst the recommendation has been sunstattively complied with further time is needed to ensure that the process is fully embedded.

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2021-22	30.09.2021	Healthy Eating Standards - Hospital Restaurant & Retail Outlets	R1/3	Low	At the next review of the Standards consideration should be given to the following, which may also assist in raising the profile: ☛ Testing the reference links to ensure they are still live and current; ☛ Noting the governance forum which endorsed the Standards on the cover sheet; ☛ Direct reference to the Well-being of Future Generations (Wales) Act 2015; and ☛ Reference to Strategic change programmes, which underpin the Shaping our Future Wellbeing Strategy, such as Shaping our Future Population Health.	Executive Director of Public Health	Principal Health Promotion Specialist	PC	1) Review and update all paperwork 2) Confirm governance arrangements with Executive Director of Public Health 3) Ensure referencing to strategic drivers are incorporated in the documentation. Progress update 07/10/21: 1) The Healthy Eating Standards for Hospital Restaurant & Retail Outlets paperwork has been updated and will be taken to the Steering Group on 04/11 for final agreement. 2) Initial discussions regarding governance arrangements held with Exec DPH on 20/09 - a further meeting with Head of Capital Estates and Facilities is planned for 18/10. The Steering Group Terms of Reference is in draft and will be updated accordingly. 3) Reference to the WBFG/SOFWB is now included in the Healthy Eating Standards for Hospital Restaurant & Retail Outlets paper - attached below, next review is due November 2022.
2021-22	No date confirmed	Cancellation of Outpatient Clinics Follow-up Mental Health CB	R5/5	Medium	1. A continued period of testing, bedding in and fine tuning of the cancellation report should be undertaken so that outstanding data accumulation and presentation issues can be identified and cleared. This should involve input from all recipients of the report. 2. Any further changes which need to be made in connection with the monthly cancellation report should be reflected in the Cancellation of Outpatient Clinics written procedures.	Chief Operating Officer	Clinical Board Director, Daniel Crossland, Deputy Director of Operations and Delivery	PC	Each Directorate has a 6 weekly scheduled performance meeting. The O/P cancellation procedure will be a recurrent agenda item until the iterative process is satisfied by the time of the 3 year procedure review. This is reflected in the procedure.
2021-22	31.10.2021	Ultrasound Governance CD&T CB	R1/5	High	The Executive Director of Therapies and Health Science should be provided with assurance that the revised Medical Ultrasound Risk Management Policy and Procedure (UHB 322 v2) has been adequately communicated within the Health Board.	Executive Director of Therapies and Health Science	Assistant Director of Therapies and Health Science	PC	The Policy and Procedure will be promoted through the Medical Equipment Group, Medical Device Safety Officer's group, Clinical Board operational teams as well as through the Clinical Executive's Office of Professional Leadership. The audit findings have been discussed at the Office of Professional Leadership on 4th October and the Medical Equipment Group on the 11th October. The partially amended 'in draft' ToR will be updated to reflect the conversations at these groups. A follow up meeting with CD&T Clinical Board memebers when the Non-ionising Radiation Lead returns from sickness absence.
2021-22	31.03.2022	Ultrasound Governance CD&T CB	R2/5	Medium	Consideration should be given to the mechanisms for Clinical Boards to provide assurance to the Executive Director of Therapies and Health Science, to satisfy the assurance responsibilities set out within the Medical Ultrasound Risk Management Procedure (UHB 322).	Executive Director of Therapies and Health Science	Assistant Director of Therapies and Health Science	PC	An annual audit template will be developed by the membership of the UCGG to include a balanced range of performance indicators on the effective management of U/S devices including training, competence and maintenance as part of the U/S governance framework. Opportunities to develop a digital audit tool will be explored with corporate IM&T teams.
2021-22	26.08.2021	Ultrasound Governance CD&T CB	R3/5	Medium	Following feedback through the course of the review, consideration should be given to: • Producing an abridged version of the Medical Ultrasound Risk Management Procedure, summarising key themes, to underpin the full procedure; and • The renaming of the procedure to reflect the actual content of Ultrasound Governance and to align with the role of the Ultrasound Clinical Governance Group.	Executive Director of Therapies and Health Science	Principal Clinical Scientist (Paul Williams)	PC	An Abridged version of the UCGG procedure has been written. I suggest ' The Medical Ultrasound Governance Policy' and 'The Medical Ultrasound Governance Procedure' as the new names. Provide an abridged version of the procedure, about 2 or 3 pages. Rename the policy and procedures to reflect more closely what they contain.
2021-22	30.11.2021	Ultrasound Governance CD&T CB	R4/5	High	Ultrasound governance arrangements should be reviewed as follows: • The placing of the Ultrasound Clinical Governance Group (UCGG) within the Health Board's governance structures. • The appointment of appropriate person(s) to Chair the UCGG meetings with sufficient seniority to escalate issues as they arise. • The reporting mechanisms to facilitate the escalation and cascade of ultrasound governance. • Membership of the UCGG should be sourced from all ultrasound using Directorates. • Actions and attendance (including quorum) are recorded for the meetings. On completion of review, the governance arrangements should be revised and formalised through an updated Terms of Reference.	Executive Director of Therapies and Health Science	UCGG / Assistant Director of Therapies and Health Science Assistant Director of Therapies and Health Science	PC	The UCGG ToR will be formally reviewed to ensure that it has appropriate governance arrangements. The UCGG will formally report through the Medical Equipment Group (MEG) which is chaired by the Executive Director of Therapies and Health Science. The MEG will receive minutes and a written report. The TORs for UCGG and MEG will be amended accordingly. UCGG and MEG ToRS now in draft to reflect these cahnges and will be signed off by EDoTH. The membership of the UCGG will be signed off by the Executive Director of Therapies and Health Science. Communication on expected attendance from clinical areas at the UCGG will be disseminated through the operational Clinical Board structures and the Office of Professional Leadership.

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Financial Year Fieldwork Undertaken	Agreed Implementation Date	Audit Title	No of Recs	Priority	Recommendation	Executive Lead	Operational Lead	Please confirm if complete (c), partially complete (pc), not actioned (na)	Management Response / Executive Update
2021-22	30.09.2021	Ultrasound Governance CD&T CB	R5/5	Medium	In accordance with Sections 2 and 3 of the UHB Ultrasound Risk Management Procedure, the three key roles of Clinical Lead User, Speciality Lead User and Educational Supervisor / Training Supervisor should be formalised within the sampled audit areas.	Executive Director of Therapies and Health Science	Directorate Ultrasound Governance Lead (Mark Denbow)	PC	The three key roles of Clinical Lead User, Speciality Lead User and Educational Supervisor / Training Supervisor have been formalised within Medical Physics. The O&G Directorate is setting up a quarterly formal ultrasound governance meeting, the first of which is starting in September. Within this we will be formalising roles and working through each aspect of the policy inc: roles and responsibilities and communication plan around this.

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Medium	**Medium**	2020-21
Medium	**Medium**	2020-21
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Medium	**Medium**	2020-21
Medium	**Medium**	2020-21
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	Medium	

List	Priority	Status
Chief Executive	High	C
Chief Operating Officer	Low	PC
Deputy Director of Health and Informatics	Medium	NA
Director of Corporate Governance		
Director of Finance		
Director of Planning		
Director of Public Health		
Director of Therapies & Health Science		
Director of Transformation & Informatics		
Director of WOD		
Executive Medical Director		
Executive Director of Nursing		

Report Title:	Audit Wales Recommendation Tracking Report				
Meeting:	Audit and Assurance Committee			Meeting Date:	09/11/21
Status:	For Discussion	For Assurance	X For Approval	For Information	
Lead Executive:	Director of Corporate Governance				
Report Author (Title):	Risk and Regulation Officer				

Background and current situation:

The purpose of the report is to provide Members of the Audit Committee with assurance on the implementation of recommendations which have been made by Audit Wales by means of an external audit recommendation tracking report.

Executive Director Opinion /Key Issues to bring to the attention of the Board/ Committee:

Sixteen External Audit Recommendations have been brought forward from September's Audit Committee. This number includes an additional six recommendations relating to the Audit of Accounts Report Addendum – Recommendations for 2021-22. One of the additional sixteen entries has been recorded as complete.

One recommendation has been completed since September 2021, however, there are also 12 (of 16) recommendations that are partially complete and 3 (of 16) recommendations that have not been actioned.

Two recommendations are over one year overdue, one recommendation is under three months overdue and one recommendation is three plus months overdue (but less than 6 months). Twelve of the recommendations have not exceeded the agreed implementation date for completion.

Assessment and Risk Implications (Safety, Financial, Legal, Reputational etc:)

A review of all outstanding recommendations has been undertaken with executive and operational leads for each recommendation since September 2021. This work will continue and be reported at each Audit and Assurance Committee to provide regular updates in the movement of recommendations.

The table at Appendix 1 shows a summary status of each of the recommendations made for external audits undertaken in 19/20, 20/21 and 21/22 as at 22 October 2021.

This report and appendices will also be discussed at Management Executive meetings so that the leadership team of the Health Board have an overview of progress made against External Audit Recommendations.

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University Health Board

Recommendation:

The Audit Committee Members are asked to:

    (a) Note and receive assurance from the progress which has been made in relation to the completion of Audit Wales recommendations.
    (b) To note the continuing development of the Audit Wales Recommendation Tracker.

Shaping our Future Wellbeing Strategic Objectives			
This report should relate to at least one of the UHB's objectives, so please tick the box of the relevant objective(s) for this report			
1. Reduce health inequalities	x	6. Have a planned care system where demand and capacity are in balance	x
2. Deliver outcomes that matter to people	x	7. Be a great place to work and learn	x
3. All take responsibility for improving our health and wellbeing	x	8. Work better together with partners to deliver care and support across care sectors, making best use of our people and technology	x
4. Offer services that deliver the population health our citizens are entitled to expect	x	9. Reduce harm, waste and variation sustainably making best use of the resources available to us	x
5. Have an unplanned (emergency) care system that provides the right care, in the right place, first time	x	10. Excel at teaching, research, innovation and improvement and provide an environment where innovation thrives	x

Five Ways of Working (Sustainable Development Principles) considered								
Please tick as relevant, click here for more information								
Prevention	x	Long term		Integration		Collaboration		Involvement

Equality and Health Impact Assessment Completed:	~~Yes / No~~ / Not Applicable *If "yes" please provide copy of the assessment. This will be linked to the report when published.*

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Financial Year Fieldwork Undertaken	Agreed Implementation Date	Audit Title	No of Recs	Recommendation	Executive Lead for Report	Operational Lead for Recommendation	Please confirm if completed (c), partially completed (pc), no action taken (na)	Management Response / Executive Update
2021-22	Complete	Audit of Accounts Report Addendum - Recommendations	R6/6	The Health Board should strengthen the storage of its back up tapes	Director of Digital and Health Intelligence	Director of Digital and Health Intelligence	C	Data back-up tapes are stored offsite. The sheer volume makes storage in fireproof safe impossible. In addition, all latest backups of data is backed up to disc offsite in rooms with fire suppression. **Responses have been generated from the audit responses shared at the September Committee.**

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Audit Wales Recommendations 2019/20 – 2021/22 (November 2021)

External Audit	Complete	No action	Partially complete	< 3 mths	> 3 mths	+6 mths	+ 1 year	Grand Total
Clinical Coding Follow Up	-	-	1	-	-	-	1	1
Audit of Financial Statements	-	-	1	-	-	-	1	1
Implementation of the Wellbeing of Future Generations Act	-	-	5	1	-	-	-	5
Audit of Accounts Report Addendum – Recommendations 2021-22	1	3	2	-	-	-	-	6
Follow Up of Operating Theatres	-	-	2	-	-	-	-	2
Assessment of Progress Against Previous ICT Recommendations	-	-	1	-	1	-	-	1
Total	1	3	12	1	1	-	2	16

From the above table it can be seen that since the last report to Committee in September 2021 a further 5 recommendations have been added to the tracking report and the number of recommendations now stand at 16. Of the 16 outstanding AW recommendations listed, 1 has been completed. It can also be seen that 12 recommendations are partially completed and three demonstrate that no action has been taken. Two outstanding actions are 1+ year overdue, one is less than three months overdue and one is greater than 3+ months overdue. The remaining actions have not exceeded their agreed implementation date.

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Clinical Audit

Final Internal Audit Report

October 2021

Cardiff & Vale University Health Board

NWSSP Audit and Assurance

Contents

Review reference:	CV-2122-15
Report status:	Final
Fieldwork commencement:	26 July 2021
Fieldwork completion:	8 September 2021
Debrief meeting:	8 September 2021
Draft report issued:	17 September 2021
Management response received:	7 October 2021
Final report issued:	15 October 0221
Auditors:	Lucy Jugessur, Internal Audit Manager
	Wendy Wright, Deputy Head of Internal Audit
Executive sign-off:	Stuart Walker, Interim Chief Executive (Executive Medical Director)
Distribution:	Meriel Jenney, Interim Executive Medical Director
	Rajesh Krishnan, Assistant Medical Director (Patient Safety and Clinical Governance)
	Angharad Oyler, Head of Patient Safety and Quality Assurance
Committee:	Audit & Assurance 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 agreed Terms of Reference / audit brief, and the Audit Charter as approved by the Audit & Assurance Committee.

Audit reports are prepared by the staff of the NHS Wales Shared Services Partnership – Audit & Assurance Services, and addressed to Independent Members or officers including those designated as Accountable Officer. They are prepared for the sole use of the Cardiff & Vale University Health Board and no responsibility is taken by the Audit & Assurance Services Internal Auditors to any director or officer in their individual capacity, or to any third party.

Executive Summary

Purpose

The overall objective of the review was to evaluate and determine the adequacy of the systems and controls in place within the Health Board in relation to Clinical Audit. Our review sought to provide assurance to the Health Board's Audit Committee that risk material to the system's objectives are managed appropriately.

Overview

Our overall assurance rating reflects the enhancements that are required to the Health Board's Clinical Audit structures and governance arrangements.

The key areas to be addressed relate to:

- The development and introduction of a Clinical Audit Strategy, Policy and Procedures.
- The development of resources and systems to effectively monitor all Clinical Audit activity.

We acknowledge that management are aware of the reported issues.

Report Classification

Limited	More significant matters require management attention.
	Moderate impact on residual risk exposure until resolved.

Assurance summary[1]

Assurance objectives		Assurance
1	Roles, Responsibilities and Resources	Limited
2	Programme Planning	Limited
3	Programme Delivery & Board Assurance	Limited

Key Matters Arising

		Assurance objective	Control Design or Operation	Recommendation Priority
1	Absence of a Health Board approved Clinical Audit Strategy	2	Design	High
2	Lack of Clinical Audit Policy and Procedures	2	Design	High
3	Inadequate staff resources for monitoring Clinical Audits	1	Operation	High
4	Limitations of current systems to effectively monitor clinical audits and their outcomes	3	Operation	High
5	Absence of a Clinical Audit Training Plan and a lack of resources to deliver training requests	1	Operation	Medium
6	Lack of clarity of Local Clinical Audit Plans (Tiers 2 & 3)	2	Operation	Medium
7	Inadequate registration and oversight of Local Clinical Audits (Tiers 2 & 3)	2	Operation	Medium
8	Limited scrutiny of Local Clinical Audits (Tier 2 & 3)	3	Operation	Medium

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

1. Introduction

1.1. The review of Clinical Audit was completed in line with the 2021/22 Internal Audit Plan for Cardiff and Vale University Health Board (the 'Health Board'). The review was undertaken at the request of the Executive Medical Director.

1.2. The Healthcare Quality Improvement Partnership (HQIP) defines clinical audit as a "*quality improvement cycle that involves measurement of the effectiveness of healthcare against agreed and proven standards for high quality, and taking action to bring practice in line with these standards so as to improve the quality of care and health outcomes.*"

1.3. Its purpose is to engage all healthcare professionals in systematic evaluation of their clinical practice against standards and to support and encourage improvement in the quality of treatment and care. Additionally, it provides information for patients and the public on the quality of specific healthcare services being provided locally and nationally.

1.4. Each year the Health Board produces a Clinical Audit Plan that sets out the national audits from the National Clinical Audit and Outcome Review Plan (NCAORP) in which they must participate and also the local audits that are undertaken within the Clinical Boards. As stated in the annual plan, it is essential that the national audits are treated as priorities. Clinical audit outcomes are an integral part of the Health Board's processes for improvement and assurance framework.

1.5. The clinical audit process within the Health Board operates on a tiered system:

- Tier 1 – Mandatory national clinical audits – set out in the NCAORP.
- Tier 2 – All other national audits and local audits undertaken to address patient safety and quality agenda.
- Tier 3 – Local clinical audits undertaken for other reasons such as revalidation and CPD purposes.

1.6. At the onset of the COVID-19 pandemic, Welsh Government (WG) advised that all clinical audit data collection should be suspended to allow clinically qualified staff to be mobilised to the frontline. The WG later revised this guidance as they acknowledged that a blanket ban on all clinical audit work may have unintended consequences. During the pandemic, the Health Board prioritised the national audits, rather than local audits.

1.7. The executive lead for the review is the Executive Medical Director.

Audit Risks

1.8. The potential risks considered in this review were as follows:

- Resource capacity prohibits the completion of the Clinical Audit Plan;

- Clinical issues materialise if risks are not identified due to ineffective monitoring and governance arrangements; and

- Patient harm due to healthcare not meeting quality standards.

2. Detailed Audit Findings

Objective 1: Roles, Responsibilities and Resources

Objective 1a: There is a nominated lead clinician with responsibility for clinical audit across the whole organisation

2.1. The Executive Medical Director is the overall lead for Clinical Audit within the Health Board, supported by a Consultant Paediatric Nephrologist as Assistant Medical Director, for three sessions a week, which is inclusive of clinical audit as well as other work.

Objective 1b: Clinical leads for clinical audit and quality improvement are in place at Clinical Board level, with dedicated time for this activity

2.2. There are clinical audit leads for specific national clinical audits within the Clinical Boards and the leads provide assurance through to the Clinical Effectiveness Committee, which is a relatively new management and executive forum, established in December 2020.

2.3. There are also clinical audit leads for each of the Directorates within the Clinical Boards, who report into the Clinical Directors and these clinical leads are responsible for local, tier 2 clinical audits.

Objective 1c: There are resources in place for the management and administration of the audit programme both at corporate and Clinical Board levels

2.4. The Head of Patient Safety and Quality Assurance commenced in role in September 2020, and within their remit leads the Clinical Audit Team.

2.5. The following matter arising was noted for this objective:

Management and Executive are aware of the resource gap to effectively monitor clinical audits, evidenced through a documented SBAR (situation, background, assessment and recommendation), of the Quality Assurance Function (dated January 2021); and subsequently the development of a broader Business Case 'A Proposal for the future organisational structures to support Quality, Safety and Experience', which was in the process of being finalised whilst audit fieldwork was progressing in August 2021. *(Matter Arising 3 – High Priority)*

Objective 1d: Relevant staff have been appropriately trained in undertaking audits

2.6. Prior to COVID-19, clinical audit training was delivered on a quarterly basis by a member of the Clinical Audit Team, a Senior Audit Facilitator. Clinical Audit training was paused due to COVID-19, which is expected to resume in October 2021.

2.7. The following matter arising was noted for this objective:

There are limited resources available to deliver Clinical Audit training. We were unable to locate a Clinical Audit Training Plan. *(Matter Arising 5 – Medium Priority)*

Conclusion 1: There is adequate overall leadership of Clinical Audit within the Health Board, however, management have documented concerns that the Clinical Audit Team is not adequately resourced to carry out its role efficiently or effectively. A consequence of the limited resources is the team's ability to deliver clinical audit training in a structured manner. (Limited Assurance)

Objective 2: Programme Planning

Objective 2a: There is a Health Board agreed approach to Clinical Audit that links to its strategic aims

2.8. The Health Board is making progress to improve the strategic alignment of Clinical Audit. We sighted a draft Business Case, which is far broader than Clinical Audit, that outlines the aspirations of the Health Board to align organisational structures to effectively support the Health Board's Quality, Safety and Experience Framework (2021 – 2026) and the associated governance and assurance mechanisms.

2.9. The following matter arising was noted for this objective:

The Health Board does not have a Clinical Audit Strategy. HQIP suggests a Clinical Audit Strategy is a key necessity for the effective management of Clinical Audit. *(Matter Arising 1 – High Priority)*

Objective 2b: There is a planned programme of clinical audit for national and local audits, which has been appropriately approved and in line with the Health Board's Clinical Audit approach

2.10. A Health Board Clinical Audit Plan 2021-22 is in place, which was taken to the Audit and Assurance Committee meeting on the 6 April 2021 and the content was noted by the Committee. The plan included all proposed tier 1 and 2 (national and local) audits, for each Directorate within each of the Clinical Boards.

Objective 2c: Arrangements are in place to engage clinicians, managers and service users/patients during the development of the programme, and to ensure Health Board priorities and risks are considered alongside national requirements

2.11. The Clinical Audit Plan is developed from Clinical Board and Directorates patient safety priority audits, serious incidents, regulation 28, themes from incident reporting and NICE guidance.

Objective 2d: Audit proposals are registered, reviewed and approved in accordance with the Health Board's approach to ensure that each has clear improvement aims and objectives and a named lead responsible for delivery

2.12. The Health Board's approved Clinical Audit Plan details all tier 1 national audits and tier 2 local audits, by Directorate within each Clinical Board.

2.13. The following matters arising were noted for this objective:

We found there were inconsistencies and a lack of clarity of the arrangements for holding Local Clinical Audit Plans, and we were advised that the Clinical Audit Team does not have capacity to support Clinical Boards and their Local Clinical Audit Plans. *(Matter Arising 6 – Medium Priority)*

The Clinical Audit Team require proposal forms to be completed for all tier 2 and 3 audits, to ensure appropriate oversight. The form and associated process are available on the Health Board's intranet site. We requested a sample of Clinical Board Clinical Audit Plans to triangulate the information held by the Clinical Audit Team, the Clinical Board and the registered local audits. We were unable to complete this test in its entirety, whilst proposal forms are held locally, the Clinical Audit Team had not received all forms. *(Matter Arising 7 – Medium Priority)*

Objective 2e: Documented procedures are in place to ensure a consistent approach to clinical audit activity and achievement of the audit criteria

2.14. Staff are directed to the HQIP guidance when undertaking Clinical Audits, 'Best practice in clinical audit', which provides direction on how to undertake a clinical audit.

2.15. The following matter arising was noted for this objective:

The Health Board does not have a Policy or Procedure which directs a consistent approach to Clinical Audit. *(Matter Arising 2 – High Priority)*

Conclusion 2: The Health Board is missing key documents, that have the ability to direct, mandate and create a means of consistency, across the Clinical Boards and their Directorates. HQIP advises that both a Clinical Audit Strategy and Policy are necessary for the effective management of Clinical Audit. Due to the lack of Policy, which directs procedures, there is a lack of clarity of the requirements for producing local clinical audit plans and their oversight. (Limited Assurance)

Objective 3: Programme Delivery and Board Assurance

Objective 3a: Progress against the planned programme is reported and monitored effectively at both a corporate and Clinical Board level

Objective 3b: Arrangements are in place to ensure that the outcomes of all planned audits are appropriately reported, providing assurance or identifying action where improvement is required

Objective 3c: Arrangements are in place to ensure action is agreed and implemented, and improved outcomes achieved

(Objectives 3a, b & c are considered as a whole, given the revised governance arrangements)

2.16. The Health Board has been revising and reshaping the governance arrangements which support the Quality, Safety and Experience Committee. The Clinical Effectiveness Committee was established in December 2020, with an agreed terms of reference. We observed a meeting of the Clinical Effectiveness Committee, in addition to reviewing documentation and sighted the challenge and support offered to clinicians for national audits. The committee reports to the Quality, Safety and Experience Committee (Board sub-committee).

2.17. The following matters arising was noted for these objectives:

There is limited scrutiny of local clinical audits, we note the capacity of the Clinical Effectiveness Committee does not reach to local audits, we were advised that a review group is to be established to support the Committee. The requirement to service further groups will require support, as outlined in the proposed Business Case. We also found inconsistencies within the Clinical Boards of the attention given to clinical audits at their Clinical Board Quality, Safety and Experience Committees. *(Matter Arising 8 – Medium Finding)*

Head of Patient Safety and Quality Assurance is utilising Microsoft Excel Spreadsheets to record all national clinical audits, detailing the Clinical Lead, publication date and date to be discussed at the Clinical Effectiveness Committee. However, there are a number of limitations which impact monitoring arrangements, notably the means to collaborate and share information for monitoring purposes with relevant areas of the Health Board. The limitations of current processes were evident when we reviewed the action tracking of clinical audits, we identified that the outcomes and actions were not being fully tracked and monitored. We found no defined monitoring process in place. *(Matter Arising 4 – High Priority)*

2.18. *We are aware that other Health Boards in Wales are utlising web-based solutions to support clinical assurance.*

Objective 3d: Identified clinical risks are given consideration as to where they are recorded and monitored

2.19. The Health Board's risk management arrangements facilitate the escalation of clinical risks through the Clinical Boards to the Corporate Risk Register.

The following matter arising was noted for this objective:

2.20. The Clinical Effectiveness Committee is not presented with relevant risks, through documented risks, nor does risk feature in the Committee's Terms of Reference. We have observed in other Health Boards that the equivalent forum to the Clinical Effectiveness Committee is sighted on relevant clinical audit risks. *(Matter Arising 9 – Low Priority)*

Conclusion 3: The Clinical Audit Team and the Clinical Boards are not provided with the adequate tools to effectively enable them to monitor clinical audit outcomes and the improvement actions taken, which impacts the assurance that can be offered through the governance structure. Whilst the governance is evolving it will take time to embed, but the benefits of the Clinical Effectiveness Committee are coming to fruition, with focus given to the national clinical audits. In alignment with the aspirations captured in the business case, greater attention is needed of the local audits. (Limited Assurance)

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Appendix A: Management Action Plan

Matter Arising 1: Absence of a Health Board approved Clinical Audit Strategy (Control Design)	Impact
The Health Board does not have a Clinical Audit Strategy, which is recommended in HQIP guidance. HQIP suggests that there are four organisational documents that are necessary for the effective management of clinical audit, which are linked and should be read together: 1) A Strategy on the development of clinical audit; 2) A Policy on the use and conduct of clinical audit; 3) A clinical audit programme; and 4) A clinical audit report template.[2] The guidance recommends, *"A clinical audit strategy should:* • *Be a time-limited document, i.e. covering a defined period of one or more years;* • *Link clinical audit with organisational governance and assurance systems, and corporate objectives;* • *Provide a vision for clinical audit development, i.e. over three to five years;* • *Set out a number of Specific, Measurable, Achievable, Relevant, Time-based, Evaluated, Resourced, (SMARTER) objectives for the period covered."* [2] Although there is an awareness that there is no Clinical Audit Strategy, we were advised that the future direction of clinical audit will be determined by the wider business case, referred to earlier, to support the Quality, Safety and Experience Framework (2021-26). Until such a decision is reached, there is a lack of clarity regarding resources, processes, and systems.	Potential risk of: • Clinical issues materialise if risks are not identified due to monitoring and governance arrangements not being in place
Recommendation 1	**Priority**
A Clinical Audit Strategy should be developed, cognisant of the Business Case to support Quality, Safety and Experience Framework (2021 – 2026), currently under consideration by executive management, to ensure the Health Board aligns with HQIP guidance.	**High**

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[2] developing-a-clinical-audit-policy-developing-a-clinical-audit-strategy.pdf (hqip.org.uk) (accessed 6 September 2021)

Agreed Management Action 1	**Target Date**	**Responsible Officer**
A Clinical Audit Strategy will be developed considering the HQIP guidance. (Time frames of completing this action will be dependent on the timing of, and amount of investment has been agreed which may influence the approach)	January 2022	Head of Patient Safety and Quality Assurance and Associate Medical Director

Matter Arising 2: Lack of Clinical Audit Policy and Procedures (Control Design)	**Impact**
There is no Health Board approved policy or procedure to provide direction on how to undertake national or local clinical audits, to ensure a consistent format and approach, whilst also complying with current information governance legislation and guidance. The staff within the Clinical Audit Team are able to provide guidance on how to carry out a clinical audit and reference is given to HQIP guidance, 'Best practice in clinical audit', which provides guidance to clinicians and clinical audit staff on how to plan, design and carry out clinical audits. In addition, HQIP recommends that *"policies and procedures should be in place to ensure that clinical audits are undertaken in a way that complies fully with current information governance legislation and guidance."[3]*	Potential risk of: • Patient harm due to healthcare not meeting quality standards

Recommendation 2	**Priority**
The Health Board should develop a Clinical Audit Policy and subsequent Procedure, which will require formal approval, to provide a mandate to direct staff on a consistent basis. The policy and procedures should be developed in keeping with HQIP guidance, so that national and local clinical audits are carried out consistently and comply with current information governance legislation and guidance.	**High**

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[3] https://www.hqip.org.uk/wp-content/uploads/2020/05/FINAL-Best-Practice-in-Clinical-Audit-2020.pdf (accessed 6 September 2021)

Agreed Management Action 2	Target Date	Responsible Officer
A Health board specific Clinical Audit policy will be developed and subsequent procedure which will provide a mandate to direct staff in a consistent way. The policy will be approved through the Clinical Effectiveness Committee Meeting (As with the clinical audit strategy time frames of completing this action will be dependent on the timing of and amount of investment has been agreed which will also influence the approach.)	January 2022	Head of Patient Safety and Quality Assurance and Associate Medical Director

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Matter Arising 3: Inadequate staff resources for monitoring Clinical Audits (Operational Control)	Impact
Management within Patient Safety and Quality Assurance have identified that the Clinical Audit Team is not adequately resourced to carry out their roles effectively. An SBAR was produced by the Head of Patient Safety and Quality Assurance in January 2021, which identified the following issues with the current structure: • *"Limited capacity for monitoring the progress or completion of action plans / improvements in response to Tier 1, National Clinical Audits (Part B that are submitted to Welsh Government).* • *No resource for monitoring or supporting the development or progress of Quality and Safety priority audits (Tier 2) that should inform the Annual Clinical Audit Plan.* • *No resource to monitor the progress, completion or reporting of (Tier 2) clinical audits or action plans that have identified the need for improvement.* • *No resource to capture all Health Board clinical audit activity."* The SBAR made the following resource specific recommendation, *"Funding to resource a fully functional Quality Assurance team to completely support the clinical audit and clinical effectiveness activities within the health board."* At the time of internal audit fieldwork (August 2021) a business case was in the process of being developed for executive consideration, which addressed the above issues in the broader context of a proposal for the future organisational structures to support Quality, Safety and Experience and implementation of the five year Quality, Safety and Experience Framework (2021 – 2026).	Potential risk of: • Resource capacity prohibits the completion of the Clinical Audit Plan.

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Recommendation 3	Priority
Management should continue as planned, to present the proposal for the future organisational structures to support Quality, Safety and Experience to management executive, to ensure identified resource issues are mitigated. Specifically, that the Health Board are able to: • Monitor the progress or completion of action plans / improvements in response to National Clinical Audits; • Monitor and support the development of Quality and Safety priority audits (Tier 2); and • Monitor the progress, completion and reporting of clinical audits and action plans that have identified the need for improvement.	**High**

Agreed Management Action 3	Target Date	Responsible Officer
A Business Case to support the Quality, Safety and Experience Framework (2021 – 2026) is currently under consideration by Executive Management. The required investment will allow for purchase of the AMaT monitoring and tracking system and the team to progress this work. This action is dependent on the timing and level of investment.	March 2022	Head of Patient Safety and Quality Assurance

Matter Arising 4: Limitations of current systems to effectively monitor clinical audits and their outcomes (Operational Control)	Impact
Currently the Clinical Audit Team is utilising Microsoft Excel Spreadsheets and an Access database (for Local Tier 2 audits) to record, track and monitor clinical audits. However, there are a number of limitations which impact monitoring arrangements, notably the means to collaborate and share information for monitoring purposes, with relevant areas of the Health Board. We are aware that other Health Boards in Wales are using web-based systems to support clinical effectiveness governance, which have inbuilt workflows that facilitate effective oversight, accountability, and action tracking to enhance patient safety. The Business Case previously referenced refers to the benefits of introducing a system to support clinical assurance. The limitations of current processes were evident when we reviewed the action tracking of national audits. We identified that the outcomes and actions were not being fully tracked and monitored. Health Boards are required to complete Part A and Part B of the National Clinical Audit proformas, which Welsh Government paused due to COVID-19, and subsequently reconvened. In order to complete the proformas, the previous report requires review, if available, to ensure actions have been completed or progressed. However, we found no defined monitoring process in place.	Potential risk of: • Patient harm due to healthcare not meeting quality standards
Recommendation 4	**Priority**
Management should ensure they have appropriate systems and processes to effectively record, track and monitor clinical audit outcomes, comparable to the size of the Health Board.	High

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Agreed Management Action 4	Target Date	Responsible Officer
Currently submission of part A's and B's are being recorded, but neither the capacity or IT management system is in place to monitor and track the improvement plans (Part B) A management system for monitoring and tracking clinical audits has been identified (AMaT) along with the required resource to implement and administer the work has been included in the Business Case to support QS&E Framework (2021 – 2026) is under consideration by the Executive Management Team.	March 2022	Head of patient Safety and Quality Assurance

Matter Arising 5: Lack of resources to deliver a Clinical Audit Training Plan (Operational Control)	Impact
Clinical Audit training has been paused during the COVID-19 pandemic, but management have advised that it is anticipated that training will recommence in October 2021. There is a waiting list held of staff that require clinical audit training. Capacity to deliver training by the Clinical Audit Team is an issue, we were informed that there are plans to train and develop further members of the team, which is dependent on investment in the team structure. We were also advised that the nature of the training does not lend itself to a virtual training session. There is currently no Clinical Audit Training Plan in place to prioritise which Clinical Boards and Directorates require training.	Potential risk of: • Clinical issues materialise if risks are not identified due to monitoring and governance arrangements not being in place
Recommendation 5	**Priority**
Cognisant of available resources, management should produce a Clinical Audit Training Plan to prioritise the clinical areas which require training and support.	**Medium**

Agreed Management Action 5	Target Date	Responsible Officer
An evaluation of training needs will be undertaken across the health boards to prioritise clinic audit training. Investment in the clinical audit team is required to deliver training and support clinical audit across the health board, as illustrated in the business plan.	April 2022	Head of patient Safety and Quality Assurance/Senior Clinical Audit Coordinator.

Matter Arising 6: Lack of clarity of Local Clinical Audit Plans (Tiers 2 & 3) (Operational Control)	Impact
The Health Board's approved Clinical Audit Plan details all tier 1 national audits and tier 2 local audits, by Directorate within each Clinical Board. On a sample basis, we requested the local clinical audit plans from the Surgery and Mental Health Clinical Boards, we noted the following: • Surgery Clinical Board – We were advised that there is no separate Audit Plan for the Clinical Board, as it forms part of the overall Health Board Clinical Audit Plan. • Mental Health Clinical Board - We were provided with the Mental Health Clinical Board Audit and Quality Improvement plan, which includes all national and local clinical audits, but we were unable to trace the tier 2 audits recorded to the Health Boards Clinical Audit Plan. In addition, we were unable to verify the audits recorded with the Clinical Audit Team. We were advised that the Clinical Audit Team has limited resource capacity to support Clinical Boards to develop their plans. There is also a lack of visibility of the plans, given the tools available to support Clinical Boards.	Potential risk of: • Clinical issues materialise if risks are not identified due to monitoring and governance arrangements not being in place

Recommendation 6	Priority
In conjunction with recommendation 2, the Clinical Audit Policy and underpinning procedure should detail the process for Clinical Boards to produce local Clinical Audit Plans. All Clinical Audit Plans should be made available to the Clinical Audit Team so that they are sighted on all local clinical audits that are being undertaken.	**Medium**

Agreed Management Action 6	Target Date	Responsible Officer
The development of the Clinical Audit policy, strategy and purchase of AMaT will transform the way in which tier 2 local audits are registered and monitored and will allow centralisation of clinical audit plans and reports, improving accessibility and ownership to clinicians for their audits and improvement plans and for Clinical board to have ability to track progress. The Clinical Audit Policy and Strategy will detail roles and responsibilities with a clearly defined process for staff to follow and refer to. Training will be provided and aligned with the policy and strategy for clinical audit. Completion of this action is dependent on the timing and level of investment in response to the business case.	April 2022	Head of Patient Safety and Quality Assurance

Matter Arising 7: Inadequate registration and oversight of Clinical Audits (Tiers 2 & 3) (Operational Control)	Impact
The Clinical Audit Team has a standalone 'Clinical Audit Project Proposal Form', which is required in advance of audit commencement. However, the mandate for completion is not directed by Health Board approved procedures. As previously reported, the Head of Patient Safety and Quality Assurance produced a SBAR titled 'Summary of current position of Cardiff and Vale Quality Assurance Function' and it was identified that, *"Clinical audits are frequently not registered by clinicians, which is contrary to the health board governance arrangements for clinical audits."* For our sampled areas, we were unable to triangulate project proposal forms for tier 2 and 3 audits, to local audit plans and audits registered with the Clinical Audit Team, due to absent or incomplete local clinical audit plans. We were advised that engagement between the Clinical Audit Team and clinicians is starting to improve.	Potential risk of: • Clinical issues materialise if risks are not identified due to monitoring and governance arrangements not being in place

Recommendation 7	Priority
In conjunction with recommendation 2, the mandate to complete a 'Clinical Audit Project Proposal Form' for all tier 2 and 3 audits, which are to be forwarded to the Clinical Audit Team, should be directed by Clinical Audit Policy and Procedures.	**Medium**

Agreed Management Action 7	Target Date	Responsible Officer
The development of the Clinical Audit policy and strategy will include mandated guidance for the proposal, authorisation and registration of Tier 2 and 3 clinical audits aligned with the Health Board information Governance arrangements This action is dependent of the timing and level of investment in response to the business case.	April 2022	Head of Patient Safety and Quality Assurance

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Matter Arising 8: Limited scrutiny of Local Clinical Audits (Tier 2 & 3) (Operational Control)	Impact
The Health Board has been revising and reshaping the governance arrangements which support the Quality, Safety and Experience Committee. The Clinical Effectiveness Committee was established in December 2020 with an agreed terms of reference. Clinical Audit falls within the remit of the Committee and the following is noted by way of responsibility, *"monitor the implementation of the clinical audit programme for the Health Board"*. We observed a meeting of the Clinical Effectiveness Committee and we reviewed documentation, we were able to note the challenge and support offered to clinicians for national audits. We note the infancy of the Committee and the time needed to embed arrangements, but we note the capacity of the committee, and the limitation to reach local audits. We were advised that a review group is to be established, which will monitor the local audits. The requirement to service further groups will require resource, as outlined in the proposed business case. We reviewed a sample of Clinical Board, Quality, Safety and Experience Committee minutes that had been presented to the Quality, Safety and Experience Committee (Board sub-committee), to verify whether Clinical Audit Plans were being discussed. We found inconsistencies, in that there was some reference, but it was not a regular agenda item for all and in some instances the plans were not being discussed at all.	Potential risk of: • Clinical issues materialise if risks are not identified due to monitoring and governance arrangements not being in place
Recommendations 8	**Priority**
The governance arrangements to challenge and support local clinical audits requires clarity and to become embedded within the revised quality, safety and experience governance arrangements, to ensure the following: • There is effective oversight of local clinical audit plans and their delivery; • Local Clinical Audits are being reported upon and monitored, to ensure performance is being measured and action taken to implement change where needed, which is sustainable.	**Medium**

Agreed Management Action 8	Target Date	Responsible Officer
The development of the Clinical Audit policy, strategy and purchase of AMaT will transform the way in which tier 2 local audits are registered and monitored, including implementation of any necessary improvements. The Clinical audit policy and strategy will include a clearly defined process for clinicians and clinical boards in relation to governance arrangements for the delivery and quality monitoring of clinical audit activity.	April 2022	Head of Patient Safety and Quality Assurance

Matter Arising 9: Risk Management and the revised governance arrangements to support the Quality, Safety and Experience Committee　(Operational Control)	Impact
We observed the following good practice within another Health Board, that Clinical Audit risks are considered via a risk register, within the comparable Clinical Effectiveness Committee, examples of the risk items presented include: • The outcomes of clinical audits where the Health Board is an outlier in comparison to other health organisations; • The barriers to completing a planned audit; and • The limited progress to take forward improvement actions. We note that risk management is not currently built into the Clinical Effectiveness Committee's terms of reference.	Potential risk of: • Clinical issues materialise if risks are not identified due to monitoring and governance arrangements not being in place

Recommendation 9	Priority
Whilst the remit of the Clinical Effectiveness Committee is developing and embedding, consideration should be given to the good practice sighted in another Health Board, and the potential remit of the Committee to consider pertinent risks that they have the ability to challenge and support.	**Low**

Agreed Management Action 9	Target Date	Responsible Officer
Outlier status is a standard item on the Clinical Effectiveness Committee meeting agenda, outliers would remain on the agenda and actions updated until issues resolved. Clinical Leads and/or clinical boards are invited to attend CEC to discuss risks when identified, including any improvement plans and obstacles in place Implementation of a risk register has been added to the agenda for October Clinical Effectiveness Committee Meeting for consideration.	October 2021	Head of Patient Safety and Quality Assurance

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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.

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Five Steps to Safer Surgery

Final Internal Audit Report

October 2021

Cardiff & Vale University Health Board

NWSSP Audit and Assurance Services

Contents

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	Wendy Wright, Deputy Head of Internal Audit
Executive sign off:	Stuart Walker, Interim Chief Executive
	Meriel Jenney, Interim Executive Medical Director
Distribution:	Clare Wade, Director of Nursing, Surgery Clinical Board
	Jon Barada, Interim Lead Nurse, Perioperative Care
Committee:	Audit and Assurance 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.

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This audit report has been prepared for internal use only. Audit & Assurance Services reports are prepared, in accordance with the agreed terms of reference / audit brief, and the Audit Charter as approved by the Audit and Assurance Committee.

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Executive Summary

Purpose

The overall objective of the review was to evaluate and determine the adequacy of the systems and controls in place within the Health Board in relation to Five Steps to Safer Surgery, to provide assurance to the Health Board's Audit Committee that risks material to the achievement of the system's objectives are managed appropriately.

Overview

Our overall assurance rating reflects the enhancements that are required to the Health Board's systems and processes to ensure that the Five Steps to Safer Surgery is complied with, and that compliance can be evidenced.

The key areas to be addressed relate to:

- The Health Board has no mechanisms in place to record two out of the Five Steps to Safer Surgery: specially step one – briefing, and step five - debriefing.

- For the remaining steps (two through to four) our retrospective patient file review identified that 32% of our sample had not been completed or fully completed.

Report Classification

Limited	More significant matters require management attention. **Moderate impact** on residual risk exposure until resolved.

Assurance summary[1]

Assurance objectives	Assurance
1 Effective governance arrangements of Five Steps to Safer Surgery	Reasonable
2 Systems and processes to support Five Steps to Safer Surgery	Limited
3 Monitoring and reporting processes of Five Steps to Safer Surgery	Limited

Key Matters Arising

		Assurance objective	Control Design or Operation	Recommendation Priority
1	Lack of evidence to demonstrate compliance with Five Steps to Safer Surgery	3	Design	High
2	Incomplete patient files to evidence Five Steps to Safer Surgery (Steps 2, 3 & 4)	2	Operating	High
3	Observations from Theatre Visits	2	Operating	Medium
4	Culture towards 'Five Steps to Safer Surgery'	1	Operation	Medium
5	Procedures require update to support Five Steps to Safer Surgery	1	Design	Medium
6	Risk assessment to be finalised	3	Operation	Medium

[1] The objectives and associated assurance ratings are not necessarily given equal weighting when formulation the overall audit opinion

Introduction

1.1 The review of 'Five Steps to Safer Surgery' was completed in line with the Cardiff and Vale University Health Board's ('*The Health Board*') 2021/22 Internal Audit Plan and at the request of the Executive Medical Director.

1.2 The National Patient Safety Agency (NPSA) launched an adaptation of the 2008 World Health Organisation surgical safety checklist (*Safer Surgery Checklist*) in January 2009. Simultaneously, a Patient Safety Alert was issued to all NHS organisations in Wales promoting the use of the checklist for every patient undergoing a surgical procedure. Additionally, this had to be documented in the patient's notes (or electronic record). This original checklist had three specified points: 1) Sign-in; 2) Timeout (before the start of surgical intervention); and 3) Sign-out (before any member of team leaves the operating theatre).

1.3 Feedback from the implementation identified that briefing and debriefing was an important part of reducing harm. The three-point checklist was converted to the *Five Steps to Safer Surgery* and was introduced in the 'How to Guide' produced by the NPSA in December 2010:

Step One	Briefing
Step Two	Sign-in
Step Three	Time-out
Step Four	Sign-out
Step Five	Debriefing

1.4 Supplementing the above checklists is the National Safety Standards for invasive procedures (NatSSIPs). These are intended to provide a skeleton for the production of Local Safety Standards for Invasive Procedures (LocSSIPs). The NatSSIPs do not replace the WHO Safer Surgery Checklist. Rather, they build on it and extend it to more patients undergoing care in hospital.

1.5 The effective implementation of the above checklist will be a key component in ensuring patient safety and a consistently high level of service throughout the surgical experience.

Audit Risks

1.6 The potential risks considered in this review are as follows:

- Patient harm due to non-compliance with the checklist;

- A lack of clinical ownership of the checklist results in a culture of non-compliance amongst surgical teams;

- Reputational and potential financial loss to the Health Board due to patient harm caused by ineffective us of the checklist; and

- Monitoring and reporting processes fail to address non-compliance.

1. Detailed Audit Findings

Objective 1: Effective governance arrangements are in place which ensure the implementation of the Five Steps to Safer Surgery including appropriate procedures.

2.1 The NatSSIPs has been adopted by the Health Board and a GAP analysis has been maintained to assess compliance.

2.2 The Peri-Operative Care Directorate has a "*Procedure for Team Briefings and the application of the World Health Organisation (WHO) Surgical Safety Checklist"* that was last reviewed and revised in September 2019

2.3 The Peri-Operative Care Directorate has two main forums, the Governance Meeting and Quality and Safety Meeting, where items such as procedures or internal reviews of compliance to aspects of the Five Steps to Safer Surgery are discussed.

The following matters arising were noted:

2.4 Through conversations with staff, it became apparent that there were cultural differences on how the Five Steps to Safer Surgery was being managed within the theatres *(Matter Arising 4 - Medium Priority)*.

2.5 The 'Procedure for Team Briefings and the application of the World Health Organisation (WHO) Surgical Safety Checklist' (UHB Reference 58 v4), does not explicitly mention 'Step Five – Debriefing' nor was there reference to ways employees can raise concerns surrounding the application of Five Steps to Safer Surgery *(Matter Arising 5 – Medium Priority)*.

Conclusion 1: An increased focus is needed on engaging with staff at all levels within the theatre setting; surrounding Five Steps to Safer Surgery and the benefits this has for the patient. (Reasonable Assurance)

Objective 2: Systems and processes are in place at an operational level, on a day-to-day basis which ensure that all stages within the Five Steps to Safer Surgery are being undertaken throughout the Health Board.

2.6 We observed 'Step One – Briefing' of the Five Steps to Safer Surgery on two occasions: One at the University Hospital Llandough (UHL) and one at the University Hospital of Wales (UHW). On both occasions there was excellent engagement from all staff especially between the surgeon and anaesthetist.

2.7 During the nine operations that we observed across UHL and UHW, Step Two – Sign in, Step Three – Timeout, and Step Four – Sign Out were undertaken on all occasions, to varying degrees. However we noted that these were not always completed in full.

The following matters arising were noted:

2.8 From our visits to both UHW and UHL, we identified weaknesses and inconsistencies in the application of Five Steps to Safer Surgery, particularly Step Four – Sign out, and we were unable to witness Step Five – Debriefing taking place *(Matter Arising 3 – Medium Priority)*.

2.9 From our retrospective file reviews of the Five Steps to Safer Surgery, we identified multiple gaps in patient records (paper based files) of the recording of Step Two –

Sign-in, Step Three – Time-out, and Step Four – Sign-out *(Matter Arising 2 – High Priority).*

Conclusion 2: Our review has highlighted aspects of the Five Steps to Safer Surgery that were effectively undertaken with clear staff engagement, specifically Step One - Briefing. However, there were inconsistencies noted in the application of the Safer Surgery Checklist during operations. Also, our retrospective patient file review has identified areas of concern surrounding the lack of information available to evidence completion of the Five Steps to Safer Surgery. (Limited Assurance)

Objective 3: Monitoring and reporting processes are in place which provide adequate and timely assurance that the Five Steps to Safer Surgery are being utilised effectively and on a consistent basis throughout the Health Board.

3.1   Retrospective safer surgery checklist reviews are undertaken across the Peri-Operative Care Directorate throughout the year, as part of the rolling audit schedule.

3.2   Monitoring processes are in place within the directorate via two established forums: Directorate Governance and Directorate Quality and Safety.

3.3   Escalation of issues is to the Surgery Clinical Board's Quality and Safety Committee and we have noted discussions around the Five Steps to Safer Surgery at this committee.

The following matters arising were noted:

3.4   The theatre management system operating within the Health Board (Theatreman) has limitations regarding Five Steps to Safer Surgery. We were informed that two of the Five Steps to Safer Surgery are not documented (Step One – Briefing, and Step Five – Debriefing), and of the remaining three, there is a reliance on the detail of patient records, which are paper files. Theatreman does allow for a tick box to identify if the safer surgery checklist has been undertaken, although, no performance reports surrounding this are utilised *(Matter Arising 1 – High Priority).*

3.6   We identified that no risk assessment surrounding Five Steps to Safer Surgery had been undertaken prior to the commencement of this review. Consequently, the Peri-Operative Care Directorate risk register did not have a risk noted around the safer surgery checklist. We note a risk assessment has now been undertaken *(Matter Arising 6 – Medium Priority).*

3.5   Thematic issues regarding Five Steps to Safer Surgery have been identified by the Peri-Operative Care Directorate.   Given the recent revisions to Quality and Safety governance arrangements, opportunities should be considered to raise the profile outside of the Surgery Clinical Board *(Matter Arising 7 – Low Priority).*

Conclusion 3: Management review compliance to the Five Steps to Safer Surgery on an ongoing basis and escalation processes are in place at a Directorate and Clinical Board level. Theatreman does not effectively facilitate the completion of Five Steps to Safer Surgery, and this is a known issue by management. Management are also hampered by the system, due to no further development requests being taken forward, although alternative remedies are being considered. Given the current position, that two of the five steps are not documented, our means of providing assurance is limited. Neither were we able to take assurance from the risk management arrangements, although this was taken forward through the course of the review. (Limited Assurance)

Appendix A: Management Action Plan

Matter Arising 1 – Lack of evidence to demonstrate compliance with Five Steps to Safer Surgery (Control design)	Impact
We were informed that the following steps of Five Steps to Safer Surgery are not formally documented: • Step One - Briefing; and • Step Five - Debriefing. We note that three of the five steps are documented in paper based patient files, within a Theatre Care Plan: • Step Two – Sign in; • Step Three – Time out; and • Step Four – Sign out. 'Theatreman' is the theatre management system operating within the Health Board and is designed around the needs of theatre and day surgery. The system does allow for a box to be ticked on individual patient records to confirm whether steps two through to four are complete, but we note that there are no system reports generated to monitor completion. There is no availability within the system (at present) that would allow Steps One and Five to be recorded. We have been informed that Theatreman is currently being re-launched and developed into a system called Aqua (timescales is 24 months), no further development requests are being considered. However, management have informed us that there may be an opportunity to redesign the system based on formats being utilised by other NHS organisations and this was being explored at the time of the audit.	Monitoring and reporting processes fail to address non-compliance.
Recommendation 1	**Priority**
Mechanisms need to be established that enable the Health Board to record Step One (Briefing) and Step Five (Debriefing) of Five Steps to Safer Surgery. Whilst considering options, attention should be given to the ability to report on quantitative data from Theatreman to identify areas of concern with steps two through to four.	**High**

Agreed Management Action 1	Target date	Responsible Officer
The Perioperative Care Directorate has worked in collaboration with Trisoft (The Manufacturer of TheatreMan, our Theatre Operating system within Cardiff & Vale UHB) to develop a mechanism for recording all 5 stages of the '5 Steps to Safer Surgery' electronically. This development will allow for quantitative data collection. All stages of the '5 Steps to Safer Surgery' will be compulsory.	March 2022	Karen Davies (IT Service Manager)
Prior to full implementation, the Theatre Informatics Team will need to undertake a period of testing to confirm that the correct pathways are active. The Perioperative Care Directorate will also need to ensure staff are aware of the change in process and provide any necessary training.	March 2022	Jon Barada (Interim Lead Nurse)

Matter Arising 2 – Incomplete patient files to evidence Five Steps to Safer Surgery (Steps two, three & four) (Operating effectiveness)	Impact
We undertook a retrospective review of 28 patients' files to verify if steps two, three and four of the Five Steps to Safer Surgery had been documented, which are the steps specific to the individual patient record. Our sample covered 18 patients from week commencing 28th June 2021 and 10 from week commencing 16th August 2021. We identified the following: • On one file the entire checklist was not completed (steps two, three and four). • On two files the sign-in (step two) element was not completed. • On two files the sign-out (step four) element was not completed. • On two further files, elements of both the sign-in (step two) and time out (step-three) sections were not completed. • On one file the care plan where the checklist sits was not available. • On one file there was no sticker confirming everyone was happy to proceed with surgery. In summary, a total of nine files were not fully completed, which equates to a 32% error rate.	A lack of clinical ownership of the checklist results in a culture of non-compliance amongst surgical teams.

With reference to Matter Arising 7 below, the Peri-Operative Care directorate undertake spot checks of the safer surgery checklist, which has identified concerns, particularly with Step Four – Sign-out.		
Recommendation 2	**Priority**	
Staff should be reminded of the importance for accurately completing the safer surgery checklist and if gaps are noted, these should be escalated and resolved appropriately.	**High**	
Agreed Management Action 2	**Target date**	**Responsible Officer**
In line with Agreed Management Action 1, The Perioperative Care Directorate aim to record all 5 stages of the 5 stages of the '5 Steps to Safer Surgery' electronically. This will eliminate duplication of information and all stages of the '5 Steps to Safer Surgery' will be mandatory fields within TheatreMan. If a stage of the '5 Steps to Safer Surgery' is not completed staff will have to explain the reason why. Non-compliance reports can be generated and addressed with individuals involved.	March 2022	Karen Davies (IT Service Manager)
The Perioperative Care Standard Operating Procedure (SOP) for 'Team Briefings and the application of the World Health Organisation (WHO) Surgical Safety Checklist' has been updated to provide guidance on how to escalate areas of non-compliance, this document will be agreed at the next Perioperative Care Policy Meeting and then Surgery Clinical Board for ratification.	November 2021	Jon Barada (Interim Lead Nurse)
To improve the non-compliance culture associated with the '5 Steps to Safer Surgery' the Senior Team within Surgery Clinical Board have engaged with the Patient Safety Team and Natssips lead for the PST with the view of securing senior support from the Executive Team within Cardiff & Vale UHB challenge the non-compliance culture associated with the '5 Steps to Safer Surgery'	March 2022	Clare Wade (Director of Nursing) & Alun Tomkinson (Clinical Director)

Matter Arising 3 – Observations from Theatre Visits (Operating effectiveness)	Impact
To ascertain the application of the 'Five Steps to Safer Surgery', we reviewed nine procedures within four theatres, within both UHL (green and amber zones) and UHW Protective Elective Surgery Unit (PESU). We identified the following: • On the three occasions where we viewed the last procedure on the days list; no debriefing took place following this procedure (Step Five - Debriefing). • There were varying levels of engagement when the sign out was being undertaken, for example, on one occasion the reconciliation of instruments was still being undertaken (Step Four – Sign out). • Inconsistencies were also noted on when the sign out was being undertaken, for instance, within UHL this was undertaken prior to extubating, however, within UHW this was undertaken post extubating. On all occasions the sign out was undertaken while the patient was still in theatre (Step Four – Sign out). • The COVID status of the patient was only mentioned in two out of the nine procedures viewed. This check was not part of the safer surgery checklist currently in operation but is part of the updated checklist that is making its way through the Health Boards approval process.	A lack of clinical ownership of the checklist results in a culture of non-compliance amongst surgical teams.

Recommendation 3	Priority
In conjunction with Recommendation 5, management should ensure that the processes within the 'Procedure for Team Briefings and the application of the World Health Organisation (WHO) Surgical Safety Checklist' (UHB Reference 58 v4), are effectively embedded within the Health Board and fully complied with for all surgical procedures.	Medium

Agreed Management Action 3	Target date	Responsible Officer
The Perioperative Care Standard Operating Procedure (SOP) for 'Team Briefings and the application of the World Health Organisation (WHO) Surgical Safety Checklist' has been updated to provide guidance on how to escalate areas of non-compliance, this document will be agreed at the next Perioperative Care Policy Meeting and then Surgery Clinical Board for ratification.	November 2021	Jon Barada (Interim Lead Nurse)

Matter Arising 4 - Culture towards 'Five Steps to Safer Surgery' (Operating effectiveness)	Impact
Whilst visiting both UHL and UHW we spoke with a wide variety of staff including, theatre assistants, student nurses, scrub nurses, surgeons, and anaesthetists. We gauged their views on the Five Steps to Safer Surgery process, there were wide ranging comments that included: • *'We see the checks as positive for patient safety'*; • *'Sometimes difficult to engage with medical staff surrounding the checks'*; • *'Unsure who is responsible for the checklist'*; • *'Unsure when the sign out should be undertaken'*; and • *'The checklist does not allow for any written comments to demonstrate any issues identified'*. Staff were also not sure if they should raise any concerns around non-compliance with the checks. We note that the Patient Safety Team has recently sent out a questionnaire surrounding the safer surgery checklist; and this should help inform any further cultural issues associated with the checklist from a wider range of staff.	Patient harm due to non-compliance with the checklist.

Recommendation 4	Priority	
Staff should be further educated around the value of the Five Steps to Safer Surgery and reminded of the requirement to actively engage in the process.	**Medium**	

Agreed Management Action 4	Target date	Responsible Officer
To improve the non-compliance culture associated with the '5 Steps to Safer Surgery' the Senior Team within Surgery Clinical Board have engaged with the Patient Safety Team with the view of securing senior support from the Executive Team within Cardiff & Vale UHB challenge the non-compliance culture associated with the '5 Steps to Safer Surgery'	March 2022	Clare Wade (Director of Nursing) & Alun Tomkinson (Clinical Director)

The Perioperative Care Directorate has undertaken a benchmarking exercise to understand how other Health Boards educate new staff and reinforce the value of the Five Steps to Safer Surgery amongst existing staff members. The Benchmarking exercise highlighted how other Health Boards have developed a training video which is shared at induction. The Perioperative Care Directorate would like to develop a training video to educate new and existing staff members about the application and importance of the '5 Steps to Safer Surgery'. To maximise the effectiveness of the video Senior Leaders within the UHB will be invited to participate.	March 2022	Jon Barada (Interim Lead Nurse)

Matter Arising 5 – Procedures require update to support Five Steps to Safer Surgery (Operating effectiveness)	Impact
The Peri-Operative Care Directorate has a '*Procedure for Team Briefings and the application of the World Health Organisation (WHO) Surgical Safety Checklist*' (UHB Reference 58 v4), that was last reviewed and revised in September 2019 by the Directorate Governance Group. The procedure is due to be revised, following internal review of the checklist, which was in progress at the time of the audit. We were informed that once complete, the procedure will be presented to the Clinical Effectiveness Committee for approval (during 2021). However, we note that the current procedure does not make any reference to 'Step 5 Debriefing' of the Five Steps to Safer Surgery and the benefits that arise from this. There is also no reference to ways in which employees can raise concerns if the checks are not undertaken.	Patient harm due to non-compliance with the checklist.

Recommendation 5	Priority
As part of the scheduled review in 2021 of the 'Procedure for Team Briefings and the application of the World Health Organisation (WHO) Surgical Safety Checklist' (UHB Reference 58 v4), the following should be included: • Step Five – Debriefing, of the Five Steps to Safer Surgery; and • Clarification of the process for employees to highlight non-compliance or concerns with Five Steps to Safer Surgery.	**Medium**

Agreed Management Action 5	Target date	Responsible Officer
The Perioperative Care Standard Operating Procedure (SOP) for 'Team Briefings and the application of the World Health Organisation (WHO) Surgical Safety Checklist' has been updated to provide guidance on how to escalate areas of non-compliance, this document will be agreed at the next Perioperative Care Policy Meeting.	November 2021	Jon Barada (Interim Lead Nurse)

Matter Arising 6 - Risk assessment to be finalised (Operating effectiveness)	Impact
As stated in Matter Arising 7 below, the Peri-operative care directorate have identified recurring issues with compliance to the Five Steps to Safter Surgery as part of their cyclical spot checks. We reviewed the directorate risk register to identify if these concerns had been captured and what mitigating actions are in place. We found at the time of audit fieldwork no risk assessment had been undertaken and subsequently no entry was recorded on the risk register. Following discussions with management a risk assessment had been undertaken, however, this still requires review and to be incorporated within the Clinical Boards risk management arrangements.	Monitoring and reporting processes fail to address non-compliance.

Recommendation 6	Priority
Risk surrounding Five Steps to Safer Surgery need to be incorporated within the Directorate / Clinical Boards risk management processes.	Medium

Agreed Management Action 6	Target date	Responsible Officer
A risk assessment for 'Word Health Organisation (WHO) Safety checklist' has been completed (22/07/2021). This will be updated to reflect the recommendations of this Audit and will be shared with the Directorate and Surgery Clinical Board.	November 2021	Jon Barada (Interim Lead Nurse)

Matter Arising 7 – Visibility of themed issues associated with Five Steps to Safer Surgery (Operating effectiveness)	Impact
The Peri-Operative Care directorate undertake safer surgery checklist spot checks on a retrospective basis, monthly. This occurs on a cyclical basis that ensures all theatres have been reviewed within the year. However, these reviews only account for a small proportion of activity. Following these spot checks, the results are shared with relevant staff and action plans are produced and monitored via the Directorate Quality and Safety Forum. Recurring themes have been identified during these spot checks with the majority of concerns around 'Step Four - Sign out'. Whilst we acknowledge that this issue has been discussed at the Surgery Clinical Board's Quality and Safety Committee, there may be benefit in raising the visibility of thematic issues outside of the Clinical Board, and the timely revision of Quality and Safety governance arrangements may provide opportunity to raise the profile.	Monitoring and reporting processes fail to address non-compliance.

Recommendation 7	Priority
Consideration should be given to the opportunities available to raise the profile of thematic issues of Five Steps to Safer Surgery outside of the Clinical Board, through the Health Board's revised Quality and Safety governance arrangements and to raise the profile of the work undertaken by the Peri-Operative Care Directorate to address common themes.	Low

Agreed Management Action 7	Target date	Responsible Officer
The Perioperative Care Directorate has undertaken a benchmarking exercise to understand how other Health Boards educate new staff and reinforce the value of the Five Steps to Safer Surgery amongst existing staff members. The Benchmarking exercise highlighted how other Health Boards have developed a training video which is shared at induction. The Perioperative Care Directorate would like to Develop a Training video to educate new and existing staff members about the application and importance of the '5 Steps to Safer Surgery'. To maximise the effectiveness of the video Senior Leaders within the UHB will be invited to	March 2022	Jon Barada (Interim Lead Nurse)

participate.		
A risk assessment for 'Word Health Organisation (WHO) Safety checklist' has been completed (22/07/2021). This will be updated to reflect the recommendations of this Audit and will be shared with the Directorate and Surgery Clinical Board.	November 2021	Jon Barada (Interim Lead Nurse)

Saunders Nathan
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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.

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